

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

**ANNUAL REPORT AND ACCOUNTS**

**For Year ended 31 March 2022**

# Annual Report and Accounts

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## **ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2022**

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

- **Performance Report – Overview and Performance Analysis**
- **Accountability Report**
- **Financial Statements**

### **OVERVIEW**

#### **Chair Foreword**

This year was the second year of our NHS dealing with the COVID pandemic and all of the associated health and social care challenges. NHS Golden Jubilee continues to play a unique and valued role within NHS Scotland, collaborating with NHS Boards across the country to deliver high quality healthcare to our national population.

We have continued on the theme of supporting NHS Scotland throughout the pandemic response and recovery, reinforcing our position as the original National Treatment Centre by continuing to help patients waiting for orthopaedic, cataract, general surgery and diagnostic imaging. We also delivered new service models to support cancer care and as well developing our existing heart and lung services to provide safe and effective care in challenging times.

Our phase 2 expansion, known as the Golden Jubilee Surgical Centre, is well underway. Part of the National Treatment Centres Programme, this new building extension will provide extra orthopaedic, general surgery and endoscopy services and is scheduled to open in 2023.

This year has also seen the good progress of our recent additions to NHS Golden Jubilee portfolio – the Centre for Sustainable Delivery (CfSD) and the NHS Scotland Academy. These exciting developments have already started to support NHS Scotland to deliver innovation and best practice to enable a sustainable health and care system for the future.

Similar to last year, resilience and flexibility have been a key feature during 2021/2022. As we move further into the pandemic recovery, we will continue to adapt and focus on providing high quality healthcare to our national population.

Everything we do is made possible by our outstanding staff. We increased our workforce by 10% during the pandemic period, opening extra wards to support treating as many patients as we could.

Team Jubilee's level of commitment, care and compassion for our patients, their families, and indeed for one another, is extraordinary. We are doing all that we can to support their health and wellbeing to enable this great work to continue.

## **Statement from the Chief Executive**

Our commitment to delivering care through collaboration has never been more evident than during 2021/2022.

Our remobilisation plans outlined a continued commitment to address the national healthcare challenges that lie ahead. NHS Golden Jubilee has rapidly adapted to the changing requirements of NHS Scotland, designing and delivering new services as well as investing in existing services to provide additional support across NHS Scotland. This meant we were able to deliver over 83,800 procedures for patients across Scotland in areas including Cancer, Cardiac, Diagnostics, Orthopaedic and Ophthalmology services.

Although focused on treating as many patients as possible, the organisation has continued to innovate through increasing our use of robotic surgery in orthopaedics, lung and colorectal surgery. Our multi-disciplinary Orthopaedic team introduced a new hip replacement service, building on our very successful enhanced recovery programme, which saw a patient discharged just 11 hours after surgery.

NHS Golden Jubilee was also the first healthcare provider in the world to implement the WelcoMe app: a unique web based application to support patients with disabilities to access our services.

The ability to attract, train and develop people into the Health and Social Care workforce to support patient demand is a key priority of the NHS Scotland Academy, our joint national venture with NHS Education for Scotland.

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

To ensure we continue to have a workforce that is fit for the future, this will include attracting people from different sectors and backgrounds into the workforce who may not have considered a career in the NHS prior to the COVID pandemic. Next year will see work progress in both the NHS Scotland Youth Academy and with military veterans and leavers.

Our national Centre for Sustainable Delivery has successfully started (and continued) to implement a number of innovative, life changing programmes of work. In the last year we have introduced 3 Early Cancer Diagnostic Centre pilots in NHS Ayrshire & Arran, NHS Fife and NHS Dumfries & Galloway. We have also started the roll out of the Colon Capsule Endoscopy Programme that allows individuals to undergo less invasive diagnostic assessment for colonoscopy, by swallowing a small pill containing a camera.

In 2022, we will be launching the Accelerated National Innovation Adoption (ANIA) Pathway, which will ensure a faster route to develop and deploy technology and redesign initiatives across our NHS in a once for Scotland approach. This will ensure equity and parity of healthcare treatment across Scotland.

There is no doubt NHS Golden Jubilee has financial and operational challenges ahead. As we move in to 2022, our 20<sup>th</sup> year of NHS ownership and collaboration, we are well-positioned and making progress on a number of fronts.

We have a committed workforce and have invested significantly on our site to ensure we continue to provide high quality care, compassion, innovation and ambition to always make the greatest possible contribution to Scotland's health.

### **About NHS Golden Jubilee \***

(\*brand name of NHS National Waiting Times Centre Board)

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

NHS Golden Jubilee has a national portfolio and the Chief Executive is accountable officer for:

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

We work collaboratively with colleagues across the NHS, academia and industry to ensure the continued development of high quality, sustainable, person-centred healthcare.

### **Golden Jubilee University National Hospital**

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

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

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

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

We are also home to Scotland's largest ophthalmology centre and one of the largest planned care orthopaedic centres in Europe.

In addition, our major diagnostic imaging service provides vital scan and scope procedures for patients across a range of specialties.

From 2020, to support the NHSScotland recovery, we expanded our services to treat the most urgent heart, lung and cancer patients.

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

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

In 2020, we completed phase one of our expansion, with the official opening of our new state-of-the-art Eye Centre – the most accessible healthcare facility in the UK. With the ability to carry out more than 18,000 cataract procedures every year, the facility includes six purpose-built twin theatres as well as integrated outpatient and diagnostic facilities.

Work continues on phase two, which will be completed in Summer 2023, and will include:

- Additional general surgery, orthopaedic and endoscopy facilities
- New surgical admissions and recovery unit
- New Central Sterile Processing Department
- New day case / day surgery admission unit
- Additional Post Anaesthetic Care Unit (PACU) spaces
- Extra outpatient and pre-operative assessment area and diagnostic space
- A large theatre recovery facility for our patients.

### **NHS Scotland Academy**

Officially launched in October 2021, the NHS Scotland Academy (NHSS Academy) is an ambitious joint venture between NHS Education for Scotland (NES) and NHS Golden Jubilee (NHS GJ). It will support the transformation and sustainability of the health and social care workforce through the development and delivery of new accelerated learning for key roles.

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

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

The objectives of the NHSS Academy are to:

- Work collaboratively with key partners to identify targeted priorities for developing additional capacity and new capabilities within NHS Scotland.
- Develop a collaborative model of delivery, optimising key strengths from NHSS Academy parent organisations.

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

### Progress of NHS Scotland Academy

We have:

- Prepared a Health and Social Care Programme that equips those new to roles in health and social care and those considering applying with the skills they need to confidently prepare.
- Developed an accelerated workforce programme focused on the National Treatment Centres. The programme is broken down into work streams, including Foundations in Perioperative Practice, Anaesthetic Assistants and Surgical First Assistants (additional 1500 roles)
- Through the National Endoscopy Training Programme, provided Health Care Support Workers with the skills needed to become Endoscopy Assistants, adding valuable capacity to the clinical team.
- Given pharmacists across Scotland the additional skills required to assess, advice and treat patients for a range of minor illnesses and common clinical conditions. The National Clinical Skills for Pharmacists programme helps improve local access, easing pressure on GPs, out of hours services and local emergency departments.
- Helped widen access routes to employment through developing the NHS Scotland Youth Academy and providing opportunities to armed forces service leavers and veterans.

Our NHS Scotland Academy work is at the heart of our ambition to maintain and enhance our status as a local anchor institution. We have a strong focus on health inequalities and local employment in targeting our ambitions and activity. We are also exploring synergies with the Wood Foundation and the Princes Trust with the aim of increasing awareness of interesting and diverse career pathways in health and social care.

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

The national Centre for Sustainable Delivery (CfSD) will play a vital role in supporting our national efforts to recover and remobilise towards a better health care system. Building on the significant progress and developments which have already been

achieved through redesign and transformation, CfSD will also support the rapid rollout of new techniques, innovation and clinically safe, fast and efficient pathways for Scotland's patients.

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

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

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

### **CfSD Progress**

We have:

- Launched Scotland's first Early Cancer Diagnostic Centres (Ayrshire & Arran, Dumfries & Galloway and Fife). These will provide GPs with an alternative route to urgently refer patients who have non-specific symptoms suspicious of cancer. Centres in will play a key role in delivering earlier diagnosis and improved care, with fast-track diagnostic testing at one appointment, where possible. Currently, around 40% of cancer patients in Scotland are diagnosed by routes other than by an urgent suspicion of cancer (USC) referral.
- Started implementing the Colon Capsule Endoscopy Programme (CCE). By February 2022, it had screened 2,000 patients. The service, also known as ScotCap, allows individuals to undergo less invasive diagnostic assessment for colonoscopy, by swallowing a small pill containing a camera.
- Developed the Accelerated National Innovation Adoption (ANIA) Pathway. This is an exciting new initiative focused on harnessing technological innovation to address complex health challenges and rapidly bring proven innovations into the frontline. Launching in 2022, ANIA will leverage the Scottish Approach to Service Design and use best practice programme management methodologies to facilitate ongoing engagement with clinicians and patients to ensure that the focus is on the right problems and aligns with the right solutions.

### **Golden Jubilee Research Institute**

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

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

Developing and leading research in anaesthesia, orthopaedics, eye care innovation

and interventional cardiology, the Research Institute works collaboratively with academia, third sector organisations and industry to improve the health of the Scottish population and beyond.

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

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

Our Research Institute launched the ground breaking COVID-RV trial, aiming to establish if / what the connection was between COVID-19 and any impact this may have on the heart in ICU patients. This is due to report in 2022.

### **Golden Jubilee Conference Hotel**

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

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

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

Delegates benefit from access to live audio and visual links to surgical theatres and cardiac catheterisation laboratories, patient simulation and a surgical skills laboratory.

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

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

## Risk and good governance

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

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

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

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

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

There is an appetite for operational risk in pursuing innovative ways of delivering

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

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

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

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

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

## PERFORMANCE ANALYSIS

### NHS Golden Jubilee support to NHS Scotland

NHS Golden Jubilee developed its third Remobilisation Plan (RMP) in April 2021. This plan described how NHS Golden Jubilee would sustain, develop and evolve to effectively support NHS Scotland's Recovery. It set out the wide commitment from NHS Golden Jubilee to support the National recovery and enable future sustainability through the work of the:

- Golden Jubilee University National Hospital (including ongoing expansion plans)
- Centre for Sustainable Delivery
- NHS Scotland Academy
- Golden Jubilee Hotel & Conference Centre

Recognising the ongoing uncertainty due to the pandemic, in July 2021 Scottish Government requested that all NHS Boards reflect on progress to date in delivering remobilisation plans, and that they develop updated Remobilisations Plans to the end of March 2022 (RMP4). From financial year 2021/2022 NHS Boards will move from Remobilisation planning to an Annual Delivery Planning approach, recognising the shift in emphasis from pandemic emergency pressures towards steady state medium-term planning.

The Key Objectives for NHS Golden Jubilee during 2021/22 were:

- **Agree Optimal Service & Capacity Plan** - provide optimal performance and productivity through clear planning and agreement within agreed essential services.
- **Sustain & Develop Core Clinical Services** - To sustain existing services in core clinical specialties such as cardiothoracic surgery, interventional cardiology, ophthalmology and orthopaedics developing facilities and teams to optimise outcomes, productivity and care experience.
- **Develop New Essential Services** - As a National Treatment Centre, develop a number of services including general surgery, endoscopy, robotic surgery and highly complex cancer surgery to create new essential capacity to meet the needs of NHS Scotland.
- **Develop Existing Hospital Facilities** - To continue the development of our existing facilities to provide the greatest benefit for NHS Scotland, including increasing the utilisation of all core facilities such as the new six theatre Eye Centre (opened in November 2020), increasing occupancy, and increasing the utilisation of all existing theatres and diagnostic capacity.
- **Continue Phase 2 Expansion** - Anticipated to be completed in summer 2023, with associated internal reconfigurations and developments including the utilisation of area currently occupied by NHS 24.

- **NHS Scotland Academy** - Joint venture with NHS National Education Scotland (NES), launch the NHS Scotland Academy and establish ambitious programme of accelerated training focused on areas of workforce skills development.
- **Hotel & Conference Centre Strategy Refresh** – In response to changing NHS needs and the impact of the pandemic, a new hotel and conference strategic plan will be initiated focussed on a shift in business emphasis prioritising residential / teaching requirements, and wider use for NHS meetings and conferences.
- **Centre for Sustainable Delivery (CfSD)** - Work with Scottish Government to develop the Centre for Sustainable Delivery (CfSD) and submit the first Annual work plan.
- **National Innovation Strategy** – Contribute to the development of the NHS Scotland Innovation Strategy, defining ecosystem, governance framework and ensuring robust links between planning and innovation.

Throughout the pandemic NHS Golden Jubilee has focussed on maintaining a balance between the response to the pandemic and the continued safe provision of essential non-Covid services. NHS Golden Jubilee's overriding priority in setting that balance continues to be the safe delivery of services. Through the support offered to other national and territorial boards, NHS Golden Jubilee has worked collaboratively to prioritise urgent diagnostic and treatment, including cancer in line with the principles of the Framework for Cancer Surgery. The majority of services repatriated from the end of June 2021 however NHS Golden Jubilee was again asked in September 2021 to treat urgent cancer patients.

In response to pressures facing NHS Scotland, NHS Golden Jubilee has changed the mix of services we provide to support NHS Scotland patients with the greatest need, supporting NHS Boards in delivering critical to life heart, lung and cancer diagnosis and treatment.

Over the past year, support has included:

- Access to theatre operating sessions for NHS Grampian with option to increase depending on demand.
- Use of NHS Golden Jubilee Patient Coordination Centre and Clinical Induction from Golden Jubilee staff to work with an Independent Provider Surgical Team to augment capacity in Ophthalmology.
- NHS Golden Jubilee has strengthened General Surgery, and as part of the General Surgery, capacity there was capability added to deliver new colorectal capacity on a permanent basis at 5-6 procedures per day, circa 1000-1250 per annum.
- Expand its robot assisted surgery programme through the proposed progression of a second Intracavity Robotic Assisted Surgery Systems (iRAS) at NHS Golden Jubilee.
- Capacity for cardiac surgery offered to NHS Lothian as required
- Provided CT-guided Ablation service to NHS Greater Glasgow and Clyde
- Creating bed capacity in the West of Scotland, as required by suspending repatriation of cardiology patients after their interventional procedure, enabling them to be discharged home from NHS Golden Jubilee

- Avoiding unnecessary outpatient attendance and admission
- Flexible use of imaging capacity to support national backlog including cardiac imaging

Over the past 18 months, NHS Golden Jubilee has also collaborated with many NHS Boards to support delivery of urgent cancer surgery and priority 2 surgeries. New Standard Operating Procedures (SOPs) for each new service were developed, allowing a rapid response to NHS Board's needs. Governance frameworks for the resumption of each core service were developed and implemented to ensure 'green' Covid light pathways in each specialty.

Support to NHS Boards to accommodate urgent cancers included:

- Urology and Plastics for NHS Lanarkshire
- P2 general surgery for NHS Greater Glasgow and Clyde, and NHS Ayrshire and Arran
- ENT and upper GI for NHS Ayrshire and Arran
- Additional breast surgery for NHS Ayrshire and Arran
- Cancer and urgent colorectal surgery for NHS Grampian and NHS Highland
- Support for urgent revisions and P2 orthopaedic patients, and colorectal for NHS Lanarkshire and NHS Grampian (using the Da Vinci robot).
- Allocation of six days/month staffed capacity to undertake Osteosarcoma procedures for NHS Greater Glasgow and Clyde.

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

LDP Standards		
WHAT WE SAID WE WILL DO	STATUS	WHAT WE HAVE ACHIEVED SO FAR
Staphylococcus Aureus Bacteraemia (SAB), including MRSA infections, to be maintained at less than 11.2 per 100,000 occupied bed days		<ul style="list-style-type: none"> <li>• NHS Golden Jubilee recorded seven instances of SAB during 2021/22. An occurrence of 14.2 per 100,000 occupied bed days. Individual targets were set for NHS Scotland Boards to achieve a 10% reduction on their 2018/19 position. This is a challenging target given NHS Golden Jubilee's existing low SAB rate and high risk patient population.</li> </ul>
Clostridioides Difficile Infections (CDI) to be maintained at less than 1.9 per 100,000 occupied bed days.		<ul style="list-style-type: none"> <li>• NHS Golden Jubilee recorded zero instances of CDI during 2021/22.</li> </ul>
 Achieve a sickness absence rate of below 4%.		<ul style="list-style-type: none"> <li>• The sickness absence rate for 2021/22 was 5.9%. Staff continue to be supported to improve their physical and mental health with access to health and wellbeing services within the workplace.</li> </ul>



At least 95% of patients on a cancer treatment pathway to be treated within 31 days.



90% of patients to receive an initial outpatient appointment within 12 weeks of referral.



90% of patients to be treated within 18 weeks of referral.



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

- 99% of patients on a cancer treatment pathway were treated within 31 days of referral in 2021/22.

- 2,499 (99%) patients referred for a heart and lung procedure received their initial outpatient appointment within 12 weeks

- 1,386 (91%) heart and lung patients were treated within 18 weeks of referral.

- 3,964 (76%) patients referred for a heart and lung procedure received their treatment within 12 weeks. Work is ongoing to increase capacity within our Cardiac Surgery service. The introduction of a fifth Cardiac Catheterisation Lab has increased Cardiology capacity to support the management of demand. Pandemic pressures have meant that patients were prioritised by clinical urgency rather than wait time.

## WORKFORCE

### Highlights

#### Health and Wellbeing

- Overseen by the Health and Wellbeing Group, the NHS Golden Jubilee Health and Wellbeing Strategy is being implemented. This describes the Board's ambition to "be a leader in promoting and maintaining a healthy workplace and provide support for our people which maximises their health and wellbeing".
- Our staff continue to demonstrate real determination to pull together and have shown resilience in dealing with pandemic pressures and uncertainty. The Health and Wellbeing Strategy provides mechanisms to support emotional wellbeing and resilience.
- Workforce challenges have continued throughout 2021/22. NHS Golden Jubilee, alongside other boards, continues to experience challenges in filling medical and nursing vacancies, in particular within the theatre workforce. Ongoing phases of recruitment are being undertaken to manage workforce gaps and an International Recruitment project is underway to augment recruitment from within the UK.
- Responding to local challenges, including workforce attraction and retention, is reflected in the Board's plans for 2022/2023 and beyond.
- Information on sickness absence rates, and reasons for sickness absence, are shared at divisional and departmental level monthly.
- Absences for COVID-19 related reasons resulted in a loss of 1.2% of contracted hours between 1 April 2021 and 31 March 2022.

- Mental Health First Aider training was launched in March 2021, with training sessions attended throughout 2021/2022. Further sessions are scheduled for 2022/2023.
- In October 2021 the Employee Assistance programme was launched. This programme provides a range of counselling services via telephone, online and in person, a medical information telephone hotline, a financial and legal helpline, online portal with access to a range of work related and domestic topics, and line manager support.
- NHS Golden Jubilee vaccination booster programme ran from 30 September 2021 to 23 December 21 with 1,294 doses administered.
- We promote the need for adequate rest and recuperation during and after work, including ensuring that staff take annual leave.
- We have extended the use of agile working, supporting many staff to work remotely and achieve a better work-life balance during the pandemic. It is our intention that agile working becomes “business as usual” for relevant staff groups.
- To support NHS Scotland’s remobilisation additional staff were required and new ways of working implemented. This includes working with other Boards to create networked models of staffing (medical and nursing), rotating into NHS Golden Jubilee to take responsibility for specific theatre lists, direct recruitment to joint surgical posts, and collaborative recruitment of specialist staff.

#### Diversity and Inclusion

- The Diversity and Inclusion Strategy forms an integral part of our aim to promote staff, patient and volunteer health and wellbeing.
- The Equalities Group has been rebranded as the Diversity and Inclusion Group, with Executive Leads representing each of the nine Protected Characteristics to provide visibility from a leadership level.
- NHS Golden Jubilee has embedded processes that enable the collection of equality data regarding the protected characteristics under the Equality Act 2010. Data is analysed annually as part of the Workforce Monitoring Report and used to highlight any equality issues in the recruitment and employment processes.
- Networks, forums and short life working groups have been established for protected groups including disability, race, sexual orientation and trans status and religion and belief.

#### Staff Experience

- The iMatter national staff experience questionnaire provided an opportunity to all staff to have their say. Due to the Covid-19 pandemic iMatter was paused during 2020.
- The NHS Golden Jubilee 2021 response rate was 67%, the same as the last iMatter in 2019.
- Our Employee Engagement Index (EEI) was 72, a decline of five points from the pre-pandemic EEI of 77 in 2019.
- The ‘thermometer’ score for how staff felt about their overall working experience at NHS Golden Jubilee was 6.5, down from 7.4 in 2019. We are working with teams to understand the reasons for this, and to put in place actions to support staff. This is reflected in the 22% increase in the production of iMatter Action Plans within eight weeks compared to 2019.

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

- The **Da Vinci robotic colorectal programme** supports the expansion of minimally invasive surgery, with six surgeons now trained in the use of the robot.
- 47% of all day theatre lists containing a primary or revision arthroplasty were populated with **four joints**.
- The use of criteria led discharge within orthopaedic surgery is ensuring that patients go home when they are fit to do so, this includes a cohort of hip replacement patients on a '**discharge on day of surgery**' pathway.
- The **General Surgery** service was restarted at the end of June 2021.
- **3,166 additional cataract procedures** have been performed through the use of an independent sector provider to utilise NHS Golden Jubilee weekend capacity.
- As part of the **cancer programme** 753 (871 when adjusted for complexity) procedures have been performed at NHS Golden Jubilee to support other Boards.
- **Endoscopy capacity** has been increased with one theatre converted for scope activity and an onsite mobile unit. Almost 6,000 diagnostic endoscopies were performed during 2021/22.

## Heart, Lung and Diagnostics

- 24 **heart transplants** in 2021/22, with excellent results. The outcomes compare favourably with other larger volume centres in the UK. There were two post-transplant deaths during 2021/22.
- 267 procedures were successfully performed with a **Robotic Assisted Thoracic Surgery (RATS)** procedure during 2021/22.
- Our **Trans catheter Aortic Valve Implantation (TAVI)** service is now fully embedded with 1,742 procedures being successfully performed during 2021/22.
- Over **51,000 COVID-19 PCR tests** have been analysed by our labs since the start of the pandemic helping to maintain NHS GJ as a COVID light site.
- To address staffing issues and provide theatre capacity to assist other Boards, cardiac theatres reduced from four to three per day in August 2021. Using additional independent sector support the number of available theatre sessions increased from 15 to 17 a week from mid-March 2022
- The **Cardiac Lead Patient project** has helped to reduce delays to theatres starting with the aim of minimising cancellations to second cases due to theatre overruns.
- Additional nurse and audit facilitator support has been provided to **cardiothoracic ERAS** (Enhanced Recovery After Surgery) to help optimise patients for earlier discharge.
- Patient optimisation has been further enhanced by **Cardiothoracic Prehabilitation programmes** which started in February 2022 with the aim of ensuring patients are in the best physical condition possible prior to surgery
- Installation and full commissioning of the **replacement MRI scanner** was completed with the first patient scanned 28 March 2022.

## NHS Scotland Academy

- The NHS Scotland Academy is a joint venture between NHS Golden Jubilee and National Education for Scotland (NES). The Academy supports the **transformation and sustainability** of the health and social care workforce through the delivery of new, accelerated programmes of learning and development for key roles.
- During 2021/22 key Governance Groups with both parent Boards were established and core funding to allow recruitment of team members secured.
- Established the foundations of the nine Academy projects currently being delivered:
  1. National Clinical Skills for Pharmacists' Programme
  2. National Endoscopy Training Programme
  3. National Treatment Centre Accelerated Workforce Programme Foundations in Perioperative Practice
  4. Faculty Development for faculty delivering NHSSA programmes
  5. Preparation for work in health and social care in Scotland (digital learning programme)
  6. Widening Access Routes: Armed Forces Service Leavers and Veterans
  7. Skills and Simulation Centre at NHSGOLDEN JUBILEE
  8. National Ultrasound Training Programme
  9. Assistant Endoscopy Practitioner Programme

## Golden Jubilee Conference Hotel

- The Golden Jubilee Conference Hotel closed on 20 March 2020 before partially reopening for NHS and Healthcare clients on 23 May 2021, with the Hotel fully reopening on 1 July 2021.
- Since fully reopening, the Hotel has operated to available capacity and continued support for Golden Jubilee University National Hospital.
- During 2021/22 the Hotel's third floor was transformed into a **bio secure zone** to minimise Covid risks and to provide reassurance to guests including pre-surgery patients.
- 53 bedrooms and adjoining corridors were remodelled and upgraded to incorporate **ambient study facilities** for NHS Scotland Academy students.
- The **bedroom modernisation project** proceeded at pace resulting in 109 of the 168 bedroom stock not completed to current AA 4 star standard within budget and on time.
- The Hotel continued to face financial challenges throughout 2021/22, and does not predict financial performance to return to pre-pandemic levels until 2023/24.
- The Hotel has experienced a reduction of 30% in its workforce. Brexit was responsible for 7% of the workforce reduction with a major impact on operations particularly housekeeping. Throughout 2021-22, the Hotel has undergone an intense period of recruitment and development to ensure its workforce is well placed to achieve its targets moving into 2022-23.
- Hotel hosted delegates from several nations and Police Scotland during the **COP26** conference in October and November 2021.
- The Hotel continues to pursue a sustainable agenda holding the **Gold award** for both the UK recognised **Green Tourism** and **IACC's Greenstar global accreditations**. The Hotel currently holds a gold award in **IACC's Better Tomorrow social impact initiative**, which commits to improving our people, our communities and our environment.
- During 2021/22, the key focus of the Hotel's work was providing a **safe and conducive learning environment** for essential clinical and medical training, which remains displaced due to the pandemic.

- The Centre for Sustainable Delivery (CfSD) launched in June 2021, bringing together a range of high impact, national programmes and concurrently developing new capabilities.
- In 2021 there was a focus on establishing the CfSD Team and developing team working processes across the organisation. New leaders are now in post, providing a leadership platform that will ensure linkage with Health Boards to provide continuity with senior Health Board teams.
- CfSD approved its first annual plan in April 2021. This detailed a vision focused on delivering an internationally recognised centre of excellence, promoting and embedding best practice through a 'Once for Scotland' approach, and enabling redesign programmes to support a sustainable health and care system aligned to the priorities of the Scottish Government.
- CfSD is working with National and Territorial Health Boards. The "Heat Map" methodology for delivering programmes has been established to enable joint working focused on mobilising national programmes aligned with local priorities.
- Work has progressed to launch the new NHS Scotland Accelerated National Innovation Adoption (ANIA) Pathway, coordinated by CfSD and delivered the ANIA Collaborative, which contains membership from:
  - Healthcare Improvement Scotland
  - NHS National Services Scotland
  - Scottish Health Industry Partnership
  - NHS National Education Scotland
  - Public Health Scotland
  - Digital Health and Care Directorate from Scottish Government
- Ten innovations have been identified as suitable for ANIA with seven of these progressing through the newly developed screening process.
- A cancer programme is underway which aims to improve early diagnosis, optimise pathways, maximise diagnostic capacity and develop new cancer datasets for NHS Scotland.
- Over 2,400 SCOTCAP diagnostic capsule endoscopy procedures have been undertaken across six Health Boards.
- Cytosponge has been adopted across all mainland Health Boards with over 3,500 procedures undertaken.
- Remote Health Pathways are now live for Asthma, Heart Failure, COPD and Dermatology specialties.
- Multiple service redesign and improvement activities are being implemented through Once for Scotland pathways in a number of services and clinical specialties.
- Pilots for the accelerated development of Enhanced Practitioners in Nurse Endoscopy and Cystoscopy are underway.

## NHS GJ Activity Overview 2021/22

**83,877**  
Procedures  
Performed

**5,960**  
Diagnostic Endoscopies

**4,550**  
Orthopaedic Procedures

**516**  
General/Plastic Surgery Procedures

**871**  
Cancer Procedures

**1,181**  
Thoracic Procedures

**1,142**  
Cardiac Procedures

**6,756**  
Cardiology Procedures

**12,340**  
Cataract Procedures

**50,562**  
Radiology Exams

## **Financial Performance**

### **1. Consolidated Accounts**

The Annual Accounts consolidate the results of the Board, and Board Endowment Funds. The basis of consolidation, explained in note 1 Accounting Policies on page 65, is determined by the extent of control by the Board can effectively exercise over the charity. All Trustees of the Board Endowment funds are members of the Health Board. The Board therefore has majority control and, using the principles stipulated by IFRS 10, must consolidate, in full, the financial results of the Board Endowment Funds in to the main Board accounts.

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

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

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

The charity's overall income for the year was £6,746,998 which represents an increase of £3,903,379 compared with a prior year total of £2,843,619.

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

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

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

Statutory Financial Targets	Limit as set by Scottish Government Health and Social Care Division £000's	Actual Outturn £000's	Variance £000's
Core Revenue Resource Limit	111,305	111,198	107
Non-Core Revenue Resource Limit	7,885	7,885	-
Capital Resource Limit	39,238	39,238	-
Cash Requirement	122,975	122,975	-

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

Memorandum for in year outturn	£000
Reported surplus in 2021/22	107
Funding flexibility: funding banked with/(provided by) Scottish Government	-
Surplus against in year Revenue Resource Limit	107
Percentage	

A one-year financial plan was submitted to Scottish Government by the Board in March 2021. Due to the impact of the Covid-19 pandemic, the Scottish Government paused the three year Annual Operating and Financial Planning processes. Recognising the exceptional nature of 2021/22 and the impact on delivery of financial plans, additional non-repayable funding was provided to support in-year financial balance, remobilisation and recovery across all NHS Boards. The Board received £11.976m in Remobilisation funding, RMP4, for the financial year 2021/22.

#### 4. Property Valuation

All property was revalued by Avison Young (formerly James Barr), independent specialists in property valuation, on the basis of market value, depreciated replacement cost or existing use value as at 31 March 2022. The values were calculated in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS and applied to reflect local market conditions at 31 March 2022.

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

At the year-end £39,238m of capital expenditure was incurred, this is in line with the plan for the year, following authorised allocations agreed with Scottish Government. Further detail on the spend in-year is included below.

<b>Area</b>	<b>Spend to 31 March £000s</b>
Property	4,747
Medical Equipment	5,904
IM&T	1,658
<b>Formula</b>	<b>12,308</b>
Elective Centres	26,930
<b>Total</b>	<b>39,238</b>

## 6. Efficiency Savings

At year-end, efficiency savings delivered were £3.004m against the original 2021/22 financial year target of £4.044m, although this maintained a reduced underperformance of £1.040m at financial year as a direct result of managing the Covid-19 pandemic and additional support and focus on recovery this level of under-achievement was supported via the Covid-19/Recovery and associated funding allocations from within remobilisation plans.

The savings achieved for financial year 2021/22 are split between recurring efficiency savings achieved of £1.127m and non-recurring savings of £1.876m.

The finance team have plans in progress to develop a structured financial improvement group to identify key projects and identify leads and service supports to drive these forward from 2022/23 and beyond with a key component on the improvement in recurring efficiency programmes and opportunities.

## 7. Fraud, Bribery and Corruption

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

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

## 8. Provisions for impairment of receivables

A provision of £156,000 has been provided in year in relation to bad/doubtful debts (prior year £182,000).

## 9. Legal obligations

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

- Clinical & Medical - £2,692,000, (prior year £4,585,000)
- Other – (£45,000), (prior year (£45,000))
- Participation in Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) – £2,186,000 (prior year £2,054,000)
- Total for year – £4,833,000 (prior year £6,594,000)

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

Where no certainty has been attributed to claims these have been accounted for via contingent liabilities, current year £1,088,000 (prior year £440,000).

## **10. Payment Policy**

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

In 2021/22 average credit taken was 13 days (2020/21 – 14 days).

In 2021/22 the Board paid 92.95% by value (2020/21 – 90.29%) and 89.02% by volume within 30 days (2020/21 – 91.01%).

In 2021/22 Board paid 86.5% by value (2020/21 – 76.16%) and 81.86% by volume within 10 days (2020/21 – 84.33%).

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

## **11. Pension Liabilities**

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

## **12. Social Matters**

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

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

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

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

### 13. Sustainability and environmental reporting

The Climate Change (Scotland) Act 2009 originally set out measures adopted by the Scottish Government to reduce emissions in Scotland by at least 80% by 2050. The Climate Change (Emissions Reductions Targets) (Scotland) Act 2019 amended this longer-term target to net-zero by 2045, five years in advance of the rest of the UK. In 2020 'The Climate Change (Scotland) Amendment order came into force to reflect this and now requires NHS Boards to report on their progress in delivering their emissions reduction targets.

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

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

<https://sustainablesotlandnetwork.org/reports>

### Approval

The Accountable Officer authorised the Performance Report for issue on 30 June 2022

**J Gardner**.....*Jann Gardner*.....**Date:** 30 June 2022  
*Chief Executive*

## **ACCOUNTABILITY REPORT**

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

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

## **CORPORATE GOVERNANCE REPORT**

### **Directors Report**

The Directors present their report and the audited financial statements for the year ended 31 March 2022.

### **Date of Issue**

The Accountable Officer authorised these financial statements for issue on 30 June 2022.

### **Naming Convention**

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

### **Appointment of auditors**

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

### **Board Membership**

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

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

The Directors during the period were as follows:

Chair	S Douglas-Scott	
Non-Executive	J Christie-Flight	– Employee Director
	K Kelly	
	M Boyle	
	L Semple	
	S McAllister	
	M Brown	
	R Moore	
	E Cameron	– Left 5 April 2022
	C Blackburn	
Executive Directors	J Gardner	– Chief Executive
	C Neil	– Director of Finance
	AM Cavanagh	– Director of Nursing
	M MacGregor	– Medical Director
	G Adkins	– Director of Quality, Innovation and People
	J Rogers	– Director of Operations

## **THE STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES**

Under the National Health Service (Scotland) Act 1978, the Health Board is required to prepare accounts in accordance with the directions of Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the Health Board as at 31 March 2022 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

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

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

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

## Board members' and senior managers' interests

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

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

J Christie-Flight Lay representative/Branch Secretary – Unite  
Non-executive Director – Scottish Pensions Advisory Board  
Scottish National Party – Member

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

- AM Cavanagh
- J Rogers; and
- G Adkins

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

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

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

There was no remuneration for non-audit work in 2021/22.

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

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

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

### **Personal data related incidents**

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

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

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

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

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

This designation carries with it, responsibility for:

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

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

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

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

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

## **Governance Statement**

### **Responsibility**

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

### **Purpose of Internal Control**

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

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

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

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

### **Governance Framework**

The Board has a robust portfolio of governance arrangements in place for the year ended March 2022. The key points of this framework are detailed below:

### **Governance Structure**

The Board Standing Committees underpin the application of good governance within the organisation and are in line with the Blueprint for Good Governance published in January 2019. As a result of the Covid-19 Pandemic governance arrangements were subject to some authorised adjustments to respond to the developing issues faced across the NHS and ensured the Board could discharge its governance responsibilities effectively and respond appropriately during this unprecedented period. Via video conferencing technology, the Board and its committees resumed their schedule of meetings during financial year 2021/22. This is referred to later in this section.

The Committee structure remains the same as reported in the annual accounts for

financial year 2020/21.

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

The Board has key forums in place as part of its governance which will continue to be reviewed during 2022/23:

- The Board has a very well established Partnership Forum, which works effectively and provides formal updates to the Board via the Staff Governance and Person Centred Committee. Over the course of the year a series of topics are reviewed in a more detailed manner, such as finance workshops on forecasts and efficiencies;
- Active participation is demonstrated in regional and national groups, with particularly key involvement in the National Board and West Regional Board Delivery plans;
- The Information Governance Group is led by Executive Directors monitoring compliance, statutory obligations and programme implementation and delivery. They report to the Board via the Finance & Performance Committee;
- The Board has in place robust governance arrangements to support the work of the Centre for Sustainable Delivery and the NHS Scotland Academy. Each of these programmes of work report to the Board through the Strategic Portfolio Governance Committee. The Chair of the SPGC provided an assurance statement to the Board regarding the work of CfSD against plan. NHS Scotland Academy is operated in partnership with NHS Education for Scotland. In respect of NHS Golden Jubilee's responsibilities in delivering on the partnership's ambitions, governance oversight is provided via the Strategic Portfolio Governance Committee.
- The Board has in place strong governance to support the development of the expansion programme and other key strategic programmes via the Strategic Programme Board. In regard to the expansion of the National Elective Centres, this is overseen by a National Programme Board, with involvement from relevant staff from the Board, the Government and other external stakeholders.
- In addition, all Committees have submitted formal annual reports regarding the work of the Committee to the Board.

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

## **Governance Committees**

### **Audit and Risk Committee**

The Audit and Risk Committee (effective) of the Board has Terms of Reference which govern its function in line with the requirements of the Government Audit and Assurance Committee Handbook. These have been reviewed in 2021/2022 in line with the guidance. The Committee meets a minimum of four times a year, with any documents which affect the overall governance arrangements in the Board being approved at the committee prior to being presented for Board approval. The Committee also considers all audit work relating to governance.

The Board Risk Register was refreshed via a Board Seminar within the year and an updated Risk Appetite statement was agreed by the Board. A review of the Board Risk Register is on-going, and will form part of the substantive work of the Committee in financial year 2022/23.

### **Clinical Governance Committee**

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

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

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

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

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

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

## **Finance and Performance Committee**

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

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

- Development and delivery of the Annual Operational Plan (in respect of Financial years 2021/22 and 2022/23, this comprises Remobilisation Plans 3 and 4, and moving into the second quarter of financial year 2022/23 onwards, more medium term plans.);
- Reviewing the development of the Board Financial Plan and achievement of financial targets;
- Financial and performance monitoring arrangements including the regular review of the Finance and Performance sections of the Integrated Performance Report;
- Oversee annual review and assessment of Board Performance by Scottish Ministers; and
- Review arrangements for securing effectiveness and best value from resources, ensuring that prompt action is taken and appropriate escalation approaches are deployed to manage issues.

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

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

## **Strategic Portfolio Governance Committee**

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

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

The Committee has the role of endorsing any change in the strategic direction of the

Board and will monitor and scrutinise the following:

- Endorsement of strategic programmes associated with the expanding Board portfolio.
- Development and implementation of the NHS GJ Board Strategy.
- Delivery against key elements of the Board Strategy, this includes the strategic intent of programmes.
- Delivery of objectives within Project, Programme and Portfolio parameters to ensure all work aligns with the Board's strategic direction.
- Work in financial year 2021/22 has focused to a considerable degree on developing systems of accountability for the NHS Scotland Academy and Centre for Sustainable Delivery work-streams, as well as the Board's expansion programme.
- At each board meeting an assurance statement from the Chair of the Committee confirming her satisfaction with the progress of CfSD against its work programme is noted, with onward communication to the Scottish Government.

### **Covid-19 Pandemic**

As part of the Board's response to the Covid-19 pandemic in FY2019/20 and 20/21 the Board implemented an Agile Governance Model to ensure the organisation effectively responded to the pandemic and could discharge its governance responsibilities. This model ensured that the organisation maximised time available for management and operational staff to deal with the Covid-19 impact.

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

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

- In addition to this a Command Structure was enacted to provide a framework for the co-ordination of the organisation's whole system response to the national pandemic. This framework ensured optimal use of the Golden Jubilee Site, Staff Safety and Wellbeing and that the organisation added support and value to NHS Scotland. This three tiered Gold (strategic), Silver (tactical) and Bronze (operational) structure was used to provide the organisation with a robust model to manage resilience processes.
- Throughout financial year 2021/22 the Board re-commenced its usual cycle of board and committee meetings, conducting these via remote video conferencing technology. A full timetable of board and committee meetings

held over the course of the financial year is contained as an Appendix to this Statement Agile Governance meetings are no longer scheduled.

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

## **Board Development**

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

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

The Seminars included forums on the role of the Remuneration Committee, presentations on the Model Code of Conduct for Devolved Public Bodies and the Hospital Expansion Programme, Risk Management, Counter Fraud, Diversity and Inclusion, NHS Scotland Academy, and the Centre for Sustainable Delivery. Further Seminars are planned on a bi-monthly basis during 2022/23.

In addition to this, a programme of Executive and Non-Executive virtual departmental walk rounds has continued in financial year 2020/21. The virtual sessions allow key interaction between the Board and operational delivery teams. Sessions in financial year 2021/22 included catering, planning and performance and medical records teams.

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

## **Policy Review**

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

- The role of the Board is clearly defined in the Standing Orders, which detail how the Board conducts its business. The Standing Orders are reviewed regularly to ensure that they continue to reflect best practice and good governance arrangements. They were last reviewed at the Board Meeting in September 2020. The Board continues working to the recommendations in the Blueprint for Good Governance.
- During Financial Year 2021/22 a dedicated Board Development resource has been created on the Board's document sharing facility, to assist with Non-Executive development out-with formal development sessions.
- Standing Financial Instructions, including authorised signatory list – these govern the financial related business of the Board and are approved by the

Audit and Risk Committee following updates. These are updated as new guidance becomes available.

- Procurement policy – this details the process for procurement within the Board in line with UK and European procurement rules. The policy is reviewed on an ongoing basis and is referred to in the Standing Financial Instructions with both being intrinsically linked.
- The Board has approved a Conflicts of Interest Policy which has been implemented across the Board, this policy covers all aspects of the Bribery Act (2010) and the gifts and hospitality policy.
- Assurance statements are signed by each Executive Director detailing that all Board policies have been adhered to during the year 2021/22.
- The Board follows all applicable laws and regulations, with this being confirmed via internal and external audits. All policies and procedures are prepared, taking into account appropriate Government guidance.
- The Board's Whistleblowing policy is overseen by the Clinical Governance Committee and details the processes to be followed by staff members. The Board also has a Whistleblowing Champion Non-Executive Director in post.
- The Board has a Fraud Policy in line with the Counter Fraud Services partnership agreement. The Chair of the Audit and Risk Committee (a Non-Executive Board Member) acts our Counter Fraud Champion, and we also have a Fraud Liaison Officer. The updated partnership agreement with CFS has been approved by the Audit and Risk Committee, and the agreement entered into on behalf of the Board in March 2022.
- The Board has in place a Complaints Policy, which contains guidance on the investigation and handling of complaints from members of the public. Complaints are monitored and reported to the Clinical Governance Committee which in-turn updates the Board on a regular basis.
- All Executive Directors of the Board undertake annual appraisals during which any development needs are identified, in line with guidance from SGHSCD.
- The Board Communications Strategy is continually reviewed and is due to be updated again to take into consideration the emerging portfolio of NHS Golden Jubilee, which has already resulted in communication strategies for the NHS Scotland Academy and the national Centre for Sustainable Delivery. It will ensure that we continue inform, engage and communicate appropriately with our patients, the public, staff and other stakeholders. Reports on performance against key communication indicators are submitted to our Staff Governance and Person Centred Committee. Communications representatives are involved in all major projects, most notably the Golden Jubilee expansion plans as part of the Scottish Government's National Treatment Centre Programme. The team also attend the Partnership Forum, Volunteers Forum and all patient involvement and stakeholder events.
- The Board has a very well established Partnership Forum, which works effectively and provides updates to the Board following each meeting. Over the course of the year the Partnership Forum received a series of financial updates.
- Active participation is also demonstrated in regional and national groups, with particularly key involvement in leading the National Board and West Regional Board Delivery plans.
- The Board has in place strong governance to support the development of the expansion programme. This is overseen by a Programme Board for the

elective centres, with involvement from relevant staff from the Board, the Government and other external stakeholders.

- In accordance with the principles of Best Value, the Board aims to foster a culture of continuous improvement. As part of this, directors and managers are encouraged to review, identify and improve the efficient and effective use of resources. Arrangements have been made to secure Best Value as set out in the SPFM.

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

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

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

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

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

The Audit and Risk Committee, through its statutory role of reviewing internal controls, and the Clinical Governance Committee, through its role in ensuring that risks are being managed, provides assurance to me as Accountable Officer. The role of the Audit and Risk Committee with regard to risk has remained unchanged during 2021/22 and therefore this committee provides additional assurance on risk as well as the internal control environment.

Additional assurance has been provided during 2021/22 via the receipt of formal reports relating to each of the governance committees. All executive directors have also signed certificates of assurance demonstrating that all internal controls are working effectively in their area of responsibility.

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

value principles.

## **Risk Assessment**

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

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

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

The Senior Management Team ensures that all risks are addressed fully and in a timely manner. The Clinical Governance Risk Management Group supports the management of clinical risks with various sub-groups overseeing specific areas. The groups meet on a regular basis with updates being provided during 2021/22 via the Clinical Governance Committee to the Board and Audit and Risk Committee. This continues to be strengthened taking account of the enhanced role of the Audit and Risk Committee with regard to provision of assurance regarding risk management to the Board.

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

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

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

## **Disclosures**

- During the previous financial year, no significant control weaknesses or issues have arisen and no significant failures have arisen in the expected standards for

good governance, risk management and control.

- Internal Audit Opinion

“Our overall opinion for the period 1 April 2021 to 31 March 2022 is that based on the scope of reviews undertaken and the sample tests completed during the period, partial assurance with improvement required can be given on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

*We recognise that NWTC had to take difficult operational decisions during the year. Areas that were scaled back during the pandemic are now being restarted and relaunched for 2022/23. NWTC have not shied away from recognising the areas for control improvement and we are comfortable that management have already addressed many of the actions raised in the year. As such we would like to note that we are already seeing improvements in the control environment as 2021/22 comes to an end and 2022/23 begins.*

There are moderate weaknesses in the risk management activities and controls designed to achieve the risk management objectives required by management. Those activities and controls that we examined were not operating with sufficient effectiveness to provide reasonable assurance that the related risk management objectives were achieved during the period under review.”

- During the course of the year the Board provided all administration services for the Board Charity. An annual report for the charity will be submitted to OSCR following Trustees approval on 30 June 2022. A full audit of all financial transactions and governance arrangements will be undertaken for the 2021/22 financial year prior to submission of the annual report and monitoring returns to OSCR. Due to the financial value of the funds held in the charity there is a requirement to consolidate the charity accounts into the Annual Accounts of the Board for 2021/22. An annual report from the Endowment Sub-Committee was presented to the Audit and Risk Committee for information and to the Board of Trustees for approval.

## **REMUNERATION REPORT and STAFF REPORT**

## REMUNERATION REPORT

### Remuneration

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

### Notice Periods

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

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

AfC	Band 2 to 6	one month
AfC	Band 7	two months
AfC	Band 8 to 9	three months

These changes have been applied for newly recruited staff with effect from 4 March 2022.

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

### Remuneration Committee – Role and Purpose

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

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

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

### Remuneration Committee - Membership

The Remuneration Committee shall comprise of:

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

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

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

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

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

#### **Performance Appraisal**

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

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

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

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

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

No significant payments were made to past senior managers during 2021/22

## **BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION**

### **Board Members and Senior Employees Remuneration**

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

The 'total earnings in year' column (shaded below) shows the remuneration relating to actual earnings in 2021/22.

#### FOR THE YEAR ENDED 31 MARCH 2022

2022 Name	Directors Gross Salary (bands of £5,000)	Benefits in Kind	Total Earnings in Year (bands of £5,000)	Pension Benefits	Total Remuneration (bands of £5,000)
	£'000	£'000	£'000	£'000	£'000
<b>Remuneration of:</b>					
<b>Executive Members</b>					
Chief Executive: J Gardner	120-125	5-10	125-130	50-55	180-185
Director of Finance: C Neil	110-115	-	110-115	135-140	250-255
J Rogers	115-120	-	115-120	100-105	215-220
M MacGregor <sup>Note 1</sup>	205-210	-	205-210	115-120	325-330
AM Cavanagh	90-95	0-5	95-100	50-55	150-155
G Adkins	85-90	0-5	90-95	40-45	130-135
<b>Non-Executive Members</b>					
Chair: S Douglas-Scott	35-40	-	35-40	-	30-35
J Christie-Flight <sup>Note 2</sup>	60-65	-	60-65	46	100-105
L Semple	5-10	-	5-10	-	5-10
S McAllister	5-10	-	5-10	-	5-10
M Boyle	5-10	-	5-10	-	5-10
K Kelly	5-10	-	5-10	-	5-10
R Moore	5-10	-	5-10	-	5-10
M Brown	5-10	-	5-10	-	5-10
E Cameron	5-10	-	5-10	-	5-10
C Blackburn	5-10	-	5-10	-	0-5

Note 1 - Includes £96,914.56 billed to HIS

Note 2 - The Employee Director salary includes £55k-£60k in respect of non-Board duties.

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

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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

2022 Name	Accrued pension at age 60 as at 31/03/20 (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Accrued Lump Sum	Cash equivalent Transfer Value (CETV) at 31 March 2020 (bands of £5,000)	Cash equivalent Transfer Value (CETV) at 31 March 2019	Real increase in cash equivalent Transfer Value (CETV) in year
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Pension Values of:</b>						
<b>Executive Members</b>						
Chief Executive: J Gardner *	35-40	2.5-5	73	679	617	63
Director of Finance: C Neil *	45-50	5-7.5	109	906	753	142
J Rogers	25-30	5-7.5	77	616	493	107
M MacGregor *	85-90	5-7.5	205	1,811	1,657	154
AM Cavanagh *	45-50	2.5-5	110	984	908	77
G Adkins *	25-30	2.5-5	57	475	431	43
<b>Non-Executive Members</b>						
Chair S Douglas-Scott	-	-	-	-	-	-
J Christie-Flight *	25-30	2.5-5	65	543	488	54
L Semple	-	-	-	-	-	-
S McAllister	-	-	-	-	-	-
M Boyle	-	-	-	-	-	-
K Kelly	-	-	-	-	-	-
R Moore	-	-	-	-	-	-
M Brown	-	-	-	-	-	-
E Cameron	-	-	-	-	-	-
C Blackburn	-	-	-	-	-	-

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

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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

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

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

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

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

Note 4 - Started 1/4/2020

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

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

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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

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

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

## STAFF REPORT

### Number of senior staff by band

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

This information is contained within the remuneration report.

### FAIR PAY DISCLOSURE

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

<b>2021/22</b>	<b>£000s</b>	<b>2020/21</b>	<b>£000s</b>
Range of staff remuneration	8-199	Range of staff remuneration	8-274
Highest earning Director's total remuneration	180-190	Highest earning Director's total remuneration	190-195
Median (Total pay and benefits)	34,427	Median (Total pay and benefits)	34,524
Median (Salary only)	34,427	Median (Salary only)	34,524
Ratio	5.42	Ratio	5.59
25 <sup>th</sup> Percentile (Total pay and benefits)	25,982	25 <sup>th</sup> Percentile (Total pay and benefits)	25,231
25 <sup>th</sup> Percentile (salary only)	25,982	25 <sup>th</sup> Percentile (salary only)	25,231
Ratio	7.19	Ratio	7.65
75 <sup>th</sup> Percentile (Total pay and benefits)	45,406	75 <sup>th</sup> Percentile (Total pay and benefits)	43,594
75 <sup>th</sup> Percentile (salary only)	45,406	75 <sup>th</sup> Percentile (salary only)	43,594
Ratio	4.11	Ratio	4.43

## Higher Paid Employees Remuneration

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

	<b>2022</b>	<b>2021</b>
<i>Clinicians</i>		
£70,001 - £80,000	12	16
£80,001 - £90,000	7	7
£90,001 - £100,000	6	10
£100,001 - £110,000	7	3
£110,001 - £120,000	10	9
£120,001 - £130,000	11	9
£130,001 - £140,000	15	4
£140,001 - £150,000	13	10
£150,001 - £160,000	14	4
£160,001 - £170,000	5	6
£170,001 - £180,000	4	7
£180,001 - £190,000	6	5
£190,001 - £200,000	6	2
£200,001 and above	7	7
<i>Other</i>		
£70,001 - £80,000	19	12
£80,001 - £90,000	7	7
£90,001 - £100,000	9	4
£100,001 - £110,000	4	1
£110,001 - £120,000	1	-
£140,001 - £150,000	-	1

## STAFF REPORT (continued)

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

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

### Staff Numbers and Costs

2022	Executive Board Members £'000	Non-Executive Members £'000	Permanent Staff £'000	Inward Secondees £'000	Other Staff £'000	Outward Secondees £'000	Total £'000	2021 £'000
Salaries and wages	743	115	833,024	-	1,876	-	85,760	78,504
Taxation & social security costs	97	5	9,469	-	126	-	9,697	8,804
NHS Scheme employers' costs	148	-	14,857	-	143	-	15,148	13,757
Other employers' pension costs	-	-	23	-	2	-	25	23
Secondees	-	-	-	486	-	(147)	339	344
Agency staff	-	-	-	-	3,755	-	3,755	2,727
<b>Total</b>	<b>987</b>	<b>120</b>	<b>107,373</b>	<b>486</b>	<b>5,904</b>	<b>(592)</b>	<b>114,724</b>	<b>104,160</b>

### Staff Numbers

Whole Time Equivalent (WTE)	6	10	1,920	5	97	(4)	2,034	1,867
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### Staff composition

The table below includes the breakdown of the number of persons of each gender who were Directors and employees of the Board at 31<sup>st</sup> March 2022.

	2022			2021		
	Male	Female	Total	Male	Female	Total
Executive Directors	3	3	6	3	4	7
Non-Executive Directors and Employee Director	3	7	10	3	6	9
Senior Employees (as per remuneration Report)	3	2	5	15	34	49
Other	809	2,120	2,929	740	1,945	2,685
<b>Total Headcount</b>	<b>818</b>	<b>2,132</b>	<b>2,950</b>	<b>761</b>	<b>1,989</b>	<b>2,750</b>

The manual for accounts requires that the number of senior employees in the Board be disclosed in this analysis, we have defined the "Higher Paid Employees – Other" to represent this, this is disclosed on page 49.

### Sickness Absence

The annual sickness absence rate for 2021/22 was 5.87% (4.5% for 2020/21).

## **Staff policies**

Our staff policies are continually reviewed to ensure that they are up to date and we have invested significant effort in promoting a positive workplace culture within the Board. We continue to work with local policies as well as the first phase of the 'Once for Scotland' Workforce Policies (attendance, bullying and harassment, capability, conduct, grievance and a workforce policies investigation process). The Once for Scotland Policies have been developed nationally in partnership with NHS Scotland employers, trade unions and the Scottish Government and the policies, and associated supporting documents, continue to set the scene for the employment practices all Boards now follow.

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

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

All staff within the Board have an annual appraisal where they have the opportunity to sit down with their manager for a face to face discussion to identify support and any further development required.

A short life working group was established to launch the implementation of the National Whistleblowing Standards on 1 April 2021. This included the launch of the Once for Scotland Whistleblowing Policy, promotion and increased awareness of our Whistleblowing Champion, updated communications through our local website on the policy and resources available, provision of training including online training for managers and staff. We recruited additional staff to the role of confidential contacts and now have 7 confidential contacts in the Board. A local procedure is now in place with agreed governance for reporting concerns within the Board.

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

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

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

As a Disability Confident Leader since February 2018 we continue to promote best

practice in the employment, retention and development of disabled staff. We welcome applications for employment from people with disabilities and support them through the job interview guarantee scheme as well as actively identifying and removing barriers in their recruitment.

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

Our staff Ability Network, which was introduced in 2021 in response to staff requests/needs, continues to meet and is a virtual network. This enables staff to share experiences, support each other and possibly help shape services.

### **Other Employee Matters**

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

Over 2021/22 our workforce have continued to adapt and adjust to new ways of working. With the support of technology provided by our eHealth department our workforce have adopted a hybrid working arrangement between home and the workplace to support the restrictions in place regarding physical distancing. For the roles where this is practicable, this has altered our ways of working and created a far more flexible workforce.

### **Staff Wellbeing and Support**

Staff wellbeing continues to be paramount to the Board and it is important that staff are encouraged and supported to look after their own health and wellbeing.

Our Health and Wellbeing strategy was implemented over 2020/21 which sets out our ambition to be a leader in promoting and maintaining a healthy workplace and provide support for our staff and volunteers which maximises their health and wellbeing. Our strategy is based on a holistic health and wellbeing approach that supports staff to achieve and maintain good physical and mental health.

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

Over 2021/22 we have continued to develop supportive measures such as encouraging changes to working practices, ensuring that risk assessments are undertaken for staff which are updated on an ongoing basis, promoting local and national resources including toolkits to provide a wide range of support and wellbeing resources for staff.

An Employee Assistance Programme (EAP) was launched in October 2021 which is provided by AXA Health. The EAP offers confidential help, support and assistance for staff via the telephone, online and through face to face counselling. The EAP gives completely confidential support and reliable information to staff and managers to tackle problems relating to everyday matters, including financial/legal/consumer issues as well as more serious health and wellbeing problems. The EAP is a vital part of connecting our health and wellbeing strategy and is an integral service which ensures that we are providing the best support and service experience for our employees. It can also support us in attracting the best job candidates and become an employer of choice through our benefits package, leading improved retention rates and happier, supported employees.

## Exit packages

### 2021/22

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

### 2020/21

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

### **Trade Union (Facility Time)**

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

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

### **Relevant Trade Union Officials**

<b>Number of employees who were relevant union officials during the period 1 April 2021 to 31 March 2022</b>	<b>Full-time equivalent employee number</b>
14	14.00

### **Percentage of Time spent on Facility time**

<b>Percentage of time</b>	<b>Number of representatives</b>
0%	11
1-50%	3
51-99%	-
100%	-

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

Total cost of Facility time	£16,680
Total Paybill	£114,724,000
<b>Percentage of total pay spend on Facility time</b>	<b>0.01%</b>

### **Paid Trade Union activities**

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

## **Parliamentary Accountability Report**

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

## **Losses and Special Payments**

In the year 2021/22, the Board was required to pay out £1,783,667 in respect of two claims individually greater than £300,000 settled under the CNORIS scheme (2020/21: £0, nil). Further details can be found in note one (accounting policies of the annual accounts).

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

## **Approval**

The Accountable Officer authorised the Accountability Report for issue on 30 June 2022.

*Jann Gardner*

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

**Date:** 30 June 2022

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

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

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

We have audited the financial statements in the annual report and accounts of National Waiting Times Centre Board and its group for the year ended 31 March 2022 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Consolidated Statement of Comprehensive Net Expenditure, the Consolidated Statement of Financial Position, the Consolidated Statement of Cashflows, the Consolidated Statement of Changes in Taxpayers' Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Government Financial Reporting Manual (the 2021/22 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the affairs of the board and its group as at 31 March 2022 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

#### **Basis for opinion**

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is 11 years. We are independent of the board and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may

cast significant doubt on the ability of the board and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Risks of material misstatement**

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

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

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

In preparing the financial statements, the Accountable Officer is responsible for assessing the ability of the board and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the board's operations.

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

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

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

- obtaining an understanding of the applicable legal and regulatory framework and how the board is complying with that framework;
- identifying which laws and regulations are significant in the context of the board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

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

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

### **Opinion on regularity**

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

### **Responsibilities for regularity**

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

## **Reporting on other requirements**

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

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

### **Other information**

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

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements

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

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

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

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

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

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

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

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

We have nothing to report in respect of these matters.

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

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

## Use of our report

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

*Nick Bennett*

Nick Bennett, for and on behalf of Azets Audit Services  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

Date..... 31 August 2022 .....

## Consolidated Statement of Comprehensive Net Expenditure (SOCNE)

For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Staff Costs	3a	114,844	104,183
Other Operating Expenditure	3b		
Drugs and medical supplies		35,382	27,897
Other Health care expenditure		35,374	36,446
<b>Gross expenditure in year</b>		<u><b>185,600</b></u>	<u><b>168,526</b></u>
Less: operating Income	4	(72,007)	(68,085)
<b>Net Expenditure for the year</b>		<u><b>113,593</b></u>	<u><b>100,441</b></u>
<b>Other Comprehensive Net Expenditure</b>			
	Note	2022 £'000	2021 £'000
Net (gain)/loss on revaluation of property, plant and equipment		(5,305)	1,282
<b>Other comprehensive expenditure</b>		<u><b>(5,305)</b></u>	<u><b>1,282</b></u>
<b>Comprehensive net expenditure</b>		<u><b>108,288</b></u>	<u><b>101,723</b></u>

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

**Consolidated Statement of Financial Position**  
**As at 31 March 2022**

	<i>Note</i>	<b>2022</b> <b>Consolidated</b> <b>£'000</b>	<b>2022</b> <b>Board</b> <b>£'000</b>	<b>2021</b> <b>Consolidated</b> <b>£'000</b>	<b>2021</b> <b>Board</b> <b>£'000</b>
<b>Non-Current Assets</b>					
Property, plant and equipment	7c	203,502	203,502	166,646	166,646
Intangible Assets	6a	-	-	-	-
Trade and Other receivables	9	4,300	4,300	2,600	2,600
<b>Total Non-current Assets</b>		<b><u>207,802</u></b>	<b><u>207,802</u></b>	<b><u>169,246</u></b>	<b><u>169,246</u></b>
<b>Current assets</b>					
Inventories	8	2,886	2,886	3,810	3,810
Financial Assets:					
- Trade and other receivables	9	7,385	5,980	7,332	6,027
- Cash and cash equivalents	10	13,109	2,858	20,305	15,776
Assets classified as held for sale	7b	-	-	-	-
<b>Total Current Assets</b>		<b><u>23,380</u></b>	<b><u>11,724</u></b>	<b><u>31,447</u></b>	<b><u>25,613</u></b>
<b>Total Assets</b>		<b><u>231,182</u></b>	<b><u>219,526</u></b>	<b><u>200,693</u></b>	<b><u>194,859</u></b>
<b>Current Liabilities</b>					
Provisions	12	(686)	(686)	(2,210)	(2,210)
Financial Liabilities:					
- Trade and other payables	11	(54,023)	(53,642)	(49,378)	(49,329)
<b>Total Current Liabilities</b>		<b><u>(54,709)</u></b>	<b><u>(54,328)</u></b>	<b><u>(51,588)</u></b>	<b><u>(51,539)</u></b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b><u>176,473</u></b>	<b><u>165,198</u></b>	<b><u>149,105</u></b>	<b><u>143,320</u></b>
<b>Non-Current Liabilities</b>					
Provisions	12	(4,147)	(4,147)	(4,384)	(4,384)
<b>Total Non-current liabilities</b>		<b><u>(4,147)</u></b>	<b><u>(4,147)</u></b>	<b><u>(4,384)</u></b>	<b><u>(4,384)</u></b>
<b>Assets less liabilities</b>		<b><u>172,326</u></b>	<b><u>161,051</u></b>	<b><u>144,721</u></b>	<b><u>138,936</u></b>
<b>Taxpayers' Equity</b>					
General Fund	SOCTE	73,925	73,925	56,012	56,012
Revaluation reserve	SOCTE	87,126	87,126	82,924	82,924
Funds held on Trust	SOCTE	11,275	-	5,785	-
<b>Total Taxpayers' Equity</b>		<b><u>172,326</u></b>	<b><u>161,051</u></b>	<b><u>144,721</u></b>	<b><u>138,936</u></b>

The financial statements were approved by the Board on 30 June 2022 and signed on their behalf by

*Colin Neil*  
C Neil ..... Director of Finance  
**C Neil**

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

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

## Consolidated Statement of Cashflows

For the year ended 31 March 2022

		2022	2022	2021	2021
	Note	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net Expenditure	SoCTE	(113,593)		(100,441)	
Adjustments for non-cash transactions	2(b)	7,687		11,990	
Add back: interest payable recognised in net operating expenditure		-		-	
Movement in working capital	2	14,973		6,147	
			<b>(90,933)</b>		<b>(82,304)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(39,238)		(25,649)	
Proceeds of disposal of property, plant and equipment		-		-	
<b>Net cash outflow from investing activities</b>			<b>(39,238)</b>		<b>(25,649)</b>
<b>Cash flows from financing activities</b>					
Funding		135,893		109,580	
Movement in general fund working capital	SoCTE	(12,918)		12,322	
Cash drawn down		122,975		121,902	
<b>Net financing</b>			<b>122,975</b>		<b>121,902</b>
Net Increase/(decrease) in cash and cash equivalents in the period			(7,196)		13,949
Cash and cash equivalents at the beginning of the period			20,305		6,356
<b>Cash and cash equivalents at the end of the period</b>			<b>13,109</b>		<b>20,305</b>
<b>Reconciliation of net cash flow to movement in net debt/cash</b>					
Increase/(decrease) in cash in year			(7,196)		13,949
Net debt/cash at 1 April			20,305		6,356
<b>Net debt/cash at 31 March</b>			<b>13,109</b>		<b>20,305</b>

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

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

	Note	General Fund	Revaluation Reserve	Funds held on Trust	Total Reserves
		£'000	£'000	£'00	£'000
<b>Balance at 31 March 2022</b>		<b>56,012</b>	<b>82,924</b>	<b>5,785</b>	<b>144,721</b>
<b>Restated balance at 1 April 2022</b>		<b>56,012</b>	<b>82,924</b>	<b>5,785</b>	<b>144,721</b>
<b>Changes in taxpayers' equity for 2021/22</b>					
Net gain/(loss) on revaluation/indexation of property, plant and equipment	7a	-	6,369	-	6,369
Impairments of property plant and equipment		-	(1,064)	-	(1,064)
Revaluation & impairments taken to operating costs	2	-	-	-	-
Transfers between reserves		1,103	(1,103)	-	-
Net operating cost for year		(119,083)	-	5,490	(113,593)
<b>Total recognised income and expense for 2021/22</b>		<b>(117,980)</b>	<b>4,202</b>	<b>5,490</b>	<b>(108,288)</b>
<b>Funding:</b>					
Drawn Down		122,975	-	-	122,975
Movement in General Fund (Creditor)/Debtor		12,918	-	-	12,918
<b>Balance at 31 March 2022</b>		<b>73,925</b>	<b>87,126</b>	<b>11,275</b>	<b>172,326</b>

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

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

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

## Notes to the Accounts

### Note 1 Accounting Policies

#### 1. Authority

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

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

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

There are no new standards, amendments or interpretations effective in the current year.

#### **(b) Standards, amendments and interpretations early adopted this year**

There are no new standard, amendments or interpretations early adopted in this year

#### **(c) Standards, amendments and interpretations issued but not adopted this year**

IFRS 16 has been issued but not adopted for the year 2021/22.

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

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

represent the Board's right to use the underlying leased assets; and (ii) lease liabilities which represent the obligation to make lease payments.

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

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

The Board has assessed the impact that the application of IFRS 16 would have on the comprehensive net expenditure for the financial year ending 31 March 2023 and on the Statement of Financial Position at that date. The figures below are based on the opening position of existing leases as of 31 March 2022.

The standard is expected to increase total expenditure in 2022/23 by £1.285m. Right-of-use assets totalling £1.285m will be brought onto the Statement of Financial Position, with an associated lease liability of £1.285m.

## **2. Basis of Consolidation**

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

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

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

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

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

## **3. 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.

#### **4. 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.

#### **5. Funding**

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

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

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

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

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

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

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

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

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

##### **7.1 Recognition**

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

All assets falling into the following categories are capitalised:

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

2. In cases where a new hospital would face an exceptional write-off of items of equipment costing individually less than £5,000, the Board has the option to capitalise initial revenue equipment costs with a standard life of 10 years.
3. Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total, or where they are part of the initial cost of equipping a new development and total over £20,000.

## **7.2 Measurement**

### Valuation

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

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

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

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

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

Subsequent expenditure:

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

Revaluation and Impairment:

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

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

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

Temporary Decreases in Asset Value:

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

### **7.3 Depreciation**

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

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

- 1) Freehold land is considered to have an infinite life and is not depreciated.

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

Depreciation is charged on a straight-line basis.

The following asset lives have been used for the period:

<b>Asset Category/Component</b>	<b>Useful Life</b>
Building - Structure	18 – 65 years
Building - Landscaping & Surfacing	31 years
Building - Engineering	15 – 28 years
Medical Equipment	10 years
Plant	10 - 20 years
Information Systems & Office Equipment	5 years

## **7. Intangible Assets**

### **8.1 Recognition**

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

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

The main classes of intangible assets recognised are:

#### Software

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

#### Software licences:

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

## **8.2 Measurement**

### **Valuation:**

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

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

### **Revaluation and impairment:**

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

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

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

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

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

## **8.3 Amortisation**

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

Amortisation is charged to the Statement of Comprehensive Net expenditure on each main class of intangible asset below, amortisation is charged on a straight-line basis.

The following asset lives have been used:

- Software 5 years
- Software licences 5 years

## 8. Non-current assets held for sale

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

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

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

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

## 9. Donated Assets

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

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

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

## 11. Leasing

Leases other than finance leases are regarded as operating leases and the rentals are charged to expenditure on a straight-line basis over the term of the

lease. Operating lease incentives received are added to the lease rentals and charged to expenditure over the life of the lease.

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

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

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

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

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

## **14. Inventories**

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

## **15. Losses and Special Payments**

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

## **16. Employee Benefits**

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

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

## **Pension Costs**

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

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

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

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

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

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

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

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

corresponding adjustment in the AME provision and is classed as non-core expenditure.

### **18. Related Party Transactions**

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

### **19. Value Added Tax**

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

### **20. Provisions**

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

### **21. Contingencies**

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

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

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

### **22. Corresponding Amounts**

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

## 23. Financial Instruments

### Financial assets

#### Business model

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

#### Classification

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

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

This is the default basis for financial assets.

(b) Financial Assets held at amortised cost

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

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

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

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

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

#### Impairment of financial assets

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

Lifetime expected credit losses are recognised and applied to financial assets by the Board where there has been a significant increase in credit risk since the

asset's initial recognition. Where the Board does not hold reasonable and supportable information to measure lifetime expected credit losses on an individual instrument basis, the losses are recognised on a collective basis which considers comprehensive credit risk information.

#### Recognition and measurement

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

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

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

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

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

(b) Financial assets held at amortised cost

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

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

### **Financial Liabilities**

#### Classification

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

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

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

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

(b) Financial liabilities held at amortised cost

Financial liabilities held at amortised cost are disclosed in current liabilities, except for maturities greater than 12 months after the Statement of Financial

Position date. These are classified as non-current liabilities. The Board's financial liabilities held at amortised cost comprise trade and other payables in the Statement of Financial Position.

#### Recognition and measurement

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

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

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

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

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

(b) Amortised costs

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

### **24. Segmental Reporting**

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

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

### **25. Cash and cash equivalents**

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

### **26. 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.

## **27. 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. 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.

### **Valuation**

All property was revalued by Avison Young (formerly James Barr), independent specialists in property valuation, on the basis of market value, depreciated replacement cost or existing use value as at 31 March 2022. The values were calculated in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS and applied to reflect local market conditions at 31 March 2022.

### **Impairments**

There are minor impairments accounted for in the financial year identified by the valuer.

### **Year-end Inventory balances**

Due to the impact of Covid-19 in 2020/21 the Board were unable to perform full stock counts for all areas included within the Board Inventory, however 2021/22 reverted to full stock accounts being in place for all areas.

### **Income and Expenditure**

The impact of Covid-19 has been managed between the board and earmarked Scottish Government Remobilisation plan funding, allowing a year end balanced position to be reported.

### **Covid-19/Remobilisation Plans**

Within 2021/22 Remobilisation Plans 3 & 4, were approved and full funding received from Scottish Government to cover these costs during the financial year on a non-recurring basis.

### **International Recruitment**

In response to ongoing recruitment challenges within key clinical nursing roles and niche service areas a business case has been approved by the Board to support a new recruitment avenue through the international workforce market. This is an initiative supported at a national level from a Scottish Government direction and at this stage expenditure associated with this development is aligned within the financial plan, no funding is confirmed at this stage for NHS GJ, albeit this is expected in line with other NHS Scotland Boards who have previously implemented this locally. There is therefore no financial impact in

2021/22 for this Board as this will form part of a portfolio of recruitment initiatives in 2022/23

### **Energy/Supply Price Increases**

Scottish Government and Scottish Procurement have issued communication to all NHS Scotland Boards regarding price updates for wholesale energy costs for April 2022 through to March 2023 in relation to natural gas and electricity. This has been used for financial assumptions around the cost increase at board level however, it is recognised that this is a volatile market currently with a remaining unknown element on final price implications and no additional national funding support yet outlined. Any additional costs within 2021/22 have been included in the outturn position with an element of non-recurring funding provided via Scottish Government.

### **Material Provisions**

The Board has provisions in the accounts relating annual leave balances relative to the impact of the pandemic; this provision is considered material and is currently c£984k.

### **Significant Risks**

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

## Note 2a SUMMARY OF CORE REVENUE RESOURCE OUTTURN

	Note	2022 £'000	2022 £'000
<b>Net Expenditure</b>	<b>SoCNE</b>		<b>113,593</b>
Total Non-Core Expenditure (see below)			(7,885)
Endowment Net Expenditure			5,490
<b>Total Core Expenditure</b>			<b>110,198</b>
Core Revenue Resource Limit			111,305
<b>Saving/(excess) against Core Revenue Resource Limit</b>			<b>107</b>

## SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

Depreciation/Amortisation		7,677	
Annually Managed Expenditure – Impairments		-	
Annually Managed Expenditure - Creation of Provisions		199	
Annually Managed Expenditure - Depreciation of Donated assets		9	
<b>Total Non-Core Expenditure</b>			<b>7,885</b>
Non-Core Revenue Resource Limit			7,885
<b>Saving/(excess) against Non-Core Revenue Resource Limit</b>			<b>-</b>

## SUMMARY RESOURCE OUTTURN

	Resource £'000	Expenditure £'000	Saving/(Excess) £'000
Core	111,305	111,198	107
Non-Core	7,885	7,885	-
<b>Total</b>	<b>119,190</b>	<b>119,083</b>	<b>107</b>

## Note 2b Notes to the Cash Flow Statement

Expenditure Not Paid in Cash		2022 £'000	2021 £'000
Depreciation	7a	7,678	6,964
Amortisation	6	-	-
Depreciation of Donated Assets	7a	9	1
Impairments on property, plant and equipment charged to SOCNE		-	5,112
Net revaluation on PPE charged to SOCNE		-	-
Funding of Donated Assets		-	(87)
<b>Total Expenditure Not Paid in Cash</b>	<b>CFS</b>	<b>7,687</b>	<b>11,990</b>

## Consolidated movements in working capital

	Opening Balances	Closing Balances	2022 Net Movement	2021 Net Movement
	£'000	£'000	£'000	£'000
<b>Inventories</b>				
Statement of Financial Position	3,810	2,886		
Net Decrease/(Increase)			924	156
<b>Trade and Other Receivables</b>				
Due within one year	7,332	7,385		
Due after more than one year	2,600	4,300		
	9,932	11,685		
<b>Net Decrease/(Increase)</b>			<b>(1,753)</b>	<b>(696)</b>
<b>Trade and Other Payables</b>				
Due within one year	49,378	54,023		
Less: General Fund Creditor included in above	(15,776)	(2,858)		
	33,602	51,165		
<b>Net (Decrease)/Increase</b>			<b>17,563</b>	<b>4,993</b>
<b>Provisions</b>				
Statement of Financial Position	6,594	4,833		
<b>Net (Decrease)/Increase</b>			<b>(1,761)</b>	<b>1,694</b>
<b>Net Movement (Decrease)/Increase</b>			<b>14,973</b>	<b>6,147</b>

## Note 3 Operating Expenses

### 3a Staff Costs

	note	2022 Board £'000	2022 Consolidated £'000	2021 Consolidated £'000
Medical And Dental		31,033	31,033	26,665
Nursing		41,235	41,235	36,623
Other staff		42,603	42,576	40,895
<b>Total</b>	SoCNE	<b>114,871</b>	<b>114,844</b>	<b>104,183</b>

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

### 3b Other Operating expenditure

	note	2022 Board £'000	2022 Consolidated £'000	2021 Consolidated £'000
<b>Drugs and Medical supplies</b>				
Prescribed drugs, secondary care		4,871	4,871	3,393
PPE and Testing kits		933	933	1,952
Medical Supplies		29,578	29,578	22,552
<b>Total</b>		<b>35,382</b>	<b>35,382</b>	<b>27,897</b>
<b>Other Health Care Expenditure</b>				
Goods and services from other NHS Scotland Bodies		1,839	1,839	2,231
Goods and services from private patients		2,293	2,293	1,469
Resource Transfer		6,522	-	1,790
Other operating expenses		29,884	29,884	30,113
External Audit Remuneration – audit fee		70	70	70
External Audit other services		-	-	-
Endowment Fund Expenditure		-	1,288	773
<b>Total</b>		<b>40,608</b>	<b>35,374</b>	<b>36,446</b>
<b>Total Other Operating Expenditure</b>		<b>75,990</b>	<b>70,756</b>	<b>64,343</b>

The prior year expenditure split between categories has been restated to reflect the categorisation in 2021/22.

## Note 4 Operating Income

	<b>2022 Board £'000</b>	<b>2022 Consolidated £'000</b>	<b>2021 Consolidated £'000</b>
Income from Scottish Government	519	519	272
Income from other NHS Scotland Bodies	68,157	68,157	62,146
Income from other non NHS Scotland Bodies	166	166	88
Income from Private patients	21	21	11
Profit on disposal of assets	-	-	-
Donations	406	406	263
Contributions in respect of CNORIS	-	-	-
<b>Non-NHS</b>	-	-	-
Endowment fund income	-	229	2,843
Other	2,509	2,509	2,462
<b>Total income</b>	<b>71,778</b>	<b>72,007</b>	<b>68,085</b>

## Note 5 Segmental Information

	<b>2022 Board £'000</b>	<b>2021 Board £'000</b>
<b>Net Operating Cost</b>	113,593	100,441
<b>Total Assets</b>	231,182	200,693
<b>Total Liabilities</b>	(58,826)	(55,972)
<b>Impairment Loss recognised in SOCNE</b>	(1,064)	(5,112)
<b>Depreciation and Amortisation</b>	7,687	6,965

The Board currently reports as one segment

## Note 6 Intangible Fixed Assets

	<b>Software Licences 2022/22 £'000</b>	<b>Software Licences 2020/21 £'000</b>
<b>Cost or valuation</b>		
At 1 April	-	-
At 31 March	-	-
<b>Amortisation</b>		
At 1 April	-	-
Provided during year	-	-
At 31 March	-	-
<i>Net book value purchased assets</i>		
At 1 April	-	-
At 31 March	-	-

**7 (a) Property, Plant and Equipment (Purchased Assets) for the year ended 31 March 2022** – All Purchased Assets are held within the Board and therefore only the consolidated position is shown below

	Land	Buildings	Plant and Machinery	Information Technology	Furniture & Fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>							
At 1 April 2021	5,686	113,132	71,260	10,692	130	22,670	223,570
Additions - Purchased	-	767	407	-	-	38,064	39,238
Additions – Donated	-	-	-	-	-	-	-
Completions	-	247	2,216	88	-	(2,551)	-
Transfers between asset categories	-	(475)	490	(15)	-	-	-
Revaluation	264	2,768	-	-	-	-	3,032
Impairment charges	-	(669)	(476)	-	-	-	(1,145)
Disposals - purchase	-	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>5,950</b>	<b>115,770</b>	<b>73,897</b>	<b>10,407</b>	<b>130</b>	<b>58,183</b>	<b>264,695</b>
<b>Depreciation</b>							
At 1 April 2021	-	-	46,717	10,083	124	-	56,924
Provided during the year - Purchased	-	3,337	4,013	324	4	-	7,678
Provided during the year – donated	-	-	9	-	-	-	9
Transfers between asset categories	-	-	-	-	-	-	-
Revaluation	-	(3,337)	-	-	-	-	(3,337)
Disposals - purchased	-	-	-	-	-	-	-
Impairment charges	-	-	(81)	-	-	-	(81)
<b>At 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>50,658</b>	<b>10,407</b>	<b>128</b>	<b>-</b>	<b>61,193</b>

		Land	Buildings	Plant and Machinery	Information Technology	Furniture & Fittings	Assets under construction	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2021		5,686	113,132	24,543	609	6	22,670	166,646
At 31 March 2022		5,950	115,770	23,239	358	2	58,183	203,502
Open Market value of Land included above								
<b>Asset Financing:</b>								
Owned		5,950	115,770	23,161	3588	2	58,183	203,424
Purchased								
-								
Donated -		-	-	78	-	-	-	78
On-								
balance								
sheet PFI								
contracts -								
<b>Net Book Value at 31 March 2022</b>		<b>5,950</b>	<b>115,770</b>	<b>23,239</b>	<b>358</b>	<b>2</b>	<b>58,183</b>	<b>203,502</b>

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

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

	Land	Buildings	Plant and Machinery	Information Technology	Furniture & Fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2020	5,686	107,186	19,990	771	10	20,626	154,269
At 31 March 2021	5,686	113,132	24,543	609	6	22,670	166,646
Open Market value of Land included above	5,686						
<b>Asset Financing:</b>							
Owned Purchased	<b>5,686</b>	<b>113,132</b>	<b>24,456</b>	<b>609</b>	<b>6</b>	<b>22,670</b>	<b>166,559</b>
- Donated - On-balance sheet PFI contracts -	-	-	<b>87</b>	-	-	-	<b>87</b>
	-	-	-	-	-	-	-
<b>Net Book Value at 31 March 2020</b>	<b>5,686</b>	<b>113,132</b>	<b>24,543</b>	<b>609</b>	<b>6</b>	<b>20,670</b>	<b>166,646</b>

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

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

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

The net book value for property, plant and equipment at 31 March 2022 was £203,502,000 (prior year £166,646,000). Due to a change in presentation this figure now includes donated assets as well as purchased assets.

All Land and Buildings were fully revalued by an independent valuer, Avison Young at 31 March 2022 on the basis of fair value (market value or depreciated replacement cost where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS.

## Note 7 (d) Analysis of Capital Expenditure

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

	<i>Note</i>	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
<b>Expenditure</b>			
Acquisition of property, plant and equipment	7a	39,238	25,649
Donated asset additions	7a	-	87
<b>Gross Capital Expenditure</b>		<b>39,238</b>	<b>25,736</b>
<b>Income</b>			
Net Book Value of disposal of Property, plant and equipment	7a	-	-
<b>Capital Income</b>		<b>-</b>	<b>-</b>
<b>Net Capital Expenditure</b>		<b>39,238</b>	<b>25,736</b>
<b>Summary of Capital Resource Outturn</b>			
Net capital expenditure as above		39,238	25,649
Capital Resource Limit		39,238	25,649
<b>Savings/(Excess) against capital resource limit</b>		<b>-</b>	<b>-</b>

## Note 8 Inventories

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

	<b>2022</b> <b>Consolidated</b> <b>£'000</b>	<b>2021</b> <b>Consolidated</b> <b>£'000</b>
Raw Materials and Consumables	2,886	3,810

## Note 9 Trade and Other Receivables

	Consolidated 2022 £000	Board 2022 £000	Consolidated 2021 £000	Board 2021 £000
<b>NHS Scotland</b>				
Boards	2,332	2,332	2,338	2,338
<b>Total NHS Scotland Receivables</b>	<b>2,332</b>	<b>2,332</b>	<b>2,338</b>	<b>2,338</b>
VAT Recoverable	315	313	151	151
Prepayments	937	937	518	518
Accrued income	3,466	2,716	1,770	1,117
Other Receivables	1,123	470	855	203
Reimbursement of provisions	(788)	(788)	1,700	1,700
<b>Total Receivables within one year</b>	<b>7,385</b>	<b>5,980</b>	<b>7,332</b>	<b>6,027</b>
<b>Total Receivables due after more than one year</b>				
Reimbursement of provisions	4,300	4,300	2,600	2,600
<b>Total Receivables</b>	<b>11,685</b>	<b>10,280</b>	<b>9,932</b>	<b>8,627</b>
The total receivables figure above includes a provision for impairments of:	156	156	182	182
<b>Movements on the provision for impairment of receivables are as follows:</b>				
At 1 April provision for impairment	182	182	267	267
Provision for impairment written of during the year	(142)	(142)	(98)	(98)
Unused amount reversed	102	102	-	-
<b>At 31 March Provision for impairment</b>	<b>156</b>	<b>156</b>	<b>182</b>	<b>182</b>

As at 31 March 2021, receivables with a carrying value of £156,000 (2021: £182,000) were impaired and provided for. The ageing of these receivables is as follows:

	<b>Consolidated 2022 £000</b>	<b>Board 2022 £000</b>	<b>Consolidated 2021 £000</b>	<b>Board 2021 £000</b>
3-6 months due	14	14	13	13
Over 6 months due	142	142	169	169
	<b>156</b>	<b>156</b>	<b>182</b>	<b>182</b>

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

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2022 debtors of carrying value of £1,901,275, 2020/21: £2,451,868) were past their due date but not impaired. The aging of receivables which are past due but not impaired is as follows (only Board position shown as all impairment is within the Board):

	<b>2022 £'000</b>	<b>2021 £'000</b>
Up to 3 months past due	1,585	2,107
3 to 6 months past due	109	104
Over 6 months past due	207	240
	<b>1,901</b>	<b>2,451</b>

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

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

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

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

Counterparties with external credit ratings	<b>2022 £'000</b>	<b>20210 £'000</b>
A	-	-
BB	-	-
BBB	-	-
Existing customers with no defaults in the past	-	-
Total neither past due or impaired	<b>-</b>	<b>-</b>

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

All receivables are denominated in sterling.

The carrying amount of receivables are all held in sterling.

## Note 10 Cash and Cash Equivalents

	Consolidated 2022 £000	Consolidated 2021 £000
Balance at 1 April	20,305	6,356
Net change in cash and cash equivalent balances	(7,196)	13,949
<b>Balance at 31 March</b>	<b>13,109</b>	<b>20,305</b>
Overdrafts	-	-
<b>Total Cash - Cash Flow Statement</b>	<b>13,109</b>	<b>20,305</b>
The following balances at 31 March were held at:		
Government Banking Service	2,622	14,778
Commercial banks and cash in hand	236	998
Endowment Cash	10,251	4,529
<b>Balance at 31 March</b>	<b>13,109</b>	<b>20,305</b>

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

## Note 11 Trade and Other Payables

	Consolidated 2022 £000	Board 2022 £000	Consolidated 2021 £000	Board 2021 £000
<b>Payables due within one year</b>				
<b>National Health Service in Scotland</b>				
Boards	4,177	4,177	1,645	1,645
<b>Total NHS Scotland Payables</b>	<b>4,177</b>	<b>4,177</b>	<b>1,645</b>	<b>1,645</b>
General fund payable	2,858	2,858	15,776	15,776
Trade payables	2,762	2,762	1,253	1,251
Accruals	36,411	36,030	23,379	23,332
Deferred Income	2,009	2,009	1,898	1,898
Payments received on account	117	117	37	37
Income tax and social security	2,588	2,588	2,411	2,411
Superannuation	1,865	1,865	1,735	1,735
Holiday pay accrual	1,236	1,236	1,244	1,244
<b>Total Payables due within one year</b>	<b>54,023</b>	<b>53,642</b>	<b>49,378</b>	<b>49,329</b>
<b>Total Payables due after more than one year</b>	-	-	-	-
<b>Total Payables</b>	<b>54,023</b>	<b>53,642</b>	<b>49,378</b>	<b>49,329</b>

There are no borrowings included in the above.

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

All payables are denominated in sterling.

## Note 12 Provisions for year-ended 31 March 2022

	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000
<b>As at April 2021</b>	<b>4,585</b>	<b>2,054</b>	<b>(45)</b>	<b>6,594</b>
Arising during the year	1,040	356	8	1,404
Utilised during the year	(1,871)	(224)	(8)	(2,103)
Unwinding	(1,047)	-	-	(1,047)
Reversed unutilised	(15)	-	-	(15)
<b>At 31 March 2022</b>	<b>2,692</b>	<b>2,186</b>	<b>(45)</b>	<b>4,833</b>

### Analysis of expected timing of discounted flows to 31 March 2022

	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000
Payable in one year	125	546	15	686
Payable in 2-5 years	2,567	1,328	-	3,895
Payable between 6-10 years	-	113	-	113
Thereafter	-	199	(60)	139
<b>At 31 March 2022</b>	<b>2,692</b>	<b>2,186</b>	<b>(45)</b>	<b>4,833</b>

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

### Provisions for Prior-year

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

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

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

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

2021 £'000		2022 £'000
4,585	Provision recognising individual claims against the Board as at 31 March	2,692
(4,300)	Associated CNORIS receivable at 31 March	(3,512)
2,054	Provision recognising the Board's liability from participating in the scheme as at 31 March	2,186
<b>2,339</b>	<b>Net Total Provision relating to CNORIS at 31 March</b>	<b>1,366</b>

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

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

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

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

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

## Note 13 Contingent Liabilities

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

	2022	2021
Nature	£'000	£'000
Clinical and medical compensation payments	1,088	440
Other	-	-
<b>Total Contingent Liabilities</b>	<b>1,088</b>	<b>440</b>

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

## Contingent Assets

The Board currently has contingent assets of £840,000 in year (prior year £345,000).

## Note 14 Commitments

### Capital Commitments

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

	2022	2021
	£'000	£'000
<b>Contracted</b>		
Kier - Phase two	29,609	32,000
<b>Total</b>	<b>29,609</b>	<b>32,000</b>

## Note 15 Commitments under Leases

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

	2022	2021
	£'000	£'000
<b>Operating leases</b>		
<b>Other</b>		
Not later than one year	1,117	721
Later than one, not later than two years	1,770	1,224
Later than two years, not later than five	-	-
<b>Amounts charged to operating costs in the year were:</b>		
Hire of equipment (including vehicles)	-	-

The Board held no finance leases in the reporting period.

## **Note 16 Pensions Costs**

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

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

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

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

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

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

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

The Board's level of participation in the scheme is 1.5% based on the proportion of the employer contributions paid in 2020/21.

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

### **Existing Scheme:**

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

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

All other members automatically joined the NHS 2015 scheme on 1 April 2015.

Further information is available on the Scottish Public Pensions Agency (SPPA) web site at [www.sppa.gov.uk](http://www.sppa.gov.uk)

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

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

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

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

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

NEST is a defined contribution pension scheme established by law to support the introduction of Auto Enrolment. Contributions are taken from qualifying earnings, which are currently from £6,240 up to £50,000, but will be reviewed every year by the government. The initial employee contribution is 1% of qualifying earnings, with an employer contribution of 1%. This will increase in stages to meet levels set by government.

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

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

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

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

<b>Pension Costs</b>	<b>2021/22</b>	<b>2020/21</b>
Pension cost charge for year	22,318	19,131

## Note 17 Financial Instruments

### 17a Financial Instruments by category

<b>Financial Assets at fair value Consolidated</b>	<b>2022 Loans and Receivables £'000</b>	<b>2021 Loans and Receivables £'000</b>
<b>At 31 March 2022 Assets per Statement of Financial Position</b>		
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	4,589	2,625
Cash and cash equivalents	13,109	20,305
<b>Total</b>	<b>17,698</b>	<b>22,930</b>
<b>Financial Assets at fair value Board</b>		
	<b>2022 Loans and Receivables £'000</b>	<b>2021 Loans and Receivables £'000</b>
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	3,186	1,320
Cash and cash equivalents	2,858	15,776
<b>Total</b>	<b>6,004</b>	<b>17,096</b>
<b>Financial Liabilities at amortised cost Consolidated</b>		
	<b>2022 Other Financial Liabilities £'000</b>	<b>2021 Other Financial Liabilities £'000</b>
<b>At 31 March 2022 Liabilities per Statement of Financial Position</b>		
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	43,384	41,689
<b>Total</b>	<b>43,384</b>	<b>41,689</b>
<b>Financial Liabilities Board</b>		
	<b>2022 Other Financial Liabilities £'000</b>	<b>2021 Other Financial Liabilities £'000</b>
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	43,003	41,640
<b>Total</b>	<b>42,946</b>	<b>41,640</b>

## 17b Financial Risk Factors

### Exposure to risk

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

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

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

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

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

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

### A - Credit Risk

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

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

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

The utilisation of credit limits is regularly monitored.

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

### B – Liquidity Risk

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

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

	Less than 1 year
<b>31 March 2022</b>	
Trade and other payables excluding statutory liabilities	43,003
<b>Total</b>	<hr/> <b>43,003</b>

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

### C – Market Risk

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

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

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

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

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

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

The National Waiting Times Centre Board Endowment Fund is overseen by Trustees who are also Non-Executive Directors of the Board (as disclosed in the Remuneration Report on pages 42-47) and is therefore a related party. The National Waiting Times Centre Board Endowment Fund (also known as the Golden Jubilee National Hospital (Scotland) Endowment Fund is a registered Scottish Charity which expends donations for any NHS purpose and in accordance with the donor of the funds.

During 2021/22 the Board transferred £6.522m which it received as funding from the Scottish Government for the purpose of innovation projects, this is recognised in the charity accounts as income. 2020/21 transfer was £1.790m for the same purpose

The Board enters into transactions with other Scottish Government and United Kingdom Government agencies and publicly funded bodies (such as Councils and educational institutions) in the ordinary course of its operations. These transactions take place at arm's length.



## Note 19b – Consolidated Statement of Financial Position

Group 2021		Note	Board 2022	Endowments 2022	Group 2022
£'000			£'000	£'000	£'000
	<b>Non-current assets:</b>				
166,646	Property, plant and equipment	SoFP	203,502	-	203,502
-	Intangible assets	SoFP	-	-	-
	Financial assets:				
2,600	Trade and other receivables	SoFP	4,300	-	4,300
<b>169,246</b>	<b>Total non-current assets</b>		<b>207,802</b>	<b>-</b>	<b>207,802</b>
	<b>Current Assets:</b>				
3,810	Inventories	SoFP	2,886	-	2,886
	Financial assets:				
7,332	Trade and other receivables	SoFP	5,980	1,405	7,385
20,305	Cash and cash equivalents	SoFP	2,858	10,251	13,109
<b>31,447</b>	<b>Total current assets</b>		<b>11,724</b>	<b>11,656</b>	<b>23,380</b>
<b>200,693</b>	<b>Total assets</b>		<b>219,526</b>	<b>11,656</b>	<b>231,182</b>
	<b>Current liabilities</b>				
(2,210)	Provisions	SoFP	(686)	-	(686)
	Financial liabilities:				
(49,378)	Trade and other payables	SoFP	(53,642)	(381)	(54,023)
<b>(51,588)</b>	<b>Total current liabilities</b>		<b>(54,320)</b>	<b>(381)</b>	<b>(54,709)</b>
<b>149,105</b>	<b>Non-current assets plus/(less) net current assets/(liabilities)</b>		<b>165,198</b>	<b>(381)</b>	<b>176,473</b>
	<b>Non-current liabilities</b>				
(4,384)	Provisions	SoFP	(4,147)	-	(4,147)
<b>(4,384)</b>	<b>Total non-current liabilities</b>		<b>(4,147)</b>	<b>-</b>	<b>(4,147)</b>
<b>144,721</b>	<b>Assets less liabilities</b>		<b>161,051</b>	<b>-</b>	<b>172,326</b>
	<b>Taxpayers' Equity</b>				
56,012	General fund	SoFP	73,925	-	73,925
82,924	Revaluation reserve	SoFP	87,126	-	87,126
5,785	Funds held on Trust	SoFP	-	11,275	11,275
<b>144,721</b>	<b>Total taxpayers' equity</b>		<b>161,051</b>	<b>11,275</b>	<b>172,326</b>

## Note 19c – Consolidated Statement of Cashflows

2021	2021	2021		2022	2022	2022
Board	Endowment	Group	Cash flows from operating activities	Board	Endowment	Group
£'000	£'000	£'000		£'000	£'000	£'000
(102,488)	2,047	(100,441)	Net operating cost	(119,083)	5,490	(113,593)
11,990	-	11,990	Adjustments for non-cash transactions	7,687	-	7,687
4,520	1,627	6,147	Movement in working capital	14,973	5,490	14,973
<b>(85,978)</b>	<b>3,674</b>	<b>(82,304)</b>	<b>Net cash outflow from operating activities</b>	<b>(96,423)</b>	<b>5,490</b>	<b>(90,933)</b>
			<b>Cash flows from investing activities</b>			
(25,649)	-	(25,649)	Purchase of property, plant and equipment	(39,238)	-	(39,238)
	-	-	Proceeds of disposal of property, plant and equipment		-	-
<b>(25,649)</b>	<b>-</b>	<b>(25,649)</b>	<b>Net cash outflow from investing activities</b>	<b>(39,238)</b>	<b>-</b>	<b>(39,238)</b>
			<b>Cash flows from financing activities</b>			
109,580	-	109,580	Funding	135,893	-	135,893
12,322	-	12,322	Movement in general fund working capital	(12,918)	-	(12,918)
121,902	-	121,902	Cash drawn down	122,975	-	122,975
<b>121,902</b>	<b>-</b>	<b>121,902</b>	<b>Net Financing</b>	<b>122,975</b>	<b>-</b>	<b>122,975</b>
10,275	3,674	13,949	<b>Net Increase / (decrease) in cash and cash equivalents in the period</b>	(12,686)	5,490	(7,196)
3,454	2,902	6,356	<b>Cash and cash equivalents at the beginning of the period</b>	13,762	6,543	20,305
<b>13,729</b>	<b>6,576</b>	<b>20,305</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>1,076</b>	<b>12,033</b>	<b>13,109</b>
			<b>Reconciliation of net cash flow to movement in net debt/cash</b>			
10,294	3,655	13,949	Increase/(decrease) in cash in year	(7,196)		(7,196)
3,454	2,902	6,356	Net debt/cash at 1 April	13,762	6,543	20,305
<b>13,748</b>	<b>6,557</b>	<b>20,305</b>	<b>Net debt/cash at 31 March</b>	<b>6,566</b>	<b>6,543</b>	<b>13,109</b>

## **DIRECTIONS BY THE SCOTTISH MINISTERS**

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

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

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

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

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

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

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

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

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

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

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

A handwritten signature in black ink, appearing to be 'DMCC', with a long horizontal line extending to the right.

Signed by the authority of the Scottish Ministers

Dated 22 March 2022