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

ANNUAL REPORT AND ACCOUNTS

For Year ended 31 March 2016

Annual Report and Accounts

Contents *Page*

ANNUAL ACCOUNTS AND NOTES FOR YEAR ENDED 31 MARCH 2016

ANNUAL REPORT AND ACCOUNTS

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

- **Performance Report**
- **Accountability Report**
- **Remuneration Report**

PERFORMANCE REPORT

Overview

Statement from the Chief Executive

Last year we continued to embed our Board vision of 'leading quality, research and innovation' for NHSScotland.

In line with this vision, during 2015/16 we developed our 'brand' to ensure that we take a lead role in positioning our "Innovation Campus" as the leading site for new concepts and innovations on behalf of NHSScotland. Although we are legally still named the NHS National Waiting Times Centre Board, we are now better known by our brand name of the Golden Jubilee Foundation - a national resource for NHSScotland.

The Golden Jubilee Foundation has four key parts – the Golden Jubilee National Hospital, the Golden Jubilee Innovation Centre, the Golden Jubilee Conference Hotel and the Golden Jubilee Research Institute.

Across our whole campus, there have been exciting developments and changes that have made a positive difference to so many people all across Scotland. This is only possible because of the talented and unique people who work here and who do the very best job they can every day.

It is impossible to capture all of the highlights from the past year, but additional expansion across our services, particularly in orthopaedics and ophthalmology, has been an outstanding accomplishment. The success of the "Golden Jubilee Model" has led the Scottish Government to announce a further expansion of the hospital's services as well as the creation of several new elective centres, using our approach, to help patients across Scotland to receive the highest standard of care possible. Investment of £200m has been committed by the Government to fund these centres and a plan to have them operational by the year 2021.

Heart services at the hospital continue to treat more patients than ever before. As the home of regional and national heart and lung services for the NHS in Scotland, we know the importance of providing a comprehensive care plan for our patients. Our team are currently engaged in the issue of lung transplantation and, following discussion at our Annual Review, we are progressing one of our actions to carry out a scoping exercise to assess the implications of developing a lung transplantation service at the Golden Jubilee National Hospital.

We have continued to grow our national and international reputation as a person centred organisation. Our patients have consistently noted a 98.7% positive engagement score, with 94% stating they considered the service "excellent" in the most recent inpatient survey.

Overview (continued)

I have been immensely proud of the huge progress we have made in growing our international research and work on clinical skills. Our Innovation Centre provides both a symbolic and a practical expression of the attitude and values that drive our service and contributes to our vision and commitment to lead quality, research and innovation on behalf of the NHS in Scotland.

The Golden Jubilee Conference Hotel continues to support our hospital using its accommodation to assist with access for patients and their relatives from all over Scotland. We will build on the hotel's success as the NHS/Public Sector venue of choice, and ensure it supports the whole Foundation as a pivotal meeting and hospitality element of our innovation campus.

2015/16 was a successful year and 2016/17 is set to be even more challenging as we continue to expand our services and treat more patients than ever before. Our dedicated team will continue to rise to the challenge and with high expectations placed on us we will work with other NHS Boards to make the greatest possible contribution to Scotland's health. Quality care, compassion, innovation and ambition to always be the best - that's who and what we are and we are looking forward to continually delivering this for the patients of Scotland.

Leading quality, research and innovation

Over the last year, we have continued to embed our unique Quality Framework that provides assurance that safe, effective, person centred care is our top priority and delivered at all times. For our Board, this has been integrated into our everyday working and thinking. In summary, the three workstreams are:

- ***Board Governance*** – through all the work the Board is involved in, for example review and realignment of Board Agenda, Committees, the development of the Board Vision and Values and alignment of our LDP, Scorecard, Corporate Objectives etc in line with the NHSScotland Quality Strategy and Ambitions.

- ***Quality indicators*** – through the development of our range of visual and interactive indicators displayed on our dashboards, e.g. – clinical outcomes, patient experience, staff values, performance and public expectations, all of which link together into our overall Board Quality Dashboard.

- ***Values based Workforce*** – through our leadership programmes and developing framework, values based recruitment process, values measurements and staff performance indicators.

The Golden Jubilee Foundation leads an ambitious new national health and social care innovation fund, which aims to raise millions of pounds to develop original and pioneering treatments for Scotland's patients. Through our charity the Golden Jubilee is working on behalf of the whole NHS in Scotland to raise funds from a variety of sources, including donations and European grants. This dedicated fund is about giving innovators the support they need to turn their excellent ideas into world-leading health services for the people of Scotland.

An example of this innovation ethos is our unique Medical Devices Alpha Test (MDαT) process that enables individuals and organisations (commercial device companies, academic organisations etc) to submit an idea or device for review by clinical experts.

The Golden Jubilee National Hospital

Based in Clydebank, near Glasgow, the Golden Jubilee National Hospital is the home of regional and national heart and lung services, a major centre for orthopaedics, one of the largest providers of cataract surgery in the UK, has an award-winning Diagnostic Imaging service, and reduces waiting times in key specialities for Boards throughout Scotland.

Overview (continued)

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

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

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

As a major European centre for orthopaedics, the hospital currently carries out over 25% of all Scottish hip and knee replacements. The Golden Jubilee National Hospital ophthalmology department has also continued to expand to meet demand of NHSScotland, and carries out at least 15% of all cataract operations undertaken in Scotland.

Summary of our services

Clinical Services

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

Diagnostic Imaging Services

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

2015/16 Patient activity

In 2015/16, we were set a target of carrying out 32,584 inpatient, day case and diagnostic examinations. The range of services provided included: orthopaedic surgery, general surgery, ophthalmic surgery, plastic surgery, hand surgery, endoscopy and diagnostic imaging. This number excludes any activity associated with the regional and national heart and lung services.

The actual number of inpatients, day cases and diagnostic examinations carried out in 2015/16 was 36,015, which was over 3,400 procedures more than anticipated at the beginning of the year, and 10.5% ahead of plan (adjusted for complexity). Collectively, (inpatient, day case and imaging) activity for 2015/16 was 12.5% higher than in 2014/15. This percentage increase equates to over 4,000 more procedures than last year.

At the year-end, 5,267 orthopaedic theatre slots were used against a plan of 4,305. This represents an increase of 21.5% in comparison to 2014/15.

In addition to this activity, our orthopaedic surgeons have facilitated outreach clinics in rural areas, such as Shetland and within the Highland region. In these Boards patients identified as requiring orthopaedic surgery will have their procedure carried out at the Golden Jubilee. Follow up clinics are now routinely conducted via a telehealth link. Patient and staff feedback from these clinics has continued to be positive throughout the year.

Overview (continued)

In Ophthalmology at the year-end, a total of 5,075 cataract procedures were delivered against a plan of 4,800 (5.7% more than anticipated).

Diagnostic imaging activity of 22,681 procedures was ahead of the full year plan by 2,771 examinations (13.9%). During 2015/16, activity within the department was increased with the assistance of a mobile Magnetic Resonance Imaging (MRI) unit.

Cardiac surgery waiting time

In 2015/16, a significant amount of work has been invested in minimising the risk to patients' waiting time guarantees and ensuring that we meet the Treatment Time Guarantee for patients.

Although heart and lung services are measured through the Treatment Time Guarantee, we are experiencing a trend of increased complexity within interventional cardiology across the case mix.

The Golden Jubilee Conference Hotel

The four-star Golden Jubilee Conference Hotel has been an integral part of the Board since 2002.

Over the last year, we have been working on a strategy that allows us to build on the foundations of being the NHS and public sector conference and training venue of choice, whilst supporting the NHS quality ambitions, 2020 route map, and our own Board vision of 'leading quality, research and innovation for NHSScotland'.

The culmination of this work identifies an optimal and innovative future for the hotel as a more enhanced, active and productive part of our NHS Board whilst maximising its potential as a national resource.

Put simply, by 2020 the Golden Jubilee Conference Hotel will be recognised as a pivotal meeting and hospitality element of an internationally renowned innovation campus – the Golden Jubilee Foundation - a global centre of excellence for quality, research and innovation in medicine and health care.

The Golden Jubilee Research Institute

Opened in May 2011, The Golden Jubilee Research Institute is a world-class research and clinical skills centre supporting our Board vision of Leading Quality, Research and Innovation.

It is a crucial element of the Golden Jubilee Foundation. It will continue to:

- increase the number of trials hosted by the Golden Jubilee National Hospital;
- enhance the experience of patients participating in clinical trials;
- enhance the clinical skills training experience for all health care professionals;
- provide simulation areas to support the training, development and evaluation of healthcare professionals;
- enhance surgical skills training through the provision of a purpose built area with the ability to live stream surgical procedures from the hospital; and
- help promote innovation across the organisation.

In 2015/16, The Golden Jubilee Research Institute continued to undertake ground-breaking research across all of our hospital specialties, including interventional cardiology, electrophysiology, pulmonary vascular disease, advanced heart failure, orthopaedics and anaesthetics.

Overview (continued)

Overall, the Golden Jubilee currently has 78 projects either actively recruiting or in the follow-up stage. This represents a 30% increase in commercially funded projects.

In terms of recruitment, there has been a 33% increase in recruitment to commercial studies and a 42% increase in recruitment to non-commercial studies. Both of these exceed the target of 10% set by the Chief Scientist Office.

Research undertaken in 2015/16 included:

- The PATENT trial that tested a promising new drug for treating Pulmonary Hypertension.
- MultiPoint Pacing (MPP) used for administering Cardiac Resynchronisation Therapy (CRT) in heart failure patients, providing the ability to keep more of the heart beating in sync
- Index of Microvascular Resistance (IMR) test uses a pressure and temperature sensitive wire inserted into the coronary artery to accurately work out the extent of vessel injury in the heart and predict if the patient is likely to develop heart failure, or even die.
- The LEADERS-FREE trial has shown that thousands of patients every year could benefit from a new type of stent which has been shown to improve outcomes in high risk patients.
- TRANSFORM clinical study allowed us to fit an emphysema patient with groundbreaking, minimally invasive, implantable lung valves.

Endowments

The Board has a reasonable level of endowments and, following a detailed review of the endowment processes and administration - particularly with regard to research and innovation - it was agreed that the endowments would transfer to the Board from NHS Greater Glasgow and Clyde, who previously managed them on behalf of the Board. This was approved by the Board of Trustees and full administration was implemented from 1 April 2015. The Golden Jubilee National Hospital (Scotland) charity was set up in 2014/15.

Awards gained in 2015/16

In 2015/16, The Golden Jubilee Foundation climbed 41 places from the previous year to number 29, in the prestigious Stonewall Workplace Equality Index (WEI) 2016. The Index also named our Board the Top Health and Social Care Provider in the UK. The WEI is a measure of how an organisation meets the needs of Lesbian, Gay and Bisexual (LGB) staff and service users and is a good indicator for equality generally.

Serving a wide variety of tasty, healthy and nutritious meals to hundreds of patients, relatives, guests, visitors and staff every day, our Catering Team have recently received acknowledgments and accolades from some of the most prestigious catering awards in the country:

- Catering Team won the Healthcare Award at the 2016 Cost Sector Catering Awards.
- Named Catering Service of the Year 2016 by the Hospital Caterers Association. This is amazing progress, from receiving a certificate of merit on our first attempt 12 months ago, to being named the top service in the country.
- Two of our chef de parties receiving certificates of merit in the final of the Hospital Catering Association Hot Cookery Competition.

Over the past year, the Golden Jubilee Conference Hotel has received the ‘Taste Our Best’ Award from VisitScotland for the second successive year. The venue was also placed in the TripAdvisor Hall of Fame.

Overview (continued)

External visits

Healthcare Environment Inspectorate (HEI) unannounced visit

As a national resource for NHSScotland, we pride ourselves on delivering a high quality service for the people of Scotland. Using this approach, we welcomed the report following our unannounced inspection by the Healthcare Environment Inspectorate (HEI) on 6-7 October 2015.

With a strong track record of preventing and controlling infection within the Golden Jubilee National Hospital, we are pleased that the majority of areas inspected were clean and well maintained. We did, however, have one requirement in relation to equipment in one of our areas and this was immediately rectified.

We are also pleased that the inspectors highlighted our comprehensive education system on healthcare associated infections and our effective surveillance system. They also referenced the variety of ways we encourage staff and visitors to use alcohol based hand rub or wash their hands.

Older People Assessment

Everyone using healthcare services in Scotland is entitled to the same level of care regardless of their age, however, it is recognised that older people are admitted more often to hospital, and can face problems not experienced by other user groups.

On 29 April 2015, Healthcare Improvement Scotland visited us to undertake a table top exercise as part of the Care of Older People in Hospital Standards. It was a planned visit but the inspectors and subject specialists did not attend the wards at this time.

A revised set of Standards for older people care was launched in June 2015 and we have completed a revised self assessment in response to this.

Performance Analysis

The purpose of the Performance Analysis is to report on the most important performance measures and to provide longer term trend analysis if appropriate.

Financial Performance and position

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

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

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

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

		Limit as set by SGHSCD £'000 (1)	Actual Outturn £'000 (2)	Variance (Over)/Under £'000 (3)
1	Revenue Resource Limit - core	63,721	63,721	-
	Revenue Resource Limit – non-core	6,391	6,391	-
2	Capital Resource Limit - core	6,387	6,387	-
3	Cash Requirement	69,679	69,679	-

MEMORANDUM FOR IN YEAR OUTTURN	£'000
Brought forward surplus from previous financial year	500
Saving against in year Core Revenue Resource Limit (core funding)	-

Provisions for impairement of receivables
A provision of £0 has been provided in year in relation to bad/doubtful debts (prior year £3,000).

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

- Clinical & Medical - £1,697,000 (prior year £1,103,000)
- Other - £0 (prior year £16,000)
- Participation in CNORIS – £633,000 (prior year £409,000)
- Total for year – £2,330,000 (prior year £1,528,000)

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

Where no certainty has been attributed to claims these have been accounted for via contingent liabilities, current year £1,028,000 (prior year £327,000).

Performance against Key Non-Financial Targets

Local Delivery Plans (LDPs) remain a vital part of the delivery framework and are the 'performance contract' between the Scottish Government and NHS Boards. The Performance targets within LDPs are designed to support delivery of the strategic improvement priorities for Scotland, namely the six Quality Outcomes:

- Everyone gets the best start in life, and is able to live a longer, healthier life
- People are able to live at home or in the community
- Healthcare is safe for every person, every time
- Everyone has a positive experience of healthcare
- Staff feel supported and engaged
- The best use is made of available resources

This year the LDP of the Golden Jubilee Foundation (GJF) had three elements which were underpinned by finance and workforce planning:

- Our Board local priorities to deliver our Board 2020 Strategy
- LDP Standards
- NHS Scotland Improvement priorities

Within our Board local priorities we outlined our strategic vision and developments within our national services. During 2015/16 we continued the expansion of patient services including orthopaedics and ophthalmology. The LDP also described the physical capacity available at GJNH for development of existing services or creation of new services to expand our capacity as a national resource.

The LDP also highlighted the crucial role that the Golden Jubilee Conference Hotel (formerly the Beardmore Hotel and Conference Centre) fulfils in supporting, not only public sector conferences and training, but also directly to the Golden Jubilee through patient, relative, visitor and staff accommodation. Implementation of the 2020 Hotel Strategy will look to ensure that the strengths of the Golden Jubilee Conference Hotel are harnessed and opportunities developed to allow it to fulfil its role as an integral part of the campus concept and as a national resource for NHS Scotland. In addition, the Golden Jubilee Research Institute (formerly the Beardmore Centre for Health Science) continued to cement its success in research and clinical skills. Targets for contract value for commercial research projects continue to be exceeded and the organisation is taking on the lead role in a European multi-site trial.

A new element of the LDP this year is the six strategic NHSScotland Improvement Priorities to support delivery of the 2020 Vision. We included four of these within our LDP to reflect where our Board is able to influence or contribute to delivery of that priority. Two of these priorities – antenatal and early years and primary care – are not relevant to the work of our Board.

The local and relevant national targets agreed for this Local Delivery Plan (LDP) are as follows:

- ***Local targets and priorities***

  L1 Strategic changes and expansion within our national services
  L2 Expanding capacity as a National Resource
  L3 Options to deliver additional local and national services
  L4 Innovation and Research
  L5 The Golden Jubilee Conference Hotel

- The relevant NHS Scotland Improvement priorities for this Local Delivery Plan (LDP) are as follows:

Performance against Key Non-Financial Targets (continued)

1. Health Inequalities and Prevention
2. Person-centred Care
3. Safe Care
4. Integrated Care

- **LDP Standards**

1. Early Cancer Detection – Lung Cancer
2. 31 day cancer – from decision to treat (95%)
3. 12 weeks Treatment Time Guarantee
4. 18 weeks Referral to Treatment (90% RTT)
5. 12 weeks for first outpatient appointment (95% with stretch target to 100%)

6. MRSA/MSSA Bacteraemia/Clostridium difficile infections (maintain local good performance)
7. Sickness absence (4%)
8. Operate within agreed revenue resource limit; capital resource limit; and meet cash requirement

- **Workforce developments**

Key Performance Indicators - LDP Standards

Our performance against the following targets supports progress towards the Scottish Government's national performance target to improve the quality of healthcare experience, and contributes to delivery of the national outcomes of ensuring we live longer, healthier lives.

Key Performance Indicator	Status at 31/03/16	Comments
Cancer Waiting Times: 31 Day Lung Cancer Target – 95%	100%	Recognising that early treatment improves outcomes the Board continues to work with territorial Boards to provide surgical treatment for lung cancer patients and support delivery of both the 31-day and 62-day cancer LDP standard. The NWTCB consistently delivered 100% compliance for the 31-day pathway for which it is responsible during 2015/16.
18 weeks Referral to Treatment Target – 90%	100%	All LDP waiting times targets were met during 2015/16. Adherence with waiting time targets remains a core objective of the GJF. As a National Resource supporting other Boards in delivering Scotland's waiting times, and also as the National Centre for heart and lung services, ongoing collaboration our NHS Scotland Board colleagues ensures that patients referred to us are treated in line with the relevant LDP standards and with a person-centred approach.
12 weeks Treatment Time Guarantee Target – 100%	99.9%	
12 weeks for first outpatient appointment Target – 95% with stretch 100%	100%	

Performance against Key Non-Financial Targets (continued)

SAB infections per 1000 acute occupied bed days (0.24) National Target – 0.24 Local Target – 0.12	0.22 cases per 1,000 occupied bed days	The specialist nature of surgical care at GJNH combined with the use of invasive devices means that this site is at higher risk of bacteraemia than Boards providing a mixture of acute and long-term care. Indeed, while the incidence of Staphylococcus Aureus Bacteraemia (SAB) has tended to be low at GJNH an increase in cases of unrelated strains was seen during 2015 meaning that while the Board met the National SAB target, the lower local target was not delivered. Achievement of this standard is therefore challenging, however clear actions are in place to ensure best performance.
Clostridium difficile infections per 1,000 occupied bed days National Target – 0.32 Local Target – 0.10	0.00 cases per 1,000 occupied bed days	We continue to see low levels of Clostridium Difficile Infections (CDI) with no cases reported since April 2014. Alert organism surveillance continues.
Sickness absence National Target – 4%	5.1%	Robust management of sickness absence is central to the efficacy of the Board as a means to support staff and ensure their health and wellbeing; however delivery of this LDP standard remains challenging. During 2015/16 work has been done to improve staff access to both physiotherapy and a variety of psychological support mechanisms including, where appropriate, cognitive behavioural therapy (CBT) via referral from our Occupational Health team. The Human Resources team also continue to work proactively with managers to ensure that staff are supported and managed in line with organisational policies.

Progress towards delivery of the NHS Scotland Improvement Priorities

The relevant NHS Scotland Improvement priorities for this Local Delivery Plan (LDP) are as follows:

1. Health Inequalities and Prevention
2. Person-centred Care
3. Safe Care
4. Integrated Care

1. Health Inequalities and Prevention

Supporting Employment

The number of youth employment opportunities we offer has increased year-on-year since 2013. We have provided a large number of opportunities, covering a range of positions across support services and administration. We are currently considering introducing Modern Apprenticeships in partnership with West Dunbartonshire Council.

Performance against Key Non-Financial Targets (continued)

We have built a relationship with the Glasgow Centre for Inclusive Living (GCIL), GCIL provide and support a trainee to support our equalities and engagement work through their Professional Careers programme, which provides trainees by:

- providing a suitable placement opportunity that utilises their skills, experience and knowledge;
- agreeing and funding a suitable academic qualification to further career options;
- addressing any access requirements (equipment, adaptations and/or arrangements) to allow them to access the job fully;
- providing ongoing in-work support to identify and address any support needs;
- providing ongoing support that will lead to further employment; and
- offering training and support to core staff, for example, equality and disability equality training.

Supporting vulnerable groups and communities

(i) Learning Disability (LD)

Our main aims and focus on improvements continue as follows:

- Education: we delivered LD sessions at the Nursing Assistants mandatory training for 2015/16. These were well received. We also held a capacity and consent session led by one of our Consultant Anaesthetists last year and this was well received with a good mix of participants.
- Links to LD specialists: We have well established links with LD specialists to support our patients and to facilitate staff education. We also further developed our working relationships with the LD service within NHS Greater Glasgow and Clyde as well as our link with the wider Learning Disabilities health inequalities network.

(ii) Older People in Acute Care

Dementia

We appointed a part time Lead Nurse for Dementia to oversee all aspects of dementia care and education in the Board. An action plan has been developed to take forward this work, building on past achievements and integrating the National 10 Key Actions for Dementia – the initial emphasis is on 'Work as equal partners with families, friends and carers' and 'Minimise and respond appropriately to stress and distress'. Use of the 'Getting to know me' document has commenced at pre-assessment/outpatient appointment when a patient has a confirmed diagnosis of dementia or cognitive impairment, and patient and carer agree to its use.

Dementia Education for staff

We have been working to deliver 'Promoting Excellence' dementia education and a 'Best Practice in Dementia Care' course has been implemented. Dementia training days and other sessions help staff to identify and recognise behavioural and psychological symptoms associated with dementia and how to deal with these in an acute care setting.

Health promotion and healthy living

Commonhealth programme: We continue to promote a wide range of health, activity and wellbeing activities for staff, promote a range of staff challenges and offer exercise classes led by Hotel Health Club staff.

Our Mentally Healthy Workplaces training continues to be available and work is progressing to ensure that the Healthy Working Lives (HWL) Gold Award Health is kept up to date and valid.
Our involvement in supporting Health Promotion for patients and staff across the organisation is ongoing and we continue to progress the agreed Health Promoting Health Service action plan.

Performance against Key Non-Financial Targets (continued)

Procurement

Our Board complies with nationally-negotiated supplier contracts managed by NHS National Services Scotland (covering 63% of Board spending on contracts).

Our local contract spend is higher than some other NHS Boards due to the range of our specialist services and our management of the Beardmore Hotel and Conference Centre.

These national contracts are awarded by National Procurement who apply the following principles to contract awards:

- Ensure that they purchase goods, services and facilities in line with public sector equalities and diversity commitments.
- They will not use agencies or companies who do not share our NHS values on equality of opportunity and diversity
- Their procedures will make sure that businesses from diverse communities have an equal opportunity of competing for NHSScotland contracts.

In awarding our contracts, the Board will seek suppliers who can demonstrate that they understand their responsibilities and operate with due regard to equality legislation. We have a policy that ensures that suppliers have no history of discrimination or unfair policies or practices (or if they have, that they have rectified this) and for higher value contracts we shall request detailed information from suppliers to ensure they have the policies and procedures in place to meet the equality standards (across all areas of equality).

We are keen to encourage all of our suppliers to introduce appropriate equal opportunities policies and procedures and to demonstrate that their practices eliminate unlawful discrimination and promote equality.

We have asked all of our main suppliers to attend regular Key Supplier Meetings, at which we will share good equalities practice. As a first step, we have begun a dialogue with suppliers about their equality and diversity policies, practices and training. We also offer places on our bespoke in-house Diversity Awareness training course to selected staff from our key suppliers. Equality and Diversity is included as a standing agenda item at all Key Supplier Meetings to ensure appropriate focus on this area is maintained.

The Board was subject to an external assessment of our procurement capability. The Board was assessed as 11 out of a maximum of 12. The review focused on four key areas Leadership and Governance, Development and Tender, Contract and Key Purchasing Processes. In particular the governance and internal controls were commended by the external assessors.

2. Person-Centred Care Progress

As well as being one of the three national quality ambitions which we adhere to as part as NHS Scotland, being person-centred sits at the heart of the GJF values.

During 2015 we piloted ‘Patient Voices’ films in Cardiac and Thoracic Surgery in which patients and their families spoke about their experience of care at GJNH. ‘Patient Voices’ have been made available to new patients as an education tool to help them prepare for surgery. Initial feedback has been positive with patients advising that the films reassured them about the treatment they were about to undergo and told them what to expect in a more accessible way than paper-based information. An added benefit of ‘Patient Voices’ is the opportunities it presents to use patient feedback as an improvement tool. Stories in which we could have performed better are being used to start a dialogue among staff with the aim of changing attitudes and practices to improve our service delivery while positive stories provide prompts

Performance against Key Non-Financial Targets (continued)

to spread what patients see as best practice.

Values Based Reflective Practice (VBRP) has now been embedded as standard practice within the Physiotherapy team with group reflective sessions replacing individual clinical supervision. VBRP will be rolled out to further areas during 2016.

The challenge of quality improvement approaches in person centred care is assuring the care experience is as much about the caring relationship as it is about the information, processes and resources to deliver this. Caring Behaviours Assurance System (CBAS) provides a vehicle to implement the care governance framework and to strengthen accountability for person centred care at all levels. Through CBAS we use 'caring walks', patient and family interviews, staff interviews, manager conversations and practice observations to identify areas for change and celebrate the things we do well relative to five 'must do with me' principles and our values. An independent assessment of our CBAS programme has demonstrated the positive impact it has had on person centred care through evidencing an increase in the amount of compassion patients perceived in our staff. During 2016, CBAS training will continue to be offered to all areas along with ongoing monitoring.

3. Safe Care progress

The Board has robust and well managed clinical governance arrangements in place to support a range of activities aimed at continuously improving the safety of people in acute adult healthcare. We have clearly defined roles and responsibilities across managerial and clinical staff to progress the SPSP work streams. The SPSP Leadership Group oversees the work and reports to the Clinical Governance Risk Management Group ultimately via this providing assurance to the Clinical Governance Committee.

Progress across the Acute Adult Programme includes:

Deteriorating Patient
Following the successful implementation of the National Early Warning System (NEWS), Ward 3 West have been testing the development of the Scottish Structured Response (SSR) work within the Deteriorating Patient work stream, which aims to support early identification of patients at risk of deterioration. Deteriorating patients are placed on enhanced monitoring and reviewed by senior clinicians

There has been an ongoing focus on **sepsis** as part of the Deteriorating Patient work stream with a prompt built into the SSR process to "Think Sepsis" as a cause of the deterioration. Work has also continued with a focus on clinical engagement and recognition of potential Sepsis and use of the Sepsis 6 bundle. As the SSR work spreads the Sepsis links will be maintained.

A revised **Falls** Strategy was approved in year and work piloted on two falls prevention bundles has been spread to all areas.

Catheter Associated Urinary Tract Infections (CAUTI)
Our Infection control team has led work in Critical Care and Cardiac Theatres on the insertion and maintenance of urinary catheters as part of the Catheter Associated Urinary Tract Infections (CAUTI) Prevention Programme. All areas have demonstrated sustained compliance and work undertaken by Infection Control and Microbiology have confirmed a low incidence of CAUTI in Critical Care.

Our programme to **Reduce Hospital Acquired Pressure Ulcers** has spread to all areas across the hospital with assessment of all patients undertaken within six hours of admission and daily assessments thereafter. Patients at high risk are placed on the SSKIN bundle to minimise the risk of an ulcer developing.

Performance against Key Non-Financial Targets (continued)

The **Surgical Site Infection (SSI)** work has demonstrated sustained reliability in all active areas with outcomes maintained within control limits.

Safer Use of Medicines has progressed with the main focus on the implementation of the Electronic Drugs Cupboards (EDCs) which went live in late 2015. These cupboards will ensure that patients receive their drugs in a more efficient and timely manner and also reduce the risk of drug selection errors. Medicines reconciliation on admission and discharge has been agreed as a priority for the coming year, and this will be supported by data from EDCs and the ward White Boards.

Venous Thrombo-embolism (VTE) work has continued in wards with success, discussions are ongoing as to the future plans for monitoring of this work with proposals to step down monthly data and consider a more audit based approach to assure on compliance and support improvements as needed.

Healthcare Associated Infection (HAI) Improvement Activity
In September 2015 we voluntarily invoked the HAI Policy Unit Chief Nursing Officer (CNO) Algorithm in order to gain additional support from Health Protection Scotland and Health Improvement Scotland as we had exceeded our Staphylococcus Aureus Bacteraemia (SAB) rate over two surveillance quarters. We developed a SAB prevention group and undertook a collaborative review of possible contributory factors, which produced a robust action plan of quality improvement approaches.

Compliance measures utilising a data collection tool are also being tested and currently demonstrate 95-100% compliance in those test areas and we would hope to see a reduction in device related SABs in 2016 as we roll out the process to other clinical areas, and have a standardised approach which will reduce variation.

4. Integrated Care progress

In line with the Public Bodies (Joint Working) (Scotland) Bill – Integration of Health & Social Care Services, GJNH is developing plans to support other NHS Boards as they establish their integrated structure and are actively engaging with our local authority neighbour West Dunbartonshire Council. In addition we have a passion to design new and innovative models of care partnerships that could help deliver the integration agenda supporting the Scottish Government commitment to public sector reform.

We recognise that as we implement our 2020 strategy and vision we will in the future have relationships with Integrated Joint Boards (IJB's)s, particularly around the planning and delivery of further speciality expansion and potentially through our innovation programme. We will also review our operational working arrangements as necessary with Boards around discharge planning arrangements and the commissioning of services. This may have a specific impact in the future on our ophthalmology and orthopaedics service delivery. At this early stage the management of the waiting list remains with the Health Boards. The Board will however remain close to the work of the IJBs and will consider how we can support this important strategic development.

Potential local developments arising from Integration

We are committed to working with local, regional and national partners to support Health and Social Care Integration priorities. We have begun a collaboration of the top teams from GJNH, West Dunbartonshire Council and West College, setting up a joint working group. In particular, we continue to explore the feasibility of a range of local developments with West Dunbartonshire including opportunities to explore models for sharing a range of corporate support services with the council and West College such as transport or estates services and development of closer training links with West College (Clydebank Campus), reviewing offering apprenticeship and employment opportunities with our Board.

Performance against Key Non-Financial Targets (continued)

Workforce progress

'Everyone Matters: 2020 Workforce Vision' recognises the key role the workforce will play in responding to the challenges that NHSScotland is facing, and in improving patient care and overall performance. It sets out the values that are shared across NHSScotland and asks Boards to make early progress in embedding the core values.

Healthy Organisational Culture
What we have achieved:

- iMatter has been rolled out to every team within the Board. Training has been delivered across the Board and guidance developed to ensure sustainability of the system.
- Reviewed the level of organisational development support required to support Team Leads and Managers in relation to developing iMatter action plans and improving the quality of KSF PDR conversations. L&OD process in place to align support where support on Team Effectiveness is requested.
- All NHS Scotland PIN policies have been implemented within the Board ensuring equity of access and consistency of approach.
- Values based recruitment is now embedded throughout the Board with training provided for all line managers. This helps the Board to work towards its Vision for leading quality, research and innovation, and our Values of:
  - Valuing **dignity and respect**
  - A 'can do' attitude
  - Leading commitment to quality
  - Understanding our responsibilities
  - Effectively working together
- Reviewed the 2015 staff survey feedback, and developed our 2016/17 Staff Governance Action Plan.

Sustainable Workforce
What we have achieved:

- Conducted a formal review of workforce planning requirements to determine future needs.
- Reviewed Board's retirement policy and procedure under Work Life Balance Policy.
- Developed Personal Development Review Guidance for managers, Manager Toolkits, and Personal Development Review Surgeries for managers and staff to support the quality of PDR conversions.

Capable Workforce
What we have achieved:

- Completed the review of mandatory training requirements per staff across the organisation, and made final recommendations on improvements to the key governance group and communicate changed to key stakeholders
- Developed and delivered HR skills training to all managers in the Board including devising and rolling out training for all managers on full complement of HR policies and procedures to build capacity and ensure they are delivering the highest quality support to our staff.
- Approved updated medical education strategy and nursing education strategy.

Performance against Key Non-Financial Targets (continued)

Integrated workforce
What we have achieved:

- Established close working relationships with West Dunbartonshire Council to ensure we work together for the local population
- Established close working relationships with West College Glasgow to explore collaborative working opportunities for local population
- Undertaken an external review of occupational health services provided in the board and compared nationally as a benchmark.
- Commenced expansion of Research Nurse Workforce, with the appointment of a Research Quality Manager, Healthcare Support Worker and the inclusion of the Scottish Pulmonary Vascular Unit research support team into the Research and Development Department.

Effective leadership and Management
What we have achieved:

- Designed and approved a new innovative Leadership Framework for the Board.
- Reviewed requirement of national 360 feedback tool for Executive Directors
- Evaluated and refreshed People Management programme Getting it Right

Sustainability and environmental reporting

During the year the Board has formally established a Property and Asset Management Steering Group to oversee all elements of CEL 2010 (35) and subsequent circulars. The remit of this group includes all elements of property and asset management along with all elements of sustainability. The group is made up of the former energy group, estates strategy and sustainability group.

The Group approved a sustainable development policy statement during the year. This statement is to be viewed in line with the Sustainable Development Action Plan and the work undertaken in relation to the Good Corporate Citizen Assessment Model (GCCAM).

In undertaking the above assessment the Board has put plans in place to address all strands of sustainability which are included in the Sustainable Development Action Plan and form part of the GCCAM):

- Facilities Management, this includes the following;
  - Energy management;
  - Carbon Management;
  - Water management;
  - Waste management; and
  - Biodiversity
- Transport;
- Procurement – engage and participate with local partners to promote sustainable procurement objectives;
- Employment and skills;
- Community Engagement; and
- New build projects – encourage the use of low carbon and recycled materials in building projects.

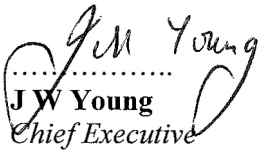
Work has commenced to enable the production of a full sustainability report for 2016/17 a summary of this report will be provided in the Annual Report and Accounts with a full report being published separately.

Sustainability and environmental reporting (continued)

The Board is also building on the work included in its Environmental Management Action Plan with work having been commenced during the year to implement Greencode which will provide an Environmental Management System in line with good practice which will replace the current system.

Staff engagement is also a key area of focus with a range of communications methods (e.g. staff bulletins, the intranet etc) used to reiterate the need for improved environmental management. A number of other initiatives have also been commenced both within the Board and with external parties,

Approval



J W Young
Chief Executive

Date: 23 June 2016

The Accounting Officer authorised the Performance Report for issue on 23 June 2016

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

Directors Report

The Directors present their report and the audited financial statements for the year ended 31 March 2016.

Date of Issue

Financial statements were approved and authorised for issue by the Board on 23 June 2016.

Naming Convention

The Golden Jubilee Foundation is the common name for the National Waiting Times Centre Board.

Appointment of auditors

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

Board Membership

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

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

The Directors during the period were as follows:

Chair	J Freeman OBE – Left 18 March 2016	
Interim Chair	S MacKinnon – from 18 March 2016	
Non-Executive	J Christie – Employee Director	
	M Whitehead	
	J Rae	
	P Cox	
	K Harriman	
	M MacGregor	
Executive Directors	J W Young	- Chief Executive
	J M Carter	- Director of Finance
	AM Cavanagh	– Director of Nursing
	M Higgins	- Medical Director
	L Ferries	- Director of Human Resources (on sick leave from Nov 2014 and resigned in June 2015)
	D Miller	- Acting Director of Human Resources from 5 January 2015
	J Rogers	- Director of Operations

Directors Report (continued)

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

Board members' and senior managers' interests

Details of any interests of Board members, senior managers and other senior staff in contracts or potential contractors with the Board as required by IAS 24 there were no material related party transactions during 2015/16. No Board members or senior managers had any interests in contracts or potential contractors with the Health Board during 2015/16, the following interests have been declared:

	Interest
J Freeman OBE	Freeman Associates Ltd Member – Scottish Police Services Authority Board Member – Judicial Appointments Board for Scotland Member – Woman for Independence
JW Young	Deputy Lord Lieutenant – West Dunbartonshire Board Director – Scottish Health Innovations Ltd (SHIL) Member – Innovation Partnership Board (Scottish Government)
J Carter	Shareholder of 21 Colour Ltd (11% shareholding) and related to the owner of 21 Colour Ltd which is on the public sector contract list. Is removed from any negotiations with the company.
A Cavanagh	Chairperson – Summerston Childcare Limited
M Whitehead	Non-executive Director – The State Hospital Lay assessor – NHS Education for Scotland
J Rae	Non-executive – NHS 24 Trustee – Institute of Counselling
S MacKinnon	Managing Director – MacKinnon Consulting Ltd Visiting Professor (Accounting and Finance) – Strathclyde Business School, University of Strathclyde Non-executive Director – Canadian Payments Association Senior Tutor – Chartered Institute of Bankers in Scotland Senior Consultant – Chartered Management Institute
K Harriman	HR Director – Hilton Hotels
P Cox	Chief Executive – Scottish Veterans Housing Association Non-remunerated Director of Housing Pillar – Veterans Charities
M MacGregor	Consultant, Nephrologists/Physician – NHS Ayrshire and Arran Honorary Clinical Senior Lecturer – University of Glasgow Member – UK Renal Association Executive Committee Member – Scottish Medicine Consortium Fellow – Royal College of Physicians and Surgeons of Glasgow
J Christie-Flight	Lay representative/Branch Chair – Unite Non-executive Director – Scottish Pensions Advisory Board

Directors Report (continued)

Directors third party indemnity provisions

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

Pension Liabilities

The accounting policy note for pensions is provided in Note 1 and disclosure of the costs is shown in Note 20 and the remuneration report.

Remuneration for non-audit work

No fees were payable to external auditors in respect of consultancy or non-audit services during 2015/16.

Value of Land

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

Public Services Reform (Scotland) Act 2010

Following the publication of the public services reform (Scotland) act 2010 the Board is required to publish information as defined by the Act, this information can be found via the following link:
http://www.nhsgoldenjubilee.co.uk/about/our-board/public-spending-psra/

Personal data related incidents

There were no personal data related incidents reported during 2015/16.

Payment policy

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

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

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

In 2015/16 average credit taken was 8 days (2014/15 – 9 days).
In 2015/16 the Board paid 91.72% by value (2014/15 – 91.64%) and 93.59% by volume within 30 days (2014/15 – 93.52%).
In 2015/16 the Board paid 88.84% by value (2014/15 – 81.60%) and 88.84% by volume within 10 days (2014/15 – 88.79%).

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

Directors Report (continued)

Disclosure of Information to Auditors

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

Events after the end of the reporting period

There were no post balance sheets events.

Financial Instruments

Information in respect of the financial risk management objectives and policies of the Board and the exposure of the Board to price risk, credit risk, liquidity risk and cash flow risk is disclosed in note 22.

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 Executive has appointed me as Accountable Officer of the National Waiting Times Centre Board.

This designation carries with it, responsibility for:

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

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

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

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

Statement of NHS Board members' responsibilities

Under the National Health Service (Scotland) Act 1978, the National Waiting Times Centre Board is required to prepare accounts in accordance with the directions of the Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the NHS Board as at 31 March 2016 and of its operating costs for the year then ended. In preparing those accounts, the Directors are required to:

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

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

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

Governance Statement

Responsibility

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

Purpose of Internal Control

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

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

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

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

Governance Framework

In line with good practice, the Board has had robust governance arrangements in place for the year ended March 2016, with the key points of this framework detailed below:

- As part of our ongoing Board Strategy, we have a vision statement, 'Leading quality, research and innovation', which sums up who we are, what we do, and where we want to be over the next few years.

  Our organisational values set out the values we work to and how we should behave to our patients, our hotel guest, our visitors and to each other. Supporting these values, and more importantly, demonstrating them in everything we do and say, helps us provide a caring, personal and quality service for our patients, visitors and guests .

  Our values are:

  - Valuing dignity and respect
  - A 'can do' attitude
  - Leading commitment to quality
  - Understanding our responsibilities
  - Effectively working

- The Board measures the quality of its services on an ongoing basis via patient and customer satisfaction surveys and quality outcome measures reported on our Board dashboards.
- The Board's Performance and Planning Committee uses our corporate balanced scorecard to review how the Board is performing against set indicators, including the use of available resources. This information is also reviewed at every meeting of the Senior Management Team and the Board.

Governance Statement (Continued)

- The Board has developed and implemented a Quality Framework to provide assurance on patient care, staff governance and performance. Part of the framework includes Clinical Dashboards which have been fully implemented within clinical areas. Scrutiny of the dashboards are at local governance groups, the Quality and Innovation Group which has been in place since 2013/2014 and the Board including Board sub-committees. They aim to provide quality performance in a timely manner for all clinical service areas.
- The Audit (Audit and Risk) Committee of the Board has terms of reference which govern its function in line with the requirements of the Government Audit Committee Handbook and the reviews conducted during the year. 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 Board approval. The Committee also considers all audit work. The Staff Governance (person centred) and Clinical Governance (safe) Committees also function in line with clear terms of reference and review assurance in these specific areas, annual reports have been presented to reflect this for 2015/16.
- During the year the Board continued to review the role of each of the governance committees (audit and risk (effective), clinical (safe) and staff (person centred) to ensure that they were fulfilling the governance requirements of the Board and were demonstrating clear links to the NHS in Scotland quality strategy.
- Work regarding the role of the audit and risk committee has continued during the year with an increased focus on developing a Board wide enterprise risk framework, this has continued during the year with regard to this new role.
- The Board risk appetite statement was approved during 2015/16 and this work continues to be developed with specific work reviewing the governance structures required to be put in place and developing innovation as a pilot project for setting risk appetite and tolerances.
- Each governance committee performs a 360 review of each meeting assessing the performance and content of each meeting, this is to ensure that any areas for improvement are identified and appropriate actions taken to address.
- In addition all committees have submitted formal annual reports regarding the work of the committee to the Board.
- The Board has in place the following policies which govern the work of core Board functions. These documents are reviewed on an annual basis and updated as required to reflect guidance issued by the Government or changes within the Board:
  - The role of the Board is clearly defined in the Standing Orders, which details how the Board conducts its business. The Standing Orders are reviewed regularly to ensure that they continue to reflect best practice and good governance arrangements.
  - Standing Financial Instructions, including authorised signatory list – these govern all financial related business of the Board and are approved by the Audit Committee following updates. 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 referred to in the Standing Financial Instructions with both being intrinsically linked. The Policy is reviewed on an ongoing basis.
- Assurance statements are signed by each executive Director detailing that all Board policies have been adhered to during the year 2015/16.
- 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 guidance issued by the Government.
- The Board's Whistle-blowing policy, which is overseen by the Staff Governance (Person Centred) Committee, details the processes to be followed by staff members. One of the Non-Executive Board Members also acts as the Board Whistle-blowing Champion.

Governance Statement (continued)

- 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 Counter Fraud Services was signed during 2015/16.
- 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 to ensure that we inform, engage and communicate appropriately with our patients, the public, staff and other stakeholders. Reports on performance against key communications indicators are submitted to the Senior Management Team and Person Centred Committee, with Communications attendance at the Involving People Steering Group, Partnership Forum, Volunteers Forum and Quality Patient Public Panel. Our Communications and Public Affairs Strategy is currently under development which will ensure that we are evolving to meet the communication needs of our staff and stakeholders in appropriate and innovative ways.
- The Board has a very well established Partnership Forum, which works effectively and provides updates to the Board following each meeting. Over the course of the year a series of finance workshops have been undertaken for the Partnership Forum.
- Active participation is also demonstrated in regional and national groups.
- The Board has approved the Beardmore Hotel 2020 Strategy and a detailed implementation plan is in place and progress reported at Board meetings.
- 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.

During 2015/16 the Board completed the Board Diagnostic Assessment Tool overall this was very positive and an action plan describing further improvements was agreed by the Board.

A number of Board workshops took place during 2015/16 focusing on developing the Board strategy, the output of the Board Diagnostic Assessment Tool and the role of the Board members compared to the role of Trustees. Further workshops have been identified for 2016/17.

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.

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.

Governance Statement (continued)

The Board has an internal mechanism for monitoring the implementation of recommendations made by both internal and external audit and Audit Scotland. Updates are given to the Audit and Risk Committee, Clinical Governance and Risk Management Group and Clinical Governance Committee.

The Audit and Risk Committee, through its statutory role of reviewing internal controls, and the Clinical Governance and Risk Management Group, through its role in ensuring that risks are being managed, provides assurance to me as Accountable Officer. The role of the Audit (and Risk) committees' with regard to risk has remained unchanged during 2015/16 and therefore this committee provides additional assurance on risk as well as the internal control environment.

Additional assurance has been provided during 2015/16 via the receipt of formal reports relating to each of the governance committees. All senior managers/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 and Risk Management Group. Plans to address any weaknesses are highlighted and ensure continuous improvement of the system are in place in line with best value principles.

Risk Assessment

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

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

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 reviewed by the Senior Management Team at every meeting. The Board Risk Register is reviewed by the audit and risk committee prior to submission to the Board.

The Clinical Governance and Risk Management Group and Senior Management Team ensures that all risks are addressed fully and in a timely manner. The groups meet on a regular basis with updates being provided during 2015/16 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.

The Adverse Event Policy was revised during 2015/16 and is compliant with the HIS National Framework; implementation of this will continue during 2016/17 via the Divisions.

Risk controls are identified through the risk register process. The implementation of controls is monitored to ensure their timely introduction and key controls are subject to audit to ensure their effectiveness in reducing risk. Risks to information are also controlled as part of this process. This process is reviewed by the Audit and Risk Committee.

Governance Statement (Continued)

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, the Board:

- During 2015/16 we have also undertaken work to further develop our risk appetite statement so that it starts to be embedded in what we do. This gives us a good basis for visualising the next stage of the work of setting our risk tolerances, with the agreed pilot on innovation. The principles will then be expanded to manage the risks within the specific tolerance limits. It is envisaged that this work will continue during 2016/17.

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.

It should be noted that whilst no significant control weaknesses have been identified two high risk recommendations and a small number of medium and low risk recommendations were made by internal audit; however these areas would not have an impact on the achievement of the Corporate Objectives. Action plans have been agreed to address these recommendations.

During the year the Board has put in place systems to ensure that performance relating to Treatment Time Guarantees is effectively monitored and reported on. Updates are provided to each meeting of the Board.

During the course of the year the Board provided all administration services for the Board Charity (National Waiting Times Centre Board Endowment Fund). An annual report for the charity was submitted to OSCR in December. A full audit of all financial transactions and governance arrangements will be undertaken for the 2015/16 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 no requirement to consolidate the charity into the Annual Accounts for 2015/16. However 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

Board Members and Senior Employees Remuneration

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

The 'total earnings in year' column (shaded below) shows the remuneration relating to actual earnings in 2015/16.

Remuneration Table

2016 Name	Directors Gross Salary (bands of £5,000)	Bonus Payments (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	£'000
Remuneration of:						
Executive Members						
Chief Executive: JW Young	120-125	-	3.3	120-125	90	210-215
Director of Finance: J M Carter	85-90	-	6.2	90-95	20	110-115
J Rogers	85-90	-	5.8	90-95	58	150-155
M Higgins	155-160	-	5.1	160-165	51	210-215
AM Cavanagh	70-75		0.7	70-75	30	100-105
*L Ferries – left June 2015	25-30	-	1.2	25-30	7	35-40
D Millar – acting from 5 January 2015	60-65		3.7	65-70	15	80-85
Non-Executive Members						
Chair: J Freeman OBE – left 18 March	25-30	-	-	25-30	-	25-30
Interim Chair- S MacKinnon – from 18 March	5-10	-	-	5-10	-	5-10
J Christie	50-55	-	-	50-55	12	60-65
J Rae	5-10	-	-	5-10	-	5-10
M Whitehead	5-10	-	-	5-10	-	5-10
M MacGregor	5-10	-	-	5-10	-	5-10
K Harriman	5-10	-	-	5-10	-	5-10
P Cox	5-10	-	-	5-10	-	5-10

Board Members and Senior Employees Remuneration (continued)

In addition to the salary payments for L Ferries included above an additional payment of £92,000 was made as compensation for loss of office. This payment was made in line with Scottish Government guidance and was tested for value for money prior to being approved at the remuneration committee and by the Scottish Government.

There were no performance related bonuses paid to the executives of the Board during the year. Discretionary points were paid to the medical director during the year relating to 2015/16 and are included in the salary costs.

The Employee Director's salary includes £40k-£45k in respect of clinical duties not related to the non-executive role.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

FOR THE YEAR ENDED 31 MARCH 2016

Pension Values

2016 Name	Accrued pension at age 60 as at 31/03/16* (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Cash equivalent Transfer Value (CETV) at 31 March 2016 (bands of £5,000)	Cash equivalent Transfer Value (CETV) at 31 March 2015	Real increase in cash equivalent Transfer Value (CETV) at 31 March
	£'000	£'000	£'000	£'000	£'000
Pension Values of:					
Executive Members					
Chief Executive: JW Young	55-60	2.5-5	1,246	1,110	119
Director of Finance: J M Carter **	20-25	0-2.5	370	352	18
J Rogers	15-20	2.5-5	412	333	67
M Higgins	60-65	2.5-5	1,366	1,257	87
AM Cavanagh	25-30	0-2.5	487	443	35
L Ferries	10-15	0-2.5	283	265	14
D Millar – acting from 5 January 2015 **	15-20	0-2.5	217	205	12
Non-Executive Members					
Chair: J Freeman OBE – left 18 March	-	-	-	-	-
Interim Chair- S MacKinnon – from 18 March	-	-	-	-	-
J Christie **	15-20	0-2.5	261	252	10
J Rae	-	-	-	-	-
M Whitehead	-	-	-	-	-
M MacGregor	-	-	-	-	-
K Harriman	-	-	-	-	-
P Cox	-	-	-	-	-

*the accrued pension lump sum associated with staff on the 1995 scheme is three times the accrued pension stated above.

** 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)

The 'total earnings in year' column (shaded below) shows the remuneration relating to actual earnings 2014/15.

FOR THE YEAR ENDED 31 MARCH 2015

Remuneration Table

2015 **Name**	**Directors Gross Salary (bands of £5,000)**	**Bonus Payments (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**	**£'000**
Remuneration of:						
Executive Members						
Chief Executive: JW Young	110-115	-	2.9	115-120	133	245-250
Director of Finance: J M Carter	70-75	-	6.2	75-80	5	80-85
J Rogers	75-80	-	5.4	80-85	7	90-95
M Higgins	150-155	-	4.5	155-160	66	220-225
AM Cavanagh – from 22 June 2014-31 March 2015	55-60		-	55-60	69	125-130
S Chaib – Left 19 June 2014	15-20	-	-	15-20	-	15-20
L Ferries	75-80	-	3.8	80-85	9	90-95
D Millar –from 5 January 2015	15-20		3.0	15-20	14	30-35
Non-Executive Members						
Chair: J Freeman OBE	25-30	-	-	25-30	-	25-30
J Christie	50-55	-	-	50-55	1	50-55
J Rae	5-10	-	-	5-10	-	5-10
M Whitehead	5-10	-	-	5-10	-	5-10
M MacGregor	5-10	-	-	5-10	-	5-10
S MacKinnon	5-10	-	-	5-10	-	5-10
K Harriman	5-10	-	-	5-10	-	5-10
P Cox	5-10	-	-	5-10	-	5-10

There were no performance related bonuses paid to the executives of the Board during the year. Discretionary points were paid to the medical director during the year relating to 2012/13 and are included in the salary costs.

The Employee Director's salary includes £40k-£45k in respect of clinical duties not related to the non-executive role.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

FOR THE YEAR ENDED 31 MARCH 2015

Pension Values

2015 **Name**	**Accrued pension at age 60 as at 31/03/15* (bands of £5,000)**	**Real increase in pension at age 60 (bands of £2,500)**	**Cash equivalent Transfer Value (CETV) at 31 March 2015 (bands of £5,000)**	**Cash equivalent Transfer Value (CETV) at 31 March 2014**	**Real increase in cash equivalent Transfer Value (CETV) at 31 March**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Pension Values of:					
Executive Members					
Chief Executive: JW Young	50-55	5-7.5	1,099	935	148
Director of Finance: J M Carter	20-25	0-2.5	352	334	11
J Rogers	15-20	0-2.5	330	304	16
M Higgins	55-60	2.5-5	1,245	1,126	96
AM Cavanagh –from 22 June 2014-31 March 2015	20-25	0-2.5	438	366	64
S Chaib – Left 19 June 2014	10-15	0-2.5	237	229	5
L Ferries	10-15	2.5-5	262	237	14
D Millar – from 5 January 2015	-	-	-	-	-
Non-Executive Members					
Chair: J Freeman OBE	-	-	-	-	
J Christie	15-20	0-2.5	244	234	6
J Rae	-	-	-	-	-
M Whitehead	-	-	-	-	-
M MacGregor	-	-	-	-	-
S MacKinnon	-	-	-	-	-
K Harriman	-	-	-	-	-
P Cox	-	-	-	-	-

*the accrued pension lump sum associated with staff on the 1995 scheme is three times the accrued pension stated above.

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.

2015/16	£000s	2014/15	£000s
Highest earning Director's total remuneration	155-160	Highest earning Director's total remuneration	155-160
Median Total remuneration	29,357	Median Total remuneration	28,079
Ratio	5.26	Ratio	5.25

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. The headcount for 2015/16 was 15 (2014/15 – 16)

Staff numbers

Staff Numbers	WTE 2016 Annual Mean	WTE 2015 Annual Mean	Headcount 2016 Annual Mean	Headcount 2014 Annual Mean
Administration Costs	346.2	318.5	381	353
Hospital & Community Services	1,085.9	1,046.5	1,255	1,201
Non-Clinical	179.2	170.9	202	193
Inward Secondees	8.6	4.7	12	10
Agency Staff	57.7	61.8	165	198
Outward Secondees	(2.55)	(3.7)	(3)	(4)
Board Total Average Staff	**1,675.1**	**1,598.7**	**2,012**	**1,951**
Disabled Staff	-	-	-	-

Staff composition

The table below includes the breakdown of the number of persons of each gender who were Directors and employees of the Board.

	2016			2015		
	Male	Female	Total	Male	Female	Total
Executive Directors	2	5	7	2	6	8
Non-Executive Directors and Employee Director	4	4	8	4	4	8
Senior Employees (as per remuneration Report)	-	-	-	-	-	-
Other	520	1,303	1,823	478	1,269	1,731
Total Headcount	**526**	**1,312**	**1,838**	**478**	**1,269**	**1,747**

Sickness Absence

The annual sickness absence rate for 2015/16 was 5.04% (4.51% for 2014/15).

Staff policies relating to disabled staff

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

Expenditure on consultancy

There has been no expenditure on consultancy during 2015/16.

Off-payroll engagements

Off-payroll engagements refer to individuals who are engaged to provide services to the Board, but who are not on payroll and therefore do not have PAYE and NICs deducted at source.

There have been no off-payroll engagements within 2015/16.

Exit packages

2015/16

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	-	2	2
£50,000 - £100,000	-	1	1
Total number exit packages by type		**3**	**3**
Total resource cost (£'000)	**-**	**125**	**125**

There were no exit packages paid within the Board during 2014/15.

Approval

J W Young
Chief Executive

Date: 23 June 2016

The Accounting Officer authorised the Accountability Report for issue on 23 June 2016

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

We have audited the financial statements of National Waiting Times Centre Board for the year ended 31 March 2016 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2015/16 Government Financial Reporting Manual (the 2015/16 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of Accountable Officer and auditor

As explained more fully in the Statement of Chief Executive's (Accountable Officer) Responsibilities as the Accountable Officer of the Health Board, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. It also involves obtaining evidence about the regularity of expenditure and income. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements, irregularities, or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the board's affairs as at 31 March 2016 and of its net operating cost for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2015/16 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.

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

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.

Opinion on other prescribed matters

In our opinion:

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

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

Chris Brown
For and on behalf of Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

__ June 2016

Statement of Comprehensive Net Expenditure (SOCNE) and Summary of Resource Outturn for the year ended 31 March 2016

	Note	**2016 £'000**	**2016 £'000**	**2015 £'000**	**2015 £'000**
Clinical Services Costs					
Hospital and Community Health Services	*4*	117,709		113,110	
Less: Hospital and Community Income	*7*	51,852		51,695	
Total Clinical Services Costs			**65,857**		**61,415**
Administration Costs	*5*	10,390		9,076	
Less: Administration Income	*7*	-		-	
			10,390		9,076
Other Non Clinical Services	*6*	587		224	
Less: Other Operating Income	*7*	6,722		6,051	
			(6,135)		(5,827)
Net Operating Costs	*SOCTE*		**70,112**		**64,664**

Other Comprehensive Net Expenditure	**2016 £'000**	**2015 £'000**
Net (gain)/loss on Revaluation of Property, Plant and Equipment	(4,103	(3,025)
Other comprehensive expenditure	**(4,103**	**(3,025)**
Total Comprehensive Expenditure	**66,009**	**61,639**

SUMMARY OF CORE REVENUE RESOURCE OUTTURN	**2016 £'000**	**2016 £'000**
Net Operating Costs		**70,112**
Total Non Core Expenditure (see below)		(6,391)
Total Core Expenditure		**63,721**
Core Revenue Resource Limit		63,721
Saving/(excess) against Core Revenue Resource Limit		**-**

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN		
Depreciation/Amortisation	6,150	
Annually Managed Expenditure - Impairments	22	
Annually Managed Expenditure - Creation of Provisions	219	
Additional SGHSCD non-core funding	-	
Total Non Core Expenditure		**6,391**
Non-Core Revenue Resource Limit		6,391
Saving/(excess) against Non Core Revenue Resource Limit		**-**

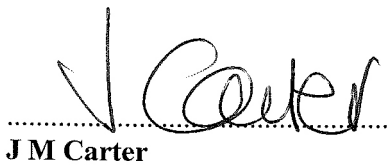
SUMMARY RESOURCE OUTTURN	Resource £'000	Expenditure £'000	Saving/(Excess) £'000
Core	63,721	63,721	-
Non Core	6,391	6,391	-
Total	**70,112**	**70,112**	**-**

The Notes to the Accounts, numbered 1 to 22, form an integral part of these Accounts.

Balance sheet as at 31 March 2016

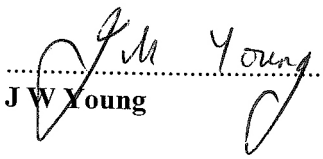
	Note	**2016**	**2016**	**2015**
		£'000	**£'000**	**£'000**
Non-Current Assets				
Property, plant and equipment	*10a/b*	132,357		128,006
Intangible Assets	*9*	117		143
Total Non-current Assets			**132,474**	**128,149**
Current assets				
Inventories	*11*	3,914		4,205
Financial Assets:				
- Trade and other receivables	*12*	4,935		4,691
- Cash and cash equivalents	*13*	7,736		3,172
Assets classified as held for sale	*10c*	65		65
Total Current Assets			**16,650**	**12,133**
Total Assets			**149,124**	**140,282**
Current Liabilities				
Provisions	*15*		(1,883)	(1,528)
Financial Liabilities:				
- Trade and other payables	*14*		(25,894)	(16,982)
Total Current Liabilities			**(27,777)**	**(18,510)**
Non-current assets plus/less net current assets/liabilities			**121,347**	**121,772**
Total Non-current liabilities			(447)	-
Assets less liabilities			**120,900**	**121,772**
Taxpayers' Equity				
General Fund	*SOCTE*		41,763	45,907
Revaluation reserve	*SOCTE*		79,137	75,865
Total Taxpayers' Equity			**120,900**	**121,772**

Adopted by the Board on 23 June 2016



.....Director of Finance

J M Carter



.....Chief Executive

J W Young

The Notes to the Accounts, numbered 1 to 22, form an integral part of these Accounts.

Cash flow statement for the year ended 31 March 2016

	Note	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Cash flows from operating activities					
Net operating cost	*SOCNE*	(70,112)		(64,664)	
Adjustments for non-cash transactions	*3*	6,165		5,927	
(Increase)/decrease in trade and other receivables	*16*	(244)		(2,496)	
(Increase)/decrease in inventories	*16*	291		(1,570)	
Increase/(decrease) in trade and other payables	*16*	4,348		(931)	
Increase in provisions	*16*	802		224	
			(58,750)		**(63,510)**
Cash flows from investing activities					
Purchase of property, plant and equipment		(6,387)		(3,821)	
Proceeds of disposal of property, plant and equipment		22		11	
Net cash outflow from investing activities			**(6,365)**		**(3,810)**
Cash flows from financing activities					
Funding	*SOCTE*	65,115		67,320	
Movement in general fund working capital	*SOCTE*	4,564		105	
Cash drawn down		69,679		67,425	
Net financing			**69,679**		**67,425**
Net Increase/(decrease) in cash and cash equivalents in the period			4,564		105
Cash and cash equivalents at the beginning of the period			3,172		3,067
Cash and cash equivalents at the end of the period			**7,736**		**3,172**
Reconciliation of net cash flow to movement in net debt/cash					
Increase/(decrease) in cash in year			4,564		105
Net debt/cash at 1 April	*13*		3,172		3,067
Net debt/cash at 31 March	*13*		**7,736**		**3,172**

The Notes to the Accounts, numbered 1 to 22, form an integral part of these Accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2016

	Note	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
Balance at 31 March 2015		**45,907**	**75,865**	**121,772**
Prior year adjustments for changes in accounting policy and material errors	-	-	-	**-**
Restated balance at 1 April 2015		**45,907**	**75,865**	**121,772**
Changes in taxpayers' equity for 2015/16				
Net gain/(loss) on revaluation/indexation of property, plant and equipment	*10d*	-	4,103	4,103
Revaluation & impairments taken to operating costs		-	22	22
Transfers between reserves		853	(853)	-
Net operating cost for year		(70,112)	-	**(70,112)**
Total recognised income and expense for 2015/16		**(69,259)**	**3,272**	**(65,987)**
Funding:				
Drawn Down		69,679	-	**69,679**
Movement in General Fund (Creditor)/Debtor		(4,564)	-	**(4,564)**
Balance at 31 March 2016		**41,763**	**79,137**	**120,900**

Statement of changes in taxpayers' equity for the year ended 31 March 2015

	Note	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
Balance at 31 March 2014		**42,652**	**73,609**	**116,261**
Prior year adjustments for changes in accounting policy and material errors	-	(170)	-	**(170)**
Restated balance at 1 April 2014		**42,482**	**73,609**	**116,091**
Changes in taxpayers' equity for 2014/15				
Net gain/(loss) on revaluation/indexation of property, plant and equipment	*10d*	-	3,025	**3,025**
Impairment of property, plant and equipment	*10a*	-	-	-
Revaluation & impairments taken to operating cost statement	*3*	-	-	**-**
Transfers between reserves		769	(769)	**-**
Net operating cost for year		(64,664)	-	**(64,664)**
Total recognised income and expense for 2014/15		**(63,895)**	**2,256**	**(61,639)**
Funding:				
Drawn Down		67,425	-	**67,425**
Movement in General Fund (Creditor)/Debtor		(105)	-	**(105)**
Balance at 31 March 2015		**45,907**	**75,865**	**121,772**

The Notes to the Accounts, numbered 1 to 22, 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 European Union (IFRSs as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

The preparation of 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 27 below.

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

At the date of authorisation of these financial statements, the following, standards and amendments or interpretations were effective for the first time this year:

- IFRS 13 – Fair Value Measurement; and
- IAS 36 – 'Impairment of assets' on recoverable amount disclosures.

These standards did not have a material impact on the Board's financial statements.

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

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not yet been applied were in issue but not yet effective:

- IAS 1 – Disclosure Initiative (no substantive changes to FReM identified);
- IAS 16 and IAS 38 – Clarification of applicable methods of depreciation and amortisation (no substantive changes to FReM identified);
- IFRS 15 – Revenue from Contracts (this is subject to analysis and review by HM Treasury);
- IFRS 9 – Financial Instruments (this is subject to analysis and review by HM Treasury);
- IFRS 16 Leases (this is subject to analysis and review by HM Treasury); and
- IAS 7 - Disclosure Initiative, Cash flow statements (this is subject to analysis and review by HM Treasury).

With the exception of IFRS 16 management do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Board in future periods. Following review by HM Treasury IFRS 16 may have a financial impact on the Board.

2. Basis of Consolidation

In accordance with IAS 27 – Consolidated and Separate Financial statements, the board have considered the requirement to consolidate the financial statements of the Board endowment funds.

It has been agreed that the value of income and expenditure of the funds are not sufficiently material to require consolidation.

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

Note 1 Accounting Policies (continued)

The National Waiting Times Centre Board is now 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 Board funds are administered by the Board with the administration of these being undertaken by the Board

3. Prior Year Adjustments

No prior year adjustments have been made within these accounts.

4. Going Concern

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

5. Accounting Convention

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

6. Funding

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

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

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

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

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

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

7. Property, plant and equipment

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

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

7.1 Recognition

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

Note 1 Accounting Policies (continued)

All assets falling into the following categories are capitalised:

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

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

7.2 Measurement

Valuation

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

All assets are measured subsequently at fair value as follows:

1) Specialised NHS land, buildings, installations and fittings are stated at depreciated replacement cost, as a proxy for fair value as specified in the FReM.

2) Non-specialised land and buildings, such as offices, are stated fair value. The Beardmore Hotel is stated at fair value.

3) Valuations of all land and building assets within the Board are reassessed by valuers on an annual basis. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Scottish Government.

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 re 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.

Note 1 Accounting Policies (continued)

Revaluation and Impairment:

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

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

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

7.3 Depreciation

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

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

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

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

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

8. Intangible Assets

8.1 Recognition

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

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

Note 1 Accounting Policies (continued)

The main classes of intangible assets recognised are:

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'.

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.

There has been no charge in relation to this asset to date as the asset is not yet in operational use.

The following asset lives will be used when the asset comes into operational use.

- Software licences 5 years

9. Non-current assets held for sale

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

Note 1 Accounting Policies (continued)

- The asset is available for immediate sale in it 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 fund a buyer and complete the sale;
  - The asset is being actively marketed at a reasonable price;
  - The sale is expected to be completed within 12 months of the date of classification as 'held for sale'; and
  - The actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

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

10. Donated Assets

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

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

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

12. Leasing

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

13. Impairment of non-financial assets

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

Note 1 Accounting Policies (continued)

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

14. General Fund Receivables and Payables

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

15. Inventories

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

16. Losses and Special Payments

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

17. Employee Benefits

Short-term Employee Benefits

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

Pension Costs

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

The pension cost is assessed every five years by the Government Actuary and 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.

Note 1 Accounting Policies (continued)

18. Clinical and Medical Negligence Costs

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

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

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

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

19. Related Party Transactions

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

20. Value Added Tax

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

21. Provisions

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

22. Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in note 17 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 17, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

Note 1 Accounting Policies (continued)

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

23. Corresponding Amounts

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

24. Financial Instruments

Financial assets

Classification

The NHS Board classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

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

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.

Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the

Board will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the loan and receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the SOCNE. When a loan or receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the SOCNE.

Note 1 Accounting Policies (continued)

Financial Liabilities

Classification
The Board classifies its financial liabilities in the following categories: other financial liabilities. The classification depends on the purpose for which the financial liabilities were issued. Management determines the classification of its financial liabilities at initial recognition.

Other financial liabilities

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

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

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

Other financial liabilities

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

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 Citi and Royal Bank of Scotland Group to provide the banking services, funds held in these accounts should not be classed as commercial bank balances.

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

Note 1 Accounting Policies (continued)

Impairments
The value of impairment included within the accounts was provided by the Boards Valuer as part of the valuation work undertaken.

Material Provisions
The Board does not have any material provisions included within this set of accounts.

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

Note 2(a) Staff Numbers and Costs

(i) Segmentation of Staff Costs

2016	Executive Board Members	Non Executive Members	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	Total	2015
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and wages	612	83	59,400	-	445	(99)	**60,441**	56,584
Social security costs	82	4	5,147	-	16	(9)	**5,240**	4,925
NHS Scheme employers' costs	91	-	7,009	-	24	(15)	**7,109**	6,012
Other employers' pension costs	-	-	4	-	-	-	**4**	4
Inward Secondees	-	-	-	315	141	-	**456**	465
Agency staff	-	-	-	-	2,867	-	**2,867**	3,096
Total	**785**	**87**	**71,560**	**315**	**3,493**	**(123)**	**76,117**	**71,086**
Compensation for Loss of Office	92	-	33	-	-	-	125	-
Total	**877**	**87**	**71,593**	**315**	**3,493**	**(123)**	**76,242**	**71,086**

Note 2 (b) Higher Paid Employees Remuneration

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

			2016	2015
Clinicians				
£50,001	-	£60,000	11	2
£60,001	-	£70,000	4	5
£70,001	-	£80,000	9	16
£80,001	-	£90,000	6	5
£90,001	-	£100,000	6	6
£100,001	-	£110,000	3	2
£110,001	-	£120,000	3	4
£120,001	-	£130,000	13	5
£130,001	-	£140,000	7	10
£140,001	-	£150,000	13	6
£150,001	-	£160,000	7	8
£160,001	-	£170,000	1	6
£170,001	-	£180,000	4	1
£180,001	-	£190,000	3	2
£190,001	-	£200,000	-	3
£200,001	and above		11	10
Other				
£50,001	-	£60,000	38	37
£60,001	-	£70,000	11	10
£70,001	-	£80,000	2	-
£80,001	-	£90,000	2	2
£90,001	-	£100,000	1	1

The number of clinical staff earning over £200k primarily relates to additional payments in relation to waiting list initiative sessions due to hard to fill posts.

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

Note 3 Other Operating Costs

Expenditure Not Paid in Cash	*Note*	2016 £'000	2015 £'000
Depreciation	*10a*	6,124	5,927
Amortisation	*9*	26	-
Impairments on property, plant and equipment charged to SOCNE	*10a*	22	-
Funding of Donated Assets		(7)	-
Total Expenditure Not Paid in Cash		**6,165**	**5,927**

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

Statutory Audit	2016 £'000	2015 £'000
External auditor's remuneration and expenses	70	70
	70	**70**

Note 4 Hospital and Community Health Services

By Provider

	2016 £'000	2015 £'000
Treatment of NHS Scotland Patients	117,891	113,020
Private Sector	18	90
Total NHS Scotland Patients	**117,709**	**113,110**
Treatment of UK residents based outside Scotland	-	-
Total Hospital and Community Health Service	**117,709**	**113,110**

All expenditure has been in the Acute Services category.

Note 5 Administration Costs

	2016 £'000	2015 £'000
Board Members' Remuneration	964	820
Administration of Board Meetings and Committees	145	150
Corporate Governance and Statutory Reporting	107	119
Health Planning, Commissioning and Performance Reporting	205	141
Treasury Management and Financial Planning	25	25
Other Support Functions	8,944	7,821
Total Administration Costs	**10,390**	**9,076**

Note 6 Other non-clinical services

	2016 £'000	2015 £'000
Compensation payments - Clinical	238	(52)
Compensation payments - Other	(14)	(3)
Post Graduate Medical Education	363	279
Total Other Non Clinical Services	**587**	**224**

Note 7 Operating Income

HCH Income	2016 £'000	2015 £'000
NHS Scotland Bodies – Boards	50,484	50,438
NHS Non-Scottish Bodies	257	-
Non-NHS:		
Private patients	25	129
Other HCH Income	1,086	1,128
Total HCH Income	**51,852**	**51,695**
Other operating income		
NHS Scotland Bodies	1,231	1,283
Contributions in respect of clinical and medical negligence claims	625	-
Other	4,866	4,768
Total other operating income	**6,722**	**6,051**
Total income	**58,574**	**57,746**
Of the above, the amount derived from NHS bodies is	**51,972**	**51,721**

Note 8 Analysis of Capital Expenditure

	Note	2016	2015
Expenditure		**£'000**	**£'000**
Acquisition of property, plant and equipment	*10a*	6,387	3,821
Donated asset additions	10*b*	7	-
Gross Capital Expenditure		**6,394**	**3,821**
Income			
Net Book Value of disposal of Property, plant and equipment	*10a*	22	11
Capital Income		**22**	**11**
Net Capital Expenditure		**6,372**	**3,810**
Summary of Capital Resource Outturn			
Net capital expenditure as above		6,387	3,821
Capital Resource Limit		6,387	3,824
Savings/(Excess) against capital resource limit		**-**	**3**

Note 9 Intangible Fixed Assets for year-ended 31 March 2016

	Software Licences 2015/16 £'000	Software Licences 2014/15 £'000
Cost or valuation		
At 1 April	**143**	**143**
At 31 March	**143**	**143**
Amortisation		
At 1 April	**-**	**-**
Provided during year	26	
At 31 March	**117**	**-**
Net book value purchased assets		
At 1 April	143	143
At 31 March	**117**	**143**

10 (a) Property, Plant and Equipment (Purchased Assets) for the year ended 31 March 2016

	Land	Buildings	Plant and Machinery	Information Technology	Furniture & Fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2015	**5,686**	**104,336**	**40,940**	**8,954**	**130**	**3,033**	**163,079**
Additions	-	-	5,244	576	-	567	6,387
Completions	-	341	2,522	85		(2,948)	-
Transfers	-	-	164	-		(164)	-
Transfers (to)/from non-current assets held for sale	-	-	-	-	-	-	-
Revaluation	-	1,573	-	-	-	-	1,573
Disposals	-	-	(100)	-	-	-	(100)
At 31 March 2016	**5,686**	**106,250**	**48,770**	**9,615**	**130**	**488**	**170,939**
Depreciation							
At 1 April 2015	**-**	**-**	**28,110**	**6,868**	**95**	**-**	**35,073**
Provided during the year	-	2,530	2,928	660	6	-	6,124
Revaluation	-	(2,530)	-	-	-	-	(2,530)
Disposals	-	-	(78)	-	-	-	(78)
At 31 March 2016	**-**	**-**	**30,960**	**7,528**	**101**	**-**	**38,589**
Net book value purchased assets							
At 1 April 2015	5,686	104,336	12,830	2,086	35	3,033	128,006
At 31 March 2016	5,686	106,250	17,810	2,087	29	488	132,350
Open Market value of Land included above	5,686						
Asset Financing:							
Owned							
Net Book Value at 31 March 2016	**5,686**	**106,250**	**17,810**	**2,087**	**29**	**488**	**132,350**

10 (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
Cost or valuation							
At 1 April 2014	**5,700**	**103,804**	**40,047**	**8,881**	**130**	**271**	**158,833**
Additions	-	-	986	73	-	2,762	3,821
Transfers (to)/from non-current assets held for sale	(65)	-	-	-	-	-	(65)
Revaluation	51	532	-	-	-	-	583
Disposals	-	-	(93)	-	-	-	(93)
At 31 March 2015	**5,686**	**104,336**	**40,940**	**8,954**	**130**	**3,033**	**163,079**
Depreciation							
At 1 April 2014	**-**	**-**	**25,364**	**6,217**	**89**	**-**	**31,670**
Provided during the year	-	2,442	2,828	651	6	-	5,927
Revaluation	-	(2,442)	-	-	-	-	(2,442)
Disposals	-	-	(82)	-	-	-	(82)
At 31 March 2015	**-**	**-**	**28,110**	**6,868**	**95**	**-**	**35,073**
Net book value purchased assets							
At 1 April 2014	5,700	103,804	14,683	2,664	41	271	127,163
At 31 March 2015	5,686	104,336	12,830	2,086	35	3,033	128,006
Open Market value of Land included above	5,686						
Asset Financing:							
Owned							
Net Book Value at 31 March 2015	**5,686**	**104,336**	**12,830**	**2,086**	**35**	**3,033**	**128,006**

Note 10 (b) – Donated assets

	Plant & Machinery 2015/16 £'000	Plant & Machinery 2014/15 £'000
Cost or valuation		
At 1 April	**0**	**0**
Additions	7	-
At 31 March	**7**	**0**
Depreciation		
At 1 April	**-**	**-**
Provided during year	-	-
At 31 March	**-**	**-**
Net book value purchased assets		
At 1 April	-	0
At 31 March	**7**	**0**

Note 10 (c) Assets Held for Sale

	Note	**£'000**
At 31 March 2015		**65**
Transfers (to)/from property, plant and equipment	*10a*	-
As at 31 March 2016	*BS*	**65**
Assets Held for Sale (prior year)		
At 31 March 2014		**-**
Transfers (to)/from property, plant and equipment		65
As at 31 March 2015		**65**

Note 10 (d) Property plant and equipment disclosures

The net book value for property, plant and equipment at 31 March 2016 was £132,357,000 (prior year £128,006,000).

Property was fully revalued by an independent valuer, GVA Grimley Ltd at 31 March 2016 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. The net impact was an increase in value of £1,915,000 compared to the previous valuation by the valuer.

The net impact was an increase/reduction in value of £853,000, of which £769,000 was credited to the revaluation reserve.

Note 11 Inventories

	2016 £'000	2015 £'000
Raw Materials and Consumables	3,914	4,205

Note 12 Trade and Other Receivables

	2016 £'000	£'000	2015 £'000
Debtors due within one year			
National Health Service in Scotland			
Boards	1,496		2,464
Total National Health Service in Scotland Receivables		1,496	2,464
NHS Non-Scottish Bodies		18	
General Fund Receivable			
VAT recoverable		60	89
Prepayments		424	495
Accrued income		869	341
Other Receivables		593	452
Reimbursement of provisions		1,475	850
Total Receivables within one year		**4,935**	**4,691**
Total Receivables due after more than one year			-
Total Receivables		**4,935**	**4,691**

The total receivables figure above does not include a provision for bad debts (prior year £3k).

Movements on the provision for Impairment of Debtors are as follows:	2016 £'000	2015 £'000
As at 1 April	3	3
Provisions for debtors impairment	0	3
Unused amounts reverses	(3)	(3)
At 31 March	**0**	**3**

As at 31 March 2016, debtors with a carrying value of £0 (2014/15: £8,466) were impaired and provided for. There is no provision in current year (2014/15: £3,453). The aging of these receivables is as follows:

	2016 £'000	2015 £'000
3 to 6 months past due	-	2
Over 6 months past due	-	1
	-	**3**

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.

Note 12 Trade and Other Receivables (continued)

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2016 debtors of carrying value of £1,004,860 (2014/15: £1,341,673) were past their due date but not impaired. The aging of receivables which are past due but not impaired is as follows:

	2016 £'000	2015 £'000
Up to 3 months past due	721	1,088
3 to 6 months past due	53	46
Over 6 months past due	231	208
	1,005	**1,342**

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

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

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

Counterparties with external credit ratings	2016 £'000	2015 £'000
A	34	150
BB	47	15
BBB	2	27
Existing customers with no defaults in the past	209	-
Total neither past due or impaired	**292**	**192**

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.

Note 13 Cash and Cash Equivalents

	As at 1 April 2015 £'000	Cash Flows £'000	As at 31 March 2016 £'000
Government Banking Service account balance	2,405	4,397	6,802
Cash at Bank and in Hand	767	167	934
Total cash and cash equivalents	**3,172**	**4,564**	**7,736**
Bank Overdrafts	-	-	-
Total Cash – Cash Flow Statement	**3,172**	**4,564**	**7,736**

Prior Year

	As at 1 April 2014 £'000	Cash Flows £'000	As at 31 March 2015 £'000
Government Banking Service account balance	2,206	199	2,405
Cash at Bank and in Hand	861	(94)	767
Total cash and cash equivalents	**3,067**	**105**	**3,172**
Bank Overdrafts	-	-	-
Total Cash – Cash Flow Statement	**3,067**	**105**	**3,172**

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

Note 14 Trade and Other Payables

	2016 £'000	£'000	2015 £'000
Payables due within one year			
National Health Service in Scotland			
Boards	1,633		1,082
Total NHS Scotland Payables		**1,633**	**1,082**
General fund payable		7,736	3,172
Trade payables		2,146	168
Accruals		9,366	8,032
Deferred Income		2,180	1,823
Payments received on account		83	80
Income tax and social security		1,522	1,468
Superannuation		977	869
Holiday pay accrual		251	288
Other Public Sector Bodies		-	-
Total Payables due within one year		**25,894**	**16,982**
Total Payables due after more than one year		-	-
Total Payables		**25,894**	**16,982**

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 15 Provisions for year-ended 31 March 2016

	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000
As at April 2015	**1,103**	**409**	**16**	**1,528**
Arising during the year	965	300	-	**1,265**
Utilised during the year	(102)	(59)	(3)	**(164)**
Unwinding	-	(1)	-	**(1)**
Reversed unutilised	(269)	(16)	(13)	**(298)**
At 31 March 2016	**1,697**	**633**	**-**	**2,330**

The amounts above are stated gross and the amounts of any expected re-imbursements are separately disclosed as receivables in note 12.

All provisions are considered to be current liabilities.

Provisions for Prior-year

	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000
As at April 2014	**814**	**464**	**26**	**1,304**
Arising during the year	577	-	(2)	**575**
Utilised during the year	(157)	-	(8)	**(165)**
Reversed unutilised	(131)	(55)	-	**(186)**
At 31 March 2015	**1,103**	**409**	**16**	**1,528**

All provisions are considered to be current liabilities.

Clinical and Medical
The Board holds a provision to meet costs of all outstanding and potential medical negligence claims. All legal claims notified to the Board are processed by the Scottish NHS Central Legal Office who will decide upon risk liability and likely outcome of each case. The provision contains sums for settlement awards, legal expenses and third party costs. Clinical and medical negligence cases lodged can be extremely complex. It is expected that expenditure will be charged to this provisions for a period of up to 10 years. The amounts disclosed are stated gross and the amount of any expected reimbursements are shown separately in the notes to the accounts.

Claims which are categorised as 3 are provided fully and are likely to be incurred within 1 year, claims that are categorised as 2 are provided for at 50% and are likely to be incurred in more than one year. Where claims are classed as a 1, these are deemed not likely to occur and are not provided for.

Note 15 Provisions for year-ended 31 March 2015

Note 15b Clinical Negligence and Other Risks Indemnity Scheme (CNORIS)

2015 £'000		2016 £'000
1,103	Provision recognising individual claims against the Board as at 31 March	1,697
(850)	Associated CNORIS receivable at 31 March	(1,475)
409	Provision recognising the Board's liability from participating in the scheme as at 31 March	633
662		**855**

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 NHSScotland 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.

Note 16 Movement on Working Capital Balances

	Opening Balances £'000	Closing Balances £'000	2016 Net Movement £'000	2015 Net Movement £'000
Inventories				
Balance Sheet	4,205	3,914		
Net Decrease/(Increase)			291	(1,570)
Trade and Other Receivables				
Due within one year	4,691	4,935		
	4,691	4,935		
Net Decrease/(Increase)			(244)	(2,496)
Trade and Other Payables				
Due within one year	16,982	25,894		
Less: General Fund Creditor included in above	(3,172)	(7,736)		
	13,810	18,158		
Net (Decrease)/Increase			4,348	(931)
Provisions				
Balance Sheet	1,528	2,330		
Net (Decrease)/Increase			802	224
Net Movement (Decrease)/Increase			**(5,197)**	**(4,773)**

Note 17 Contingent Liabilities

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

Nature	2016 £'000	2015 £'000
Clinical and medical compensation payments	988	307
Other	40	20
Total Contingent Liabilities	**1,028**	**327**

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 £700,000 in year (prior year £225,000).

Note 18 Commitments

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

	2016 £'000	2015 £'000
Authorised but not contracted		
Endoscopy replacement	-	-
Cardiac Cath Lab	-	550
Total	**-**	**550**

Note 19 Commitments under Leases

At 31 March 2016, the Board had annual commitments under non-cancellable operating leases as follows:

Operating leases	2016 £'000	2015 £'000
Total future minimum lease payments under operating leases are given in the table below for each of the following periods.		
Other		
Not later than one year	32	147
Later than one, not later than two years	14	13
Later than two years, not later than five	26	37
Amounts charged to operating costs in the year were:		
Hire of equipment (including vehicles)	633	479

The Board held no finance leases in the reporting period.

Note 20 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 2012. The next valuation will be as at 31 March 2016 and this will set contribution rates from 1 April 2019.

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 2015 will be 14.9% (prior year 13.5%) of pensionable pay. While the employee rate applied is a variable it will provide an actuarial yield of 9.8% of pensionable pay.

Note 20 Pensions Costs (continued)

At the last valuation a shortfall of £1.4 billion was identified in the notional fund which will be repaid by a supplementary rate of 2.6% of employers pension contributions for fifteen years from 1 April 2015. This contribution is included in the 14.9% employers contribution rate.

The SPPA advise that the total employer contributions received for the NHS Scotland Scheme in the year to 31 March 2015 were £659.8 million. The SPA has not advised the total employer contributions collected in the year to 31 March 2016. The Board's level of participation in the scheme is 0.9% based on the proportion of the employer contributions paid in 2014/15.

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

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

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

2008 Arrangements:
The scheme provides benefits on a "final salary" basis at a normal retirement age of 65. Pension will have an accrual rate of 1/60th and be calculated on the basis of the average of the best consecutive three years pensionable pay in the ten years before retirement. There is an option to exchange part of Pension benefits for a cash lump sum at retirement, up to 25% of overall Pension Value. Members pay tiered contribution rates ranging from 5% to 8.5% of pensionable earnings. Pensions and allowances are index linked to protect their value.

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

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

retirement age is the same as the State Pension age. Members can take their benefits earlier but there will be a deduction for early payment.

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

Note 20 Pensions Costs (continued)

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.

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

Pension Costs	2015/16	2014/15
Pension cost charge for year	7,016	5,997

Note 21 Exceptional Items and Prior Year Adjustments

There were no exceptional items or prior year adjustments in 2015/16.

Note 22 Financial Instruments

22a Financial Instruments by category

Financial Assets	2016 Loans and Receivables £'000	2015 Loans and Receivables £'000
At 31 March		
Assets per balance sheet		
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	1,480	793
Cash and cash equivalents	7,736	3,172
	9,216	**3,965**

Financial Liabilities

	2016 Other financial liabilities £'000	2015 Other financial liabilities £'000
At 31 March		
Liabilities per balance sheet		
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	19,582	11,740
	19,582	**11,740**

Note 22 Financial Instruments (continued)

22b Financial Risk Factors

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

Credit risk – the possibility that other parties might fail to pay amounts due.
Liquidity risk – the possibility that the Board might not have funds available to meets 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 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.

Note 22 Financial Instruments (continued)

	Less than 1 year
31 March 2016	-
Trade and other payables excluding statutory liabilities	23,395
Total	**23,395**

	Less than 1 year
31 March 2015	-
Trade and other payables excluding statutory liabilities	14,895
Total	**14,895**

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.

22c Fair value estimation

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

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

DIRECTION BY THE SCOTTISH MINISTERS

1 The Scottish Ministers, in exercise of the powers conferred on them by sections 86(1), (1B) and (3) of the National Health Service (Scotland) Act 1978, as read with article 5(1) of and the Schedule to the National Waiting Times Centre Board (Scotland) Order 2002, (S.S.I. 2002/305), and all powers enabling them in that behalf, hereby give the following direction.

2 The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.

3 Subject to the foregoing requirements, the accounts shall also comply with any accounts format, disclosure and accounting requirements issued by the Scottish Ministers from time to time.

4 The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.

5 This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 30 December 2002 is hereby revoked.

Signed by the authority of the Scottish Ministers

Dated 8 February 2006