

Forth Valley NHS Board

Annual Report and Accounts 2019/2020



Our ambition is to deliver the right care, at the right time, in the right location,
every time.

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Overview

The purpose of this overview is to give a short summary that provides sufficient information to understand our NHS Board, our purpose, the key risks to the achievement of our objectives and how we have performed during the year.

We are an organisation that cares: cares for our patients, cares for each other and cares for the communities we serve and support.

We are one of 14 regional Health Boards. Health Boards are responsible for the protection and improvement of their population's health and the delivery of frontline healthcare services. Forth Valley is an area coterminous with Stirling, Falkirk and Clackmannanshire Local Authorities and the NHS Board serves a total population of approximately 306,070.

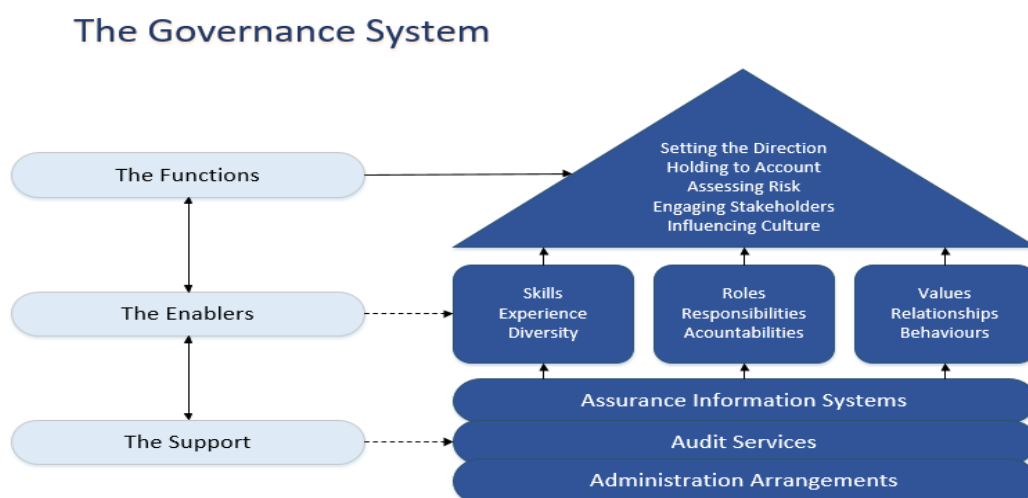
The overall purpose of the NHS Board as a governing body is to ensure the efficient, effective and accountable governance of our local NHS system and to provide strategic leadership and direction for our system as a whole.

In this regard we operate within a corporate governance framework which involves:

- setting strategic direction through our corporate aims and objectives
- holding our executive to account for the delivery of those objectives
- determining the level of risk we willing to accept
- influencing our organisation's culture
- reporting to stakeholders on our stewardship

The Blueprint for Good Governance model (Diagram 1 below) acknowledges the importance of how the Board approaches the achievement of its strategic aims and objectives as well as its focus on performance and outcomes.

Diagram 1 – Blueprint for Good Governance



In summary our commitment is three-fold, to:

- exemplify our values in how we behave and interact with each other
- promote a culture that inspires, empowers and encourages shared learning and innovation; a culture that listens and engages with people, partners and our staff to promote teamwork and collaboration and
- support a culture that focuses on the long term and setting direction in ways that align our strategy with resources to ensure we deliver improvement in our priority areas

Role and Functions of the NHS Board

The role of the NHS Board is to:

- improve and protect the health of its local population
- deliver person centred, safe and effective services
- focus on improving outcomes and the experience of patients and their carers accessing care and services
- promote integrated working at local (health and care integration and community planning), regional and national levels
- provide a single focus of a accountability for the performance of the local NHS

The functions of the Board include:

- formulating strategy, including the development of our Annual Operational Plan
- resource allocation
- implement the Operational Plan and seeking both commitment and accountability by holding the organisation (all staff) to account for performance and the delivery of both improvement in population health, individual experience of care whilst operating with a context of affordability and sustainability
- shaping a positive culture (open, just and fair) for the Board and organisation

Development of the NHS Board's Strategy and Corporate Plan

Our Annual Operational Plan 2019/2020 built on who we are and what we want to achieve. 2019/2020 was a year in which we reaffirmed our commitment to implement our long term vision as set out in our Healthcare Strategy – Shaping the Future, with a focus on our priority areas, notably:

- improve population health and life expectancy especially for those people living with long term conditions and furthest away from employment opportunities
- promote the Detect Cancer Early programme and timely access to diagnostics for people with urgent suspected cancer referrals
- implement Best Start: A Five Year Forward Plan for Maternity and Neonatal Care
- build strong and resilient Primary Care Services
- prevent, treat and improve access to Mental Health Services for all ages
- redesign our Elective Care Pathways locally and regionally to deliver sustainable improvement in all our access standards/targets
- make progress in our Unscheduled Care Pathways as part of our commitment to health and care integration and delivery of our Emergency Department (ED) and ED related performance
- build on our achievements to prevent and control healthcare associated infection
- work with our financial allocation to make best use of our resources to support high quality sustainable services

Our Corporate Objectives as set out in our Corporate Plan are our long term organisational goals. They help us convert our vision into more specific priorities and plans whilst setting milestones for success which in turn guide our decision making to optimise health outcomes and maximise care for our population within available resources.

Corporate Objectives

- Plan for the future
- Improve the health and wellbeing of the people of Forth Valley, whilst reducing health inequalities
- Improve our focus on safety and quality
- Value and develop our people
- Deliver best value using our resources
- Promote and build integrated services locally and regionally
- Display leadership behaviours that nurture and support transformational change across our health and care system

Accountable Officer's Overview Report

2019/20 has been a challenging and unprecedented period for the health service and for NHS Forth Valley. During the early part of the year work to embed our organisational structures across acute, community and primary care services to support delivery of the Board's strategy was significantly progressed and a Corporate Programme Management Office was established to drive forward quality improvements, increase efficiency and reduce variation across our organisation. Our collaboration to establish a Quality Improvement People's Academy in partnership with Stirling University is progressing but had to be put on hold during the Pandemic.

On the 17th March 2020 the Cabinet Secretary for Health and Sport, announced that NHS Scotland would be placed on an emergency footing to help free up capacity and respond to the Covid-19 pandemic. Our response to this emergency was swift and in collaboration with our staff and partners and we increased capacity in our hospitals and in our communities, working closely with our two local Health & Social Care Partnerships, three local councils and public sector colleagues. We ensured our staff were resourced and supported to provide care and treatment for patients with Covid-19. We did all of these things in a matter of weeks and, despite the many concerns and challenges we faced at the start of the pandemic, we were able to support a level of change and service reconfiguration that was quite remarkable.

Importantly for the NHS Board, our patient safety standards and, in particular our Hospital Standardised Mortality Ratio, remained within limits. Healthcare Associated Infections also remained low and our NHS Board continues to be assured through regular monitoring and reporting that we have robust infection prevention and control systems in place to continue to provide high levels of safe care. In terms of compliance relating to cleanliness, we continue to achieve above 90% however, our estate compliance in Bellsdyke Hospital and Falkirk Community Hospital is below the required standard but above 80%. Both sites have similar issues highlighted including damage to fittings, flooring and paintwork and are in the main due to the age of the buildings.

All of the above and much more would not have been possible without our workforce and as we continue to support our ambitious improvement agenda we will remain committed to ensuring our workforce is developed, equipped and empowered to deliver high quality, safe and effective care and services.

Continuing with our workforce and following a Staff Event in June 2018 a further event was held in August 2019 headed '*It Starts With Us: Building a Positive Future*'. This focussed on how we speak and treat each other; ask questions, and how we listen. A Staff Awards Event for the first time was celebrated in the evening and was a huge success.

Despite a wide range of actions and ongoing work to reduce absence rates our absence rate remained static at around 5.5%. Human Resources and staff representatives continue to work together with staff across the organisation to look at ways of how we reduce sickness absence and support staff to stay or return to work.

Financial Performance

NHS Boards are required to meet 3 financial targets in year, working within a Revenue Resource Limit and Capital Resource Limit, and a Cash Requirement. The Revenue and Capital Resource Limits are further analysed into Core and Non Core where Non Core represents items of expenditure which are of a technical accounting nature, details of which can be found on the Summary of Resource Outturn. We have delivered on all three of our key financial measures.

Financial outturn performance for 2019/20 was as follows:

	Limit set by SGHSCD	Actual Outturn	Variance (Deficit)/ Surplus
	£000	£000	£000
Core Revenue Resource Limit	605,865	605,207	658
Non Core Revenue Resource Limit	29,996	29,996	0
Total Revenue Resource Limits	635,861	635,203	658
Core Capital Resource Limit	(5,585)	(5,585)	0
Non Core Capital Resource Limit	0	0	0
Total Capital Resource Limits	(5,585)	(5,585)	0
Cash Requirement	656,257	656,257	0

MEMORANDUM FOR IN YEAR OUTTURN (illustrating what the Board financial position would be if no surplus had been brought forward from the previous financial year)	£000
Core Revenue Resource Variance (Deficit) / Surplus in 2019/20	658
Financial flexibility: funding banked with/(provided by) Scottish Government	217
Underlying (Deficit) / Surplus against Core Revenue Resource Limit	441
Percentage	0.07%

Payment Performance

The Scottish Government and Forth Valley NHS Board are committed to supporting business in the current economic situation by paying our 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, NHS Boards did endeavour 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. Our performance is set out in Table 1 below.

Table 1 Payment Performance

	2019/20	2018/19
Average period of credit taken	8 days	10 days
Percentage of invoices paid within 30 days:		
- by volume	94.4 %	91.5%
- by value	94.8 %	95.3%
Percentage of invoices paid within 10 days:		
- by volume	85.7 %	81.9%
- by value	90.8 %	89.5%

Our Financial Plan, approved in March 2019 noted a planned deficit of £2.4m, to be recovered over a three year period in line with Scottish Government guidance to allow for the implementation of a Corporate Programme Management Office (PMO). We have delivered a small surplus of £0.658m, due to slippage on some programmes, together with non - recurring benefits including rating revaluations.

We continue to work on developing our PMO, which is currently supporting work in relation to the development of a national elective centre within Forth Valley Royal Hospital. This development will increase inpatient, diagnostic and theatre capacity and a recruitment drive to support this new venture has been hugely successful and to date we have appointed a range of additional staff. Moving on to 2020/21 these staffing resources will support work in delivering the planned savings set out in the financial plan. In response to Covid-19 mobilisation requirements the PMO was stood down for a period of time but is now re-established.

Recruitment to fill vacancies in hard to fill specialties has also been very positive notably in psychiatry with a number of new Consultants recruited. We continue to implement our Primary Care Improvement Plan to increase the range of services in local GP Practices and take forward the recommendations in 'Best Start' - the national plan for maternity and neonatal care.

Significant focus has been given to the assessment and scrutiny of performance through the NHS Board, its Governance Committees and the System Leadership Team. Our reporting draws on a balanced scorecard approach across key measures, agreed by the Scottish Government as the standards most important to patients, and focuses on the Institute for Healthcare Improvement's Triple Aim framework: Better Care, Better Health and Better Value. Performance indicators are based on, and considered across, the Institute of Medicine's six dimensions of quality. The Balanced Scorecard has been designed to provide a comprehensive 'at a glance' view of measures against agreed targets, with a comparison from the previous year, direction of travel and a RAG (Red, Amber or Green) status. There is a focus on exception reporting with measures highlighted as Red discussed in detail at each of our NHS Board meetings.

Performance has been challenging and, despite significant variance in a number of our services, we have worked hard to deliver improvements in the eight key standards most important to patients and across all aspect of our business. Table 2 details our Performance against the key standards.

Table 2

Measure	Trajectory	Mar-20
Cancer <i>(data to the quarter ending March)</i>		
Cancer 62 day target	92%	78.7%
Cancer 31 day target	95%	98.5%
12 week outpatient wait		
Number over 12 weeks	1250	2148
Diagnostic 42 day wait		
Percentage waiting less than 42 days - Imaging	100%	99.8%
Percentage waiting less than 42 days - Endoscopy	100%	89.3%
12 week treatment time guarantee		
Number > 12 weeks - ongoing waits	750	1000
Mental Health		
<i>Data are in relation to the quarter ending March</i>		
Psychological Therapies	65%	60.6%
Child and Adolescent Mental Health Services	55%	54.2%
Unscheduled Care		
Emergency Department	95%	91.0%
NHS Forth Valley overall	95%	93.2%

The National Waiting Times Improvement Plan published in 2018 set out new trajectories for outpatient, day case/inpatient and cancer waiting times. We have worked towards achieving these new trajectories as set out and agreed in our Annual Operational Plan. 2019/20 has seen us adopt a step toward meeting the national targets and with a focus on patients waiting in excess of 12 weeks in key specialties notably: orthopedics, general surgery, urology and neurology. Currently theatre capacity is reviewed on a daily basis to ensure maximum utilisation and work is well underway to review how recurrent gaps can be filled using innovation, redesign and demand management techniques. For example 'Best in Class' orthopaedics pilot work in Clackmannanshire was show cased on the BBC given the impact it had patients lives as well as our performance.

Key Issues and Risks

Executive Performance Reports are presented to each NHS Board meeting. These describe delivery against trajectory, performance trends, and relevant actions being taken to maximise performance against our key local and national targets. The report focuses on the key standards that are of most importance to patients including those outlined above in Table 2. Exception reports with further detail are provided for any performance area assessed as red status based on performance and trend. An example of a recent full performance report can be accessed on the link below:

<https://nhsforthvalley.com/wp-content/uploads/2020/04/NHS-Forth-Valley-Board-Meeting-31-March-2020.pdf>

Looking ahead to 2020/21 we remain committed to continuing to deliver high quality and positive health and care outcomes for the people of Forth Valley. Our Board has set out plans for the phased reintroduction of clinical services which were paused during the pandemic and these will continue to be monitored closely as the Covid-19 situation develops. We acknowledge the importance of harness the benefits of our rapid innovation and digital developments which we deployed during the early stages of the pandemic. For example:

- The tele-ophthalmology real time virtual assessment of emergency and urgent eye conditions has been extended to community-based optometrists and formed the basis of national Emergency Eyecare Treatment Centre.
- The Virtual Asynchronous Consultation (VAC) platform and app developed by our dermatologists and Storm ID has been put into routine use for a proportion of appointments, supporting people to self manage and helping to diagnose benign skin lesions.

Alongside the above developments we have been supporting the rapid scale up of 'Near Me', a secure form of video consulting, across NHS Forth Valley to GP practices, primary and secondary care services and our Ageing and Health Consultants have moved from the hospital to support the Enhanced Care Team to assess and manage older people closer to home. Our collaborative approach to support care homes with our Health & Social Partnerships has been exemplary.

As we look to the future the main factors likely to affect our future development, performance and position will be from wider environmental and cultural changes including climate change; societal and demographic changes (increasing older people with complex needs and an ageing workforce); globalisation and connectivity; economic growth and technological advances.

At a local level population and workforce demographics, pressure on public finances and public expectation remain key issues that will impact on our service delivery including performance.

In addition, the current Covid-19 pandemic and our NHS response will have a marked impact on the delivery of health services and performance over an extended period of time. Technological advances in medicines and treatment and digital developments will all have implications for both our infrastructure and workforce. The financial environment and year on year requirement to deliver significant recurrent savings increase the level of challenge in delivering and balancing financial and non financial performance requirements.

Corporate level risks are set out in our Board's Corporate Risk Register which is regularly reviewed, updated and presented to our NHS Board along with details of the action being taken to mitigate these. Board papers can be found here <https://nhsforthvalley.com/about-us/board-matters/board-papers/>

Performance Report Approval

The Performance Report, comprising the Overview and Performance Analysis, is approved for issue.

Cathie Cowan

Mrs Cathie Cowan
Chief Executive

04 September 2020

**FORTH VALLEY NHS BOARD
ANNUAL ACCOUNTS YEAR ENDED 31 MARCH 2020
ACCOUNTABILITY REPORT**

1. CORPORATE GOVERNANCE

1.1 DIRECTORS' REPORT

Date of Issue

The Accountable Officer authorised these financial statements for issue on 4th September 2020.

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. John Cornett, Audit Director, Audit Scotland, was appointed by the Auditor General in January 2019. 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 members of the NHS Board who served during the year from 1st April 2019 to 31st March 2020 were as follows:

Non Executive Members

Mr Alex Linkston	Chair (to 29/02/2020)
Ms Janie McCusker	Chair (from 01/03/2020)
Mrs Julia Swan	Non Executive Director - Vice Chair
Mr John Ford	Non Executive Director
Dr Michele McClung	Non Executive Director
Mr Stephen McAllister	Non Executive Director
Mr Allan Rennie	Non Executive Director
Gordon Johnston	Non Executive Director (from 01/02/2020)

Local Authority Members

Cllr Les Sharp	Non Executive Director
Cllr Susan McGill	Non Executive Director
Cllr Allyson Black	Non Executive Director

Advisory Committee Chairs / Employee Director

Mr Robert Clark	Non Executive Director - Employee Director
Dr James King	Non Executive Director - Chair Area Clinical Forum

Executive Members

Mrs Cathie Cowan	Chief Executive
Mr Scott Urquhart	Director of Finance
Mr Andrew Murray	Medical Director
Prof. Angela Wallace	Director of Nursing
Miss Linda Donaldson	Director of Human Resources
Dr Graham Foster	Director of Public Health and Strategic Planning

Statement of Board Members' Responsibilities

Under the National Health Service (Scotland) Act 1978, the Health Board is required to prepare accounts in accordance with the directions of Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the Health Board as at 31 March 2020 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for the NHS Scotland by Scottish Ministers.
- Make judgements and estimates that are reasonable 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 Health Board members are responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the Board and enable them to ensure that the accounts comply with the National Health Service (Scotland) Act 1978 and the requirements of the Scottish Ministers. They are also responsible for safeguarding the assets of the Board and hence taking reasonable steps for the prevention of fraud and other irregularities.

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

Board members' and senior managers' interests

Details of any interests of Board members, senior managers and other senior staff in contracts or potential contracts with the Health Board as required by IAS 24 are disclosed in Note 24.

A full register of interests of Board members was updated in November 2019 and is available from the NHS Forth Valley website, at the following address:

<https://nhsforthvalley.com/about-us/board-matters/code-of-conduct/>

Directors third party indemnity provisions

There have been no qualifying third party indemnity provisions in place for Directors at any time during the financial year.

Remuneration for Non audit work

During the year 2019/20 the Board's external auditors, Audit Scotland, undertook no Non-audit work.

Public Services Reform (Scotland) Act 2010

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 impose duties on the Scottish Government and listed public bodies to publish information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year.

Forth Valley NHS Board fully meets the requirements of the Public Services Reform (Scotland) Act 2010 and disclosure details can be found at the following web-link:

<http://www.nhsforthvalley.com/publications/financial-information>

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.

**FORTH VALLEY NHS BOARD
ANNUAL ACCOUNTS YEAR ENDED 31 MARCH 2020
ACCOUNTABILITY REPORT**

1.2 STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

Under Section 15 of the Public Finance and Accountability (Scotland) Act, 2000, The Principal Accountable Officer (PAO) of the Scottish Government has appointed me as Accountable Officer of Forth Valley NHS Board.

This designation carries with it, responsibility for:

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

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

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

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

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as accountable officer as intimated in the Departmental Accountable Officers letter to me on 16th November 2017.

**FORTH VALLEY NHS BOARD
ANNUAL ACCOUNTS YEAR ENDED 31 MARCH 2020
ACCOUNTABILITY REPORT**

1.3 GOVERNANCE STATEMENT

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with Forth Valley NHS Board's policies and promotes achievement of the organisation's aims and objectives, including those set by Scottish Ministers. In pursuing a Health Board that is performing to a high standard, I am mindful of ensuring that the best interests of patients are central to all that we do. I am also responsible for safeguarding the public funds and assets assigned to Forth Valley NHS Board.

Purpose of Internal Control

The Health Board has a corporate responsibility for ensuring that arrangements are in place for the conduct of its affairs, including compliance with applicable guidance and legislation, and ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Health Board has an ongoing responsibility to ensure that it monitors the adequacy and effectiveness of these arrangements in place. The system of internal control is based on an ongoing process designed to identify, prioritise and manage the principal risks facing Forth Valley NHS Board. 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 organisation's aims and objectives. As such, it can only provide reasonable and not absolute assurance. The process within Forth Valley NHS Board accords with guidance from 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 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.

Functions of the Health Board

An effective Health Board articulates an ambition for their organisation whilst managing the risk contained within that ambition and demonstrating leadership by undertaking three key roles:

- Formulating strategy and setting direction including the development of an Annual Operational Plan
- Ensuring commitment and accountability by holding the organisation to account for performance and the delivery of both improvement in population health/addressing health inequalities and individual experience of care whilst operating within a context of affordability and sustainability
- Shaping a positive culture that is open, just and fair, for the Health Board and the wider organisation

Responsibilities of Members of the Board

Membership of Forth Valley NHS Board carries with it a collective and corporate responsibility for the discharge of these functions. All members are expected to bring an impartial judgement to bear on issues of strategy, performance management, key appointments and accountability, upwards to Scottish Ministers and outwards to its partners and wider local community.

It is the duty of the Chair and me as Chief Executive to ensure that Board Members and staff understand their responsibilities. Board Members and Managers will receive an updated copy of the Code of Corporate Governance in line with the work nationally to improve and standardise governance across NHS Scotland. The Board Secretary maintains a list of managers to whom the Code of

Corporate Governance has been issued. Managers are responsible for ensuring their staff understand their own responsibilities.

The Health Board has governance arrangements in place which provide an integrated approach to governance across clinical areas, staff arrangements, involving and engaging people in our service, developments and performance management. The conduct and proceedings of the NHS Board are set out in its Code of Corporate Governance; this document specifies the matters which are solely reserved for the NHS Board to determine, the matters which are delegated under the Scheme of Delegation and the matters which are remitted to a Standing Committee of the NHS Board. The Code of Corporate Governance also includes the Code of Conduct that Board members must comply with, along with the Standing Financial Instructions. These documents are the focus of the NHS Board's Annual Review of governance arrangements. The NHS Forth Valley NHS Board reviews and approves the Code of Corporate Governance each year. The Standing Orders are made in accordance with The Health Boards (Membership and Procedure) (Scotland) Regulations 2001.

The Non-Executive members provide constructive scrutiny and challenge, and this is evidenced in minutes of Health Board and Board Assurance meetings. In addition to the Code of Conduct for Members, the NHS Board has set Corporate Objectives. All Health Board Executive directors review their development needs as part of the annual performance management and development process.

Governance Framework

The NHS Board is responsible for the strategic leadership and governance for the NHS system across Forth Valley. The NHS Board is managed by a Board of Executive and Non Executive Directors and is accountable to the Scottish Government through the Cabinet Secretary for Health and Sport.

The Chair and Non Executive Directors are appointed by the Cabinet Secretary based on the expertise and skills required to contribute to local strategic decision making processes. There is an induction process in place for all new Board members which include meeting key members of staff and attendance at bi-monthly briefing sessions on key strategic issues. Non-Executive members receive an annual performance appraisal and opportunities for training are made through follow up with individual Directors as appropriate.

The Board and its six standing Governance Committees meet throughout the year to consider issues within their remit including governance, performance and the management of risk.

Details of the Governance Committees including their functions and membership are set out below.

- Clinical Governance Committee

The Clinical Governance Committee is responsible for providing assurance to the NHS Board, patients and the public that the framework, systems and processes to deliver Clinical Governance and Clinical Risk Management are robust and working effectively to deliver the highest standards of healthcare, including health improvement and health protection activities. The Committee reviews relevant risks and adverse events. As part of its overall responsibilities, the Clinical Governance Committee receives reports on Complaints Performance, Clinical Risk, Significant Adverse Events, and Standards and Review Reports.

Membership 2019/20:

Mrs Julia Swan	Non Executive Director (Chair)
Dr Michele McClung	Non Executive Director
Mr Allan Rennie	Non Executive Director
Cllr Allyson Black	Non Executive Director
Dr James King	Chair, Area Clinical Forum
Mr Alex Linkston	Chairman, Forth Valley NHS Board (to 29/02/2020)
Mrs Helen McGuire	Patient Public Panel Representative
Ms Eileen Wallace	Public Partnership Forum Representative

- Staff Governance Committee

The Staff Governance Committee is responsible for providing assurance to the Board that staff are appropriately trained to deliver high quality patient care, built upon partnership and integration, and that an appropriate approach is in place to deal with staff risk management across the system including health and safety. The Committee will review relevant risks and adverse events.

The Area Partnership Forum has the role of overseeing implementation of the Staff Governance Standard and specifically Health and Safety. Activities and issues are reported to the Staff Governance Committee.

As part of its overall responsibility, the Committee receives reports / minutes from the Remuneration Sub-Committee.

Membership 2019/20:

Dr Michele McClung	Non Executive Director (Chair)
Mr Allan Rennie	Non Executive Director
Mr Alex Linkston	Chairman, Forth Valley NHS Board (to 29/02/2020)
Ms Susan McGill	Non Executive Director
Mr Robert Clark	Employee Director
Ms Janett Sneddon	Staff Side Representative
Ms Karen Morrison	Staff Side Representative

- Audit Committee

An effective Audit Committee is essential to a strong corporate governance culture within the NHS Board. The Committee requires to have effective communication with all key stakeholders including Internal Audit, External Audit and other relevant assurance providers. The role and scope of the Audit Committee is set out in the NHS Board Standing Orders and in the Scottish Government's Audit and Assurance Committee Handbook. The key roles of the Committee are to provide assurance that

- NHS Board activities are within the law and regulations governing the NHS
- The NHS Board maintains an effective system of internal control to give reasonable assurance that assets are safeguarded, waste or inefficiency avoided, reliable financial information produced, and value for money continuously sought. The effectiveness of internal controls is assessed by internal audit through reporting and follow up procedures, and a robust risk management programme is in place to identify and manage organisational risks.

The Audit Committee has a responsibility for reviewing the disclosures included in the Board's Annual Governance Statement.

Membership 2019/20:

Cllr Les Sharp	Non Executive Director (Chair)
Mr John Ford	Non Executive Director
Cllr Susan McGill	Non Executive Director
Mr Stephen McAllister	Non Executive Director
Mr Robert Clark	Employee Director

Executive managers regularly attend the Audit Committee to provide information and assurance and to participate in discussions,

- Performance and Resources Committee

The Performance and Resources Committee meets bi-monthly and has a key role on behalf of the Board to scrutinise financial and operational performance and to ensure that corrective actions are taken accordingly. Additionally, the committee takes an overview to ensure the NHS Board delivers its statutory obligation to comply with Information Governance and General Data Protection Regulation. All Board Standing Committee Chairpersons are members of the Performance and Resources Committee.

Membership 2019/20:

Mr John Ford	Non Executive Director (Chair)
Mr Alex Linkston	Chairman, Forth Valley NHS Board
Mrs Julia Swan	Non Executive Director
Dr Michele McClung	Non Executive Director
Dr James King	Non Executive Director
Cllr Les Sharp	Non Executive Director
Mr Stephen McAllister	Non Executive Director
Mr Allan Rennie	Non Executive Director
Mr Gordon Johnston	Non Executive Director (from 01/02/2020)
Mr Robert Clark	Employee Director
Mrs Cathie Cowan	Chief Executive
Mr Andrew Murray	Medical Director
Mr Scott Urquhart	Director of Finance
Dr Graham Foster	Director of Public Health and Strategic Planning
Prof. Angela Wallace	Director of Nursing
Miss Linda Donaldson	Director of Human Resources

- Pharmacy Practices Committee

The role of the Pharmacy Practices Committee is to consider, determine and approve / reject applications for inclusion in the Pharmaceutical List in accordance with the NHS (Pharmaceutical Services) (Scotland) Regulations 2009 and the NHS (Pharmaceutical Services) (Scotland) Amendment Regulations 2011 and 2014. The Committee meets as required on receipt of applications.

Membership 2019/20:

Mr John Ford	Non Executive Director
Three Pharmacists	2 contractors and 1 Non-contractor
Three Lay Persons	

- Endowment Committee

The purpose of the Endowment Committee is to manage and direct the NHS Forth Valley Endowment Fund, including the management of investments held, fundraising activities, and the disbursements of Endowment Funds supporting charitable and health related activities.

Membership 2019/20:

Cllr Les Sharp	Non Executive Director (Chair)
Mr John Ford	Non Executive Director
Mr Stephen McAllister	Non Executive Director
Mrs Cathie Cowan	Chief Executive
Mr Scott Urquhart	Director of Finance
Mr Robert Clark	Employee Director

Interim Change to Board Operating Arrangements: COVID-19

The Cabinet Secretary, in her announcement to the Scottish Parliament on the 17th March 2020 placed NHS Scotland on an emergency footing under Section 1 and Section 78 of the National Health Service (Scotland) Act 1978, for at least three months. Health Boards were instructed to do all that was necessary to be ready to face a substantial and sustained increase in cases of COVID-19. A subsequent Directive from Scottish Government to Health Boards made clear where directions are issued on behalf of the Cabinet Secretary that there is to be no local interpretation and that these must be implemented in full and without delay in order to maintain the resilience of the NHS.

At the Board meeting on 31st March 2020, in respecting the need for self isolation, social distancing and keeping the demands on executive board members to an absolute minimum all NHS Board Assurance Committee including Audit meetings were suspended with immediate effect. It was agreed

that the Chair supported by the Chief Executive that the NHS Board as the keeper of the corporate governance system would meet monthly to receive assurance, formulate strategy and take decisions.

The Chair introduced fortnightly meetings with NHS Board Assurance Committee including Audit Committee Chairs. These meetings include the Chief Executive. The Chair and Chief Executive and continued to on a weekly basis.

The NHS Board moved to virtual meetings. The Chair set up regular contact with Assurance Committee Chairs outwith NHS Board meetings. A number of principles were agreed to ensure members remain accountable as the NHS Board. Recording of meetings remains unchanged with a note produced for approval at the next NHS Board meeting

At the Board Meeting on 30th June, it was agreed that due to the need to continue to respect physical distancing that Board meetings would continue to meet monthly and that the meetings be held virtually. The Board further agreed to re-establish its Assurance Committees, on a virtual basis.

NHS Board Issues

Significant topics discussed during the year at the Board and at Governance Committees included:

- Patient experience stories
- COVID-19 Response and position updates
- Adult Health and Social Care Integration
- Financial Planning and Performance
- National Healthcare Associated Infection Reporting Template
- Elective Care Development Programme
- Property & Assets Management Strategy
- Risk Management Strategy
- Digital eHealth Strategy
- Child & Adolescent Mental Health Services
- Our People Strategy
- Annual Operational Plan
- Forth Valley Area Health & Social Care Winter Plan
- Significant Adverse Events
- Infrastructure developments including Stirling Care Village
- Primary Care Improvement Plan

Corporate Governance

There has been an internal review of governance arrangements to ensure they are appropriate and proportionate to the current environment. In March 2020, the NHS Board reviewed 2019/20 assurance committees' performance with work to consider terms of reference and membership for the year ahead.

A key part of the review has been informed by the DL (2019)02, Blueprint for Good Governance published in February 2019. Following a self assessment undertaken by the NHS Forth Valley Board against this blueprint, a report outlining the results, assessment and resulting improvement plan were submitted to the Cabinet Secretary by 30th April 2019 as required. The self assessment together with an improvement plan was presented to the Board on 27th May 2019.

A process for developing assurance requirements, mapped to the Corporate Risk Register and to various sources of assurance, in line with requirements set out in the Scottish Public Sector Finance Manual, has been progressed during 2019/20 and will be further developed during 2020/21.

Strategy Development

NHS Forth Valley's Healthcare Strategy 'Shaping the Future' 2016 to 2021 was published in September 2016 following engagement with staff, patients and the public. The Healthcare Strategy describes the

Board's priorities to 2021 and outlines the transformational changes which will be required to deliver the Strategy Vision.

The Strategy Deployment Matrix (SDM) is the mechanism to monitor delivery of the Healthcare Strategy, setting out eight key aims and seven programmes with milestones and key result areas. SDMs ensure alignment of any significant improvements against corporate objectives, resources and engagement of staff to eliminate waste that can come from variation, inconsistent direction and poor communication. Programme Boards with the exception of Unscheduled Care have an SDM align with the NHS Board's Health Care Strategy: Shaping the Future. The Primary Care Programme Board is intentionally new, to avoid confusion with the work been progressed to develop, agree and implement the Primary Care Implementation Plan. The Corporate Programme Management Office and Quality Improvement support will help support delivery of strategic direction of high risk programmes. The Unscheduled Care Programme Board is continuing to use the Getting Forthright Programme – the recovery plan previously approved to drive improvement in unscheduled care.

The seven programmes are

- Scheduled Care
- Unscheduled Care
- Mental Health & Learning Disabilities
- Primary Care
- Children & Families
- Health Improvement
- Infrastructure

The organisational strategy and supporting strategies will require to be reassessed based on COVID-19 recovery and renewal plans and associated service redesign and capacity position.

Performance Management Arrangements

Escalation of performance reporting is through the weekly System Leadership Team meeting, and thereafter to the Performance and Resources Committee. The response to COVID-19 pandemic has had a significant impact on Non urgent elective care activity towards the end of the financial year and into 2020/21.

Policies and Procedures

The Board Standing Orders, including the Scheme of Delegation and Standing Financial Instructions, detail the governance arrangements under which the Board operates; the decisions retained for the Board; and the remits and proceedings of the Board sub-committees. The Standing Orders are reviewed, updated and presented for approval annually to the NHS Board.

There is a process in place for the March Audit Committee to consider changes and updates to the Standing Orders and SFIs, prior to approval at the March NHS Board. Work has been progressing on the development of model governance documentation, informed by the NHS Scotland Blueprint for Good Governance. DL (2019) 02 was received from the Director General Health and Social Care to advise of new model Standing Order templates which have been developed and approved for use by the Corporate Governance Steering Group. The letter confirmed that the template should be used by all health bodies, replacing existing standing orders already in place. At the Board meeting on 31st March the approved the model Standing Orders, together with the Standing Financial Instructions and Scheme of Delegation

All members of staff are responsible for compliance with relevant laws and regulations set out within the Standing Orders and other organisational policies. Organisational policies are reviewed regularly and are made available for access through the staff intranet site. SGHSCD guidance documentation is logged and distributed internally for action and follow up by named individuals.

Staff Governance

The Business Code of Conduct Policy describes the minimum standards of conduct expected from all staff. The policy details the Board's regulations on a range of issues including gifts, hospitality, outside interests and secondary employment, and contains specific information on purchasing goods and services, contracting, whistle-blowing and contact with the media.

There is a clear mechanism in place to enable employee concerns to be dealt with quickly and effectively (Managing Employee Concerns Policy). The Area Partnership Agreement outlines the roles, responsibilities and behaviours of Forth Valley NHS Board, managers, employees and staff representatives. The Area Partnership Forum and Local Partnership fora aim to develop and promote a blame free culture which enables all employees to raise individual and collective concerns and to have these dealt with in a proactive, Non-threatening way.

A Health & Safety Executive (HSE) visit was conducted from 27 – 29 January 2020 to assess health and safety risks with a focus on manual handling and violence and aggression. The visit identified contraventions of health and safety requirements and a follow up report received in February set out specific requirements for improvements in training and monitoring. An Action Plan has been put in place and issues highlighted are expected to be addressed over the course of the next 12 months.

Information Governance Arrangements 2019/20

The Board's Information Governance Strategy sets out the roles and responsibilities of key individuals and Committees in ensuring the necessary safeguards for appropriate use of patient and personal information. The strategy is underpinned by a comprehensive set of policies, procedures and protocols which are available to all staff on the intranet site.

The Medical Director / Caldicott Guardian is responsible to the Board and Chief Executive in relation to Information Governance and has a key role overseeing internal advice on legislation and confidentiality. The Director of Finance has been appointed as the Senior Information Risk Owner for the Board. The Information Governance Group reports to the Performance & Resources Committee in its role to ensure NHS Forth Valley delivers its statutory obligation to comply with information governance and General Data Protection Regulation (GDPR), and; maintain an overview of the work to deliver improvements in Information Governance ensuring appropriate prioritisation of this work.

An Internal Audit report on Information Governance produced in April 2019 highlighted actions required to further progress delivery of national information governance standards particularly in relation to General Data Protection Requirements and the development of an Information Asset Register. The Board approved additional resources to support this work and additional staff have been recruited in line with the action plan which was agreed with Audit Committee to address the issues highlighted. Progress continues to be monitored closely and reported through the Performance and Resources Committee. Given the scale of work required the risk associated with this work has been added to the NHS Board's Corporate Risk Register, with detailed mitigation plans.

The Information Governance 2019/20 Annual Report presented to the NHS Board in May 2020 highlighted a number of areas of good practice and developments over the course of the year and highlighted positive assurance on progress to meet requirements during the year.

The risk that NHS Forth Valley will fail to meet and maintain its Information Governance obligations including GDPR has been included on the Corporate Risk Register.

Information Commissioner (ICO) Reported Incidents

Eleven ICO incidents were submitted to the ICO either by NHS Forth Valley or by data subjects during 2019/20. These included an incident that occurred following a technical update to the immediate discharge letters which led to incorrect co-morbidity details being issued, This case has been considered by the Information Commissioner who concluded that no regulatory action was required. Other incidents included a loss of health records due to water/sewage contamination, and a report to ICO of missing files, again with no further action taken by ICO following review.

Three Data Protection complaints were received from individuals, two concerned with inaccurate information, following investigation, one was upheld. Another case involved a request to have personal health data erased. This was rejected, with the requester being provided with the legal basis for retention

Communication

Members of the public are informed of key service developments and changes via a range of sources including the Board public website, news briefs and social media updates. The Board works closely with key partner organisations to promote stakeholder involvement in the design and delivery of local services and to ensure key health information and messages reach as many people as possible. The Board Communications Strategy 2018-2021 sets out key communications aims, principles and priorities.

There are robust procedures in place for recording and investigating complaints in line with national guidance, to allow members of the public to make a complaint or comment regarding their care or treatment. Routine reporting on complaints and response times is in place to ensure learning from events is maximised at both operational and strategic level. The Clinical Governance Committee, which includes lay patient representation, maintains an overview of the Complaints Handling Procedure process.

Health and Social Care Partnerships

Two Health and Social Care Partnerships within Forth Valley (Falkirk / Clackmannanshire & Stirling) were formally constituted as Integration Joint Boards (IJBs) in 2015/16.

Both IJBs have Integration Schemes which set out responsibilities, governance arrangements and delegated services, and Strategic Plans which set out how services will be delivered over the three years 2019- 2022. Information on IJBs can be accessed from the Board's website at the following address:

<http://nhsforthvalley.com/about-us/health-and-social-care-integration/>

IJB meetings papers are publicly available via the NHS Board website for both Partnerships, and Health and Social Care Integration updates are presented at Board meetings covering strategic planning, leadership arrangements, finance and governance and any other significant issues.

The Board's primary financial statements reflect the Board's interest in the IJBs. This information has been sourced from draft IJB financial statements and are presented on Note 26 Consolidation of Subsidiaries and Disclosure of Interest in Associates and Joint Ventures. IJB Annual Accounts remain subject to External Audit review.

Significant progress was made during 2019/20 with the transfer of delegated operational management arrangements to Chief Officers and recruitment to key senior posts.

Best Value

In accordance with the principles of Best Value, the Board aims to embed quality at all levels throughout the organisation using models of continuous improvement, the ethos being quality is everyone's business with the links between frontline services to the Board. As part of this, Directors and managers are encouraged to review, identify and improve the efficient and effective use of resources. I can confirm that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual. An updated paper on the Best Value framework and supporting evidence was presented to the Audit Committee on 7 June 2019, providing a summary of arrangements in place and an update on activity. Internal Audit has received a comprehensive assurance report on Best Value in Forth Valley providing evidence against each of the characteristics.

Review of Performance

The most recent review of performance was undertaken over two separate sessions; Private session 17th December 2018, Public Session 13th March 2019. A letter summarising the key points raised together with action points agreed has been shared with NHS Board members and is published on the NHS Forth Valley website. A progress update against the action points was submitted to the Scottish Government in July 2019. Communication was received in August 2019 highlighting that as Ministers had just conducted a full round of territorial Board Reviews for the first time since 2011, the next round would not start until from July 2020. Subsequent communication has been received that due to the considerable time, effort and focus needed by NHS Boards, Ministers and the Scottish Government to respond to COVID-19 pandemic emergency, Annual Reviews would be put on hold for the time being.

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:

- Executive Directors and Senior Managers who are responsible for developing, implementing and maintaining internal controls across their areas.
- Work of the internal auditors, who submit to the Audit 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.
- Comments made by the external auditors in their management letters and other reports.

Executive Directors and Senior Managers have provided me with formal written assurance and have confirmed that there are no known control issues, nor breaches of Standing Orders / Standing Financial Instructions other than the issues detailed below:

- There have been a number of breaches of the 12 week Treatment Time Guarantee which is a legal requirement. Between 1st April 2019 and 31st March 2020 there were 3,355 inpatient or day-case patients who waited more than 12 weeks for treatment within NHS Forth Valley, which reflects a decrease on previous year (4,229 breaches) following focussed work linked to the Annual Operational Plan. NHS Forth Valley has worked with Scottish Government colleagues to agree trajectories in respect of reducing the numbers of patients waiting beyond the 12 week target. Managers are aware of the legislative nature of this guarantee and considerable additional capacity has been put in place to meet demand and to focus on sustainability.

In maintaining the effectiveness of the system of internal control a draft report on the Board Standing Orders, including the Scheme of Delegation, the Standing Financial Instructions, and Decisions reserved by the Board, was approved at the Board Meeting on 31 March 2020.

The Annual Internal Audit Report 2019/20 provides assurance on the Board's internal control framework. Their report concludes that the Board has adequate and effective controls in place and that the 2019/20 internal audit plan has been delivered in line with Public Sector Internal Audit Standards

On Internal work undertaken throughout the year, progress was on track and ahead of previous years up to the point where the impact of COVID-19 meant that client staff were not available, resulting in a number of audits being deferred. These reports will be finalised as part of the 2020/21 annual audit plan, there s no material impact due to delayed reports.

Annual Service Audit Reports are designed to provide assurance around the internal controls frameworks operated on behalf of NHS Scotland by NHS National Services Scotland (NSS). These services are Practitioner and Counter Fraud Services (PCFS) for payment of family health services practitioners. Atos and NSS Digital and Security to support national IT services and NHS Ayrshire and Arran for National Single Instance ledger services.

For the year 2019/20, the Service Audit report in relation to NSI financial ledger was unqualified. The new Service Auditors for the PCFS and IT services have applied the standards and approach defined in ISAE 3402 in full. Findings identified, whilst consistent with those identified in previous years, have this year resulted in a qualified opinion.

A number of low risk improvements were highlighted to NHS National Services Scotland primarily focussed around evidence gathering from some legacy systems, The Board has received assurances from NSS that each point raised within the reports will be addressed as part of their continuous improvement programme of work. This Board do not believe that these findings have any material impact on this Boards accounts and assurance

Risk Assessment and Management

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

The Board's updated risk strategy 'Risk Management Strategy 2019-2021' was approved on 29th January 2019. The Strategy sets out the 5 key stages to manage NHS Forth Valley's exposure to risk. This includes identification, assessments/evaluation, management/response, monitoring/ control, reporting and assurance thus ensuring a good understanding of the potential risks and their likely impact.

The NHS Board in approving its Risk Management Strategy agreed an escalation process to ensure significant risks identified, that are deemed impossible or impractical to manage by a local team or function, are escalated appropriately following the Health Board's line management arrangements.

A financial risk assessment has been updated and submitted to the Scottish Government within the Board's Annual Operational Plan documentation. An updated Corporate Risk Register was presented to the NHS Board on 19th May 2020. Key financial risks include sustainability of delivering continued recurrent savings, rising inflation, costs associated with future year pay policy and rising drugs costs and financial risks associated with Integration Authorities. Other notable risks are in relation to delivery of unscheduled care, delivery of the National Waiting Times targets and maintenance of estates and supporting infrastructure in line with national and local requirements. A new corporate level risk has been added in relation to the COVID-19 response and impact on services which has significantly impacted on the risk profile across a range of areas.

2019/20 Internal Audit reports on Risk Management highlighted some areas for improvement during 2020/21 including further assurance to Board committees on progress to mitigate corporate level risks, and a review of consistency and reporting of organisational risks. These points have been agreed and actions put in place to address them.

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. Attention is, however, drawn to the key risks reported to Forth Valley NHS Board during 2019/20 and in particular to the treatment time guarantees underpinned by statute.

NHS FORTH VALLEY

REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Remuneration Table

	Gross Salary (Bands of £5,000)	Bonus Payments (Bands of £5,000)	Benefits in Kind (£'000)	Total Earnings in Year (Bands of £5,000)	Pension Benefits (£'000)	Total Remuneration (Bands of £5,000)
Remuneration of: Executive Members						
Chief Executive: Catherine Cowan	130 - 135	0 - 0	0	130 - 135	60	190 - 195
Director of Public Health: Graham Foster	190 - 195	0 - 0	0	190 - 195	17	205 - 210
Director of Finance: Scott Urquhart	90 - 95	0 - 0	0	90 - 95	37	125 - 130
Director of HR: Linda Donaldson	95 - 100	0 - 0	0	95 - 100	76	170 - 175
Director of Nursing: Angela Wallace	110 - 115	0 - 0	5.6	115 - 120	38	155 - 160
Medical Director: Andrew Murray	195 - 200	0 - 0	0	195 - 200	34	230 - 235
Remuneration of: Non-Executive Members						
The Chair: Janie McCusker (From 01/03/2020)	0 - 5	0 - 0	0	0 - 5	0	0 - 5
Alex Linkston (To 29/02/2020)	25 - 30	0 - 0	0	25 - 30	0	25 - 30
Julia Swan	10 - 15	0 - 0	0	10 - 15	0	10 - 15
John Ford	15 - 20	0 - 0	0	15 - 20	0	15 - 20
James King	5 - 10	0 - 0	0	5 - 10	0	5 - 10
Michele McClung	15 - 20	0 - 0	0	15 - 20	0	15 - 20
Allyson Black	5 - 10	0 - 0	0	5 - 10	0	5 - 10
Susan McGill	5 - 10	0 - 0	0	5 - 10	0	5 - 10
Leslie Sharp	5 - 10	0 - 0	0	5 - 10	0	5 - 10
Allan Rennie	5 - 10	0 - 0	0	5 - 10	0	5 - 10
Stephen McAllister	5 - 10	0 - 0	0	5 - 10	0	5 - 10
Gordon Johnston (From 01/02/2020)	0 - 5	0 - 0	0	0 - 5	0	0 - 5
Employee Director						
Robert Clark	40 - 45	0 - 0	0	40 - 45	6	45 - 50
Total			5.6		268	

Pension benefit figures are provided for those employees who are members of the NHS Scotland pension scheme; employees have the option to opt out of the scheme.

The Employee Director's salary includes £30,000 - £35,000 in respect of non-Board duties.

The Employee Director's pension benefits are in respect of non Board duties.

For those members that were in post for part of the year only, the full year effect total earnings figures are as follows:-

NON-EXECUTIVE MEMBERS

Janie McCusker	30,000 – 35,000
Alex Linkston	30,000 – 35,000
Gordon Johnston	5,000 – 10,000

NHS FORTH VALLEY

REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Remuneration Table

	Gross Salary (Bands of £5,000)	Bonus Payments (Bands of £5,000)	Benefits in Kind (£'000)	Total Earnings in Year (Bands of £5,000)	Pension Benefits (£'000)	Total Remuneration (Bands of £5,000)
Remuneration of: Executive Members						
Chief Executive: Catherine Cowan	115 - 120	0 - 0	0	115 - 120	106	225 - 230
Director of Public Health: Graham Foster	175 - 180	0 - 0	0	175 - 180	78	255 - 260
Director of Finance: Scott Urquhart (From 15/05/2018)	75 - 80	0 - 0	0	75 - 80	62	135 - 140
Director of HR Linda Donaldson (01/04/18 to 31/05/18 & from 01/08/2018)	70 - 75	0 - 0	0	70 - 75	81	150 - 155
Director of HR: Alison Richmond-Ferns 01/06/18 to 31/07/18	10 - 15	0 - 0	0	10 - 15	0	10 - 15
Director of Nursing: Angela Wallace	110 - 115	0 - 0	5.0	115 - 120	32	145 - 150
Medical Director: Andrew Murray	180 - 185	0 - 0	0	180 - 185	24	200 - 205
Remuneration of: Non-Executive Members						
The Chair: Alex Linkston	30 - 35	0 - 0	0	30 - 35	0	30 - 35
Julia Swan	15 - 20	0 - 0	0	15 - 20	0	15 - 20
John Ford	15 - 20	0 - 0	0	15 - 20	0	15 - 20
James King	5 - 10	0 - 0	0	5 - 10	0	5 - 10
Susan McGill	5 - 10	0 - 0	0	5 - 10	0	5 - 10
Allyson Black	5 - 10	0 - 0	0	5 - 10	0	5 - 10
Michele McClung	5 - 10	0 - 0	0	5 - 10	0	5 - 10
Fiona Gavine (To 31/12/2018)	5 - 10	0 - 0	0	5 - 10	0	5 - 10

Joanne Chisholm (To 30/09/2018)	0 - 5	0 - 0	0	0 - 5	0	0 - 5
Ellen Forson (To 12/04/2018)	0 - 5	0 - 0	0	0 - 5	0	0 - 5
Leslie sharp (From 12/04/2018)	5 - 10	0 - 0	0	5 - 10	0	5 - 10
Stephen McAllister (From 01/01/2019)	0 - 5	0 - 0	0	0 - 5	0	0 - 5
Allan Rennie (From 01/01/2019)	0 - 5	0 - 0	0	0 - 5	0	0 - 5
Employee Director						
Robert Clark	40 - 45	0 - 0	0	40 - 45	4	45 - 50
Total			5.0		387	

Linda Donaldson and Alison Richmond-Ferns shared the duties of the Director of Human Resources role on a bi-monthly basis between 1st April 2018 and 31st July 2018.

The Employee Director's salary includes £30,000 - £35,000 in respect of non-Board duties.

The Employee Director's pension benefits are in respect of non Board duties.

Pension benefit figures are provided for those employees who are members of the NHS Scotland pension scheme; employees have the option to opt out of the scheme.

For those members that were in post for part of the year only, the full year effect total earnings figures are as follows:-

EXECUTIVE MEMBERS

Scott Urquhart	85,000 – 90,000
Linda Donaldson	85,000 – 90,000
Alison Richmond-Ferns	75,000 – 80,000

NON-EXECUTIVE MEMBERS

Fiona Gavine	5,000 – 10,000
Joanne Chisholm	5,000 – 10,000
Ellen Forson	5,000 – 10,000
Leslie Sharp	5,000 – 10,000
Stephen McAllister	5,000 – 10,000
Allan Rennie	5,000 – 10,000

NHS FORTH VALLEY

REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Pensions Values Table

	Total accrued pension at pensionable age at 31 March 2020 (Bands of £5,000)	Total accrued lump sum at pensionable age at 31 March 2020 (Bands of £5,000)	Real increase in pension at pensionable age (Bands of £2,500)	Real increase in lump sum at pensionable age at 31 March 2020 (Bands of £2,500)	CETV at 31 March 2019 (£000)	CETV at 31 March 2020 (£000)	Real increase in CETV in year (£000)
Remuneration of: Executive Members							
Chief Executive: Catherine Cowan	60 - 65	180 - 185	2.5 - 5	7.5 - 10	1313	1419	94
Director of Public Health: Graham Foster	65 - 70	160 - 165	0 – 2.5	0	1262	1308	46
Director of Finance: Scott Urquhart	25 - 30	55 - 60	0 – 2.5	0 – 2.5	384	423	39
Director of HR: Linda Donaldson	40 - 45	100 - 105	2.5 - 5	5 – 7.5	753	842	89
Director of Nursing: Angela Wallace	35 - 40	105 - 110	2.5 - 5	0 – 2.5	794	852	58
Medical Director: Andrew Murray	60 - 65	145 - 150	0 – 2.5	0 – 2.5	1201	1262	61
Remuneration of: Non-Executive Members							
The Chair: Janie McCusker (From 01/03/2020)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Alex Linkston (To 29/02/2020)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Julia Swan	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
John Ford	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
James King	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Michele McClung	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Allyson Black	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Susan McGill	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Leslie Sharp	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Allan Rennie	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0

Stephen McAllister	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Gordon Johnston (From 01/02/2020)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Employee Director							
Robert Clark	15 - 20	35 - 40	0 – 2.5	0	278	289	11
Total							398

There are multiple NHS Scotland pension schemes which have differing normal pension retirement ages, the figures provided above are based on the individual cases.

In accordance with the Financial Reporting Manual (FReM) and the Companies Act, this calculation aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period, which is the estimated life span following retirement. The 'total earnings in year' column shows the remuneration relating to actual earnings payable in year.

NHS FORTH VALLEY

REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Pensions Values Table

	Total accrued pension at pensionable age at 31 March 2019 (Bands of £5,000)	Total accrued lump sum at pensionable age at 31 March 2019 (Bands of £5,000)	Real increase in pension at pensionable age (Bands of £2,500)	Real increase in lump sum at pensionable age at 31 March 2019 (Bands of £2,500)	CETV at 31 March 2018 (£000)	CETV at 31 March 2019 (£000)	Real increase in CETV in year (£000)
Remuneration of: Executive Members							
Chief Executive: Catherine Cowan	55 - 60	165 - 170	5 – 7.5	15 – 17.5	1142	1291	133
Director of Public Health: Graham Foster	65 - 70	160 - 165	2.5 - 5	5 - 7.5	1142	1241	99
Director of Finance: Scott Urquhart (From 15/05/2018)	20 - 25	50 - 55	2.5 - 5	5 – 7.5	321	378	56
Director of HR: Linda Donaldson (01/04/18 to 31/05/18 & from 01/08/2018)	35 - 40	95 - 100	2.5 - 5	7.5 - 10	650	740	90
Director of HR: Alison Richmond-Ferns 01/06/18 to 31/07/18	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Director of Nursing: Angela Wallace	35 - 40	100 - 105	0 – 2.5	0 – 2.5	730	781	51
Medical Director: Andrew Murray	60 - 65	145 - 150	2.5 - 5	0	1130	1181	51
Remuneration of: Non-Executive Members							
The Chair: Alex Linkston	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Julia Swan	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0

John Ford	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
James King	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Susan McGill	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Allyson Black	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Michele McClung	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Fiona Gavine (To 31/12/2018)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Joanne Chisholm (To 30/09/2018)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Ellen Forson (To 12/04/2018)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Leslie sharp (From 12/04/2018)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Stephen McAllister (From 01/01/2019)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Allan Rennie (From 01/01/2019)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Employee Director							
Robert Clark	10 - 15	35 - 40	0 – 2.5	0	265	274	9
Total							489

There are multiple NHS Scotland pension schemes which have differing normal pension retirement ages, the figures provided above are based on the individual cases.

The pension details for A Richmond-Ferns are shown as N/A as she has retired and taken her benefits.

In accordance with the Financial Reporting Manual (FReM) and the Companies Act, this calculation aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period, which is the estimated life span following retirement. The 'total earnings in year' column shows the remuneration relating to actual earnings payable in year.

Fair Pay Disclosure

	2020	2019
Range of staff remuneration	8,584 – 231,275	8,416 – 239,198
Highest Earning Director's Total Remuneration (£000s)	195 - 200	180 – 185
Median Total Remuneration	31,211	30,821
Ratio	6.33	5.92

Commentary

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Forth Valley NHS Board in the financial year 2019/2020 was £197,500 (2018/2019, £182,500). This was 6.33 times (2018/2019, 5.92) the median remuneration of the workforce, which was £31,211 (2018/2019, £30,821).

In 2019/2020, 4 (2018/2019, 10) employees received remuneration in excess of the highest paid director. Remuneration ranged from £8,584 to £231,275 (2018/2019 £8,416 to £239,198).

STAFF REPORT

Higher Paid Employees' Remuneration

	2020	2019
Other employees whose remuneration fell within the following ranges:	Number	Number
Clinicians		
£70,001 to £80,000	32	37
£80,001 to £90,000	30	28
£90,001 to £100,000	28	30
£100,001 to £110,000	34	22
£110,001 to £120,000	35	33
£120,001 to £130,000	28	21
£130,001 to £140,000	21	26
£140,001 to £150,000	15	19
£150,001 to £160,000	11	6
£160,001 to £170,000	8	14
£170,001 to £180,000	5	5
£180,001 to £190,000	6	7
£190,001 to £200,000	2	1
£200,001 and above	4	3
Other		
£70,001 to £80,000	8	7
£80,001 to £90,000	0	2
£90,001 to £100,000	4	3
£100,001 to £110,000	0	2
£110,001 to £120,000	0	0
£120,001 to £130,000	0	0
£130,001 to £140,000	0	0
£140,001 to £150,000	0	0
£150,001 to £160,000	0	0
£160,001 to £170,000	0	0
£170,001 to £180,000	0	0
£180,001 to £190,000	0	0
£190,001 to £200,000	0	0
£200,001 and above	0	0

Employee Expenditure and Staff Numbers

Reconciliation to income and expenditure

	£'000	
Total employee expenditure as above	£293,399	<i>From staff report disclosure</i>
Add: employee income included in Note 4	£1,347	<i>From note 4; secondee income</i>
Less: staff on capital projects	£452	<i>From staff report disclosure</i>
Total employee expenditure disclosed in note 3	£294,294	

STAFF NUMBERS AND EXPENDITURE

	Executive Board Members	Non-Executive Members	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	2020 Total	2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
EMPLOYEE EXPENDITURE								
Salaries and wages	825	172	223,817	0	0	(1,347)	223,467	214,133
Taxation & Social security costs	107	11	21,459	0	0	0	21,577	20,758
NHS scheme employers' costs	120	7	40,073	0	0	0	40,200	25,259
Other employers' pension costs	0	0	0	0	0	0	0	0
Secondes	0	0	0	2,712	0	0	2,712	2,803
Agency staff	0	0	0	0	5,443	0	5,443	4,455
TOTAL	1,052	190	285,349	2,712	5,443	(1,347)	293,399	267,408
Included in the total Employee Expenditure above were costs of staff engaged directly on capital projects, charged to capital expenditure of:							452	1,192
STAFF NUMBERS								
Whole time equivalent (WTE)	6	12	5,459	43	87	(40)	5,567	5,419
Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of:							13	32
Included in the total staff numbers above were disabled staff of:							47	33
Included in the total staff numbers above were Special Advisers of:							0	0

Staff Composition – an analysis of the number of persons of each sex who were directors and employees. For the purposes of this analysis, senior employees are those earning over £70,000 p.a.

	2020				2019			
	Male	Female	Prefer not to say	Total	Male	Female	Prefer not to say	Total
Executive Directors	3	3	0	6	3	4	0	7
Non-Exec. Directors and Employee Director	8	5	0	13	7	7	0	14
Senior Employees	166	105	0	271	164	102	0	266
Other	707	5509	0	6216	683	5406	0	6089
Total Headcount	884	5622	0	6506	857	5519	0	6376

The figures in the above table for Executives & Non Executives and Senior Employees are based on the total numbers in post during the year, which are reported on elsewhere in this report. The figures for Other staff are based on those in post on 31st March 2020.

Sickness absence data

	2020	2019
Sickness Absence Rate	5.88%	5.58%

The figure provided for 2020 is a full year percentage due to the later production of the annual accounts this year. The figure for 2019 was based on the third quarter information, as that was what was available at the time of production.

Staff policies applied during the financial year relating to the employment of disabled persons

For giving full and fair consideration to applications for employment by the Board made by disabled persons, having a regard to their particular aptitudes and abilities;
 For continuing the employment of, and for arranging appropriate training for, employees of the Board who have become disabled persons during the period when they were employed by the Board; and
 Otherwise for the training, career development and promotion of disabled persons employed by the Board.

Other Employee Matters:

As a listed authority NHS Forth Valley is required to take steps to gather information on the composition of its employees; as well as annual information on the recruitment, development and retention of employees with respect to the number and relevant protected characteristics of employees.

In 2019/20 we:

- Reported on mainstreaming the equality duty in relation to employment practice;
- Assessed and reviewed all Human Resource (HR) policies and practices, launched HR Connect and HR helpdesk 31st July 2019;
- Gathered and used employee information;
- Published our gender pay gap information;
- Published our statement on equal pay.

A suite of policies, procedures and guidance are available to help ensure a fair and consistent approach to employment issues including: Recruitment and Selection; Flexible Working; Dignity at Work, Performance Appraisal; Maternity, Paternity and Adoption Leave; Grievance; Hate Incident Protocol; Special Leave Policy, Shared Parental Leave Policy, Transitioning at Work Protocol and Equality, Diversity & Human Rights Policy.

“Once for Scotland” employment policies representing best practice on Attendance, Bullying and Harassment, Capability, Conduct, Grievance were developed nationally and launched on 1 March 2020.

NHS Forth Valley has a strong history of excellent partnership working. Our Employee Director works with Human Resources on a number of Partnership areas. The Area Partnership Forum, co-chaired by the Chief Executive and Employee Director meets quarterly, there are local partnerships for Acute, Estates and Facilities, and our two Joint Staff Forum for Health & Social Care Partnerships.

The Health and Safety Department provides a comprehensive range of services, specialist advice helps managers manage risk and health and safety issues affecting staff, patients and visitors etc. The department also provides a range of information for staff to access. The work closely with other departments and groups within NHS Forth Valley including Occupational Health, Infection Control, Training & Development, Clinical Governance and The Risk Network group to ensure a quality approach. Incidents are reported electronically via Safeguard.

Turas Appraisal is used to record staff PDPR progress including identification of Objectives and Personal Development Planning.

Talent Management and Succession Planning are key priorities within NHS Forth Valley and support the Board’s strategic direction in supporting our workforce, attracting, retaining and developing a capable and sustainable workforce fit for the future. We are implementing this across the organisation. This process will support short, medium and long term career planning for both managers and employees and is designed to ensure a supply of skilled and appropriately trained staff who are enabled to be job ready and can apply for posts as they become available. This process is crucial to recruitment and retention and invaluable to reinforcing our development culture.

Not all staff aspire to obtain promotion, some may prefer to remain within their current role and develop skills to enhance effectiveness or move across the organisation. Effective career conversations and access to tailored support can be invaluable to support this process and retain staff particularly during periods of transformational change. We are providing guidance on career development conversations for managers to support robust and effective dialogue on personal development.

Exit Packages

Exit Packages			2020
Exit Package cost band	Number of Compulsory	Number of other departures agreed	Total number of exit packages by cost band

There were no exit packages during 2019/2020.

Exit Packages – Prior Year			2019
Exit Package cost band	Number of Compulsory	Number of other departures agreed	Total number of exit packages by cost band
£150,000 - £200,000	0	2	2
Total number of exit Packages by type	0	2	2
Total Resource Cost (£'000)	0	374	374

Trade Union Regulations

Relevant Union Officials	
Number of employees who were relevant union officials during the period 1 April 2019 to 31 March 2020	Full-time equivalent employee number
20	17.9
Percentage of time spent on facility time	
Percentage of time	Number of representatives
0%	0
1 – 50%	18
51 – 99%	0
100%	2
Percentage of pay bill spent on facility time	
Total cost of facility time	£133,831
Total pay bill	£293,400,000
Percentage of the total pay bill spent on facility time	0.05%
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours.	100%. All time spent on trade union activity is paid for any trade union representative.

Parliamentary Accountability Report

Losses and Special Payments

On occasion the Board is required to write off balances which are no longer recoverable. Losses and special payments over £250K require formal approval to regularise such transactions and their notation in the annual accounts.

The write-off of the following losses and special payments has been approved by the Board:

	No. of cases	£m
Losses	837	2.095

In the year to 31 March 2020, the following balances were written off:

Reference	Description	£m
CNORIS	Total claims paid under the CNORIS scheme	2.017

In 2019-20, the Board was required to pay out no claims individually greater than £250,000 settled under the CNORIS scheme (2018-19: £1.036m). Further details can be found in Note 1 (Accounting policies) of the annual accounts.

The Board is also required to provide for CNORIS claims notified to it and which will be settled at a future date; details of these provisions can be found in Note 13.

Fees and Charges

During 2019/20, there were no charges for services provided on a full costs basis at greater than £1m.

Approval of the Accountability Report

The Accountability Report is approved for issue



.....
Mrs Cathie Cowan
Chief Executive

04 September 2020

Independent auditor's report to the members of Forth Valley NHS Board, the Auditor General for Scotland and the Scottish Parliament

Report on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Forth Valley NHS Board and its group for the year ended 31 March 2020 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Consolidated Comprehensive Net Expenditure, the Consolidated Statement of Financial Position, the Statement of Consolidated Cashflows, the Consolidated Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2019/20 Government Financial Reporting Manual (the 2019/20 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the affairs of the board and its group as at 31 March 2020 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2019/20 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General for Scotland on 28 January 2019. The period of total uninterrupted appointment is two years. I am independent of the board and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter: valuation of land and buildings

I draw attention to paragraph 29 of the Accounting Policies in the financial statements, Key sources of judgement and estimation uncertainty, which describes the effects of material uncertainties, caused by Covid-19, declared in the valuation report for land and buildings. My opinion is not modified in respect of this matter.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Accountable Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the annual report and accounts

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and my independent auditor's report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

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

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

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

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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

John Cornett

07 September 2020

John Cornett FCPFA
Audit Director
Audit Scotland
4th Floor
102 Westport
Edinburgh
EH3 9DN

FORTH VALLEY NHS BOARD

STATEMENT OF CONSOLIDATED COMPREHENSIVE NET EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2020

2019 £'000		Note	2020 £'000
269,011	Employee expenditure	3a	294,294
	Other operating expenditure	3b	
80,900	Independent Primary Care Services		86,489
110,177	Drugs and medical supplies		113,635
507,060	Other health care expenditure		547,778
<u>967,148</u>	Gross expenditure for the year		<u>1,042,196</u>
(342,018)	Less: operating income	4	(370,502)
(32)	Associates and joint ventures accounted for on an equity basis		316
<u>625,098</u>	Net expenditure for the year		<u>672,010</u>

OTHER COMPREHENSIVE NET EXPENDITURE

2019 £'000		2020 £'000
(14,420)	Net (gain)/loss on revaluation of Property Plant and Equipment	(35,450)
0	Net (gain)/loss on revaluation of Intangibles	0
0	Net (gain)/loss on revaluation of investments	0
<u>(14,420)</u>	Other Comprehensive Expenditure	<u>(35,450)</u>
<u>610,678</u>	Comprehensive net Expenditure	<u>636,560</u>

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

FORTH VALLEY NHS BOARD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2020

Consolidated 2019 £'000	Board 2019 £'000		Note	Consolidated 2020 £'000	Board 2020 £'000
557,067	557,067	Non-current assets		568,579	568,579
1,408	1,408	Property, plant and equipment	7c	1,168	1,168
		Intangible assets	6a		
		Financial assets:			
3,431	355	Investments	10	2,742	355
4,457	0	Investments in associates and joint ventures		4,141	0
24,736	24,736	Trade and other receivables	9	40,135	40,135
591,099	583,566	Total non-current assets		616,765	610,237
		Current Assets			
1,711	1,711	Inventories	8	1,922	1,922
0	0	Intangible Assets	6b	0	0
		Financial assets:			
16,515	16,648	Trade and other receivables	9	18,232	18,259
85	36	Cash and cash equivalents	11	194	40
0	0	Investments	10	0	0
0	0	Assets classified as held for sale	7b	0	0
18,311	18,395	Total current assets		20,348	20,221
609,410	601,961	Total assets		637,113	630,458
		Current liabilities			
(11,905)	(11,905)	Provisions	13a	(12,790)	(12,790)
		Financial liabilities:			
(82,069)	(82,079)	Trade and other payables	12	(84,724)	(84,722)
(93,974)	(93,984)	Total current liabilities		(97,514)	(97,512)
515,436	507,977	Non-current assets plus/less net current assets/liabilities		539,599	532,946
		Non-current liabilities			
(55,185)	(55,185)	Provisions	13a	(69,475)	(69,475)
		Financial liabilities:			
(332,076)	(332,076)	Trade and other payables	12	(322,784)	(322,784)
0	0	Liabilities in associates and joint ventures		0	0
(387,261)	(387,261)	Total non-current liabilities		(392,259)	(392,259)
128,175	120,716	Assets less liabilities		147,340	140,687
		Taxpayers' Equity			
(18,389)	(18,389)	General fund	SoCTE	(16,141)	(16,141)
139,105	139,105	Revaluation reserve	SoCTE	156,828	156,828
4,457	0	Other reserves - associates and joint ventures	SoCTE	4,141	0
3,002	0	Fund held on Trust	SoCTE	2,512	0
128,175	120,716	Total taxpayers' equity		147,340	140,687

Adopted by the Board on 25th August 2020

..... Scott Urquhart 04 September 2020 Director of Finance

..... Cathie Cowan 04 September 2020 Chief Executive

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

FORTH VALLEY NHS BOARD
STATEMENT OF CONSOLIDATED CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2020

2019 £'000		Note	2020 £'000	2020 £'000
	Cash flows from operating activities			
(625,098)	Net expenditure	SoCTE	(672,010)	
19,524	Adjustments for non-cash transactions	2a	24,170	
14,825	Add back: interest payable recognised in net operating expenditure	2b	16,042	
(105)	Deduct: interest receivable recognised in net operating expenditure	4	(44)	
0	Investment income		0	
(6,246)	Movements in working capital	2c	3,032	
(597,100)	Net cash outflow from operating activities	26c		(628,810)
	Cash flows from investing activities			
(17,633)	Purchase of property, plant and equipment		(12,325)	
(376)	Purchase of intangible assets		(102)	
(64)	Investment additions	10	(428)	
0	Transfer of assets to / (from) other NHS Scotland bodies		0	
1,500	Proceeds of disposal of property, plant and equipment		9,816	
0	Proceeds of disposal of intangible assets		0	
55	Receipts from sale of investments		589	
105	Interest received		44	
(16,413)	Net cash outflow from investing activities	26c		(2,406)
	Cash flows from financing activities			
627,135	Funding	SoCTE	656,253	
6	Movement in general fund working capital	SoCTE	4	
627,141	Cash drawn down		656,257	
1,178	Capital element of payments in respect of finance leases and on-balance sheet PFI and Hub contracts	2c	(8,890)	
(236)	Interest paid		(660)	
(14,589)	Interest element of finance leases and on-balance sheet PFI / PPP and Hub contracts	2b	(15,382)	
613,494	Net Financing	26c		631,325
(19)	Net Increase / (decrease) in cash and cash equivalents in the period			109
104	Cash and cash equivalents at the beginning of the period			85
85	Cash and cash equivalents at the end of the period			194
	Reconciliation of net cash flow to movement in net debt/cash			
(19)	Increase/(decrease) in cash in year	11		109
104	Net debt/cash at 1 April			85
85	Net debt/cash at 31 March			194

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

FORTH VALLEY NHS BOARD

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Note	General Fund £'000	Revaluation Reserve £'000	Other reserve - associates and joint ventures £'000	Funds Held in Trust £'000	Total Reserves £'000
Balance at 31 March 2019		(18,389)	139,105	4,457	3,002	128,175
Retrospective restatements for changes in accounting policy and material errors	20	0	0	0	0	0
Restated balance at 1 April 2019		(18,389)	139,105	4,457	3,002	128,175
Changes in taxpayers' equity for 2019-20						
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a	0	37,156	0	0	37,156
Net gain / (loss) on revaluation / indexation of intangible assets	6a	0	0	0	0	0
Net gain / (loss) on revaluation of investments	10	0	0	0	(528)	(528)
Impairment of property, plant and equipment	7a	0	(2,314)	0	0	(2,314)
Impairment of intangible assets	6a	0	0	0	0	0
Revaluation and impairments taken to operating costs	2a	0	608	0	0	608
Release of reserves to the statement of comprehensive net expenditure		0	0	0	0	0
Transfers between reserves		17,727	(17,727)	0	0	0
Pension reserve movements		0	0	0	0	0
Other non cash costs		0	0	0	0	0
Net operating cost for the year	CFS	(671,732)	0	(316)	38	(672,010)
Total recognised income and expense for 2019-20		(654,005)	17,723	(316)	(490)	(637,088)
Funding:						
Drawn down	CFS	656,257				656,257
Movement in General Fund (Creditor) / Debtor	CFS	(4)				(4)
Balance at 31 March 2020	SoFP	(16,141)	156,828	4,141	2,512	147,340

CONSOLIDATED SOCTE (PRIOR YEAR)

	Note	General Fund £'000	Revaluation Reserve £'000	Other reserve - associates and joint ventures £'000	Funds Held in Trust £'000	Total Reserves £'000
Balance at 31 March 2018		(24,848)	129,072	4,425	3,027	111,676
Retrospective restatements for changes in accounting policy and material errors	20	0	0	0	0	0
Restated balance at 1 April 2018		(24,848)	129,072	4,425	3,027	111,676
Changes in taxpayers' equity for 2018-19						
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a	0	19,979	0	0	19,979
Net gain / (loss) on revaluation / indexation of intangible assets	6a	0	0	0	0	0
Net gain / (loss) on revaluation of investments	10	0	0	0	63	63
Impairment of property, plant and equipment		0	(8,177)	0	0	(8,177)
Impairment of intangible assets	6a	0	0	0	0	0
Revaluation and impairments taken to operating costs	2a	0	2,618	0	0	2,618
Release of reserves to the statement of comprehensive net expenditure		0	0	0	0	0
Transfers between reserves		4,387	(4,387)	0	0	0
Pension reserve movements		0	0	0	0	0
Other non cash costs		(21)	0	0	0	(21)
Net operating cost for the year	CFS	(625,042)	0	32	(88)	(625,098)
Total recognised income and expense for 2018-19		(620,676)	10,033	32	(25)	(610,636)
Funding:						
Drawn down	CFS	627,141				627,141
Movement in General Fund (Creditor) / Debtor	CFS	(6)				(6)
Balance at 31 March 2019	SoFP	(18,389)	139,105	4,457	3,002	128,175

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

ACCOUNTING POLICIES

FORTH VALLEY NHS BOARD

NOTE 1 - ACCOUNTING POLICIES

1. Authority

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in section 29 below.

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

There are no new accounting standards that have been applied for the first time in 2019-20:

(b) Standards, amendments and interpretation early adopted this year

There are no new standards, amendments or interpretations early adopted this year.

(c) Standards, amendments and interpretation issued but not adopted this year

The following standard has been issued but are not yet effective.

- **IFRS 16 Leases** – IFRS 16 Leases supersedes IAS 17 Leases and is being applied by HM Treasury in the Government Financial Reporting Manual (FReM) from 1 April 2021. IFRS 16 introduces a single lessee accounting model that results in a more faithful representation of a lessee's assets and liabilities, and provides enhanced disclosures to improve transparency of reporting on capital employed.

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

The bringing of leased assets onto the Statement of Financial Position will require depreciation and interest to be charged on the right-of-use asset and lease liability,

respectively. Cash repayments will also be recognised in the Statement of Cash Flows, as required by IAS 7.

The Board has assessed the likely impact to i) comprehensive net expenditure and ii) the Statement of Financial Position of applying IFRS 16. The figures below represent existing leases as at 31 March 2020.

Based on a return submitted to the Scottish Government in January 2020, the standard is expected to increase total expenditure by £0.6 million. Right-of-use assets totalling £1.0 million will be brought onto the Statement of Financial Position, with an associated lease liability of £1.2 million.

2. Basis of Consolidation

Consolidation

In accordance with IFRS 10 – Consolidated Financial Statements, the Financial Statements consolidate the NHS Forth Valley Endowment Fund.

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

The NHS Forth Valley Endowment Fund is a Registered Charity with the Office of the Charity Regulator of Scotland (OSCR) and is required to prepare and submit Audited Financial Statements to OSCR on an annual basis.

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

The integration of health and social care services under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and associated secondary legislation impacts on Health Board disclosure requirements in the annual accounts.

In accordance with IAS 28 – Investments in Associates and Joint Arrangements, the primary financial statements have been amended for the additional disclosure required to accurately reflect the interest of IJBs using the equity method of accounting.

Note 26 to the Annual Accounts, details how these consolidated Financial Statements have been calculated.

3. Retrospective Restatements

There have been no Retrospective Restatements reflected in the 2019/20 Financial Statements.

4. Going Concern

The accounts are prepared on the 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, financial assets and liabilities (including derivative instruments) at fair value.

6. Funding

Most of the expenditure of the Health Board as Commissioner 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 year in which it is receivable.

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

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

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

Funding for the acquisition of capital assets received from the Scottish Government is credited to 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 Consolidated 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 administrative purposes; it is probable that future economic benefits will flow to, or service potential be provided to, the Board; it is expected to be used for more than one financial year; and the cost of the item can be measured reliably.

All assets falling into the following categories are capitalised:

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

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

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

Specialised NHS Land, buildings, equipment, installations and fittings are stated at depreciated replacement cost, as a proxy for fair value as specified in the FREM.

Non specialised land and buildings, such as offices, are stated at fair value.

Valuations of all land and building assets are reassessed by valuers under a 5-year programme of professional valuations and adjusted in intervening years to take account of movements in prices since the latest valuation. 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.

Non specialised equipment, installations and fittings are valued at fair value. Boards value 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).

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

To meet the underlying objectives established by the Scottish Government the following accepted variations of the RICS Appraisal and Valuation Manual have been required:

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

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

Subsequent expenditure:

Subsequent expenditure is capitalised into an asset's carrying value when it is probable the future economic benefits associated with the item will flow to the Board and the cost can be measured reliably. Where subsequent expenditure does not meet these criteria the expenditure is charged to the Statement of Comprehensive Net 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.

Revaluations 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 gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

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

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

7.3 Depreciation

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

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

- 1) Freehold land is considered to have an infinite life and is not depreciated.
- 2) Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Board, respectively.
- 3) Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.
- 4) Buildings, installations and fittings are depreciated on current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.
- 5) Equipment is depreciated over the estimated life of the asset.
- 6) Property, plant and equipment held under finance leases are depreciated over the shorter of the lease term and the estimated useful life.

Depreciation is charged on a straight line basis and the following asset lives have been used:

Asset Category	Useful Life
Buildings Structure	4 to 70 Years
Buildings Engineering	3 to 35 Years
Buildings External Works	3 to 60 Years
Buildings Revenue Maintained	4 to 90 Years
Plant & Machinery	5 to 15 Years
Information Technology	5 to 8 Years
Furniture & Fittings	7 to 10 Years

8. Intangible Assets

8.1 Recognition

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

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

The main classes of intangible assets recognised are:

Internally generated intangible assets:

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Board intends to complete the asset and sell or use it;
- the Board has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Board to complete the development and sell or use the asset; and
- the Board can measure reliably the expenses attributable to the asset during development.

Expenditure so deferred is limited to the value of future benefits.

Software:

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

Software licences:

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

8.2 Measurement

Valuation:

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

Subsequently intangible assets that are not held for their service potential (i.e. assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured at fair value. Where an active (homogeneous) market exists, intangible assets are carried at fair value. Where no active market exists, the intangible asset is revalued, using indices or some suitable model, to the lower of depreciated replacement cost and value in use where the asset is income generating. Where there is no value in use, the intangible asset is valued using depreciated replacement cost. These measures are a proxy for fair value.

Revaluation and impairment:

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

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

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

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

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

8.3 Amortisation

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

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

- 1) Internally generated intangible assets. Amortised on a systematic basis over the period expected to benefit from the project.
- 2) Software. Amortised over their expected useful life

- 3) Software licences. Amortised over the shorter term of the licence and their useful economic lives.
- 4) Other intangible assets. Amortised over their expected useful life.
- 5) Intangible assets which has been reclassified as 'Held for Sale' ceases to be amortised upon the reclassification.

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Asset Category	Useful Life
Software Licences	5 to 8 Years
Information Technology Software	5 to 8 Years

9. Donated Assets

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

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

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

11. Leasing

Finance leases

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

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

Operating leases

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

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease unless title to the land is expected to transfer.

12. Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment. Impairment losses charged to the SOCNE are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

13. General Fund Receivables and Payables

Where the Health Board has a positive net cash book 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 Health Board has a net overdrawn cash position at the year end, a corresponding debtor is created and the general fund credited with the same amount to indicate that additional cash is to be drawn down from the SGHSCD.

14. Inventories

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

15. Losses and Special Payments

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

16. Employee Benefits**Short-term Employee Benefits**

Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the

financial statements to the extent that employees are permitted to carry-forward leave into the following year.

Pension Costs

The Board participates in the NHS Superannuation Scheme (Scotland). This scheme is an unfunded statutory pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and 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 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 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 the Exchequer. The pension cost is assessed every four years by the Government Actuary and this valuation determines the rate of contributions required. The most recent actuarial valuation is published by the Scottish Public Pensions Agency and is available on their website.

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

17. Clinical and Medical Negligence Costs

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

NHS Forth Valley provide 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.

NHS Forth Valley also provides for its liability from participating in the scheme. The Participation in CNORIS provision recognises the Board's respective share of the total liability of NHSScotland 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 AME provision and is classified as non-core expenditure.

18. Related Party Transactions

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

19. Value Added Tax

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

20. PFI/HUB/NPD Schemes

Transactions financed as revenue transactions through the Private Finance Initiative or alternative initiatives such as HUB or the Non Profit Distributing Model (NPD) are accounted for in accordance with the HM Treasury application of IFRIC 12, *Service Concession Arrangements*, outlined in the FReM.

Schemes which do not fall within the application of IFRIC 12 are deemed to be off-Statement of Financial Position. Where the Board has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract by charge to the Statement of Comprehensive Net Expenditure. Where, at the end of the PFI contract, a property reverts to the Board, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up on the Statement of Financial Position over the life of the contract by capitalising part of the unitary charge each year.

Transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Board. The underlying assets are recognised as Property, Plant and Equipment and Intangible Assets at their fair value. An equivalent liability is recognised in accordance with IAS 17. Where it is not possible to separate the finance element from the service element of unitary payment streams this has been estimated from information provided by the operator and the fair values of the underlying assets. Assets are subsequently revalued in accordance with the treatment specified for their applicable asset categories.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme.

The service charge and the finance cost interest element are charged in the Statement of Comprehensive Net Expenditure.

NHS Forth Valley currently discloses two PFI Properties within its Statutory Accounts. The Clackmannanshire Health Resource Centre and Forth Valley Royal Hospital are accounted for as On-statement of financial position and details of these two service concessions are reported within Note 18bPFI. During this financial year the final and third phase of the Stirling Care Village came On Statement of Financial Position. This is a HUB Design, Build, Finance and Maintain (DBFM) project and details of this service concession is also reported within Note 18b.

21. Provisions

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

22. Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in Note 14 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 14, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

23. Corresponding Amounts

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

24. Financial Instruments

Financial assets

Business model

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

Classification

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

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

This is the default basis for financial assets.

(b) Financial assets held at amortised cost

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

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

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

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

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

Impairment of financial assets

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

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

Recognition and measurement

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

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

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

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Net Expenditure. Financial assets carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Financial assets held at amortised cost

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

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

Financial assets carried at fair value through other comprehensive income are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Net Expenditure. Financial assets carried at fair value through other comprehensive income are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in other comprehensive income

Financial Liabilities

Classification

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

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

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

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

(b) Financial liabilities held at amortised cost

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

Recognition and measurement

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

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

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

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

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

(b) Amortised costs

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

25. Segmental reporting

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

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

26. Cash and cash equivalents

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

27. Foreign exchange

The functional and presentational currencies of the Board are sterling.

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

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

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

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

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

28. Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Board has no beneficial interest in them.

However, they are disclosed in Note 25 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

29. Key sources of judgement and estimation uncertainty

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

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

Within these financial statements NHS Forth Valley has made the following financial assumptions:

- **Pensions:** assumptions regarding estimated future pension provisions have been made using the relevant HM Treasury pension discount rate;
- **Clinical and Medical Negligence Provision:** The clinical and medical negligence provision is calculated using information received from the Central Legal Office regarding claims they have received relating to NHS Forth Valley. The provision covers all claims classified as category 3 and 50% of the value of claims in category 2 which have been assessed as having a probability of settlement. The share of the NHS Scotland CNORIS liability is estimated based on actual settlement trends in prior years.
- **Leases:** judgements made for the classification of Leases are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee, in accordance with guidance outlined in International Accounting Standard (IAS) 17.
- **Inflation Rates:** in line with HM Treasury Green Book guidance, the impact of expected future inflation in general price levels is removed by deflating future cashflows by forecasting levels of the relevant deflator. For the Public Finance Initiative (Pfi) and Hub Design, Build, Finance and Maintain (DBFM) contracts, the Bank of England's annual inflation target currently set at 2.5% has been used as an appropriate measure of prices to use as a general deflator.
- **Revaluation of Land and Buildings:** the Board commissioned a full revaluation of the NHS Forth Valley estate as at 31st March 2020, with draft valuations being carried out by the Valuation Office Agency (VOA) during September and November 2019, and final valuations during March 2020. Judgements are made about the status of property which affects the valuation methodology based on Royal Institute of Chartered Surveyors (RICS) guidance, International Financial Reporting Standards (IFRS) as interpreted, and also guidance contained within the HM Treasury Financial Reporting Manual (FREM).

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

The valuation report has been used to inform the measurement of assets in these financial statements. Although the valuer has declared a material valuation uncertainty, the valuer has continued to exercise professional judgement in preparing the valuation and, therefore, this is the best information available to NHS Forth Valley as at 31 March 2020 and can be relied upon.

Of the £536.833m net book value of land and buildings subject to valuation, £424.006m relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to NHS Forth Valley of replacing the service potential of the assets; the uncertainty relates to the estimated costs of, rather than the extent of, service potential to be replaced. The District Valuer uses Building Cost Information Service (BCIS) Indices for assessing specialised asset valuations. As per a District Valuer letter issued on 17th April 2020, it was too early to assess the impact of Covid-19 on these Indices and hence, although there was material uncertainty, Covid-19 did not have a significant impact on the 2019/20 valuations.

The basis of valuation on the remaining balance of £112.827m was current value in existing use (EUV). The District Valuer confirmed that having regard to comparable market evidence and early commentary as it exists, the impact of Covid-19 tends to suggest and support a downward movement in value. The District Valuer further indicated that it was too early at this stage in their professional judgment to accurately evidence this impact, and it was their opinion at the date of valuation on the information then available that the assessed impact falls within normal valuation tolerances.

The Board will carry out a full revaluation and impairment review on all Land and Buildings during 2020/21 to capture the in-year impact of the Covid-19 pandemic.

30. Events after the Reporting Period

Events that have occurred after the reporting period up to the authorised for issue date have been considered in the financial statements. Events can be adjusting or non-adjusting. Adjusting events are events that provide evidence of conditions that existed at the reporting date, and material adjusting events are reflected in the financial statements and notes. Non-adjusting events are events that are indicative of conditions that arose after the reporting date, and material non-adjusting events are disclosed in the financial statements or notes. There were no adjusting or non-adjusting events in 2019/20.

FORTH VALLEY NHS BOARD

SUMMARY OF RESOURCE OUTTURN

FOR THE YEAR ENDED 31 MARCH 2020

2a. SUMMARY OF CORE REVENUE RESOURCE OUTTURN	Note	2020 £'000	2020 £'000
Net expenditure	SoCNE		672,010
Total non core expenditure (see below)			(29,996)
Family Health Services non-discretionary allocation			(36,529)
Donated assets income	2a		0
Endowment net expenditure			38
Associates and joint ventures accounted for on an equity basis			(316)
Total Core Expenditure			605,207
Core Revenue Resource Limit			605,865
Saving/(excess) against Core Revenue Resource Limit			658

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

Capital grants to / (from) other bodies		300	
Depreciation / amortisation		8,382	
Annually Managed Expenditure - impairments		250	
Annually Managed Expenditure - creation of provisions		5,565	
Annually Managed Expenditure - depreciation of donated assets	2a	26	
Annually Managed Expenditure - pension valuation		0	
Additional Scottish Government non-core funding		5,838	
IFRS PFI expenditure		9,635	
Total Non Core Expenditure			29,996
Non Core Revenue Resource Limit			29,996
Saving/(excess) against Non Core Revenue Resource Limit			0

SUMMARY RESOURCE OUTTURN

	Resource £'000	Expenditure £'000	Saving/(Excess) £'000
Core	605,865	605,207	658
Non Core	29,996	29,996	0
Total	635,861	635,203	658

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

2b. NOTES TO THE CASHFLOW STATEMENT

Consolidated adjustments for non-cash transactions

2019 £'000		Note	2020 £'000
	Expenditure Not Paid In Cash		
16,554	Depreciation	7a	17,317
453	Amortisation	6	342
21	Depreciation of donated assets	7a	26
3,105	Impairments on PPE charged to SoCNE		1,494
0	Net revaluation on PPE charged to SoCNE		0
(487)	Reversal of impairments on PPE charged to SoCNE		(886)
(68)	Funding Of Donated Assets	7a	0
0	Loss / (profit) on disposal of intangible assets		0
0	Loss / (profit) on disposal of property, plant and equipment		5,561
0	Impairment of investments charged to SoCNE	10	0
(32)	Associates and joint ventures accounted for on an equity basis		316
(22)	HUB East Central Scotland		0
19,524	Total Expenditure Not Paid In Cash	CFS	24,170

Interest payable recognised in operating expenditure

2019 £'000		Note	2020 £'000
	Interest Payable		
14,349	PFI Finance lease charges allocated in the year	18b	15,157
240	Other Finance lease charges allocated in the year		225
236	Provisions - Unwinding of discount		660
14,825	Net Interest payable		16,042

Consolidated movements in working capital

2019 Net Movement £'000		Note	Opening Balances £'000	Closing Balances £'000	2020 Net Movement £'000
	INVENTORIES				
(332)	Balance Sheet	8	1,711	1,922	(211)
(332)	Net Decrease/(Increase)		1,711	1,922	(211)
	TRADE AND OTHER RECEIVABLES				
(5,894)	Due within one year	9	16,515	18,232	(1,717)
8,715	Due after more than one year	9	24,736	40,135	(15,399)
0	Less: Property, Plant & Equipment (Capital) included in above		0	0	0
0	Less: Intangible Assets (Capital) included in above		0	0	0
0	Less: General Fund Debtor included in above	9	0	0	0
2,821	Net Decrease/(Increase)		41,251	58,367	(17,116)
	TRADE AND OTHER PAYABLES				
(2,874)	Due within one year	12	82,069	84,724	2,655
857	Due after more than one year	12	332,076	322,784	(9,292)
(2,464)	Less: Property, Plant & Equipment (Capital) included in above		(5,109)	(2,174)	2,935
0	Less: Intangible Assets (Capital) included in above		0	0	0
0	Less: Bank Overdraft	12	0	0	0
(6)	Less: General Fund Creditor included in above	12	(36)	(40)	(4)
(1,178)	Less: Lease and PFI Creditors included in above	12	(340,967)	(332,077)	8,890
0	Less: Interest payable included in above	12	0	0	0
(5,665)	Net (Decrease)/Increase		68,033	73,217	5,184
	PROVISIONS				
(3,070)	Statement of Financial Position	13a	67,090	82,265	15,175
0	Transfer from Provision to General Fund		0	0	0
(3,070)	Net (Decrease)/Increase		67,090	82,265	15,175
(6,246)	NET MOVEMENT (Decrease)/Increase	CFS			3,032

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

3. OPERATING EXPENSES

3a. Employee Expenditure

2019		2020
£'000		£'000
65,591	Medical and Dental	68,921
120,652	Nursing	132,627
82,768	Other Staff	92,746
269,011	Total	294,294

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

3b. Other Operating expenditure

2019		2020
£'000		£'000
	Independant Primary Care Services:	
41,667	General Medical Services	44,937
12,079	Pharmaceutical Services	13,923
21,438	General Dental Services	21,934
5,716	General Ophthalmic Services	5,695
80,900	Total	86,489
	Drugs and medical supplies:	
60,087	Prescribed drugs Primary Care	60,619
31,500	Prescribed drugs Secondary Care	34,176
18,590	Medical Supplies	18,840
110,177	Total	113,635
	Other health care expenditure	
297,717	Contribution to Integration Joint Boards	314,467
49,814	Goods and services from other NHSScotland bodies	51,900
551	Goods and services from other UK NHS bodies	555
3,373	Goods and services from private providers	3,960
5,066	Goods and services from voluntary organisations	4,969
19,432	Resource Transfer	19,776
0	Loss on disposal of assets	5,561
35,079	Other operating expenses	33,272
5,624	Rates	4,435
46,812	PFI & Finance Lease Costs	48,880
17,028	Depreciation	17,687
25,958	Local Authority Costs	24,920
57	Compensation Payments - Clinical	16,933
145	External Auditor's remuneration - statutory audit fee	147
404	Endowment Fund expenditure	316
507,060	Total	547,778
698,137	Total Other Operating Expenditure	747,902

There are no other Services provided by the External Auditors.

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

4. OPERATING INCOME

2019 £'000			2020 £'000
255	Income from Scottish Government		147
23,712	Income from other NHS Scotland bodies		25,574
560	Income from NHS non-Scottish bodies		641
297,717	Income for services commissioned by Integration Joint Board		314,467
5,009	Patient charges for primary care		4,782
68	Donations		0
803	Contributions in respect of clinical and medical negligence claims		12,214
35	Interest received	CFS	44
	Non NHS:		
60	Overseas patients (non-reciprocal)		51
651	Non-patient care income generation schemes		736
316	Endowment Fund Income		354
12,832	Other		11,492
342,018	Total Income	SoCNE	370,502

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

5. SEGMENT INFORMATION

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

	Acute Services	Primary Care, CHP, Property & Facilities	Externals	Corporate	2020
Note	£'000	£'000	£'000	£'000	£'000
Net operating cost	208,490	395,525	41,058	26,937	672,010
If reported to Senior Management also disclose;					
Total assets	0	0	0	637,113	637,113
Total liabilities	0	0	0	(489,773)	(489,773)
Total segment revenue	11,182	12,226	12,206	20,066	55,680
Inter-segment revenue	0	0	0	0	0
Revenue from external sources	11,182	12,226	12,206	20,066	55,680
Impairment losses recognised in SoCNE	0	607	0	0	607
Impairment losses recognised in Reserves	0	0	0	0	0
Impairment reversals recognised in SoCNE	0	0	0	0	0
Impairment reversals recognised in Reserves	0	0	0	0	0
Depreciation and amortisation	0	17,686	0	0	17,686
Interest income	0	0	0	0	0
Interest expense	0	0	0	0	0
Non-current assets held for sale	0	355	0	0	355
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	0	0	0	0	0

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

5. SEGMENT INFORMATION - PRIOR YEAR

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

	Acute Services	Primary Care, CHP, Property & Facilities	Externals	Corporate	
Note	£'000	£'000	£'000	£'000	2019 £'000
Net operating cost	217,722	326,480	40,850	40,046	625,098
If reported to Senior Management also disclose;					
Total assets	0	0	0	609,410	609,410
Total liabilities	0	0	0	(481,235)	(481,235)
Total segment revenue	11,712	11,900	11,308	8,919	43,839
Inter-segment revenue	0	0	0	0	0
Revenue from external sources	11,712	11,900	11,308	8,919	43,839
Impairment losses recognised in SoCNE	0	2,618	0	0	2,618
Impairment losses recognised in Reserves	0	0	0	0	0
Impairment reversals recognised in SoCNE	0	0	0	0	0
Impairment reversals recognised in Reserves	0	0	0	0	0
Depreciation and amortisation	0	17,029	0	0	17,029
Interest income	0	0	0	0	0
Interest expense	0	0	0	0	0
Non-current assets held for sale	0	355	0	0	355
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	0	0	0	0	0

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

6a. INTANGIBLE ASSETS (NON-CURRENT) - CONSOLIDATED

	Software Licences 2020 £'000	IT - software 2020 £'000	CRC scheme 2020 £'000	Websites 2020 £'000	Assets Under Development 2020 £'000	Total 2020 £'000
Cost or Valuation:						
As at 1st April 2019	1,046	4,960	0	0	0	6,006
Additions	0	102	0	0	0	102
Donations	0	0	0	0	0	0
Completions	0	0	0	0	0	0
Transfers between asset categories	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Impairment charges	0	0	0	0	0	0
Impairment reversals	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
At 31st March 2020	1,046	5,062	0	0	0	6,108
Amortisation						
As at 1st April 2019	1,046	3,552	0	0	0	4,598
Provided during the year	0	342	0	0	0	342
Asset Transfers (to) / from other SG Consolidation Entities	0	0	0	0	0	0
Transfers between asset categories	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Impairment charges	0	0	0	0	0	0
Impairment reversals	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
At 31st March 2020	1,046	3,894	0	0	0	4,940
Net Book Value at 1st April 2019	0	1,408	0	0	0	1,408
Net Book Value at 31 March 2020	0	1,168	0	0	0	1,168

SoFP

Classification of Assets under development

Information technology - software
Websites

Net Book Value £'000
0
0
0

6a. INTANGIBLE ASSETS (NON-CURRENT) cont. - CONSOLIDATED PRIOR YEAR

	Software Licences 2019 £'000	Information technology - software 2019 £'000	CRC scheme 2019 £'000	Websites 2019 £'000	Assets Under Development 2019 £'000	Total 2019 £'000
Cost or Valuation:						
As at 1st April 2018	1,046	4,584	0	0	0	5,630
Additions	0	376	0	0	0	376
Donations	0	0	0	0	0	0
Completions	0	0	0	0	0	0
Transfers between asset categories	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Impairment charges	0	0	0	0	0	0
Impairment reversals	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
At 31st March 2019	1,046	4,960	0	0	0	6,006
Amortisation						
As at 1st April 2018	1,046	3,099	0	0	0	4,145
Provided during the year	0	453	0	0	0	453
Asset Transfers (to) / from other SG Consolidation Entities	0	0	0	0	0	0
Transfers between asset categories	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Impairment charges	0	0	0	0	0	0
Impairment reversals	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
At 31st March 2019	1,046	3,552	0	0	0	4,598
Net Book Value at 1st April 2018	0	1,485	0	0	0	1,485
Net Book Value at 31 March 2019	0	1,408	0	0	0	1,408

SoFP

Classification of Assets under development	Net Book Value £'000
Information technology - software	0
Websites	0
	0

NHS Forth Valley Endowment Funds do not have any Intangible Assets

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

6b. INTANGIBLE ASSETS (CURRENT) - CONSOLIDATED AND BOARD

Note	Consolidated	Board	Consolidated	Board
	2019 £'000	2019 £'000	2020 £'000	2020 £'000
	0	0	0	0
SoFP	0	0	0	0

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

7. (a) PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	2020	2020	2020	2020	2020	2020	2020	2020	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2019	32,541	495,642	501	38	54,084	19,645	1,712	7,949	612,112
Additions - purchased	0	1,331	0	0	4,094	2,619	0	1,346	9,390
Additions - donated	0	0	0	0	0	0	0	0	0
Completions	0	4,109	0	0	1,975	3,211	0	(9,295)	0
Transfers between asset categories	0	0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale	0	0	0	0	0	0	0	0	0
Revaluations	5,140	19,500	2	0	0	0	0	0	24,642
Impairment charges	(52)	(1,640)	(14)	0	0	0	0	0	(1,706)
Impairment reversals	0	0	0	0	0	0	0	0	0
Disposals - purchased	(15,377)	0	0	0	0	0	0	0	(15,377)
Disposals - donated	0	0	0	0	0	0	0	0	0
At 31 March 2020	22,252	518,942	489	38	60,153	25,475	1,712	0	629,061
Depreciation									
At 1 April 2019	0	4,835	0	38	35,991	12,469	1,712	0	55,045
Provided during the year - purchased	0	12,048	23	0	3,495	1,751	0	0	17,317
Provided during the year - donated	0	7	0	0	19	0	0	0	26
Asset Transfers (to) / from other SG Consolidation Entities	0	0	0	0	0	0	0	0	0
Transfers between asset categories	0	0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale	0	0	0	0	0	0	0	0	0
Revaluations	0	(12,491)	(23)	0	0	0	0	0	(12,514)
Impairment charges	0	1,337	0	0	60	97	0	0	1,494
Impairment reversals	0	(886)	0	0	0	0	0	0	(886)
Disposals - purchased	0	0	0	0	0	0	0	0	0
Disposals - donated	0	0	0	0	0	0	0	0	0
At 31 March 2020	0	4,850	0	38	39,565	14,317	1,712	0	60,482
Net book value at 1 April 2019	32,541	490,807	501	0	18,093	7,176	0	7,949	557,067
Net book value at 31 March 2020	22,252	514,092	489	0	20,588	11,158	0	0	568,579
Open Market Value of Land in Land and Dwellings Included Above	1,650		0						
Note	The Retained Estate comprises land (£1.650m at 31 March 2020) which was primarily intended for use by NHS Forth Valley but is now surplus to requirements and is therefore held at Market Value.								
Asset financing:									
Owned - purchased	22,252	65,917	489	0	19,969	11,158	0	0	119,785
Owned - donated	0	197	0	0	83	0	0	0	280
Held on finance lease	0	6,185	0	0	536	0	0	0	6,721
On-balance sheet PFI contracts	0	441,793	0	0	0	0	0	0	441,793
Net book value at 31 March 2020	22,252	514,092	489	0	20,588	11,158	0	0	568,579

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

7. (a) PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED PRIOR YEAR

	Land (including under buildings) 2019 £'000	Buildings (excluding dwellings) 2019 £'000	Dwellings 2019 £'000	Transport Equipment 2019 £'000	Plant & Machinery 2019 £'000	Information Technology 2019 £'000	Furniture & Fittings 2019 £'000	Assets Under Construction 2019 £'000	Total 2019 £'000
Cost or valuation									
At 1 April 2018	28,635	461,808	501	38	50,580	20,163	1,712	30,176	593,613
Additions - purchased	0	7,609	0	0	2,050	1,427	0	9,011	20,097
Additions - donated	0	5	0	0	63	0	0	0	68
Completions	0	30,033	0	0	1,391	0	0	(31,424)	0
Transfers between asset categories	0	(186)	0	0	0	0	0	186	0
Transfers (to) / from non-current assets held for sale	0	0	0	0	0	0	0	0	0
Revaluations	5,704	(325)	0	0	0	0	0	0	5,379
Impairment charges	(312)	(3,302)	0	0	0	(1,945)	0	0	(5,559)
Impairment reversals	14	0	0	0	0	0	0	0	14
Disposals - purchased	(1,500)	0	0	0	0	0	0	0	(1,500)
Disposals - donated	0	0	0	0	0	0	0	0	0
At 31 March 2019	32,541	495,642	501	38	54,084	19,645	1,712	7,949	612,112
Depreciation									
At 1 April 2018	0	4,815	0	38	32,476	11,521	1,588	0	50,438
Provided during the year - purchased	0	11,618	26	0	3,501	1,285	124	0	16,554
Provided during the year - donated	0	7	0	0	14	0	0	0	21
Asset Transfers (to) / from other SG Consolidation Entities	0	0	0	0	0	0	0	0	0
Transfers between asset categories	0	0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale	0	0	0	0	0	0	0	0	0
Revaluations	0	(12,629)	(26)	0	0	(1,945)	0	0	(14,600)
Impairment charges	0	1,497	0	0	0	1,608	0	0	3,105
Impairment reversals	0	(473)	0	0	0	0	0	0	(473)
Disposals - purchased	0	0	0	0	0	0	0	0	0
Disposals - donated	0	0	0	0	0	0	0	0	0
At 31 March 2019	0	4,835	0	38	35,991	12,469	1,712	0	55,045
Net book value at 1 April 2018	28,635	456,993	501	0	18,104	8,642	124	30,176	543,175
Net book value at 31 March 2019	32,541	490,807	501	0	18,093	7,176	0	7,949	557,067
Open Market Value of Land in Land and Dwellings Included Above	11,711		0						
Note	The Retained Estate comprises land (£11.711m, at 31 March 2019) which was primarily intended for use by NHS Forth Valley but is now surplus to requirements and is therefore held at Market Value.								
Asset financing:									
Owned - purchased	32,541	62,053	501	0	17,355	7,176	0	6,477	126,103
Owned - donated	0	190	0	0	102	0	0	0	292
Held on finance lease	0	6,185	0	0	636	0	0	0	6,821
On-balance sheet PFI contracts	0	422,379	0	0	0	0	0	1,472	423,851
Net book value at 31 March 2019	32,541	490,807	501	0	18,093	7,176	0	7,949	557,067

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

7 (b). ASSETS HELD FOR SALE

NHS Forth Valley have no Assets held for Sale as at 31 March 2020 or 31 March 2019.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

7. (c) PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated 2019 £'000	Board 2019 £'000		Consolidated 2020 £'000	Board 2020 £'000
556,775	556,775	Net book value of property, plant and equipment at 31 March		
292	292	Purchased	7a 568,299	568,299
		Donated	7a 280	280
557,067	557,067	Total	SoFP 568,579	568,579
11,711	11,711	Net book value related to land valued at open market value at 31 March	1,650	1,650
0	0	Net book value related to buildings valued at open market value at 31 March	0	0
6,821	6,821	Total value of assets held under:		
0	0	Finance Leases	6,721	6,721
423,851	423,851	Hire Purchase Contracts	0	0
		PFI and PPP Contracts	441,793	441,793
430,672	430,672		448,514	448,514
502	502	Total depreciation charged in respect of assets held under:		
0	0	Finance leases	487	487
8,877	8,877	Hire Purchase Contracts	0	0
		PFI and PPP contracts	9,278	9,278
9,379	9,379		9,765	9,765

All land and buildings were revalued by an independent valuer, The Valuation Office Agency at 31st March 2020 on the basis of fair value (market value or depreciated replacement cost where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statetment of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS. The net impact was an increase of £34.842m, (2018/2019 increase of £11.802m) of which £35.450m was credited to the revaluation reserve. Impairment of £0.608m (2018/2019 £2.618m) was charged to the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

7d. ANALYSIS OF CAPITAL EXPENDITURE

Consolidated 2019 £'000		Note	Consolidated 2020 £'000
	EXPENDITURE		
376	Acquisition of intangible assets	6	102
20,097	Acquisition of property, plant and equipment	7a	9,390
68	Donated asset additions	7a	0
20,541	Gross Capital Expenditure		9,492
	INCOME		
0	Net book value of disposal of intangible assets	6	0
1,500	Net book value of disposal of property, plant and equipment	7a	15,377
0	Net book value of disposal of donated assets	7a	0
0	Value of disposal of non-current assets held for sale	7b	0
68	Donated asset income		0
1,568	Capital Income		15,377
18,973	Net Capital Expenditure		(5,885)

SUMMARY OF CAPITAL RESOURCE OUTTURN

9,296	Core capital expenditure included above	(5,885)
9,296	Core Capital Resource Limit	(5,885)
0	Saving/(excess) against Core Capital Resource Limit	0
9,677	Non Core capital expenditure included above	0
9,677	Non Core Capital Resource Limit	0
0	Saving/(excess) against Non Core Capital Resource Limit	0
18,973	Total Capital Expenditure	(5,885)
18,973	Total Capital Resource Limit	(5,885)
0	Saving/(excess) against Total Capital Resource Limit	0

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

8. INVENTORIES

Consolidated 2019 £'000		Consolidated 2020 £'000
1,711	Raw Materials and Consumables	1,922
0	Work in Progress	0
0	Finished Goods	0
1,711	Total Inventories	1,922
	SoFP	

NHS Forth Valley Endowment Funds do not hold any Stock.

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

9. TRADE AND OTHER RECEIVABLES

Consolidated 2019 £'000	Board 2019 £'000		Note	Consolidated 2020 £'000	Board 2020 £'000
		Receivables due within one year			
		NHSScotland			
24	24	SGHSCD		491	491
1,297	1,297	Boards		1,137	1,137
1,321	1,321	Total NHSScotland Receivables		1,628	1,628
79	79	NHS Non-Scottish Bodies		93	93
0	0	General Fund Receivable		0	0
2,113	2,113	VAT recoverable		1,443	1,443
1,590	1,590	Prepayments		1,427	1,427
680	680	Accrued income		318	318
1,947	2,080	Other Receivables		1,592	1,619
5,747	5,747	Reimbursement of provisions		6,437	6,437
1,023	1,023	Other Public Sector Bodies		2,992	2,992
2,015	2,015	Other Significant receivables - Bellsdyke		2,302	2,302
0	0	Other Significant receivables		0	0
16,515	16,648	Total Receivables due within one year	SoFP	18,232	18,259
		Receivables due after more than one year			
		NHSScotland			
0	0	- SGHSCD		0	0
0	0	- Boards		0	0
0	0	Total NHSScotland Receivables		0	0
0	0	Other Public Sector Bodies		0	0
0	0	Prepayments		0	0
1,088	1,088	Accrued income		1,116	1,116
2,646	2,646	Other Receivables		7,649	7,649
21,002	21,002	Reimbursement of Provisions		31,370	31,370
24,736	24,736	Total Receivables due after more than one year	SoFP	40,135	40,135
41,251	41,384	TOTAL RECEIVABLES		58,367	58,394
30	30	The total receivables figure above includes a provision for impairments of :		30	30
		WGA Classification			
1,297	1,297	NHSScotland		1,137	1,137
2,137	2,137	Central Government Bodies		1,934	1,934
1,022	1,022	Whole of Government Bodies		2,516	2,516
79	79	Balances with NHS Bodies in England and Wales		93	93
36,716	36,849	Balances with bodies external to Government		52,687	52,714
41,251	41,384	Total		58,367	58,394
2019	2019			2020	2020
£'000	£'000			£'000	£'000
30	30	Movements on the provision for impairment of receivables are as follows:		30	30
9	9	At 1 April		8	8
(9)	(9)	Provision for impairment		(8)	(8)
0	0	Receivables written off during the year as uncollectible		0	0
		Unused amounts reversed			
30	30	At 31 March		30	30
2019	2019			2020	2020
£'000	£'000			£'000	£'000
20	20	As of 31 March 2020, receivables with a carrying value of £30K (2019: £30K) were impaired and provided for. The ageing of these receivables is as follows:		5	5
10	10	3 to 6 months past due		25	25
30	30	Over 6 months past due		30	30
		The receivables assessed as individually impaired were mainly overseas patients and private individuals and it was assessed that not all of the receivable balance may be recovered.			
		Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2020, receivables with a carrying value of £2,081k (2019: £1,834k) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:			
2019	2019			2020	2020
£'000	£'000			£'000	£'000
1,774	1,774	Up to 3 months past due		2,033	2,033
36	36	3 to 6 months past due		32	32
24	24	Over 6 months past due		16	16
1,834	1,834			2,081	2,081

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

9. TRADE AND OTHER RECEIVABLES, Contd.

The receivables assessed as past due but not impaired were mainly NHS Scotland Health Boards, Local Authorities and Universities and there is no history of default from these customers recently.

Concentration of credit risk is limited due to 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;

2019	2019		2020	2020
£'000	£'000		£'000	£'000
0	0	Counterparties with no external credit rating:	0	0
0	0	New customers	0	0
11,649	11,649	Existing customers with no defaults in the past	13,424	13,424
0	0	Existing customers with some defaults in the past	0	0
11,649	11,649	Total neither past due or impaired	13,424	13,424

The maximum exposure to credit risk is the fair value of each class of receivable.

The NHS Board does not hold any collateral as security.

2019	2019		2020	2020
£'000	£'000		£'000	£'000
41,251	41,384	The carrying amount of receivables are denominated in the following currencies:	58,367	58,394
0	0	Pounds	0	0
0	0	Euros	0	0
		US Dollars		
41,251	41,384		58,367	58,394

All non-current receivables are due within six years (2018-19: six years) from the balance sheet date.

The carrying amount of short term receivables approximates their fair value.

The fair value of long term other receivables is £7,649k (2018-19: £2,646k)

The effective interest rate on non-current other receivables is 3.5% (2018-19: 3.5%). Pension liabilities are discounted at 1.8% (2018-19: 2.9%)

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

10. INVESTMENTS

Consolidated 2019 £'000	Board 2019 £'000			Consolidated 2020 £'000	Board 2020 £'000
0	0	Government securities		0	0
3,431	355	Other		2,742	355
3,431	355	TOTAL	SoFP	2,742	355
3,358	355	At 1 April		3,431	355
64	0	Additions	CFS	428	0
(54)	0	Disposals		(610)	0
0	0	Impairment recognised in SOCNE	2	0	0
63	0	Revaluation surplus/(deficit) transferred to equity	SoCTE	(507)	0
3,431	355	At 31 March		2,742	355
0	0	Current	SoFP	0	0
3,431	355	Non-current	SoFP	2,742	355
3,431	355	At 31 March		2,742	355
0	0	The carrying value includes an impairment provision of		0	0

Other Investments comprises the Investment in East Central Hub Scotland Ltd denominated in UK pounds. The carrying value of the investment is cost as there is no active market for the equity investment in East Central Territory Hub Ltd. The other Investment is a £355k non equity long term loan repayable in full with interest as part of the financing arrangements for the Stirling Care Village.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

11. CONSOLIDATED CASH AND CASH EQUIVALENTS	2020 £'000	2019 £'000
Balance at 1 April	85	104
Net change in cash and cash equivalent balances	CFS SoFP 109	(19)
Balance at 31 March	194	85
Overdrafts	0	0
Total Cash - Cash Flow Statement	194	85
The following balances at 31 March were held at:		
Government Banking Service	2	10
Commercial banks and cash in hand	38	26
Endowment cash	154	49
Balance at 31 March	194	85

NHS Forth Valley closing Bank Balance was £40k (2018/2019 £36k).

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

12. TRADE AND OTHER PAYABLES

Consolidated 2019 £'000	Board 2019 £'000		Note	Consolidated 2020 £'000	Board 2020 £'000
		Payables due within one year			
		NHSScotland			
40	40	Scottish Government Health & Social Care Directorate	SFR 30.1	0	0
5,813	5,813	Boards	SFR 30.0	8,351	8,351
5,853	5,853	Total NHSScotland Payables		8,351	8,351
413	413	NHS Non-Scottish bodies	SFR 30.2	606	606
36	36	Amounts payable to General Fund		40	40
13,054	13,054	FHS practitioners		15,398	15,398
1,894	1,894	Trade payables		322	322
26,942	26,942	Accruals		25,573	25,573
850	850	Payments received on account		932	932
295	295	Net obligations under finance leases	17	311	311
8,596	8,596	Net obligations under PPP / PFI Contracts	18b	8,982	8,982
5,538	5,538	Income tax and social security	SFR 30.1	5,641	5,641
3,877	3,877	Superannuation		4,910	4,910
552	552	Holiday pay accrual		934	934
13,838	13,838	Other public sector bodies		12,423	12,423
331	341	Other payables		301	299
82,069	82,079	Total Payables due within one year	SoFP	84,724	84,722
		Payables due after more than one year			
		NHSScotland			
0	0	Scottish Government Health & Social Care Directorate	SFR 30.1	0	0
0	0	Boards	SFR 30.0	0	0
0	0	Total NHSScotland Payables		0	0
0	0	Other public sector bodies		0	0
295	295	Net obligations under finance leases due within 2 years	17	327	327
		Net obligations under finance leases due after 2 years but within 5 years	17	1,015	1,015
787	787	Net obligations under finance leases due after 5 years	17	3,293	3,293
3,864	3,864	Net obligations under PPP / PFI contracts due within 2 years	18b	9,387	9,387
8,982	8,982	Net obligations under PPP / PFI contracts due after 2 years but within 5 years	18b	31,488	31,488
29,447	29,447	Net obligations under PPP / PFI contracts due after 5 years	18b	277,274	277,274
288,701	288,701	Accruals		0	0
0	0	Other payables		0	0
332,076	332,076	Total Payables due after more than one year	SoFP	322,784	322,784
414,145	414,155	TOTAL PAYABLES		407,508	407,506

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

12. TRADE AND OTHER PAYABLES Contd

Consolidated 2019 £'000	Board 2019 £'000		Note	Consolidated 2020 £'000	Board 2020 £'000
		WGA Classification			
5,813	5,813	NHSScotland	SFR 30.0	8,351	8,351
9,455	9,455	Central Government Bodies	SFR 30.1	10,551	10,551
13,863	13,863	Whole of Government Bodies	SFR 30.2	12,423	12,423
413	413	Balances with NHS Bodies in England and Wales	SFR 30.2	606	606
384,601	384,611	Balances with bodies external to Government		375,577	375,575
414,145	414,155	Total		407,508	407,506
£'000	£'000	Borrowings included above comprise:		£'000	£'000
0	0	Bank overdrafts		0	0
5,241	5,241	Finance Leases		4,946	4,946
335,726	335,726	PFI Contracts		327,131	327,131
340,967	340,967			332,077	332,077
2019	2019	The carrying amount and fair value of the non-current borrowings are as follows		2020	2020
£'000	£'000	Carrying amount		£'000	£'000
4,946	4,946	Finance Leases		4,635	4,635
327,130	327,130	PFI Contracts		318,149	318,149
332,076	332,076			322,784	322,784
2019	2019	The carrying amount and fair value of the non-current borrowings are as follows		2020	2020
Fair value	Fair value	Fair value		Fair value	Fair value
£'000	£'000			£'000	£'000
4,946	4,946	Finance Leases		4,635	4,635
327,130	327,130	PFI Contracts		318,149	318,149
332,076	332,076			322,784	322,784
2019	2019	The carrying amount of short term payables approximates their fair value.		2020	2020
£'000	£'000	The carrying amount of payables are denominated in the following currencies:		£'000	£'000
414,145	414,155	Pounds		407,508	407,506
0	0	Euros		0	0
0	0	US Dollars		0	0
414,145	414,155			407,508	407,506

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

13a. PROVISIONS - CONSOLIDATED AND BOARD

	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non- endowment) £'000	2020 Total £'000
At 1 April 2019	7,064	27,227	32,501	298	67,090
Arising during the year	267	13,436	5,135	219	19,057
Utilised during the year	(530)	(1,938)	(272)	(111)	(2,851)
Unwinding of discount	660	0	0	0	660
Reversed unutilised	(262)	(1,366)	0	(63)	(1,691)
At 31 March 2020	7,199	37,359	37,364	343	82,265

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

Analysis of expected timing of discounted flows to 31 March 2020

	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non- endowment) £'000	2020 Total £'000	
Payable in one year	525	5,620	6,352	293	12,790	SoFP
Payable between 2 - 5 years	2,098	2,517	22,418	50	27,083	SoFP
Payable between 6 - 10 years	2,151	25,533	1,868	0	29,552	SoFP
Thereafter	2,425	3,689	6,726	0	12,840	SoFP
At 31 March 2020	7,199	37,359	37,364	343	82,265	

PROVISIONS - CONSOLIDATED AND BOARD (PRIOR YEAR)

	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non- endowment) £'000	2019 Total £'000
At 1 April 2018	7,330	29,475	33,119	236	70,160
Arising during the year	362	2,047	6,040	421	8,870
Utilised during the year	(640)	(2,923)	(1,727)	(215)	(5,505)
Unwinding of discount	236	0	(80)	0	156
Reversed unutilised	(224)	(1,372)	(4,851)	(144)	(6,591)
At 31 March 2019	7,064	27,227	32,501	298	67,090

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

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

Analysis of expected timing of discounted flows to 31 March 2019

	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non- endowment) £'000	2019 Total £'000	
Payable in one year	522	5,406	5,777	200	11,905	SoFP
Payable between 2 - 5 years	2,089	3,437	19,982	98	25,606	SoFP
Payable between 6 - 10 years	2,332	15,500	1,665	0	19,497	SoFP
Thereafter	2,121	2,884	5,077	0	10,082	SoFP
At 31 March 2019	7,064	27,227	32,501	298	67,090	

Pensions and similar obligations

The Board meets the additional costs of benefits beyond the normal National Health Service Superannuation Scheme for Scotland in respect of employees who retire early by paying the required amounts annually to the National Health Service Superannuation Scheme for Scotland over the period between early departure and normal retirement date. The Board provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of (0.5)% in real terms for the Injury Benefit provision and the Treasury discount rate of 1.8% Gross Rate for the Pension provision. The Board expects expenditure to be charged to this provision for a period of up to 40 years.

Clinical & Medical Legal Claims against NHS Board

The Board holds a provision to meet costs of all outstanding and potential clinical and medical negligence claims. All legal claims notified to the Board are processed by the 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 provision for a period of up to 10 years. The amounts disclosed are stated gross and the amount of any expected reimbursements are shown separately as debtors in the notes to the accounts.

Participation in CNORIS

Clinical Negligence and Other Risks Indemnity Scheme. This represents the Board's share of the total liability of NHSScotland as advised by the Scottish Government and based on information prepared by NHS Boards and the Central Legal Office.

Other

The main element of the Other provisions is the Non Medical Negligence cases and all cases are risk assessed by CLO to determine the level of risk banding to be applied. There are three risk categories in place, with relevant accounting treatments on each: 1. Category 3 - Higher Risk: Fully provided for within the accounts. 2. Category 2 - Mid-level Risk: 50% provided for within the accounts and 50% recorded as a Contingent Liability see N19 within the Accounts. 3. Category 1 - Lower Risk: Recorded as Contingent Liabilities see N14 with the accounts.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

13b. CLINICAL NEGLIGENCE AND OTHER RISKS INDEMNITY SCHEME (CNORIS)

2019 £'000	Note	2020 £'000
27,440 Provision recognising individual claims against the NHS Board as at 31 March	13a	37,645
(26,749) Associated CNORIS receivable at 31 March	9	(37,807)
32,501 Provision recognising the NHS Board's liability from participating in the scheme at 31 March	13a	37,364
33,192 Net Total Provision relating to CNORIS at 31 March		37,202

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.

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

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

14. CONTINGENT ASSETS and LIABILITIES

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

2019	Nature	2020
£'000		£'000
22,874	Clinical and medical compensation payments	12,167
	212 Employer's liability	212
23,086	TOTAL CONTINGENT LIABILITIES	12,379

CONTINGENT ASSETS

(22,285)	Clinical and medical compensation payments	(11,493)
(13)	Employer's liability	(38)
(22,298)	TOTAL CONTINGENT ASSETS	(11,531)

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

16. COMMITMENTS

2019	Capital Commitments	Property, plant and equipment:	Intangible assets:	2020
£'000	The Board has the following Capital Commitments which have not been included for in the accounts	£'000	£'000	£'000
	Contracted			
1,135	Community Hospital	1,973	0	1,973
1,400	HUB - Design & Build Doune HC	0	0	0
4,500	Improving Access to Elective Care	5,500	0	5,500
7,035	Total	7,473	0	7,473
	Authorised but not Contracted			
2,430	Medical Equipment Replacement	2,500	0	2,500
995	Primary Care Modernisation	2,333	0	2,333
2,014	IM&T Strategy	3,059	0	3,059
835	Property Maintenance & Statutory Standards	954	0	954
408	PACS Technical Refresh	0	0	0
850	Energy Efficiency	250	0	250
7,532	Total	9,096	0	9,096

Other financial commitments

No non - cancellable contracts have been entered into by the Board.

Financial Guarantees, Indemnities and Letter of Comfort

No quantifiable Guarantees or indemnities have been entered into by the Board and no letters of comfort have been provided.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

17. COMMITMENTS UNDER LEASES

2019	Operating Leases	2020
£'000		£'000
	Total future minimum lease payments under operating leases are given in the table below for the each of the following periods.	
	Obligations under operating leases comprise:	
	Land	
43	Not later than one year	43
43	Later than one year, not later than 2 years	43
130	Later than two year, not later than five years	130
476	Later than five years	433
	Buildings	
182	Not later than one year	223
121	Later than one year, not later than 2 years	212
70	Later than two year, not later than five years	977
117	Later than five years	1,193
	Other	
455	Not later than one year	391
306	Later than one year, not later than 2 years	247
262	Later than two year, not later than five years	174
0	Later than five years	0
	Amounts charged to Operating Costs in the year were:	
509	Hire of equipment (including vehicles)	514
238	Other operating leases	219
747	Total	733
	Contingent rents recognised as an expense in the period were:	
0	Contingent rents	0
2019	Finance Leases	2020
£'000		£'000
	Total future minimum lease payments under finance leases are given in the table below for the each of the following periods.	
	Obligations under Finance leases comprise:	
	Buildings	
383	Rentals due within one year	383
383	Rentals due between one and two years (inclusive)	383
1,148	Rentals due between two and five years (inclusive)	1,148
4,189	Rentals due after five years	3,806
6,103		5,720
(1,598)	Less interest element	(1,409)
4,505		4,311
	Other	
137	Rentals due within one year	137
137	Rentals due between one and two years (inclusive)	137
373	Rentals due between two and five years (inclusive)	351
259	Rentals due after five years	144
906		769
(170)	Less interest element	(134)
736		635
	This total net obligation under finance leases is analysed in Note 12 (Payables)	
	Aggregate Rentals Receivable in the year	
(2)	Total of finance & operating leases	(2)

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

18b. COMMITMENTS UNDER PFI CONTRACTS - On Balance Sheet

Clackmannanshire Community Healthcare Centre (CCHC) CCHC is a service concession for the development and right of use of Community Health Facilities (incorporating a Health Centre Building including accommodation for 3 GP practices, Associated Clinical Services and accommodation for local Health and Social Work Teams, a Mental Health Resource Centre, a Day Therapy Unit and 45 Inpatient Beds) and provision of services, including maintenance of the facility, under a Project Agreement. Certain facilities management services such as cleaning will be provided by the Board. Services commencement date was 18th May 2009 and the contract term ends in July 2037. The payment mechanism is incorporated in the Project Agreement and subject to annual adjustment for inflation in line with the Retail Price Index (RPI) and risk sharing arrangements around usage and price of utilities (gas, electricity and fuel oil). At the end of the agreement the asset will revert to the ownership of the Board. There were no significant changes to the contract in the year.

Forth Valley Royal Hospital (FVRH) is a service concession for the NHS Forth Valley development and right of use of a new Acute Hospital for Forth Valley (Forth Valley Royal Hospital (FVRH)) and associated provision of services including provision of facilities management services such as patient catering, portering, cleaning and maintenance. Services Commencement (handover of the facility to the Board) was in three phases May 2010, August 2010 and April 2011 and the accounting treatment is on-balance sheet. The duration of the agreement is for 30 years from practical completion to the end of the financial year in which the 30th anniversary occurs. The payment mechanism is incorporated in the Project Agreement and subject to annual adjustment for inflation in line with the Retail Price Index (RPI) and risk sharing arrangements around volumes of patient catering supplied and usage and price of utilities (gas, electricity and fuel oil). At the end of the agreement the asset will revert to the ownership of the Board. There were no significant changes to the contract in the year.

Stirling Health and Care Village (SCV) - SCV is a service concession for the development and right of use of Community Health and Care facilities which will bring together on one site a range of health, local authority and other partner organisation's services. These services include a 116 bed integrated care hub, accommodation for 3 GP practices, associated clinical services and accommodation for Minor Injuries Unit, Diagnostics, Community Nursing, GP Out of Hours and an ambulance station and workshop. The facility will be handed over in three phases end of June 2018, October 2018 and October 2019 and the accounting treatment is on Balance sheet. Soft Facilities will be provided by the Board including some hard FM services. The facility will be delivered under the Hub initiative and the contract agreement is for 25 years ending in October 2044. The payment mechanism is incorporated in the project agreement and subject to annual adjustment in line with the Retail Price Index (RPI).

Under IFRIC 12 the assets are treated as assets of the Board and included in the Board's accounts as Non current assets. The liability to pay for the properties are in substance finance lease obligations. Contractual payments therefore comprise two elements for each asset; imputed finance lease charges and service charges. The imputed finance lease obligations are as follows:

Total obligations under on-balance sheet PFI/PPP contracts for the following periods comprises:

2019 £'000	Gross Minimum Lease Payments	CCHC £'000	FVRH £'000	SCV £'000	2020 £'000
23,753	Rentals due within 1 year	1,446	19,787	2,520	23,753
23,753	Due within 1 to 2 years	1,446	19,787	2,520	23,753
71,257	Due within 2 to 5 years	5,051	59,360	7,559	71,970
429,316	Due after 5 years	18,085	336,373	50,395	404,853
548,079	Total	26,028	435,307	62,994	524,329
2019 £'000	Less Interest Element	CCHC £'000	FVRH £'000	SCV £'000	2020 £'000
(15,157)	Rentals due within 1 year	(903)	(12,049)	(1,819)	(14,771)
(14,771)	Due within 1 to 2 years	(872)	(11,712)	(1,782)	(14,366)
(41,810)	Due within 2 to 5 years	(2,417)	(32,960)	(5,105)	(40,482)
(140,615)	Due after 5 years	(5,685)	(102,243)	(19,651)	(127,579)
(212,353)	Total	(9,877)	(158,964)	(28,357)	(197,198)
2019 £'000	Present value of minimum lease payments	CCHC £'000	FVRH £'000	SCV £'000	2020 £'000
8,596	Rentals due within 1 year	543	7,738	701	8,982
8,982	Due within 1 to 2 years	574	8,075	738	9,387
29,447	Due within 2 to 5 years	2,634	26,400	2,454	31,488
288,701	Due after 5 years	12,400	234,130	30,744	277,274
335,726	Total	16,151	276,343	34,637	327,131
2019 £'000	Service elements due in future periods	CCHC £'000	FVRH £'000	SCV £'000	2020 £'000
45,610	Rentals due within 1 year	2,512	41,808	2,375	46,695
46,759	Due within 1 to 2 years	2,558	42,709	2,397	47,664
145,906	Due within 2 to 5 years	7,951	133,697	7,059	148,707
1,063,527	Due after 5 years	39,216	935,461	37,756	1,012,433
1,301,802	Total	52,237	1,153,675	49,587	1,255,499
1,637,528	Total commitments	68,388	1,430,018	84,224	1,582,630
2019 £'000		2020 £'000			
14,349	Interest Charges	15,157			
24,166	Service Charges	24,774			
8,180	Principal Repayment	8,595			
4,967	Other Charges	5,680			
51,662		54,206			
2019 £'000		2020 £'000			
4,967	Contingent rents (included in Other charges)	5,680			

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

19. PENSION COSTS

(a) The Board participates in the NHS Pension 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 31st March 2016. This valuation informed an employer contribution rate from 1 April 2019 of 20.9% of pensionable pay and an anticipated yield of 9.6% employees contributions.

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

(c) 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.

(d) (i) The scheme is an unfunded multi-employer defined benefit scheme.

(ii) 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.

(iii) The employer contribution rate for the period from 1 April 2019 was 20.9% of pensionable pay. The employee rate applied is a variable and is anticipated to provide a yield of 9.6% of pensionable pay.

(iv) While a valuation was carried out as at 31 March 2016, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms was unlawfully discriminated on the grounds of age. The cost cap will be reconsidered once the final decision on a remedy and how this affects the NHS Pension Scheme (Scotland) is known and its impact fully assessed in relation to any additional costs to the scheme.

(v) The Board's level of participation in the scheme is 3.5 % based on the proportion of employer contributions paid in 2018-19.

For the current year, normal employer contributions of £40,200m were payable to the SPPA (prior year £27,534m) at the rate of 20.9% (prior year: 14.9%) of total pensionable salaries. In addition, during the accounting period the NHS board incurred additional costs of £665k (prior year £375k) arising from the early retirement of staff.

Provisions amounting to £7,199m are included in the Statement of Financial Position and reflect the difference between the amounts charged to the Statement of Comprehensive Net Expenditure and the amounts paid directly.

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 2019-20 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings. The normal pension age (NPA) is the same as the State Pension age. Members can take their benefits earlier but there will be a deduction for early payment.

The existing NHS Superannuation Scheme (Scotland)

This scheme closed to new joiners on 31 March 2015 but any benefits earned in either NHS 1995 or NHS 2008 sections are protected and will be paid at the section's normal pension age using final pensionable pay when members leave or retire. Some members who were close to retirement when the NHS 2015 scheme launched will continue to earn benefits in their current section. This may affect members who were paying into the scheme on 1 April 2012 and were within 10 years of their normal retirement age. Some members who were close to retirement but did not qualify for full protection will remain in their current section beyond 1 April 2015 and join the 2015 scheme at a later date.

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

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

National Employment Savings Trust (NEST)

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

NEST is a defined contribution pension scheme established by law to support the introduction of AutoEnrolment. Contributions are taken from qualifying earnings, which are currently from £5,876 up to £50,000, but will be reviewed every year by the government. The initial contribution is 1% of qualifying earnings, with an employer contribution of 1%. This will increase in stages to meet levels set by government.

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

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

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

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

	2020 £'000	2019 £'000
Pension cost charge for the year	40,200	27,534
Additional Costs arising from early retirement	665	375
Provisions/Liabilities included in the Statement of Financial Position	10,515	9,354
Pension costs for the year for staff transferred from local authority	0	0

NHS FORTH VALLEY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

20. RETROSPECTIVE RESTATEMENTS

There are no retrospective restatements recognised in these Accounts.

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

22. FINANCIAL INSTRUMENTS

a FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

CONSOLIDATED

	Note	Financial Assets at fair value through OCI £'000	Financial Assets at amortised cost £'000	Financial Assets at fair value through profit/loss £'000	Total £'000
At 31 March 2020					
Assets per Statement of Financial Position					
Investments	10	0	0	2,742	2,742
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	16,062	0	0	16,062
Cash and cash equivalents	11	194	0	0	194
		16,256	0	2,742	18,998

BOARD

	Note	Financial Assets at fair value through OCI £'000	Financial Assets at amortised cost £'000	Financial Assets at fair value through profit/loss £'000	Total £'000
At 31 March 2020					
Assets per Statement of Financial Position					
Investments	10	0	0	355	355
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	16,089	0	0	16,089
Cash and cash equivalents	11	40	0	0	40
		16,129	0	355	16,484

CONSOLIDATED (Prior Year)

	Note	Financial Assets at fair value through OCI £'000	Financial Assets at amortised cost £'000	Financial Assets at fair value through profit/loss £'000	Total £'000
At 31 March 2019					
Assets per Statement of Financial Position					
Investments	10	0	0	3,431	3,431
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	9,478	0	0	9,478
Cash and cash equivalents	11	85	0	0	85
		9,563	0	3,431	12,994

BOARD (Prior Year)

	Note	Financial Assets at fair value through OCI £'000	Financial Assets at amortised cost £'000	Financial Assets at fair value through profit/loss £'000	Total £'000
At 31 March 2019					
Assets per Statement of Financial Position					
Investments	10	0	0	355	355
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	9,611	0	0	9,611
Cash and cash equivalents	11	36	0	0	36
		9,647	0	355	10,002

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

22. FINANCIAL INSTRUMENTS (cont.)

Financial Liabilities

CONSOLIDATED

		Liabilities at Fair Value through profit and loss £'000	Financial Liabilities at amortised cost £'000	Total £'000
At 31 March 2020	Note			
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	4,946	4,946
PFI Liabilities	12	0	327,131	327,131
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	0	56,529	56,529
		0	388,606	388,606

BOARD

		Liabilities at Fair Value through profit and loss £'000	Financial Liabilities at amortised cost £'000	Total £'000
At 31 March 2020	Note			
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	4,946	4,946
PFI Liabilities	12	0	327,131	327,131
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	0	56,527	56,527
		0	388,604	388,604

CONSOLIDATED (Prior Year)

		Liabilities at Fair Value through profit and loss £'000	Financial Liabilities at amortised cost £'000	Total £'000
At 31 March 2019	Note			
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	5,241	5,241
PFI Liabilities	12	0	335,726	335,726
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	0	57,910	57,910
		0	398,877	398,877

BOARD (Prior Year)

		Liabilities at Fair Value through profit and loss £'000	Financial Liabilities at amortised cost £'000	Total £'000
At 31 March 2019	Note			
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	5,241	5,241
PFI Liabilities	12	0	335,726	335,726
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	0	57,920	57,920
		0	398,887	398,887

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

22. FINANCIAL INSTRUMENTS, cont.

b FINANCIAL RISK FACTORS

Exposure to Risk

The NHS 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 NHS Board might not have funds available to meet its commitments to make payments.

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

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

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 an 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 internal ratings in accordance with parameters set by the NHS 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 NHS 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 NHS Board is not therefore exposed to significant liquidity risks.

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£'000	£'000	£'000	£'000
At 31 March 2020				
PFI Liabilities	23,753	23,753	71,970	404,853
Finance lease liabilities	311	327	1,015	3,293
Trade and other payables excluding statutory liabilities	56,527	0	0	0
Total	80,591	24,080	72,985	408,146

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£'000	£'000	£'000	£'000
At 31 March 2019				
PFI Liabilities	23,753	23,753	71,257	429,316
Finance lease liabilities	295	295	787	3,864
Trade and other payables excluding statutory liabilities	57,920	0	0	0
Total	81,968	24,048	72,044	433,180

Note - The PFI Liabilities line for the prior year has been restated to agree to the undiscounted cash flows.

c) Market Risk

The NHS 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 NHS Board in undertaking its activities.

i) Cash flow and fair value interest rate risk

The NHS 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 NHS Board is not exposed to foreign currency risk.

iii) Price risk

The NHS Board is not exposed to equity security price risk.

c FAIR VALUE ESTIMATION

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques.

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.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

24. RELATED PARTY TRANSACTIONS

Transactions that NHS Forth Valley had with other government departments and other central government bodies are disclosed within these published accounts. During the year the Board received payments of £18,668k and made payments of £171,680k with a balance of £4,543k due to the Board and payments of £23,417k due by the Board.

NHS Forth Valley has endowment funds that are managed by Trustees who are also Directors of the Board. The Endowment balances are consolidated within the Accounts as per N26.

Falkirk Integrated Joint Board is a related party of NHS Forth Valley. During the year the Board received payments from the IJB of £167,656k, and made payments to the IJB of £167,656k. There is a loss at the year end of (£176k) , being the Board's share of the IJB deficit.

Clackmannanshire and Stirling Integrated Joint Board is a related party of NHS Forth Valley. During the year the Board received payments from the IJB of £146,811k, and made payments to the IJB of £146,811k. There is a loss at the year end of (£140k), being the Board's share of the IJB deficit.

NHS Forth Valley Executives and Non Executives are members of Clackmannanshire and Stirling Integrated Joint Board , Falkirk Integrated Joint Board and are also Trustees of NHS Forth Valley Endowment Funds -

	Clackmannanshire & Stirling Integrated Joint Board	Falkirk Integrated Joint Board	NHS Forth Valley Endowment Funds
EXECUTIVES -			
Mrs Cathie Cowan	√	√	√
Mr Alex Linkston (Left 29/02/2020)	√	√	√
Ms Janie McCusker (Started 01/03/2020)	√	√	√
Mr Andrew Murray	√	√	√
Dr Graham Foster	√		√
Ms Angela Wallace	√	√	√
Mr Scott Urquhart			√
Mrs Linda Donaldson			√
NON EXECUTIVES -			
Ms Julia Swan		√	√
Mr John Ford	√		√
Ms Michelle Clung		√	√
Ms Susan McGill	√		√
Ms Allyson Black		√	√
Ms Ellen Forson (Left 12/04/2019)	√		√
Mr Gordon Johnston (Started 01/02/2020)			√
Mr Les Sharp	√		√
Mr Robert Clark	√	√	√
Dr James King			√
Mr Stephen Mc Allister	√	√	√
Mr Allan Rennie	√		√

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

25. THIRD PARTY ASSETS

Third Party Assets managed by the Board consist of balances on Patients' Private Funds Accounts

These are not departmental assets and are not included in the accounts. The assets held at the reporting period date to which it was practical to ascribe monetary values comprised monetary assets, such as bank balances and monies on deposit, and listed securities. They are set out in the table immediately below.

	2019 £'000	Gross Inflows £'000	Gross Outflows £'000	2020 £'000
Monetary amounts such as bank balances and monies on deposit	277	308	(270)	315
Other monetary assets	0	0	0	0
Total Monetary Assets	277	308	(270)	315

There are no significant assets /investments held at the year end.

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

26a. CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Group 2019		Note	Integration Joint Board (Joint Ventures)					Consolidated 2020
			Board 2020	Endowments 2020	Intra Group adj. 2020	Falkirk IJB 2020	Clackmannanshire & Stirling IJB 2020	
£'000			£'000	£'000	£'000	£'000	£'000	£'000
	Total income and expenditure							
269,011	Employee Expenditure	3	294,294	0	0	0	0	294,294
	Other operating expenditure	3						
80,900	Independent Primary Care Services		86,489	0	0	0	0	86,489
110,177	Drugs and medical supplies		113,635	0	0	0	0	113,635
507,060	Other health care expenditure		547,462	316	0	0	0	547,778
967,148	Gross expenditure for the year		1,041,880	316	0	0	0	1,042,196
(342,018)	Less: operating income	4	(370,148)	(354)	0	0	0	(370,502)
(32)	Associates and joint ventures accounted for on an equity basis		0	0	0	176	140	316
625,098	Net Expenditure		671,732	(38)	0	176	140	672,010

The endowment fund is a fully consolidated subsidiary.

The IJBs are accounted for as joint ventures and NHS Forth Valley accounts for a 50% share of the result for the year.

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

26b. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Group 2019 £'000		Note	Integration Joint Board (Joint Ventures)					Group 2020 £'000
			Board 2020 £'000	Endowment 2020 £'000	Intra Group adjustment 2020 £'000	Falkirk IJB 2020 £'000	Clackmannanshire & Stirling IJB 2020 £'000	
	Non-current assets:							
557,067	Property, plant and equipment	SoFP	568,579	0	0	0	0	568,579
1,408	Intangible assets	SoFP	1,168	0	0	0	0	1,168
	Financial assets:							
3,431	Investments	SoFP	355	2,387	0	0	0	2,742
4,457	Investments in associates and joint ventures	26a	0	0	0	3,293	848	4,141
24,736	Trade and other receivables	SoFP	40,135	0	0	0	0	40,135
591,099	Total non-current assets		610,237	2,387	0	3,293	848	616,765
	Current Assets:							
1,711	Inventories	SoFP	1,922	0	0	0	0	1,922
0	Intangible assets	SoFP	0	0	0	0	0	0
	Financial assets:							
16,515	Trade and other receivables	SoFP	18,259	(27)	0	0	0	18,232
85	Cash and cash equivalents	SoFP	40	154	0	0	0	194
0	Investments	SoFP	0	0	0	0	0	0
0	Derivatives financial assets	SoFP	0	0	0	0	0	0
0	Assets classified as held for sale	SoFP	0	0	0	0	0	0
18,311	Total current assets		20,221	127	0	0	0	20,348
609,410	Total assets		630,458	2,514	0	3,293	848	637,113
	Current liabilities							
(11,905)	Provisions	SoFP	(12,790)	0	0	0	0	(12,790)
	Financial liabilities:							
(82,069)	Trade and other payables	SoFP	(84,722)	(2)	0	0	0	(84,724)
0	Derivatives financial liabilities	SoFP	0	0	0	0	0	0
(93,974)	Total current liabilities		(97,512)	(2)	0	0	0	(97,514)
515,436	Non-current assets plus / less net current assets/liabilities		532,946	2,512	0	3,293	848	539,599
	Non-current liabilities							
(55,185)	Provisions	SoFP	(69,475)	0	0	0	0	(69,475)
	Financial liabilities:							
(332,076)	Trade and other payables	SoFP	(322,784)	0	0	0	0	(322,784)
0	Liabilities in associates and joint ventures	26a	0	0	0	0	0	0
(387,261)	Total non-current liabilities		(392,259)	0	0	0	0	(392,259)
128,175	Assets less liabilities		140,687	2,512	0	3,293	848	147,340
	Taxpayers' Equity							
(18,389)	General fund	SoFP	(16,141)	0	0	0	0	(16,141)
139,105	Revaluation reserve	SoFP	156,828	0	0	0	0	156,828
4,457	Other reserves - joint venture	SoFP	0	0	0	3,293	848	4,141
3,002	Funds Held on Trust	SoFP	0	2,512	0	0	0	2,512
128,175	Total taxpayers' equity		140,687	2,512	0	3,293	848	147,340

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

26c. CONSOLIDATED STATEMENT OF CASHFLOWS

Consolidated 2019 £'000		Integration Joint Board (Joint Ventures)					Consolidated 2020 £'000
		Board 2020 £'000	Endowment 2020 £'000	Intra Group adjustment 2020 £'000	Falkirk IJB 2020 £'000	Clackmannanshire & Stirling IJB 2020 £'000	
	Cash flows from operating activities						
(625,098)	Net operating expenditure	(671,732)	38	0	(176)	(140)	(672,010)
19,524	Adjustments for non-cash transactions	23,854	0	0	176	140	24,170
14,825	Add back: interest payable recognised in net operating expenditure	16,042	0	0	0	0	16,042
(105)	Deduct: interest receivable recognised in net operating expenditure	(44)	0	0	0	0	(44)
0	Investment income	0	0	0	0	0	0
(6,246)	Movements in working capital	3,126	(94)	0	0	0	3,032
(597,100)	Net cash outflow from operating activities	(628,754)	(56)	0	0	0	(628,810)
	Cash flows from investing activities						
(17,633)	Purchase of property, plant and equipment	(12,325)	0	0	0	0	(12,325)
(376)	Purchase of intangible assets	(102)	0	0	0	0	(102)
(64)	Investment additions	0	(428)	0	0	0	(428)
0	Transfer of assets to/(from) other NHS bodies	0	0	0	0	0	0
1,500	Proceeds of disposal of property, plant and equipment	9,816	0	0	0	0	9,816
0	Proceeds of disposal of intangible assets	0	0	0	0	0	0
55	Receipts from sale of investments	0	589	0	0	0	589
105	Interest received	44	0	0	0	0	44
(16,413)	Net cash outflow from investing activities	(2,567)	161	(0)	(0)	(0)	(2,406)
	Cash flows from financing activities						
627,135	Funding	656,253	0	0	0	0	656,253
6	Movement in general fund working capital	4	0	0	0	0	4
627,141	Cash drawn down	656,257	0	0	0	0	656,257
1,178	Capital element of payments in respect of finance leases and on-balance sheet PFI contracts	(8,890)	0	0	0	0	(8,890)
(236)	Interest paid	(660)	0	0	0	0	(660)
(14,589)	Interest element of finance leases and on-balance sheet PFI / PPP contracts	(15,382)	0	0	0	0	(15,382)
613,494	Net Financing	631,325	0	0	0	0	631,325
	Net Increase / (decrease) in cash and cash equivalents in the period	4	105	0	0	0	109
104	Cash and cash equivalents at the beginning of the period	36	49	0	0	0	85
85	Cash and cash equivalents at the end of the period	40	154	0	0	0	194
	Reconciliation of net cash flow to movement in net debt / cash						
(19)	Increase / (decrease) in cash in year	4	105	0	0	0	109
104	Net debt / cash at 1 April	36	49	0	0	0	85
85	Net debt / cash at 31 March	40	154	0	0	0	194



Forth Valley Health Board

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of sections 86(1), (1B) and (3) of the National Health Services (Scotland) Act 1978, 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 10/2/2006

John Cornett, Audit Director
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

Enquiries to Mrs Cathie Cowan

Direct Line 01786 457210

04 September 2020

Dear John,

**Forth Valley NHS Board
Annual report and accounts 2019/20**

1. This representation letter is provided in connection with your audit of the annual report and accounts of Forth Valley NHS Board for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the regularity of income and expenditure, Remuneration and Staff Report, Performance Report and Governance Statement.
2. I confirm to the best of my knowledge and belief, and having made such enquiries as I considered necessary, the following representations given to you in connection with your audit of Forth Valley NHS Board's annual report and accounts for the year ended 31 March 2020.

General

3. I have fulfilled my responsibilities for the preparation of the 2019/20 annual report and accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual report and accounts have been made available to you for the purposes of your audit. All transactions undertaken by Forth Valley NHS Board have been recorded in the accounting records and are properly reflected in the financial statements.
4. I am not aware of any uncorrected misstatements.

Regularity of Expenditure and Income

5. I confirm that, in all material respects, expenditure was incurred and income applied in accordance with applicable enactments and guidance issued by the Scottish Ministers.

Financial Reporting Framework

6. The annual report and accounts have been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.
7. I have ensured that the financial statements give a true and fair view of the financial position of the Forth Valley NHS Board and its group at 31 March 2020 and the transactions for 2019/20.

Accounting Policies & Estimates

8. All significant accounting policies applied are as shown in the note included in the financial statements. The accounting policies are determined by the 2019/20 Government Financial Reporting Manual (FReM), where applicable. Where the FReM does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to Forth Valley NHS Board circumstances and have been consistently applied.
9. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

10. I have assessed Forth Valley NHS Board's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Forth Valley NHS Board's ability to continue as a going concern.

Assets

11. Where a rolling programme of asset valuations has been used, I have satisfied myself that the carrying amount of assets at 31 March 2020 does not differ materially from that which would be determined if a revaluation had been carried out at that date.
12. I carried out an assessment at 31 March 2020 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.
13. I have provided you with all information of which I am aware regarding any valuation exercises carried out after 31 March 2020.
14. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.
15. All assets, other than those held under leases, are owned by Forth Valley NHS Board through Scottish Ministers. Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

Liabilities

16. All liabilities at 31 March 2020 of which I am aware have been recognised in the financial statements.

17. Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 March 2020 of which I am aware, including all known claims notified to the NHS Central Legal Office, where the conditions specified in IAS 37 have been met. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the obligation at 31 March 2020. Where the effect of the time value of money is material, the amount of the provision has been discounted to the present value of the expected payments.
18. Provisions recognised in previous years have been reviewed and adjusted, where appropriate, to reflect the best estimate at 31 March 2020 or to reflect material changes in the assumptions underlying the calculations of the cash flows.
19. The accrual recognised in the financial statements for holiday untaken by 31 March 2020 has been estimated on a reasonable basis.
20. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

Fraud

21. I have provided you with all information in relation to:
 - my assessment of the risk that the financial statements may be materially misstated as a result of fraud
 - any allegations of fraud or suspected fraud affecting the financial statements
 - fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

22. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

23. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with IAS 24 as interpreted by the FReM. I have made available to you the identity of all the Forth Valley NHS Board's related parties and all the related party relationships and transactions of which I am aware.

Remuneration and Staff Report

24. The Remuneration and Staff Report has been prepared in accordance with the requirements of the FReM to the extent they apply in Scotland, and all required information of which I am aware has been provided to you.

Performance report

25. I confirm that the Performance Report has been prepared in accordance with the requirements of the FReM to the extent they apply in Scotland and the information is consistent with the financial statements.

Corporate Governance

- 26. I have fulfilled my responsibilities for Forth Valley NHS Board's corporate governance arrangements. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.
- 27. I confirm that the Governance Statement has been prepared in accordance with the Scottish Public Finance Manual and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2020, which require to be reflected.

Group Accounts

- 28. I have identified all the other entities in which Forth Valley NHS Board has a material interest and have classified and accounted for them in accordance with the 2019/20 FReM. Any significant issues with the financial statements of group entities, including any qualified audit opinions, have been advised to you.

Events Subsequent to the Date of the Statement of Financial Position

- 29. All events subsequent to 31 March 2020 for which IAS 10 as interpreted by the FReM requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Cathie Cowan

Cathie Cowan
Chief Executive
Forth Valley NHS Board