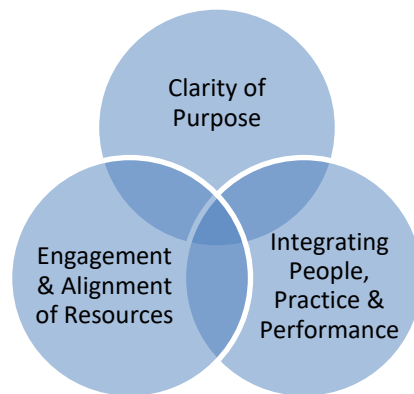


Forth Valley NHS Board

Our Annual Report and Accounts – 2020/2021



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

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Overview

Executive Summary

2020/2021 was an unprecedented year. NHS Forth Valley acknowledges the sacrifices and achievements made at pace to services and improvements to care in response to the COVID-19 global pandemic. Partnership working made this possible and NHS Forth Valley continues to build on its progress to date including setting out a refreshed ambition to meet the physical, mental and social needs of communities affected by severe economic and social disruption.

This overview provides NHS Forth Valley with an opportunity to highlight some of the key achievements made to services and improvements throughout 2020/2021. It also gives a short summary including the purpose and role of our Health Board, our governance arrangements, key risks to the achievement of our corporate objectives and how we have performed in response to this pandemic and our state of readiness to support the implementation of the Government’s Framework: ‘Remobilise, Recover and Redesign’.

Introduction

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

NHS Forth Valley as a governing body is 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.

NHS Forth Valley’s Governance Ambition & Model

Good governance ensures we do the right things, in the right way, for the right people in a timely, inclusive, open and accountable manner.



NHS Forth Valley by integrating its governance arrangement uses:

- 'fiduciary governance' to ensure we have good stewardship of our assets and resources and can demonstrate best value in our decision making
- 'strategic governance' to allow us to consider our context, operating environment and what our data and patient and stakeholder feedback is telling us to help us when formulating future strategy and plans
- 'generative governance' to enable us to influence culture through our leadership and sense making role

By bringing these components together we can operate within a corporate governance framework that takes account of the Blueprint for Good Governance¹ 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 are willing to accept
- influencing our organisation's culture
- reporting to stakeholders on our stewardship

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

Purpose and Role of the Health Board

The role of the Health 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 accountability for the performance of the local NHS

The functions of the Board include:

- formulating strategy, including the development of our Remobilisation Plans (in years past Annual Operation Plan)
- allocating resource in ways that deliver optimal health outcomes and best value
- implementing Operational Plans 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

¹ [https://www.sehd.scot.nhs.uk/dl/DL\(2019\)02.pdf](https://www.sehd.scot.nhs.uk/dl/DL(2019)02.pdf)

The organisational structure of the Board, incorporating all core NHS functions, together with structures for the Falkirk and Clackmannanshire and Stirling Partnerships are set out in the Board's public website

<https://nhsforthvalley.com/about-us/board-matters/structure-charts/>

Development of the NHS Board's Strategy and Corporate Plan

Following the NHS Board's initial mobilisation plan developed in response to the COVID-19 pandemic in March 2020, Jeane Freeman, the then Cabinet Secretary for Health and Sport launched 'Re-mobilise, Recover, Re-design: The Framework for NHS Scotland' in May 2020. The framework set out how Boards would safely and incrementally start to resume services whilst being vigilant and able to continue to respond to ongoing challenges of COVID-19. This framework has continued to provide the over-arching context for remobilisation planning, including the principles and objectives for safe and effective mobilisation.

Our System-Wide Remobilisation Plans, developed in partnership and in line with Re-mobilise, Recover, Re-design, have focused on the seven principles set out in the Framework. Plans have been informed by the clinical prioritisation of services and national guidance and policy frameworks including those relating to Test and Protect and PPE, which are critical to safeguarding both our staff and patients.

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

2020/21 has been a challenging and unprecedented period for the health service and for NHS Forth Valley. On the 17 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 System-Wide Mobilisation Plan March – July 2020 was prepared in support of our initial COVID-19 response providing a swift and proportionate response. We ensured our staff were resourced and supported to provide care and treatment for patients with Covid-19. This was done in collaboration with our staff and partners, and we increased our capacity not only in our hospitals but also in our communities, working closely with our two local Health & Social Care Partnerships, three local councils

and public sector colleagues. Changes were made rapidly utilising appropriate and new technologies and innovations supported by a wide range of clinical and support services.

In the initial period of recovery, we took the opportunity to recognise the challenges and successes of our health and care response to COVID-19, including the significant achievements implemented at pace. We remained committed to delivering high quality and positive health and care outcomes for the people of Forth Valley. We 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 have acknowledged the importance of harnessing the benefits of our rapid innovation and digital developments which we deployed during the early stages of the pandemic. We have supported the rapid scale up of 'Near Me', across NHS Forth Valley to GP practices, primary and secondary care services. Our Ageing and Health Consultants moved from the hospital to support the Enhanced Care Team to assess and manage older people closer to home and we developed an exemplary collaborative approach to support care homes with our Health & Social Partnerships.

In May 2020, the Cabinet Secretary for Health and Sport launched the 'Re-mobilise, Recover, Re-design: The Framework for NHS Scotland. In response to this Framework the first iteration of our System-Wide Remobilisation Plan was developed which covered all NHS services and locations including those operating within the health and care integration space. A second iteration of the plan was developed for the period August 2020 to March 2021 and built on our achievements as we continued the journey of Re-mobilisation, Recovery and Re-design with our staff to increase our capacity not only in our hospitals, but also in our communities, working as part of our Health & Social Care Partnerships and with our Local Authority partners and public sector colleagues.

Elective Care

During the initial phase of COVID-19 and mobilisation all non-urgent and elective outpatient, daycase and inpatient activity was postponed. Priority appointments and/or emergency presentations e.g., trauma, were maintained whilst being alert to COVID-19 infection prevention and control measures.

Access to the independent sector and Golden Jubilee provided ongoing cancer treatments for people e.g., skin, breast surgery. The Acute Services Directorate set out a number of essential priorities during mobilisation in relation to maintaining emergency care services for both COVID and non-COVID patients together with care for priority patients.

During the initial Covid-19 period Acute Schedule Care services received a reduction in referrals. The effect of this reduction in demand was that the waiting list sizes remained stable but waiting times increased. As surgical services entered the recovery phase the competing demand from the various surgical specialties to gain access to a limited surgical resource has been managed to maximise activity.

Remobilisation planning has seen NHS Forth Valley work with Scottish Government colleagues to agree trajectories in respect of reducing the numbers of patients waiting beyond the 12 week target whilst continuing to prioritise and treat those patients most in need of surgery, notably:

- Priority level 1a Emergency - operation needed within 24 hours
- Priority level 1b Urgent - operation needed within 72 hours
- Priority level 2 Surgery - can be deferred for up to 4 weeks

Cognisance is being taken of those patients in other priority groups with planning on a week by week basis supporting non-urgent outpatient, daycase and inpatient appointments.

- Priority level 3 Surgery - can be delayed for up to 3 months
- Priority level 4 Surgery – can be delayed for more than 3 months

This planned surgery and treatment continues where possible in line with the capacity and staffing available and staff are working hard to offer treatment especially in areas where there are longer waits. Like other NHS Boards, we are using other regional and national facilities to offer appointments and surgical procedures, including at the Golden Jubilee National Hospital.

Urgent elective outpatient, daycase and inpatient services to support vital suspected cancer presentations have been maintained throughout the pandemic with NHS Forth Valley continuing to monitor additions to the 31 day and 62 cancer pathways, with robust monitoring and tracking in place.

Performance for the quarter ending March 2021 in relation to the 95% cancer targets is noted as:

- 81.4% of patients with a suspicion of cancer were treated within 62 days compared with 78.6% in the quarter ending March 2020.
- 98.9% of patients were treated within 31 days of decision to treat compared with 98.8% in the quarter ending March 2020.

Outpatient remobilisation:

- From the end of September 2020 to 4 April 2021 NHS Forth Valley delivered 27,644 outpatient appointments against a plan of 24,870 appointments: 111% compliance with the agreed plan.

Inpatient and Day case remobilisation:

- From the end of September 2020 to 4 April 2021 NHS Forth Valley delivered 3,326 scheduled care treatment against a plan of 4,648 appointments: 72% compliance with the agreed plan.

Cognisance should be taken of the impact of the high number of COVID-19 positive inpatients in Forth Valley Royal Hospital in January and February 2021.

- 12 week Treatment Time Guarantee: Between 1 April 2020 and 31 March 2021 NHS Forth Valley treated 5,002 inpatients and daycases. 2,359 of these patients waited longer than the 12 week Treatment Time Guarantee - 52.8% compliance

As detailed, all elective activity was suspended in March 2020 as a result of the pandemic and the NHS being placed on an emergency footing with inpatient and day case activity reduced by over 50% from the previous year.

- Between 1 April 2019 and 31 March 2020 NHS Forth Valley treated 10,233 inpatients and daycases. 3,354 of these patients waited longer than the 12 week Treatment Time Guarantee – 67.2% compliance

Diagnostics

Performance at the end of March 2021 is:

- 11 patients were waiting beyond 6 weeks for imaging with 99.3% compliance (x-ray, CT, MRI and non-obstetric ultrasound)
- 441 patients were waiting beyond 6 weeks for endoscopy with 32.8% compliance (upper and lower gastrointestinal endoscopy, colonoscopy and cystoscopy)

Note that the main route of COVID-19 transmission is person-to-person spread via respiratory droplets. As gastro-intestinal endoscopies, particularly upper gastro-intestinal procedures generate these

droplets (aerosol generation), there has been a significant impact on the overall delivery of this component of the endoscopy service. This is being addressed in the recovery plan with monthly targets in place per specialty for diagnostics, outpatients and inpatients and daycases.

Unscheduled Care

The number of people presenting to emergency department (ED) during the initial stages of the pandemic was significantly reduced compared to usual levels. This facilitated the development of two flows and zones through the ED and Assessment Unit: one for patients with a confirmed or suspected diagnosis of Covid-19 (respiratory presentations, flu like illnesses or secondary complications arising from COVID-19); and one for patients thought to be Covid-19 negative.

As we moved into the initial stages of remobilisation presentations to ED started to increase, with this demand impacting on our ability to continue to provide both Covid-19 positive and negative pathways and zones and to maintain social distancing and ensure minimum risk of healthcare associated infections. To help people get the right care in the right place and to ensure the ED is able to provide safe and effective care to people when needed, a new Urgent Care Centre opened at Forth Valley Royal Hospital. This is in support of national changes to the way people access A&E services across Scotland.

In 2020/2021, Compliance with the Unscheduled Care access target of 95% of patients should wait less than 4 hours from arrival to admission, discharge or transfer for accident and emergency treatment is noted as:

- Minor Injuries Unit 99.7%
- Emergency Department 89.9%
- Forth Valley overall 92.9%

Mental Health

In March 2020 Mental Health and Learning Disability (MHL) began a significant retraction in some clinical areas in order to protect the provision of inpatient and emergency services in the face of the COVID-19 pandemic. Over the course of 2020 MHL services recommenced as full service provision as possible, within the COVID-19 restrictions.

Mental Health and Learning Disability Leads worked collaboratively with colleagues taking account of the interdependency between primary and secondary care services. The mobilisation phase considered access arrangements using the escalation pyramid that resulted in a number of key actions in support of patients.

Despite Psychological Therapies not being an emergency or crisis service all referrals continued to be screened by a clinician. If the referral was urgent and therefore required support from another service, this was forwarded appropriately. A rapid access service was in place to support GPs and other primary care staff with patients seen within 7 days and supported by up to 3 sessions of psychological first aid. The Psychological Therapies Service resumed routine clinical work in July 2020. Clinicians deployed to staff support and the Primary Care Support Pathway returned to their usual areas of practice, and new routine treatment appointments recommenced.

Against the 90% target:

- In March 2021, 63.8% of patients started treatment within 18 weeks of referral
- In the quarter January to March 2021, 51.5% of patients started treatment within 18 weeks of referral compared with 60.6% in the quarter January to March 2020.

Child and Adolescent Mental Health Service (CAMHS) continued to offer interventions to children, young people and families experiencing mental health crisis and presenting as emergency or urgent cases with a number of new children and young people seen. As part of the contingency plan CAMHS completed risk assessments on all children open to the Service to identify those whose mental health was most compromised or at risk. A red/amber/green risk rating was applied to each child.

Some young people, children and families opted out of therapy, many continued to take advantage of return appointments delivered via secure video conferencing or by telephone. In addition, CAMHS continued to offer Near Me consultations for professionals across children's services to support multi agency working.

Against the 90% target:

- In March 2021, 52.0% of patients started treatment within 18 weeks of referral
- In the quarter January to March 2021, 34% of patients started treatment within 18 weeks of referral compared with 54.2% in the quarter January to March 2020.

Integration

NHS Forth Valley has worked closely with the two Partnerships and three Local Authorities as part of local resilience partnership arrangements to support our most vulnerable people and communities. In regard to health and social care services within each of our partnerships the escalation pyramid was applied. Non-essential services e.g., respite services, day services for younger and older adults and routine reviews in care homes were postponed with advanced work was undertaken in respect of planning for a significant increase in demand and complexity of care in the community and community intermediate care and community hospital facilities.

Work has been undertaken to reduce the number of delayed discharges within our health system and with Housing Services to support timely discharges along with mobilisation of community resources in Strathendrick Home, Thornton Gardens, Ludgate House and Community Hospitals.

The delayed discharge position at the March 2021 census is noted as:

- 28 Standard delays, 9 are delayed over 2 weeks
- 25 Guardianship/Code 9 Exemptions
- 53 Total Delays
- 334 Bed Days Occupied

Primary Care

All Practices maintained assessment and management of undifferentiated presentations to primary care, and services were maintained albeit at a reduced level in Community Nursing, Health Visiting, Community Pharmacy and Optometry. There has been a significant switch from face to face to telephone or Near Me consultations but Practices also maintain the ability to bring in patients as dictated by clinical need.

GP Practices have reviewed their care home patients to ensure appropriate Anticipatory Care Plans, Key Information Summaries and Adults with Incapacity (AWI) documentation is in place. This work was supported by the Care Home Liaison Nurses (CHLN). The Enhanced Community Team, augmented has provided clinical support for GPs and the CHLNs with a dedicated phone number, along with a COVID-19 response for the frail in the community while continuing its core function of keeping unwell frail adults at home.

Staff Wellbeing

Providing support to maintain and sustain the health and wellbeing of our people is crucial. NHS Forth Valley has developed and implemented Staff Support and Wellbeing initiatives in line with national guidance and established a coordinated Staff Support and Wellbeing Group involving all key partners. Support has been provided to staff at work, to staff self-isolating and to enable home working and will be provided to those staff returning from a prolonged period of shielding.

Absence management has remained a high priority for managers across the organisation. A multidisciplinary improvement programme is on-going with the establishment of a partnership working group.

Absence remains above the locally agreed 4.5% target:

- 5.60% in March 2021
- The 12 month rolling average April 2020 to March 2021 is 5.67%

Coronavirus absences are recorded as Special Leave and are not included within the sickness absences figures. The absence for Coronavirus reasons is noted as:

- 3.58% in March 2021

Test & Protect

Test and Protect has been in place in Forth Valley since 28 May 2020 with NHS Forth Valley having implemented all of the Test & Protect Pathways. We continue to work with the Scottish Government to support contact tracing services and develop the workforce in core hours and surge hour response informed by local demand and the ability to provide mutual aid to other NHS Boards.

Flu and COVID-19 Vaccination Programmes

A number of changes were made to the roll out of the flu vaccination programme in 2020/21 to support social distancing and ensure the safety of patients. Vaccination uptake is calculated as the number of vaccinations carried out as a percentage of the eligible cohort with the target described as the estimated take up rate as a percentage. The total Forth Valley position is that 80% of the number eligible has been vaccinated with 110% of the target vaccinated.

Lessons learned from the changes to the Flu Vaccination programme have been taken forward to support the roll out of the COVID-19 vaccination programme. The programme is well underway with uptake of the vaccine high. With the exception of a small number of patients NHS Forth Valley met the Scottish Government deadline of mid-April 2021 for all Phase 1 priority groups. The programme will take account of changing guidance from the Scottish Government as it continues to roll out first and second doses through the priority cohorts.

Financial Performance

NHS Boards are required to meet 3 financial targets in year, a Revenue Resource Limit, a Capital Resource Limit and a Cash Requirement. We have delivered on all three of our key financial measures. 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 Statement of Resource Outturn:

Financial outturn performance for 2020/21 was as follows:

	Limit set by SGHSCD	Actual Outturn	Variance (Deficit)/ Surplus
	£000	£000	£000
Core Revenue Resource Limit	698,469	698,225	244
Non Core Revenue Resource Limit	22,467	22,467	0
Total Revenue Resource Limits	720,936	720,692	244
Core Capital Resource Limit	14,478	14,478	0
Non Core Capital Resource Limit	0	0	0
Total Capital Resource Limits	14,478	14,478	0
Cash Requirement	724,658	724,658	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 2020/21	244
Financial flexibility: funding banked with/(provided by) Scottish Government	346
Underlying (Deficit) / Surplus against Core Revenue Resource Limit	(102)
Percentage	0.01

In the year to 31st March the Board have delivered a small surplus of £0.244m, in line with that set out in the financial plan reported to the NHS Board in March 2020. In this financial year, significant work has been undertaken to identify, monitor and report the financial impact of managing the COVID-19 Global Pandemic. We have worked closely with Partners to ensure financial impacts of both delegated health and adult social care services has been collated.

Savings delivery for 2020/21 totalled £20.7m, comprising £6.7m from recurring sources and £14.0 from non-recurring sources which included £5.2m support from the Scottish Government in relation to COVID-19 savings delays. Capital expenditure in year totalled £15.1m, including £6.5m on medical equipment, £3.2m investment in information technology priorities, and £3.7m on facilities and infrastructure schemes.

Significant costs incurred by Core and delegated health services to manage the impacts of the pandemic included additional staffing £10.1m, set up and management of Test and Protect £1.2m, and COVID-19 immunisation programmes £1.7m. The Scottish Government have funded the full costs of the pandemic, including those for Adult Social Care Services, allocating a total of £52.6m, set out in the table below.

COVID-19 Costs and Funding 2020/21

	Core NHS Services £m	Delegated Health Services £m	Adult Social Care Services £m	Total £m
NHS Forth Valley	16.342			16.342
Falkirk Partnership		4.677	12.799	17.476
Clackmannanshire & Stirling Partnership		4.753	14.072	18.825
Total	16.342	9.430	26.871	52.643

Payment Performance

The Scottish Government and Forth Valley NHS Board are committed to supporting business in the current economic situation by paying bills more quickly. The intention is to achieve payment of all undisputed invoices within 10 working days, across all public bodies.

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

Payment performance for 2020/21 was as follows:

	2020/21	2019/20
Average period of credit taken	8 days	8 days
Percentage of invoices paid within 30 days:		
- by volume	94.5 %	94.4%
- by value	96.7 %	94.8%
Percentage of invoices paid within 10 days:		
- by volume	87.0 %	85.7%
- by value	92.1 %	90.8%

Key Issues and Risks

To support the NHS Board to fulfil its responsibility in respect of effective monitoring of performance a Short Life Working Group, led by the Medical Director, was established to inform the content and design of a Recovery Scorecard. This was endorsed at the Performance & Resources Committee on 24 November 2020.

The Recovery Scorecard considers the System-Wide Remobilisation Plan which sets out how NHS Forth Valley safely continues the resumption of services whilst taking account of the different ways in which we have been working during the pandemic and considers the ongoing impact as we move forward. The scorecard format has been agreed to enable alignment with the System-Wide Remobilisation Plan and provides a comprehensive 'at a glance' view of measures split into Recovery, detailing measures and indicators relating to unscheduled and scheduled care, and Response, detailing Test and Protect and the Covid-19 vaccination programme priorities.

The Scorecard is reviewed on a weekly basis and is presented to the NHS Board and Performance & Resources Committee on a monthly basis.

An example of a recent Recovery Scorecard can be accessed on the link below:

<https://nhsforthvalley.com/wp-content/uploads/2021/03/NHS-Forth-Valley-Board-Meeting-Papers-30-March-2021.pdf>

Looking ahead to 2021/22 we remain committed to continuing to deliver high quality and positive health and care outcomes for the people of Forth Valley. Our System-Wide Remobilisation Plan 2021/2022 sets out plans for the continued reintroduction of clinical services and these will continue to be monitored closely as the Covid-19 situation develops. We acknowledge the importance of continuing to harness the benefits of our rapid innovation and digital developments which we deployed during the early stages of the pandemic.

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 on-going response will have a marked impact on the delivery of health services and performance throughout 2021/2022 and beyond. 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. The planned approach is to build financial flexibility and sustainability by aligning recurring investment priorities to areas which will maximise patient and population health outcomes and which can mitigate risks in the Strategic Risk Register. Delivering a break-even position for 2021-22 will present a significant challenge and will require a strong focus on improving value by reducing waste on medicines and consumables, improving efficiency through sustainable workforce and recruitment initiatives and working with partners on maximising our model of care and bed base across health and social care services to improve flow and capacity.

During 2020/21 implementation of the NHS Board's cost improvement strategy was paused to meet the requirements of responding to Covid-19. The financial impact in year was largely mitigated by non-recurring savings and from additional one-off Scottish Government funding. These plans will be re-established and progressed with the Corporate Programme Management Office (CPMO) and Systems Leadership Team (SLT). The scale of savings requirements, at approx. 6% of baseline budget, and uncertainties on the future healthcare impacts of Covid-19 generate a high level of risk for 2021/22.

Corporate level risks are set out in our Board's Strategic Risk Register which is regularly reviewed, updated and presented to our NHS Board along with details of the action being taken to mitigate these. In addition, and in response to Internal Audit recommendations, work has been carried out to assign each Strategic risk to one of the relevant standing assurance committees (Clinical Governance Committee; Performance & Resources Committee; Staff Governance Committee).

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

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Mrs Cathie Cowan
Chief Executive

17 August 2021

**FORTH VALLEY NHS BOARD
ANNUAL ACCOUNTS YEAR ENDED 31 MARCH 2021
ACCOUNTABILITY REPORT**

1. CORPORATE GOVERNANCE

1.1 DIRECTORS' REPORT

Date of Issue

The Accountable Officer authorised these financial statements for issue on 17th August 2021.

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 2020 to 31st March 2021 were as follows:

Non Executive Members

Ms Janie McCusker	Chair
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
Mr Gordon Johnston	Non Executive Director

Local Authority Members

Cllr Les Sharp	Non Executive Director
Cllr Susan McGill	Non Executive Director
Cllr Allyson Black	Non Executive Director (to 22nd March 2021)

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 2021 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

A full register of interests of Board members was updated in April 2021 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 2020/21 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 2021
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 2021
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 Social Care.

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 includes 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 available through follow up with individual Directors as appropriate.

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

Change to Board Operating Arrangements: COVID-19

On 25 March 2020, the Scottish Government wrote to NHS Board Chairs regarding COVID-19 and Health Board governance arrangements. The letter highlighted the need for effective governance to continue albeit in a different structure and that structures be established by respective NHS Boards. The change in structure was intended to support an agile and effective response to COVID-19 to support Chief Executives and Executives Teams implement decisions at pace and scale whilst the NHS was in an emergency footing.

At the NHS Board in March 2020, in respecting the need for self-isolation, social distancing and keeping the demands on executive board members to an absolute minimum, it was agreed that all NHS Board Assurance Committees including Audit meetings would be immediately suspended. The NHS Board moved to virtual meetings held on a monthly basis to receive assurance, formulate strategy and take decisions. The Board Chair introduced fortnightly meetings with NHS Board Assurance Committee,

including Audit Committee, Chairs. These meetings included the Chief Executive. The Chair and Chief Executive met on a weekly basis. A number of principles were agreed to ensure members remain accountable as the NHS Board. Recording of meetings remained unchanged with a note produced for approval at the next NHS Board meeting.

Following a commitment made in March 2020 a review of Governance arrangements was presented to the NHS Board in June 2020. Taking cognisance of the resumption of services, the Board agreed to re-establish its Assurance Committees, on a virtual and phased basis. A further update was presented at the July meeting confirming arrangement where it was noted that Committee Chairs at their meeting on 21 July 2020 agreed to stand down these formal meetings.

A Governance Review presented to the NHS Board meeting in August 2020 noted that with the exception of the Remuneration Committee all Board Assurance Committees had met with dates proposed for the remainder of the fiscal year agreed.

NHS Board Issues

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

- COVID-19 Mobilisation Plan
- Care Homes Update
- Staff Governance & Staff Wellbeing
- Post COVID-19 Recovery Planning
- Test & Protect
- Healthcare Associated Infection
- Financial Planning & Performance
- Strategic Risk Register
- Risk Management Strategy
- Clinical Governance
- Pandemic Update
- Non Clinical Space Policy
- Best Value
- Elective Care Development Programme
- Blueprint for Good Governance update
- Primary Care Improvement Plan
- Equality & Diversity Report
- Governance Review
- Flu Immunisation Programme
- Forth Valley System-Wide Remobilisation Plan
- Recovery Scorecard
- Organ Donation
- Redesign of Urgent Care
- Implementation of Whistleblowing Standards
- Annual Review Letter 2019/2020

Details of the Governance Committees including their functions 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.

- 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.

- Audit and Risk 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. The Committee has commissioned Assurance Mapping work from Internal Audit and Board officers as part of its ongoing consideration of how best to provide assurance on key risks and controls.

Internal and External Audit colleagues usually attend the Audit & Risk Committee. In addition, service managers and Directors regularly attend to provide information and assurance and to participate in discussions.

- Performance and Resources Committee

Terms of Reference state that meetings will be held bi-monthly however as a result of the COVID-19 Pandemic the Performance & Resources Committee met on 3 occasions throughout 2020/21. Items of business remitted to the Committee were, where required, addressed at meetings of the NHS Board.

The Performance and Resources Committee has a key role on behalf of the Board to scrutinise financial and operational performance and to establish that corrective actions are taken accordingly. The committee ensures the production of an Annual Plan, incorporating the Board's Financial Plan, Capital Plan and Annual Operational Plan, setting out the overall direction for the year for Board approval, and ensures actions are in place to support the delivery of the plan. Throughout 2020/21 the Performance & Resources Committee directed the production and delivery of the Mobilisation Plan and subsequent Remobilisation Plans. 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.

- 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.

As no applications were received there were no meetings of the Pharmacy Practices Committee in 2020/21.

- 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.

Corporate Governance

On 25 March 2020, the Scottish Government wrote to NHS Board Chairs regarding COVID-19 and Health Board governance arrangements. The letter highlighted the need for effective governance to continue albeit in a different structure and that structures be established by respective NHS Boards. The change in structure was intended to support an agile and effective response to COVID-19 to support Chief Executives and Executives Teams implement decisions at pace/scale whilst the NHS was in an emergency footing. A paper setting out interim governance changes during this Pandemic was presented by Ms McCusker, Chair to the Health Board on 31 March 2020; this was unanimously approved. The paper referred to a review of interim governance arrangements in 3 months. The paper detailed that 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 would be suspended with immediate effect. The Chair supported by the Chief Executive proposed that the NHS Board as the keeper of the corporate governance system would meet monthly to receive assurance, formulate strategy and take decisions.

The June meeting of the NHS Board agreed that as NHS Forth Valley resumed services there was a need to re-establish its Assurance Committees. All Assurance Committees were re-established virtually with the frequency of meetings revised to enable the Chief Executive to focus on resuming services gradually and safely with the System Leadership Team.

Following the publication of DL (2019)02 to NHS Scotland Health Boards and Special Health Boards – Blueprint for Good Governance, a self assessment was undertaken by NHS Forth Valley Board members to understand good practice and areas for further development. As required, the Blueprint Self Assessment report and Improvement Plan were submitted to the Cabinet Secretary at the end of April 2019. An Improvement Plan was approved which set out the areas identified by NHS Board members where there were opportunities for further development in line the five functions of the Governance System; Setting the Direction, Holding to Account, Assessing Risk, Engaging Stakeholders and Influencing Culture. An update was presented to the NHS Board in July 2020² to assure the NHS Board that work is underway to fulfil its requirements in relation to Active Governance which comprises of 2

² <https://nhsforthvalley.com/wp-content/uploads/2020/07/NHS-Forth-Valley-Board-Meeting-Papers-28-July-2020.pdf>

linked components: the development of a Board Assurance Framework which will reinforce strategic focus and better management of risk by providing the necessary information (as described above) to assist NHS Boards obtain assurance, and a development programme for NHS Board members to ensure that all members can engage with the information and make informed decisions not only in regard to what is happening in our NHS Board but also have a regard to the wider strategic and policy context in which our NHS Board operates within.

At the NHS Board meeting in March 2021 a paper titled 'Governance Review' was presented. The paper reaffirmed NHS Forth Valley's governance ambition, governance model and set out our plans to enhance our governance arrangements³.

In May 2021, the NHS Board reviewed 2020/21 assurance committees' performance by way of presentation and receipt of Annual Reports, drafted and approved by the respective committee. The annual reports of the assurance committees confirm compliance with their annual work plans and the fulfilment of their roles and remits. Standing Committee annual reports are an opportunity to reflect on the year just gone and are used to consider overall progress and key issues going forward.

Performance Management Arrangements

On the 17 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. As a result, a number of the key performance targets were suspended.

During the initial phase of COVID-19 and mobilisation all non-urgent and elective outpatient, daycase and inpatient activity was postponed. Priority appointments and/or emergency presentations e.g., trauma, were maintained whilst being alert to COVID-19 infection prevention and control measures.

In March 2020, in support of the System Leadership Team and senior managers maintaining an overview of performance in relation to the immediate and daily impact of Covid-19 on NHS Forth Valley, a Covid-19 scorecard was developed. The daily metrics detailed not just the number of Covid-19 cases but also the impact on staffing, PPE availability, critical medicines, bed occupancy, ITU, delayed discharges and ED.

To support the NHS Board to fulfil its responsibility in respect of effective monitoring of performance aligned to remobilisation a Short Life Working Group, led by the Medical Director, was established to inform the content and design of a Recovery Scorecard⁴. The Recovery Scorecard considers the System-Wide Remobilisation Plan which sets out how NHS Forth Valley safely continues the resumption of services whilst taking account of the different ways in which we have been working during the pandemic and considers the ongoing impact as we move forward.

The scorecard format has been agreed to enable alignment with the System-Wide Remobilisation Plan and provides a comprehensive 'at a glance' view of measures split into Recovery, detailing measures and indicators relating to unscheduled and scheduled care, and Response, detailing Test and Protect and the Covid-19 vaccination programme priorities.

³ <https://nhsforthvalley.com/wp-content/uploads/2021/03/NHS-Forth-Valley-Board-Meeting-Papers-30-March-2021.pdf>

⁴ <https://nhsforthvalley.com/wp-content/uploads/2021/03/NHS-Forth-Valley-Board-Meeting-Papers-30-March-2021.pdf>

The Scorecard is presented to the System Leadership Team and the Non-Executive Directors of the Board on a weekly basis and is considered by the SLT. It is also presented to the NHS Board and Performance & Resources Committee on a monthly basis with supporting narrative detail.

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. 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

Providing support to maintain and sustain health and wellbeing of staff as a result of the pressures in relation to the on-going Covid-19 pandemic and recovery work is crucial. NHS Forth Valley has developed and implemented Staff Support and Wellbeing initiatives in line with national guidance and established a coordinated Staff Support and Wellbeing Group involving all key partners. Support has been provided to staff at work, to staff self-isolating and to enable home working and will be provided to those staff returning from a prolonged period of shielding.

A System Wide Staff Support and Wellbeing group has been established. The membership includes key partners and reports into the Health and Wellbeing Programme Board, monitored through the Staff Governance Committee with updates presented to the Systems Leadership Team. An extensive range of services and resources have been made available to staff.

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.

The National Whistleblowing Standards came into effect across NHS Scotland on 1 April 2021. Mr Gordon Johnstone, Non-Executive Board Member, had been appointed as the Whistleblowing Champion for NHS Forth Valley. The role of the Whistleblowing Champion is to further promote a culture of openness and transparency in NHS Scotland, and to seek and provide assurance that Boards are complying with Whistleblowing Standards. A Whistleblowing Oversight Group has been established to develop an implementation plan which will ensure that the key requirements of the

standards are in place. Two online training modules, one for staff and one for managers are available on Turas Learn. The Whistleblowing Standards also cover GP's and other contractors.

Information Governance

The Board's Information Governance (IG) 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 IG Strategy is due to be refreshed in the coming Financial Year.

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 is 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, the Data Protection Act 2018; the UK General Data Protection Regulations; the Network and Information Security regulations 2018; the Freedom of Information (Scotland) Act 2002 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 A29/20 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 Strategic Risk Register, with detailed mitigation plans.

The Information Governance 2020/21 Annual Report presented to the Performance & Resources Committee in April 2021 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 UK GDPR has been included on the Strategic Risk Register.

Information Commissioner (ICO) Reported Incidents

Three ICO incidents were submitted to the ICO either by NHS Forth Valley or by data subjects during 2020/21. These included an incident involving a leak within the Health Records Storage, Loss of Records – GP Practice and a Subject Access Data Breach. These cases have been considered by the Information Commissioner who concluded that no regulatory action was required.

Two Data Protection complaints were received from individuals, concerned with potential inappropriate access by staff not involved in service users direct clinical care and overuse of redaction in a subject access request (SAR). On investigation both complaints were rejected, and the complainant advised of reasons. Another case, not a formal complaint, involved a service user sending in numerous emails under the Data Protection SAR process but which are not SAR related.

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. NHS Forth Valley Board receives the ratified minutes from both Clackmannanshire & Stirling IJB and Falkirk IJB meetings.

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 is 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 2020/21 with the transfer of delegated operational management arrangements to Chief Officers and recruitment to key senior posts. Work is currently underway with Partners to review the Integration Schemes for both Integration Joint Boards.

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 16 June 2020, 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. The NHS Board was asked to consider the Best Value Framework 2019/20 on 30 June 2020.

Review of Performance

The Annual Review 2019/2020 was held via video conference on Friday 11 December 2020 chaired by Mr Joe Fitzpatrick, the then Public Health Minister and was attended by Janie McCusker, Chair, NHS Forth Valley and Cathie Cowan, Chief Executive, NHS Forth Valley. The agenda was split into three

sections: pre-Covid performance during 2019/20; initial response to the pandemic from February/March to July 2020; and, forward look, in line with the current Board mobilisation plans (August to end of March 2021) and beyond.

A letter summarising the key points raised was presented to the NHS Board in March 2021 and is published on the NHS Forth Valley website. The main points of discussion were around the pre-Covid performance during 2019/20, the initial response to the pandemic from February/March to July 2020, and the forward look, in line with the Board mobilisation plans (August to end of March 2021) and beyond.

Key areas of concern highlighted included Psychological Therapies and Child & Adolescent Mental Health Services. The Minister also discussed the Board's initial response to the pandemic and in doing so recognised the excellent partnership working especially our support to care homes and our agile governance response. In the forward look, the Minister focused on the flu and COVID-19 vaccinations roll out, test and protect and preparedness for winter and a redesign of urgent care. Staff wellbeing featured highly in the meeting with the Minister acknowledging and thanking staff for their efforts, professionalism and commitment, in the face of unprecedented and unremitting pressures during 2020/21⁵.

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:

In response to the escalating COVID-19 Pandemic, on 17 March 2020, under section 1 and section 78 of the National Health Service (Scotland) Act 1978, the Cabinet Secretary for Health & Sport placed NHS Scotland on an emergency footing. At this time non urgent elective care was postponed whilst vital cancer treatments, emergency, maternity, and urgent care continued as NHS Boards mobilised in response to the pandemic with our System-Wide Mobilisation Plan March – July 2020 prepared and submitted to Scottish Government.

In May 2020, the Cabinet Secretary for Health and Sport launched the 'Re-mobilise, Recover, Re-design: The Framework for NHS Scotland. In response to this Framework the first iteration of our System-Wide Remobilisation Plan was developed with a second iteration of the plan developed for the period August 2020 to March 2021. Both documents followed Scottish Government guidance and covered all NHS services and locations including those operating within the health and care integration space. They were submitted to Scottish Government and published on the NHS Forth Valley website.

⁵ <https://nhsforthvalley.com/wp-content/uploads/2021/03/NHS-Forth-Valley-Board-Meeting-Papers-30-March-2021.pdf>

A timetable to inform a refresh of our Healthcare Strategy has been set out and approved by the NHS Board. The revised Strategy, aligned to programme for Government priorities and covering the period 2021 to 2026, will be presented for approval in November 2021.

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 2021.

The Internal audit Internal Control Evaluation (ICE) report was issued on 8 January 2021 and the Chief Internal Auditor presented the findings to the 22 January 2021 Audit Committee. The ICE report:

- identified emerging risks and key actions to manage high priority risks;
- identified the key risks and challenges to achievement of strategic objectives and ensured that progress is monitored at governance level;
- identified opportunities for change and improvement to develop and implement the organisation's strategic agenda;
- implemented revised arrangements to ensure NHS Forth Valley can effectively respond to COVID-19 and discharge its governance responsibilities.

Management provided responses to address 6 recommendations, to be completed in 2021/22, centred on:

- development and implementation of NHS Forth valley's long term strategy and supporting strategies.
- development of a strategy / transformation strategic risk
- provision of governance and year end assurances
- risk management and assurance mapping
- integrated Clinical & Care Governance structures and assurances
- the operation of the Staff Governance Committee and Workforce Planning

The Annual Internal Audit Report 2020/21 provides assurance on the Board's internal control framework and provided an update on action to address the ICE recommendations. Their report concludes that the Board has adequate and effective controls in place and that the 2020/21 internal audit plan has been delivered in line with Public Sector Internal Audit Standards

On Internal work undertaken throughout the year, the impact of COVID-19 meant that a number of audits were deferred. These reports will be considered for inclusion in the 2021/22 annual audit plan, so there is 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 2020/21, the Service Audit report in relation to NSI financial ledger and National IT services were unqualified. The Service Audit for payments to Primary Care Contractors is however qualified as last year. The Service Auditors have applied the standards and approach defined in ISAE 3402 in full.

A sub-committee of the National Services Scotland Audit and Risk Committee has been established to oversee an action plan to address those items contributing to the qualification. This Board do not believe that these findings have any material impact on this Boards accounts and assurance.

External Review

The Network and Information Systems Regulations (NISR) audit report was issued in October 2020. The June Information Governance Group (IGG) was informed that actions are largely on-track to complete Critical and Urgent recommendations either before or shortly after the next regulatory audit, which will take place at the end of June 2021. The Information and Cyber Security team have now been assigned dedicated time to focus on NIS compliance matters which was reported to have improved the implementation of NIS controls. We are closely monitoring progress on actions as they relate to recommendations, with a focus on urgent and critical priorities.

In December 2020, in response to concerns raised by staff side, the Chief Executive commissioned an independent external team to undertake a culture and governance review of the Emergency Department of Forth Valley Royal Hospital. The review team produced a report which set out recommendations for improvement. The recommendations have been accepted by the NHS Board and a subcommittee has been constituted to oversee implementation of those recommendations in partnership with staff and staff side.

Following a Health & Safety Executive (HSE) visit in January 2020 to assess health and safety risks a report was received which set out specific requirements for improvements in training and monitoring. An Action Plan was put in place and issues highlighted were addressed during 2020 which led to the improvement notice being lifted by HSE on 22 January 2021. Further actions and resources to support ongoing and sustainable improvements have been implemented.

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 29 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.

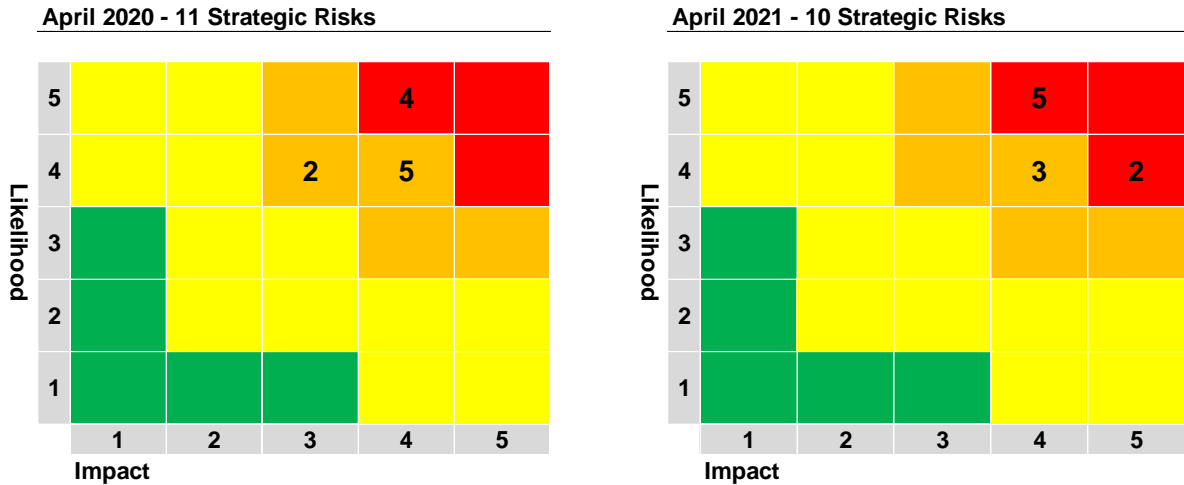
Following the appointment of a Corporate Risk Manager the Risk Management Strategy was reviewed and updated for 2020-21 and approved by the NHS Board in December 2020. This review represented an update of the strategy to make a number of short term improvements ahead of the creation of a new 3 year risk management framework for 2021-24. The key areas updated are noted as:

- Risk architecture – re-setting the hierarchy of risk registers and how they interrelate, including risk escalation
- Governance arrangements – consolidating the arrangements for reporting risk through the assurance committee and Health Board structure
- Roles & Responsibilities – clarifying accountabilities and responsibilities for managing risk at all levels
- The risk management process – detailing the risk management process in line with international standard ISO31000

A financial risk assessment has been updated and submitted to the Scottish Government within the Board’s System-Wide Remobilisation Plan. An updated Strategic Risk Register was presented to the NHS Board in May 2020, August 2020, December 2020 and March 2021 with on-going review on a quarterly basis.

In response to Internal Audit recommendations, work has been carried out to assign each Strategic risk to one of the relevant standing assurance committees (Clinical Governance Committee; Performance & Resources Committee; Staff Governance Committee).

There are a number of high level risks detailed on the Strategic Risk Register in relation to: delivery of Unscheduled Care; Primary Care Improvement Plan funding; Information Governance arrangements; Delivery of Scheduled Care; alignment of Financial and Strategic Plans; and funding allocations; Capital funding aligned to Estates and Infrastructure; and, COVID-19 Remobilisation.



Comparison of the Strategic risk profile at end April 2021 against end April 2020 shows a decrease in the number of risks on the Strategic Risk Register, however the overall proportion of Very High risks (scoring 20 and above) has increased. This can, in part, be attributed to the impact of and response to the COVID-19 pandemic. For example:

- SRR012: COVID-19 Remobilisation (risk score 20): A new strategic risk that was identified as NHS Forth Valley was developing its Remobilisation Plan in response to the pandemic. The risk relates the Board’s capacity and ability to deliver an effective remobilisation plan to facilitate renewal and recovery from the pandemic. There is a risk of missed opportunities and increased demand on services if the Remobilisation Plan is not delivered
- SRR002: Unscheduled Care (risk score 20, increased from 16): A number of factors have combined to cause an increased risk in the delivery of Unscheduled Care. One of those factors has been the requirement to pause or delay some mitigating controls in order to focus resources to immediate COVID-19 response during peak periods of the pandemic.
- SRR005: Financial Break-Even (risk score 20): Managing cost to deliver services in response to the pandemic took precedence over achieving savings and efficiency targets in 2020/21. Whilst additional funding was provided by Scottish Government and the Board achieved a balanced financial position by year-end (thereby not increasing the risk), there is still a significant long term risk to the organisation in terms of achieving savings targets over an extended period.

Comparison of the Strategic risks at April 2020 versus April 2021 is provided in the table below.

Strategic Risks – 2020/21 Year End Comparison			
Risk ID	Risk Title	April 2020 Risk Score	April 2021 Risk Score
SRR001	Primary Care	20	20
SRR002	Unscheduled Care	16	20
SRR003	Information Governance	16	20
SRR004	Scheduled Care	20	20
SRR005	Financial Break-Even	20	20
SRR006	Infection Control	12	CLOSED
SRR007	Joint Public Bodies	16	CLOSED
SRR008	National Standards	12	CLOSED
SRR009	Workforce Plans	16	16
SRR010	Estates and Supporting Infrastructure	20	20
SRR011	IT Infrastructure	16	16
SRR012	COVID-19 Remobilisation	N/A	20
SRR013	Brexit	N/A	16

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 2020/21 and in particular to the treatment time guarantees underpinned by statute.

NHS FORTH VALLEY BOARD

REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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 Remuneratio n (Bands of £5,000)
Remuneration of:						
Executive Members						
Chief Executive:						
Catherine Cowan	140-145	0 - 0	0	140-145	20	160-165
Director of Public Health:						
Graham Foster	200-205	0 - 0	0	200-205	73	270-275
Director of Finance:						
Scott Urquhart	95-100	0 - 0	0	95-100	49	145-150
Director of HR:						
Linda Donaldson	105-110	0 - 0	0	105-110	55	160-165
Director of Nursing:						
Angela Wallace	120-125	0 - 0	5.7	125-130	78	205-210
Medical Director						
Andrew Murray	195-200	0 - 0	0	195-200	70	265-270
Non-Executive Members						
The Chair:						
Janie McCusker	30-35	0 - 0	0	30-35	0	30-35
Julia Swan	5-10	0 - 0	0	5-10	0	5-10
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 (to 22/03/21)	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	5-10	0 - 0	0	5-10	0	5-10
Employee Director						
Robert Clark	40-45	0 - 0	0	40-45	9	50-55
Total			5.7		354	

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 to £35,000 in respect of non-Board duties

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

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

NON-EXECUTIVE MEMBER

Allyson Black	£5,000 - £10,000
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NHS FORTH VALLEY BOARD

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
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	

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

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

For those members who 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

REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Pensions Values Table

	Total accrued pension at pensionable age at 31 March 2021 (Bands of £5,000)	Total accrued lump sum at pensionable age at 31 March 2021 (Bands of £5,000)	Real increase in pension at age 60 (Bands of £2,500)	Real increase in lump sum at age 65 at 31 March 2021 (Bands of £2,500)	CETV at 31 March 2020 (£000)	CETV at 31 March 2021 (£000)	Real increase in CETV in year (£000)
Remuneration of:							
Executive Members							
Chief Executive: Catherine Cowan	60-65	185-190	0-2.5	2.5-5	1426	1488	55
Director of Public Health: Graham Foster	70-75	165-170	2.5-5	2.5-5	1314	1416	101
Director of Finance: Scott Urquhart	25-30	55-60	2.5-5	2.5-5	425	474	49
Director of HR: Linda Donaldson	45-50	105-110	2.5-5	2.5-5	846	919	73
Director of Nursing: Angela Wallace	40-45	110-115	2.5-5	5-7.5	856	957	100
Medical Director: Andrew Murray	65-70	150-155	2.5-5	2.5-5	1268	1369	100
Non-Executive Members							
The Chair:							
Janie McCusker	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 (to 22/03/21)	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	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Employee Director							
Robert Clark	15-20	35-40	0-2.5	0	291	305	14
Total							492

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 (FRM) 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.

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 age 60 (Bands of £2,500)	Real increase in lump sum at age 65 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
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

Fair Pay Disclosure

	2021	2020
Range of staff remuneration	£8,842 - £247,913	£8,584 - £231,275
Highest Earning Director's Total Remuneration (£000s)	200 - 205	195 - 200
Median Total Remuneration	£33,108	£31,211
Ratio	6.10	6.33

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 2020/2021 was £201,916 (2019/2020, £197,500). This was 6.10 times (2019/20, 6.33) the median remuneration of the workforce, which was £33,108 (2019/2020, £31,221).

In 2020/2021, 1 (2019/2020, 4) employee received remuneration in excess of the highest paid director. Remuneration ranged from £8,842 to £247,913 (2019/2020 £8,584 to £231,275).

STAFF REPORT

Higher Paid Employees' Remuneration

Other employees whose remuneration fell within the following ranges:

Clinicians

£70,001 to £80,000

£80,001 to £90,000

£90,001 to £100,000

£100,001 to £110,000

£110,001 to £120,000

£120,001 to £130,000

£130,001 to £140,000

£140,001 to £150,000

£150,001 to £160,000

£160,001 to £170,000

£170,001 to £180,000

£180,001 to £190,000

£190,001 to £200,000

£200,001 and above

2021
Number

2020
Number

37	32
24	30
49	28
38	34
29	35
29	28
24	21
16	15
10	11
7	8
7	5
4	6
5	2
1	4

Other

£70,001 to £80,000

£80,001 to £90,000

£90,001 to £100,000

£100,001 to £110,000

£110,001 to £120,000

£120,001 to £130,000

£130,001 to £140,000

£140,001 to £150,000

£150,001 to £160,000

£160,001 to £170,000

£170,001 to £180,000

£180,001 to £190,000

£190,001 to £200,000

£200,001 and above

12	8
7	0
2	4
2	0
1	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0

Reconciliation to income and expenditure

	£'000	
Total employee expenditure as below	323,112	<i>From staff report disclosure</i>
Add: employee income included in Note 4	1,835	<i>From note 4; secondee income.</i>
Less: staff on capital projects	445	<i>From staff report disclosure</i>
Total employee expenditure disclosed in note 3	<u><u>324,502</u></u>	

STAFF NUMBERS AND EXPENDITURE

	Executive Board Members £'000	Non- Executive Members £'000	Permanent Staff £'000	Inward Secondees £'000	Other Staff £'000	Outward Secondees £'000	2021 Total £'000	2020 Total £'000
EMPLOYEE EXPENDITURE								
Salaries and wages	865	183	249,434			(1,835)	248,647	223,467
Taxation & Social security costs	112	11	23,478				23,601	21,577
NHS scheme employers' costs	144	7	43,107				43,258	40,200
Other employers' pension costs								
Secondees				3,930			3,930	2,712
Agency staff					3,676		3,676	5,443
TOTAL	1,121	201	316,019	3,930	3,676	(1,835)	323,112	293,399

Included in the total Employee Expenditure above were costs of staff engaged directly on capital projects, charged to capital expenditure of:

445 452

STAFF NUMBERS

Whole time equivalent (WTE) 6 12 5629 52 68 (41) 5,726 5,567

Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of:

11 13

Included in the total staff numbers above were disabled staff of:

48 47

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.

	2021				2020			
	Male	Female	Prefer not to say	Total	Male	Female	Prefer not to say	Total
Executive Directors	3	3	0	6	3	3	0	6
Non-Exec. Directors and Employee Director	7	5	0	12	8	5	0	13
Senior Employees	182	148	0	330	166	105	0	271
Other	710	5528	0	6238	707	5509	0	6216
Total Headcount	902	5684	0	6586	884	5622	0	6506

The figures in the above table for Executives and Non Executives and Senior employees are headcount numbers, 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 2021.

Sickness absence data

	2021	2020
Sickness Absence Rate	5.6%	5.9%

Staff Policies relating to the employment of disabled persons

Staff policies were 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

In 2020/21 we reported to Staff Committee Government Committee and Area Partnership Forum Workforce Information which includes Workforce Composition and Distribution, Turnover, Age Profile, Ethnic Origin, Gender and Religion.

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.

Consultation on Phase 2 of “Once for Scotland” employment policies will commence in Summer 2021, policies included in this phase are:

- Additional Employment
- Embracing Equality, Diversity and Human Rights
- Gender-Based Violence
- Managing Health at Work
- Personal Development Planning & Review
- Redeployment
- Safer Pre & Post Employment Checks
- Secondment
- Supporting the Work-Life Balance
- Use of Fixed Term Contracts
- Facilities Arrangements for Trade Unions & Professional Organisations

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

There were no exit packages during 2020/21 or 2019/20

Trade Union regulations

Relevant Union Officials	
Number of employees who were relevant union officials during the period 1 April 2020 to 31 March 2021	Full-time equivalent employee number
13	11
Percentage of time spent on facility time	
Percentage of time	Number of representatives
0%	0
1 – 50%	9
51 – 99%	2
100%	2
Percentage of pay bill spent on facility time	
Total cost of facility time	£160,305
Total pay bill	£323,112,000
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 £0.250m 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 and special payments	1,012	10,209

In the year to 31 March 2021, the following balances were written off:

Reference	Description	£m
CNORIS	Total claims paid under the CNORIS scheme	2.494
Debtors	Review of non-NHS Debtor balances	7.648

In 2020/21, the Board was required to pay out 1 claim individually greater than £250,000 settled under the CNORIS scheme (2019/20: NIL). 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. In addition, as part of the review of debtor balances, the Board wrote - off balances totalling £7.648m for non-NHS debtor balances.

Fees and Charges

During 2020/21, 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

Cathie Cowan

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Mrs Cathie Cowan
Chief Executive

17 August 2021

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

Reporting 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 2021 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 2020/21 Government Financial Reporting Manual (the 2020/21 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 2021 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 2020/21 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Basis for opinion

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 on 28 January 2019. The period of total uninterrupted appointment is three 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.

Conclusions relating to going concern basis of accounting

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

Risks of material misstatement

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

Responsibilities of the Accountable Officer for the financial statements

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

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

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

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

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

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

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

Reporting 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. In addition to my responsibilities to detect material misstatements in the financial statements in respect of irregularities, 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.

Reporting on other requirements

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

I have audited the parts of the Remuneration and Staff Report described as audited. 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.

Statutory other information

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

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory 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 this gives rise to a material misstatement in the financial

statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

John Cornett, FCPA

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

18 August 2021

FORTH VALLEY NHS BOARD

STATEMENT OF CONSOLIDATED COMPREHENSIVE NET EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2021

2020		Note	2021
£'000			£'000
294,294	Employee expenditure	3a	324,502
	Other operating expenditure	3b	
86,489	Independent Primary Care Services		95,519
113,635	Drugs and medical supplies		120,150
547,778	Other health care expenditure		625,556
<u>1,042,196</u>	Gross expenditure for the year		<u>1,165,727</u>
(370,502)	Less: operating income	4	(403,015)
316	Associates and joint ventures accounted for on an equity basis		(11,797)
<u>672,010</u>	Net expenditure for the year		<u>750,915</u>

OTHER COMPREHENSIVE NET EXPENDITURE

2020			2021
£'000			£'000
(35,450)	Net (gain)/loss on revaluation of Property Plant and Equipment		9,746
0	Net (gain)/loss on revaluation of Investments		(604)
0	Other Non Cash Costs		(4,514)
<u>(35,450)</u>	Other Comprehensive Expenditure		<u>4,628</u>
<u>636,560</u>	Comprehensive net Expenditure		<u>755,543</u>

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2021

Consolidated 2020 £'000	Board 2020 £'000		Note	Consolidated 2021 £'000	Board 2021 £'000
		Non-current assets			
568,579	568,579	Property, plant and equipment	7c	551,810	551,810
1,168	1,168	Intangible assets	6a	1,003	1,003
		Financial assets:			
2,742	355	Investments	10	3,371	355
4,141	0	Investments in associates and joint ventures		15,938	0
40,135	40,135	Trade and other receivables	9	38,578	38,578
616,765	610,237	Total non-current assets		610,700	591,746
		Current Assets			
1,922	1,922	Inventories	8	1,845	1,845
0	0	Intangible Assets	6b	0	0
		Financial assets:			
18,232	18,259	Trade and other receivables	9	15,361	15,270
194	40	Cash and cash equivalents	11	232	35
0	0	Investments	10	0	0
0	0	Assets classified as held for sale	7b	0	0
20,348	20,221	Total current assets		17,438	17,150
637,113	630,458	Total assets		628,138	608,896
		Current liabilities			
(12,790)	(12,790)	Provisions	13a	(11,157)	(11,157)
		Financial liabilities:			
(84,724)	(84,722)	Trade and other payables	12	(115,354)	(115,289)
(97,514)	(97,512)	Total current liabilities		(126,511)	(126,446)
539,599	532,946	Non-current assets plus/less net current assets/liabilities		501,627	482,450
		Non-current liabilities			
(69,475)	(69,475)	Provisions	13a	(72,494)	(72,494)
		Financial liabilities:			
(322,784)	(322,784)	Trade and other payables	12	(312,673)	(312,673)
0	0	Liabilities in associates and joint ventures		0	0
(392,259)	(392,259)	Total non-current liabilities		(385,167)	(385,167)
147,340	140,687	Assets less liabilities		116,460	97,283
		Taxpayers' Equity			
(16,141)	(16,141)	General fund	SoCTE	(45,498)	(45,498)
156,828	156,828	Revaluation reserve	SoCTE	142,781	142,781
4,141	0	Other reserves - associates and joint ventures	SoCTE	15,938	0
2,512	0	Fund held on Trust	SoCTE	3,239	0
147,340	140,687	Total taxpayers' equity		116,460	97,283

17 August 2021

Adopted by the Board on2021

Scott Urquhart

..... Director of Finance

Cathie Cowan

..... 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 2021

2020 £'000		Note	2021 £'000	2021 £'000
	Cash flows from operating activities			
(672,010)	Net expenditure	SoCTE	(750,915)	
24,170	Adjustments for non-cash transactions	2b	14,383	
16,042	Add back: interest payable recognised in net operating expenditure	2b	15,420	
(44)	Deduct: interest receivable recognised in net operating expenditure	4	(44)	
0	Investment income		0	
3,032	Movements in working capital	2b	30,494	
<u>(628,810)</u>	Net cash outflow from operating activities	26c		<u>(690,662)</u>
	Cash flows from investing activities			
(12,325)	Purchase of property, plant and equipment		(9,270)	
(102)	Purchase of intangible assets		(126)	
(428)	Investment additions	10	(774)	
0	Transfer of assets to / (from) other NHS Scotland bodies		0	
9,816	Proceeds of disposal of property, plant and equipment		651	
0	Proceeds of disposal of intangible assets		0	
589	Receipts from sale of investments		749	
44	Interest received		44	
<u>(2,406)</u>	Net cash outflow from investing activities	26c		<u>(8,726)</u>
	Cash flows from financing activities			
656,253	Funding	SoCTE	724,663	
4	Movement in general fund working capital	SoCTE	(5)	
656,257	Cash drawn down		724,658	
(8,890)	Capital element of payments in respect of finance leases and on-balance sheet PFI and Hub contracts		(9,812)	
(660)	Interest paid		(424)	
(15,382)	Interest element of finance leases and on-balance sheet PFI / PPP and Hub contracts	2b	(14,996)	
<u>631,325</u>	Net Financing	26c		<u>699,426</u>
109	Net Increase / (decrease) in cash and cash equivalents in the period			38
85	Cash and cash equivalents at the beginning of the period			194
<u>194</u>	Cash and cash equivalents at the end of the period			<u>232</u>
	Reconciliation of net cash flow to movement in net debt/cash			
109	Increase/(decrease) in cash in year	11		38
85	Net debt/cash at 1 April			194
<u>194</u>	Net debt/cash at 31 March			<u>232</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

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 2020		(16,141)	156,828	4,141	2,512	147,340
Retrospective restatements for changes in accounting policy and material errors	21	0	0	0	0	0
Restated balance at 1 April 2020		(16,141)	156,828	4,141	2,512	147,340
Changes in taxpayers' equity for 2020-21						
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a	0	14,216	0	0	14,216
Net gain / (loss) on revaluation / indexation of intangible assets	6	0	0	0	0	0
Net gain / (loss) on revaluation of investments	10	0	0	0	604	604
Impairment of property, plant and equipment		0	(26,681)	0	0	(26,681)
Impairment of intangible assets	6	0	0	0	0	0
Revaluation and impairments taken to operating costs expenditure	2b	0	2,719	0	0	2,719
Transfers between reserves		4,301	(4,301)	0	0	0
Pension reserve movements		0	0	0	0	0
Other non cash costs		4,514	0	0	0	4,514
Net operating cost for the year	CFS	(762,835)	0	11,797	123	(750,915)
Total recognised income and expense for 2020-21		(754,020)	(14,047)	11,797	727	(755,543)
Funding:						
Drawn down	CFS	724,658				724,658
Movement in General Fund (Creditor) / Debtor	CFS	5				5
Balance at 31 March 2021	SoFP	(45,498)	142,781	15,938	3,239	116,460

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 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		0	(2,314)	0	0	(2,314)
Impairment of intangible assets	6a	0	0	0	0	0
Revaluation and impairments taken to operating costs	2b	0	608	0	0	608
Release of reserves to the statement of comprehensive net		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

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

ACCOUNTING POLICIES**FORTH VALLEY NHS BOARD****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 2020-21:

(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 2022. IFRS 16 introduces a single lessee accounting model that results in a more faithful representation of a lessee's assets and liabilities, and provides enhanced disclosures to improve transparency of reporting on capital employed.

Under IFRS 16, lessees are required to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. While no standard definition of 'low value' has been mandated, NHS Scotland have elected to utilise the capitalisation threshold of £5,000 to determine the assets to be disclosed. 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.

Unified Board Accounts Manual

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.

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 2020/21 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, available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value.

6. Funding

Most of the expenditure of the Health Board 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.

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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 Statement 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 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.

Unified Board Accounts Manual

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 carried out on an annual basis. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Scottish Government.

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.

Unified Board Accounts Manual

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.

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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.

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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

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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

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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

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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.

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(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 LiabilitiesClassification

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 a causing 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 2021, with draft valuations being carried out by the Valuation Office Agency (VOA) during October and November 2020, and final valuations during March 2021. 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).

The valuation report has been used to inform the measurement of assets in these financial statements. Within the report the Valuer has confirmed that their valuation has not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards, as a result of the impact of the Covid-19 pandemic. The Valuation report included an explanatory note that was included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared, in recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19.

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The Valuer also confirmed within the report that as a consequence of the Covid-19 pandemic, the properties had generally been valued on a desktop basis with limited external inspections undertaken. Should future inspections of properties find them to be materially different, this could lead to adjustments of the valuation figures reported.

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 2020/21.

FORTH VALLEY NHS BOARD

SUMMARY OF RESOURCE OUTTURN

FOR THE YEAR ENDED 31 MARCH 2021

2a. SUMMARY OF CORE REVENUE RESOURCE OUTTURN	Note	2021 £'000	2021 £'000
Net expenditure	SoCNE		750,915
Total non core expenditure (see below)			(22,467)
Family Health Services non-discretionary allocation			(42,143)
Donated assets income			0
Endowment net expenditure			123
Associates and joint ventures accounted for on an equity basis			11,797
Total Core Expenditure			698,225
Core Revenue Resource Limit			698,469
Saving/(excess) against Core Revenue Resource Limit			244

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

Capital grants to / (from) other bodies	1,632	
Depreciation / amortisation	9,393	
Annually Managed Expenditure - impairments	1,000	
Annually Managed Expenditure - creation of provisions	795	
Annually Managed Expenditure - depreciation of donated assets	23	
Annually Managed Expenditure - pension valuation	0	
Additional Scottish Government non-core funding	0	
IFRS PFI expenditure	9,624	
Total Non Core Expenditure		22,467
Non Core Revenue Resource Limit		22,467
Saving/(excess) against Non Core Revenue Resource Limit		0

SUMMARY RESOURCE OUTTURN

	Resource £'000	Expenditure £'000	Saving/(Excess) £'000
Core	698,469	698,225	244
Non Core	22,467	22,467	0
Total	720,936	720,692	244

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

2b. NOTES TO THE CASHFLOW STATEMENT

Consolidated adjustments for non-cash transactions

2020 £'000	Note	2021 £'000
Expenditure Not Paid In Cash		
17,317 Depreciation	7a	18,633
342 Amortisation	6	291
26 Depreciation of donated assets	7a	23
1,494 Impairments on PPE charged to SoCNE		2,926
0 Net revaluation on PPE charged to SoCNE		0
(886) Reversal of impairments on PPE charged to SoCNE		(207)
0 Impairments on intangible assets charged to SoCNE	6	0
0 Net revaluation on intangible assets charged to SoCNE	6	0
0 Reversal of impairments on intangible assets charged to SoCNE	6	0
0 Loss on re-measurement of non-current assets held for sale	7b	0
0 Funding Of Donated Assets	7a	0
0 Loss / (profit) on disposal of intangible assets		0
5,561 Loss / (profit) on disposal of property, plant and equipment		0
0 Impairment of investments charged to SoCNE	10	0
316 Associates and joint ventures accounted for on an equity basis		(11,797)
0 Other		4,514
24,170 Total Expenditure Not Paid In Cash	CFS	14,383

Interest payable recognised in operating expenditure

2020 £'000	Note	2021 £'000
Interest Payable		
0 Interest on late payment of commercial debt		0
0 Bank and other interest payable		0
15,157 PFI Finance lease charges allocated in the year	18b	14,770
225 Other Finance lease charges allocated in the year		226
660 Provisions - Unwinding of discount		424
16,042 Net Interest payable		15,420

Consolidated movements in working capital

2020 Net Movement £'000	Note	Opening Balances £'000	Closing Balances £'000	2021 Net Movement £'000
INVENTORIES				
(211) Balance Sheet	8	1,922	1,845	77
(211) Net Decrease/(Increase)		1,922	1,845	77
TRADE AND OTHER RECEIVABLES				
(1,717) Due within one year	9	18,232	15,361	2,871
(15,399) Due after more than one year	9	40,135	38,578	1,557
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
(17,116) Net Decrease/(Increase)		58,367	53,939	4,428
TRADE AND OTHER PAYABLES				
2,655 Due within one year	12	84,724	115,354	30,630
(9,292) Due after more than one year	12	322,784	312,673	(10,111)
2,935 Less: Property, Plant & Equipment (Capital) included in above		(2,174)	(7,907)	(5,733)
0 Less: Intangible Assets (Capital) included in above		0	0	0
0 Less: Bank Overdraft	12	0	0	0
(4) Less: General Fund Creditor included in above	12	(40)	(35)	5
8,890 Less: Lease and PFI Creditors included in above	12	(332,077)	(322,265)	9,812
0 Less: Interest payable included in above	12	0	0	0
5,184 Net (Decrease)/Increase		73,217	97,820	24,603
PROVISIONS				
15,175 Statement of Financial Position	13a	82,265	83,651	1,386
0 Transfer from Provision to General Fund		0	0	0
15,175 Net (Decrease)/Increase		82,265	83,651	1,386
3,032 NET MOVEMENT (Decrease)/Increase	CFS	(95,193)	(125,687)	30,494

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

3. OPERATING EXPENSES

3a. Employee Expenditure

2020		2021
£'000		£'000
68,921	Medical and Dental	70,975
132,627	Nursing	150,149
92,746	Other Staff	103,378
294,294	Total	324,502

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

2020		2021
£'000		£'000
	Independent Primary Care Services:	
44,937	General Medical Services	51,911
13,923	Pharmaceutical Services	16,984
21,934	General Dental Services	20,628
5,695	General Ophthalmic Services	5,996
86,489	Total	95,519
	Drugs and medical supplies:	
60,619	Prescribed drugs Primary Care	58,297
34,176	Prescribed drugs Secondary Care	38,339
0	PPE and Testing Kits	6,330
18,840	Medical Supplies	17,184
113,635	Total	120,150
	Other health care expenditure	
314,467	Contribution to Integration Joint Boards	357,161
51,900	Goods and services from other NHSScotland bodies	53,201
555	Goods and services from other UK NHS bodies	250
3,960	Goods and services from private providers	746
4,969	Goods and services from voluntary organisations	5,753
19,776	Resource Transfer	20,362
5,561	Loss on disposal of assets	0
33,272	Other operating expenses	46,856
4,435	Rates	5,504
48,880	PFI & Finance Lease Costs	51,807
17,687	Depreciation	18,947
24,920	Local Authority Costs	52,840
16,933	Compensation Payments - Clinical	4,015
0	Property Related	7,648
147	External Auditor's remuneration - statutory audit fee	151
316	Endowment Fund expenditure	315
547,778	Total	625,556
747,902	Total Other Operating Expenditure	841,225

There are no other Services provided by the External Auditors.

There are certain primary care costs (i.e. FHS) that were based on prior year uplift, rather than actuals.

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

4. OPERATING INCOME

2020		2021
£'000		£'000
147	Income from Scottish Government	159
25,574	Income from other NHS Scotland bodies	27,557
641	Income from NHS non-Scottish bodies	196
0	Income from private patients	0
314,467	Income for services commissioned by Integration Joint Board	357,161
4,782	Patient charges for primary care	761
0	Donations	1,395
0	Profit on disposal of assets	0
12,214	Contributions in respect of clinical and medical negligence claims	3,620
44	Interest received	CFS 44
	Non NHS:	
51	Overseas patients (non-reciprocal)	0
736	Non-patient care income generation schemes	568
354	Endowment Fund Income	438
11,492	Other	11,116
<u>370,502</u>	Total Income	SoCNE <u>403,015</u>

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

5. SEGMENT INFORMATION

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

	Clinical Services	Corporate Functions & Facilities	Externals/Cross Boundary Flow	Clacks/Stirling HSCP (Operational & Universal)	Falkirk HSCP (Operational & Universal)	Unallocated	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost	267,726	143,824	41,313	142,797	155,255	0	750,915
If reported to Senior Management also disclose;							
Total assets	0	0	0	0	0	628,138	628,138
Total liabilities	0	0	0	0	0	511,678	511,678
Total segment revenue	12,469	14,361	12,608	1,860	2,716	0	44,014
Inter-segment revenue	0	0	0	0	0	0	0
Revenue from external sources	12,469	14,361	12,608	1,860	2,716	0	44,014
Impairment losses recognised in SoCNE	0	1,093	0	0	0	0	1,093
Impairment losses recognised in Reserves	0	0	0	0	0	0	0
Impairment reversals recognised in SoCNE	0	0	0	0	0	0	0
Impairment reversals recognised in Reserves	0	0	0	0	0	0	0
Depreciation and amortisation	0	18,947	0	0	0	0	18,947
Interest income	0	0	0	0	0	0	0
Interest expense	0	0	0	0	0	0	0
Non-current assets held for sale	0	355	0	0	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	0	0

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

5. SEGMENT INFORMATION - PRIOR YEAR

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

	Clinical Services £'000	Corporate Functions & Facilities £'000	Externals/Cross Boundary Flow £'000	Clacks/Stirling HSCP (Operational & Universal) £'000	Falkirk HSCP (Operational & Universal) £'000	Unallocated £'000	2020 £'000
Net operating cost	219,886	145,850	40,995	125,168	140,111	0	672,010
If reported to Senior Management also disclose;							
Total assets	0	0	0	0	0	637,113	637,113
Total liabilities	0	0	0	0	0	(489,773)	(489,773)
Total segment revenue	30,326	4,392	12,269	4,062	4,631	0	55,680
Inter-segment revenue	0	0	0	0	0	0	0
Revenue from external sources	30,326	4,392	12,269	4,062	4,631	0	55,680
Impairment losses recognised in SoCNE	0	607	0	0	0	0	607
Impairment losses recognised in Reserves	0	0	0	0	0	0	0
Impairment reversals recognised in SoCNE	0	0	0	0	0	0	0
Impairment reversals recognised in Reserves	0	0	0	0	0	0	0
Depreciation and amortisation	0	17,686	0	0	0	0	17,686
Interest income	0	0	0	0	0	0	0
Interest expense	0	0	0	0	0	0	0
Non-current assets held for sale	0	355	0	0	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	0	0

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

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

	Software Licences 2021 £'000	IT - software 2021 £'000	CRC scheme 2021 £'000	Websites 2021 £'000	Assets Under Development 2021 £'000	Total 2021 £'000
Cost or Valuation:						
As at 1st April 2020	1,046	5,062	0	0	0	6,108
Additions	0	126	0	0	0	126
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 2021	1,046	5,188	0	0	0	6,234
Amortisation						
As at 1st April 2020	1,046	3,894	0	0	0	4,940
Provided during the year	0	291	0	0	0	291
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 2021	1,046	4,185	0	0	0	5,231
Net Book Value at 1st April 2020	0	1,168	0	0	0	1,168
Net Book Value at 31 March 2021	0	1,003	0	0	0	1,003

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	Information technology - software	CRC scheme	Websites	Assets Under Development	Total
	2020	2020	2020	2020	2020	2020
	£'000	£'000	£'000	£'000	£'000	£'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	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 2021

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

Note	Consolidated 2020 £'000	Board 2020 £'000	Consolidated 2021 £'000	Board 2021 £'000
	0	0	0	0
SoFP	0	0	0	0

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

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

	Land (including under buildings) 2021 £'000	Buildings (excluding dwellings) 2021 £'000	Dwellings 2021 £'000	Transport Equipment 2021 £'000	Plant & Machinery 2021 £'000	Information Technology 2021 £'000	Furniture & Fittings 2021 £'000	Assets Under Construction 2021 £'000	Total 2021 £'000
Cost or valuation									
At 1 April 2020	22,252	518,942	489	38	60,153	25,475	1,712	0	629,061
Additions - purchased	0	2,326	0	0	6,169	3,149	0	3,359	15,003
Additions - donated	0	0	0	0	0	0	0	0	0
Completions	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	461	(334)	(7)	0	0	0	0	0	120
Impairment charges	(5)	(23,934)	(28)	0	0	0	0	0	(23,967)
Impairment reversals	92	0	0	0	0	0	0	0	92
Disposals - purchased	(589)	(62)	0	0	0	0	0	0	(651)
Disposals - donated	0	0	0	0	0	0	0	0	0
At 31 March 2021	22,211	496,938	454	38	66,322	28,624	1,712	3,359	619,658
Depreciation									
At 1 April 2020	0	4,850	0	38	39,565	14,317	1,712	0	60,482
Provided during the year - purchased	0	12,613	23	0	3,934	2,063	0	0	18,633
Provided during the year - donated	0	7	0	0	16	0	0	0	23
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	(14,073)	(23)	0	0	0	0	0	(14,096)
Impairment charges	0	1,385	0	0	436	1,100	0	0	2,921
Impairment reversals	0	(115)	0	0	0	0	0	0	(115)
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 2021	0	4,667	0	38	43,951	17,480	1,712	0	67,848
Net book value at 1 April 2020	22,252	514,092	489	0	20,588	11,158	0	0	568,579
Net book value at 31 March 2021	22,211	492,271	454	0	22,371	11,144	0	3,359	551,810
Open Market Value of Land in Land and Dwellings Included Above	1,675		0						
Note	The Retained Estate comprises land (£1.675m at 31 March 2021) 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	22,211	63,244	454	0	22,304	11,144	0	3,359	122,716
Owned - donated	0	186	0	0	67	0	0	0	253
Held on finance lease	0	6,185	0	0	0	0	0	0	6,185
On-balance sheet PFI contracts	0	422,656	0	0	0	0	0	0	422,656
Net book value at 31 March 2021	22,211	492,271	454	0	22,371	11,144	0	3,359	551,810

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

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

	Land (including under buildings) 2020 £'000	Buildings (excluding dwellings) 2020 £'000	Dwellings 2020 £'000	Transport Equipment 2020 £'000	Plant & Machinery 2020 £'000	Information Technology 2020 £'000	Furniture & Fittings 2020 £'000	Assets Under Construction 2020 £'000	Total 2020 £'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 2021

7 (b). ASSETS HELD FOR SALE

NHS Forth Valley have no Assets held for Sale as at 31 March 2021 or 31 March 2020.

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

7. (c) PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated 2020 £'000	Board 2020 £'000		Consolidated 2021 £'000	Board 2021 £'000
		Net book value of property, plant and equipment at 31 March		
568,299	568,299	Purchased	7a 551,557	551,557
280	280	Donated	7a 253	253
568,579	568,579	Total	SoFP 551,810	551,810
1,650	1,650	Net book value related to land valued at open market value at 31 March	1,675	1,675
0	0	Net book value related to buildings valued at open market value at 31 March	0	0
6,721	6,721	Total value of assets held under:		
0	0	Finance Leases	6,185	6,185
441,793	441,793	Hire Purchase Contracts	0	0
		PFI and PPP Contracts	422,656	422,656
448,514	448,514		428,841	428,841
487	487	Total depreciation charged in respect of assets held under:		
0	0	Finance leases	512	512
9,278	9,278	Hire Purchase Contracts	0	0
		PFI and PPP contracts	9,532	9,532
9,765	9,765		10,044	10,044

All land and buildings were revalued by an independent valuer, The Valuation Office Agency at 31st March 2021 on the basis of fair value (market value or depreciated replacement cost where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS. The net impact was an decrease of £12.465m, (2019/2020 increase of £34.842m) of which £9.746m was debited to the revaluation reserve. Impairment of £2.719m (2019/2020 £0.608m) 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 2021

7d. ANALYSIS OF CAPITAL EXPENDITURE

Consolidated 2020 £'000		Note	Consolidated 2021 £'000
EXPENDITURE			
102	Acquisition of intangible assets	6	126
9,390	Acquisition of property, plant and equipment	7a	15,003
0	Donated asset additions	7a	0
0	HUB		0
9,492	Gross Capital Expenditure		15,129
INCOME			
0	Net book value of disposal of intangible assets	6	0
15,377	Net book value of disposal of property, plant and equipment	7a	651
0	Net book value of disposal of donated assets	7a	0
0	Value of disposal of non-current assets held for sale	7b	0
0	Donated asset income		0
15,377	Capital Income		651
(5,885)	Net Capital Expenditure		14,478

SUMMARY OF CAPITAL RESOURCE OUTTURN

(5,885)	Core capital expenditure included above	14,478
(5,885)	Core Capital Resource Limit	14,478
0	Saving/(excess) against Core Capital Resource Limit	0
0	Non Core capital expenditure included above	0
0	Non Core Capital Resource Limit	0
0	Saving/(excess) against Non Core Capital Resource Limit	0
(5,885)	Total Capital Expenditure	14,478
(5,885)	Total Capital Resource Limit	14,478
0	Saving/(excess) against Total Capital Resource Limit	0

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

8. INVENTORIES

Consolidated 2020 £'000		Consolidated 2021 £'000
1,922	Raw Materials and Consumables	1,845
0	Work in Progress	0
0	Finished Goods	0
<u>1,922</u>	Total Inventories	<u>1,845</u>
	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 2021

9. TRADE AND OTHER RECEIVABLES

Consolidated 2020 £'000	Board 2020 £'000		Consolidated 2021 £'000	Board 2021 £'000
		Note		
			£'000	£'000
		Receivables due within one year		
		NHSScotland		
491	491	SGHSCD	98	98
1,137	1,137	Boards	1,865	1,865
1,628	1,628	Total NHSScotland Receivables	1,963	1,963
93	93	NHS Non-Scottish Bodies	39	39
0	0	General Fund Receivable	0	0
1,443	1,443	VAT recoverable	1,666	1,666
1,427	1,427	Prepayments	1,851	1,851
318	318	Accrued income	420	420
1,592	1,619	Other Receivables	5,221	5,130
6,437	6,437	Reimbursement of provisions	954	954
2,992	2,992	Other Public Sector Bodies	3,247	3,247
2,302	2,302	Other Significant receivables - Bellsdyke	0	0
18,232	18,259	Total Receivables due within one year	15,361	15,270
		<i>SoFP</i>		
		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
1,116	1,116	Accrued income	940	940
7,649	7,649	Other Receivables - Bellsdyke	0	0
31,370	31,370	Reimbursement of Provisions	37,638	37,638
40,135	40,135	Total Receivables due after more than one year	38,578	38,578
		<i>SoFP</i>		
58,367	58,394	TOTAL RECEIVABLES	53,939	53,848
30	30	The total receivables figure above includes a provision for impairments of :	30	30
		WGA Classification		
1,137	1,137	NHSScotland	1,865	1,865
1,934	1,934	Central Government Bodies	1,764	1,764
2,516	2,516	Whole of Government Bodies	3,247	3,247
93	93	Balances with NHS Bodies in England and Wales	39	39
52,687	52,714	Balances with bodies external to Government	47,024	46,933
58,367	58,394	Total	53,939	53,848
2020	2020		2021	2021
£'000	£'000		£'000	£'000
30	30	Movements on the provision for impairment of receivables are as follows:	30	30
8	8	At 1 April	8	8
(8)	(8)	Provision for impairment	(8)	(8)
0	0	Receivables written off during the year as uncollectible	0	0
30	30	Unused amounts reversed	30	30
		At 31 March		
		As of 31 March 2021, receivables with a carrying value of £30K (2019-20: £30K) were impaired and provided for. The aging of these receivables is as follows:		
2020	2020		2021	2021
£'000	£'000		£'000	£'000
5	5	3 to 6 months past due	6	6
25	25	Over 6 months past due	24	24
30	30		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 2021, receivables with a carrying value of £3,121K (2019-20: £2,081K) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:		
2020	2020		2021	2021
£'000	£'000		£'000	£'000
2,033	2,033	Up to 3 months past due	2,269	2,269
32	32	3 to 6 months past due	666	666
16	16	Over 6 months past due	186	186
2,081	2,081		3,121	3,121

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

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;

2020	2020		2021	2021
£'000	£'000		£'000	£'000
0	0	Counterparties with no external credit rating:	0	0
0	0	New customers	0	0
13,424	13,424	Existing customers with no defaults in the past	18,558	18,558
0	0	Existing customers with some defaults in the past	0	0
13,424	13,424	Total neither past due or impaired	18,558	18,558

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.

2020	2020		2021	2021
£'000	£'000		£'000	£'000
58,367	58,394	The carrying amount of receivables are denominated in the following currencies:	53,939	53,848
0	0	Pounds	0	0
0	0	Euros	0	0
58,367	58,394	US Dollars	53,939	53,848

All non-current receivables are due within six years (2019-20: 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 £0 (2019-20: £7,649)

The effective interest rate on non-current other receivables is 3.5% (2019-20: 3.5%). Pension liabilities are discounted at 1.25% (2019-20: 1.8%)

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

10. INVESTMENTS

Consolidated 2020 £'000	Board 2020 £'000		Consolidated 2021 £'000	Board 2021 £'000
0	0	Government securities	0	0
2,742	355	Other	3,371	355
2,742	355	TOTAL	3,371	355
			SoFP	
3,431	355	At 1 April	2,742	355
428	0	Additions	774	0
(610)	0	Disposals	(592)	0
0	0	Impairment recognised in SOCNE	0	0
(507)	0	Revaluation surplus/(deficit) transferred to equity	447	0
2,742	355	At 31 March	3,371	355
			CFS	
0	0	Current	0	0
2,742	355	Non-current	3,371	355
2,742	355	At 31 March	3,371	355
			SoFP	
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 2021

11. CONSOLIDATED CASH AND CASH EQUIVALENTS	2021 £'000	2020 £'000
Balance at 1 April	194	85
Net change in cash and cash equivalent balances	CFS SoFP 38	109
Balance at 31 March	232	194
Overdrafts	0	0
Total Cash - Cash Flow Statement	232	194
The following balances at 31 March were held at:		
Government Banking Service	10	2
Commercial banks and cash in hand	25	38
Overdrafts	0	0
Short term investments	0	0
Endowment cash	197	154
Balance at 31 March	232	194

NHS Forth Valley closing Bank Balance was £35k (2019/2020 £40k).

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

12. TRADE AND OTHER PAYABLES

Consolidated 2020 £'000	Board 2020 £'000		Note	Consolidated 2021 £'000	Board 2021 £'000
Payables due within one year					
NHSScotland					
0	0	Scottish Government Health & Social Care Directorate		0	0
8,351	8,351	Boards		8,695	8,695
8,351	8,351	Total NHSScotland Payables		8,695	8,695
606	606	NHS Non-Scottish bodies		673	673
40	40	Amounts payable to General Fund		35	35
15,398	15,398	FHS practitioners		15,248	15,248
322	322	Trade payables		1,250	1,250
25,573	25,573	Accruals		48,039	48,039
0	0	Deferred income		0	0
932	932	Payments received on account		1,082	1,082
0	0	Interest payable		0	0
311	311	Net obligations under finance leases	17	206	206
8,982	8,982	Net obligations under PPP / PFI Contracts	18b	9,386	9,386
0	0	Bank overdrafts	11	0	0
5,641	5,641	Income tax and social security		6,296	6,296
4,910	4,910	Superannuation		5,377	5,377
934	934	Holiday pay accrual		2,095	2,095
0	0	Clinical and medical negligence claims		0	0
0	0	VAT		0	0
12,423	12,423	Other public sector bodies		16,516	16,516
0	0	EC carbon emissions		0	0
301	299	Other payables		456	391
84,724	84,722	Total Payables due within one year	SoFP	115,354	115,289
Payables due after more than one year					
NHSScotland					
0	0	Scottish Government Health & Social Care Directorate		0	0
0	0	Boards		0	0
0	0	Total NHSScotland Payables		0	0
0	0	Other public sector bodies		0	0
327	327	Net obligations under finance leases due within 2 years	17	206	206
		Net obligations under finance leases due after 2 years but within 5 years	17	560	560
1,015	1,015				
3,293	3,293	Net obligations under finance leases due after 5 years	17	3,144	3,144
9,387	9,387	Net obligations under PPP / PFI contracts due within 2 years	18b	9,809	9,809
		Net obligations under PPP / PFI contracts due after 2 years but within 5 years	18b	32,162	32,162
31,488	31,488				
277,274	277,274	Net obligations under PPP / PFI contracts due after 5 years	18b	266,792	266,792
0	0	EC carbon emissions grant		0	0
0	0	Accruals		0	0
0	0	Deferred income		0	0
0	0	Other payables		0	0
322,784	322,784	Total Payables due after more than one year	SoFP	312,673	312,673
407,508	407,506	TOTAL PAYABLES		428,027	427,962

12. TRADE AND OTHER PAYABLES Contd

Consolidated 2020 £'000	Board 2020 £'000		Note	Consolidated 2021 £'000	Board 2021 £'000
		WGA Classification			
8,351	8,351	NHSScotland		8,695	8,695
10,551	10,551	Central Government Bodies		11,674	11,674
12,423	12,423	Whole of Government Bodies		16,516	16,516
606	606	Balances with NHS Bodies in England and Wales		673	673
375,577	375,575	Balances with bodies external to Government		390,469	390,404
407,508	407,506	Total		428,027	427,962
£'000	£'000	Borrowings included above comprise:		£'000	£'000
0	0	Bank overdrafts		0	0
4,946	4,946	Finance Leases		4,116	4,116
327,131	327,131	PFI Contracts		318,149	318,149
332,077	332,077			322,265	322,265
2020	2020	The carrying amount and fair value of the non-current borrowings are as follows		2021	2021
£'000	£'000	Carrying amount		£'000	£'000
4,635	4,635	Finance Leases		3,910	3,910
318,149	318,149	PFI Contracts		308,763	308,763
322,784	322,784			312,673	312,673
2020	2020	The carrying amount and fair value of the non-current borrowings are as follows		2021	2021
Fair value	Fair value	Fair value		Fair value	Fair value
£'000	£'000	£'000		£'000	£'000
4,635	4,635	Finance Leases		3,910	3,910
318,149	318,149	PFI Contracts		308,763	308,763
322,784	322,784			312,673	312,673
2020	2020	The carrying amount of short term payables approximates their fair value.		2021	2021
£'000	£'000	The carrying amount of payables are denominated in the following currencies:		£'000	£'000
407,508	407,506	Pounds		428,027	427,962
0	0	Euros		0	0
0	0	US Dollars		0	0
407,508	407,506			428,027	427,962

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

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	2021 Total £'000
At 1 April 2020	7,199	37,359	37,364	343	82,265
Arising during the year	177	12,386	2,056	79	14,698
Utilised during the year	(522)	(2,420)	(2,099)	(87)	(5,128)
Unwinding of discount	424	0	0	0	424
Reversed unutilised	(190)	(8,328)	0	(90)	(8,608)
At 31 March 2021	7,088	38,997	37,321	245	83,651

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 2021

	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non- endowment) £'000	2021 Total £'000	
Payable in one year	499	1,104	9,309	245	11,157	SoFP
Payable between 2 - 5 years	1,998	9,773	22,680	0	34,451	SoFP
Payable between 6 - 10 years	2,035	26,837	1,929	0	30,801	SoFP
Thereafter	2,556	1,283	3,403	0	7,242	SoFP
At 31 March 2021	7,088	38,997	37,321	245	83,651	

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	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.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

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	

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 (0.95)% in real terms for the Injury Benefit provision and the Treasury discount rate of 1.25% 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. The analysis of expected timing of discounted flows professional judgement is exercised around the expected timings of these obligations, taking into account relevant risk ratings, information on CLO quarterly returns and the impact of Covid.

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.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

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

2020 £'000	Note	2021 £'000
37,645	Provision recognising individual claims against the NHS Board as at 31 March	39,193
(37,807)	Associated CNORIS receivable at 31 March	(38,592)
37,364	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	37,321
37,202	Net Total Provision relating to CNORIS at 31 March	37,922

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 2021

14. CONTINGENT ASSETS and LIABILITIES

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

2020 £'000	Nature	2021 £'000
12,167	Clinical and medical compensation payments	8,584
	212 Employer's liability	452
<u>12,379</u>	TOTAL CONTINGENT LIABILITIES	<u>9,036</u>

CONTINGENT ASSETS

(11,493)	Clinical and medical compensation payments	(8,083)
(38)	Employer's liability	(250)
<u>(11,531)</u>	TOTAL CONTINGENT ASSETS	<u>(8,333)</u>

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

16. COMMITMENTS

2020	Capital Commitments	Property, plant and equipment:	Intangible assets:	2021
£'000	The Board has the following Capital Commitments which have not been included for in the accounts	£'000	£'000	£'000
	Contracted			
1,973	Community Hospital	1,710	0	1,710
5,500	Improving Access to Elective Care	7,813	0	7,813
				0
7,473	Total	9,523	0	9,523
	Authorised but not Contracted			
2,500	Medical Equipment Replacement	1,580	0	1,580
2,333	Primary Care Modernisation	1,520	0	1,520
3,059	IM&T Strategy	2,514	0	2,514
954	Property Maintenance & Statutory Standards	2,295	0	2,295
250	Energy Efficiency	1,400	0	1,400
9,096	Total	9,309	0	9,309

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 2021

17. COMMITMENTS UNDER LEASES

2020	Operating Leases	2021
£'000	Total future minimum lease payments under operating leases are given in the table below for the each of the following periods.	£'000
	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
433	Later than five years	389
	Buildings	
223	Not later than one year	211
212	Later than one year, not later than 2 years	321
977	Later than two year, not later than five years	858
1,193	Later than five years	988
	Other	
391	Not later than one year	314
247	Later than one year, not later than 2 years	174
174	Later than two year, not later than five years	99
0	Later than five years	0
	Amounts charged to Operating Costs in the year were:	
514	Hire of equipment (including vehicles)	498
219	Other operating leases	286
<u>733</u>	Total	<u>784</u>
	Contingent rents recognised as an expense in the period were:	
0	Contingent rents	0
2020	Finance Leases	2021
£'000	Total future minimum lease payments under finance leases are given in the table below for the each of the following periods.	£'000
	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
3,806	Rentals due after five years	3,424
5,720		5,338
(1,409)	Less interest element	(1,222)
<u>4,311</u>		<u>4,116</u>
	Other	
137	Rentals due within one year	0
137	Rentals due between one and two years (inclusive)	0
351	Rentals due between two and five years (inclusive)	0
144	Rentals due after five years	0
769		0
(134)	Less interest element	0
<u>635</u>		<u>0</u>
	This total net obligation under finance leases is analysed in Note 12 (Payables)	
	Aggregate Rentals Receivable in the year	
<u>(2)</u>	Total of finance & operating leases	<u>(2)</u>

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

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. 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:

2020 £'000	Gross Minimum Lease Payments	CCHC			FVRH			SCV			2021 £'000
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
23,753	Rentals due within 1 year	1,446	19,787	2,520	23,753					23,753	
23,753	Due within 1 to 2 years	1,446	19,787	2,520	23,753					23,753	
71,970	Due within 2 to 5 years	4,338	59,360	7,559	71,257					71,257	
404,853	Due after 5 years	17,352	316,586	47,874	381,812					381,812	
524,329	Total	24,582	415,520	60,473	500,575					500,575	

2020 £'000	Less Interest Element	CCHC			FVRH			SCV			2021 £'000
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
(14,771)	Rentals due within 1 year	(873)	(11,712)	(1,782)	(14,367)					(14,367)	
(14,366)	Due within 1 to 2 years	(840)	(11,361)	(1,743)	(13,944)					(13,944)	
(40,482)	Due within 2 to 5 years	(2,310)	(31,809)	(4,976)	(39,095)					(39,095)	
(127,579)	Due after 5 years	(4,951)	(92,033)	(18,036)	(115,020)					(115,020)	
(197,198)	Total	(8,974)	(146,915)	(26,537)	(182,426)					(182,426)	

2020 £'000	Present value of minimum lease payments	CCHC			FVRH			SCV			2021 £'000
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
8,982	Rentals due within 1 year	573	8,075	738	9,386					9,386	
9,387	Due within 1 to 2 years	606	8,426	777	9,809					9,809	
31,488	Due within 2 to 5 years	2,028	27,551	2,583	32,162					32,162	
277,274	Due after 5 years	12,401	224,553	29,838	266,792					266,792	
327,131	Total	15,608	268,605	33,936	318,149					318,149	

2020 £'000	Service elements due in future periods	CCHC			FVRH			SCV			2021 £'000
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
46,695	Rentals due within 1 year	2,523	42,149	2,347	47,019					47,019	
47,664	Due within 1 to 2 years	2,568	43,052	2,324	47,944					47,944	
148,707	Due within 2 to 5 years	7,979	134,740	6,822	149,541					149,541	
1,012,433	Due after 5 years	35,934	876,705	34,151	946,790					946,790	
1,255,499	Total	49,004	1,096,646	45,644	1,191,294					1,191,294	

2020 £'000	Total commitments	CCHC £'000	FVRH £'000	SCV £'000	2021 £'000
1,582,630	Total commitments	64,612	1,365,251	79,580	1,509,443

2020 £'000		2021 £'000
15,157	Interest Charges	14,770
24,774	Service Charges	25,218
8,595	Principal Repayment	8,982
5,680	Other Charges	6,705
54,206		55,675

2020 £'000		2021 £'000
5,680	Contingent rents (included in Other charges)	6,705

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

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

(v) The Board's level of participation in the scheme is 5.0 % based on the proportion of employer contributions paid in 2019-20.

For the current year, normal employer contributions of £43.258m were payable to the SPPA (prior year £40.200m) at the rate of 20.9% (prior year: 20.9%) of total pensionable salaries. In addition, during the accounting period the NHS board incurred additional costs of £411k (prior year £665k) arising from the early retirement of staff.

Provisions amounting to £7.088m 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 2020-21 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 £6,240 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.

	2021 £'000	2020 £'000
Pension cost charge for the year	43,258	40,200
Additional Costs arising from early retirement	411	665
Provisions/Liabilities included in the Statement of Financial Position	10,711	10,515
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 2021

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 2021

22. FINANCIAL INSTRUMENTS

a FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

CONSOLIDATED

At 31 March 2021	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
Assets per Statement of Financial Position					
Investments	10	0	0	3,371	3,371
Derivative financial instruments	23	0	0	0	0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	9,867	0	0	9,867
Cash and cash equivalents	11	232	0	0	232
		10,099	0	3,371	13,470

BOARD

At 31 March 2021	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
Assets per Statement of Financial Position					
Investments	10	0	0	355	355
Derivative financial instruments	23	0	0	0	0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	9,776	0	0	9,776
Cash and cash equivalents	11	35	0	0	35
		9,811	0	355	10,166

CONSOLIDATED (Prior Year)

At 31 March 2020	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
Assets per Statement of Financial Position					
Investments	10	0	0	2,742	2,742
Derivative financial instruments	23	0	0	0	0
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 (Prior Year)

At 31 March 2020	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
Assets per Statement of Financial Position					
Investments	10	0	0	355	355
Derivative financial instruments	23	0	0	0	0
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

22. FINANCIAL INSTRUMENTS (cont.)

Financial Liabilities

CONSOLIDATED

	Note	Liabilities at Fair Value through profit and loss £'000	Financial Liabilities at amortised cost £'000	Total £'000
At 31 March 2021				
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	4,116	4,116
PFI Liabilities	12	0	318,149	318,149
Derivative financial instruments	23	0	0	0
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	0	85,394	85,394
		0	407,659	407,659

BOARD

	Note	Liabilities at Fair Value through profit and loss £'000	Financial Liabilities at amortised cost £'000	Total £'000
At 31 March 2021				
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	4,116	4,116
PFI Liabilities	12	0	318,149	318,149
Derivative financial instruments	23	0	0	0
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	0	85,329	85,329
		0	407,594	407,594

CONSOLIDATED (Prior Year)

	Note	Liabilities at Fair Value through profit and loss £'000	Financial Liabilities at amortised cost £'000	Total £'000
At 31 March 2020				
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	4,946	4,946
PFI Liabilities	12	0	327,131	327,131
Derivative financial instruments	23	0	0	0
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 (Prior Year)

	Note	Liabilities at Fair Value through profit and loss £'000	Financial Liabilities at amortised cost £'000	Total £'000
At 31 March 2020				
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	4,946	4,946
PFI Liabilities	12	0	327,131	327,131
Derivative financial instruments	23	0	0	0
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

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

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 2021				
PFI Liabilities	9,386	9,809	32,162	266,792
Finance lease liabilities	206	206	560	3,144
Derivative financial instruments	0	0	0	0
Trade and other payables excluding statutory liabilities	84,608	0	0	0
Total	94,200	10,015	32,722	269,936

	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	8,982	9,387	31,488	277,274
Finance lease liabilities	311	327	1,015	3,293
Derivative financial instruments	0	0	0	0
Trade and other payables excluding statutory liabilities	56,527	0	0	0
Total	65,820	9,714	32,503	280,567

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 2021

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 £18,924k and made payments of £151,497k with a balance of £5,050k due to the Board and payments of £28,862k 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 £188,183k, and made payments to the IJB of £188,183k. There is a saving at the year end of £5,707k, being the Board's share of the IJB surplus.

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 £168,978k, and made payments to the IJB of £168,978k. There is a saving at the year end of £6,090k, being the Board's share of the IJB surplus.

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 Andrew Murray	√	√	
Dr Graham Foster	√		√
Ms Angela Wallace	√	√	
Mr Scott Urquhart			√
NON EXECUTIVES -			
Ms Julia Swan	√		
Mr John Ford	√		√
Ms Michelle Clung		√	√
Mr Gordon Johnston	√		
Mr Les Sharp			√
Mr Robert Clark			√
Mr Stephen Mc Allister		√	√
Mr Allan Rennie	√		

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

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.

	2020	Gross	Gross	2021
	£'000	Inflows	Outflows	£'000
		£'000	£'000	
Monetary amounts such as bank balances and monies on deposit	315	227	(228)	314
Unclaimed dividends and unapplied balances	0	0	0	0
Securities	0	0	0	0
Other monetary assets	0	0	0	0
Total Monetary Assets	315	227	(228)	314

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 2021

26a. CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Group 2020		Note	Integration Joint Board (Joint Ventures) Clackmannanshire & Stirling IJB				Consolidated 2021
			Board 2021	Endowments 2021	Intra Group adj. 2021	Falkirk IJB 2021	
£'000			£'000	£'000	£'000	£'000	£'000
	Total income and expenditure						
294,294	Employee Expenditure	3	324,502	0	0	0	324,502
	Other operating expenditure	3					
86,489	Independent Primary Care Services		95,519	0	0	0	95,519
113,635	Drugs and medical supplies		120,150	0	0	0	120,150
547,778	Other health care expenditure		625,241	315	0	0	625,556
1,042,196	Gross expenditure for the year		1,165,412	315	0	0	1,165,727
(370,502)	Less: operating income	4	(402,577)	(438)	0	0	(403,015)
316	Associates and joint ventures accounted for on an equity basis		0	0	0	(5,707)	(6,090)
672,010	Net Expenditure		762,835	(123)	0	(5,707)	(6,090)
							750,915

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 2021

26b. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Group 2020 £'000	Note	Integration Joint Board (Joint Ventures)					Group 2021 £'000
		Board 2021 £'000	Endowment 2021 £'000	Intra Group adjustment 2021 £'000	Falkirk IJB 2021 £'000	Clackmannanshire & Stirling IJB 2021 £'000	
	Non-current assets:						
568,579	Property, plant and equipment	SoFP 551,810	0	0	0	0	551,810
1,168	Intangible assets	SoFP 1,003	0	0	0	0	1,003
	Financial assets:						
2,742	Investments	SoFP 355	3,016	0	0	0	3,371
4,141	Investments in associates and joint ventures	26a 0	0	0	9,000	6,938	15,938
40,135	Trade and other receivables	SoFP 38,578	0	0	0	0	38,578
616,765	Total non-current assets	591,746	3,016	0	9,000	6,938	610,700
	Current Assets:						
1,922	Inventories	SoFP 1,845	0	0	0	0	1,845
0	Intangible assets	SoFP 0	0	0	0	0	0
	Financial assets:						
18,232	Trade and other receivables	SoFP 15,270	91	0	0	0	15,361
194	Cash and cash equivalents	SoFP 35	197	0	0	0	232
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
20,348	Total current assets	17,150	288	0	0	0	17,438
637,113	Total assets	608,896	3,304	0	9,000	6,938	628,138
	Current liabilities						
(12,790)	Provisions	SoFP (11,157)	0	0	0	0	(11,157)
	Financial liabilities:						
(84,724)	Trade and other payables	SoFP (115,289)	(65)	0	0	0	(115,354)
0	Derivatives financial liabilities	SoFP 0	0	0	0	0	0
(97,514)	Total current liabilities	(126,446)	(65)	0	0	0	(126,511)
539,599	Non-current assets plus / less net current assets/liabilities	482,450	3,239	0	9,000	6,938	501,627
	Non-current liabilities						
(69,475)	Provisions	SoFP (72,494)	0	0	0	0	(72,494)
	Financial liabilities:						
(322,784)	Trade and other payables	SoFP (312,673)	0	0	0	0	(312,673)
0	Liabilities in associates and joint ventures	26a 0	0	0	0	0	0
(392,259)	Total non-current liabilities	(385,167)	0	0	0	0	(385,167)
147,340	Assets less liabilities	97,283	3,239	0	9,000	6,938	116,460
	Taxpayers' Equity						
(16,141)	General fund	SoFP (45,498)	0	0	0	0	(45,498)
156,828	Revaluation reserve	SoFP 142,781	0	0	0	0	142,781
4,141	Other reserves - joint venture	SoFP 0	0	0	9,000	6,938	15,938
2,512	Funds Held on Trust	SoFP 0	3,239	0	0	0	3,239
147,340	Total taxpayers' equity	97,283	3,239	0	9,000	6,938	116,460

FORTH VALLEY NHS BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

26c. CONSOLIDATED STATEMENT OF CASHFLOWS

Consolidated 2020 £'000	Board 2021 £'000	Endowment 2021 £'000	Intra Group adjustment 2021 £'000	Integration Joint Board (Joint Ventures) Clackmannanshire & Stirling IJB		Consolidated 2021 £'000
				Falkirk IJB 2021 £'000	2020 £'000	
	Cash flows from operating activities					
(672,010)	(762,835)	123	0	5,707	6,090	(750,915)
24,170	26,180	0	0	(5,707)	(6,090)	14,383
16,042	15,420	0	0	0	0	15,420
(44)	(44)	0	0	0	0	(44)
0	0	0	0	0	0	0
3,032	30,549	(55)	0	0	0	30,494
(628,810)	(690,730)	68	0	0	0	(690,662)
	Cash flows from investing activities					
(12,325)	(9,270)	0	0	0	0	(9,270)
(102)	(126)	0	0	0	0	(126)
(428)	0	(774)	0	0	0	(774)
0	0	0	0	0	0	0
9,816	651	0	0	0	0	651
0	0	0	0	0	0	0
589	0	749	0	0	0	749
44	44	0	0	0	0	44
(2,406)	(8,701)	(25)	(0)	(0)	(0)	(8,726)
	Cash flows from financing activities					
656,253	724,663	0	0	0	0	724,663
4	(5)	0	0	0	0	(5)
656,257	724,658	0	0	0	0	724,658
(8,890)	(9,812)	0	0	0	0	(9,812)
(660)	(424)	0	0	0	0	(424)
(15,382)	(14,996)	0	0	0	0	(14,996)
631,325	699,426	0	0	0	0	699,426
109	(5)	43	0	0	0	38
85	40	154	0	0	0	194
194	35	197	0	0	0	232
	Reconciliation of net cash flow to movement in net debt / cash					
109	(5)	43	0	0	0	38
85	40	154	0	0	0	194
194	35	197	0	0	0	232



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