



# Forth Valley NHS Board

## Annual Report and Accounts

### 2023/2024



Working together to protect the health and wellbeing of our patients and staff

## Contents

|  | Page      |
|--|-----------|
| <b>PERFORMANCE REPORT</b>  |           |
| OVERVIEW & CHIEF EXECUTIVE'S STATEMENT                                   | 1 - 13    |
| PERFORMANCE ANALYSIS   | 13 - 22   |
| <b>ACCOUNTABILITY REPORT</b>   |           |
| CORPORATE GOVERNANCE REPORT  | 23 - 47   |
| REMUNERATION AND STAFF REPORT  | 48 - 64   |
| PARLIAMENTARY ACCOUNTABILITY REPORT                                      | 65        |
| <b>AUDIT REPORT</b>  | 66 - 71   |
| <b>PRIMARY STATEMENTS</b>  |           |
| STATEMENT OF CONSOLIDATED COMPREHENSIVE NET EXPENDITURE ( <i>SOCNE</i> ) | 72        |
| CONSOLIDATED STATEMENT OF FINANCIAL POSITION ( <i>SOPF</i> )             | 73        |
| STATEMENT OF CONSOLIDATED CASHFLOWS ( <i>CFS</i> )                       | 74        |
| CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS EQUITY ( <i>SOCTE</i> )   | 75        |
| <b>NOTES TO THE ACCOUNTS</b>   |           |
| NOTE 1 ACCOUNTING POLICIES   | 76 - 90   |
| Note 2a SUMMARY OF RESOURCE OUTTURN ( <i>SORO</i> )                      | 91        |
| NOTE 2b NOTES TO THE CASHFLOW STATEMENT                                  | 92        |
| NOTE 3 OPERATING EXPENSES  | 93        |
| NOTE 4 OPERATING INCOME  | 94        |
| NOTE 5 SEGMENTAL INFORMATION   | 95 - 96   |
| NOTE 6 INTANGIBLE ASSETS   | 97        |
| NOTE 7a PROPERTY, PLANT AND EQUIPMENT                                    | 98 - 99   |
| NOTE 7c PROPERTY PLANT AND EQUIPMENT DISCLOSURE                          | 100       |
| NOTE 7d ANALYSIS OF CAPITAL EXPENDITURE                                  | 101       |
| NOTE 8 INVENTORIES   | 102       |
| NOTE 9 TRADE AND OTHER RECEIVABLES                                       | 103 - 104 |
| NOTE 10 AVAILABLE FOR SALE FINANCIAL ASSETS                              | 105       |
| NOTE 11 CASH AND CASH EQUIVALENTS  | 106       |
| NOTE 12 TRADE AND OTHER PAYABLES   | 107 - 108 |
| NOTE 13 PROVISIONS   | 109 - 111 |
| NOTE 14 CONTINGENT LIABILITIES   | 112       |
| NOTE 16 COMMITMENTS  | 113       |
| NOTE 17a RIGHT OF USE ASSETS   | 114       |
| NOTE 17b LEASE LIABILITIES   | 115 - 117 |
| NOTE 18 PFI & SERVICE CONCESSION CONTRACTS                               | 118       |
| NOTE 19 PENSION COSTS  | 119       |
| NOTE 22 FINANCIAL INSTRUMENTS  | 120 - 122 |
| NOTE 24 RELATED PARTY TRANSACTIONS                                       | 123       |
| NOTE 25 THIRD PARTY ASSETS   | 124       |
| NOTE 26 ENDOWMENTS & INTEGRATED JOINT BOARDS CONSOLIDATION               | 125 - 127 |
| <b>SUPPLEMENTARY INFORMATION</b>   |           |
| DIRECTION BY THE SCOTTISH MINISTERS                                      | 128 - 129 |

## Overview

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

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. NHS Forth Valley serves a population of about 302,730<sup>1</sup> in a diverse geographical area which covers the heart of Scotland. Our modern acute hospital, Forth Valley Royal Hospital in Larbert, is one of the most advanced and well equipped in Europe, and is supported by a network of four community hospitals – Stirling Health & Care Village, Falkirk Community Hospital, Clackmannanshire Community Healthcare Centre, Bo'ness Community Hospital – 49 GP Practices, day centers providing care and support for patients with mental illness and learning disabilities and a wide range of community based services.

NHS Forth Valley works in partnership with three local authorities - Clackmannanshire, Falkirk, and Stirling. Each council area has a Community Planning Partnership formed from representatives from health, local authority, key agencies, and other statutory third and private sector organisations. In Addition, there are 2 Health and Social Care Partnerships in Forth Valley providing integrated care to our residents: Clackmannanshire & Stirling Health and Social care Partnership, and Falkirk Health and Social Care Partnership.

For a number of specialist services, we rely on regional arrangements with neighbouring Health Boards. Collaborative working with our NHS colleagues, in particular NHS 24, Scottish Ambulance Service, Healthcare Improvement Scotland, NHS Education Scotland, Golden Jubilee NHS Board, and our work within the regions, supports our service development and delivery across all areas.

The overall purpose of the NHS Board as a governing body is to ensure the efficient, effective, and accountable governance of our local NHS system and to provide strategic leadership and direction for our system. Good governance ensures we do the right things, in the right way, for the right people in a timely, inclusive, open, and accountable manner. The Health Board system of governance is set out under three main governance themes, notably:



- '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

<sup>1</sup> [Mid-2022 Population Estimates Scotland | National Records of Scotland \(nrscotland.gov.uk\)](https://www.nrscotland.gov.uk)

- formulating future strategy and plans.
- ‘Generative governance’ to enable us to influence culture through our leadership and sense making role.

Effective NHS Boards articulate an ambition for their organisation whilst managing the risk contained within that ambition and by demonstrating leadership. By bringing together fiduciary, strategic, and generative governance we can operate within a corporate governance framework that takes account of the NHS Scotland Blueprint for Good Governance: second edition<sup>2</sup> which describes the primary functions of governance:

- setting strategic direction, including clarifying priorities and defining change and transformational expectations.
- holding the executive team to account by seeking assurance that the organisation is being effectively managed, and change is being successfully delivered.
- managing risks to the quality, delivery, and sustainability of services.
- engaging with key stakeholders, as and when appropriate.
- influencing the Board’s and the wider organisational culture.

In summary our commitment is 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.
- promote a culture that listens and engages with people, partners, and our staff to promote teamwork and collaboration.
- 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.

The NHS Board in embracing the roles outlined above is also informed by:

- the external context within which we operate.
- the intelligence which provides trend and comparative information on how our Board is performing.
- dialogue and engagement with our patients, staff, partners, and the people of Forth Valley.

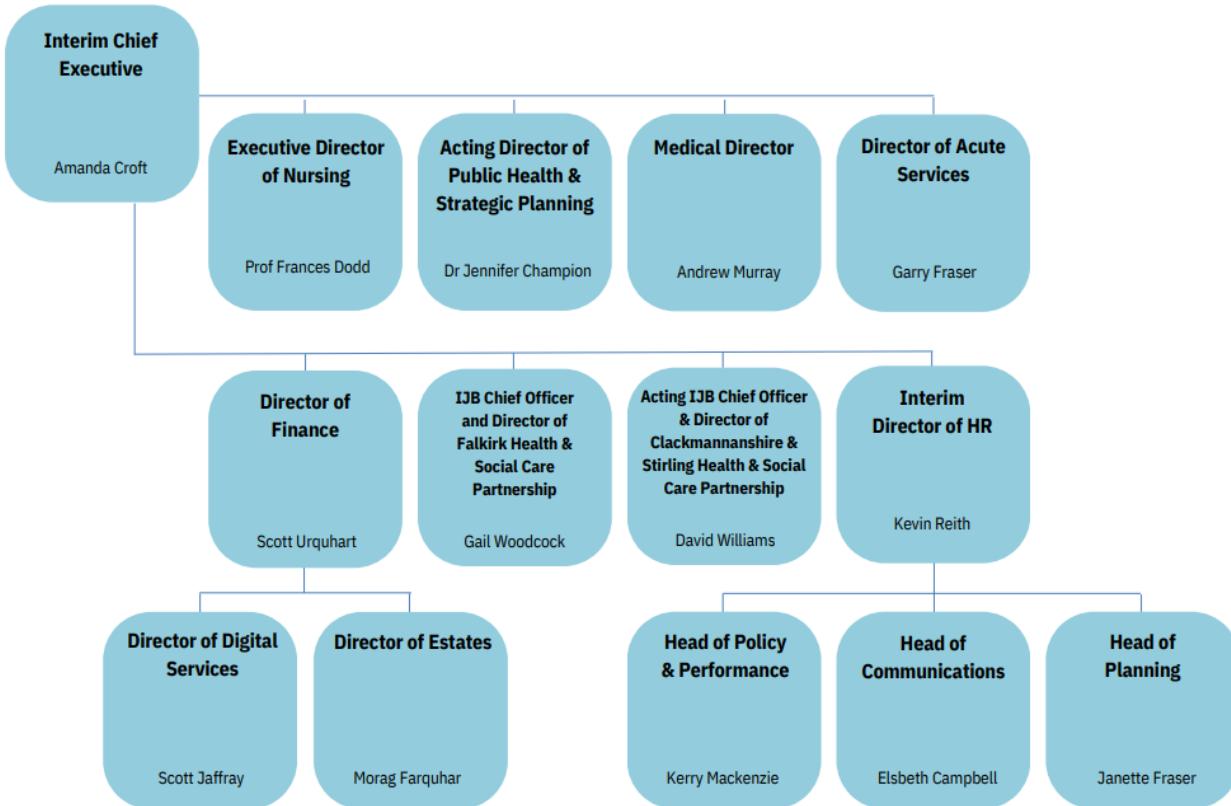
In summary our purpose is: as a Board we aim to improve outcomes in population health and healthcare whilst demonstrating best value.

The organisational structure of the Board, incorporating all core NHS functions, together with structures for the Falkirk and Clackmannanshire and Stirling Partnerships is set out below, and on the Board’s public website<sup>3</sup>.

<sup>2</sup> [Supporting documents - NHS Scotland - blueprint for good governance: second edition - gov.scot \(www.gov.scot\)](http://www.gov.scot)

<sup>3</sup> [Management-Structure-Chart \(nhsforthvalley.com\)](http://nhsforthvalley.com)

**Chart 1: NHS Forth Valley Management Structure**



### **Development of the Health Board's Strategy and Corporate Plan**

The Scottish Government published the NHS Recovery Plan 2021 – 2026 on 25 August 2021. The Plan acknowledges and understands the challenges of the Covid-19 pandemic in terms of the impact on staff in responding to the demands of delivering the required services often in new ways, and in maintaining essential services, such as urgent, emergency, mental health, maternity, and cancer care. The Plan sets out key headline ambitions and actions to be developed and delivered now and over the 5-year period and focuses on ensuring that the process of recovery delivers long term sustainability, with innovation and redesign as well as the creation of additional capacity central to delivery.

Moving to the next phase of Remobilisation, Recovery & Redesign work to support ongoing improvement and resilience, the Annual Delivery Planning guidance 2023/2024 focussed on 'recovery and renewal'. The guidance was framed around 10 recovery drivers:

- Primary and Community Care.
- Urgent and Unscheduled Care.
- Mental Health.
- Planned Care.
- Cancer Care.
- Health Inequalities.
- Innovation Adoption.
- Workforce.
- Digital.
- Climate.

The Annual Deliver Plan (ADP) built on the previous Remobilisation, Recovery and Delivery Plans and the quarterly operational planning arrangements of 2022/2023 and continued to build on the many positive and impactful changes seen throughout the pandemic. The ADP set out activities for the year and also sets out a marker for some medium to longer term objectives as we seek to build back stronger, as part of medium to longer term recovery and stabilisation.

The ADP was prepared in collaboration with the Executive Leadership Team and senior leaders in NHS Forth Valley, Clackmannanshire and Stirling Health and Social Care Partnership and Falkirk Health and Social Care Partnership. The Scottish Government Directorate for Health Performance and Delivery Leads supported the development of the ADP, with guidance documents and regular sponsorship meetings. The plan set out in the narrative document, the Forth Valley priorities for 2023/2024 aligned to the specific requirements set out in the guidance.

In September 2023, the Board noted the progress made with developing the NHS Forth Valley Healthcare Strategy, noted the engagement which had been completed and the plans for further engagement. The Board also noted and approved the timeline for completing the strategy.

As work has progressed, it has been recognised that the Strategy requires to be broader than the delivery of healthcare. Therefore, in line with Scottish Government direction and the Strategic Plans published or being developed by other NHS Boards, it is important that NHS Forth Valley takes a Population Health approach in its strategy development.

The King's Fund defines population health as an approach aimed at improving the health of an entire population. It is about improving the physical and mental health outcomes and wellbeing of people within and across a defined local, regional, or national population, while reducing health inequalities. It includes action to reduce the occurrence of ill health, action to deliver appropriate health and care services and action on the wider determinants of health. It requires collaboration with communities and partner agencies.

Alongside the ambition to improve the health of the people living and working in Forth Valley, the strategic aims include being a high performing health system, supporting innovation and value-based healthcare, and working with our strategic partners in our local communities, as an Anchor organisation.

In order to enable appropriate consideration of population health and to ensure further engagement with appropriate stakeholders, an extended timeline was presented to the NHS Board in March 2024<sup>4</sup>. It is anticipated that the Population Health and Care Strategy 2024 – 2029 will be published in December 2024.

The Corporate Plan provides a connection between national and local context. It brings together the Government's ambition and our response to what has been agreed as key priorities.

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. Revised Corporate Objectives, including a focus on sustainability, were approved by the NHS Board in March 2023<sup>5</sup>. The Corporate Objectives are currently being reviewed.

The working environment continues to be incredibly difficult due to the current financial operating environment, the legacy of the Covid-19 pandemic, along with increasing demand for

<sup>4</sup> [NHS Forth Valley Board Meeting Papers 26 March 2024](#)

<sup>5</sup> [NHS-Forth-Valley-Board-Meeting-Papers-28-March-2023.pdf \(nhsforthvalley.com\)](#)

health and social care services. Continued collaborative working with our partners will be key if we are to tackle the socio-economic and environmental challenges heightened by the Covid-19 pandemic.

## **Corporate Objectives**

- Protect and improve the health and wellbeing of the people of Forth Valley whilst reducing inequalities.
- Support broader social and economic development.
- Improve our focus on safety, quality, and sustainability.
- Promote and develop better integrated services locally and regionally.
- Demonstrate best value using our resources.
- Value and develop our people.
- Build systems and processes to direct, control and improve our authorising and operating environments.

### **Overarching Corporate Objectives**

- Plan for the future.
- Demonstrate behaviours that nurture and support transformational change across our health and care system.

## **Accountable Officer's Overview Report**

Covid-19 has been the most significant challenge our health and care system has faced in living memory and its legacy and ongoing impact has sharpened the Board's focus on inequalities as highlighted in our 'anchor' work and in our unique 'Partnership' with the University of Stirling and Forth Valley College. The cost of living and the focus on climate has focused the Board's commitment to sustainability and reform of our services to support innovation and improvements in accessing services and the health and wellbeing of our local population and staff.

In 2023/24, the Board continued to invest in services to support the redesign of our whole-system urgent and unscheduled care including Out of Hours services, planned care, same day medicine and expansion of Hospital @ Home (H@H). Alongside investment in service redesign has been continued investment in our workforce, including recruiting to permanent posts, international recruitment of nurses and midwives, completing the transition of the majority of health care support workers from Band 2 to Band 3, and investing in new and innovative posts. These investments are intended to support the NHS Board's commitment to service and workforce sustainability whilst reducing our supplementary staffing spend.

As we look to the future and prepare our new Population Health and Care Strategy, we will continue our focus on prevention, early intervention, supporting people to keep well and stay well, whilst tackling inequalities. Primary care and staff wellbeing will continue to be at the core of our plans to stabilise and reform services. Our ambitious plans to improve urgent and unscheduled care performance have started to have an impact. In the coming year we will continue to implement our transformation programme with a focus on pathways, community services to ensure hospital admissions are only when absolutely necessary, improved planning of discharges, acute frailty and improved access to professional-to-professional advice for Ambulance crews, community and Primary Care teams. However, we have to recognise that the impact of critical decisions required to achieve recurring financial cost reductions will impact on capacity, services and performance. We will continue to implement new pathways to support scheduling of patients who traditionally present to the Emergency Department, improving prenoon and weekend discharge rates and delays in transfer or discharge, with a focus on reducing our hospital length of stay, as part of a whole system approach to urgent and unscheduled care.

We have had continued success in delivering innovation and digital improvements with the use

of technology within the Board, and we will ensure we continue to support the acceleration of digital services and innovation to improve patient outcomes and experiences, support value-based care and deliver cost improvement, where appropriate. The digital and eHealth teams have supported a number of key projects in 2023/2024 including the replacement of all 50 information technology (IT) servers within GP Practices in Forth Valley and improving the way users request access to IT systems and how the system is managed from within IT. Projects are categorised with ongoing work in the areas of Working in Partnership, Programme for Government and Innovation, Significant National Initiatives, Local Initiatives and Business as Usual.

#### **Stage 4 Escalation**

On the 23 November 2022, NHS Forth Valley was escalated to Stage 4 of the NHS Scotland Performance Escalation Framework (now Support and Intervention Framework) for concerns relating to Governance, Leadership and Culture. Concerns were also raised in relation to the completion of integration of health and social care in addition to a range of performance-related issues, notably in GP Out of Hours services, unscheduled care, and mental health, specifically, Child and Adolescent Mental Health Services and Psychological Therapies.

Stage 4 escalation brought direct formal oversight and coordinated engagement from Scottish Government in the form of an Assurance Board chaired by Christine McLaughlin, Director of Population Health. The purpose of the Assurance Board is to support NHS Forth Valley in providing focus and direction through strong leadership and effective governance and improved culture to deliver the sustainable changes and improvements required.

On the 19 December 2022, the Board of NHS Forth Valley approved the approach to the development and delivery of NHS Forth Valley's plan response to escalation. This included approving the NHS Board's:

- Escalation Improvement Plan and actions to strengthen leadership, governance, and culture and, in doing so, deliver sustainable improvements in patient and staff experience as well as performance in a number of service areas.
- Programme Governance Structure to direct and oversee the delivery of effective operational services, workforce and budget management, sustainable improvements, and organisational strategy.

The Escalation Improvement Plan was centred around putting patients first, supporting our staff, and working in partnership whilst strengthening our leadership informed by effective governance and cultural improvement.

A number of immediate and short-term actions were agreed for the period to the end of March 2023. This included NHS Forth Valley reaching out to other NHS Boards who had been escalated to Stage 4 in the past to learn from their experiences and to ascertain best practice to help inform and support our own response. It was recognised that the Board's response, whilst learning from elsewhere, would also take direction and be informed by a number of diagnostic reviews notably in determining the effectiveness of our governance arrangements and cultural challenges. An independent review of Corporate Governance was commissioned in January 2023 and the work previously started around the Culture Change and Compassionate Leadership Programme was refocussed.

The Corporate Governance Review was commissioned to assist NHS Forth Valley in identifying any improvements to the approach taken to corporate governance that would be required to address the range of performance-related issues included in the NHS Forth Valley Improvement Plan. The Corporate Governance Review Terms of Reference were approved by the NHS Board in January 2023 with the review outputs anticipated in June 2023.

On 31 March 2023, the then Chief Executive wrote to Christine McLaughlin, Chair of the NHS Forth Valley Assurance Board by way of a progress update and to highlight the approval of

our Escalation Improvement Plan version 2 by the NHS Board on 28 March 2023.

Escalation Improvement Plan version 2 was in place for the period March to August 2023. This included new and ongoing actions from the first iteration of the plan and focussed on medium to longer term achievements. In November 2023 the NHS Board noted a paper 'Escalation Improvement Plan v2: Close out Report', which detailed completion and progress of actions. It highlighted that the Plan had identified 17 high level actions broken down into 64 sub actions. In reviewing progress with the plan, 61% of the sub actions were complete. The remaining actions that were underway continued into the third iteration of the Escalation Improvement Plan known as the Assurance and Improvement Plan and have been monitored within that governance structure.

In November 2023, the NHS Board also approved the Assurance and Improvement Plan. This built upon the work already undertaken in the first two versions and aimed to provide an overview of the key actions and priorities for the period to the end of March 2024, along with details of specific outcomes, leads and timescales. It was agreed that the plan would be updated to reflect the recommendations from the Corporate Governance review report to ensure that any outstanding actions are addressed.

A Board self-assessment was undertaken in September 2023 with the review of Corporate Governance Report received in October 2023. Work was concluded to map these two pieces of work to ensure that any outstanding actions were captured within the Assurance and Improvement Plan.

Work continues to progress with many improvements in both usual and new business processes. Work across all of the priority areas will be embedded in existing and future plans and business arrangements, to support continuous improvement and progress changes across the whole system. Internal Audit has been commissioned to review progress with the Assurance and Improvement Plan with initial feedback received in April 2024.

## **Elective Care**

NHS Forth Valley is now in the third year of a sustainable workforce plan for planned care. All funding has been used to maximise the potential of all grades of staff throughout the workforce structure. To achieve further efficiency and productivity within the current workforce and resources a programme of improvement work is being undertaken. In addition, work is ongoing to ensure the consistent delivery of sustainable services which have potential to increase capacity through agile and flexible use of all available core resources. To support this, we are adopting the Centre for Sustainable Delivery (CfSD) priorities, ensuring rigorous application of the Access policy, monitoring same day cancellations with a view to action planning to address, and working to reduce Did Not Attends.

Forth Valley use the National Three Stage Waiting List Validation Process which includes administration validation, patient validation, and clinical validation. This enables us to reduce demand where appropriate and maximise capacity. This is usually targeted to a specialty to yield maximum results e.g., endoscopy. NHS Forth Valley validation processes have been established and already realised the initial high yield of removals, going forward as services undertake validation under business as usual this will yield small annual removal rate.

NHS Forth Valley continues to work with all CfSD specialty delivery groups and is in the process of implementing recommendations from these groups to deliver on our priority areas of focus. Active Clinical Referral Triage (ACRT) and Patient Initiated Review (PIR) have been implemented across the majority of services with rheumatology and respiratory and gastroenterology to implement PIR robustly in 2024/25.

The Theatre modernisation project has commenced, looking at improvement in theatre flow and maximising efficiency and productivity i.e., booking and scheduling, early adoption of InFix theatre scheduling system, pre-assessment, day surgery, fallow time, list utilisation, and

cancellations. Forth Valley has been the early implementer of Hospital within a Hospital model to focus on protecting resources for planned care.

## **Diagnostics**

Throughout 2023/24 there have been increasing pressures on imaging services, particularly with CT scanning. NHS Forth Valley Radiology department is maximising all available CT capacity with the roll out of a 12-hour working day over 7-days. This is in its infancy and is predicted to be fully covering 7-days come late August 2024. There have been additional agency CT lists in March increasing the activity and enabling improved support to cancer services.

A CT Scan van will be on-site, funded by Scottish Government, by the end of May 2024. This will provide support to the waiting list by reducing the number of longest waiting patients, bringing this closer to the 6-week target. Activity will be shared 50:50 with NHS Lanarkshire. There are also ongoing challenges in Ultrasound however the Scottish Government has agreed to fund a Locum Sonographer for 6-months to cover weekend working to support driving down the long waits.

The Endoscopy team is working closely with the Quality improvement team to move forward improvement work at pace. Modernising ways of working will ensure compliance with the national strategy and guidelines and will maximise current resource and ensure all endoscopy pathways are as efficient as possible.

## **Unscheduled Care**

Being treated in a timely manner in the Emergency Department (ED) is important for both clinical outcomes and the experience of patients: ED or A&E waiting times are often used as a barometer for overall performance of the NHS and social care system. Improving performance against the 4-hour emergency access standard remains challenging. Collaborative work on a whole system basis is ongoing however pressures seen nationally are impacting on the system's ability to see improvements in terms of site decompression.

Work undertaken around a whole system firebreak has provided intelligence and diagnostic data to understand system processes, system constraints, bottlenecks, and queue burden. This is being utilised to support continued improvement work through the system.

In addition, the Centre for Sustainable Delivery undertook an analysis of urgent and unscheduled care designed to help Boards to develop evidence-based planning assumptions upon which to base whole-system improvement plans, and ultimately Annual Delivery Plans and improvement trajectories. The outputs from both pieces of work and from the experience of colleagues have informed an action plan that will support system wide improvements.

## **Mental Health**

NHS Forth Valley Mental Health Services are committed to prevention and early intervention, and providing early year's support, timely access to treatment, and joined up accessible services, meeting the physical needs of people with severe and enduring mental health needs, adopting a human-rights based approach, and supporting people back into the workplace.

Child and Adolescent Mental Health Services have achieved the 18-week referral to treatment standard in the final quarter of 2023/2024. Work is ongoing to maintain the position however this is predicated on a stable referral rate and retention of staff. Plans are in place to build capacity to deliver improved services underpinned by Child and Adolescent Mental Health Services and neurodevelopmental specifications and standards for service delivery.

Performance against the target for Psychological Therapies in 2023/2024 has remained

between 60% and 70% however the service has struggled to sustain significant improvement. Data is being managed through Pentana which supports the service to examine and utilise their data in a proactive manner. Local improvement work continues supported by the use of clinician level data.

Effective matched care means that all patients referred to psychological therapies receive an assessment with a clinician to determine if this is the correct service for the individual and allows for the accurate treatment options to be considered. Group options for treatment have seen a reduction in waits although the wait for individual treatment remains lengthy. The demand for the service continues to increase.

Actions to improve waits within the service include reviewing and revising the referral criteria and expanding the quality improvement work to other teams. There is also a focus quality improvement work.

### **Autumn and winter Flu/Covid programme 2023/24**

Delivery of the Autumn Winter Flu/Covid programme 2023/24 commenced on the 4<sup>th</sup> of September 2023 through to 31<sup>st</sup> March 2024 across NHS Forth Valley following Joint Committee on Vaccination and Immunisation (JCVI) recommendation to co-administer Flu alongside the Covid Vaccination Booster programme for those eligible.

Drawing from learning in previous years NHS Forth Valley operated a hybrid delivery model ensuring accessible vaccination opportunities across the populations. Mass vaccination centres in Clackmannanshire, Stirling and Falkirk opened six days per week 12 hours per day, with pop up rural clinics across our rural areas to help with accessibility. Early adoption of a drop-in facility for Health and Social Care Workers ran consistently throughout the duration of the programme to try and promote uptake rates and limit barriers to access for vaccination.

Support from community partners i.e., local authority, education, and community pharmacies, allowed for an expanded range of locations where patients could access Flu and Covid-19 booster vaccinations. A roving team within NHS Forth Valley along with peer vaccinators in community hospitals and Prison services supported delivery of the programme. District nursing teams in conjunction with the Board Immunisation Team provided vaccinations to the approximately 4,200 housebound population and the Maternity Team played a key role in offering pregnant women vaccination opportunities at midwife led clinics.

Focussed inclusivity work was a key priority in the programme, with people who find difficulty accessing services and marginalised communities supported with pop up sites and mobile units provided in conjunction with the Scottish Ambulance Service (SAS) at areas that were more accessible for them. Further key links were sustained and developed between NHS Forth Valley and the local Dial-a-Journey service which provides a door-to-door transport service for people with mobility problems. This invaluable service ensured support was available to those who required additional help in attending community venues to receive vaccination.

### **Integration**

The transfer of operational management of services, colleagues and budget responsibilities has been undertaken for delegated functions ensuring that teams responsible for services have clear roles and remit, and decision-making authority supporting improved leadership and accountability. This includes the transfer of specialist mental health and learning disabilities, Primary Care and GP out-of-hours services. Health Promotion services have also been aligned to localities within both Partnerships to further support the focus on improving health and addressing inequalities.

As we take cognisance of the challenging financial position, work has commenced to support improvements and to plan for the future. Finance conversations are being undertaken on a whole system basis, including our staff side colleagues, and began at ELT in early January.

A pan Forth Valley review of integration schemes commenced in early 2024 providing an opportunity to further strengthen integrated services and ensure accountabilities and responsibilities. A project team has been established with the first meeting held in January to ensure full engagement with the process. The reviewed integration schemes will ensure better processes and clearer lines of governance and accountability.

Work to review Falkirk Community Hospital is being undertaken on a whole system basis taking a Population Health approach. Community Planning Partnership (CPP) work has been revisited with the Director of Public Health taking a lead role with senior strategic planning support. This will support a population health focus to the development of the Healthcare Strategy which requires a collaborative approach with CPPs integral to this work.

The Assurance and improvement Plan has been developed by ELT in collaboration. Chief Officers have been integral to this development and ongoing review and update. Relationships with the Chief Executive Officers of the Local Authorities and Health and the Chief Officers have improved with open and honest discussions taking place.

### **Primary Care**

There continues to be significant pressures on General Practice and there is an ongoing focus on sustainability in face of the challenges in relation to funding, the availability of both the GP and wider multi-disciplinary workforce and increasing demand and complexity.

Primary Care Services have now been formally delegated to the two Forth Valley Integration Joint Boards (IJBs) and is hosted by the Falkirk IJB and operationally managed by the Falkirk Health and Social Care Partnership (HSCP). A key focus is to ensure we harness the positive opportunities within a more integrated model and that, in the face of the significant pressures already mentioned, develop our shared, system vision for the sustainable future of General Practice and Primary Care in Forth Valley.

In going forward there will be an ongoing commitment to interface work between primary and secondary care with ongoing focus on supporting improvements in communication at times of transfer of patient care and further development of patient pathways to ensure access to right care first time. IT plays a key role in this regard and, despite a delay in national GPIT system, the NHS Board remains committed to developing the IT infrastructure in parallel with the primary care premises improvement programme. IT will be required to support current models of delivering primary care and to capitalise on developing digital solutions for supporting delivery of healthcare. The roll out plan has been forwarded to the national team with start of implementation proposed in April 2024.

### **Out of Hours**

Action has been taken to develop and improve local GP and Primary Care Out-of-Hours (OOH) services in response to the recommendations from an independent review carried out by Professor Sir Lewis Ritchie in October 2022.

In responding to the recommendations, Forth Valley aims to provide an integrated person centred, safe, and sustainable Primary Care Out of Hours service. The long-term redesign of primary care OOH services as part of a wider out of hours health and social care provision continues, which is being taken forward through the Reimagining Care Closer to Home programme and which aims to ensure that people who need care out of core hours receive the right care, at the right place, at the right time, by the right healthcare professional. The developing model outlined in the Reimagining Care Closer to Home programme continues to be progressed and was shared with colleagues at the event held in October 2023. Senior colleagues in the Falkirk HSCP are finalising a detailed project plan to work through and implement the next phase of the integrated service model.

The integrated, multidisciplinary approach remains the priority for the OOH Service with the foundations for this firmly established with the current structure in place. The transition of the Forth Valley OOH night nursing team into the OOH service is further evidence of the continuous development of the service to ensure it remains resilient and flexible to meet the changing demands.

To support resilience within the workforce a number of actions are underway including development of a multidisciplinary workforce, hybrid roles and rotational posts. In response to the ongoing challenge of sufficient GP coverage within the service there is a priority focus on securing the sufficient number of salaried GPs to reduce reliance on sessional GPs, which present the challenge of low levels of engagement. Alongside, there is a proposal being submitted to increase the levels of engagement for the GP on-call service which will ensure appropriate GP coverage on a daily basis. There is ongoing work to optimise the service as a learning environment for all disciplines of staff making the service a more attractive place to work. A number of further actions are being undertaken as part of the OOH Improvement Plan.

### **Healthcare Improvement Scotland**

In December 2022, the Executive Director of Nursing identified a need to enhance current governance structures to ensure effective leadership was in place to address the concerns identified from the Healthcare Improvement Scotland (HIS) inspections of 5-7 April 2022 and 27-28 September 2022, looking at the 'Safe Delivery of Care'. The Executive Director of Nursing on receipt of the inspection report established an Oversight Group to address the HIS findings and requirements and to ensure NHS Forth Valley whole system delivery of improvement and learning.

The Oversight Group is accountable to the Clinical Governance Committee. The Oversight Group is supported in the main by a Working Group and several Short Life Working Groups (SLWG). These Groups include leaders and multiprofessional practitioners from across the organisation and are taking forward actions to address HIS specific requirements, as well as understanding impact of these actions. The SLWGs report progress to the Oversight Group via the main working group and the use of SLWGs has increased the cultural reach of the Oversight Group. This structured governance approach has ensured clear accountability and strong leadership to drive cultural changes forward.

Work continued to ensure that all actions against the recommendations were delivered as part of the improvement plan through the Safe Delivery of Care Working Group with a focus on evidencing sustainable assurance mechanisms and measure impact.

The Working Group had a continued focus to delivering on the outstanding actions against the recommendations and all actions were summarised against each recommendation with the ability to evidence normal arrangements through business as usual. The arrangements were transposed into a closure report as part of the Corporate Portfolio Management Team (CPMO) methodology, and this was presented to the Safe Delivery of Care Oversight Group on 31 January 2024 then to the Clinical Governance Committee on 12 March 2024.

The Safe Delivery of Care work continues to focus on understanding impact of all actions taken on both patient safety and staff wellbeing. Progress is being made in areas where indicators did not exist in the past, there has been an intense staff focus on the areas for improvement and there has been an intense leadership drive to deliver the desired outcomes.

There was and will remain a significant leadership responsibility to support cultural development in openness and transparency. This includes a need to evidence continued impact over time in relation to patient safety and experience, as well as staff wellbeing and experience, as we work continuously to improve the safety and care of our patients.

HIS conducted an unannounced Safe Delivery of Care inspection of Forth Valley Royal Hospital

from the 22 to 24 January 2024. The report and associated improvement action plan<sup>6</sup> were published on 25 April 2024.

During this inspection HIS was assured that significant progress has been made by NHS Forth Valley in all of the areas highlighted during the previous inspections. An open and supportive culture was observed with senior hospital managers displaying a good oversight of both clinical and wider system pressures. Staff described a visible senior hospital management team and felt able to raise concerns. Patients and relatives were complimentary about their care and the staff providing it.

Inspectors observed a significant improvement in both the emergency department acute admission and clinical assessment units. These areas were calm, organised and well led and the patients and relatives spoken to were complimentary about care provided. Learning from patient feedback audits in the clinical assessment and acute admissions waiting areas are being used to implement change to improve patient experience.

The majority of staff the inspectors spoke to described Forth Valley Hospital as a good place to work with a supportive and visible senior management team and an improvement in culture since our previous follow-up inspection in September 2022. Inspectors observed that both the staffing and hospital wide safety huddles followed a structured format and were open and transparent and promoted a culture of psychological safety where staff felt able to raise any concerns. NHS Forth Valley recognised this remains a focus of their improvement work.

Eight of the 17 requirements from the previous safe delivery of care follow-up inspection in September 2022 had been met with the remaining nine being partially met. Inspectors acknowledge and were assured that plans are in place and ongoing improvement work is being undertaken by NHS Forth Valley to meet these remaining requirements. However, where appropriate, new requirements have been given to enable a new focus for improvement. This follow-up inspection resulted in eight areas of good practice, one recommendation and a total of 12 requirements.

Through completion of the follow-up inspection, HIS is assured progress has been made by NHS Forth Valley to satisfy the serious patient safety concerns previously raised under formal escalation processes.

## **Workforce**

NHS Forth Valley is committed to maintaining an appropriately trained and developed workforce who, in their everyday interactions with patients, their families and each other, display our NHS Forth Valley values and behaviours. We have been developing innovative and new ways of working which have been enhanced by digital solutions. New roles continue to emerge that will enable different pathways of care.

In common with other Health Boards, NHS Forth Valley faces many challenges in relation to the delivery of ongoing affordable health care, in addition to implementing the NHS Forth Valley Workforce Plan 2022 – 2025 our key workforce priorities are:

- Refreshing Our People Strategy in line with the National Workforce Strategy.
- Implementing our approved Strategic Workforce Wellbeing Plan 2022- 2025 including launching our new Wellbeing Website and Management Toolkit.
- Launching Our Culture and Compassionate Staff Programme.
- Enhancing the Employee Voice through 'red flag' partnership meetings; Speak Up; Mediation; Patient Safety Visits; and Exit Interview programme.
- Achieving a sustainable workforce through the new Retire and Return policy; Flying Finish programme; Ethical International Recruitment.

<sup>6</sup> [Forth Valley Royal Hospital – acute hospital safe delivery of care inspection: April 2024 – Healthcare Improvement Scotland](#)

- Increase Employability through our Anchor Institution work.
- Focus on Attendance Management.
- Exploring Regional Workforce Solutions.
- Deliver eRostering Solutions.

eRostering continues to be rolled out across NHS Forth Valley to all agenda for change staff and medics. There is currently a particular focus on clinical areas, e.g., nursing, AHPs and Medics to align with the Safer Staffing Act Scotland.

Safecare has also been implemented alongside eRostering across acute nursing areas. SafeCare gives visibility of real time staffing, responds in real time to roster changes e.g. sickness, staffing moves and supplementary staffing. It provides live visibility of staffing levels across wards in relation to patient numbers whilst making optimum use of substantive and supplementary staffing. This will continue across all clinical areas as they are rostered.

To reduce agency reliance and expenditure NHS Forth Valley has committed to a wide recruitment and retention programme. There is an annual Newly Qualified Recruitment programme which has successfully attracted a high number of newly qualified staff nurses over the past few years. This is underway for this year and has been supported by regular contact of senior nursing team, university staff and a series of conversations with students.

To reduce reliance on Health Care Support Worker (HCSW) agency NHS Forth Valley has committed to early engagement with final year nursing students and have offered a one day a week contract, the uptake has been encouraging with 130 applicants. This has been over Adult and Mental Health nursing and the recruitment process is underway.

NHS Forth Valley has engaged with NHS Professionals to successfully recruit 30 new members of staff from overseas during 2023/24. This includes 25 nurses, 3 Physiotherapists and 2 Midwives.

The role of HCWS has recently been evaluated and in recognition of the job development and clinical skills the post has been re-banded from Band 2 to Band 3. In line with the Assistant Practitioner work this will provide a clear career progression framework within NHS Forth Valley for non-registered nursing staff. NHS Forth Valley is committed to working with HEI partners to provide support in the transition to registered practitioner, via supporting access to nursing courses.

Transforming and developing nursing roles for registered practitioners is also key to NHS Forth Valley recruitment and retention strategy. There is currently 174, either trainee or fully qualified Advanced Nurse Practitioners across Acute and Primary Care. NHS Forth Valley has also taken a lead role in the development of Surgical Care Practitioners providing career options and pathways for staff. Mapping robust and varied career pathways through advanced practice, clinical specialism and leadership and management roles will be key in recruiting, retaining, and motivating the nursing workforce.

## **Performance Analysis – Key Non Financial Targets**

The overall approach to performance within NHS Forth Valley underlines the principle that performance management is integral to the delivery of quality improvement and core to sound management, governance, and accountability. During the year a Performance Report has been presented at each Board meeting. The purpose of the Performance Report is to provide information and assurance in respect of the overall performance of Forth Valley NHS Board.

The Performance Report considers key monthly metrics in relation to system-wide performance as we continue to work to stabilise services and provides a month-on-month progress overview. Included within the metrics are the eight key standards that are most important to patients: 12-week outpatient target, diagnostics, 12-week treatment time guarantee, 62-day and 31-day cancer targets, access to Psychological Therapies, access to Child & Adolescent Mental Health

Services and the 4-hour Emergency Access Standard. The Performance Report is under constant review with additional metrics included to ensure the provision of a detailed system-wide picture.

NHS Forth Valley remains committed to reporting on outcome measures and does this through its performance scorecard reporting e.g., HSMR and patient safety, patient experience, and access to, or timeliness of care.

Table 1 provides an overview of key non-financial performance measures comparing the March 2024 position with the March 2023 position. In addition, details of performance in relation to our 2023–2024 planned care activity remobilisation trajectories are highlighted.

**Table 1: Key Non-Financial Performance Measures Overview**

| MEASURE  | DATE            | Mar-24        | Mar-23        |
|--|-----------------|---------------|---------------|
| <b>UNSCHEDULED CARE</b>  |                 |               |               |
| Emergency Department % compliance against 4 hour access target                 | Apr-23 - Mar-24 | <b>47.0%</b>  | <b>47.5%</b>  |
| NHS Forth Valley Overall % compliance against 4 hour target                    | Apr-23 - Mar-24 | <b>56.8%</b>  | <b>61.7%</b>  |
| Minor Injuries Unit % compliance against 4 hour target                         | Apr-23 - Mar-24 | <b>99.8%</b>  | <b>99.7%</b>  |
| <b>OUTPATIENTS</b>   |                 |               |               |
| Total Number of New Outpatients Waiting (Month)                                | 31-Mar-24       | <b>14,834</b> | <b>18,887</b> |
| Number of New Outpatients waiting over 12 weeks (Month)                        | 31-Mar-24       | <b>5,725</b>  | <b>7,699</b>  |
| Compliance with agreed remobilisation activity plan trajectory                 | Apr-23 - Mar-24 | <b>99%</b>    | <b>87%</b>    |
| <b>DIAGNOSTICS</b>   |                 |               |               |
| Percentage waiting less than 42 days - Imaging (Month)                         | 31-Mar-24       | <b>36.2%</b>  | <b>82.2%</b>  |
| Number waiting beyond 42 days - Imaging (Month)                                | 31-Mar-24       | <b>6,580</b>  | <b>767</b>    |
| Compliance with agreed remobilisation activity plan trajectory                 | Apr-23 - Mar-24 | <b>96%</b>    | <b>115%</b>   |
| Percentage waiting less than 42 days - Endoscopy (Month)                       | 31-Mar-24       | <b>63.1%</b>  | <b>67.7%</b>  |
| Number waiting beyond 42 days - Endoscopy (Month)                              | 31-Mar-24       | <b>281</b>    | <b>190</b>    |
| Compliance with agreed remobilisation activity plan trajectory                 | Apr-23 - Mar-24 | <b>155%</b>   | <b>107%</b>   |
| <b>CANCER</b>  |                 |               |               |
| 62 Day Cancer Target - Percentage compliance against target (Quarterly)        | 31-Mar-24       | <b>*74.6%</b> | <b>70.2%</b>  |
| 31 Day Cancer Target - Percentage compliance against target (Quarterly)        | 31-Mar-24       | <b>*99.0%</b> | <b>99.3%</b>  |
| <b>INPATIENTS</b>  |                 |               |               |
| Total Number of Inpatients/Day cases Waiting (Month)                           | 31-Mar-24       | <b>5,275</b>  | <b>4,372</b>  |
| Number of Inpatients/Day cases waiting over 12 weeks (Month)                   | 31-Mar-24       | <b>2,899</b>  | <b>2,193</b>  |
| Compliance with agreed remobilisation activity plan trajectory                 | Apr-23 - Mar-24 | <b>119%</b>   | <b>81%</b>    |
| <b>MENTAL HEALTH</b>   |                 |               |               |
| Psychological Therapies - 18 week RTT compliance (Monthly)                     | 31-Mar-24       | <b>73.5%</b>  | <b>78.2%</b>  |
| Psychological Therapies - 18 week RTT compliance (Quarterly)                   | 31-Mar-24       | <b>*68.9%</b> | <b>71.1%</b>  |
| Child & Adolescent Mental Health Services - 18 week RTT compliance (Monthly)   | 31-Mar-24       | <b>95.5%</b>  | <b>46.0%</b>  |
| Child & Adolescent Mental Health Services - 18 week RTT compliance (Quarterly) | 31-Mar-24       | <b>*92.8%</b> | <b>42.5%</b>  |

\* figures for the quarter ending March 2024 are provisional

### Unscheduled Care

In 2023/2024, compliance with the Emergency Access Standard (EAS), 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 99.8%
- Emergency Department 47.0%
- Forth Valley overall 56.8%

Minor injuries performance has remained better than the standard however there has been a reduction in the percentage of patients waiting less than the 4-hour EAS overall.

An intervention plan has been developed to support improvement in the 4-hour EAS performance on the Forth Valley Royal site. This is being progressed in conjunction with the work being undertaken through the Urgent and Unscheduled Care Delivery plan. A number of immediate actions are being taken including increased focus on the discharge lounge with more patients to be identified and received earlier in the day, and direct assistance through the Centre for Sustainable Delivery.

Frailty cohorting is in place in the Acute Assessment Unit, the Manchester triage is now being undertaken in the Emergency Department, and discharge without delay work continues. Key performance indicators and trajectories are in place to support monitoring and management of performance in this area. The Manchester Triage System is a clinical risk management tool used by clinicians to enable them to safely manage patients flow when clinical need exceeds capacity.

## **Outpatients**

The total number of patients waiting, and the number of patients waiting beyond 12 weeks for a first appointment has decreased or improved comparing March 2024 with March 2023.

- Total number of patients waiting for a first outpatient appointment at the end of March 2024 was 14,834 compared with 18,887 at the end of March 2023.
- The number of patients waiting beyond 12 weeks for a first outpatient appointment at the end of March 2024 was 5,725 compared with 7,699 at the end of March 2023.
- From April 2023 to March 2024 NHS Forth Valley delivered 57,138 outpatient appointments against the remobilisation plan trajectory of 57,985 appointments. This is 99% compliance against the plan agreed with the Scottish Government.

## **Diagnostics**

Performance against the 6-week standard has reduced in both imagining and endoscopy services however endoscopy activity being better than that planned.

### **Imaging:**

- The number of patients waiting beyond 6 weeks in March 2024 for imaging was 6,580 compared with 767 patients in March 2023.
- From April 2023 to March 2024 NHS Forth Valley delivered 34,351 imaging appointments (x-ray, CT, MRI, and non-obstetric ultrasound) against the remobilisation plan trajectory of 35,620 appointments. This is 96% compliance against the plan agreed with the Scottish Government.

### **Endoscopy:**

- The number of patients waiting beyond 6 weeks in March 2024 for endoscopy (upper and lower gastrointestinal endoscopy, colonoscopy, and cystoscopy) was 281 compared with 190 in March 2023.
- From April 2023 to March 2024 NHS Forth Valley delivered 7,782 endoscopy appointments against a plan of 5,017 appointments. This is 155% compliance against the plan agreed with the Scottish Government.

## **Cancer**

The target is, 95% of patients referred urgently with a suspicion of cancer to begin treatment within 62 days of receipt of referral and, 95% of all patients diagnosed with cancer to begin treatment within 31 days of decision to treat.

### **62-day cancer target**

- In the quarter ending March 2024, 74.6% of patients with a suspicion of cancer were treated within 62 days compared with 70.2% in the quarter ending March 2023.

### **31-day cancer target**

- In the quarter ending March 2024, 99.0% of patients were treated within 31 days of decision to treat compared with 99.3% in the quarter ending March 2023.

Cancer services remain a priority for scheduled care. All Urgent Suspicion of Cancer referrals are tracked to support achievement of the 31-day and 62-day access targets. In areas where this is not reached priority measures are taken to address this. A robust monitoring system has been established to identify reasons for breaches and ensure a plan is in place to prevent further non-compliance.

### **Inpatients**

The total number of patients waiting, and the number waiting beyond 12 weeks for inpatient or daycare treatment has increased comparing March 2024 with March 2023.

- Total number of patients waiting for inpatient or daycare treatment at the end of March 2024 was 5,275 compared with 4,372 at the end of March 2023.
- The number of patients waiting beyond 12 weeks for inpatient or daycare treatment at the end of March 2024 was 2,899 compared with 2,193 at the end of March 2023.
- From April 2023 to March 2024 NHS Forth Valley delivered 10,002 inpatients/daycases against the remobilisation plan trajectory of 8,402 appointments. This is 119% compliance with the plan agreed with the Scottish Government.

### **Mental Health**

#### **Psychological Therapies**

Psychological therapies refer to a range of interventions, based on psychological concepts and theory, which are designed to help people understand and make changes to their thinking, behaviour, and relationships in order to relieve distress and to improve functioning. The target applies specifically to psychological therapies for treatment of a mental illness or disorder.

The Psychological Therapies target is, 90% of patients to start treatment within 18 weeks of referral. There has been a reduction in performance comparing March 2024 with March 2023.

- In March 2024, performance against the 18-week referral to treatment standard was 73.5% compared with 78.2% in March 2023.
- In the quarter ending March 2024 68.9% of patients were seen within the 18-week referral to treatment standard compared with 71.1% in March 2023.

Performance against the standard has consistently been above 60% with a high of 79% in August 2023, however the 90% target has not been reached. It is acknowledged that as patients that have waited a long period of time, and have already waited longer than 18 weeks, are treated the target will not be achieved. Once the long waiting patients are seen the target will come back into line.

#### **Child & Adolescent Mental Health Services (CAMHS)**

CAMHS develop and deliver services for those children and young people (and their parents/carers) who are experiencing the most serious mental health problems. They also have an important role in supporting the mental health capability of the wider network of children's services. CAMHS are usually delivered by multidisciplinary teams including nurses, psychiatrists, psychologists, social workers, and others.

The CAMHS target is, 90% of patients to start treatment within 18 weeks of referral. There has been an improvement in performance comparing March 2024 with March 2023.

- In March 2024, performance against the 18-week referral to treatment standard was 95.5% compared with 46.0% in March 2023.
- In the quarter ending March 2024, 92.8% of patients were seen within the 18-week referral to treatment standard compared with 42.5% in the quarter ending March 2023.

The 18-week referral to treatment standard will continue to be monitored closely to ensure continued LDP compliance.

## **Delayed Discharges**

Delayed discharge refers to the process when a person who is clinically ready for discharge from inpatient hospital care continues to occupy a hospital bed beyond the ready for discharge date. The ready for discharge date is a clinical decision, taken in collaboration with the wider multi-disciplinary team, and is the point at which the person no longer requires treatment in a hospital setting. If that person is then still in hospital after midnight at the end of the ready for discharge date, then they are classed as a delayed discharge.

There is a significant increase in the delayed discharge position at the March 2024 census compared to March 2023.

**Table2:** Delayed Discharges March 2024 compared to March 2023

|   | March 2024 | March 2023 |
|---|------------|------------|
| Standard Delay compared with March s    | 90         | 53         |
| Standard Delays over 2 weeks            | 28         | 34         |
| Code 9 exemptions                       | 54         | 38         |
| Total delays                            | 114        | 91         |
| Bed days occupied by delayed discharges | 3,411      | 2,067      |

The reasons for delay are broken down under 3 broad headings, health and social care reasons, patient/carer/family related reasons, and code 9 cases. Health and social care reasons are where the delay is as a result of the patient undergoing an assessment or waiting for care arrangements, a care home place, funding or transport. Patient, carer, or family related reasons are where the delay sits with the person themselves, their carer or family. Code 9 refer to complex delays e.g., people waiting place availability in a specialist facility, people delayed due to requirements of the Adults with Incapacity legislation, and people awaiting completion of complex care arrangements.

As well as the potential impact to the health and wellbeing of a patient as a result of a delay in discharge, delays have an impact across the healthcare system in respect of patient flow from the front door of the hospital through to admission and beyond. Delayed discharges are being addressed in partnership as part of the system-wide focus on the 4-hour emergency access standard.

## **Workforce**

Absence remains above the locally agreed 4.5% target with a reduction noted at March 2024 compared with March 2023. From 1<sup>st</sup> September 2022 coronavirus absences are included within the sickness absence totals however there are still some instances recorded as Special Leave and are not included within the sickness absences.

- In March 2024 the sickness absence rate was 7.00% compared with 7.34% in March 2023.
- The 12-month rolling average April 2023 to March 2024 is 7.15% compared with 7.29% in the period April 2022 to March 2023

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

- 0.06% in March 2024 compared with 0.7% in March 2023

The management of absence and the improvement of staff wellbeing remain key priorities for NHS Forth Valley noting a 2% reduction in absence has been agreed as part of the escalation response and has been included in the Executive Leadership Team objectives. Issues in relation to workforce are a key focus of the Staff Governance Committee and Area Partnership Forum.

## **Performance Summary**

Notwithstanding the challenges in delivery of unscheduled care, NHS Forth Valley has consistently performed well in the provision of scheduled care despite the increase in the number of patients waiting in some areas. This is evidenced through the level of activity provided against the plans agreed with Scottish Government colleagues. NHS Forth Valley has also been supporting other NHS Boards with a programme of mutual aid. In the financial year approximately 2,500 outpatient and 970 inpatient and daycases have been undertaken for other NHS Board areas.

Focus will remain on all areas of performance with particular attention on the eight key standards that are most important to patients namely, 12-week outpatient target, diagnostics, 12-week treatment time guarantee, 62-day and 31-day cancer targets, access to Psychological Therapies, access to Child & Adolescent Mental Health Services and Accident & Emergency 4-hour waits.

## **Social Matters**

NHS Forth Valley is committed to leading and promoting Equality and Diversity, equal opportunities and supporting human rights in terms of the provision of health services for the community it serves and in its practice as an exemplar employer. This is achieved by meeting sustainable procurement targets, delivering an ethical supply policy and implementation of Employability Strategies.

The NHS Forth Valley Anchor Strategic Plan 2023 – 2026 was submitted to the Scottish Government at the end of October 2023. The Anchor Strategic Plan describes the origin and development of NHS Forth Valley's anchor programme of work, baseline activities and the actions to be progressed. Guidance advised that procurement, employment and land and assets be the focus for 2023-2026. The Anchor Strategic Plan sets out a logic model for these with the outcome of improving healthy life expectancy, particularly for communities of greatest need within Forth Valley. Scottish Government colleagues have provided feedback highlighting that NHS Forth Valley Anchor Strategic Plan is an exemplar plan which clearly sets out priorities, outcomes, actions, and milestones for the three key Anchor strands as well as plans to measure progress.

The existing strong partnership with the Community Planning Partnerships to, for example, develop the Forth Valley Community Wealth Building Consortium are highlighted along with the partnership with Forth Valley University and College with a focus on workforce. Additionally, work has been undertaken to take this forward regionally and it has been agreed that there will be a Forth Valley wide Anchor Institute led by the Chief Executives of the 3 Local Authorities and the Chief Executive of NHS Forth Valley.

NHS Forth Valley is fully committed to the prevention of bribery and corruption, and the Bribery Act 2010 is reflected within the Code of Corporate Governance, which includes the Standing Financial Instructions, and the Code of Conduct for staff. A clause in NHS Forth Valley Board contract standard terms and conditions prohibits any gift, payments, or consideration of any kind as an inducement or reward and highlights the criminal nature of such offences under the legislation.

## **Financial Performance**

The Scottish Government requires NHS Boards to meet 3 key financial targets: a Revenue Resource Limit, a Capital Resource Limit, and a Cash Requirement. We have delivered all three targets for 2023/24. Note that both the Revenue and Capital Resource Limits are comprised of Core and Non-Core expenditure<sup>7</sup>, further details of which can be found in the Summary of Resource Outturn (see note 2a). Financial outturn performance for 2023/2024 is summarised in table 3 below.

<sup>7</sup> Non-Core expenditure typically relates to items of a technical accounting nature.

**Table 3:** Financial Outturn Performance 2023/2024

| 2023/24 Financial Performance        | Limit set by SGHSCD | Actual Outturn | Variance (Deficit)/ Surplus |
|--------------------------------------|---------------------|----------------|-----------------------------|
|                                      | £000s               | £000s          | £000s                       |
| Core Revenue Resource Limit          | 773,188             | 772,954        | 234                         |
| Non-Core Revenue Resource Limit      | 22,430              | 22,430         | 0                           |
| <b>Total Revenue Resource Limits</b> | <b>795,618</b>      | <b>795,384</b> | <b>234</b>                  |
|                                      |                     |                |                             |
| Core Capital Resource Limit          | 8,863               | 8,863          | 0                           |
| Non-Core Capital Resource Limit      | 613                 | 613            | 0                           |
| <b>Total Capital Resource Limits</b> | <b>9,476</b>        | <b>9,476</b>   | <b>0</b>                    |
|                                      |                     |                |                             |
| <b>Cash Requirement</b>              | <b>894,926</b>      | <b>894,926</b> | <b>0</b>                    |

Despite the favourable revenue outturn position reported in table 3 above, significant financial challenges were experienced during the course of the year, particularly within the Acute Services Directorate. This reflected high levels of service demand and continued use of unfunded contingency areas, together with increases in the costs of drugs and devices, ongoing covid legacy expenditure and delays in delivering recurring savings plans.

Achievement of financial targets was therefore only possible through a series of non-recurring measures applied in year including identification of further efficiency savings, receipt of significant additional unplanned funding from the Scottish Government and fortuitous benefits arising from lower CNORIS contributions and the settlement of historic outstanding balances. Whilst these measures enabled financial targets to be delivered in year, it is recognised that they were largely non-recurring which does not address recurring budget shortfalls and longer-term financial sustainability.

A £25.0m savings target was identified for 2023/24. During the course of the year recurring savings of £2.7m were delivered with the residual balance of £22.3m achieved on a non-recurring basis. The delay in achieving recurring savings was partially due to the extended lead in time necessary to develop and implement the associated project plans (particularly in relation to energy efficiency schemes) and the limited availability of key staff to drive forward progress given the ongoing requirement for them to focus on immediate frontline service pressures. The unachieved recurring savings balance from 2023/24 has been carried forward and incorporated in our financial plan for 2024/25.

Table 4 below illustrates the impact of financial flexibility permitted via the Scottish Government on the Board's revenue outturn for 2023/24. This flexibility permits all NHS Boards to manage small under or overspends within 1% of resource as part of an overall breakeven position across a three-year financial planning period (2023-26). The Board's three-year financial plan covering this period was submitted to Scottish Government on 3 March 2023, a letter was issued by the Scottish Government in response on 31 March 2023.

Financial flexibility of £1.9m was applied in 2023/24. This was comprised £0.3m of funding provided by the Scottish Government in respect of the prior year surplus achieved less £2.1m of funding banked with Scottish Government for return in 2024/25. Without this financial flexibility, the Board would have reported an underspend of £2.1m against the core Revenue Resource Limit (equivalent to 0.3%). As this balance is within the one per cent flexibility afforded by the three-year financial planning process, this will be managed within an overall breakeven position in the period to 2025-26.

**Table 4:** Memorandum for in year outturn

| MEMORANDUM FOR IN YEAR OUTTURN  | £000s |
|---|-------|
| Core Revenue Resource Variance (Deficit) / Surplus in 2023/24                 | 234   |
| Financial flexibility: funding banked with/ (provided by) Scottish Government | 1,903 |
| Underlying (Deficit) / Surplus against Core Revenue Resource Limit            | 2,137 |
| Percentage  | 0.3%  |

Capital expenditure during 2023/24 amounted to £8.9m, which reflects a broad range of planned capital investment projects including ongoing building works in respect of the National Treatment Centre, various information management and technology priorities (including the IT infrastructure refresh programme and cyber security) purchase of new medical equipment and various facilities and infrastructure schemes (including energy efficiency initiatives, statutory health and safety requirements and premises flooring upgrades).

### Payment Performance

The Scottish Government and NHS Forth Valley are committed to supporting businesses in the current economic situation by paying bills more quickly to support the sustainability and resilience of our key supply chain networks. In line with the Scottish Government's prompt payment policy, the aim is to achieve payment of all undisputed invoices within 10 working days across all public bodies. Performance against the prompt payment policy is summarised in table 5 below.

**Table 5:** Payment performance 2023/2024

| Payment performance                          | 2023/24 | 2022/23 |
|--|---------|---------|
| Average period of credit taken               | 13 days | 14 days |
| Total number of invoices                     | 107,346 | 93,006  |
| Total number of invoices paid within 30 days | 99,171  | 84,346  |
| Percentage of invoices paid within 30 days:  |         |         |
| - by volume                                  | 92.38%  | 90.69%  |
| - by value                                   | 94.39%  | 94.83%  |
| Percentage of invoices paid within 10 days:  |         |         |
| - by volume                                  | 73.43%  | 77.57%  |
| - by value                                   | 79.48%  | 85.54%  |

### Sustainability and Environmental Reporting

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

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

Further information on the Scottish Government's approach can be found in the Climate

Change Plan 2018-2032 while national reports can be found at the following resource:  
<https://sustainablescotlandnetwork.org/reports>

Progress in terms of responding to the climate emergency was affected by the Covid-19 pandemic and in November 2021 DL (2021) 38<sup>8</sup>, the NHS Scotland Policy on the Climate Emergency and Sustainable Development, came into force. DL38 is underpinned by the NHS Scotland Climate Emergency and Sustainability Strategy: 2022 - 2026 that was published on 16 August 2022<sup>9</sup>.

These documents clearly set out what NHS Scotland Boards are expected to do to mitigate the impacts of climate change and shift onto a net-zero trajectory. The Scottish Government has set out challenging aims and targets for NHS Scotland's response to the climate emergency and environmental sustainability.

NHS Scotland Boards report progress annually in two ways in relation to climate change and sustainability to the Scottish Government: as a Statutory requirement of the Public Bodies Climate Change Duties and more recently to demonstrate compliance with the NHS Scotland Climate Emergency & Sustainable Development Policy, DL (2021) 38. These submissions cover the preceding Financial Year. The NHS Forth Valley Annual Climate Emergency and Sustainability Report 2022/2023<sup>10</sup> reflects the multi-disciplinary approach that has been adopted by the NHS Forth Valley in responding to the climate emergency and addressing requirements within DL38.

The annual reports are underpinned by the NHS Forth Valley Climate Emergency & Sustainability Strategy and Action Plan 2023-2026<sup>11</sup>.

## **Key Issues and Risks**

Our escalation to Stage 4 of the NHS Scotland Performance Escalation Framework (now Support and Intervention Framework) for concerns relating to Governance, Leadership, Culture, included a range of performance-related issues notably in GP and Primary Care Out of Hours services, unscheduled (emergency) care, and mental health has been supported by three versions of an Improvement Plan along with outputs from the External Review of Corporate Governance and findings from the Board Self-Assessment Survey. These continue to be key areas of work and focus for NHS Forth Valley with work continuing to progress and many improvements in place. Work across all of the priority areas will be embedded in existing and future plans and business arrangements, to support continuous improvement and progress changes across the whole system as we work towards de-escalation.

Delivery of the 4-hour emergency access standard remains challenging. The initial aim is to consistently achieve 50% however the winter pressures experienced in 2023/2024 have not eased. Analysis shows the trajectory towards natural seasonal variation and the anticipated decrease in pressures in terms of contingency beds is slower than in previous years. One of the key areas of work is to ensure there is flow through the whole system allowing patient flow out of the emergency department. This is supported by an urgent and unscheduled care recovery plan delivered through a number of workstreams.

NHS Forth Valley has delivered a balanced budget for 2023/2024 however a range of measures to deliver ongoing service transformation, cost improvement and efficiencies will be required to address financial sustainability going forward. The scale of the financial challenge over the next 5 years is unprecedented and given the nature of the current financial environment and operating context, it is extremely unlikely that financial balance will be

<sup>8</sup> [https://www.sehd.scot.nhs.uk/dl/DL\(2021\)38.pdf](https://www.sehd.scot.nhs.uk/dl/DL(2021)38.pdf)

<sup>9</sup> [Supporting documents - NHS Scotland climate emergency and sustainability strategy: 2022-2026 - gov.scot \(www.gov.scot\)](https://www.gov.scot/Supporting%20documents%20-%20NHS%20Scotland%20climate%20emergency%20and%20sustainability%20strategy%202022-2026%20-%20gov.scot)

<sup>10</sup> [NHS Forth Valley Annual Climate Emergency and Sustainability Report 2022-23](https://www.gov.scot/NHS%20Forth%20Valley%20Annual%20Climate%20Emergency%20and%20Sustainability%20Report%202022-23)

<sup>11</sup> [NHS Forth Valley Climate Emergency & Sustainability Strategy & Action Plan 2023-2026](https://www.gov.scot/NHS%20Forth%20Valley%20Climate%20Emergency%20%26%20Sustainability%20Strategy%20%26%20Action%20Plan%202023-2026)

delivered during the timeframe of the latest 5 year revenue plan. It is clear that whole system transformation and reform is required to address longer term financial sustainability as part of the strategic direction for the future delivery of safe and effective health and care services within available resources. This mirrors the findings in Audit Scotland's recently published report on NHS in Scotland 2023<sup>12</sup>. Financial sustainability will be a key theme embedded within the refresh of the NHS Forth Valley Healthcare Strategy and this must also underpin our associated future workforce and digital health strategies.

The Capital budget position is equally challenged over the next 5 years and will require careful management to ensure all infrastructure, digital and medical equipment priorities can be met within available funding (including statutory health and safety and other compliance requirements).

The impact of wider economic price inflation is also a key factor, particularly in relation to procurement of routine non-pay items including consumables and medicines, annual movements on contract prices with a particular impact on high value annual payments which are aligned to general or Retail Price Index inflation rates, and capital investment costs due to changes in market prices.

With increasing demand for health and care services, employees are critical to the delivery of services and our strategic ambitions with workforce recruitment and retention a key risk for NHS Forth Valley. There is a need to identify our future staffing needs and ensure we have the plans in place to attract and retain the workforce required to deliver high quality local services, now and in the future. NHS Forth Valley needs to ensure it has the right staff, appropriately skilled and in the right place.

The Strategic Risk Register includes a risk of maintaining financial sustainability, which is currently scored as very high. This reflects the unprecedented financial operating environment and the risks in relation to ongoing capacity, workforce pressures and delayed discharge profile which are driving increased use of temporary staffing and contingency beds along with the impact of the current economic climate.

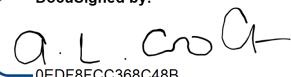
The Strategic Risk Register is regularly reviewed, updated, and presented to our NHS Board along with details of the action being taken to mitigate these. Each strategic risk has been aligned to one of the standing assurance committees i.e., Clinical Governance Committee; Performance & Resources Committee; Staff Governance Committee. Focused reviews of each Strategic Risk have been timetabled at relevant assurance committees throughout 2023/2024. Further information on risk is included in the Governance Statement.

The Covid-19 pandemic and its legacy continue to impact on our health and care system, alongside the rising demand for healthcare and the increasing complexity associated with the ageing population in Forth Valley.

## **Performance Report Approval**

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

— DocuSigned by:

  
A. L. Croft

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**Ms Amanda Croft**  
**Interim Chief Executive 18 June 2024**

<sup>12</sup> [NHS in Scotland 2023 \(audit.scot\)](https://audit.scot/reports/nhs-in-scotland-2023)

**FORTH VALLEY NHS BOARD**  
**ANNUAL ACCOUNTS YEAR ENDED 31 MARCH 2024**  
**ACCOUNTABILITY REPORT**

The accountability report is primarily designed to meet key the accountability requirements to Scottish Parliament and is formed of 3 sections:

1. The Corporate Governance Report – this summarises the composition and organisation of the Board's governance structures and how they support the achievement of our objectives. This includes the Directors' Report, the Statement of Accountable Officer's responsibilities and the Governance Statement.
2. The Remuneration and Staff Report – this outlines the Board's remuneration policy for Directors, reports on how that policy has been implemented and sets out the amounts awarded to Directors (and where relevant the link between performance and Remuneration).
3. The Parliamentary Accountability Report – this collates the key parliamentary accountability documents within the annual report and accounts in line with the requirements of the Scottish Public Finance Manual.

**CORPORATE GOVERNANCE REPORT**

**DIRECTORS' REPORT**

Date of Issue

The Accountable Officer authorised these financial statements for issue on 18 June 2024.

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. Public audit appointments in Scotland are rotated on a 5-year cycle in order to maintain External Auditors' independence. 2022/23 marked the start of a new 5-year cycle and the Auditor General has appointed Deloitte LLP as NHS Forth Valley's external auditor for this period. 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.

Legal Form

Forth Valley NHS Board is a public body constituted under the National Health Service (Scotland) Act 1978 (as amended) with registered headquarters at Carseview House, Castle Business Park, Stirling, FK9 4SW.

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 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 were as follows:

### Non-Executive Members

|                       |   |
|-----------------------|---|
| Ms Janie McCusker     | Chair (until 29 February 2024)  |
| Mr Martin Fairbairn   | Non-Executive Director  |
| Mr Gordon Johnston    | Non-Executive Director  |
| Mr Stephen McAllister | Non-Executive Director  |
| Dr Michele McClung    | Non-Executive Director  |
| Mr Allan Rennie       | Non-Executive Director (acting Chair from 1 <sup>st</sup> March 2024) |
| Mr John Stuart        | Non-Executive Director  |

### Local Authority Members

|                     |   |
|---------------------|---|
| Cllr Fiona Collie   | Non-Executive Director                      |
| Cllr Danny Gibson   | Non Executive Director (until 27 June 2023) |
| Cllr Wendy Hamilton | Non Executive Director                      |
| Cllr Gerry McGarvey | Non-Executive Director (from 29 June 2023)  |

### Advisory Committee Chairs / Employee Director

|                      |  |
|----------------------|--|
| Mrs Kirstin Cassells | Non-Executive Director - Chair Area Clinical Forum |
| Mr Robert Clark      | Non-Executive Director – Employee Director         |

### Executive Members

|                      |   |
|----------------------|---|
| Mrs Cathie Cowan     | Chief Executive (until 10 September 2023)               |
| Ms Amanda Croft      | Interim Chief Executive (from 11 September 2023)        |
| Dr Jennifer Champion | Acting Director of Public Health (from 2 October 2024)  |
| Mrs Frances Dodd     | Executive Nurse Director                                |
| Miss Linda Donaldson | Director of Human Resources (until 30 July 2023)        |
| Dr Graham Foster     | Director of Public Health (until 1 October 2023)        |
| Mr Andrew Murray     | Medical Director  |
| Mr Kevin Reith       | Interim Director of Human Resources (from 31 July 2023) |
| Mr Scott Urquhart    | Director of Finance                                     |

### 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 2024 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' interests

A full register of interests of Board members was updated in April 2024 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 2023/24 the Board's external auditors, Deloitte, undertook no non-audit work.

### Information Commissioner (ICO) Reported Incidents

Details are provided within the Governance Statement (Table 6), following this section.

### 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>

**FORTH VALLEY NHS BOARD**  
**ANNUAL ACCOUNTS YEAR ENDED 31 MARCH 2024**  
**ACCOUNTABILITY REPORT**

**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. As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Forth Valley NHS Board's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

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 issued to me on 11 September 2023.

**FORTH VALLEY NHS BOARD**  
**ANNUAL ACCOUNTS YEAR ENDED 31 MARCH 2024**  
**ACCOUNTABILITY REPORT**

**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.

I confirm that NHS Forth Valley is compliant with the aspects of the Scottish Public Finance Manual (SPFM) which are set out within the guidance issued to Chief Executives and more generally to all Board members by the Scottish Government Health Directorates as being applicable to NHS Boards.

In terms of enabling me to discharge my responsibilities as Accountable Officer, the following arrangements and processes have been in place throughout the financial year to manage risk within the organisation:

- A Board which meets regularly to consider the plans and strategic direction of the organisation and approve decisions in line with the Scheme of Delegation. The Board comprises the executive members of the organisation and non-executive members.
- A single system of governance and risk management arrangements with clear supporting lines of accountability and agreed Scheme of Delegation, Standing Financial Instructions and Standing Orders.
- The consideration by the Board of minutes and reports from Performance & Resources (including Information Governance), Staff Governance, Clinical Governance, Remuneration and Audit and Risk Committees, concerning any significant matters on governance, risk, and internal controls.
- Prioritisation of risks and allocation of responsibility for mitigating action to named senior officers.
- A focus on Best Value and a commitment to ensuring that resources are used efficiently, effectively, and economically taking into consideration equal opportunities and sustainable development requirements.

**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 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.

With risks being thread through performance reporting, a level of assurance is applied to Board and Assurance Committee papers detailing the areas assurance is being provided on and stating why this level of Assurance is proposed. The assurance is in relation to the level of controls in place and aligns with our Internal Auditors definition of assurance i.e., Substantial,

The SPF 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 SPF 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.

### The overall purpose of the Forth Valley NHS 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.

### The Function of the Board

- Setting the direction, including clarifying priorities and defining change and transformational expectations.
- Holding the Executive Leadership Team to account by seeking assurance that the organisation is being effectively managed, and change is being successfully delivered.
- Managing risks to the quality, delivery and sustainability of services.
- Engaging with key stakeholders, as and when appropriate.
- Influencing the Board's and the wider organisational culture.

### 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 receive an updated copy of the Code of Corporate Governance annually. The Code of Corporate Governance is kept under review and amended as necessary to reflect current policy and guidance, and the work nationally to improve and standardise governance across NHS Scotland. 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, Fraud Standards, Standards of Business Conduct for Staff and the Risk Management Framework. 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 Committees. 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 NHS Recovery, 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. 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 six standing Governance Committees meet throughout the year to consider issues within their remit including governance, performance, and the management of risk.

#### Stage 4 Escalation

Detail of the Escalation to Stage 4 of the NHS Scotland Performance Escalation Framework (now Support and Intervention Framework) for concerns relating to Governance, Leadership and Culture is described in the Accountable Officer's Overview Report

#### NHS Board Issues

The NHS Board met every two months throughout 2023/2024. One special Board was held in 2023 with a programme of Board Seminars or development sessions scheduled throughout the year.

In 2023/2024, every NHS Board meeting started with a patient or staff story. A number of standing items were presented to each meeting of the NHS Board. These include the Healthcare Associated Infection Reporting Template, Performance Scorecard, Person Centred Complaints and Feedback Report and Finance Report. In addition, an update on progress with our action plans in relation to escalation was received by the Board.

The Forth Valley NHS Board received regular minutes from standing assurance committees, namely, Audit and Risk, Clinical Governance, Performance and Resources and Staff Governance along with minutes from the Clinical Governance Committee and the Area Partnership Forum. In addition, minutes from the two Integration Joint Boards were presented along with their Annual Reports.

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

- National Principles for the Management of Agency Workforce Supply to NHS Scotland Health Boards

Board members noted that the Chief Nursing Officer had commissioned and led a task and finish group to look at supplementary staffing including nursing agency spend. The work was intended to eradicate the use of off-framework agency nursing staff from 1 June 2023. Board Members noted this was a national approach and would be implemented by all NHS Boards.

- Data Protection Officer Report

Board members were informed that NHS Forth Valley had appropriate processes and controls in place to manage its obligations under data protection legislation as evaluated by an external review process conducted by the Information Commissioners Office.

- Whistleblowing Standards and Activity Report

A quarterly update on the Whistleblowing activity in NHS Forth Valley was presented to the Board. It was noted that Whistleblowing was an evolving system with numbers still relatively

low.

- Assurance on Patient Safety

Board members were informed that Micheal Matheson, the then Cabinet Secretary for NHS Recovery, Health, and Social Care had written to NHS Board Chairs and Chief Executives on to request a number of assurances in light of the Lucy Letby case. The Board noted that relevant assurances had been provided along with supporting evidence.

- NHS Forth Valley Estate Reinforced Autoclaved Aerated Concrete (RAAC) Update

Board members noted that the Scottish Government had confirmed a desktop survey of the NHS Scotland Estate. A number of buildings were identified that may potentially contain RAAC and which were to be physically surveyed. Nine of the buildings were in the NHS Forth Valley area. Board members were advised that NHS Forth Valley had previously commissioned an external surveyor to carry out site inspections, which did not identify RAAC in any of the properties listed, however, it was prudent to have further surveys carried out as part of the national programme.

- Strategic Risk Register

The Register was presented to the NHS Board quarterly for approval noting that risks were reviewed by the relevant assurance committee prior to presentation to the NHS Board.

- Communications Update

The NHS Board received two updates on the work of the Communications Team throughout 2023/2024 detailing activities undertaken.

- Anchor and Community Planning Partnership Update

A summary of key deliverables, programmes currently being planned, and issues being addressed was presented to the Board. NHS Forth Valley's Anchor Strategic Plan for 2023 – 2026 was submitted to Scottish Government at the end of October 2023 and focussed on procurement, employment and land and assets for this three-year period. It included plans to improve healthy life expectancy, particularly for communities of greatest need within Forth Valley.

- Medical Education – Annual Report Response

The Board was updated on the West of Scotland Deanery visit to Internal Medicine and Specialties which had taken place early 2023. The visit had raised one serious concern which had required immediate action on patient safety grounds. The visit had included structured interviews with management, trainers and trainees of all grades. Following receipt of the final report an action planning meeting had been held at which a set of SMART objectives had been agreed.

- NHS Forth Valley Annual Review Letter

The Cabinet Secretary for NHS Recovery, Health and Social Care wrote to the Chair following the Annual Review held on 20 November to summarise the main points discussed. The Board noted that the core purpose of the Annual Review is for Boards to be held accountable for their performance with the private discussion focussing on a number of areas including escalation, finance, workforce issues, and unscheduled and scheduled care.

- Population Health and Care Strategy Revised Timeline

The Board was advised that as work had progressed, it had been recognised that the Strategy requires to be broader than the delivery of healthcare. Therefore, in line with Scottish Government direction and the Strategic Plans published or being developed by other NHS Boards, it is important that NHS Forth Valley takes a Population Health approach in its strategy development. A revised timeline was proposed to enable appropriate consideration of population health and to ensure further engagement with appropriate stakeholders.

- National Treatment Centre Update

An update on the progress of the National Treatment Centre – Forth Valley was provided. While the new 30 bedded modular ward building is largely complete, work continues to address

several outstanding technical issues and recommendations made by NHS Scotland Assure (NHSS A). The Board was advised that the project must achieve 'supported status' in agreement with NHSS A in order to open the new facility to the public.

- Best Value Report

The Best Value Report was presented to the Board following endorsement by the Audit and Risk Committee. It outlined the work undertaken in support of Best Value arrangements with key themes outlined along with identification of the responsible executive of Assurance Committee.

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

#### Audit and Risk Committee

An effective Audit and Risk 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 purpose of the Audit and Risk Committee are set out in the NHS Board Standing Orders and in the Scottish Government's Audit and Assurance Committee Handbook. The key purpose of the Committee is to provide assurance that NHS Board activities including patient's private funds and endowment funds are:

- within the law and regulations governing the NHS; and
- that 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 and Risk Committee has a responsibility for reviewing the disclosures included in the Board's Annual Governance Statement.

The Audit and Risk Committee met on four occasions throughout 2023/2024. The Committee considered a combination of routine and specific work areas during the financial year. The routine work was largely in relation to internal financial controls, internal and external audit plans, and internal and external audit reports. Specific areas of work were considered in line with the Committee remit including:

- Receiving and reviewing quarterly and annual reports issued by Counter Fraud Services (CFS) including the review and consideration of cases relevant to NHS Forth Valley.
- Review of Best Value activities for assurance that arrangements to secure continuous improvement in performance, efficiency, economy, quality, and cost are in place.
- Review of Post Transaction Monitoring process.
- Consideration of the local implications of the various national audit publications.
- Regular review and consideration of reports issued relating to the Audit Follow-up process to enable assurance to be provided to the NHS Board that agreed protocols are being followed.
- Consideration of guidance issued by the Scottish Government Health Finance Directorate regarding amendments made to the NHS Scotland Accounting Manuals for 2023/24.
- External Audit Annual Plan for 2023/24.
- Review and consideration of reports on specific aspects of control environments and performance audits on areas requested by NHS Forth Valley.

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

participate in discussions.

#### Clinical Governance Committee

The Clinical Governance Committee is responsible for providing the NHS Board, patients, and the public with assurance, 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 Clinical Governance Committee fulfils its purpose by receiving and considering information, reports, and documents on Complaints Performance, Clinical Risk, Significant Adverse Events, and Standards and Review Reports. The Committee reviews relevant risks and adverse events.

The Clinical Governance Committee met on six occasions in 2023/2024. All meetings of the Clinical Governance Committee held in 2023/2024 were quorate.

The Committee considered both routine and specific work areas during the financial year 2023/24 with meeting agendas structured following the Vincent Framework<sup>13</sup> and carried into the meeting throughout the year to demonstrably provide assurance of safe care. Linked to Stage 4 Escalation, the Committee focussed on progress with the work plan and actions being delivered against the recommendations from the Healthcare Improvement Scotland (HIS) inspections in April 2022 and September 2022 regarding the safe delivery of care, and considered the Out of Hours Improvement Action Plan.

#### Endowment Committee

The purpose of the Endowment Committee is to ensure that Endowment Funds held in trust comply with the relevant laws and regulations and that an effective system of financial control is in place. In so far as they are able, the Committee administers the Endowment Funds in accordance with the wishes of donors.

The External Auditors to the Endowment Fund are Dickson Middleton & Co. Chartered Accountants. The Committee received satisfactory reports from External Audit confirming that the financial statements and the administration of the Endowment Funds complied with Charity Law and Accounting Standards.

The Endowment Committee met on 4 occasions in 2023/2024 to administer and monitor the utilisation of all Endowment Funds to ensure compliance with the Endowment Committee's Policies and Objectives. All meetings of the Endowment Committee held in 2023/2024 were quorate.

#### Escalation Performance and Resources Committee

The purpose of the Escalation Performance and Resources Committee is to provide oversight of and assurance to the Board of NHS Forth Valley regarding the implementation and delivery of the Escalation Improvement Plan, and how this is leading to improvements in service delivery, patient safety and experience, and staff wellbeing and experience.

The Escalation Performance and Resources Committee met on ten occasions in 2023/2024 with all meetings quorate.

Meetings focussed on progress, and supporting evidence, with the agreed actions in the Escalation Improvement Plan version 2 and the Assurance and Improvement Plan (Escalation Improvement Plan version 3). Updates were received from Assurance Committee chairs regarding areas of business specific to their committee.

- Staff Governance Committee - culture and leadership actions and intended outcomes.
- Clinical Governance Committee - HIS and Out of Hours actions and intended outcomes.

<sup>13</sup> <https://www.health.org.uk/publications/the-measurement-and-monitoring-of-safety>

- Performance and Resources Committee - Governance, Urgent & Unscheduled Care, Child & Adolescent Mental Health Services (CAMHS), Psychological Therapies and Integration actions and intended outcomes.

#### Performance and Resources Committee

The purpose of the Performance and Resources Committee is to scrutinise the financial and non-financial performance of the Board, to ensure that appropriate arrangements are in place to deliver against organisational performance measures, to secure economy, efficiency, and effectiveness in the use of all resources, and provide assurance that the arrangements are working effectively.

The Performance and Resources Committee met on six occasions in 2023/2024. All meetings of the Performance and Resources Committee held in 2023/2024 were quorate.

Both routine and specific work areas were considered. Meeting agendas considered urgent business, financial, performance, risk, property and asset management, capital projects and information governance issues, and scrutiny of key issues around priorities including aspects of performance related to our Stage 4 Escalation.

Presentations were received focusing on areas of concern where there were performance issues or challenges including, cancer services, child and adolescent mental health services, psychological therapies, urgent and unscheduled care, and winter planning. This provided the committee with an opportunity to understand some of the complexities involved in delivery of services and the challenges faced whilst ensuring that all avenues were being pursued in respect of the management of risks and improving performance.

#### Pharmacy Practices Committee

The role of the Pharmacy Practices Committee is to consider, determine and approve or 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.

Pharmacy Practices Committee did not meet in 2023/2024 as there were no application to consider.

#### Remuneration Committee

The main function of the Remuneration Committee is to ensure application and implementation of fair and equitable pay systems on behalf of the NHS Board, as determined by Ministers and Scottish Government. The Committee oversees the remuneration arrangements for Executive Directors and Senior Managers (on Executive pay grades) and Consultants of the NHS Board whilst also discharging specific responsibilities on behalf of the NHS Board as an employing organisation. The Remuneration Committee provides assurance that systems and procedures are in place to manage the responsibilities within its remit by providing an Annual Report of its work to the NHS Board.

The Remuneration Committee met on three occasions on 2023/2024 with all meetings quorate. One extraordinary meeting was held in August to review and discuss matters of business that required decision outwith the regular cycle of business.

#### Staff Governance Committee

The purpose of the Staff Governance Committee is to provide the NHS Board with the assurance that:

- There is a culture within NHS Forth Valley where the highest possible standard of staff management is understood to be the responsibility of everyone working in Forth Valley and is built upon partnership and collaboration.
- Staff governance mechanisms are in place and effective throughout the local NHS system.
- Performance is reviewed against the Staff Governance standard.

The Staff Governance Committee met on five occasions in 2023/2024. All meetings of the Staff Governance Committee held in 2023/2024 were quorate. Both routine and specific work were considered focusing on staff wellbeing and staff absence issues. This included issues in relation to culture and leadership linked to Stage 4 Escalation.

The Area Partnership Forum meets on a monthly basis and 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.

#### Corporate Governance

The NHS Scotland Blueprint for Good Governance: second edition<sup>14</sup> was published in December 2022 and includes a definition of what is meant by 'good', placing more emphasis on the delivery mechanisms and the need to apply a continuous improvement approach to healthcare governance arrangements. Consideration of the approach to the governance of change now features more prominently in the design of the governance arrangements. The updated guidance also highlights the need for NHS Boards to adopt both active and collaborative approaches to governance.

The External Review of Corporate Governance commissioned in January 2023 was received in October 2023. The recommendations were mapped against outputs from the Board Self-Assessment Survey conducted in September 2023. To reflect upon the results of the survey and capture any additional actions in the Assurance & Improvement Plan, two Board Development sessions run by an external consultant took place in December 2023 and February 2024.

As work to deliver actions within the Assurance and Improvement Plan continues, we begin to concentrate on any outstanding actions that require ongoing focus. The Chair of NHS Forth Valley along with the Escalation Performance and Resources Committee Chair and the Head of Corporate Governance will meet early summer to review the Assurance and Improvement Plan, with a view to clearly identifying any outstanding actions. These actions will transition from the current plan to an updated plan focusing attention on key themes demonstrating areas where improvement work needs to continue.

Work has also progressed around creation of a Board Assurance Framework using the model set out in the Blueprint for Good Governance and further guidance from the Good Governance Institute. As part of a scoping exercise for this work, we have linked up with other health Boards, to learn from their own models and produce an overarching framework.

In response to a request from Scottish Government colleagues, NHS Forth Valley has submitted its Blueprint for Good Governance Board Development Plan 2024/2025. This aligns to the work undertaken around the Board Self-Assessment and our Assurance and Improvement Plan, and demonstrates alignment with the Blueprint for Good Governance.

In May 2024, the NHS Board is expected to review 2023/2024 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. Assurance 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.

#### 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 Assurance Committees. The Standing Orders are reviewed, updated, and presented for approval annually to the NHS Board and as required throughout the year to take account of changes in policy.

<sup>14</sup> [Supporting documents - NHS Scotland - blueprint for good governance: second edition - gov.scot \(www.gov.scot\)](https://www.gov.scot/nhs-scotland/blueprint-for-good-governance-second-edition/)

A review of the Code of Corporate Governance including Standing Orders, Standing Financial Instructions was presented at the NHS Forth Valley Board meeting on 26 March 2024<sup>15</sup>. A review of the Scheme of Delegation is currently being undertaken which will be included in the Code of Corporate Governance and presented to the Audit and Risk Committee in June ahead of the NHS Board in July 2024. Furthermore, there are a number of additions required relating to records management and document retention periods that will be considered within this time period.

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

Given the current pressures within health and social care, our staff are at risk of poor wellbeing, burnout, and moral injury, which in turn directly impacts upon our absence rates, turnover rates, talent retention, employee satisfaction and our ability to provide safe and effective person-centred care. Consequently, NHS Forth Valley fully understands and supports the necessity to make staff support and wellbeing a top priority with initiatives developed and implemented in line with national guidance.

The Business Code of Conduct Policy within the Code of Corporate Governance 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.

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.

Whistleblowing is viewed by NHS Forth Valley as an important source of information that may highlight serious risks to the effectiveness and efficiency of the organisation, with individuals often being best placed to identify deficiencies and problems at the earliest opportunity.

NHS Forth Valley continues to promote a culture of speaking up and this remains a key priority. We aim to ensure that staff feel safe, supported, and have confidence in the fairness of the process whilst raising their concerns under the whistleblowing procedure.

In February 2020 following a national recruitment process Gordon Johnston, Non-Executive was appointed to the NHS Forth Valley Board as the Whistleblowing Champion in 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 their respective Health Boards are complying with the Whistleblowing Standards.

The Executive Lead for Whistleblowing, Professor Frances Dodd, Executive Nurse Director has the responsibility for ensuring the standards are fully implemented across the Board. This includes strengthening NHS Forth Valley's Whistleblowing arrangements and reporting in line with national requirements.

An update on the implementation of the Whistleblowing Standards and the Whistleblowing activity in NHS Forth Valley is presented to the NHS Board on a quarterly basis, with the Annual Report presented to the Board in September 2023<sup>16</sup>.

<sup>15</sup> [NHS Forth Valley Board Meeting Papers 26 March 2024](#)

<sup>16</sup> [NHS Forth Valley Board Meeting Papers 26 September 2023](#)

## Information Governance

Information Governance enables NHS Forth Valley, and those working within it, to ensure that information is handled legally, securely, efficiently, and effectively. Managing information well enables us to deliver the best possible care.

The Information Governance Unit (IGU) supports services to implement appropriate standards and practices to ensure the Board complies with a suite of legal obligations and best practice relating to the common law of confidentiality, data protection, access to information, records management, cyber security and the Caldicott principles. The IGU is accountable to the Medical Director / Caldicott Guardian, who has responsibility for Information Governance within their portfolio, and to the Director of Finance who is the Senior Information Risk Owner (SIRO). Information Governance activity is monitored by the Information Governance Group which reports routinely to the Performance and Resources Committee.

The focus of 2023/24 has been consolidating and maturing assurance mechanisms around existing compliance controls and developing our approach to information risk. We have embedded information risk categories into the Corporate Risk Management reporting process which will enable improved monitoring in future. Additionally, we have reviewed, refreshed, and developed key documentation such as the Acceptable Use Policy and the Record of Processing Activities (ROPA).

During this period, NHS Forth Valley successfully recruited a permanent cohort to its Cyber and Information Security Team and expanded the Information Governance Unit to include the Corporate Records function. As a result, all information governance expertise is now centralised within the same unit. The transfer of the Corporate Records function has also enabled the Information Asset Register project to move to a business-as-usual footing and support the development of records management controls throughout the organisation.

NHS Forth Valley's Records Management Plan (RMP) was approved by the Keeper of the National Records of Scotland in June 2023. The Scottish Government also completed an audit in relation to our cyber and information security arrangements. One information risk has materialized over this period in relation to delays responding to freedom of information requests which has led to an intervention from the Scottish Information Commissioner. This issue is being addressed through a targeted project which is reviewing resources and process to improve this area of compliance.

Colleagues are encouraged to report all potential data protection breaches (including near misses and low-level incidents or concerns) to the IGU. This is to ensure that NHS Forth Valley builds a culture where incidents are routinely reported and assessed, and opportunities to learn and / or take preventative action are identified. The IGU evaluates all reported incidents to assess the risk to the individual(s) involved and make recommendations. Where a data protection breach creates a high risk to the individual(s) concerned, the situation is reported to the UK Information Commissioner (ICO). Individuals can also refer complaints to the ICO directly. The number of reportable breaches fell in 2023.

**Table 6:** ICO Reported Incidents by calendar year

| ICO Reported Incidents             | 2021 | 2022 | 2023 |
|------------------------------------|------|------|------|
| ICO Reported / Complaints received | 9    | 6    | 1    |

While it is recognised that NHS Forth Valley has some information governance compliance gaps, these are set within a broader context of effective information governance compliance and controls, meaning that a general assessment of reasonable assurance regarding NHS Forth Valley's information governance compliance was reported within the last Information Governance Annual Report.

## Communication

A range of communication tools and resources are used to update the public, patients and service users on key service developments as well as provide health information and advice. This includes the NHS Forth website, social media channels, e-bulletins, local and national media. NHS Forth Valley works closely with key partner organisations to coordinate stakeholder involvement in the design and delivery of local services and ensure health information and messages reach as many people as possible. NHS Forth Valley's Communications Framework 2023-2028<sup>17</sup> sets out key communications aims, principles and priorities for the organisation. This is supported by a range of policies and procedures including a Media and Communications Policy and a Social Media Policy.

NHS Boards are no longer required to produce a formal Annual Report as much of the financial and performance information previously included is now available in other reports and publications. However, NHS Forth Valley has continued to produce a short summary report to highlight key service developments, achievements, activity, and performance during the year. The summary report for 2022-2023<sup>18</sup> was presented to the NHS Board on 23 July 2023 and was published online and shared via social media.

There are robust procedures in place for recording and investigating complaints in line with national guidance, to support members of the public to make a complaint or provide feedback 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 (CHP) process. As we move into 2024/2025, the NHS Board will continue to receive a Person-Centred Care Report which includes our performance and response to the CHP, key themes and learning from complaints, care opinion focussing on what was good and what could be improved.

#### Health & Safety

Effective management of Health & Safety Risk is a fundamental cornerstone of good governance and internal control and is an essential component in delivery of the Health Board's corporate objectives. The Health and Safety Strategy and Governance Framework 2021 – 2024 was approved by NHS Forth Valley Board in September 2021. The Strategy and Governance Framework facilitates the Health Board to meet its legal and statutory obligations whilst pursuing a longer goal of exceeding those legal obligations. The document describes NHS Forth Valley's governance framework for Health & Safety and the key objectives which constitute the focus of the three-year strategy. Key elements have included implementation of an audit programme of the health and safety control books which concluded its first cycle in March 2024; development and implementation of a policy implementation audit programme; and continued development of the health and safety committee structure within the Board, all implemented as part of the strategy programme of works.

#### Health and Social Care Partnerships

The Public Bodies (Joint Working) (Scotland) Act 2014 established the framework for the integration of adult health and social care services in Scotland. Two Integrated Joint Boards (IJBs) have been established in Forth Valley under the body corporate arrangement (Falkirk IJB, and Clackmannanshire and Stirling IJB) and were formally constituted in 2015/2016. The approved Integration Schemes set out the detail of the integration arrangement, including those services delegated by NHS Forth Valley to the IJBs. A review of integration schemes is currently underway. This work is being progressed Forth Valley wide with an external facilitator leading the review for both IJBs in the Forth Valley area with work anticipated to conclude by Autumn. This will support future opportunities to enhance collaborative working in health and care, and the wider public sector.

The NHS Director of Finance is responsible for providing the Chief Officer with regular financial information to allow them to manage their budgets. The NHS Director of Finance is also responsible for providing the Chief finance officer of the IJB with the financial information required by the integration scheme as expanded by subsequent agreements, to

<sup>17</sup> [Communications Framework 2023 - 2028 \(nhsforthvalley.com\)](http://nhsforthvalley.com)

<sup>18</sup> [NHS Forth Valley Annual Report 2022-23](#)

meet the reporting requirement to the IJB. In advance of each financial year a timetable is agreed with the IJB.

The Clackmannanshire and Stirling Strategic Commissioning Plan 2023 – 2033 sets out how services will be delivered across Clackmannanshire and Stirling over the next ten years. The Falkirk Strategic Plan 2023 – 2026 outlines how adult health and social care services will be delivered in Falkirk over the next 3 years. IJB meetings papers are publicly available via the NHS Board website for both Partnerships and Information on IJBs can be accessed from the Board's website<sup>19</sup>.

Work has concluded to ensure the transfer of primary care, GP out of hours, prison healthcare and mental health services to the partnerships. This has included staff, budgets, support to recruitment and due diligence.

Whole system working has improved and is evident across a number of areas including unscheduled care, financial planning, Anchor Institution work, and Mental Health and Psychological Services. This is critical to further support development opportunities for service improvement and to maximise benefits of integration.

There is a decision-making matrix in place to support the right decisions being made in the right place and to ensure that developments in one area do not negatively impact in another area.

#### 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 and Risk Committee on 22 March 2024, providing a summary of arrangements in place and an update on activity. The Framework is intended to illustrate the arrangements by which the Board of NHS Forth Valley ensures it can demonstrate continuous improvement in performance whilst maintaining a balance between quality and cost. In making these arrangements and securing the balance the NHS Board has had regard to the economy, efficiency, effectiveness, equal opportunities, and sustainability. The NHS Board was asked to consider the Best Value Framework on 26 March 2024.

#### Review of Performance

The NHS Forth Valley Annual Review was held on Monday 20 November 2023 at NHS Forth Valley headquarters in Stirling. The review was led by Michael Matheson, Cabinet Secretary for NHS Recovery, Health and Social Care. Discussions were supported by Caroline Lamb, Director General of Health & Social Care, and Chief Executive of NHS Scotland; and Christine McLaughlin, Director of Population Health at the Scottish Government and Chair of the Forth Valley Assurance Board, linked to NHS Forth Valley's escalation on the NHS Support & Intervention Framework.

This year it was felt to be safe and practicable to return to on-site Ministerial Reviews. To encourage attendance and participation, and to support those who may have been precluded from attending due to the need to travel, or those with vulnerabilities who remain nervous about attending potentially large public events, all meetings were hybrid.

The Cabinet Secretary had separate meetings with representatives from the Area Clinical Forum, Area Partnership Forum and local patients/carers on the mornings of the Review. This was followed by a public session then a private meeting with the NHS Forth Valley Chair and

<sup>19</sup> <http://nhsforthvalley.com/about-us/health-and-social-care-integration/>

Chief Executive.

The public session began with a brief introduction from the Cabinet Secretary before the Board Chair delivered a presentation on the Board's key achievements and challenges, as well as reflections on the pandemic response from local staff across Health and Social Care.

The private sessions focussed on issues in relation to:

- Escalation: NHS Support & Intervention Framework
- Finance
- Workforce
- Resilience and winter planning
- Unscheduled Care & Delayed Discharge
- Planned Care Waiting Times
- Cancer Waiting Times
- Mental Health including Child & Adolescent Mental Health Services and Psychological Therapies
- National Drugs Mission

Following the Annual Review the Cabinet Secretary wrote the Board Chair detailing the discussions held throughout the day. This is published on the NHS Forth Valley website<sup>20</sup>.

In concluding, the Cabinet Secretary hoped, 'that by the time of the Board's next Ministerial Review we will be free of some of the more extreme pressures of recent years and able to focus fully on local service recovery and renewal. I am, nonetheless, under no illusion that the NHS continues to face one of the most difficult periods in its history and remain grateful for your ongoing efforts to ensure resilience. We will continue to keep local activity under close review and to provide as much support as possible'.

#### 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 and Risk Committee regular reports which include their independent and objective opinion on the effectiveness of risk management, control, and governance processes, together with recommendations for improvement.
- 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 maintaining the effectiveness of the system of internal control the Board Standing Orders, the Standing Financial Instructions, and Decisions reserved by the Board, were revised and approved at the Board Meeting on 26 March 2024 as detailed in the Code of Corporate Governance. As highlighted under Policies and Procedures, the Scheme of Delegation is currently being reviewed and will be presented to the Board later in 2024/2025 for approval.

The work of Internal Audit and the assurances provided by the Chief Internal Auditor in relation to internal control are key assurance sources taken into account when the Chief Executive undertakes the annual review of internal controls. The audit work undertaken by Internal Audit in 2023/2024 highlighted three audits with an audit opinion of limited assurance Cyber Resilience, Financial Compliance and Medicines Management – Controlled Drugs Policy. Key action points and recommendations have been highlighted along with management responses agreed.

<sup>20</sup> [Letter template - Michael Matheson \(nhsforthvalley.com\)](http://nhsforthvalley.com)

The Chief Internal Auditor presented the findings from the Internal Control Evaluation 2023/2024 to the 17 January 2024 Audit and Risk Committee. The Internal Control Evaluation work was informed by detailed review of formal evidence sources including Board, Standing Committee, Executive Leadership Team, and other papers. Internal Audit opinions were also informed by regular meetings with Directors and other senior officers and through fieldwork undertaken for specific audits during the year. The review evaluates whether the basic building blocks of a sound system of control, such as governance structures, strategies and monitoring mechanisms were in place and, where possible, considered available metrics to provide an assessment of whether these systems are operating as intended.

The Internal Control Evaluation 2023/2024 contains 12 recommendations, intended to embed good governance principles and to ensure coherence between Governance Structures, Performance Management, Risk Management and Assurance.

Key themes emerging from the report included:

- Short term risks must be balanced against longer term risks which can only be mitigated through strategic change set out in an achievable strategy accompanied by realistic objectives and robust prioritisation.
- The senior team has been strengthened significantly through key appointments at Director level and major reviews of structures for Nursing, Midwifery and Allied Health Professions and of Acute Services are underway.
- The Board needs to assure itself that NHS Forth Valley has the capacity to drive strategy, and transform, to effectively and efficiently deliver services and achieve recurring savings.
- Maintaining operational performance against mandated targets remains extremely challenging. Genuine strategic solutions must be identified, with a focus on close collaboration with partners to address underlying capacity and flow issues.
- The financial risk for NHS Forth Valley, NHSScotland, and the public sector has continued to increase. Previous recommendations on the need for strategic solutions for long-term financial sustainability remain relevant and the financial sustainability action plan, linked to the Healthcare Strategy, redesign and transformation, is due in January 2024.
- Current and target risk scores must fully reflect the external environment and the extent to which controls and actions will be able to mitigate risks must be understood.
- Workforce risks remain very high across NHSScotland, and the current and target risk scores will require careful consideration. Continuing staff shortages and increased demand for staff means that effective workforce planning remains key in supporting the achievement of the Board's operational, financial, and strategic objectives.
- There has been some improvement in Staff Governance Committee assurances and administration, to address significant concerns over the effectiveness and efficiency of governance arrangements.
- There is a requirement for all clinical and care governance risks and issues to be reported to the Clinical Governance Committee (CGC), including those related to delegated functions, and for improvement actions to be monitored.

Management has provided responses to address the 12 recommendations, to be completed in 2023/24 and 2024/2025.

The final Internal Control Evaluation report was presented to the Staff Governance Committee, Clinical Governance Committee and Performance & Resources Committee in 2023/2024 to ensure appropriate oversight and action.

The Internal Control Evaluation report provided a reasonable level of assurance on the overall system of controls.

The Annual Internal Audit Report provides assurance on the Board's internal control framework and provided an update on action to address the ICE recommendations. Their update

concludes that the Board has adequate and effective controls in place and that the 2023/24 internal audit plan has been delivered in line with Public Sector Internal Audit Standards.

In addition, Annual Service Audit Reports are commissioned by NHS National Services Scotland and NHS Ayrshire and Arran in respect of the various shared services and IT systems that they operate and manage on behalf of all NHS Boards in Scotland. The Service Audit reports provide independent assurance that effective systems of internal control and risk management arrangements are in place in relation to the operation and delivery of these shared services and IT systems which we rely on in the preparation of our financial statements.

All service audit reports were prepared in accordance with the standards and approach defined in the International Standard on Assurance Engagements 3402 (ISAE 3402) "Assurance Reports on Controls at a Service Organisation" issued by the International Auditing and Assurance Standards Board ("IAASB"). For financial year 2023/24 unqualified opinions were provided in relation to the national single instance financial ledger service operated and maintained by NHS Ayrshire and Arran and the delivery of payroll services by NHS National Services Scotland via the South East Payroll Consortium.

However, 2 qualified opinions were provided in relation to the Service Audits of Practitioner and Counter Fraud Services and IT services which are both managed by NHS National Services Scotland. The basis of the qualified opinion relating to Practitioner and Counter Fraud Services reflected the outcome of controls testing in General Dental Services and the outcome of controls testing in local access management for IT services. The exceptions that were identified through the testing process are considered as minor qualifications by NHS National Services Scotland and do not represent an adverse audit opinion.

An emphasis of matter was also reported in relation to Practitioner and Counter Fraud Services linked to the introduction of the new Data Capture Validation and Pricing (nDCVP) system on 1st July 2023. There were a number of initial operating issues with the new system which led to prescription processing delays and estimated payments being made to Community Pharmacy contractors for a significant proportion of the financial year. Whilst this was fully addressed by the end of the year, the Service Auditor wished to highlight this issue as it was considered as an important matter for the reader/user of our financial statements to understand.

As the qualified opinions outlined in the Service Audit reports for P&CFS and IT Services relate to minor qualifications and do not result in an adverse audit opinion, NHS National Services Scotland's Audit and Risk committee took assurance from the reports. NHS Forth Valley is satisfied that this does not impact on the Board's system of internal control or financial governance arrangements in respect of payments and patient registration arrangements for Family Health Services, associated IT services or payroll.

### External Reviews

- Network and Information Systems Regulation

As NHS Forth Valley is an Operator of Essential Services (OES), the health board is subject to annual Network and Information Systems (NIS) Regulation audits by the Scottish Health Competent Authority (SHCA), which is the Scottish Government. The 2023/2024 audit was the first audit of a new cycle, which involved being assessed against an updated framework and required evidence of compliance to be submitted for 427 controls.

The report received in March 2024, highlighted that NHS Forth Valley is a strongly performing board, which demonstrates the effectiveness of the resources dedicated to improving compliance with the NIS Regulation. The auditor recognised the quality of submissions provided by NHS Forth Valley and the clear commitment to the NIS Audit programme.

NHS Forth Valley achieved an overall compliance score of 80%, with a control compliance rating of 70% (301 out of 427 controls fully achieved). The board has achieved two of the three Key Performance Indicator (KPI) targets set out by the Scottish Government. An action plan is

being drafted for tracking progress against the compliance of the remaining 126 controls, with priority being given to the control areas that will allow the health board to achieve the third KPI target.

- Review of Corporate Governance

As highlighted under Corporate Governance, an external review of Corporate Governance was commissioned by the Chair of NHS Forth Valley in January 2023 with the final report published in October 2023. The review was undertaken by John Brown and Susan Walsh, the co-authors of the NHS Scotland Blueprint for Good Governance, first published by the Scottish Government in January 2019. A progress report was published in May 2023 that described the approach adopted by the review team, and which provided details of the actions taken to date to complete the review. The review was intended to help identify improvements to the current governance arrangements in order to assist the Board in resolving the range of performance-related issues.

51 recommendations were highlighted however it was noted that action was already being taken to address some of these issues through the Improvement Plans developed by the Executive Leadership Team and approved by the NHS Board. The recommendations from the External Review of Corporate Governance were mapped against outputs from the Board Self-Assessment Survey conducted in September 2023. To reflect upon the results of the survey and capture any additional actions in the Assurance & Improvement Plan, two Board Development sessions run by an external consultant took place in December 2023 and February 2024.

- Section 22

The Auditor General prepared a report for the Public Audit Committee made under section 22 of the Public Finance and Accountability (Scotland) Act 2000. The report was published in December 2023<sup>21</sup> and covered 3 broad sections:

- 2022/23 financial position
- Stage 4 Escalation timeline of events
- NHS Forth Valley's response to the escalation

The report concluded that, 'The board is responding positively to the escalation framework. It has put appropriate governance arrangements in place and has made progress in the months since agreeing the Escalation Improvement Plan. It is critical that sustained progress is made, especially under the new leadership, with sufficient resources put in place to drive forward the change needed. Implementation of the Measurement Framework is also a key element for the board to be able to demonstrate that the actions being taken are improving outcomes.'

#### 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 NHS Board in approving its Risk Management Strategy 2022-2025 in July 2022 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.

Throughout 2023/2024, a schedule of assurance focused reviews was built into the Assurance Committee planners. Table 8 details the output from these focused reviews along with the assurance recommendation:

**Table 8:** Strategic Risk Deep Dive Assurance Recommendations

| Strategic Risks – Assurance Levels |
|------------------------------------|
|------------------------------------|

<sup>21</sup> [s22 NHS Forth Valley \(audit.scot\)](https://audit.scot/reports-and-publications/2023-2024/section-22-report-nhs-forth-valley)

| Risk ID | Risk Title                                    | Assurance Level    | Assurance Committee           |
|---------|---|--------------------|-------------------------------|
| SRR002  | Urgent & Unscheduled Care                     | Limited            | Clinical Governance           |
| SRR003  | Information Governance                        | Reasonable         | Performance & Resources       |
| SRR004  | Scheduled Care                                | Reasonable         | Clinical Governance           |
| SRR005  | Financial Sustainability                      | Limited/Reasonable | Performance & Resources       |
| SRR009  | Workforce Plans                               | Limited            | Staff Governance              |
| SRR010  | Estates & Supporting Infrastructure           | Reasonable         | Performance & Resources       |
| SRR015  | Cyber Resilience                              | Reasonable         | Performance & Resources       |
| SRR016  | Out of Hours                                  | Reasonable         | Clinical Governance Committee |
| SRR017  | Environmental Sustainability & Climate Change | Reasonable         | Performance & Resources       |

The Corporate Risk team act in an advisory capacity within the business areas, linking with other corporate functions, e.g., Corporate Portfolio Management Office, to enhance risk awareness and develop risk arrangements across the organisation.

The Corporate Risk team deliver, a Level 1 training package aimed at all staff and Level 2 training aimed at risk champions and risk leads. Over the course of the last year, 95 individuals attended the Level 2 training with 77 completing the Level 1. The scheduled programme of face-to-face training continues into 2024/2025.

The Strategic Risk Register was presented to the NHS Board on a quarterly basis, following oversight and scrutiny by the relevant Assurance Committees (Clinical Governance Committee; Performance and Resources Committee; Staff Governance Committee) and the Audit and Risk Committee. Quarter 3 (October to December 2023) was presented to the NHS Board in January 2024<sup>22</sup> and the Quarter 4 update (January to March 2024), inclusive of a year-end summary, was presented to NHS Board in May 2024.

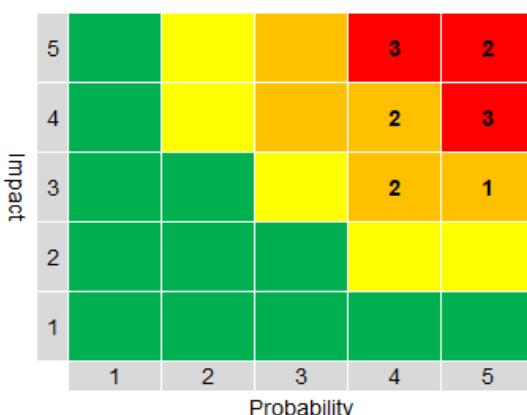
The Strategic Risk Register contains high level risks requiring Board oversight and direction. As well as containing risks relating to Scheduled Care, Primary Care, Cyber Resilience, Estates & Infrastructure, Financial, and Strategic Plans, there are risks linked to Board escalation: Urgent and Unscheduled Care, Out of Hours, and Culture & Leadership. Risks relating to other aspects of Board escalation are captured on the Organisational Risk Register.

Table 9 provides a comparison of the strategic risk profile at the end of March 2024 against the end of March 2023. The table shows an increase of one additional risk on the Strategic Risk Register, now at 13 risks, with the proportion of Very High risks reducing.

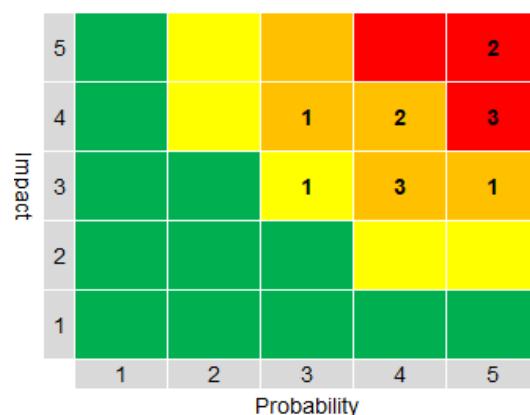
**Table 9:** Strategic Risk Profile Comparison

<sup>22</sup> [NHS-Forth-Valley-Board-Meeting-Papers-30-January-2024.pdf \(nhsforthvalley.com\)](https://nhsforthvalley.com/nhs-forth-valley-board-meeting-papers-30-january-2024.pdf)

2022/2023 Strategic Risk Profile



2023/2024 Strategic Risk Profile



There is one new strategic risk:

- SRR019 – Culture & Leadership – **score 12**. This was added to capture the need for an effective culture and strong leadership to improve our overall performance and ability to effect sustainable change.

One risk has increased in score over the last year:

- SRR018 Primary Care Sustainability – **increased from 16 to 20**. The reason for this increase was that it is assessed that unless an agreement is reached with GPs to mitigate service disruption around the Primary Care Improvement Plan element then GP sustainability will be impacted.

A further six risks have decreased in score over the last year. Table 10 details the strategic risks and provides a comparison of risk scores March 2023 with March 2024.

**Table 10:** Strategic Risks April 2023 compared to April 2024

| Strategic Risks – 2023/24 Year End Comparison |  |                     |                     |
|---|--|---------------------|---------------------|
| Risk ID                                       | Risk Title   | March-23 Risk Score | March-24 Risk Score |
| SRR019  | <b>Culture &amp; Leadership **NEW**</b><br>If NHS Forth Valley does not foster a cohesive culture with strong leadership, there is a risk that our people will not have a shared sense of purpose and understanding of how their work contributes to achievement of our objectives, negatively impacting our overall performance, ability to deliver on key strategies and effect sustainable change and impacting staff morale and public/stakeholder confidence. | 12                  | 12                  |

| Strategic Risks – 2023/24 Year End Comparison |  |                     |                     |
|---|--|---------------------|---------------------|
| Risk ID                                       | Risk Title   | March-23 Risk Score | March-24 Risk Score |
| SRR005  | <b>Financial Sustainability</b><br>If our recurring budget is not sufficient to meet the recurring cost base there is a risk there will be an increasing recurring gap in our finances, resulting in an inability to achieve and maintain financial sustainability, and a detrimental impact on current/future service provision.  | 25                  | 25                  |
| SRR002  | <b>Urgent and Unscheduled Care</b><br>If we do not have enough whole system capacity and flow to address key areas of improvement, there is a risk that we will be unable to deliver safe, effective, and person-centred unscheduled care resulting in a potential for patient harm, increases in length of stay, placement of patients in unsuitable places, and a negative impact on patient & staff experience.   | 25                  | 25                  |
| SRR009  | <b>Workforce Plans</b><br>If NHS Forth Valley does not implement effective, fully costed strategic workforce planning based on projected demand there is a risk that we will not have a sustainable workforce that is the right size, with the right skills and competencies, within an affordable budget, resulting in significant pressures on staff health and wellbeing, sub-optimal service delivery to the public and increasing pressure on our financial sustainability.                 | 20                  | 20                  |
| SRR015  | <b>Cyber Resilience</b><br>If NHS Forth Valley do not maintain the effectiveness of current cyber security controls and implement improvements to security controls where possible. There is a risk that the cyber security of the organisation may be compromised Resulting in a significant disruption to the services delivered by the organisation and an impact to the confidentiality, integrity, and availability of systems and data.  | 20                  | 20                  |
| SRR018  | <b>Primary Care Sustainability</b><br>As a result of significant levels of financial pressure on the public services in Scotland, increasing demand and workforce challenges. There is likely to be a negative impact in relation to the sustainability of General Practice and Primary Care. Which is likely to result in a reduction in services and independent GP contractors across FV and have a negative impact on the health of the population and increased pressure on other services. | 20                  | 20                  |
| SRR017  | <b>Environmental Sustainability and Climate Change</b><br>If NHS Forth Valley does not receive funding and resources, there is a risk that we will be unable to comply with DL38 and delivery actions/meet requirements of the Scottish Government Climate Emergency & Sustainability Strategy, and will not operate in an environmentally sustainable way, resulting in failure to meet objectives and damaging stakeholder/public confidence.  | 20                  | 16                  |

| Strategic Risks – 2023/24 Year End Comparison |  |                     |                     |
|---|--|---------------------|---------------------|
| Risk ID                                       | Risk Title   | March-23 Risk Score | March-24 Risk Score |
| SRR010  | <b>Estates and Supporting Infrastructure</b><br>If a whole system, multidisciplinary approach is not applied, there is a risk that we will not make best use of available capital and revenue funding, via prioritisation and allocation, to fully proceed with existing Estates and Infrastructure plans, make new development plans, or maintain and enhance the existing estate. This will result in an inability to maintain and develop a suitable environment for modern and sustainable services.   | 20                  | 16                  |
| SRR004  | <b>Scheduled Care</b><br>If NHS FV does not consider and plan for current and future changes to population and associated demand/case-mix, there is a risk that the model for delivery of planned care will not meet demand or prioritise effectively, resulting in poorer patient outcomes, avoidable harm, and failure to meet targets.  | 20                  | 15                  |
| SRR016  | <b>Out of Hours Service</b><br>If NHS Forth Valley is unable to provide a fully staffed OOHS taking an integrated, multidisciplinary approach, there is a risk that the service will not have the resilience and capacity to flex to meet demand, negatively impacting on the patient experience and journey, and ability to deliver care at the right time, right place by the right person.  | 16                  | 12                  |
| SRR003  | <b>Information Governance</b><br>If NHS Forth Valley fails to implement and embed effective and consistent Information Governance arrangements, there is a risk we would experience systemic compliance issues and inability to use our information assets effectively, resulting in reputational damage and potential legal breaches leading to financial penalties.  | 16                  | 12                  |
| SRR011  | <b>Digital &amp; eHealth – Infrastructure and Strategy</b><br>If NHS FV does not develop and effectively implement a Digital and eHealth strategy which enables transformation and improvement as well as minimising technical vulnerabilities, there is a risk that other key organisational strategies cannot fully deliver the intended benefits, or the IT infrastructure could fail, impacting on long-term sustainability and efficient and effective service delivery.                              | 12                  | 12                  |
| SRR014  | <b>Healthcare Strategy</b><br>If the planned review of the NHS Forth Valley Healthcare Strategy does not incorporate learning from the COVID-19 pandemic, consideration of population need, and does not align with government policy and / or Integration Authorities Strategic Commissioning Plans there is a risk the Board's vision, corporate objectives and key priorities will not meet the needs of the population, resulting in inability to reduce pressures on services, workforce and finance. | 15                  | 9                   |

## 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 strategic risks reported to Forth Valley NHS Board during 2023/24 and in particular to the Treatment Time Guarantee underpinned by statute.

All areas of escalation continue to be addressed through our Assurance and Improvement Plan with oversight and support from the NHS Forth Valley Assurance Board<sup>23</sup>. This remains a key focus for NHS Forth Valley with internal governance structures to support progress with the required improvement work. Communications are in place to ensure that staff and members of the public are aware of progress being made<sup>24</sup>.

<sup>23</sup> [NHS Forth Valley Assurance Board - gov.scot \(www.gov.scot\)](http://www.gov.scot)

<sup>24</sup> [NHS Forth Valley – Escalation and HIS](#)

**NHS FORTH VALLEY BOARD  
REMUNERATION REPORT  
FOR THE YEAR ENDED 31 MARCH 2024**

The remuneration and staff report sets out the entity's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors and where relevant the link between performance and remuneration. In addition, the report provides details on remuneration and staff that Parliament and other users of our financial statements are likely to see as key to accountability and transparency.

**Remuneration Table** (this information is subject to audit)

|   | Gross Salary<br>(Bands of £5,000) | Bonus Payments<br>(Bands of £5,000) | Benefits in Kind<br>(£'000) | Total Earnings in Year<br>(Bands of £5,000) | Pension Benefits (£'000) | Total Remuneration<br>(Bands of £5,000) |
|---|-----------------------------------|-------------------------------------|-----------------------------|---|--------------------------|---|
| <b>Remuneration of:</b>                           |                                   |                                     |                             |   |                          |   |
| <b>Executive Members</b>                          |                                   |                                     |                             |   |                          |   |
| Chief Executive:<br>Catherine Cowan (to 10.03.24) | 215-220                           | 0 - 0                               | 0                           | 215-220                                     | 0                        | 215-220                                 |
| Chief Executive:<br>Amanda Croft (from 11.09.23)  | 115-120                           | 0 - 0                               | 0                           | 115-120                                     | 0                        | 115-120                                 |
| Director of Public Health:<br>Graham Foster       | 115-120                           | 0 - 0                               | 0                           | 115-120                                     | 95                       | 210-215                                 |
| Director of Finance:<br>Scott Urquhart            | 110-115                           | 0 - 0                               | 0                           | 110-115                                     | 18                       | 130 -135                                |
| Director of HR:<br>Linda Donaldson                | 110-115                           | 0 - 0                               | 0                           | 110-115                                     | 0                        | 110-115                                 |
| Executive Nurse Director:<br>Frances Dodd         | 125-130                           | 0 - 0                               | 1.06                        | 125-130                                     | 75                       | 200-205                                 |
| Medical Director<br>Andrew Murray                 | 205-210                           | 0 - 0                               | 0                           | 205-210                                     | 10                       | 215-220                                 |
| <b>Non-Executive Members</b>                      |                                   |                                     |                             |   |                          |   |
| <b>The Chair:</b>                                 |                                   |                                     |                             |   |                          |   |
| Janie McCusker (to 29/02/24)                      | 30-35                             | 0 - 0                               | 0                           | 30-35                                       | 0                        | 30-35                                   |
| Allan Rennie (from 01/03/24)                      | 10-15                             | 0 - 0                               | 0                           | 10-15                                       | 0                        | 10-15                                   |
| <b>Other Non-Executive Members</b>                |                                   |                                     |                             |   |                          |   |
| Daniel Gibson (to 27/06/23)                       | 0-5                               | 0 - 0                               | 0                           | 0-5   | 0                        | 0-5                                     |
| Gerard McGarvey (from 29/06/23)                   | 5-10                              | 0 - 0                               | 0                           | 5-10  | 0                        | 5-10                                    |
| Michele McClung                                   | 15-20                             | 0 - 0                               | 0                           | 15-20                                       | 0                        | 15-20                                   |
| Wendy Hamilton                                    | 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                                    |
| Fiona Collie                                      | 5-10                              | 0 - 0                               | 0                           | 5-10  | 0                        | 5-10                                    |
| Kirstin Cassells                                  | 5-10                              | 0 - 0                               | 0                           | 5-10  | 0                        | 5-10                                    |
| John Stuart                                       | 5-10                              | 0 - 0                               | 0                           | 5-10  | 0                        | 5-10                                    |
| Martin Fairbairn                                  | 5-10                              | 0 - 0                               | 0                           | 5-10  | 0                        | 5-10                                    |
| <b>Employee Director</b>                          |                                   |                                     |                             |   |                          |   |
| Robert Clark                                      | 45-50                             | 0 - 0                               | 0                           | 40-45                                       | 11                       | 55-60                                   |
| <b>Total</b>                                      |                                   |                                     | <b>1.06</b>                 |   | <b>209</b>               |   |

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. Catherine Cowan and Amanda Croft had opted out of the pension arrangements and therefore no pension benefits are included in respect of their posts during the 2023/24 reporting year.

Catherine Cowan's Remuneration figure includes an exit package of £70,347.00.

Amanda Croft's Remuneration figure includes £34,596.07 of Relocation Expenses.

Allan Rennie's Remuneration figure includes allowance for covering The Chair post from 1st March 2024 at £2,565.48

The Employee Director's salary includes £35,000 to £40,000 in respect of non-Board duties and the Employee Director's pension benefits are also 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:-

#### **EXECUTIVE MEMBER**

|                 |                     |
|-----------------|---------------------|
| Catherine Cowan | £145,000 - £150,000 |
| Amanda Croft    | £150,000 - £155,000 |

#### **NON-EXECUTIVE MEMBER**

|                 |                   |
|-----------------|-------------------|
| Gerard McGarvey | £5,000 - £10,000  |
| Daniel Gibson   | £5,000 - £10,000  |
| Janie McCusker  | £30,000 - £35,000 |

**NHS FORTH VALLEY BOARD  
REMUNERATION REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

|   | Gross Salary<br>(Bands of<br>£5,000) | Bonus<br>Payments<br>(Bands of<br>£5,000) | Benefits in<br>Kind<br>(£'000) | Total<br>Earnings in<br>Year (Bands<br>of £5,000) | Pension<br>Benefits<br>(£'000) | Total<br>Remuneration<br>(Bands of<br>£5,000) |
|---|--------------------------------------|---|--------------------------------|---|--------------------------------|---|
| <b>Remuneration of:</b>                                   |                                      |   |                                |   |                                |   |
| <b>Executive Members</b>                                  |                                      |   |                                |   |                                |   |
| Chief Executive:<br>Catherine Cowan                       | 160-165                              | 0 - 0                                     | 0                              | 160-165   | 0                              | 160-165                                       |
| Director of Public Health:<br>Graham Foster               | 205-210                              | 0 - 0                                     | 0                              | 205-210   | 0                              | 205-210                                       |
| Director of Finance:<br>Scott Urquhart                    | 110-115                              | 0 - 0                                     | 0                              | 110-115   | 0                              | 110-115                                       |
| Director of HR:<br>Linda Donaldson                        | 105-110                              | 0 - 0                                     | 0                              | 105-110   | 0                              | 105-110                                       |
| Executive Nurse Director:<br>Frances Dodd (from 01/10/22) | 55-60                                | 0 - 0                                     | 0                              | 55-60   | 61                             | 115-120                                       |
| Director of Nursing:<br>Angela Wallace (to 17/04/22)      | 10-15                                | 0 - 0                                     | 0                              | 10-15   | 0                              | 10-15   |
| Medical Director:<br>Andrew Murray                        | 205-210                              | 0 - 0                                     | 0                              | 205-210   | 0                              | 205-210                                       |
| <b>Non-Executive Members</b>                              |                                      |   |                                |   |                                |   |
| <b>The Chair:</b><br>Janie McCusker                       | 30 - 35                              | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 30 - 35                                       |
| <b>Other Non-Executive Members</b>                        |                                      |   |                                |   |                                |   |
| Martin Fairbairn  | 5 - 10                               | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 5 - 10  |
| John Stuart   | 5 - 10                               | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 5 - 10  |
| Kirstin Cassells  | 5 - 10                               | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 5 - 10  |
| Gordon Johnston   | 5 - 10                               | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 5 - 10  |
| Stephen McAllister  | 5 - 10                               | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 5 - 10  |
| Allan Rennie  | 5 - 10                               | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 5 - 10  |
| Michele McClung   | 15 - 20                              | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 15 - 20                                       |
| Daniel Gibson (from 16/06/22)                             | 5 - 10                               | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 5 - 10  |
| Fiona Collie (from 16/06/22)                              | 5 - 10                               | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 5 - 10  |
| Wendy Hamilton (from 16/06/22)                            | 5 - 10                               | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 5 - 10  |
| John Ford (to 31/07/22)                                   | 10 - 15                              | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 10 - 15                                       |
| Susan McGill (to 30/04/22)                                | 0 - 5                                | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 0 - 5   |
| Leslie Sharp (to 30/04/22)                                | 0 - 5                                | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 0 - 5   |
| Fiona Collie (to 30/04/22)                                | 0 - 5                                | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 0 - 5   |
| <b>Employee Director</b>                                  |                                      |   |                                |   |                                |   |
| Robert Clark  | 40 - 45                              | 0 - 0                                     | 0                              | 0 - 0   | 0                              | 40 - 45                                       |
| <b>Total</b>  |                                      |   | <b>0</b>                       |   | <b>61</b>                      |   |

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. Catherine Cowan had opted out of the pension

arrangements and therefore no pension benefits are included in respect of her post during the 2022/23 reporting year.

The Employee Director's salary includes £35,000 to £40,000 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**

|                |                   |
|----------------|-------------------|
| Leslie Sharp   | £5,000 - £10,000  |
| Susan McGill   | £5,000 - £10,000  |
| John Ford      | £15,000 - £20,000 |
| Fiona Collie   | £5,000 - £10,000  |
| Daniel Gibson  | £5,000 - £10,000  |
| Wendy Hamilton | £5,000 - £10,000  |

|   | Total accrued pension at pensionable age at 31 March 2024 (Bands of £5,000) | Total accrued lump sum at pensionable age at 31 March 2024 (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 2024 (Bands of £2,500) | CETV at 31 March 2023 (£000) | CETV at 31 March 2024 (£000) | Real increase in CETV in year (£000)* |
|---|---|--|--|--|------------------------------|------------------------------|---------------------------------------|
| <b>Remuneration of:</b>                           |   |  |  |  |                              |                              |                                       |
| <b>Executive Members</b>                          |   |  |  |  |                              |                              |                                       |
| Chief Executive:<br>Catherine Cowan (to 10/03/24) | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                     |
| Chief Executive:<br>Amanda Croft (from 11/09/23)  | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                     |
| Director of Public Health:<br>Graham Foster       | 40 - 45   | 120 - 125  | 5 - 7.5  | 7.5 - 10   | 1,986                        | 1,067                        | (919)                                 |
| Director of Finance:<br>Scott Urquhart            | 40 - 45   | 105 - 110  | 0 - 2.5  | 0 - 0  | 773                          | 858                          | 85                                    |
| Director of HR:<br>Linda Donaldson                | 50 - 55   | 150 - 155  | 0 - 2.5  | 0 - 0  | 1,181                        | 1,340                        | 159                                   |
| Executive Nurse Director:<br>Frances Dodd         | 55 - 60   | 150 - 155  | 2.5 - 5  | 5 - 7.5  | 1,032                        | 1,305                        | 273                                   |
| Medical Director:<br>Andrew Murray                | 85 - 90   | 235 - 240  | 0 - 2.5  | 0 - 0  | 2,002                        | 2,094                        | 92                                    |
| <b>Non-Executive Members</b>                      |   |  |  |  |                              |                              |                                       |
| <b>The Chair:</b>                                 |   |  |  |  |                              |                              |                                       |
| Janie McCusker (to 29/02/24)                      | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                     |
| Allan Rennie (from 01/03/24)                      | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                     |
| <b>Other Non-Executive Members</b>                |   |  |  |  |                              |                              |                                       |
| Kirstin Cassells                                  | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                     |
| Fiona Collie                                      | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                     |
| Michele McClung                                   | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                     |
| Wendy Hamilton                                    | 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                                     |
| Daniel Gibson (to 27/06/23)                       | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                     |
| Gerard McGarvey (from 29/06/23)                   | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                     |
| John Stuart                                       | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                     |
| Martin Fairbairn                                  | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                     |
| <b>Employee Director</b>                          |   |  |  |  |                              |                              |                                       |
| Robert Clark                                      | 15 - 20   | 45 - 50  | 0 - 2.5  | 0 - 0  | 421                          | 419                          | (2)                                   |
| <b>Total</b>                                      |   |  |  |  |                              |                              | (312)                                 |

\* negative values represent a real terms decrease in the CETV funded by the employer after taking account of inflation.

There are multiple NHS Scotland pension schemes which have differing normal pension retirement ages, the figures provided above are based on the individual cases. In accordance with the Financial Reporting Manual (FReM) and the Companies Act, this calculation aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension

benefit for a standard 20 year period, which is the estimated life span following retirement. The 'total earnings in year' column shows the remuneration relating to actual earnings payable in year. Catherine Cowan and Amanda Croft opted out of the pension arrangements and therefore no pension values are included in respect of their post during the 2023/24 reporting year.

**REMUNERATION REPORT  
FOR THE YEAR ENDED 31 MARCH 2023  
Pensions Values Table**

|   | Total accrued pension at pensionable age at 31 March 2023 (Bands of £5,000) | Total accrued lump sum at pensionable age at 31 March 2023 (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 2023 (Bands of £2,500) | CETV at 31 March 2022 (£000) | CETV at 31 March 2023 (£000) | Real increase in CETV in year (£000) |
|---|---|--|--|--|------------------------------|------------------------------|--------------------------------------|
| <b>Remuneration of:</b>   |   |  |  |  |                              |                              |                                      |
| <b>Executive Members</b>  |   |  |  |  |                              |                              |                                      |
| Chief Executive:<br>Catherine Cowan   | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0 - 0                        | 0 - 0                        | 0                                    |
| Director of Public Health:<br>Graham Foster   | 95-100  | 215-220  | 0 - 0  | 0 - 0  | 2,066                        | 1,986                        | (80)                                 |
| Director of Finance:<br>Scott Urquhart  | 45-50   | 90-95  | 0-2.5  | 0 - 0  | 764                          | 773                          | 9                                    |
| Director of HR:<br>Linda Donaldson  | 55-60   | 145-150  | 0 - 0  | 0 - 0  | 1,196                        | 1,181                        | (15)                                 |
| Director of Nursing:<br>Angela Wallace (to 17/04/22)  | 60-65   | 140-145  | 0 - 0  | 0 - 0  | 1,531                        | 1,380                        | (151)                                |
| Executive Nurse Director:<br>Frances Dodd (from 01/10/22)   | 50-55   | 130-135  | 2.5-5  | 2.5-5  | 959                          | 1,032                        | 73                                   |
| Medical Director:<br>Andrew Murray  | 95-100  | 205-210  | 0 - 0  | 0 - 0  | 2,008                        | 2,002                        | (6)                                  |
| <b>Non-Executive Members</b>  |   |  |  |  |                              |                              |                                      |
| <b>The Chair:</b>   |   |  |  |  |                              |                              |                                      |
| The Chair:<br>Janie McCusker  | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| <b>Other Non-Executive Members</b>  |   |  |  |  |                              |                              |                                      |
| Martin Fairbairn  | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| John Stuart   | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| Kirstin Cassells  | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| Gordon Johnston   | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| Stephen McAllister  | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| Alan Rennie   | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| Michelle McClung  | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| Daniel Gibson (from 16/06/22)   | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| Fiona Collie (from 16/06/22)  | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| Wendy Hamilton (from 16/06/22)  | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| John Ford (to 31/07/22)   | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| Susan McGill (to 30/04/22)  | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| Leslie Sharp (to 30/04/22)  | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| Fiona Collie (to 30/04/22)  | 0 - 0   | 0 - 0  | 0 - 0  | 0 - 0  | 0                            | 0                            | 0                                    |
| <b>Employee Director</b>  |   |  |  |  |                              |                              |                                      |
| Employee Director:<br>Robert Clark  | 20-25   | 45-50  | 0 - 0  | 0 - 0  | 427                          | 421                          | (6)                                  |
| <b>Total</b>  |   |  |  |  |                              |                              |                                      |
| * negative values represent a real terms decrease in the CETV funded by the employer after taking account of inflation. |   |  |  |  |                              |                              |                                      |

There are multiple NHS Scotland pension schemes which have differing normal pension retirement ages, the figures provided above are based on the individual cases. In accordance with the Financial Reporting Manual (FReM) and the Companies Act, this calculation aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period, which is the estimated life span following retirement. The 'total earnings in year' column shows the remuneration relating to actual earnings payable in year. Catherine Cowan had opted out of the pension arrangements and therefore no pension values are included in respect of her post during the 2022/23 reporting year.

## Fair Pay Disclosure (this information is subject to audit)

In accordance with the FReM and the NHS Scotland Annual Accounts Manual, NHS Boards 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 table below summarises the % change and ratio of the highest paid director's remuneration compared to the median, 25th percentile and 75th percentile remuneration of the workforce.

|  | 2024               | 2023               | % Change   |
|--|--------------------|--------------------|------------|
| Range of Staff Remuneration                        | £9,030 to £276,583 | £9,030 to £220,070 | 0.1% - 55% |
| Highest earning Director's total remuneration      | £207,500           | £207,500           | 0%         |
| Median (total pay & Benefits)                      | £38,532            | £36,635            | 5%         |
| Median (salary only)                               | £38,466            | £36,540            | 5%         |
| Ratio  | 5.41               | 5.67               | (4.77)     |
| 25 <sup>th</sup> Percentile (total pay & Benefits) | £30,229            | £28,384            | 6%         |
| 25 <sup>th</sup> Percentile (salary only)          | £30,229            | £28,384            | 6%         |
| Ratio  | 6.86               | 7.31               | (6.16)     |
| 75 <sup>th</sup> Percentile (total pay & Benefits) | £48,503            | £45,848            | 5%         |
| 75 <sup>th</sup> Percentile (salary only)          | £48,352            | £45,633            | 6%         |
| Ratio  | 4.24               | 4.52               | (5.31)     |

The changes in the percentages and ratios presented in the table above are consistent with the pay reward and progression policies of NHS Scotland as per circulars PCS(AFC)2023/2, PCS(DD)2023/01 and PCS(ESM)2023/3 and also reflect changes in the profile and skill mix of the workforce during the reporting period.

In line with the previous year, the Medical Director was the highest paid Director of the NHS Board. The mid-point of the banded remuneration of the Medical Director (excluding pension benefits) in financial year 2023/2024 was £207,500. This is 5.41 times higher than the median remuneration of the workforce which was £38,532 (including total pay and benefits, excluding pension benefits).

In 2023/2024, 12 employees received remuneration in excess of the highest paid director (the equivalent number in the previous financial year was 4 employees). The range of remuneration across all staff groups was £9,030 to £276,583 during 2023/24 (2022/2023 equivalent was £9,030 to £220,070).

## STAFF REPORT

### Higher Paid Employees' Remuneration

Other employees whose remuneration fell within the following ranges:

#### Clinicians

|                      | 2024<br>Number | 2023<br>Number |
|----------------------|----------------|----------------|
| £70,001 to £80,000   | 29             | 19             |
| £80,001 to £90,000   | 26             | 25             |
| £90,001 to £100,000  | 28             | 31             |
| £100,001 to £110,000 | 45             | 37             |
| £110,001 to £120,000 | 41             | 39             |
| £120,001 to £130,000 | 53             | 43             |
| £130,001 to £140,000 | 32             | 18             |
| £140,001 to £150,000 | 16             | 15             |
| £150,001 to £160,000 | 16             | 20             |
| £160,001 to £170,000 | 17             | 14             |
| £170,001 to £180,000 | 13             | 7              |
| £180,001 to £190,000 | 7              | 5              |
| £190,001 to £200,000 | 6              | 3              |
| £200,001 and above   | 9              | 8              |

#### Other

|                      | 2024<br>Number | 2023<br>Number |
|----------------------|----------------|----------------|
| £70,001 to £80,000   | 47             | 33             |
| £80,001 to £90,000   | 22             | 17             |
| £90,001 to £100,000  | 10             | 4              |
| £100,001 to £110,000 | 2              | 4              |
| £110,001 to £120,000 | 4              | 2              |
| £120,001 to £130,000 | 3              | 1              |
| £130,001 to £140,000 | 0              | 0              |
| £140,001 to £150,000 | 0              | 1              |
| £150,001 to £160,000 | 1              | 0              |
| £160,001 to £170,000 | 0              | 0              |
| £170,001 to £180,000 | 0              | 0              |
| £180,001 to £190,000 | 0              | 0              |
| £190,001 to £200,000 | 0              | 0              |
| £200,001 and above   | 0              | 0              |

**STAFF NUMBERS AND EXPENDITURE** (this information is subject to audit)

|                                  | Executive<br>Board<br>Members | Non-<br>Executive<br>Members | Permanent<br>Staff | Inward<br>Secondees | Other<br>Staff | Outward<br>Secondees | 2024<br>Total<br>£'000 | 2023<br>Total<br>£'000 |
|----------------------------------|-------------------------------|------------------------------|--------------------|---------------------|----------------|----------------------|------------------------|------------------------|
|                                  | £'000                         | £'000                        | £'000              | £'000               | £'000          | £'000                |                        |                        |
| <b>EMPLOYEE EXPENDITURE</b>      |                               |                              |                    |                     |                |                      |                        |                        |
| Salaries and wages               | 750                           | 162                          | 309,141            | 0                   | 0              | (3,096)              | 306,95                 | 277,66                 |
| Taxation & Social security costs | 121                           | 10                           | 31,353             | 0                   | 0              | 0                    | 31,484                 | 28,987                 |
| NHS scheme employers' costs      | 138                           | 8                            | 55,324             | 0                   | 0              | 0                    | 55,470                 | 50,370                 |
| Other employers' pension costs   | 0                             | 0                            | 0                  | 0                   | 0              | 0                    | 0                      | 0                      |
| Secondees                        | 0                             | 0                            | 0                  | 6,186               | 0              | 0                    | 6,186                  | 4,741                  |
| Agency staff                     | 0                             | 0                            | 0                  | 0                   | 19,378         | 0                    | 19,378                 | 12,862                 |
| <b>TOTAL</b>                     | <b>1009</b>                   | <b>180</b>                   | <b>395,818</b>     | <b>6,186</b>        | <b>19,378</b>  | <b>(3,096)</b>       | <b>419,47</b>          | <b>374,62</b>          |
|                                  |                               |                              |                    |                     |                |                      | 5                      | 8                      |

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

0 60

**STAFF NUMBERS**

Whole time equivalent (WTE) 6 12 6,169 88.81 342.73 (53.13) **6,565.4** 6,161.4

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

0 1

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

74 74

Included in the total staff numbers above were Special Advisers of:

0 0

Reconciliation to income and expenditure

|  | £'000          |                                      |
|--|----------------|--------------------------------------|
| Total employee expenditure as above            | 419,475        | <i>From staff report disclosure</i>  |
| Add: employee income included in Note 4        | 3,096          | <i>From note 4; secondee income.</i> |
| Less: staff on capital projects                | 0              | <i>From staff report disclosure</i>  |
| Total employee expenditure disclosed in note 3 | <b>422,571</b> |                                      |

**Staff composition** – an analysis of the number of persons of each sex who were directors and employees is presented below. For the purposes of this analysis, senior employees are defined as those earning over £70,000 p.a.

|   | 2024 |        |                   |       | 2023 |        |                   |       |
|---|------|--------|-------------------|-------|------|--------|-------------------|-------|
|   | Male | Female | Prefer not to say | Total | Male | Female | Prefer not to say | Total |
| Executive Directors                       | 3    | 4      | 0                 | 7     | 3    | 3      | 0                 | 6     |
| Non-Exec. Directors and Employee Director | 8    | 5      | 0                 | 13    | 7    | 5      | 0                 | 12    |
| Senior Employees                          | 214  | 206    | 0                 | 420   | 177  | 164    | 0                 | 341   |
| Other                                     | 795  | 5860   | 0                 | 6655  | 774  | 5716   | 0                 | 6490  |
| Total Headcount                           | 1020 | 6075   | 0                 | 7095  | 961  | 5888   | 0                 | 6849  |

The figures in the above table for Executives and Non-Executives and Senior employees are headcount numbers, based on the total number of individuals 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 31<sup>st</sup> March 2024.

#### Sickness absence data

|                       | 2024 | 2023 |
|-----------------------|------|------|
| Sickness Absence Rate | 7.3% | 7.6% |

#### Staff turnover data

|                     | 2024  | 2023   |
|---------------------|-------|--------|
| Staff turnover rate | 9.26% | 12.58% |

#### 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.

- NHS Forth Valley was awarded “Disability Confident Leader” status in March 2023.

## **Other Employee Matters**

In 2023/34 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.

Phase 2 of the national “Once for Scotland” employment policies were launched in November 2023. The revised policies are:

- Flexible Work Location
- Flexible Work Pattern
- Retirement
- Career Break
- Special Leave
- Maternity
- New Parent Support
- Shared Maternity and Shared Adoption
- Parental Leave
- Breastfeeding
- Adoption, Fostering and Kinship

Development of Phase 3 of the national “Once for Scotland” policies has now commenced and are due to be launched in Autumn 2024.

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 monthly, 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.

The Turas Appraisal systems is used to record staff Personal Development Plan Review (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 (this information is subject to audit)**

|  |  | <b>2024</b>                              |   |                                     |
|--|--|--|---|-------------------------------------|
| <b>Exit Package cost band</b>                | <b>Number of compulsory redundancies</b> | <b>Number of other departures agreed</b> | <b>Total number of exit packages by cost band</b> | <b>Cost of exit packages (£000)</b> |
| <£10,000                                     |  | 1  | 1   | 9                                   |
| £10,000 - £25,000                            |  | 1  | 1   | 23                                  |
| £25,000 - £50,000                            |  | 0  | 0   | 0                                   |
| £50,000 - £100,000                           |  | 1  | 1   | 70                                  |
| £100,000 - £150,000                          |  | 1  | 1   | 111                                 |
| £150,000 - £200,000                          |  | 0  | 0   |                                     |
| £200,000 - £250,000                          |  | 0  | 0   |                                     |
| >£250,000                                    |  | 0  | 0   |                                     |
| <b>Total number of exit packages by type</b> |  | 4  | 4   |                                     |
| <b><u>Total resource cost (£000)</u></b>     |  |  |   | <b>213</b>                          |

## Exit packages.

|  |                                   | 2023                              |  |                              |
|--|-----------------------------------|-----------------------------------|--|------------------------------|
| Exit Package cost band                       | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages by cost band | Cost of exit packages (£000) |
| <£10,000                                     |                                   | 1                                 | 1  | 2.6                          |
| £10,000 - £25,000                            |                                   |                                   | 0  |                              |
| £25,000 - £50,000                            |                                   |                                   | 0  |                              |
| £50,000 - £100,000                           |                                   |                                   | 0  |                              |
| £100,000 - £150,000                          |                                   |                                   | 0  |                              |
| £150,000 - £200,000                          |                                   |                                   | 0  |                              |
| £200,000 - £250,000                          |                                   |                                   | 0  |                              |
| >£250,000                                    |                                   |                                   | 0  |                              |
| <b>Total number of exit packages by type</b> |                                   | 1                                 | 1  |                              |
| <b>Total resource cost (£000)</b>            |                                   |                                   |  | <b>2.6</b>                   |

## Trade Union regulations

| <b>Relevant Union Officials</b>   |                                      |
|---|--------------------------------------|
| Number of employees who were relevant union officials during the period 1 April 2023 to 31 March 2024 | Full-time equivalent employee number |
| 25  | 22.39                                |
|   |                                      |
| <b>Percentage of time spent on facility time</b>  |                                      |
|   |                                      |
| Percentage of time  | Number of representatives            |
| 0%  | 5                                    |
| 1 – 50%   | 15                                   |
| 51 – 99%  | 3                                    |
| 100%  | 2                                    |
|   |                                      |

| <b>Percentage of pay bill spent on facility time</b>   |  |
|--|--|
| Total cost of facility time  | £269,103   |
| Total pay bill   | £419,475,000   |
| Percentage of the total pay bill spent on facility time                                      | 0.06%  |
| <b>Paid trade union activities</b>   |  |
| 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 £0.300m 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     |
|---------------|--------------|--------|
| <b>Losses</b> | 914          | 11.634 |

In the year to 31 March 2024, the following balances were settled:

| Reference | Description                               | £m     |
|-----------|---|--------|
| CNORIS    | Total claims paid under the CNORIS scheme | 11.400 |

In 2023-24, the Board was required to pay out two claims individually greater than £300,000 settled under the CNORIS scheme (2022-23: 3 claims). 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 13a.

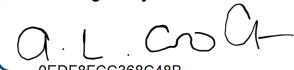
### Fees and Charges

During 2023/24, 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.

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**18 June 2024**  
**Ms Amanda Croft**  
**Chief Executive**

## Reporting on the audit of the financial statements

### Opinion on financial statements

We have audited the financial statements in the annual report and accounts of NHS Forth Valley and its group for the year ended 31 March 2024 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Consolidated Comprehensive Net Expenditure, Consolidated Statement of Financial Position, the Statement of Consolidated Cash Flows, the Statement of Consolidated Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Government Financial Reporting Manual (the 2023/24 FReM).

In our opinion the accompanying financial statements:

- give a true and fair of the state of the affairs of the board and its group as at 31 March 2024 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

### Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the board and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern basis of accounting

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the board and its group to continue to

adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Risks of material misstatement

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

## Responsibilities of the Accountable Officer for the financial statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

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

- using our understanding of the health sector to identify that the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers are significant in the context of the board;
- inquiring of the Accountable Officer and Director of Finance as to other laws or regulations that may be expected to have a fundamental effect on the operations of the board;
- inquiring of the Accountable Officer and Director of Finance concerning the board's policies and procedures regarding compliance with the applicable legal and regulatory framework;

- discussions among our audit team on 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.

We obtained an understanding of the legal and regulatory framework that the body operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This includes the National Health Service (Scotland) Act 1978 and the Public Bodies (Joint Working) Scotland Act 2014.
- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the body's ability to operate or to avoid a material penalty. These include the Data Protection Act 2018 and relevant employment legislation.

As a result of performing the above, we identified the greatest potential for fraud was in relation to the requirement to operate within the expenditure resource limits set by the Scottish Government. The risk is that the expenditure in relation to year-end transactions may be subject to potential manipulation in an attempt to align with its tolerance target or achieve a breakeven position. In response to this risk, we obtained confirmation of the resource limits allocated by the Scottish Government and tested a sample of accruals, prepayments and invoices received around the year-end to assess whether they have been recorded in the correct period.

In common with audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulation described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

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

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

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

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

### **Opinion on regularity**

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

### **Responsibilities for regularity**

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

## **Reporting on other requirements**

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

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

### **Other information**

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

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

We have nothing to report in respect of these matters.

## Conclusions on wider scope responsibilities

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

## Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

DocuSigned by:  
  
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Pat Kenny, CPFA (for and on behalf of Deloitte LLP),  
110 Queen Street,  
Glasgow,  
G1 3BX  
United Kingdom  
18 June 2024

FORTH VALLEY NHS BOARD

STATEMENT OF CONSOLIDATED COMPREHENSIVE NET EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2024

| 2023<br>£'000    |  | Note | 2024<br>£'000    |
|------------------|--|------|------------------|
| 376,617          | Employee expenditure   | 3a   | 422,571          |
|                  | Other operating expenditure                                    | 3b   |                  |
| 101,320          | Independent Primary Care Services                              |      | 105,531          |
| 133,813          | Drugs and medical supplies                                     |      | 141,503          |
| 588,419          | Other health care expenditure                                  |      | 634,371          |
| <u>1,200,169</u> | <u>Gross expenditure for the year</u>                          |      | <u>1,303,976</u> |
| (428,937)        | Less: operating income   | 4    | (463,426)        |
| 7,409            | Associates and joint ventures accounted for on an equity basis |      | 10,216           |
| <u>778,641</u>   | <u>Net expenditure for the year</u>                            |      | <u>850,766</u>   |

OTHER COMPREHENSIVE NET EXPENDITURE

| 2023<br>£'000   |  | 2024<br>£'000  |
|-----------------|--|----------------|
| (25,075)        | Net (gain)/loss on revaluation of Property Plant and Equipment | (22,629)       |
| 187             | Net (gain)/loss on revaluation of Investments                  | (196)          |
| 0               | Other Non Cash Costs   | 119,742        |
| <u>(24,888)</u> | <u>Other Comprehensive Expenditure</u>                         | <u>96,917</u>  |
| <u>753,753</u>  | <u>Comprehensive net Expenditure</u>                           | <u>947,683</u> |

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

FORTH VALLEY NHS BOARD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2024

| Consolidated<br>2023 | Board<br>2023  |  | Consolidated<br>2024 | Board<br>2024    |
|----------------------|----------------|--|----------------------|------------------|
| £'000                | £'000          |  | £'000                | £'000            |
| 594,655              | 594,655        | <b>Non-current assets</b>  |                      |                  |
| 536                  | 536            | Property, plant and equipment                                      | 7c                   | 604,710          |
| 7,032                | 7,032          | Intangible assets  | 6a                   | 380              |
|                      |                | Right of Use assets  | 17a                  | 7,003            |
|                      |                | Financial assets:  |                      |                  |
| 3,590                | 560            | Investments  | 10                   | 4,114            |
| 25,778               | 0              | Investments in associates and joint ventures                       |                      | 15,562           |
| 34,903               | 34,903         | Trade and other receivables  | 9                    | 27,956           |
| <b>666,494</b>       | <b>637,686</b> | <b>Total non-current assets</b>                                    |                      | <b>659,725</b>   |
|                      |                |  |                      | <b>641,030</b>   |
|                      |                | <b>Current Assets</b>  |                      |                  |
| 2,639                | 2,639          | Inventories  | 8                    | 2,824            |
|                      |                | Financial assets:  |                      |                  |
| 24,578               | 24,540         | Trade and other receivables  | 9                    | 33,852           |
| 362                  | 36             | Cash and cash equivalents  | 11                   | 325              |
| <b>27,579</b>        | <b>27,215</b>  | <b>Total current assets</b>  |                      | <b>37,001</b>    |
|                      |                |  |                      | <b>36,694</b>    |
| <b>694,073</b>       | <b>664,901</b> | <b>Total assets</b>  |                      | <b>696,726</b>   |
|                      |                |  |                      | <b>677,724</b>   |
| (15,751)             | (15,751)       | <b>Current liabilities</b>   |                      |                  |
|                      |                | Provisions   | 13a                  | (16,673)         |
|                      |                | Financial liabilities:   |                      |                  |
|                      |                | Trade and other payables   | 12                   | (109,308)        |
|                      |                | <b>Total current liabilities</b>                                   |                      | <b>(125,981)</b> |
|                      |                |  |                      | <b>(125,830)</b> |
| <b>545,836</b>       | <b>516,872</b> | <b>Non-current assets plus/less net current assets/liabilities</b> |                      | <b>570,745</b>   |
|                      |                |  |                      | <b>551,894</b>   |
| (69,419)             | (69,419)       | <b>Non-current liabilities</b>                                     |                      |                  |
|                      |                | Provisions   | 13a                  | (62,639)         |
|                      |                | Financial liabilities:   |                      |                  |
|                      |                | Trade and other payables   | 12                   | (378,246)        |
|                      |                | Liabilities in associates and joint ventures                       |                      | 0                |
|                      |                | <b>Total non-current liabilities</b>                               |                      | <b>(440,885)</b> |
|                      |                |  |                      | <b>(440,885)</b> |
| <b>182,630</b>       | <b>153,666</b> | <b>Assets less liabilities</b>                                     |                      | <b>129,860</b>   |
|                      |                |  |                      | <b>111,009</b>   |
| (36,796)             | (36,796)       | <b>Taxpayers' Equity</b>   |                      |                  |
| 190,462              | 190,462        | General fund   | SoCTE                | (95,908)         |
| 25,778               | 0              | Revaluation reserve  | SoCTE                | 206,917          |
| 3,186                | 0              | Other reserves - associates and joint ventures                     | SoCTE                | 15,562           |
| <b>182,630</b>       | <b>153,666</b> | Fund held on Trust   | SoCTE                | 3,289            |
|                      |                | <b>Total taxpayers' equity</b>                                     |                      | <b>129,860</b>   |
|                      |                |  |                      | <b>111,009</b>   |

Adopted by the Board on 18th June 2024

..... Director of Finance

DocuSigned by:  
Scott Urquhart  
F43DBB30FA494C7...

..... Chief Executive

..... 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 2024**

| 2023<br>£'000   |      | 2024<br>£'000 | 2024<br>£'000    |
|---|------|---------------|------------------|
|   | Note |               |                  |
| <b>Cash flows from operating activities</b>                                 |      |               |                  |
| (778,641)   |      | SoCTE         | (850,766)        |
| 26,122  |      | 2b            | 31,154           |
| 12,843  |      | 2b            | 18,477           |
| (38)  |      | 4             | (80)             |
| 0   |      |               | 0                |
| (31,444)  |      | 2b            | (31,651)         |
| <b>(771,158)</b>  |      | 26c           | <b>(832,866)</b> |
| <b>Cash flows from investing activities</b>                                 |      |               |                  |
| (19,573)  |      |               | (13,403)         |
| (102)   |      |               | 0                |
| (442)   |      | 10            | (1,158)          |
| 0   |      |               | 0                |
| 185   |      |               | 1,099            |
| 0   |      |               | 0                |
| 469   |      |               | 638              |
| 38  |      |               | 80               |
| <b>(19,425)</b>   |      | 26c           | <b>(12,744)</b>  |
| <b>Cash flows from financing activities</b>                                 |      |               |                  |
| 814,200   |      | SoCTE         | 894,913          |
| (1)   |      | SoCTE         | 13               |
| <b>814,199</b>  |      |               | <b>894,926</b>   |
| (9,810)   |      | 2b            | (30,876)         |
| 1,812   |      |               | 0                |
| (2,642)   |      |               | 0                |
| 1,249   |      | 2b            | (151)            |
| (14,092)  |      | 2b            | (18,326)         |
| <b>790,716</b>  |      | 26c           | <b>845,573</b>   |
| <b>Net Increase / (decrease) in cash and cash equivalents in the period</b> |      |               | <b>(37)</b>      |
| <b>229</b>  |      |               | <b>362</b>       |
| <b>362</b>  |      |               | <b>325</b>       |
| <b>Reconciliation of net cash flow to movement in net debt/cash</b>         |      |               |                  |
| 133   |      | 11            | (37)             |
| 229   |      |               | 362              |
| <b>362</b>  |      |               | <b>325</b>       |

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 2024

## 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 |
|--|------|--------------------|---------------------------|---|---------------------------|----------------------|
| <b>Balance at 31 March 2023</b>  |      | (36,796)           | 190,462                   | 25,778  | 3,186                     | 182,630              |
|  |      | (36,796)           | 190,462                   | 25,778  | 3,186                     | 182,630              |
| <b>Changes in taxpayers' equity for 2023-24</b>                                |      |                    |                           |   |                           |                      |
| Net gain / (loss) on revaluation / indexation of property, plant and equipment | 7a   | 0                  | 22,507                    | 0   | 0                         | 22,507               |
| Net gain / (loss) on revaluation of investments                                | 10   | 0                  | 0                         | 0   | 196                       | 196                  |
| Net gain / (loss) on revaluation of Right-of-Use assets                        | 17a  | 0                  | 122                       | 0   | 0                         | 122                  |
| Impairment of property, plant and equipment                                    |      | 0                  | (998)                     | 0   | 0                         | (998)                |
| Revaluation and impairments taken to operating costs                           | 2b   | 0                  | 998                       | 0   | 0                         | 998                  |
| Transfers between reserves   |      | 6,174              | (6,174)                   | 0   | 0                         | 0                    |
| Other non cash costs   | 2b   | (119,742)          | 0                         | 0   | 0                         | (119,742)            |
| Net operating cost for the year  | CFS  | (840,457)          | 0                         | (10,216)  | (93)                      | (850,766)            |
| <b>Total recognised income and expense for 2023-24</b>                         |      | (954,025)          | 16,455                    | (10,216)  | 103                       | (947,683)            |
| <b>Funding:</b>  |      |                    |                           |   |                           |                      |
| Drawn down   | CFS  | 894,926            |                           |   |                           | 894,926              |
| Movement in General Fund (Creditor) / Debtor                                   | CFS  | (13)               |                           |   |                           | (13)                 |
| <b>Balance at 31 March 2024</b>  | SoFP | (95,908)           | 206,917                   | 15,562  | 3,289                     | 129,860              |

## CONSOLIDATED SOCTE (PRIOR YEAR)

|  | Note | General Fund £'000 | Revaluation Reserve £'000 | Other reserve - associates and joint ventures £'000 | Funds Held in Trust | Total Reserves £'000 |
|--|------|--------------------|---------------------------|---|---------------------|----------------------|
| <b>Balance at 31 March 2022</b>  |      | (84,244)           | 169,849                   | 33,187  | 3,391               | 122,183              |
|  |      | (84,244)           | 169,849                   | 33,187  | 3,391               | 122,183              |
| <b>Changes in taxpayers' equity for 2022-23</b>                                |      |                    |                           |   |                     |                      |
| Net gain / (loss) on revaluation / indexation of property, plant and equipment | 7a   | 0                  | 28,092                    | 0   | 0                   | 28,092               |
| 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   | (187)               | (187)                |
| Impairment of property, plant and equipment                                    |      | 0                  | (2,148)                   | 0   | 0                   | (2,148)              |
| Impairment of intangible assets  | 6a   | 0                  | (209)                     | 0   | 0                   | (209)                |
| Revaluation and impairments taken to operating costs                           | 2b   | 0                  | (660)                     | 0   | 0                   | (660)                |
| Transfers between reserves   |      | 4,462              | (4,462)                   | 0   | 0                   | 0                    |
| Other non cash costs   |      | 0                  | 0                         | 0   | 0                   | 0                    |
| Net operating cost for the year  | CFS  | (771,214)          | 0                         | (7,409)   | (18)                | (778,641)            |
| <b>Total recognised income and expense for 2022-23</b>                         |      | (766,752)          | 20,613                    | (7,409)   | (205)               | (753,753)            |
| <b>Funding:</b>  |      |                    |                           |   |                     |                      |
| Drawn down   | CFS  | 814,199            |                           |   |                     | 814,199              |
| Movement in General Fund (Creditor) / Debtor                                   | CFS  | 1                  |                           |   |                     | 1                    |
| <b>Balance at 31 March 2023</b>  | SoFP | (36,796)           | 190,462                   | 25,778  | 3,186               | 182,630              |

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 (IFRS) as adopted by the United Kingdom, Interpretations issued by the IFRS Interpretations Committee (IFRIC) 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 standards, amendments or interpretations effective in the year 2023-2024. However 23/24 FReM mandates reporting indexation linked payments in PPP liabilities in accordance with IFRS 16 from 2023-24.

#### b) Standards, amendments and interpretation early adopted this year.

There are no new standards, amendments or interpretations early adopted in the 2023-24 financial year.

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

The table below summarises recent standards, amendments and interpretations issued but not adopted in the 2023-24 financial year.

| Standard                             | Current Status  |
|--------------------------------------|---|
| IFRS 14 Regulatory Deferral Accounts | Effective for accounting periods starting on or after 1 January 2016. Not applicable to NHS Scotland bodies.  |
| IFRS 17 Insurance Contracts          | Effective for accounting periods beginning on or after 1 January 2023. However this Standard is not yet adopted by the FReM. Expected adoption by the FReM from April 2025. |

## **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 line with statutory guidance issued by the Integrated Resources Advisory Group (IRAG) IJBS are deemed to be joint ventures. In accordance with IFRS 11 Joint Arrangements, the primary financial statements have been amended for the additional disclosure required to accurately reflect the Board's interest in IJBS using the equity method of accounting.

Note 26 provides further details on the consolidation of the Endowment Funds and IJBS within the Financial Statements.

## **3. 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, unless informed by Scottish Ministers of the intention for dissolution without transfer of services or functions to another entity.

## **4. Accounting Convention**

The Accounts are prepared on a historical cost basis, as modified by the revaluation of property, plant and equipment, and financial assets and liabilities (including derivative instruments) at fair value as determined by the relevant accounting standards and the FReM.

## **5. Funding**

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

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

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

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

Non-discretionary funding out with the RRL is allocated to match actual expenditure incurred for the provision of specific Family Health Services (comprised of General Pharmaceutical Services, General Medical Services, General Dental Services and General Ophthalmic Services as designated 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.

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

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

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

### **6.1 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 (including VAT where this is not recoverable), or where they are part of the initial costs of equipping a new development and total over £20,000 (including VAT where this is not recoverable).

### **6.2 Measurement**

#### **Valuation:**

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

All assets that are not held for their service potential (i.e. investment properties and assets held for sale), including operational assets which are surplus to requirements where there are no

restrictions on disposal which would prevent access to the market, are measured subsequently at fair value as follows:

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

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

Valuations of all land and building assets are 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 arising from a reduction in service potential or consumption of economic benefit are charged to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

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

Temporary decreases in asset 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.

### **6.3 Depreciation**

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

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

- 1) Freehold land is considered to have an infinite life and is not depreciated.
- 2) Assets in the course of construction are not depreciated until the asset is brought into use 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 |

## 7. Intangible Assets

### 7.1 Recognition

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

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

The main classes of intangible assets recognised are:

#### Software:

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

#### Software licences:

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

## **7.2 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.

## **7.3 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) Software. Amortised over their expected useful life
- 2) Software licences. Amortised over the shorter term of the licence and their useful economic lives.

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 |

## **8. 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.

## **9. 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.

## 10. Leasing

### Leases

#### Scope and classification

Leases are contracts, or parts of a contract that convey the right to use an asset in exchange for consideration. The FReM expands the scope of IFRS 16 to include arrangements with nil consideration. The standard is also applied to accommodation sharing arrangements with other government departments.

Contracts or parts of contract that are leases in substance are determined by evaluating whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use.

The following are excluded:

- Contracts for low-value items, defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items; and
- contracts with a term shorter than twelve months (comprising the non-cancellable period plus any extension options that are reasonably certain to be exercised and any termination options that are reasonably certain not to be exercised).

#### Initial recognition

At the commencement of a lease (or the IFRS 16 transition date, if later), a right-of-use asset and a lease liability are recognised. The lease liability is measured at the present value of the payments for the remaining lease term (as defined above), net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or, where this cannot be determined, the rate advised by HM Treasury for that calendar year. The liability includes payments that are fixed or in-substance fixed, excluding, for example, changes arising from future rent reviews or changes in an index. The right-of-use asset is measured at the value of the liability, adjusted for any payments made or amounts accrued before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease. However, for peppercorn or nil consideration leases, the asset is measured at its existing use value.

#### Subsequent measurement

The asset is subsequently measured using the fair value model. The cost model is considered to be a reasonable proxy except for leases of land and property without regular rent reviews. For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration have been valued using market prices or rentals for equivalent land and properties. The liability is adjusted for the accrual of interest, repayments, and reassessments and modifications. These are measured by re-discounting the revised cash flows.

#### Lease expenditure

Expenditure includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rental payments for leases of low-value items or shorter than twelve months are expensed.

#### Estimates and judgements

The Board determines the amounts to be recognised as the right-of-use asset and lease liability for embedded leases based on the stand-alone price of the lease and non-lease component or components. This determination reflects prices for leases of the underlying asset, where these are observable; otherwise, it maximises the use of other observable data, including the fair values of

similar assets, or prices of contracts for similar non-lease components. In some circumstances, where stand-alone prices are not readily observable, the entire contracts are treated as a lease as a practical expedient. The FReM requires right-of-use assets held under “peppercorn” leases to be measured at existing use value.

## **11. 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.

## **12. 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.

## **13. Inventories**

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

## **14. 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.

## **15. 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.

## **16. 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 NHS Scotland as advised by the Scottish Government and based on information prepared by NHS Boards and the Central Legal Office. The movement in the provisions between financial years is matched by a corresponding adjustment in AME provision and is classified as non-core expenditure.

## **17. 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.

## **18. 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.

## 19. 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- balance sheet. 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 balance sheet 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-balance sheet' 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 IFRS 16. 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 total unitary payment is then divided into three: the service charge element, repayment of the capital element of the contract obligation and the interest expense on it (using the interest rate implicit in the contract).

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

An IFRS 16 approach requires the liability to be remeasured if there is a change in future lease payments resulting from a change in an index/rate used to determine those payments. The liability does not include estimated future indexation linked increases. There are two elements required:

### Initial remeasurement

The future PPP liability were remeasured at 1 April 2023 to include the indexation linked changes to payments for the capital/infrastructure element which have taken effect in the cash flows since the PPP arrangement commenced. FReM mandated a cumulative catch-up approach, where the cumulative effect is recognised as an adjustment to the opening balance of General Fund. Comparative information is not restated.

### Subsequent measurement

The timing of any subsequent remeasurement of the PPP liability for indexation linked changes will be whenever there is a change in the cash flows i.e., when the adjustment to lease payments takes effect.

NHS Forth Valley currently discloses two PFI Properties within its Statutory Accounts. The Clackmannanshire Health Resource Centre and Forth Valley Royal Hospital are accounted for as

On-statement of financial position and details of these two service concessions are reported within Note 18bPFI. Stirling Care Village is a HUB Design, Build, Finance and Maintain (DBFM) project and details of this service concession is also reported within Note 18b.

## **20. Provisions**

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

## **21. Contingencies**

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

## **22. Corresponding Amounts**

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

## **23. Financial Instruments**

### **Financial assets**

#### Business model

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

#### Classification

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

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

This is the default basis for financial assets.

(b) Financial assets held at amortised cost

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

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

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

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

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

Impairment of financial assets

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

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

Recognition and measurement

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

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

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

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

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

(b) Financial assets held at amortised cost

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

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

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

## **Financial Liabilities**

### Classification

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

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

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

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

(b) Financial liabilities held at amortised cost

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

### Recognition and measurement

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

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

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

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

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

(b) Amortised costs

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

## **24. Segmental reporting**

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

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

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

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the 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.

## **26. Foreign exchange**

The functional and presentational currencies of the Board are sterling.

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

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.

## **27. 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. In addition, where third party monies have been held in a public bank account, commentary is provided in Note 11.

## **28. Critical accounting judgements and key sources of estimation uncertainty**

In applying the Health Board's accounting policies, which are described in this note, the Board are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the

revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### **Judgements**

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Board have made in the process of applying the Health Board's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

**Pfi/ Hospitals and Hub** – when considering the application of IFRIC 12 for the Forth Valley Royal Hospital and Clackmannanshire Health Resource Pfi facilities, and also the Stirling Care Village Hub arrangement, judgements were made regards the Interpretation of IFRIC 12 that gives guidance on the accounting by operators for public-to-private service concession arrangements. It is the Board's view that they control and regulate what services the operator must provide with the infrastructure, to whom it must provide them, and at what price, and hence the application of IFRIC 12 is appropriate.

**Clinical and Medical Negligence** - The Scottish Government provides Risk Levels via Central Legal Office returns on a quarterly basis for all clinical and medical negligence claims lodged against NHS Forth Valley. All Risk Level 3 and 50% of Risk Level 2 claims are Provided for within Note 13 of the accounts, and all Level 1 and the remaining 50% of Level 2 claims are presented as Contingent Liabilities within Note 14 of the accounts.

### **Estimates**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

**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. As per Note 13 of the accounts the carrying value of the Clinical and Medical Negligence Provision as at 31<sup>st</sup> March 2024 is £31.627m

**Revaluation of Land and Buildings:** the Board commissioned a full revaluation of the NHS Forth Valley estate as at 31<sup>st</sup> March 2024, with draft valuations being carried out by the Valuation Office Agency (VOA) during November and December 2023, and final valuations being issued in April 2024. 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 carrying value of Land and Buildings at 31<sup>st</sup> March 2024 as per Note 7(a) and 17(a) to the accounts was £564.55m.

## **29. 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 up to the authorised for issue date in 2023/24.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

| 2a. SUMMARY OF CORE REVENUE RESOURCE OUTTURN                   | Note  | 2024<br>£'000 | 2024<br>£'000  |
|--|-------|---------------|----------------|
| <b>Net expenditure</b>   | SoCNE |               | 850,766        |
| Total non core expenditure (see below)                         |       |               | (22,430)       |
| Family Health Services non-discretionary allocation            |       |               | (45,073)       |
| Endowment net expenditure                                      |       |               | (93)           |
| Associates and joint ventures accounted for on an equity basis |       |               | (10,216)       |
| <b>Total Core Expenditure</b>                                  |       |               | <b>772,954</b> |
| Core Revenue Resource Limit                                    |       |               | 773,188        |
| <b>Saving/(excess) against Core Revenue Resource Limit</b>     |       |               | <b>234</b>     |

**SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN**

|  |               |
|--|---------------|
| Capital grants to / (from) other bodies  | (936)         |
| Depreciation / amortisation  | 9,631         |
| Annually Managed Expenditure - impairments                                       | 1,009         |
| Annually Managed Expenditure - provisions  | 1,552         |
| Annually Managed Expenditure - depreciation of donated assets                    | 14            |
| Annually Managed Expenditure - pension valuation                                 | 0             |
| Annually Managed Expenditure - fair value adjustments                            | 192           |
| Additional Scottish Government non-core funding                                  | 0             |
| Donated assets income  | 0             |
| IFRS PFI expenditure   | 9,944         |
| Right of Use (RoU) Asset Depreciation  | 994           |
| Annually Managed Expenditure - Right of Use (RoU) Peppercorn Leases Depreciation | 30            |
| <b>Total Non Core Expenditure</b>  | <b>22,430</b> |
| Non Core Revenue Resource Limit  | 22,430        |
| <b>Saving/(excess) against Non Core Revenue Resource Limit</b>                   | <b>0</b>      |

**SUMMARY RESOURCE OUTTURN**

|              | Resource<br>£'000 | Expenditure<br>£'000 | Saving/(Excess)<br>£'000 |
|--------------|-------------------|----------------------|--------------------------|
| Core         | 773,188           | 772,954              | 234                      |
| Non Core     | 22,430            | 22,430               | 0                        |
| <b>Total</b> | <b>795,618</b>    | <b>795,384</b>       | <b>234</b>               |

**FORTH VALLEY NHS BOARD**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**2b. NOTES TO THE CASHFLOW STATEMENT**

**Consolidated adjustments for non-cash transactions**

| 2023<br>£'000  | Note       | 2024<br>£'000                        |                                      |                                  |
|--|------------|--------------------------------------|--------------------------------------|----------------------------------|
| <b>Expenditure Not Paid In Cash</b>                                  |            |                                      |                                      |                                  |
| 18,100 Depreciation  | 7a         | 19,427                               |                                      |                                  |
| 262 Amortisation   | 6          | 156                                  |                                      |                                  |
| 18 Depreciation of donated assets                                    | 7a         | 14                                   |                                      |                                  |
| 993 Depreciation of Right of Use (RoU) Assets                        | 17b        | 1,024                                |                                      |                                  |
| 4 Right of Use (RoU) Remeasurement (gain)/loss                       | 17b        | 3                                    |                                      |                                  |
| 357 Impairments on PPE charged to SoCNE                              |            | 1,698                                |                                      |                                  |
| 0 Net revaluation on PPE charged to SoCNE                            |            | 0                                    |                                      |                                  |
| (1,017) Reversal of impairments on PPE charged to SoCNE              |            | (700)                                |                                      |                                  |
| 0 Impairment of investments charged to SoCNE                         | 10         | 196                                  |                                      |                                  |
| (4) GP Loans fair value adjustment                                   | 10         | (4)                                  |                                      |                                  |
| 7,409 Associates and joint ventures accounted for on an equity basis | SoCNE      | 10,216                               |                                      |                                  |
| 0 Right of Use (RoU) Additions                                       |            | (876)                                |                                      |                                  |
| 0 Other PFI Remeasurement  |            | 0                                    |                                      |                                  |
| <b>26,122 Total Expenditure Not Paid In Cash</b>                     | <b>CFS</b> | <b>31,154</b>                        |                                      |                                  |
| <b>Interest payable recognised in operating expenditure</b>          |            |                                      |                                      |                                  |
| 2023<br>£'000  | Note       | 2024<br>£'000                        |                                      |                                  |
| <b>Interest Payable</b>  |            |                                      |                                      |                                  |
| 13,943 PFI Finance lease charges allocated in the year               | 18b        | 18,166                               |                                      |                                  |
| 149 Lease Interest   | 17b        | 160                                  |                                      |                                  |
| (1,249) Provisions - Unwinding of discount                           |            | 151                                  |                                      |                                  |
| <b>12,843 Net Interest payable</b>                                   |            | <b>18,477</b>                        |                                      |                                  |
| <b>Consolidated movements in working capital</b>                     |            |                                      |                                      |                                  |
| 2023<br>Net<br>Movement<br>£'000                                     | Note       | 2024<br>Opening<br>Balances<br>£'000 | 2024<br>Closing<br>Balances<br>£'000 | 2024<br>Net<br>Movement<br>£'000 |
| <b>INVENTORIES</b>   |            |                                      |                                      |                                  |
| (627) Balance Sheet  | 8          | 2,639                                | 2,824                                | (185)                            |
| <b>(627) Net Decrease/(Increase)</b>                                 |            | <b>2,639</b>                         | <b>2,824</b>                         | <b>(185)</b>                     |
| <b>TRADE AND OTHER RECEIVABLES</b>                                   |            |                                      |                                      |                                  |
| (7,762) Due within one year  | 9          | 24,578                               | 33,852                               | (9,274)                          |
| 5,928 Due after more than one year                                   | 9          | 34,903                               | 27,956                               | 6,947                            |
| <b>(1,834) Net Decrease/(Increase)</b>                               |            | <b>59,481</b>                        | <b>61,808</b>                        | <b>(2,327)</b>                   |
| <b>TRADE AND OTHER PAYABLES</b>                                      |            |                                      |                                      |                                  |
| (30,730) Due within one year   | 12         | 132,486                              | 109,308                              | (23,178)                         |
| (9,012) Due after more than one year                                 | 12         | 293,787                              | 378,246                              | 84,459                           |
| 5,487 Less: Property, Plant & Equipment (Capital) included in above  |            | (9,198)                              | (4,881)                              | 4,317                            |
| 0 Less: Intangible Assets (Capital) included in above                |            | 0                                    | 0                                    | 0                                |
| 0 Less: Bank Overdraft   | 12         | 0                                    | 0                                    | 0                                |
| 1 Less: General Fund Creditor included in above                      | 12         | (36)                                 | (49)                                 | (13)                             |
| 7,998 Less: Lease and PFI Creditors included in above                | 12         | (304,553)                            | (393,419)                            | (88,866)                         |
| 0 Less: Interest payable included in above                           | 12         | 0                                    | 0                                    | 0                                |
| <b>(26,256) Net (Decrease)/Increase</b>                              |            | <b>112,486</b>                       | <b>89,205</b>                        | <b>(23,281)</b>                  |
| <b>PROVISIONS</b>  |            |                                      |                                      |                                  |
| (2,727) Statement of Financial Position                              | 13a        | 85,170                               | 79,312                               | (5,858)                          |
| 0 Transfer from Provision to General Fund                            |            | 0                                    | 0                                    | 0                                |
| <b>(2,727) Net (Decrease)/Increase</b>                               |            | <b>85,170</b>                        | <b>79,312</b>                        | <b>(5,858)</b>                   |
| <b>(31,444) NET MOVEMENT (Decrease)/Increase</b>                     | <b>CFS</b> | <b>(135,536)</b>                     | <b>(103,885)</b>                     | <b>(31,651)</b>                  |

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

## 3. OPERATING EXPENSES

## 3a. Employee Expenditure

## Consolidated

| 2023           |                    | 2024           |
|----------------|--------------------|----------------|
| £'000          |                    | £'000          |
| 80,883         | Medical and Dental | 93,304         |
| 176,033        | Nursing            | 197,925        |
| 119,701        | Other Staff        | 131,342        |
| <b>376,617</b> | <b>Total</b>       | <b>422,571</b> |

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

| 2023           |   | 2024           |
|----------------|---|----------------|
| £'000          |   | £'000          |
|                | <b>Independent Primary Care Services:</b>             |                |
| 53,668         | General Medical Services                              | 56,185         |
| 16,162         | Pharmaceutical Services                               | 17,281         |
| 25,453         | General Dental Services                               | 25,173         |
| 6,037          | General Ophthalmic Services                           | 6,892          |
| <b>101,320</b> | <b>Total</b>  | <b>105,531</b> |
|                | <b>Drugs and medical supplies:</b>                    |                |
| 59,495         | Prescribed drugs Primary Care                         | 64,319         |
| 51,714         | Prescribed drugs Secondary Care                       | 51,447         |
| 780            | PPE and Testing Kits                                  | 408            |
| 21,824         | Medical Supplies                                      | 25,329         |
| <b>133,813</b> | <b>Total</b>  | <b>141,503</b> |
|                | <b>Other health care expenditure</b>                  |                |
| 350,176        | Contribution to Integration Joint Boards              | 393,794        |
| 57,237         | Goods and services from other NHSScotland bodies      | 58,832         |
| 164            | Goods and services from other UK NHS bodies           | 377            |
| 1,658          | Goods and services from private providers             | 3,097          |
| 6,935          | Goods and services from voluntary organisations       | 6,637          |
| 21,570         | Resource Transfer                                     | 21,625         |
| 0              | Loss on disposal of assets                            | 0              |
| 36,501         | Other operating expenses                              | 40,118         |
| 5,195          | Rates   | 6,214          |
| 54,657         | PFI & Finance Lease Costs                             | 47,024         |
| 18,846         | Depreciation  | 19,592         |
| 32,961         | Local Authority Costs                                 | 30,609         |
| 1,832          | Compensation Payments - Clinical                      | 5,756          |
| 187            | External Auditor's remuneration - statutory audit fee | 187            |
| 500            | Endowment Fund expenditure                            | 509            |
| <b>588,419</b> | <b>Total</b>  | <b>634,371</b> |
| <b>823,552</b> | <b>Total Other Operating Expenditure</b>              | <b>881,405</b> |

There are no other Services provided by the External Auditors.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

**4. OPERATING INCOME**

| <b>Consolidated</b> |  | <b>Consolidated</b>         |
|---------------------|--|-----------------------------|
| <b>2023</b>         | <b>2024</b>  |                             |
| £'000               | £'000  |                             |
| 256                 | Income from Scottish Government                                    | 2,188                       |
| 33,017              | Income from other NHS Scotland bodies                              | 38,076                      |
| 461                 | Income from NHS non-Scottish bodies                                | 680                         |
| 0                   | Income from private patients                                       | 0                           |
| 374,278             | Income for services commissioned by Integration Joint Board        | 400,271                     |
| 4,156               | Patient charges for primary care                                   | 4,432                       |
| 0                   | Donations  | 0                           |
| 0                   | Profit on disposal of assets                                       | 0                           |
| (1,688)             | Contributions in respect of clinical and medical negligence claims | 4,617                       |
| 38                  | Interest received  | <b>CFS</b> 80               |
| <b>Non NHS:</b>     |  |                             |
| 11                  | Overseas patients (non-reciprocal)                                 | 64                          |
| 551                 | Non-patient care income generation schemes                         | 636                         |
| 482                 | Endowment Fund Income  | 416                         |
| 17,375              | Other  | 11,966                      |
| <b>428,937</b>      | <b>Total Income</b>  | <b>SoCNE</b> <b>463,426</b> |

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

**5. SEGMENT INFORMATION**

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

|   | Clinical Services<br>£'000 | Corporate Functions<br>& Facilities<br>£'000 | Externals/Cross<br>Boundary Flow<br>£'000 | Clacks/Stirling<br>HSCP<br>(Operational &<br>Universal)<br>£'000 | Falkirk HSCP<br>(Operational &<br>Universal)<br>£'000 | Unallocated<br>£'000 | 2024<br>£'000    |
|---|----------------------------|--|---|--|---|----------------------|------------------|
| <b>Net operating cost</b>   | 348,606                    | 119,898                                      | 48,542                                    | 155,940  | 167,471   | 0                    | <b>840,457</b>   |
| If reported to Senior Management also disclose;   |                            |  |   |  |   |                      |                  |
| <b>Total assets</b>   | 0                          | 0  | 0   | 0  | 0   | 677,724              | <b>677,724</b>   |
| <b>Total liabilities</b>  | 0                          | 0  | 0   | 0  | 0   | (566,715)            | <b>(566,715)</b> |
| Total segment revenue   | 21,236                     | 21,998                                       | 15,601                                    | 514  | 731   | 0                    | <b>60,080</b>    |
| Inter-segment revenue   | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |
| Revenue from external sources   | 21,236                     | 21,998                                       | 15,601                                    | 514  | 731   | 0                    | <b>60,080</b>    |
| Impairment losses recognised in SoCNE   | 0                          | 1,001  | 0   | 0  | 0   | 0                    | <b>1,001</b>     |
| Impairment losses recognised in Reserves  | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |
| Impairment reversals recognised in SoCNE  | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |
| Impairment reversals recognised in Reserves   | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |
| Depreciation and amortisation   | 0                          | 20,621                                       | 0   | 0  | 0   | 0                    | <b>20,621</b>    |
| Interest income   | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |
| Interest expense  | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |
| Non-current assets held for sale  | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |
| Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure) | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

5. SEGMENT INFORMATION - PRIOR YEAR

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

|   | Clinical Services<br>£'000 | Corporate Functions<br>& Facilities<br>£'000 | Externals/Cross<br>Boundary Flow<br>£'000 | Clacks/Stirling<br>HSCP<br>(Operational &<br>Universal)<br>£'000 | Falkirk HSCP<br>(Operational &<br>Universal)<br>£'000 | Unallocated<br>£'000 | 2023<br>£'000    |
|---|----------------------------|--|---|--|---|----------------------|------------------|
| <b>Net operating cost</b>   | 309,446                    | 106,750                                      | 46,318                                    | 148,625  | 160,075   | 0                    | <b>771,214</b>   |
| If reported to Senior Management also disclose:   |                            |  |   |  |   |                      |                  |
| <b>Total assets</b>   | 0                          | 0  | 0   | 0  | 0   | 664,901              | <b>664,901</b>   |
| <b>Total liabilities</b>  | 0                          | 0  | 0   | 0  | 0   | (511,235)            | <b>(511,235)</b> |
| Total segment revenue   | 20,696                     | 10,030                                       | 14,574                                    | 3,622  | 5,256   | 0                    | <b>54,178</b>    |
| Inter-segment revenue   | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |
| Revenue from external sources   | 20,696                     | 10,030                                       | 14,574                                    | 3,622  | 5,256   | 0                    | <b>54,178</b>    |
| Impairment losses recognised in SoCNE   | 0                          | (656)  | 0   | 0  | 0   | 0                    | <b>(656)</b>     |
| Impairment losses recognised in Reserves  | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |
| Impairment reversals recognised in SoCNE  | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |
| Impairment reversals recognised in Reserves   | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |
| Depreciation and amortisation   | 0                          | 18,381                                       | 0   | 0  | 0   | 0                    | <b>18,381</b>    |
| Interest income   | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |
| Interest expense  | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |
| Non-current assets held for sale  | 0                          | 355  | 0   | 0  | 0   | 0                    | <b>355</b>       |
| Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure) | 0                          | 0  | 0   | 0  | 0   | 0                    | <b>0</b>         |

**FORTH VALLEY NHS BOARD**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

|   | <b>Software</b> |                      |              |
|---|-----------------|----------------------|--------------|
|   | <b>Licences</b> | <b>IT - software</b> | <b>Total</b> |
|   | <b>2023</b>     | <b>2023</b>          | <b>2023</b>  |
|   | <b>£'000</b>    | <b>£'000</b>         | <b>£'000</b> |
| <b>Cost or Valuation:</b>               |                 |                      |              |
| As at 1st April 2023                    | 1,046           | 5,290                | 6,336        |
| Additions                               | 0               | 0                    | 0            |
| <b>At 31st March 2024</b>               | <b>1,046</b>    | <b>5,290</b>         | <b>6,336</b> |
| <b>Amortisation</b>                     |                 |                      |              |
| As at 1st April 2023                    | 1,046           | 4,754                | 5,800        |
| Provided during the year                | 0               | 156                  | 156          |
| <b>At 31st March 2024</b>               | <b>1,046</b>    | <b>4,910</b>         | <b>5,956</b> |
| <b>Net Book Value at 1st April 2023</b> | <b>0</b>        | <b>536</b>           | <b>536</b>   |
| <b>Net Book Value at 31 March 2024</b>  | <b>SoFP</b>     | <b>0</b>             | <b>380</b>   |

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

|   | <b>Software</b> |                      |              |
|---|-----------------|----------------------|--------------|
|   | <b>Licences</b> | <b>IT - software</b> | <b>Total</b> |
|   | <b>2022</b>     | <b>2022</b>          | <b>2022</b>  |
|   | <b>£'000</b>    | <b>£'000</b>         | <b>£'000</b> |
| <b>Cost or Valuation:</b>               |                 |                      |              |
| As at 1st April 2022                    | 1,046           | 5,188                | 6,234        |
| Additions                               | 0               | 102                  | 102          |
| <b>At 31st March 2023</b>               | <b>1,046</b>    | <b>5,290</b>         | <b>6,336</b> |
| <b>Amortisation</b>                     |                 |                      |              |
| As at 1st April 2022                    | 1,046           | 4,492                | 5,538        |
| Provided during the year                | 0               | 262                  | 262          |
| <b>At 31st March 2023</b>               | <b>1,046</b>    | <b>4,754</b>         | <b>5,800</b> |
| <b>Net Book Value at 1st April 2022</b> | <b>0</b>        | <b>696</b>           | <b>696</b>   |
| <b>Net Book Value at 31 March 2023</b>  | <b>SoFP</b>     | <b>0</b>             | <b>536</b>   |

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 2024

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

|   | Land<br>(including<br>under<br>buildings) | Buildings<br>(excluding<br>dwellings) | Dwellings      | Transport<br>Equipment | Plant &<br>Machinery | Information<br>Technology | Furniture &<br>Fittings | Assets Under<br>Construction | Total<br>2023  |                |
|---|---|---------------------------------------|----------------|------------------------|----------------------|---------------------------|-------------------------|------------------------------|----------------|----------------|
|   | 2023<br>£'000                             | 2023<br>£'000                         | 2023<br>£'000  | 2023<br>£'000          | 2023<br>£'000        | 2023<br>£'000             | 2023<br>£'000           | 2023<br>£'000                | 2023<br>£'000  |                |
| <b>Cost or valuation</b>  |   |                                       |                |                        |                      |                           |                         |                              |                |                |
| At 1 April 2023   | 22,160                                    | 528,591                               | 470            | 38                     | 73,040               | 33,017                    | 1,712                   | 11,401                       | 670,429        |                |
| Additions - purchased   | 0   | 2,912                                 | 0              | 0                      | 2,295                | 1,399                     | 0                       | 2,480                        | 9,086          |                |
| Additions - donated   | 0   | 0                                     | 0              | 0                      | 0                    | 0                         | 0                       | 0                            | 0              |                |
| Completions   | 0   | 2,049                                 | 0              | 0                      | 1,732                | 0                         | 0                       | (3,781)                      | 0              |                |
| Revaluations  | (2,183)                                   | 10,820                                | 32             | 0                      | 0                    | 0                         | 0                       | 0                            | 8,669          |                |
| Impairment charges  | 2   | 0                                     | 0              | 0                      | 0                    | 0                         | 0                       | 0                            | 2              |                |
| Impairment reversals  | 0   | 0                                     | 0              | 0                      | 0                    | 0                         | 0                       | 0                            | 0              |                |
| Disposals - purchased   | (997)                                     | 0                                     | (102)          | 0                      | 0                    | 0                         | 0                       | 0                            | (1,099)        |                |
| Disposals - donated   | 0   | 0                                     | 0              | 0                      | 0                    | 0                         | 0                       | 0                            | 0              |                |
| <b>At 31 March 2024</b>   | <b>18,982</b>                             | <b>544,372</b>                        | <b>400</b>     | <b>38</b>              | <b>77,067</b>        | <b>34,416</b>             | <b>1,712</b>            | <b>10,100</b>                | <b>687,087</b> |                |
| <b>Depreciation</b>   |   |                                       |                |                        |                      |                           |                         |                              |                |                |
| At 1 April 2023   | 0   | 4,924                                 | 0              | 38                     | 48,356               | 20,744                    | 1,712                   | 0                            | 75,774         |                |
| Provided during the year - purchased                                  | 0   | 12,961                                | 28             | 0                      | 3,949                | 2,489                     | 0                       | 0                            | 19,427         |                |
| Provided during the year - donated                                    | 0   | 8                                     | 0              | 0                      | 6                    | 0                         | 0                       | 0                            | 14             |                |
| Revaluations  | 0   | (13,810)                              | (28)           | 0                      | 0                    | 0                         | 0                       | 0                            | (13,838)       |                |
| Impairment charges  | 0   | 1,700                                 | 0              | 0                      | 0                    | 0                         | 0                       | 0                            | 1,700          |                |
| Impairment reversals  | 0   | (700)                                 | 0              | 0                      | 0                    | 0                         | 0                       | 0                            | (700)          |                |
| Disposals - purchased   | 0   | 0                                     | 0              | 0                      | 0                    | 0                         | 0                       | 0                            | 0              |                |
| Disposals - donated   | 0   | 0                                     | 0              | 0                      | 0                    | 0                         | 0                       | 0                            | 0              |                |
| <b>At 31 March 2024</b>   | <b>0</b>                                  | <b>5,083</b>                          | <b>0</b>       | <b>38</b>              | <b>52,311</b>        | <b>23,233</b>             | <b>1,712</b>            | <b>0</b>                     | <b>82,377</b>  |                |
| <b>Net book value at 1 April 2023</b>                                 | <b>22,160</b>                             | <b>523,667</b>                        | <b>470</b>     | <b>0</b>               | <b>24,684</b>        | <b>12,273</b>             | <b>0</b>                | <b>11,401</b>                | <b>594,655</b> |                |
| <b>Net book value at 31 March 2024</b>                                | <b>SoFP</b>                               | <b>18,982</b>                         | <b>539,289</b> | <b>400</b>             | <b>0</b>             | <b>24,756</b>             | <b>11,183</b>           | <b>0</b>                     | <b>10,100</b>  | <b>604,710</b> |
| <b>Open Market Value of Land in Land and Dwellings Included Above</b> |   |                                       |                |                        |                      |                           |                         |                              |                |                |
|   |   | <b>675</b>                            |                |                        | <b>0</b>             |                           |                         |                              |                |                |
| <b>Asset financing:</b>   |   |                                       |                |                        |                      |                           |                         |                              |                |                |
| Owned - purchased   | 18,982                                    | 67,480                                | 400            | 0                      | 24,721               | 11,183                    | 0                       | 10,100                       | 132,866        |                |
| Owned - donated   | 0   | 197                                   | 0              | 0                      | 35                   | 0                         | 0                       | 0                            | 232            |                |
| On-balance sheet PFI contracts  | 0   | 471,612                               | 0              | 0                      | 0                    | 0                         | 0                       | 0                            | 471,612        |                |
| <b>Net book value at 31 March 2024</b>                                |   | <b>18,982</b>                         | <b>539,289</b> | <b>400</b>             | <b>0</b>             | <b>24,756</b>             | <b>11,183</b>           | <b>0</b>                     | <b>10,100</b>  | <b>604,710</b> |

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

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

|   | Land   |                | Buildings<br>(excluding<br>dwellings) | Dwellings | Transport<br>Equipment | Plant &<br>Machinery | Information<br>Technology | Furniture &<br>Fittings | Assets Under<br>Construction | Total<br>2022<br>£'000 |
|---|--|----------------|---------------------------------------|-----------|------------------------|----------------------|---------------------------|-------------------------|------------------------------|------------------------|
|   | 2022<br>£'000  | 2022<br>£'000  |                                       |           |                        |                      |                           |                         |                              |                        |
|   | <b>Cost or valuation</b>   |                |                                       |           |                        |                      |                           |                         |                              |                        |
| At 1 April 2022   | 22,097   | 511,336        | 459                                   | 38        | 67,158                 | 29,906               | 1,712                     | 8,207                   | 640,913                      |                        |
| Additions - purchased   | 0  | 1,528          | 0                                     | 0         | 3,324                  | 2,180                | 0                         | 0                       | 7,054                        | 14,086                 |
| Additions - donated   | 0  | 0              | 0                                     | 0         | 0                      | 0                    | 0                         | 0                       | 0                            | 0                      |
| Completions   | 0  | 371            | 0                                     | 0         | 2,558                  | 931                  | 0                         | 0                       | (3,860)                      | 0                      |
| Revaluations  | 171  | 16,225         | 11                                    | 0         | 0                      | 0                    | 0                         | 0                       | 0                            | 16,407                 |
| Impairment charges  | (1)  | (869)          | (0)                                   | (0)       | (0)                    | (0)                  | (0)                       | (0)                     | (0)                          | (870)                  |
| Impairment reversals  | 78   | 0              | 0                                     | 0         | 0                      | 0                    | 0                         | 0                       | 0                            | 78                     |
| Disposals - purchased   | (185)  | 0              | 0                                     | 0         | 0                      | 0                    | 0                         | 0                       | 0                            | (185)                  |
| Disposals - donated   | 0  | 0              | 0                                     | 0         | 0                      | 0                    | 0                         | 0                       | 0                            | 0                      |
| <b>At 31 March 2023</b>   | <b>22,160</b>  | <b>528,591</b> | <b>470</b>                            | <b>38</b> | <b>73,040</b>          | <b>33,017</b>        | <b>1,712</b>              | <b>11,401</b>           | <b>670,429</b>               |                        |
| <b>Depreciation</b>   |  |                |                                       |           |                        |                      |                           |                         |                              |                        |
| At 1 April 2022   | 0  | 4,767          | 0                                     | 38        | 44,825                 | 18,582               | 1,712                     | 0                       | 69,924                       |                        |
| Provided during the year - purchased                                  | 0  | 12,392         | 25                                    | 0         | 3,521                  | 2,162                | 0                         | 0                       | 0                            | 18,100                 |
| Provided during the year - donated                                    | 0  | 8              | 0                                     | 0         | 10                     | 0                    | 0                         | 0                       | 0                            | 18                     |
| Revaluations  | 0  | (11,660)       | (25)                                  | 0         | 0                      | 0                    | 0                         | 0                       | 0                            | (11,685)               |
| Impairment charges  | 0  | 356            | 0                                     | 0         | 0                      | 0                    | 0                         | 0                       | 0                            | 356                    |
| Impairment reversals  | 0  | (939)          | 0                                     | 0         | 0                      | 0                    | 0                         | 0                       | 0                            | (939)                  |
| Disposals - purchased   | 0  | 0              | 0                                     | 0         | 0                      | 0                    | 0                         | 0                       | 0                            | 0                      |
| Disposals - donated   | 0  | 0              | 0                                     | 0         | 0                      | 0                    | 0                         | 0                       | 0                            | 0                      |
| <b>At 31 March 2023</b>   | <b>0</b>   | <b>4,924</b>   | <b>0</b>                              | <b>38</b> | <b>48,356</b>          | <b>20,744</b>        | <b>1,712</b>              | <b>0</b>                | <b>75,774</b>                |                        |
| <b>Net book value at 1 April 2022</b>                                 | <b>22,097</b>  | <b>506,569</b> | <b>459</b>                            | <b>0</b>  | <b>22,333</b>          | <b>11,324</b>        | <b>0</b>                  | <b>8,207</b>            | <b>570,989</b>               |                        |
| <b>Net book value at 31 March 2023</b>                                | <b>22,160</b>  | <b>523,667</b> | <b>470</b>                            | <b>0</b>  | <b>24,684</b>          | <b>12,273</b>        | <b>0</b>                  | <b>11,401</b>           | <b>594,655</b>               |                        |
| <b>Open Market Value of Land in Land and Dwellings Included Above</b> | <b>1,675</b>   | <b>0</b>       |                                       |           |                        |                      |                           |                         |                              |                        |
| <b>Note</b>   | The Retained Estate comprises land (£1.650m at 31 March 2022) which was primarily intended for use by NHS Forth Valley but is now surplus to requirements and is therefore held at Market Value. |                |                                       |           |                        |                      |                           |                         |                              |                        |
| <b>Asset financing:</b>   |  |                |                                       |           |                        |                      |                           |                         |                              |                        |
| Owned - purchased   | 22,160   | 65,273         | 470                                   | 0         | 24,643                 | 12,273               | 0                         | 11,401                  | 136,220                      |                        |
| Owned - donated   | 0  | 195            | 0                                     | 0         | 41                     | 0                    | 0                         | 0                       | 0                            | 236                    |
| On-balance sheet PFI contracts  | 0  | 458,199        | 0                                     | 0         | 0                      | 0                    | 0                         | 0                       | 0                            | 458,199                |
| <b>Net book value at 31 March 2023</b>                                | <b>22,160</b>  | <b>523,667</b> | <b>470</b>                            | <b>0</b>  | <b>24,684</b>          | <b>12,273</b>        | <b>0</b>                  | <b>11,401</b>           | <b>594,655</b>               |                        |

**FORTH VALLEY NHS BOARD**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**7. (c) PROPERTY, PLANT AND EQUIPMENT DISCLOSURES**

| <b>Consolidated</b><br><b>2023</b><br><b>£'000</b> | <b>Board</b><br><b>2023</b><br><b>£'000</b> |   | <b>Consolidated</b><br><b>2024</b><br><b>£'000</b> | <b>Board</b><br><b>2024</b><br><b>£'000</b> |
|--|---|---|--|---|
|  |   | <b>Net book value of property, plant and equipment at 31 March</b>          |  |   |
| 594,419  | 594,419                                     | Purchased   | <u>7a</u> 604,478                                  | 604,478                                     |
| 236  | 236   | Donated   | <u>7a</u> 232                                      | 232   |
| <b>594,655</b>                                     | <b>594,655</b>                              | <b>Total</b>  | <b>SoFP</b> <b>604,710</b>                         | <b>604,710</b>                              |
| 1,675  | 1,675                                       | Net book value related to land valued at open market value at 31 March      |  | 675   |
| 0  | 0   | Net book value related to buildings valued at open market value at 31 March |  | 0   |
| 0  | 0   | <b>Total value of assets held under:</b>                                    |  |   |
| 458,199  | 458,199                                     | Hire Purchase Contracts   |  | 0   |
|  |   | PFI and PPP Contracts   |  | 0   |
| 458,199  | 458,199                                     |   | <u>471,612</u>                                     | <u>471,612</u>                              |
| 0  | 0   | <b>Total depreciation charged in respect of assets held under:</b>          |  |   |
| 9,561  | 9,561                                       | Hire Purchase Contracts   |  | 0   |
|  |   | PFI and PPP contracts   |  | 0   |
| 9,561  | 9,561                                       |   | <u>9,952</u>                                       | <u>9,952</u>                                |
|  |   |   | <b>9,952</b>                                       | <b>9,952</b>                                |

All land and buildings were revalued by an independent valuer, The Valuation Office Agency, as at 31/03/2024 on the basis of fair value (market value or depreciated replacement costs where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS.

The net impact was an increase of £21.509m, (2022-23: £27.883m) of which £22.507m (2022-23: £27.300m) which was credited to the revaluation reserve. Impairment of £0.998m (2022-23 £0.583m Impairment Reversal) was charged to the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn. Right of Use Assets were also subject to Revaluation by the independent auditor and their value increased by £0.119m as at 31st March 2024.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

**7d. ANALYSIS OF CAPITAL EXPENDITURE**

| Consolidated<br>2023<br>£'000 |   | Consolidated<br>2024<br>£'000 |
|-------------------------------|---|-------------------------------|
|                               |   |                               |
| <b>EXPENDITURE</b>            |   |                               |
| 102                           | Acquisition of intangible assets                            | 6 0                           |
| 14,086                        | Acquisition of property, plant and equipment                | 7a 9,086                      |
| 0                             | GP Loans advances   | 10 613                        |
| 505                           | Right of Use (RoU) Additions                                | 17a 876                       |
| 0                             | Right of Use (RoU) Dilapidations                            | 0                             |
| <b>14,693</b>                 | <b>Gross Capital Expenditure</b>                            | <b>10,575</b>                 |
|                               |   |                               |
| <b>INCOME</b>                 |   |                               |
| 0                             | Net book value of disposal of intangible assets             | 6 0                           |
| 185                           | Net book value of disposal of property, plant and equipment | 7a 1,099                      |
| <b>185</b>                    | <b>Capital Income</b>                                       | <b>1,099</b>                  |
| <b>14,508</b>                 | <b>Net Capital Expenditure</b>                              | <b>9,476</b>                  |

**SUMMARY OF CAPITAL RESOURCE OUTTURN**

|          |  |          |
|----------|--|----------|
| 14,508   | Core capital expenditure included above                        | 8,863    |
| 14,508   | Core Capital Resource Limit                                    | 8,863    |
| <b>0</b> | <b>Saving/(excess) against Core Capital Resource Limit</b>     | <b>0</b> |
| 0        | Non Core capital expenditure included above                    | 613      |
| 0        | Non Core Capital Resource Limit                                | 613      |
| <b>0</b> | <b>Saving/(excess) against Non Core Capital Resource Limit</b> | <b>0</b> |
| 14,508   | Total Capital Expenditure                                      | 9,476    |
| 14,508   | Total Capital Resource Limit                                   | 9,476    |
| <b>0</b> | <b>Saving/(excess) against Total Capital Resource Limit</b>    | <b>0</b> |

# FORTH VALLEY NHS BOARD

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

### 8. INVENTORIES

| Consolidated<br>2023<br>£'000         | Consolidated<br>2024<br>£'000          |
|---------------------------------------|--|
| 2,639 Raw Materials and Consumables   | 2,824                                  |
| <b><u>2,639 Total Inventories</u></b> | <b><u>SoFP</u></b> <b><u>2,824</u></b> |

NHS Forth Valley Endowment Funds do not hold any Stock.

**FORTH VALLEY NHS BOARD**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**9. TRADE AND OTHER RECEIVABLES**

| Consolidated<br>2023<br>£'000   | Board<br>2023<br>£'000 |  | Note        | Consolidated<br>2024<br>£'000 | Board<br>2024<br>£'000 |
|---|------------------------|--|-------------|-------------------------------|------------------------|
| <b>Receivables due within one year</b>  |                        |  |             |                               |                        |
| <b>NHSScotland</b>  |                        |  |             |                               |                        |
| 46  | 46                     |  |             | 54                            | 54                     |
| 5,655   | 5,655                  |  |             | 4,114                         | 4,114                  |
| <b>5,701</b>  | <b>5,701</b>           | <b>Total NHSScotland Receivables</b>   |             | <b>4,168</b>                  | <b>4,168</b>           |
| 110   | 110                    | NHS Non-Scottish Bodies  |             | 46                            | 46                     |
| 0   | 0                      | General Fund Receivable  |             | 0                             | 0                      |
| 3,317   | 3,317                  | VAT recoverable  |             | 3,509                         | 3,509                  |
| 1,532   | 1,532                  | Prepayments  |             | 1,325                         | 1,325                  |
| 1,563   | 1,563                  | Accrued income   |             | 232                           | 232                    |
| 4,737   | 4,699                  | Other Receivables  |             | 5,669                         | 5,639                  |
| 4,945   | 4,945                  | Reimbursement of provisions  |             | 15,040                        | 15,040                 |
| 2,673   | 2,673                  | Other Public Sector Bodies   |             | 3,863                         | 3,863                  |
| 0   | 0                      | Other Significant receivables  |             | 0                             | 0                      |
| <b>24,578</b>   | <b>24,540</b>          | <b>Total Receivables due within one year</b>                                 | <u>SoFP</u> | <b>33,852</b>                 | <b>33,822</b>          |
| <b>Receivables due after more than one year</b>   |                        |  |             |                               |                        |
| <b>NHSScotland</b>  |                        |  |             |                               |                        |
| - SGHSCD  |                        |  |             | 0                             | 0                      |
| - Boards  |                        |  |             | 0                             | 0                      |
| <b>0</b>  | <b>0</b>               | <b>Total NHSScotland Receivables</b>   |             | <b>0</b>                      | <b>0</b>               |
| 0   | 0                      | Other Public Sector Bodies   |             | 0                             | 0                      |
| 47  | 47                     | Prepayments  |             | 0                             | 0                      |
| 930   | 930                    | Accrued income   |             | 1,024                         | 1,024                  |
| 0   | 0                      | Other Receivables  |             | 0                             | 0                      |
| 33,926  | 33,926                 | Reimbursement of Provisions  |             | 26,932                        | 26,932                 |
| <b>34,903</b>   | <b>34,903</b>          | <b>Total Receivables due after more than one year</b>                        | <u>SoFP</u> | <b>27,956</b>                 | <b>27,956</b>          |
| <b>59,481</b>   | <b>59,443</b>          | <b>TOTAL RECEIVABLES</b>   |             | <b>61,808</b>                 | <b>61,778</b>          |
| 30  | 30                     | The total receivables figure above includes a provision for impairments of : |             | 120                           | 120                    |
| <b>WGA Classification</b>   |                        |  |             |                               |                        |
| 5,655   | 5,655                  | NHSScotland  |             | 4,114                         | 4,114                  |
| 3,363   | 3,363                  | Central Government Bodies  |             | 3,563                         | 3,563                  |
| 2,673   | 2,673                  | Whole of Government Bodies   |             | 3,983                         | 3,983                  |
| 110   | 110                    | Balances with NHS Bodies in England and Wales                                |             | 46                            | 46                     |
| 47,680  | 47,642                 | Balances with bodies external to Government                                  |             | 50,102                        | 50,072                 |
| <b>59,481</b>   | <b>59,443</b>          | <b>Total</b>   |             | <b>61,808</b>                 | <b>61,778</b>          |
| <b>2023<br/>£'000</b>   | <b>2023<br/>£'000</b>  |  |             | <b>2024<br/>£'000</b>         | <b>2024<br/>£'000</b>  |
| Movements on the provision for impairment of receivables are as follows:  |                        |  |             |                               |                        |
| 30  | 30                     | At 1 April   |             | 30                            | 30                     |
| 22  | 22                     | Provision for impairment   |             | 110                           | 110                    |
| (22)  | (22)                   | Receivables written off during the year as uncollectible                     |             | (20)                          | (20)                   |
| 0   | 0                      | Unused amounts reversed  |             | 0                             | 0                      |
| <b>30</b>   | <b>30</b>              | <b>At 31 March</b>   |             | <b>120</b>                    | <b>120</b>             |
| As of 31 March 2024, receivables with a carrying value of £120K (2022-23: £30K) were impaired and provided for. The aging of these receivables is as follows: |                        |  |             |                               |                        |
| <b>2023<br/>£'000</b>   | <b>2023<br/>£'000</b>  |  |             | <b>2024<br/>£'000</b>         | <b>2024<br/>£'000</b>  |
| 19  | 19                     | 3 to 6 months past due   |             | 17                            | 17                     |
| 11  | 11                     | Over 6 months past due   |             | 103                           | 103                    |
| <b>30</b>   | <b>30</b>              |  |             | <b>120</b>                    | <b>120</b>             |

**FORTH VALLEY NHS BOARD**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**9. TRADE AND OTHER RECEIVABLES, Contd.**

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 2024, receivables with a carrying value of £1,598K (2022-23: £1,690K) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:

| 2023         | 2023         |                         | 2024         | 2024         |
|--------------|--------------|-------------------------|--------------|--------------|
| £'000        | £'000        |                         | £'000        | £'000        |
| 1,573        | 1,573        | Up to 3 months past due | 1,463        | 1,463        |
| 106          | 106          | 3 to 6 months past due  | 16           | 16           |
| 11           | 11           | Over 6 months past due  | 119          | 119          |
| <b>1,690</b> | <b>1,690</b> |                         | <b>1,598</b> | <b>1,598</b> |

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:

| 2023          | 2023          |   | 2024          | 2024          |
|---------------|---------------|---|---------------|---------------|
| £'000         | £'000         |   | £'000         | £'000         |
| 0             | 0             | Counterparties with no external credit rating:    | 0             | 0             |
| 0             | 0             | New customers                                     | 0             | 0             |
| 20,431        | 20,431        | Existing customers with no defaults in the past   | 21,140        | 21,140        |
| 0             | 0             | Existing customers with some defaults in the past | 0             | 0             |
| <b>20,431</b> | <b>20,431</b> | Total neither past due or impaired                | <b>21,140</b> | <b>21,140</b> |

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.

| 2023          | 2023          |   | 2024          | 2024          |
|---------------|---------------|---|---------------|---------------|
| £'000         | £'000         |   | £'000         | £'000         |
| 59,481        | 59,443        | The carrying amount of receivables are denominated in the following currencies: | 61,808        | 61,778        |
| 0             | 0             | Pounds  | 0             | 0             |
| 0             | 0             | Euros   | 0             | 0             |
| <b>59,481</b> | <b>59,443</b> | US Dollars  | <b>61,808</b> | <b>61,778</b> |

All non-current receivables are due within six years (2022-23: 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 (2022-23: £0)

The effective interest rate on non-current other receivables is 3.5% (2022-23: 3.5%). Pension liabilities are discounted at 5.10% (2022-23: 4.15%)

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

**10. INVESTMENTS**

| Consolidated<br>2023<br>£'000 | Board<br>2023<br>£'000 |   | Consolidated<br>2024<br>£'000 | Board<br>2024<br>£'000 |
|-------------------------------|------------------------|---|-------------------------------|------------------------|
| 3,590                         | 560                    | Other   | 4,114                         | 981                    |
| <b>3,590</b>                  | <b>560</b>             | <b>TOTAL</b>  | <b>SoFP</b>                   | <b>4,114</b>           |
|                               |                        |   |                               | <b>981</b>             |
| 3,800                         | 556                    | At 1 April  | 3,590                         | 560                    |
| 442                           | 0                      | Additions   | CFS                           | 545                    |
| 0                             | 0                      | GP Loans advances                                   |                               | 613                    |
| (515)                         | 0                      | Disposals   |                               | (600)                  |
| 0                             | 0                      | Impairment recognised in SOCNE                      |                               | (196)                  |
| 4                             | 4                      | GP Loans Fair Value Adjustment                      |                               | 4                      |
| (141)                         | 0                      | Revaluation surplus/(deficit) transferred to equity |                               | 158                    |
| <b>3,590</b>                  | <b>560</b>             | At 31 March   |                               | <b>4,114</b>           |
|                               |                        |   |                               | <b>981</b>             |
| 0                             | 0                      | Current   | SoFP                          | 0                      |
| 3,590                         | 560                    | Non-current   | SoFP                          | 4,114                  |
| <b>3,590</b>                  | <b>560</b>             | At 31 March   |                               | <b>981</b>             |

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 Hub Scotland 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 have five loans to Medical Practice's on which no interest is chargeable. Section 10 of the National Code of practice for GP Premises entitles all GP Contractors who own their premises to receive an interest free loan from their Health Board in order to increase the stability of the practice and increase the incentive of being a partner in a practice which owns its premises. The loan is repayable on sale of the premises or cancellation of the General Medical Services Contract.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

| 11. CONSOLIDATED CASH AND CASH EQUIVALENTS       | 2024   | 2023       |
|--|--|------------|
|  | £'000  | £'000      |
| Balance at 1 April                               | 362  | 229        |
| Net change in cash and cash equivalent balances  | <b>CFS</b> <span style="color: red;">(37)</span>           | <b>133</b> |
| <b>Balance at 31 March</b>                       | <b>SoFP</b> <span style="color: purple;"><b>325</b></span> | <b>362</b> |
| Overdrafts                                       | 0  | 0          |
| <b>Total Cash - Cash Flow Statement</b>          | <b>325</b>   | <b>362</b> |
| The following balances at 31 March were held at: |  |            |
| Government Banking Service                       | 11   | 11         |
| Commercial banks and cash in hand                | 37   | 25         |
| Overdrafts                                       | 0  | 0          |
| Short term investments                           | 0  | 0          |
| Endowment cash                                   | 277  | 326        |
| <b>Balance at 31 March</b>                       | <b>325</b>   | <b>362</b> |

NHS Forth Valley closing Bank Balance was £48k (2022/2023 £36k).

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

12. TRADE AND OTHER PAYABLES

| Consolidated<br>2023<br>£'000                | Board<br>2023<br>£'000 |  | Consolidated<br>2024<br>£'000 | Board<br>2024<br>£'000 |
|--|------------------------|--|-------------------------------|------------------------|
| <b>Payables due within one year</b>          |                        |  |                               |                        |
| <b>NHSScotland</b>                           |                        |  |                               |                        |
| 25   | 25                     | Scottish Government Health & Social Care Directorate                           | 160                           | 160                    |
| 14,811                                       | 14,811                 | Boards   | 9,901                         | 9,901                  |
| <b>14,836</b>                                | <b>14,836</b>          | <b>Total NHSScotland Payables</b>  | <b>10,061</b>                 | <b>10,061</b>          |
| 487  | 487                    | NHS Non-Scottish bodies  | 595                           | 595                    |
| 36   | 36                     | Amounts payable to General Fund  | 49                            | 49                     |
| 15,664                                       | 15,664                 | FHS practitioners  | 17,414                        | 17,414                 |
| 1,848  | 1,848                  | Trade payables   | 2,117                         | 2,117                  |
| 46,114                                       | 46,114                 | Accruals   | 22,862                        | 22,862                 |
| 0  | 0                      | Deferred income  | 0                             | 0                      |
| 680  | 680                    | Payments received on account   | 591                           | 591                    |
| 0  | 0                      | Interest payable   | 0                             | 0                      |
| 806  | 806                    | Net obligations under finance leases   | 17b                           | 905                    |
| 10,253                                       | 10,253                 | Net obligations under PPP / PFI Contracts                                      | 18b                           | 14,561                 |
| 0  | 0                      | Bank overdrafts  | 11                            | 0                      |
| 7,514  | 7,514                  | Income tax and social security   |                               | 7,949                  |
| 6,002  | 6,002                  | Superannuation   |                               | 6,911                  |
| 1,503  | 1,503                  | Holiday pay accrual  |                               | 1,673                  |
| 0  | 0                      | Clinical and medical negligence claims   |                               | 0                      |
| 0  | 0                      | VAT  |                               | 0                      |
| 26,310                                       | 26,310                 | Other public sector bodies   |                               | 22,797                 |
| 0  | 0                      | EC carbon emissions  |                               | 0                      |
| 433  | 225                    | Other payables   |                               | 823                    |
| <b>132,486</b>                               | <b>132,278</b>         | <b>Total Payables due within one year</b>                                      | <b>SoFP</b>                   | <b>109,308</b>         |
| <b>Payables due after more than one year</b> |                        |  |                               |                        |
| <b>NHSScotland</b>                           |                        |  |                               |                        |
| 0  | 0                      | Scottish Government Health & Social Care Directorate                           |                               | 0                      |
| 0  | 0                      | Boards   |                               | 0                      |
| <b>0</b>                                     | <b>0</b>               | <b>Total NHSScotland Payables</b>  |                               | <b>0</b>               |
| 0  | 0                      | Other public sector bodies   |                               | 0                      |
| 677  | 677                    | Net obligations under leases due within 2 years                                | 17b                           | 770                    |
| 1,483  | 1,483                  | Net obligations under leases due after 2 years but within 5 years              | 17b                           | 1,630                  |
| 2,634  | 2,634                  | Net obligations under leases due after 5 years                                 | 17b                           | 2,145                  |
| 10,714                                       | 10,714                 | Net obligations under PPP / PFI contracts due within 2 years                   | 18b                           | 15,220                 |
| 35,128                                       | 35,128                 | Net obligations under PPP / PFI contracts due after 2 years but within 5 years | 18b                           | 49,918                 |
| 242,858                                      | 242,858                | Net obligations under PPP / PFI contracts due after 5 years                    | 18b                           | 308,270                |
| 0  | 0                      | EC carbon emissions grant  |                               | 0                      |
| 0  | 0                      | Accruals   |                               | 0                      |
| 0  | 0                      | Deferred income  |                               | 0                      |
| 293  | 293                    | Other payables   |                               | 293                    |
| <b>293,787</b>                               | <b>293,787</b>         | <b>Total Payables due after more than one year</b>                             | <b>SoFP</b>                   | <b>378,246</b>         |
| <b>426,273</b>                               | <b>426,065</b>         | <b>TOTAL PAYABLES</b>  |                               | <b>487,554</b>         |
|  |                        |  |                               | <b>487,403</b>         |

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

12. TRADE AND OTHER PAYABLES Contd

| Consolidated<br>2023<br>£'000   | Board<br>2023<br>£'000 |      | Consolidated<br>2024<br>£'000 | Consolidated<br>2024<br>£'000 |
|---|------------------------|------|-------------------------------|-------------------------------|
|   |                        | Note |                               |                               |
| <b>WGA Classification</b>   |                        |      |                               |                               |
| 14,811  | 14,811                 |      | 9,901                         | 9,901                         |
| 13,516  | 13,516                 |      | 14,860                        | 14,860                        |
| 26,472  | 26,472                 |      | 22,797                        | 22,797                        |
| 487   | 487                    |      | 595                           | 595                           |
| 370,987   | 370,779                |      | 439,401                       | 439,250                       |
| <b>426,273</b>  | <b>426,065</b>         |      | <b>487,554</b>                | <b>487,403</b>                |
| <b>£'000</b>  | <b>£'000</b>           |      | <b>£'000</b>                  | <b>£'000</b>                  |
| Borrowings included above comprise:   |                        |      |                               |                               |
| 0   | 0                      |      | 0                             | 0                             |
| 5,600   | 5,600                  |      | 5,450                         | 5,450                         |
| 298,953   | 298,953                |      | 387,969                       | 387,969                       |
| <b>304,553</b>  | <b>304,553</b>         |      | <b>393,419</b>                | <b>393,419</b>                |
| The carrying amount and fair value of the non-current borrowings are as follows |                        |      |                               |                               |
| <b>2023</b>   | <b>2023</b>            |      | <b>2024</b>                   | <b>2024</b>                   |
| <b>£'000</b>  | <b>£'000</b>           |      | <b>£'000</b>                  | <b>£'000</b>                  |
| 4,794   | 4,794                  |      | 4,545                         | 4,545                         |
| 288,700   | 288,700                |      | 373,408                       | 373,408                       |
| <b>293,494</b>  | <b>293,494</b>         |      | <b>377,953</b>                | <b>377,953</b>                |
| <b>2023</b>   | <b>2023</b>            |      | <b>2024</b>                   | <b>2024</b>                   |
| The carrying amount and fair value of the non-current borrowings are as follows |                        |      |                               |                               |
| <b>Fair value</b>   | <b>Fair value</b>      |      | <b>Fair value</b>             | <b>Fair value</b>             |
| <b>£'000</b>  | <b>£'000</b>           |      | <b>£'000</b>                  | <b>£'000</b>                  |
| 4,794   | 4,794                  |      | 4,545                         | 4,545                         |
| 288,700   | 288,700                |      | 373,408                       | 373,408                       |
| <b>293,494</b>  | <b>293,494</b>         |      | <b>377,953</b>                | <b>377,953</b>                |
| The carrying amount of short term payables approximates their fair value.       |                        |      |                               |                               |
| <b>2023</b>   | <b>2023</b>            |      | <b>2024</b>                   | <b>2024</b>                   |
| <b>£'000</b>  | <b>£'000</b>           |      | <b>£'000</b>                  | <b>£'000</b>                  |
| 426,273   | 426,065                |      | 487,554                       | 487,403                       |
| 0   | 0                      |      | 0                             | 0                             |
| 0   | 0                      |      | 0                             | 0                             |
| <b>426,273</b>  | <b>426,065</b>         |      | <b>487,554</b>                | <b>487,403</b>                |

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

**13a. PROVISIONS - CONSOLIDATED AND BOARD**

|                          | Pensions and similar obligations<br>£'000 | Clinical & Medical Legal Claims against NHS Board<br>£'000 | Participation in CNORIS<br>£'000 | Other (non-endowment)<br>£'000 | 2024 Total<br>£'000 |
|--------------------------|---|--|----------------------------------|--------------------------------|---------------------|
| At 1 April 2023          | 4,812                                     | 37,965   | 41,416                           | 977                            | 85,170              |
| Arising during the year  | 287                                       | 8,241  | 2,873                            | 274                            | 11,675              |
| Utilised during the year | (537)                                     | (11,276)   | (1,982)                          | (124)                          | (13,919)            |
| Unwinding of discount    | 151                                       | 0  | 0                                | 0                              | 151                 |
| Reversed unutilised      | (77)                                      | (3,303)  | 0                                | (385)                          | (3,765)             |
| <b>At 31 March 2024</b>  | <b>4,636</b>                              | <b>31,627</b>  | <b>42,307</b>                    | <b>742</b>                     | <b>79,312</b>       |

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 2024**

|                              | Pensions and similar obligations<br>£'000 | Clinical & Medical Legal Claims against NHS Board<br>£'000 | Participation in CNORIS<br>£'000 | Other (non-endowment)<br>£'000 | 2024 Total<br>£'000 |      |
|------------------------------|---|--|----------------------------------|--------------------------------|---------------------|------|
| Payable in one year          | 465                                       | 5,339  | 10,577                           | 292                            | 16,673              | SoFP |
| Payable between 2 - 5 years  | 1,859                                     | 23,081   | 25,722                           | 450                            | 51,112              | SoFP |
| Payable between 6 - 10 years | 1,595                                     | 1,840  | 2,200                            | 0                              | 5,635               | SoFP |
| Thereafter                   | 717                                       | 1,367  | 3,808                            | 0                              | 5,892               | SoFP |
| <b>At 31 March 2024</b>      | <b>4,636</b>                              | <b>31,627</b>  | <b>42,307</b>                    | <b>742</b>                     | <b>79,312</b>       |      |

**PROVISIONS - CONSOLIDATED AND BOARD (PRIOR YEAR)**

|                          | Pensions and similar obligations<br>£'000 | Clinical & Medical Legal Claims against NHS Board<br>£'000 | Participation in CNORIS<br>£'000 | Other (non-endowment)<br>£'000 | 2023 Total<br>£'000 |
|--------------------------|---|--|----------------------------------|--------------------------------|---------------------|
| At 1 April 2022          | 6,512                                     | 42,708   | 37,879                           | 798                            | 87,897              |
| Arising during the year  | 1,320                                     | 15,163   | 6,314                            | 378                            | 23,175              |
| Utilised during the year | (493)                                     | (3,252)  | (2,777)                          | (92)                           | (6,614)             |
| Unwinding of discount    | (1,249)                                   | 0  | 0                                | 0                              | (1,249)             |
| Reversed unutilised      | (1,278)                                   | (16,654)   | 0                                | (107)                          | (18,039)            |
| <b>At 31 March 2023</b>  | <b>4,812</b>                              | <b>37,965</b>  | <b>41,416</b>                    | <b>977</b>                     | <b>85,170</b>       |

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 2024

**Analysis of expected timing of discounted flows to 31 March 2023**

|                              | Clinical & Medical                        |   |                                  |                                | 2023           |      |
|------------------------------|---|---|----------------------------------|--------------------------------|----------------|------|
|                              | Pensions and similar obligations<br>£'000 | Legal Claims against NHS Board<br>£'000 | Participation in CNORIS<br>£'000 | Other (non-endowment)<br>£'000 | Total<br>£'000 |      |
| Payable in one year          | 448                                       | 4,661                                   | 10,340                           | 302                            | 15,751         | SoFP |
| Payable between 2 - 5 years  | 1,794                                     | 9,621                                   | 25,191                           | 675                            | 37,281         | SoFP |
| Payable between 6 - 10 years | 1,518                                     | 21,841                                  | 2,144                            | 0                              | 25,503         | SoFP |
| Thereafter                   | 1,052                                     | 1,842                                   | 3,741                            | 0                              | 6,635          | SoFP |
| <b>At 31 March 2023</b>      | <b>4,812</b>                              | <b>37,965</b>                           | <b>41,416</b>                    | <b>977</b>                     | <b>85,170</b>  |      |

**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 2.45% in real terms for the Injury Benefit provision and the Treasury discount rate of 5.10% 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 2024

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

| 2023  | Note | 2024          |
|---|------|---------------|
| £'000   |      | £'000         |
| 38,942 Provision recognising individual claims against the NHS Board as at 31 March                 | 13a  | 32,369        |
| (38,871) Associated CNORIS receivable at 31 March   | 9    | (41,972)      |
| 41,416 Provision recognising the NHS Board's liability from participating in the scheme at 31 March | 13a  | 42,307        |
| <b>41,487 Net Total Provision relating to CNORIS at 31 March</b>                                    |      | <b>32,704</b> |

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

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

As a result of participation in the scheme, boards should also recognise that they will be required to make contributions to the scheme in future years. Therefore a second provision that recognises the board's share of the total CNORIS liability of 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 2024

#### 14. CONTINGENT ASSETS and LIABILITIES

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

| 2023         | Nature                                     | 2024         |
|--------------|--|--------------|
| £'000        |  | £'000        |
| 3,855        | Clinical and medical compensation payments | 3,250        |
| 960          | Employer's liability                       | 818          |
| <b>4,815</b> | <b>TOTAL CONTINGENT LIABILITIES</b>        | <b>4,068</b> |

Note that the figures above do not include a constructive obligation arising from the review of band 5 nursing roles. The Cabinet Secretary agreed a review of band 5 nursing roles starting from 1 April 2024, and where nursing staff have been performing duties above their pay grade, posts will be regraded and any associated back pay will be honoured. Pay will be backdated to when the individual's duties changed or 1 April 2023 at the earliest. The cost of this will depend on the number of successful claims and the timing of backdated pay awards, both of which are unknown at this stage.

#### CONTINGENT ASSETS

|              |  |              |
|--------------|--|--------------|
| 3,433        | Clinical and medical compensation payments | 2,645        |
| 769          | Employer's liability                       | 519          |
| <b>4,202</b> | <b>TOTAL CONTINGENT ASSETS</b>             | <b>3,164</b> |

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

**16. COMMITMENTS**

| 2023                                     | Capital Commitments                        | Property, plant and equipment: | Intangible assets: | 2024         |
|--|--|--------------------------------|--------------------|--------------|
| £'000                                    |  | £'000                          | £'000              | £'000        |
| <b>Contracted</b>                        |  |                                |                    |              |
|  |  |                                |                    |              |
| 630                                      | Community Hospital                         | 534                            | 0                  | 534          |
| 2,000                                    | Improving Access to Elective Care          | 750                            | 0                  | 750          |
| 0  |  | 0                              | 0                  | 0            |
| <b>2,630</b>                             | <b>Total</b>                               | <b>1,284</b>                   | <b>0</b>           | <b>1,284</b> |
| <br><b>Authorised but not Contracted</b> |  |                                |                    |              |
|  |  |                                |                    |              |
| 1,525                                    | Medical Equipment Replacement              | 2,986                          | 0                  | 2,986        |
| 900                                      | Primary Care Modernisation                 | 275                            | 0                  | 275          |
| 3,070                                    | IM&T Strategy                              | 3,769                          | 0                  | 3,769        |
| 1,015                                    | Property Maintenance & Statutory Standards | 623                            | 0                  | 623          |
| 1,002                                    | Energy Efficiency                          | 687                            | 0                  | 687          |
| 533                                      | NHS Board corporate projects               | 826                            | 0                  | 826          |
| <b>8,045</b>                             | <b>Total</b>                               | <b>9,166</b>                   | <b>0</b>           | <b>9,166</b> |

**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 2024

17. (a) Right of Use Assets (RoU) - CONSOLIDATED

|  | Buildings<br>(excluding<br>dwellings) |              | Transport<br>Equipment |              | Total<br>2024<br>£'000 |
|--|---------------------------------------|--------------|------------------------|--------------|------------------------|
|  | 2024                                  | 2023         | 2024                   | 2024         |                        |
|  | £'000                                 | £'000        | £'000                  | £'000        |                        |
| <b>Cost or valuation</b>   |                                       |              |                        |              |                        |
| At 1 April 2023  | 6,571                                 | 0            | 962                    | 7,533        |                        |
| Additions (include new dilapidation provisions)                  | 0                                     | 0            | 876                    | 876          |                        |
| Additions - peppercorn leases                                    | 0                                     | 0            | 0                      | 0            |                        |
| Revaluations   | (205)                                 | 0            | 0                      | (205)        |                        |
| Revaluations - Peppercorn leases                                 | (9)                                   | 0            | 0                      | (9)          |                        |
| Impairment charges   | 0                                     | 0            | 0                      | 0            |                        |
| Disposals - excluding peppercorn leases                          | 0                                     | 0            | (209)                  | (209)        |                        |
| Disposals - peppercorn leases                                    | 0                                     | 0            | 0                      | 0            |                        |
| <b>At 31 March 2024</b>  | <b>6,357</b>                          | <b>0</b>     | <b>1,629</b>           | <b>7,986</b> |                        |
| <b>Depreciation</b>  |                                       |              |                        |              |                        |
| At 1 April 2023  | 242                                   | 0            | 259                    | 501          |                        |
| Provided during the year - (include new dilapidation provisions) | 546                                   | 0            | 448                    | 994          |                        |
| Provided during the year - peppercorn leases                     | 30                                    | 0            | 0                      | 30           |                        |
| Revaluations   | (303)                                 | 0            | 0                      | (303)        |                        |
| Revaluations - Peppercorn leases                                 | (33)                                  | 0            | 0                      | (33)         |                        |
| Impairment charges   | 0                                     | 0            | 0                      | 0            |                        |
| Impairment charges - Peppercorn leases                           | 3                                     | 0            | 0                      | 3            |                        |
| Disposals - excluding peppercorn leases                          | 0                                     | 0            | (209)                  | (209)        |                        |
| Disposals - peppercorn leases                                    | 0                                     | 0            | 0                      | 0            |                        |
| <b>At 31 March 2024</b>  | <b>485</b>                            | <b>0</b>     | <b>498</b>             | <b>983</b>   |                        |
| <b>Net book value at 1 April 2023</b>                            | <b>6,329</b>                          | <b>0</b>     | <b>703</b>             | <b>7,032</b> |                        |
| <b>Net book value at 31 March 2024</b>                           | <b>SoFP</b>                           | <b>5,872</b> | <b>0</b>               | <b>1,131</b> | <b>7,003</b>           |

Open Market Value of Land in Land and Dwellings

Included Above

0

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

17. (b) Lease Liabilities

|  | Land<br>(including<br>under<br>buildings) | Buildings<br>(excluding<br>dwellings) | Dwellings | Transport<br>Equipment | Total        |
|--|---|---------------------------------------|-----------|------------------------|--------------|
|  | 2024                                      | 2024                                  |           |                        |              |
|  | £'000                                     | £'000                                 |           |                        |              |
| <b>Amounts falling due:</b>                    |   |                                       |           |                        |              |
| Not later than one year                        | 0   | 499                                   | 0         | 406                    | 905          |
| Later than one year, not later than 2 years    | 0   | 405                                   | 0         | 365                    | 770          |
| Later than two year, not later than five years | 0   | 1,431                                 | 0         | 199                    | 1,630        |
| Later than five years                          | 0   | 2,145                                 | 0         | 0                      | 2,145        |
| Less: Unaccrued interest                       | 0   | 0                                     | 0         | 0                      | 0            |
| <b>At 31 March 2024</b>                        | <b>0</b>                                  | <b>4,480</b>                          | <b>0</b>  | <b>970</b>             | <b>5,450</b> |
|  |   |                                       |           |                        |              |
| Current  | 0   | 499                                   | 0         | 406                    | 905          |
| Non Current                                    | 0   | 3981                                  | 0         | 564                    | 4,545        |
|  | <b>0</b>                                  | <b>4480</b>                           | <b>0</b>  | <b>970</b>             | <b>5450</b>  |

17. (b) Lease Liabilities - Prior Year

|  | Land<br>(including<br>under<br>buildings) | Buildings<br>(excluding<br>dwellings) | Dwellings | Transport<br>Equipment | Total        |
|--|---|---------------------------------------|-----------|------------------------|--------------|
|  | 2023                                      | 2023                                  |           |                        |              |
|  | £'000                                     | £'000                                 |           |                        |              |
| <b>Amounts falling due:</b>                    |   |                                       |           |                        |              |
| Not later than one year                        | 0   | 490                                   | 0         | 316                    | 806          |
| Later than one year, not later than 2 years    | 0   | 499                                   | 0         | 178                    | 677          |
| Later than two year, not later than five years | 0   | 1,347                                 | 0         | 136                    | 1,483        |
| Later than five years                          | 0   | 2,634                                 | 0         | 0                      | 2,634        |
| Less: Unaccrued interest                       | 0   | 0                                     | 0         | 0                      | 0            |
| <b>At 31 March 2023</b>                        | <b>0</b>                                  | <b>4,970</b>                          | <b>0</b>  | <b>630</b>             | <b>5,600</b> |
|  |   |                                       |           |                        |              |
| Current  | 0   | 490                                   | 0         | 316                    | 806          |
| Non Current                                    | 0   | 4480                                  | 0         | 314                    | 4,794        |
|  | <b>0</b>                                  | <b>4970</b>                           | <b>0</b>  | <b>630</b>             | <b>5600</b>  |

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

**17. (b) Lease Liabilities**

**Low value and short term leases**

|  | 2023-24              |               |
|--|----------------------|---------------|
|  | Consolidated<br>£000 | Board<br>£000 |
| Within one year                        | 0                    | 0             |
| Between two and five years (inclusive) | 0                    | 0             |
| After five years                       | 0                    | 0             |
| <b>Total</b>                           | <b>0</b>             | <b>0</b>      |

**Amounts recognised in the Statement of Comprehensive Net Expenditure**

|   | 2023-24              |               |
|---|----------------------|---------------|
|   | Consolidated<br>£000 | Board<br>£000 |
| Depreciation  | 1024                 | 1024          |
| Interest Expense  | 160                  | 160           |
| Non Recoverable VAT on lease payments                         | 40                   | 40            |
| Low value and short term leases                               | 0                    | 0             |
| Remeasurement of ROU assets - (gain)/loss charged to<br>SOCNE | 3                    | 3             |
| <b>Total</b>  | <b>1227</b>          | <b>1227</b>   |

**Amounts recognised in the Statement of Cash Flows**

|                                   | 2023-24              |               |
|-----------------------------------|----------------------|---------------|
|                                   | Consolidated<br>£000 | Board<br>£000 |
| Interest Expense                  | 160                  | 160           |
| Repayments of Principal of leases | 806                  | 806           |
| <b>Total</b>                      | <b>966</b>           | <b>966</b>    |

**17. (b) Lease Liabilities - Prior Year**

**Low value and short term leases**

|  | 2022-23              |               |
|--|----------------------|---------------|
|  | Consolidated<br>£000 | Board<br>£000 |
| Within one year                        | 0                    | 0             |
| Between two and five years (inclusive) | 0                    | 0             |
| After five years                       | 0                    | 0             |
| <b>Total</b>                           | <b>0</b>             | <b>0</b>      |

**FORTH VALLEY NHS BOARD**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**Amounts recognised in the Statement of Comprehensive Net Expenditure**  
**2022-23**

|   | <b>Consolidated</b> | <b>Board</b>       |
|---|---------------------|--------------------|
|   | <b>£000</b>         | <b>£000</b>        |
| Depreciation  | 993                 | 993                |
| Interest Expense  | 149                 | 149                |
| Non Recoverable VAT on lease payments                         | 40                  | 40                 |
| Low value and short term leases                               | 0                   | 0                  |
| Remeasurement of ROU assets - (gain)/loss charged to<br>SOCNE | 4                   | 4                  |
| <b>Total</b>  | <b><u>1186</u></b>  | <b><u>1186</u></b> |

**Amounts recognised in the Statement of Cash Flows**

**2022-23**

|                                   | <b>Consolidated</b> | <b>Board</b>      |
|-----------------------------------|---------------------|-------------------|
|                                   | <b>£000</b>         | <b>£000</b>       |
| Interest Expense                  | 149                 | 149               |
| Repayments of Principal of leases | 710                 | 710               |
| <b>Total</b>                      | <b><u>859</u></b>   | <b><u>859</u></b> |

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

18b. COMMITMENTS UNDER PFI CONTRACTS - On Balance Sheet

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

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

**Stirling Health and Care Village (SCV)** - SCV is a service concession for the development and right of use of Community Health and Care facilities which will bring together on one site a range of health, local authority and other partner organisation's services. These services include a 116 bed integrated care hub, accommodation for 3 GP practices, associated clinical services and accommodation for Minor Injuries Unit, Diagnostics, Community Nursing, GP Out of Hours and an ambulance station and workshop. The facility was handed over in three phases end of June 2018, October 2018 and October 2019 and the accounting treatment is on Balance sheet. Soft Facilities are provided by the Board including some hard FM services. The facility was 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:

| 2023<br>£'000                                      | Gross Minimum Lease Payments            |                  |                 | 2024<br>£'000    |
|--|---|------------------|-----------------|------------------|
|  | CCHC<br>£'000                           | FVRH<br>£'000    | SCV<br>£'000    |                  |
| 23,753 Rentals due within 1 year                   | 2,677                                   | 26,682           | 2,738           | 32,097           |
| 23,753 Due within 1 to 2 years                     | 2,677                                   | 26,682           | 2,738           | 32,097           |
| 71,257 Due within 2 to 5 years                     | 8,031                                   | 80,046           | 8,214           | 96,291           |
| 334,304 Due after 5 years                          | 24,093                                  | 346,866          | 43,808          | 414,767          |
| <b>453,067 Total</b>                               | <b>37,478</b>                           | <b>480,276</b>   | <b>57,498</b>   | <b>575,252</b>   |
| 2023<br>£'000                                      | Less Interest Element                   |                  |                 | 2024<br>£'000    |
|  | CCHC<br>£'000                           | FVRH<br>£'000    | SCV<br>£'000    |                  |
| (13,500) Rentals due within 1 year                 | (1,427)                                 | (14,306)         | (1,803)         | (17,536)         |
| (13,039) Due within 1 to 2 years                   | (1,357)                                 | (13,766)         | (1,754)         | (16,877)         |
| (36,129) Due within 2 to 5 years                   | (3,611)                                 | (37,820)         | (4,942)         | (46,373)         |
| (91,446) Due after 5 years                         | (5,555)                                 | (86,285)         | (14,657)        | (106,497)        |
| <b>(154,114) Total</b>                             | <b>(11,950)</b>                         | <b>(152,177)</b> | <b>(23,156)</b> | <b>(187,283)</b> |
| 2023<br>£'000                                      | Present value of minimum lease payments |                  |                 | 2024<br>£'000    |
|  | CCHC<br>£'000                           | FVRH<br>£'000    | SCV<br>£'000    |                  |
| 10,253 Rentals due within 1 year                   | 1,250                                   | 12,376           | 935             | 14,561           |
| 10,714 Due within 1 to 2 years                     | 1,320                                   | 12,916           | 984             | 15,220           |
| 35,128 Due within 2 to 5 years                     | 4,420                                   | 42,226           | 3,272           | 49,918           |
| 242,858 Due after 5 years                          | 18,538                                  | 260,581          | 29,151          | 308,270          |
| <b>298,953 Total</b>                               | <b>25,528</b>                           | <b>328,099</b>   | <b>34,342</b>   | <b>387,969</b>   |
| 2023<br>£'000                                      | Service elements due in future periods  |                  |                 | 2024<br>£'000    |
|  | CCHC<br>£'000                           | FVRH<br>£'000    | SCV<br>£'000    |                  |
| 58,645 Rentals due within 1 year                   | 594                                     | 31,481           | 525             | 32,600           |
| 59,512 Due within 1 to 2 years                     | 727                                     | 34,230           | 569             | 35,526           |
| 183,794 Due within 2 to 5 years                    | 2,314                                   | 106,311          | 2,113           | 110,738          |
| 953,216 Due after 5 years                          | 7,108                                   | 578,000          | 17,952          | 603,060          |
| <b>1,255,168 Total</b>                             | <b>10,743</b>                           | <b>750,022</b>   | <b>21,159</b>   | <b>781,924</b>   |
| <b>1,554,121 Total commitments</b>                 | <b>36,271</b>                           | <b>1,078,121</b> | <b>55,501</b>   | <b>1,169,893</b> |
| 2023<br>£'000                                      | 2024                                    |                  |                 |                  |
|  | £'000                                   | £'000            | £'000           | £'000            |
| 13,943 Interest Charges                            | 18,166                                  |                  |                 |                  |
| 27,440 Service Charges                             | 36,799                                  |                  |                 |                  |
| 9,809 Principal Repayment                          | 13,931                                  |                  |                 |                  |
| 9,626 Other Charges                                | 0                                       |                  |                 |                  |
| <b>60,818</b>                                      | <b>68,896</b>                           |                  |                 |                  |
| 2023<br>£'000                                      | 2024                                    |                  |                 |                  |
|  | £'000                                   | £'000            | £'000           | £'000            |
| 9,626 Contingent rents (included in Other charges) | 0                                       |                  |                 |                  |

**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 31 March 2020 and confirmed that an increase in the employer contribution rate from 14.9% to 20.9% was required from 1 April 2019 to 31 March 2023. The UK Government has confirmed that these rates will remain in place until 31 March 2024. Member pension contributions have continued at the same rates within a range of 5.2% to 14.7% and are anticipated to deliver a yield of 9.6%.

(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 2023 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 4.0 % based on the proportion of employer contributions paid in 2022-23.

For the current year, normal employer contributions of £55.470m were payable to the SPPA (prior year £50.370m) at the rate of 20.9% (prior year: 20.9%) of total pensionable salaries. In addition, during the accounting period the NHS board had increased costs of £361k (prior year reduced costs £1,523k) arising from the early retirement of staff.

Provisions amounting to £4.636m 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 2021-22 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](http://www.sppa.gov.uk)

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

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

NEST is a defined contribution pension scheme established by law to support the introduction of 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.

|  | 2024<br>£'000 | 2023<br>£'000 |
|--|---------------|---------------|
| Pension cost charge for the year                                       | 55,470        | 50,370        |
| Additional Costs arising from early retirement                         | 361           | (1,523)       |
| Provisions/Liabilities included in the Statement of Financial Position | 9,200         | 8,940         |
| Pension costs for the year for staff transferred from local authority  | 0             | 0             |

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

22. FINANCIAL INSTRUMENTS

a FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

CONSOLIDATED

| At 31 March 2024<br>Assets per Statement of Financial Position                                       | Note | Financial Assets                      |  |  | Total<br>£'000 |
|--|------|---------------------------------------|--|--|----------------|
|  |      | at fair value<br>through OCI<br>£'000 | Financial Assets<br>at amortised cost<br>£'000 | Financial Assets<br>at fair value<br>through<br>profit/loss<br>£'000 |                |
| Investments  | 10   | 0                                     | 0  | 4,114  | 4,114          |
| Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable. | 9    | 10,834                                | 0  | 0  | 10,834         |
| Cash and cash equivalents  | 11   | 325                                   | 0  | 0  | 325            |
|  |      | <b>11,159</b>                         | <b>0</b>                                       | <b>4,114</b>   | <b>15,273</b>  |

BOARD

| At 31 March 2024<br>Assets per Statement of Financial Position                                       | Note | Financial Assets                      |  |  | Total<br>£'000 |
|--|------|---------------------------------------|--|--|----------------|
|  |      | at fair value<br>through OCI<br>£'000 | Financial Assets<br>at amortised cost<br>£'000 | Financial Assets<br>at fair value<br>through<br>profit/loss<br>£'000 |                |
| Investments  | 10   | 0                                     | 0  | 981  | 981            |
| Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable. | 9    | 10,804                                | 0  | 0  | 10,804         |
| Cash and cash equivalents  | 11   | 48                                    | 0  | 0  | 48             |
|  |      | <b>10,852</b>                         | <b>0</b>                                       | <b>981</b>   | <b>11,833</b>  |

CONSOLIDATED (Prior Year)

| At 31 March 2023<br>Assets per Statement of Financial Position                                       | Note | Financial Assets                      |  |  | Total<br>£'000 |
|--|------|---------------------------------------|--|--|----------------|
|  |      | at fair value<br>through OCI<br>£'000 | Financial Assets<br>at amortised cost<br>£'000 | Financial Assets<br>at fair value<br>through<br>profit/loss<br>£'000 |                |
| Investments  | 10   | 0                                     | 0  | 3,590  | 3,590          |
| Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable. | 9    | 10,013                                | 0  | 0  | 10,013         |
| Cash and cash equivalents  | 11   | 362                                   | 0  | 0  | 362            |
|  |      | <b>10,375</b>                         | <b>0</b>                                       | <b>3,590</b>   | <b>13,965</b>  |

BOARD (Prior Year)

| At 31 March 2023<br>Assets per Statement of Financial Position                                       | Note | Financial Assets                      |  |  | Total<br>£'000 |
|--|------|---------------------------------------|--|--|----------------|
|  |      | at fair value<br>through OCI<br>£'000 | Financial Assets<br>at amortised cost<br>£'000 | Financial Assets<br>at fair value<br>through<br>profit/loss<br>£'000 |                |
| Investments  | 10   | 0                                     | 0  | 560  | 560            |
| Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable. | 9    | 9,975                                 | 0  | 0  | 9,975          |
| Cash and cash equivalents  | 11   | 36                                    | 0  | 0  | 36             |
|  |      | <b>10,011</b>                         | <b>0</b>                                       | <b>560</b>   | <b>10,571</b>  |

## 22. FINANCIAL INSTRUMENTS (cont.)

## Financial Liabilities

## CONSOLIDATED

| At 31 March 2024  | Note | Liabilities at Fair Value through profit and loss<br>£'000 | Financial Liabilities at amortised cost<br>£'000 | Total<br>£'000 |
|---|------|--|--|----------------|
|   |      |  |  |                |
| <b>Liabilities per Statement of Financial Position</b>  |      |  |  |                |
| Finance lease liabilities   | 12   | 0  | 5,450  | 5,450          |
| PFI Liabilities   | 12   | 0  | 387,969  | 387,969        |
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation | 12   | 0  | 69,214   | 69,214         |
|   |      | 0  | 462,633  | 462,633        |

## BOARD

| At 31 March 2024  | Note | Liabilities at Fair Value through profit and loss<br>£'000 | Financial Liabilities at amortised cost<br>£'000 | Total<br>£'000 |
|---|------|--|--|----------------|
|   |      |  |  |                |
| <b>Liabilities per Statement of Financial Position</b>  |      |  |  |                |
| Finance lease liabilities   | 12   | 0  | 5,450  | 5,450          |
| PFI Liabilities   | 12   | 0  | 387,969  | 387,969        |
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation | 12   | 0  | 69,063   | 69,063         |
|   |      | 0  | 462,482  | 462,482        |

## CONSOLIDATED (Prior Year)

| At 31 March 2023  | Note | Liabilities at Fair Value through profit and loss<br>£'000 | Financial Liabilities at amortised cost<br>£'000 | Total<br>£'000 |
|---|------|--|--|----------------|
|   |      |  |  |                |
| <b>Liabilities per Statement of Financial Position</b>  |      |  |  |                |
| Finance lease liabilities   | 12   | 0  | 5,600  | 5,600          |
| PFI Liabilities   | 12   | 0  | 298,953  | 298,953        |
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation | 12   | 0  | 93,368   | 93,368         |
|   |      | 0  | 397,921  | 397,921        |

## BOARD (Prior Year)

| At 31 March 2023  | Note | Liabilities at Fair Value through profit and loss<br>£'000 | Financial Liabilities at amortised cost<br>£'000 | Total<br>£'000 |
|---|------|--|--|----------------|
|   |      |  |  |                |
| <b>Liabilities per Statement of Financial Position</b>  |      |  |  |                |
| Finance lease liabilities   | 12   | 0  | 5,600  | 5,600          |
| PFI Liabilities   | 12   | 0  | 298,953  | 298,953        |
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation | 12   | 0  | 93,160   | 93,160         |
|   |      | 0  | 397,713  | 397,713        |

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

**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 a minimum rating of 'A' are accepted.

Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the NHS Board. An expected credit loss of £89k has been provided in the accounts relating to the outstanding recovery of a cash advance paid to Community Pharmacy Contractors in January 2023. The expected credit loss represents 6.6% of the total outstanding receivable as advised by the Scottish Government.

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          |
| <b>At 31 March 2024</b>                                  |                  |                       |                       |                |
| PFI Liabilities  | 14,561           | 15,220                | 49,918                | 308,270        |
| Finance lease liabilities                                | 905              | 0                     | 2,400                 | 2,145          |
| Trade and other payables excluding statutory liabilities | 78,831           | 0                     | 0                     | 0              |
| <b>Total</b>   | <b>94,297</b>    | <b>15,220</b>         | <b>52,318</b>         | <b>310,415</b> |
| <br><b>At 31 March 2023</b>                              |                  |                       |                       |                |
| PFI Liabilities  | 10,253           | 10,714                | 35,128                | 242,858        |
| Finance lease liabilities                                | 806              | 0                     | 2,160                 | 2,634          |
| Trade and other payables excluding statutory liabilities | 93,025           | 0                     | 0                     | 0              |
| <b>Total</b>   | <b>104,084</b>   | <b>10,714</b>         | <b>37,288</b>         | <b>245,492</b> |

**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 2024

**24. RELATED PARTY TRANSACTIONS**

Transactions that NHS Forth Valley had with the Scottish Government Health Department (SGHD) are disclosed within these published accounts. During the year the Board received funding of £793,429k and also received payments of £2,169k and made payments of £0k with a balance of £54k due to the Board and payments of £160k due by the Board.

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 £28,349k and made payments of £170,900k with a balance of £7,592k due to the Board and payments of £38,252k due by the Board.

| Other Government Body with significant balances are included in the above - | Due to | Due from | Income From | Expenditure With |
|---|--------|----------|-------------|------------------|
|   | £000   | £000     | £000        | £000             |
| Falkirk Council   | 27,771 | 688      | 2,556       | 10,603           |
| Stirling Council  | 23,989 | 379      | 1,195       | 4,596            |

Transactions that NHS Forth Valley had with other NHS Scotland bodies are disclosed within these published accounts. During the year the Board received payments of £38,076k and made payments of £109,960k with a balance of £9,901k due to the Board and payments of £4,114k due by the Board.

| NHS Scotland Body with significant balances are included in the above - | Due to | Due from | Income From | Expenditure With |
|---|--------|----------|-------------|------------------|
|   | £000   | £000     | £000        | £000             |
| NHS Greater Glasgow and Clyde   | 5,916  | 706      | 1,807       | 56,235           |
| NHS Lothian   | 1,923  | 103      | 2,749       | 21,142           |
| NHS National Services Scotland  | 619    | 122      | 641         | 18,571           |

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 Integration Joint Board is a related party of NHS Forth Valley. During the year the Board received payments from the IJB of £206,634k, and made payments to the IJB of £205,294k. The Board's share of the IJB deficit was (£3,784k).

Clackmannanshire and Stirling Integration Joint Board is a related party of NHS Forth Valley. During the year the Board received payments from the IJB of £193,637k, and made payments to the IJB of £188,500k. The Board's share of the IJB deficit was (£6,432k).

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 |
|---|--|--------------------------------|----------------------------------|
| <b>EXECUTIVES -</b>                       |  |                                |                                  |
| Mrs Cathie Cowan - (Ends on 10/03/2024)   | ✓  | ✓                              | ✓                                |
| Mrs Amanda Murdoch - (Started 11/09/2023) | ✓  | ✓                              | ✓                                |
| Mr Andrew Murray                          | ✓  | ✓                              | ✓                                |
| Ms Frances Dodds                          |  | ✓                              | ✓                                |
| Dr Graham Foster                          |  |                                | ✓                                |
| Mr Scott Urquhart                         |  |                                | ✓                                |
| <b>NON EXECUTIVES -</b>                   |  |                                |                                  |
| Mr Gerard McGArvey                        | ✓  |                                |                                  |
| Ms Michelle McClung                       |  | ✓                              | ✓                                |
| Mr Gordon Johnston                        | ✓  | ✓                              | ✓                                |
| Mr Stephen Mc Allister                    | ✓  | ✓                              | ✓                                |
| Mr Allan Rennie                           | ✓  |                                | ✓                                |
| Mr Daniel Gibson - (Ends on 27/06/2023)   | ✓  |                                |                                  |
| Ms Fiona Collie                           |  |                                | ✓                                |
| Ms Wendy Hamilton                         | ✓  |                                |                                  |
| Ms Kirsten Cassells                       |  |                                |                                  |
| Ms Janie McCusker - (Ends on 29/02/2024)  |  |                                | ✓                                |
| Mr Martin Fairbairn                       | ✓  |                                | ✓                                |
| Mr John Stuart (MBE)                      | ✓  |                                | ✓                                |

See further disclosures in the Remuneration Report for the Executive and Non Executives.

# FORTH VALLEY NHS BOARD

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 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.

|  | 2023<br>£'000 | Gross<br>Inflows<br>£'000 | Gross<br>Outflows<br>£'000 | 2024<br>£'000 |
|--|---------------|---------------------------|----------------------------|---------------|
| Monetary amounts such as bank balances and monies on deposit | 201           | 171                       | (142)                      | 230           |
| Unclaimed dividends and unapplied balances                   | 0             | 0                         | 0                          | 0             |
| Securities   | 0             | 0                         | 0                          | 0             |
| Other monetary assets  | 0             | 0                         | 0                          | 0             |
| <b>Total Monetary Assets</b>                                 | <b>201</b>    | <b>171</b>                | <b>(142)</b>               | <b>230</b>    |

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 2024

26a. CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

| Group<br>2023                       |  | Note | Board<br>2024  | Endowments<br>2024 | Intra Group adj.<br>2024 | Integration Joint Board (Joint Ventures) |  | Consolidated<br>2024 |
|-------------------------------------|--|------|----------------|--------------------|--------------------------|--|--|----------------------|
|                                     |  |      |                |                    |                          | Falkirk IJB<br>2024                      | Clackmannanshire &<br>Stirling IJB<br>2024 |                      |
| £'000                               |  |      | £'000          | £'000              | £'000                    | £'000                                    | £'000                                      | £'000                |
| <b>Total income and expenditure</b> |  |      |                |                    |                          |  |  |                      |
| 376,617                             | Employee Expenditure   | 3    | 422,571        | 0                  | 0                        | 0  | 0  | 422,571              |
| 101,320                             | Other operating expenditure                                    | 3    |                |                    |                          |  |  |                      |
| 133,813                             | Independent Primary Care Services                              |      | 105,531        | 0                  | 0                        | 0  | 0  | 105,531              |
| 588,419                             | Drugs and medical supplies                                     |      | 141,503        | 0                  | 0                        | 0  | 0  | 141,503              |
| 1,200,169                           | Other health care expenditure                                  |      | 633,862        | 509                | 0                        | 0  | 0  | 634,371              |
|                                     | Gross expenditure for the year                                 |      | 1,303,467      | 509                | 0                        | 0  | 0  | 1,303,976            |
| (428,937)                           | Less: operating income   | 4    | (463,010)      | (416)              | 0                        | 0  | 0  | (463,426)            |
| 7,409                               | Associates and joint ventures accounted for on an equity basis |      | 0              | 0                  | 0                        | 3,784                                    | 6,432                                      | 10,216               |
| <b>778,641</b>                      | <b>Net Expenditure</b>   |      | <b>840,457</b> | <b>93</b>          | <b>0</b>                 | <b>3,784</b>                             | <b>6,432</b>                               | <b>850,766</b>       |

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 2024**

**26b. CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| Group<br>2023<br>£'000         | Note   | Board<br>2024<br>£'000 | Endowment<br>2024<br>£'000 | Intra Group<br>adjustment<br>2024<br>£'000 | Integration Joint Board (Joint Ventures)<br>Clackmannanshire &<br>Stirling IJB |               |               | Group<br>2024<br>£'000 |
|--------------------------------|--|------------------------|----------------------------|--|--|---------------|---------------|------------------------|
|                                |  |                        |                            |  | Falkirk IJB<br>2024<br>£'000   | 2024<br>£'000 | 2024<br>£'000 |                        |
|                                |  |                        |                            |  |  |               |               |                        |
| <b>Non-current assets:</b>     |  |                        |                            |  |  |               |               |                        |
| 594,655                        | Property, plant and equipment  | SoFP                   | 604,710                    | 0  | 0  | 0             | 0             | 604,710                |
| 536                            | Intangible assets  | SoFP                   | 380                        | 0  | 0  | 0             | 0             | 380                    |
| 7,032                          | Right of Use assets  | SoFP                   | 7,003                      | 0  | 0  | 0             | 0             | 7,003                  |
| Financial assets:              |  |                        |                            |  |  |               |               |                        |
| 3,590                          | Investments  | SoFP                   | 981                        | 3,133                                      | 0  | 0             | 0             | 4,114                  |
| 25,778                         | Investments in associates and joint ventures                         | 26a                    | 0                          | 0  | 0  | 10,631        | 4,931         | 15,562                 |
| 34,903                         | Trade and other receivables  | SoFP                   | 27,956                     | 0  | 0  | 0             | 0             | 27,956                 |
| <b>666,494</b>                 | <b>Total non-current assets</b>                                      |                        | <b>641,030</b>             | <b>3,133</b>                               | <b>0</b>   | <b>10,631</b> | <b>4,931</b>  | <b>659,725</b>         |
| <b>Current Assets:</b>         |  |                        |                            |  |  |               |               |                        |
| 2,639                          | Inventories  | SoFP                   | 2,824                      | 0  | 0  | 0             | 0             | 2,824                  |
| 0                              | Intangible assets  | SoFP                   | 0                          | 0  | 0  | 0             | 0             | 0                      |
| Financial assets:              |  |                        |                            |  |  |               |               |                        |
| 24,578                         | Trade and other receivables  | SoFP                   | 33,822                     | 30   | 0  | 0             | 0             | 33,852                 |
| 362                            | Cash and cash equivalents  | SoFP                   | 48                         | 277  | 0  | 0             | 0             | 325                    |
| 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                      |
| <b>27,579</b>                  | <b>Total current assets</b>  |                        | <b>36,694</b>              | <b>307</b>                                 | <b>0</b>   | <b>0</b>      | <b>0</b>      | <b>37,001</b>          |
| <b>694,073</b>                 | <b>Total assets</b>  |                        | <b>677,724</b>             | <b>3,440</b>                               | <b>0</b>   | <b>10,631</b> | <b>4,931</b>  | <b>696,726</b>         |
| <b>Current liabilities</b>     |  |                        |                            |  |  |               |               |                        |
| (15,751)                       | Provisions   | SoFP                   | (16,673)                   | 0  | 0  | 0             | 0             | (16,673)               |
| Financial liabilities:         |  |                        |                            |  |  |               |               |                        |
| (132,486)                      | Trade and other payables   | SoFP                   | (109,157)                  | (151)                                      | 0  | 0             | 0             | (109,308)              |
| 0                              | Derivatives financial liabilities                                    | SoFP                   | 0                          | 0  | 0  | 0             | 0             | 0                      |
| <b>(148,237)</b>               | <b>Total current liabilities</b>                                     |                        | <b>(125,830)</b>           | <b>(151)</b>                               | <b>0</b>   | <b>0</b>      | <b>0</b>      | <b>(125,981)</b>       |
| <b>545,836</b>                 | <b>Non-current assets plus / less net current assets/liabilities</b> |                        | <b>551,894</b>             | <b>3,289</b>                               | <b>0</b>   | <b>10,631</b> | <b>4,931</b>  | <b>570,745</b>         |
| <b>Non-current liabilities</b> |  |                        |                            |  |  |               |               |                        |
| (69,419)                       | Provisions   | SoFP                   | (62,639)                   | 0  | 0  | 0             | 0             | (62,639)               |
| Financial liabilities:         |  |                        |                            |  |  |               |               |                        |
| (293,787)                      | Trade and other payables   | SoFP                   | (378,246)                  | 0  | 0  | 0             | 0             | (378,246)              |
| 0                              | Liabilities in associates and joint ventures                         | 26a                    | 0                          | 0  | 0  | 0             | 0             | 0                      |
| <b>(363,206)</b>               | <b>Total non-current liabilities</b>                                 |                        | <b>(440,885)</b>           | <b>0</b>                                   | <b>0</b>   | <b>0</b>      | <b>0</b>      | <b>(440,885)</b>       |
| <b>182,630</b>                 | <b>Assets less liabilities</b>                                       |                        | <b>111,009</b>             | <b>3,289</b>                               | <b>0</b>   | <b>10,631</b> | <b>4,931</b>  | <b>129,860</b>         |
| <b>Taxpayers' Equity</b>       |  |                        |                            |  |  |               |               |                        |
| (36,796)                       | General fund   | SoFP                   | (95,908)                   | 0  | 0  | 0             | 0             | (95,908)               |
| 190,462                        | Revaluation reserve  | SoFP                   | 206,917                    | 0  | 0  | 0             | 0             | 206,917                |
| 25,778                         | Other reserves - joint venture                                       | SoFP                   | 0                          | 0  | 0  | 10,631        | 4,931         | 15,562                 |
| 3,186                          | Funds Held on Trust  | SoFP                   | 0                          | 3,289                                      | 0  | 0             | 0             | 3,289                  |
| <b>182,630</b>                 | <b>Total taxpayers' equity</b>                                       |                        | <b>111,009</b>             | <b>3,289</b>                               | <b>0</b>   | <b>10,631</b> | <b>4,931</b>  | <b>129,860</b>         |

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

26c. CONSOLIDATED STATEMENT OF CASHFLOWS

| Consolidated<br>2023<br>£'000   | Board<br>2024<br>£'000 | Endowment<br>2024<br>£'000 | Intra Group<br>adjustment<br>2024<br>£'000 | Integration Joint Board (Joint Ventures) |   | Consolidated<br>2024<br>£'000 |
|---|------------------------|----------------------------|--|--|---|-------------------------------|
|   |                        |                            |  | Falkirk IJB<br>2024<br>£'000             | Clackmannanshire<br>& Stirling IJB<br>2024<br>£'000 |                               |
|   |                        |                            |  |  |   |                               |
| <b>Cash flows from operating activities</b>                             |                        |                            |  |  |   |                               |
| (778,641)   | (840,457)              | (93)                       | 0  | (3,784)                                  | (6,432)   | (850,766)                     |
| 26,122  | 20,938                 | 0                          | 0  | 3,784                                    | 6,432   | 31,154                        |
| 12,843  | 18,477                 | 0                          | 0  | 0  | 0   | 18,477                        |
| (38)  | (80)                   | 0                          | 0  | 0  | 0   | (80)                          |
| 0   | 0                      | 0                          | 0  | 0  | 0   | 0                             |
| (31,444)  | (31,602)               | (49)                       | 0  | 0  | 0   | (31,651)                      |
| <b>(771,158)</b>  | <b>(832,724)</b>       | <b>(142)</b>               | <b>0</b>                                   | <b>0</b>                                 | <b>0</b>  | <b>(832,866)</b>              |
| <b>Net cash outflow from operating activities</b>                       |                        |                            |  |  |   |                               |
| <b>Cash flows from investing activities</b>                             |                        |                            |  |  |   |                               |
| (19,573)  | (13,403)               | 0                          | 0  | 0  | 0   | (13,403)                      |
| (102)   | 0                      | 0                          | 0  | 0  | 0   | 0                             |
| (442)   | (613)                  | (545)                      | 0  | 0  | 0   | (1,158)                       |
| 0   | 0                      | 0                          | 0  | 0  | 0   | 0                             |
| 185   | 1,099                  | 0                          | 0  | 0  | 0   | 1,099                         |
| 469   | 0                      | 0                          | 0  | 0  | 0   | 0                             |
| 0   | 0                      | 638                        | 0  | 0  | 0   | 638                           |
| 38  | 80                     | 0                          | 0  | 0  | 0   | 80                            |
| <b>(19,425)</b>   | <b>(12,837)</b>        | <b>93</b>                  | <b>(0)</b>                                 | <b>(0)</b>                               | <b>(0)</b>  | <b>(12,744)</b>               |
| <b>Net cash outflow from investing activities</b>                       |                        |                            |  |  |   |                               |
| <b>Cash flows from financing activities</b>                             |                        |                            |  |  |   |                               |
| 814,200   | 894,913                | 0                          | 0  | 0  | 0   | 894,913                       |
| (1)   | 13                     | 0                          | 0  | 0  | 0   | 13                            |
| 814,199   | 894,926                | 0                          | 0  | 0  | 0   | 894,926                       |
| Capital element of payments in respect of finance leases and on-balance |                        |                            |  |  |   |                               |
| sheet PFI contracts   | (30,876)               | 0                          | 0  | 0  | 0   | (30,876)                      |
| (7,998)   | 0                      | 0                          | 0  | 0  | 0   | 0                             |
| (2,642)   | (151)                  | 0                          | 0  | 0  | 0   | (151)                         |
| 1,249   | (18,326)               | 0                          | 0  | 0  | 0   | (18,326)                      |
| <b>(14,092)</b>   | <b>845,573</b>         | <b>0</b>                   | <b>0</b>                                   | <b>0</b>                                 | <b>0</b>  | <b>845,573</b>                |
| <b>Net Financing</b>  |                        |                            |  |  |   |                               |
| 133   | 12                     | (49)                       | 0  | 0  | 0   | (37)                          |
| 229   | 36                     | 326                        | 0  | 0  | 0   | 362                           |
| <b>362</b>  | <b>48</b>              | <b>277</b>                 | <b>0</b>                                   | <b>0</b>                                 | <b>0</b>  | <b>325</b>                    |
| <b>Cash and cash equivalents at the end of the period</b>               |                        |                            |  |  |   |                               |
| <b>Reconciliation of net cash flow to movement in net debt / cash</b>   |                        |                            |  |  |   |                               |
| 133   | 12                     | (49)                       | 0  | 0  | 0   | (37)                          |
| 229   | 36                     | 326                        | 0  | 0  | 0   | 362                           |
| <b>362</b>  | <b>48</b>              | <b>277</b>                 | <b>0</b>                                   | <b>0</b>                                 | <b>0</b>  | <b>325</b>                    |
| <b>Net debt / cash at 31 March</b>                                      |                        |                            |  |  |   |                               |

## DIRECTIONS BY THE SCOTTISH MINISTERS

The Scottish Ministers, in exercise of their functions under section 86(1) and (3) of the National Health Service (Scotland) Act 1978, in relation to the functions of Health Boards in that section which apply to NHS Forth Valley by virtue of that Act, and all other powers enabling them to do so, hereby DIRECT that:

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

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

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

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

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

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

NHS Forth Valley is a Health Board established under section 2(1) of the National Health Service (Scotland) Act 1978

“NHS Forth Valley Annual Accounts template” means the Excel spreadsheet issued to NHS Forth Valley by the Scottish Ministers as a template for their statement of accounts, and

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

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



Signed by the authority of the Scottish Ministers

Dated 22 March 2022