



BORDERS HEALTH BOARD

**ANNUAL ACCOUNTS
FINAL**

2013/14

BORDERS HEALTH BOARD

ANNUAL ACCOUNTS AND NOTES FOR THE YEAR ENDED 31 MARCH 2014

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2014.

1. Naming convention

NHS Borders is the common name for Borders Health Board.

2. Principal activities and review of the business and future developments

The information that fulfils the requirements of the business review, principal activities and future developments can be found in the Operating and Financial Review report which is incorporated in this report.

3. Date of issue

The financial statements were approved and authorised for issue by the Board on 26 June 2014.

4. Accounting convention

The Annual Accounts and Notes have been prepared under the historical cost convention as modified by the revaluation of property, plant and equipment, intangible assets, inventories, available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value through profit and loss. The Accounts have been prepared under a direction issued by Scottish Ministers which is included as an annex to the accounts.

The statement of the accounting policies, which have been adopted, is shown at Note 1 (Pg 33).

5. 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. For the financial years 2011/2012 to 2015/16 the Auditor General has appointed Scott-Moncrieff to undertake the audit of NHS Borders. 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.

6. Board membership

Under the terms of the Scottish Health Plan, the NHS Board is a board of governance whose membership will be conditioned by the functions of the Board.

Members of Health Boards are selected on the basis of their position or the particular expertise which enables them to contribute to the decision making process at a strategic level.

The Health Board has collective responsibility for the performance of the local NHS system as a whole, and reflects the partnership approach, which is essential to improving health and health care. The members of the NHS Board who served during the year from 1st April 2013 to 31st March 2014 were as follows:

Non-Executive Members

Mr J Raine, Chair

Mr J McLaren, Non-Executive Director from 2nd April 2013

Mrs P Alexander, Non-Executive Director

Mrs C Duthie, Non-Executive Director to 31st July 2013

Mrs K Hamilton, Non-Executive Director from 1st August 2013

Mr D Davidson, Non-Executive Director

Mr A Lucas, Non-Executive Director to 30th November 2013

Dr S Mather, Non-Executive Director from 1st December 2013

Cllr C Bhatia, Non-Executive Director

Dr D Steele, Non-Executive Director

Mr J Hammond, Non-Executive Director to 31st October 2013

Mrs K McNicoll, Non Executive Director from 1st November 2013

Executive Members

Mr C Campbell, Chief Executive
Dr E Baijal, Director of Public Health
Dr S MacDonald, Medical Director
Mrs J Davidson, Chief Operating Officer
Mrs C Gillie, Director of Finance
Mrs E Fleck, Director of Nursing & Midwifery

The Board members' responsibilities in relation to the accounts are set out in statements following this report.

7. Board members' and senior managers' interests

Details of any interests of board members, senior managers and other senior staff in contracts or potential contractors with the Health board as required by IAS 24 are disclosed in Note 27 (Pg 79).

A register of interests, which includes details of company directorships or other significant interests held by Board members that may conflict with their management responsibilities, is available by contacting the Office of the Chief Executive at the NHS Board headquarters in the Education Centre, Borders General Hospital, Melrose.

8. Directors third party indemnity provisions

No third party indemnity has been in place for any Director of the Board at any time during the financial year.

9. Pension Liabilities

The accounting policy note for pensions is provided in Note 1(Pg 39) and disclosure of the costs is shown within Note 23 (Pg 71) and the remuneration report (Pg 14).

10. Remuneration for non audit work

No remuneration has been made to Scott Moncrieff in respect of any non audit work carried out on behalf of the NHS Board.

11. Value of Land

There are no differences between the market value and the balance sheet value of land.

12. Public Services Reform (Scotland) Act 2010

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 impose new 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.

NHS Borders has met the requirements of the Public Services Reform (Scotland) Act 2010 by publishing the required information on its external website <http://www.nhsborders.org.uk>

13. Payment policy

The Scottish Government is committed to supporting business during the current economic climate by paying bills more quickly. The intention is to achieve payment of all undisputed invoices, where possible, within 10 working days, across all public bodies. The target has been communicated to all non-departmental public bodies, who are working towards the accelerated payment target of 10 working days.

Prior to this, the NHS Board did endeavour to comply with the principles of The Better Payment Practice Code (<http://www.payontime.co.uk/>) by processing suppliers invoices for payment without unnecessary delay and by settling them in a timely manner. The payment statistics (relating only to non-NHS suppliers) were as follows:

	2013/14	2012/13
Average period of credit taken	7.89 days	8.12 days
Percentage of invoices by volume paid within 30 days	95%	95%
Percentage of invoices by value paid within 30 days	94%	89%
Percentage of invoices by volume paid within 10 days	84%	84%
Percentage of invoices by value paid within 10 days	84%	78%

14. Corporate governance

The Board met bi-monthly during the year to progress the business of the NHS Board. The NHS Board is supported by a number of standing committees which are directly accountable to it:

- Clinical Governance
- Audit
- Staff Governance
- Public Governance
- Community Health and Care Partnership
- Research Ethics
- Pharmacy Practices Committee

Clinical Governance Committee

The purpose of the Clinical Governance Committee is to assist the NHS Board to deliver its statutory responsibility for the quality of healthcare that it provides. In particular, the Committee will seek to provide assurance to the Board that appropriate systems are in place, which ensure that clinical governance and clinical risk management arrangements are working effectively to safeguard and improve the quality of clinical care.

The membership of the Clinical Governance Committee comprised Mr. A Lucas who held the Chair of the Committee to 30th November 2013, Dr. S Mather assumed the Chair of the Committee from 1st December 2013, Dr. D Steele, Mr. D Davidson, Mr. J. Hammond to 31st October 2013, Mrs. K McNicoll from 1st November 2013 and Mr. J Raine. The Committee was supported by a number of stakeholders from NHS Borders who were in attendance at the meetings during 2013/14.

Minutes of each Clinical Governance Committee meeting are formally presented to the full NHS Board.

Audit Committee

The purpose of the Audit Committee is to assist the NHS Board to deliver its responsibilities for the conduct of its business, including the stewardship of funds under its control. In particular, the Committee will seek to provide assurance to the NHS Board that an appropriate system of internal control has been in place throughout the year.

The Audit Committee comprised Mr. A Lucas to 30th November 2013, Dr. S Mather from 1st December 2013, and Dr. D Steele. The Audit Committee chair is Mr D. Davidson. The Committee was supported by a number of stakeholders, including executive directors, internal audit and external audit, who were in attendance at the meetings during 2013/14.

Minutes of each Audit Committee meeting are formally presented to the full NHS Board.

Staff Governance Committee

The purpose of the Staff Governance Committee is to provide assurance to the Board that NHS Borders meets its obligations in relation to staff governance under the National Health Service Reform (Scotland) Act 2004 and the Staff Governance Standard. In particular, the Committee will seek to ensure that staff governance mechanisms are in place that establish responsibility for performance against the Staff Governance Standard and ensure progress towards achievement of the standard.

The membership of the Staff Governance Committee comprised Mr. J McLaren (Joint Chair), Mrs. P Alexander (Joint Chair), Mr. A Lucas to 30th November 2013, Dr. S Mather from 1st December 2013 and Dr. D Steele. The Committee was supported by a number of stakeholders from NHS Borders who were in attendance at the meetings during 2013/14.

Minutes of each Staff Governance Committee meeting are formally presented to the full NHS Board.

Public Governance Committee

The purpose of the Public Governance Committee is to ensure that the NHS Board discharges its legal obligation to involve, engage and consult patients, the public and communities in the planning and development of services and in the decision making process about the future pattern of services provided.

The membership of the Public Governance Committee comprised Dr. D Steele (Chair of the Committee), Mrs P. Alexander, Mrs K Hamilton, Mr. J McLaren (Employee Director), Cllr. C Bhatia (Scottish Borders Council - Health) with representatives from Public Partnership Forum, Community Council's Network, Borders Voluntary Community Care Forum, Princess Royal Trust Borders Carers Centre and Participation Network.

The Committee was supported by a number of stakeholders from NHS Borders who were in attendance at the meetings during 2013/14.

Minutes of each Public Governance Committee meeting are formally presented to the full NHS Board.

Community and Health Care Partnership (CHCP)

The purpose of the Community and Health Care Partnership is to deliver the objectives of the CHCP Strategic Plan to monitor governance arrangements, plan, commission and redesign jointly delivered services, hold Joint Boards to account and drive forward health improvement. The CHCP Board was chaired in 2013/14 by Councillor Catriona Bhatia.

Core membership of the CHCP for the period 1 April 2013 to 31st March 2014 was:

NHS Borders

NHS Borders Chief Executive

- Mr C Campbell

Chair NHS Borders

- Mr J Raine

NHS Non-Executive Directors.

- Mr. D Davidson
- Mrs P Alexander
- Mr. J Hammond to 31st October 2013

Chair Joint Staff Forum

- Mrs. I Clark

Chair of Public Partnership Forum

- Mr. A Leitch

Scottish Borders Council

Chief Executive

- Ms T Logan

Local Councillors Executive members

- Cllr. D Parker
- Cllr. C Bhatia (Chair)
- Cllr. F Renton
- Cllr. A Aitchison
- Cllr. J Mitchell

The Committee was supported by a number of stakeholders from NHS Borders and Scottish Borders Council who were in attendance at the meetings during 2013/14.

Minutes of each Community and Health Care Partnership meeting are formally presented to the full NHS Board.

Research Ethics

NHS Borders refers any request for independent advice as to whether a given piece of research is ethical, and whether the dignity, rights, safety and wellbeing of individual research subjects are adequately protected to the South East Scotland Research and Ethics Service. During 2013/14 NHS Borders did not make any referrals to the South East Scotland Research and Ethics Service.

Pharmacy Practices Committee

The purpose of the Pharmacy Practices Committee is to consider applications for inclusion in the Board's pharmaceutical list, in accordance with the National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009. The Committee met once during 2013/14 on 21st August 2013.

The Committee is chaired by NHS Borders Non Executive Director Dr D. Steele (Chair) and has as members an NHS Borders employed pharmacist and Independent Contractor Pharmacist, and 3 lay members.

Minutes of Pharmacy Practices Committee meetings are formally presented to the full NHS Board

15. Disclosure of information to auditors

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

16. Human resources

As an Equal Opportunities employer NHS Borders is committed to supporting the equality and diversity agenda, and welcomes applications for employment from disabled persons and actively seeks to provide an environment where they, and any employees who become disabled, can contribute to the work of the Board. NHS Borders provides employees with information on matters of concern and interest to them as employees by means of an Intranet website, a monthly Corporate and Team brief, staff newsletter, updates on specific issues, the staff induction programme and through contracts of employment. NHS Borders consults employees or their representatives so their views are taken into account in decisions affecting their interests by utilising Area and Local Partnership Fora.

17. Events after the end of the reporting period

The Board has restated balances within the 2012/13 Primary Financial Statements to provide comparator figures from the previous year which include the Board Endowment Fund. The 2013/14 Annual Accounts provide consolidated financial statements including the Board Endowment Fund as per the updated requirements of the Scottish Government Financial Reporting Manual.

18. Financial instruments

Information in respect of the financial risk management objectives and policies of the Board and the exposure of the Board to price risk, credit risk, liquidity risk and cash flow risk is disclosed in Note 26 (Pg 76).

19. Approval and signing of the directors' report

The Accounting Officer authorised these financial statements for issue on 26 June 2014.

Signed

26 June 2014

Chief Executive

BORDERS HEALTH BOARD

ANNUAL ACCOUNTS AND NOTES FOR THE YEAR ENDED 31 MARCH 2013

STRATEGIC REPORT

1. Principal activities and review of the year

The NHS Board was established in 1974 under the National Health Service (Scotland) Act 1974 and is responsible for commissioning health care services for the residents of the Scottish Borders, a total population of 116,442 (GP Practice List – March 2014, 116,172 - March 2013).

The NHS Board forms a local health system, with single governing boards responsible for improving the health of the local populations and delivering the healthcare they require. The overall purpose of the NHS Board is to ensure the efficient, effective and accountable governance of the local NHS system and to provide strategic leadership and direction for the system as a whole.

The role of the NHS Board is to:

- improve and protect the health of local people;
- improve health services for local people;
- focus clearly on health outcomes and people's experience of NHS Borders;
- promote integrated health and community planning by working closely with other local organisations;
- provide a single focus of accountability for the performance of NHS Borders; and
- involve the public in the design and delivery of healthcare services.

The functions of the NHS Board comprise:

- strategy development;
- resource allocation;
- financial stewardship;
- implementation and delivery of the Local Delivery Plan;
- performance management;
- appointment, appraisal and remuneration of senior executives;
- governance of NHS Borders, discharged through the Standing Committees; and
- ensure effective public involvement and engagement on NHS Borders' plans and performance.

The Healthcare Quality Strategy for Scotland was launched in May 2010 and provides the framework for those who deliver healthcare services in Scotland to work with partners and the public towards a shared vision of world leading, safe, effective and person-centred healthcare.

With continuing focus on the Quality Strategy, as well as national targets, local commitments and priorities, the Vision, Values and Corporate Objectives of NHS Borders were revised during 2013/14 and were discussed by the Board at its Strategy & Performance Committee meeting on 1st August 2013 and were formally approved by the NHS Borders Board on 5th September 2014. Patient Safety remains the Board's main priority and is at the heart of all of the services provided by NHS Borders. The Board has clear focus to provide patient care that is safe, effective and affordable.

In response to a number of known challenges facing NHS Borders, the Board, during the final quarter of 2013/14, launched the NHS Borders Clinical Strategy for consultation. The Strategy, outlines a set of key principles. NHS Borders will apply these principles to all its services which will enable it to tackle future challenges and continue to provide excellent patient care over the next five years. NHS Borders can work to accommodate the increasing demand across all its services through employing innovative approaches to the provision of its services. The consultation period is planned to run to 6th June 2014, following which NHS Borders will review comments received, produce a summary and feedback document to the Board prior to finalising the Clinical Strategy for publication.

In support of the corporate objectives during 2013/14 NHS Borders undertook and facilitated a wide range of activities which included

- Opened the relocated outpatients department within the Borders General Hospital – developing modern, flexible accommodation which provides a greatly improved accessible environment, improved décor and increased efficiency as well as an expanded range of treatment options.
- Concluded the refurbishment of Huntlyburn House, the Acute Psychiatric Unit site in Melrose - offering improved observation and patient safety features and an enhanced environment within which to provide quality care.
- Completed an extension to ward 6 within Borders General Hospital which provides additional single room beds available on a flexed basis.
- Completed the Lauder health centre new build – offering a fit for purpose environment for the delivery of general medical services together with community health services from the extended Primary Care Team.
- The instigation of an engaging leadership programme to support existing staff training and development plans. As part of the programme a successful joint venture with the Royal Navy at HMS Dalriada was launched, ‘Go Live’ a one day event attended by 30 members of staff who took part in activities consisting of multiple team exercises based around leadership principles and behaviours.
- The ‘Celebrating Excellence Awards’ were held for the first time during 2013/14, staff and members of the public were invited to ‘celebrate excellence’ in their local health service and vote in the Board’s first ever staff awards scheme. The awards gave recognition and appreciation for the hard-work, dedication and commitment of staff and volunteers to providing excellent services. Award categories reflected the NHS Borders corporate objectives and values.
- Become the first Health Board in NHS Scotland to attain the UNICEF UK Baby Friendly Initiatives stage three accreditation.

NHS Borders performance against key financial and non financial targets is summarised in section 2 and 3 below.

In line with NHS Scotland's strategy NHS Borders is required to continuously improve the quality and efficiency of its services. A key element of the Board’s plan to attain a financial breakeven outturn in 2013/14 was the achievement of its cost efficiency target. During the financial year £4.8m of savings were delivered. A key element of financial sustainability is the recurring element of the cost efficiency target. Within the overall target for increased efficiency the in year target of £2.55m recurring savings was also fully achieved. This ensures that there is no recurring requirement carried forward into the next financial year which would increase the financial risk for the organisation. All NHS boards are required to deliver a 3% efficiency and productivity gain per annum. For NHS Borders 2.75% cash releasing savings and 0.25% productivity gains were identified. The non cash releasing savings have been achieved through increased efficiency and productivity taken forward through the Senior Charge Nurse (SCN) Programme.

Full details of the above and the many other key Board achievements during 2013/14 will be published in the Board Annual Report which will be available early in 2014/15 from the office of the Chair and Chief Executive.

2. Financial Performance and Position

Borders Health Board Charitable Funds Consolidation

Borders Health Board Endowment Funds (known as 'The Difference') have been consolidated into NHS Borders Exchequer Accounts for 2013/14, in accordance with IAS 27 “Consolidated and Separate Financial Statements.”

Until April 2013, the Treasury had directed that IAS 27 should not be applied to NHS charities. However, that direction has now been removed and IAS 27 requires that consolidated accounts are prepared.

This is because NHS Borders is the corporate trustee of the 'The Difference' and the charity's objectives are for the benefit of NHS Borders

The main financial statements disclose the NHS Borders' financial position alongside that of the group (which is NHS Borders and 'The Difference').

A prior period adjustment has been required to reflect the consolidation of 'The Difference' and the effect on the 2012/13 accounts is summarised in Note 25 (Pg 73).

The Scottish Government sets 3 financial targets at NHS Board level on an annual basis. These targets are:

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

NHS Boards are expected to contain their net expenditure within these limits, and to report on any variation from the limits as set. The financial statements reported for the Borders Health Board Endowment Funds are excluded from the financial targets set for NHS Borders.

The Board's performance against these financial targets is as follows:

	Limit as set by SGHD £'000	Actual Outturn £'000	Variance (Over)/Under £'000
1 Core Revenue Resource Limit	197,706	197,641	65
Non Core Revenue Resource Limit	7,722	7,722	0
2 Core Capital Resource Limit	3,858	3,853	5
Non Core Capital Resource Limit	0	0	0
3 Cash Requirement	216,000	215,256	744

MEMORANDUM FOR IN YEAR OUTTURN

£'000

Brought forward surplus from previous financial year
Saving against in year total Revenue Resource Limit

666
741

Provision for bad and doubtful debts (Pg 59)

Debtors are stated net of a provision for doubtful debts equating to £200,470 (2012/2013: £155,323).

Outstanding Liabilities (Pg 63)

'Trade and other payables' due within one year have decreased from £31.250m in 2012/2013 to £26.231m in 2013/14. This reflects the timing difference in relation to the receipt of allocations, income and the payment of invoices.

'Trade and other payables' due within one year as reported at 31st March 2014 include a provision of £2.069m (2012/13: £2.204m) with respect to an accrual for annual leave entitlement carried forward to 2014/15.

Legal Obligations (Pg 65)

The Board has provided for £6.953m clinical and medical negligence compensation claims (2012/13: £3.579m) and £1.515m pension obligations (2012/13: £1.496m) at 31st March 2014.

Sickness Absence

During the year ended 31st March 2014, the NHS Borders average sickness absence rate was 4.3% (2012/13: 4.3%).

Information Governance

Security Breaches

The number of security breaches of data protection/information reported through the NHS Borders Incident Reporting system was 179 for 2013/14 (211 in 2012/13). Breaches of data protection and information security are reported through the NHS Borders electronic incident reporting system which provides a record of the incident and the follow up actions and enables incidents to be tracked by members of the Information Governance Team. Generally this process has facilitated the provision of increased education and awareness.

Breaches of data protection and information security are reported through Datix, the NHS Borders electronic incident reporting system.

In November 2013 a major update to the Datix system was implemented and the opportunity was taken at this time to review the Information Governance incident categories. This piece of work rationalised the categorisation for incident reporters thus simplifying the summary reporting considerably.

Privacy Breaches

NHS Borders continues to operate the Privacy Breach Detection Software – FairWarning which was implemented as part of a Scottish Government programme during 2012. The software supports Health Boards to continue to keep patient information secure and confidential by logging the activity of users to clinical systems and patient management systems used within NHS Borders.

The management follow up process which, was agreed with the Area Partnership Forum in 2012, was revised during 2013 following a bedding in period.

During 2013/14, of the 7,395 potential incidents identified by FairWarning, 167 cases were investigated further. 56 were confirmed as actual incidents. Further action in respect of these incidents was taken in line with the management follow up process.

Patient Exemption Checking

Each year NHS Scotland Counter Fraud Services (CFS) carries out a programme of checks on patients claiming exemption from dental and ophthalmic charges. These checks are targeted on those areas where the risk of fraud or error is assessed to be highest. As in previous years, CFS has used the results of this testing to produce extrapolations in an attempt to quantify the level of income potentially lost to the NHS due to patient exemption fraud or error. CFS has previously accepted that these extrapolations may not be a reliable indicator of the actual level of fraud/error or of any underlying trend. It is not considered that this potential patient exemption fraud/error arises as a result of any significant weakness in the Board's system of internal control and the NHS Board is satisfied that it, in conjunction with CFS, has taken all reasonable steps to mitigate the risk of any patient exemption fraud/error occurring. NHS Borders will continue to work with CFS to ensure the maximum possible resource is available for health services in the Borders.

3. Performance against Key Non-Financial Targets

The Board's Local Delivery Plan (LDP) submission in 2013/14 details targets for specified indicators of performance in four key areas; these are known as the HEAT targets, and cover Health improvement, Efficiency, Access and Treatment. As part of the Local Delivery Plan submission to the Scottish Government, the NHS Board is committed to achieving targets and also details a specific trajectory of intermediate milestones. This is supplemented by an assessment of the main risks. The full HEAT target portfolio is detailed below.

Further information on performance against targets can be found as part of the NHS Board papers, specifically the HEAT Performance Scorecard, available on the NHS Borders website <http://www.nhsborders.org.uk>

HEAT Target portfolio

	TARGET CATEGORY	TARGET DESCRIPTION	MONITORING FREQUENCY	ACHIEVED TARGET
Health Improvement	Standard	To complete 465 inequalities targeted cardiovascular health checks (cumulative).	Monthly	Y
	Target	To achieve 840 Smoking cessation 4 weeks successful quits in most deprived areas (cumulative) 1	Monthly	Y

	Standard	Increase by 33% the proportion of new-born children breastfed at 6-8 weeks	Monthly	Y
Efficiency	Target	Boards to operate within agreed revenue resource limit, capital resource limit and meet cash requirement	Monthly	Y
	Standard	New patient did not attend (DNA) rate at 4%	Monthly	N
	Standard	Same day surgery at 86%	Monthly	N
	Standard	Pre-operative stay reduced to 0.47 days	Monthly	Y
	Standard	Online Triage of Referrals at 90%	Monthly	Y
	Standard	80% of eKSF (electronic Knowledge & Skill Framework) annual reviews complete	Monthly	Y
	Standard	80% of Personal Development Plans (PDP's) recorded on eKSF	Monthly	N
	Standard	Sickness Absence Rate of 4%	Monthly	N
Access	Target	18 Weeks RTT (Referral To Treatment): no waits over 12 weeks for outpatients	Monthly	N
	Target	18 weeks RTT: no waits over 12 weeks for inpatients	Monthly	N
	Target	18 weeks RTT: 90% performance for the Admitted Pathway	Monthly	N
	Target	18 weeks RTT: 90% performance for the Admitted Linked Pathway	Monthly	Y
	Target	18 weeks RTT: 90 % performance for the Non-admitted Pathway	Monthly	Y
	Target	Target of 90% for Combined Performance	Monthly	N
	Target	Target of 90% for Combined Performance Linked Pathway	Monthly	Y
	Target	No CAMHS (Child & Adolescent Mental Health Services) waits over 18 weeks	Monthly	Y
	Target	No Psychological Therapy waits over 18 weeks (National Target of 18 weeks in place from December 2014)	Monthly	N
	Target	No Delayed Discharges over 2 weeks	Monthly	Y
	Target	90% of Alcohol/Drug Referrals into Treatment within 3 weeks	Monthly	Y
	Standard	95% target for treatment within 62 days for Urgent Referrals of Suspicion of Cancer	Monthly	Y
	Standard	98% target for treatment within 31 days of decision to treat for all Patients diagnosed with Cancer	Monthly	Y
	Standard	No wait over 4 weeks for Diagnostics	Monthly	N
	Standard	95% of waits for A&E under 4 hours	Monthly	Y
Treatment	Target	Target of 4,748 as emergency admissions aged 75 or over (per 1,000)	Monthly	Y
	Target	Diagnosis of dementia (Target of 1116)	Monthly	N
	Target	Reduction in rate (per 100,000) of A&E Attendees by 1,582	Monthly	N
	Target	90% of admissions to the Stroke Unit within 1 day of admission	Monthly	Y

Key for Target Category

TARGET = denotes a 2012/13 Scottish Government HEAT Target

STANDARD = denotes this measure is not a current year Scottish Government HEAT target, however, NHS Borders continues to record and monitor performance as a standard,

During 2013/14 the Board continued to operate a corporate performance management and reporting framework. This included the ongoing development and review of Clinical Board/Clinical Executive performance scorecards and quarterly performance reviews, ensuring focus on quality and safety as well as wider service performance issues. Progress against key performance targets, including HEAT targets, are reported to the Board on a regular basis. In addition, where the Board has achieved the national HEAT target NHS Borders has agreed that internally set 'stretch' targets will be used for monitoring performance in that area.

4. Sustainability and Environmental Reporting

In conjunction with the Carbon Trust, the Board produced a Carbon Management Plan (CMP) aimed at addressing a reduction in our carbon impact substantially by 2016. The Board currently has an annual energy spend of almost £2m and a carbon footprint of 10,604 tonnes of CO₂. In meeting proposed targets, NHS Borders will save £1.8m and avoid emissions of 7,396 tonnes of CO₂ in total over the 8 year period.

Key principles within the Board's CMP are detailed below:

- Raising staff awareness, education and training from the first day at work to the last day at work to encourage good housekeeping practices throughout the organisation's diverse property portfolio;
- Reducing energy consumption in buildings by reducing unnecessary usage (via "Switch Off" campaigns), increasing energy efficiency (heating, insulation and lighting) and prioritising and strengthening our approach to data monitoring;
- Reducing waste sent to landfill by improving waste minimisation and recycling initiatives within our property portfolio and reducing paper consumption;
- Reducing emissions from our vehicle fleet by procuring fuel efficient vehicles and low emission vehicles allied to specific driver training and improved monitoring of the fleet; and
- The introduction of carbon life cycle costing to the procurement process for all capital and revenue projects which will assist in assessing the efficiency of equipment and property and the related cost/carbon impact.

During 2013/14, a number of carbon reduction projects have been undertaken in-line with the CMP, £678K was allocated in 2014 through the Central Energy Efficiency Fund and invested and a property review carried out:

- The installation of a biomass boiler at the Huntlyburn and Melburn Lodge Mental Health Units, Kelso and the Knoll Community Hospitals and West Linton Health Centre to reduce CO₂ emissions and to provide fuel security for the site;
- The annual energy audit has been carried out on the complete property portfolio in respect of heating times and temperatures and adjustments made to provide optimal efficiency and a reduction in carbon emissions;
- The continuation of the driver training programme was carried out to improve fleet vehicle efficiency;
- The implementation of the "Bike to Work Scheme" resulting in excess of one hundred members of staff participating in the scheme. The introduction of a "Liftshare" scheme utilising the intranet and the web and the introduction of a car share pass both linked to dedicated spaces in the main car park has led to a reduction in vehicles being utilised for travelling to work reducing staff travel to work CO₂ emissions;
- The utilisation of the National Procurement delivery service has led to more efficient purchase and delivery of goods, resulting in a reduction of delivery road mile and a reduction in CO₂ emissions;
- The replacement of a 1950's clinic with a new energy efficient health centre and the rationalisation of property from the results of the property review has led to the estate being reduced in size by five properties whilst improving service provision and reducing CO₂ emissions .

NHS Borders has been monitoring its utility energy consumption, emissions and costs in excess of 15 years and reports this information on an annual basis to Health Facilities Scotland for inclusion in the NHS Scotland Annual Environmental Report. The information is also used to monitor compliance with HEAT targets which are reported by HFS quarterly. The latest available figures, from Q3 in 2013/14 compared with a 2009/10 base date, indicate that NHS B has exceeded the energy efficiency target by 5.36 % and exceeded the CO₂ target by 3.68%.

5. Social, Community and Human Rights

In accordance with the Equality Act 2010 and regulations, NHS Borders promotes equality and celebrates the diversity of the population that it serves. NHS Borders Clinical Strategy , which is currently out for consultation, captures within the core principles the commitment to promote equality and to honour the diverse cultural responsibilities of delivering healthcare within the Scottish Borders. The Boards' Equality Steering Group are remitted to develop an action plan on how the Board will meet the three aims of the General Duty - eliminating discrimination, harassment, victimisation and any other prohibited conduct; advancing equality of opportunity; and fostering good relations. The development of equality outcomes as part of the equality impact assessment, provides assurance that the NHS Borders meets the equality and diversity needs of the nine relevant protected

characteristics (race, disability, age, sex, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership, religion or belief), for patients, public, carers or staff.

As a result of NHS Borders Equality Impact Assessment process which is to be applied to decisions and actions of the Board assurance can be provided that the impact of equality, human rights and health inequalities is embedded. Training, education and appraisal of staff also include the requirements to ensure knowledge and understanding of equality, diversity and discrimination.

NHS Borders published a mainstreaming report during March 2013, which will be updated every 2 years with a further requirement to revise and develop new equality outcomes every 4 years.

6. NHS Borders Employee Gender Analysis

The following table details an analysis of the number of persons of each gender who were directors, senior managers (this would be staff on the NHS Executive and Senior Management pay scales) and employees of NHS Borders as at the 31st March 2014.

Staff Group	Female	Male	TOTAL
Directors	9	7	16
Senior Manager	4	7	11
Employees	3361	787	4148
TOTAL	3374	801	4175

7. NHS Scotland Superannuation Scheme

The NHS Scotland Superannuation Scheme is a multi-employer benefit scheme and as such recent revisions to ISA 19 require that NHS Borders include an indication of the level of the Board's participation in the scheme.

Information has been made available by the Scottish Public Pensions Agency (SPPA) which details that on the basis of level of employer contribution, NHS Borders in 2012-13 was 1.75% of the total contribution made to the NHS Scotland Pension Scheme.

NHS Borders employer contributions totalled £10,420,213 in 2012-13 with the total contribution made to the NHS Scotland Pension Scheme noted by SPPA as £595.6m.

The contribution levels for 2013-14 will be made available by SPPA in November 2014.

Signed

26 June 2014

Chief Executive

REMUNERATION REPORT

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION

Remuneration Committee

The Remuneration Committee is a subcommittee of, and reports to, the Staff Governance Committee.

The purpose of the Committee is to ensure the application and implementation of fair and equitable systems for pay and for performance management on behalf of the Board as determined by Scottish Ministers and the Scottish Government Health and Social Care Directorate.

The Remuneration Committee comprised Mr. J Raine, Mrs. C Duthie to 31st July 2013, Mrs. K Hamilton from 1st August 2013, Mr. A Lucas to 30th November 2013, Dr. D Steele, John McLaren (Employee Director) and was chaired by Mr. J Raine. Mr. C Campbell and Mr. C Herbert (Head of Human Resources) are in attendance at the Committee meetings.

Policy on the remuneration of senior managers for current and future financial years.

Board members and senior employees are remunerated in accordance with the work and recommendations of the Senior Salaries Review Body.

Determination of senior employee's remuneration

Remuneration levels are determined by the Remuneration Committee.

Performance Measurement

The Executive and Senior Manager Pay arrangements established by HDL (2006)23, HDL (2006)54 and amended by HDL (2006)59 and HDL (2007)15 are mandatory for all employing authorities in NHS Scotland. HDL(2006)54 announced the creation of a National Performance Committee and HDL(2007)15 revised the requirements for the performance management of staff in the Executive cohort. Setting and agreeing performance objectives remains a key element of the performance management system for staff in the Executive and Senior Management cohorts. It is the responsibility of Health Boards and their Remuneration Committees, to oversee the local operation of these arrangements. The deliberations of Health Boards and the Remuneration Committee are subject to normal arrangements for internal and external audit.

Each member of staff covered by Executive and Senior Managers pay arrangements has an annual appraisal the results of which are considered by the Remuneration Committee. The Remuneration Committee will ask to have sight of appraisal documentation where they consider this appropriate. The outcome of the appraisal process is used to determine performance uplifts in line with the relevant Health Department Letters.

Board Members and Senior Employees Remuneration Report

The Board Members and Senior Employees Remuneration report, shown on the following pages, details Board Members' and Senior Employee's remuneration, in bandings of £2,500 and £5,000. Changes to the Financial Reporting Manual (FRM) for reporting period 2013/14 requires that a single remuneration figure be provided for Board Members and Senior Employees listed within the Remuneration Report. In addition separation of the details of remuneration from the details of pension values, in line with the Employee Pension Notice 380, has also been included for the current and previous year's figures.

Hutton Fair Pay Review

In place and detailed with NHS Scotland Board Remuneration Reports the Hutton Fair Pay Review required that all public service organisations publish their top to median pay multiples each year. Hutton's Report outlines that a multiple would be a clear statement of fairness, compelling organisations to justify trends in their own multiple in the face of public scrutiny.

Accordingly within the remuneration report NHS Borders has disclosed the banded total remuneration of the highest paid director, the median remuneration of the staff and the pay multiple (ratio) between the two. The Hutton median pay calculation has been completed following the guidance from Scottish Government which supports consistent reporting across NHS Scotland.

The ratio comparing March 2013 and March 2014 has increased from 6.04 to 6.05 respectively.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (AUDITED INFORMATION)

FOR THE YEAR ENDED 31 MARCH 2014

	Salary (Bands of £5,000) £'000	Benefits in kind £'000	Performance Related Bonus (bands of £5,000) £'000	Total Earnings in Year (bands of £5,000) £'000	Pension Benefits (Bands of £5,000)** £'000	Total Remuneration (Bands of £5,000) £'000	Footnote
Remuneration of:							
Executive Members							
Chief Executive: Mr C Campbell	115-120	0.0	0.0	115-120	0	115-120	
Director of Public Health: Dr E Bajjal	165-170	0.0	0.0	165-170	0	165-170	2
Director of Finance: Mrs C Gillie	65-70	2.2	0.0	70-75	20-25	90-95	
Medical Director: Dr S MacDonald	150-155	0.0	0.0	150-155	0	150-155	4
Chief Operating Officer: Mrs J Davidson	85-90	0.0	0.0	85-90	0-5	90-95	
Nursing Director: Mrs E Fleck	75-80	0.0	0.0	75-80	5-10	80-85	5
Non Executive Members							
Chair - Mr J Raine	25-30	0.0	0.0	25-30			
Mr D Davidson	5-10	0.0	0.0	5-10			
Mrs C Duthie (to 31st July 2013)	0-5	0.0	0.0	5-10			
Mrs K Hamilton (from 1st August 2013)	0-5	0.0	0.0	0-5			
Mr A Lucas (to 30th November 2013)	5-10	0.0	0.0	5-10			
Dr S Mather (from 1st December 2013)	0-5	0.0	0.0	0-5			
Mrs D Steele	5-10	0.0	0.0	5-10			
Mr J Hammond (to 31st October 2013)	5-10	0.0	0.0	5-10			
Mrs K McNicoll (from 1st November 2013)	0-5	0.0	0.0	0-5			3
Mrs P Alexander	5-10	0.0	0.0	5-10			
Mrs C Bhatia	5-10	0.0	0.0	5-10			
Employee Director :Mr J McLaren (from 2nd April 2013)	35-40	2.5	0.0	35-40	0-5	35-40	1
Other Senior Employees							
Total		4.7	0.0				

Notes

In accordance with the Financial Reporting Manual (FRM) and the Companies Act, 2013-14 is the first year that publication of the 'pension benefits' has been required. This calculation aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period, which is the estimated life span following retirement.

The 'total earnings in year' column shows the remuneration relating to actual earnings payable in 2013-14.

1 - Mr J McLaren is employed as a Non Executive Director of NHS Borders Board for one day per week and by NHS Borders as Employee Director for 4 days per week.

2 - The post of Director of Public Health was appointed jointly by NHS Borders and the Local Authority, Scottish Borders Council. Scottish Borders Council financially contribute £50,000 per annum towards the Salary & Pension Contributions costs of the post.

3 - Mrs K McNicoll was appointed as a Non Executive Director w.e.f 1st November 2013. Mrs McNicoll does not receive personal remuneration in relation to this appointment, Mrs McNicoll's Clinical Directorate receive funding equivalent to the remuneration level to enable a time release of Mrs McNicoll to fulfil Non Executive duties.

4 - Dr S MacDonald has accrued service in the Independent GP Practitioner and in the NHS Scotland Pension Schemes. Pension Benefits relate to Pension Equivalent Values which cannot be calculated across these 2 separate schemes.

BOARD MEMBERS AND SENIOR EMPLOYEES PENSION VALUES (AUDITED INFORMATION)

FOR THE YEAR ENDED 31 MARCH 2014

	Real increase in pension At age 60 (Bands of £2,500)	Total accrued pension at age 60 at 31 March (bands of £2,500)	Cash Equivalent Transfer Value (CETV) at 31 March 2013 £'000	Cash Equivalent Transfer Value (CETV) at 31 March 2014 £'000	Real increase in CETV in year £'000	Footnote
Remuneration of:						
Executive Members						
Chief Executive: Mr C Campbell	0-2.5* 0-2.5#	35-37.5* 107.5-110#	572	613	(7)	
Director of Public Health: Dr E Bajjal	0-2.5* 0-2.5#	57.5-60* 175-177.5#	1177	1259	(5)	2
Director of Finance: Mrs C Gillie	0-2.5* 2.5-5.0#	22.5-25* 72.5-75#	408	456	17	
Medical Director: Dr S MacDonald	*	*	*	*	*	3
Chief Operating Officer: Mrs J Davidson	0-2.5* 0-2.5#	22.5-25* 70-72.5#	360	388	(3)	
Nursing Director: Mrs E Fleck	0-2.5* 0-2.5#	27.5-30* 82.5-85#	466	510	81	
Non Executive Members						
Chair - Mr J Raine	0 - 0	0 - 0	0	0	0	
Mr D Davidson	0 - 0	0 - 0	0	0	0	
Mrs C Duthie (to 31st July 2013)	0 - 0	0 - 0	0	0	0	
Mrs K Hamilton (from 1st August 2013)	0 - 0	0 - 0	0	0	0	
Mr A Lucas (to 30th November 2013)	0 - 0	0 - 0	0	0	0	
Dr S Mather (from 1st December 2013)	0 - 0	0 - 0	0	0	0	
Mrs D Steele	0 - 0	0 - 0	0	0	0	
Mr J Hammond (to 31st October 2013)	0 - 0	0 - 0	0	0	0	
Mrs K McNicoll (from 1st November 2013)	0 - 0	0 - 0	0	0	0	4
Mrs P Alexander	0 - 0	0 - 0	0	0	0	
Mrs C Bhatia	0 - 0	0 - 0	0	0	0	
Employee Director :Mr J McLaren (from 2nd April 2013)	0-2.5* 0-2.5#	7.5-10* 20-22.5#	96	119	24	1
Other Senior Employees						
Total			3079	3345	107	

* An entry suffixed with * indicates this figure relates to pension only

An entry suffixed with # indicates this figure relates to lump sum only

1 - Mr J McLaren is employed as a Non Executive Director of NHS Borders Board for one day per week and by NHS Borders as Employee Director for 4 days per week.

2 - The post of Director of Public Health was appointed jointly by NHS Borders and the Local Authority, Scottish Borders Council. Scottish Borders Council financially contribute £50,000 per annum towards the Salary & Pension Contributions costs of the post.

3 - Dr S Macdonald was appointed as NHS Borders Medical Director from 30th July 2012. Dr McDonald has accrued service within 2 separate pension schemes in relation to her General Medical Practitioner Independent Contract and the NHS Scotland Superannuation Scheme during her employment with NHS Borders, a consolidated position is not given. It should be noted that Dr MacDonald did not withhold consent to disclose this information.

4 - Mrs K McNicoll was appointed as a Non Executive Director w.e.f 1st November 2013. Mrs McNicoll does not receive personal remuneration in relation to this appointment, Mrs McNicoll's Clinical Directorate receive funding equivalent to the remuneration level to enable a time release of Mrs McNicoll to fulfil Non Executive duties.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (AUDITED INFORMATION)

FOR THE YEAR ENDED 31 MARCH 2013

	Salary (Bands of £5,000) £'000	Benefits in kind £'000	Performance Related Bonus (bands of £5,000) £'000	Total Earnings in Year (Bands of £5,000) £'000	Pension Benefits (Bands of £5,000) £'000	Total Remuneration (Bands of £5,000)	Footnote
Remuneration of: Executive Members							
Chief Executive: Mr C Campbell	115-120	0.0	0.0	115-120	0-5	115-120	
Director of Public Health: Dr E Baijal	165-170	0.0	0.0	165-170	nil	165-170	2
Director of Finance: Mrs C Gillie	65-70	2.2	0.0	65-70	nil	65-70	
Medical Director: Dr W Cameron (to 30th June 2012)	35-40	0.0	0.0	35-40	nil	35-40	3
Medical Director: Dr S MacDonald (from 30th July 2012)	FY 150-155 100-105 FY 150-155	0.0	0.0	FY 150-155 100-105 FY 150-155	nil	FY 150-155 100-105 FY 150-155	
Chief Operating Officer: Mrs J Davidson	85-90	0.0	0.0	85-90	0-5	90-95	
Nursing Director: Mrs S Wright (to 30th June 2012)	15-20 FY 75-80	0.0	0.0	15-20 FY 75-80	nil	15-20 FY 75-80	
Nursing Director: Mrs E Fleck (from 1st August 2012)	45-50	0.0	0.0	45-50	nil	45-50	4
Non Executive Members							
Chair - Mr J Raine	25-30	0.0	0.0	25-30			
Mr D Davidson	5-10	0.0	0.0	5-10			
Mrs C Duthie	5-10	0.0	0.0	5-10			
Mrs J Edey (to 31st May 2012)	0-5	0.0	0.0	0-5			
Mr A Lucas	5-10	0.0	0.0	5-10			
Mr A Scott (to 30th April 2012)	0-5	0.0	0.0	0-5			
Mrs D Steele	5-10	0.0	0.0	5-10			
Mr J Hammond	5-10	0.0	0.0	5-10			
Mrs P Alexander	5-10	0.0	0.0	5-10			
Mrs C Bhatia (from 18th June 2012)	5-10	0.0	0.0	5-10			
Employee Director :Mrs E Cameron	40-45	3.0	0.0	45-50	0-5	45-50	1
Other Senior Employees							
Total		5.2	0.0				

Notes

In accordance with the Financial Reporting Manual (FRM) and the Companies Act, 2013-14 is the first year that publication of the 'pension benefits' has been required. This calculation aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period, which is the estimated life span following retirement.

The 'total earnings in year' column shows the remuneration relating to actual earnings payable in 2012-13

1 - Mrs E Cameron is employed as a Non Executive Director of NHS Borders Board for one day per week and by NHS Borders as Employee Director for 4 days per week.

2 - The post of Director of Public Health was appointed jointly by NHS Borders and the Local Authority, Scottish Borders Council. Scottish Borders Council financially contribute £50,000 per annum towards the Salary & Pension Contributions costs of the post.

3 - Dr W Cameron retired from NHS Borders on 30th June 2012.

4 - Mrs E Fleck was appointed as NHS Borders Director of Nursing & Midwifery from 1st August 2012. Salary and Total Remuneration information relate solely to Mrs Fleck's NHS Borders employment.

BOARD MEMBERS AND SENIOR EMPLOYEES PENSION VALUES (AUDITED INFORMATION)

FOR THE YEAR ENDED 31 MARCH 2013

	Real increase in pension At age 60 (Bands of £2,500)	Total accrued pension at age 60 at 31 March (bands of £2,500)	Cash Equivalent Transfer Value (CETV) at 31 March 2012 £'000	Cash Equivalent Transfer Value (CETV) at 31 March 2013 £'000	Real increase in CETV in year £'000	Footnote
Remuneration of:						
Executive Members						
Chief Executive: Mr C Campbell	0-2.5* 0-2.5#	32.5-35* 102.5-105#	532	572	(3)	
Director of Public Health: Dr E Baijal	0-2.5* 0-2.5#	55-57.5* 167.5-170#	1107	1177	(9)	2
Director of Finance: Mrs C Gillie	0-2.5* 0-2.5#	22.5-25* 67.5-70#	382	408	(2)	
Medical Director: Dr W Cameron (to 30th June 2012)	*	*	*	*	*	3
Medical Director: Dr S MacDonald (from 30th July 2012)	*	*	*	*	*	4
Chief Operating Officer: Mrs J Davidson	0-2.5* 0-2.5#	20-22.5* 65-67.5#	333	360	0	
Nursing Director: Mrs S Wright (to 30th June 2012)	*	*	*	*	*	
Nursing Director: Mrs E Fleck (from 1st August 2012)	2.5-5* 10-12.5#	25-27.5* 75-77.5#	334	466	132	5
Non Executive Members						
Chair - Mr J Raine	0 - 0	0 - 0	0	0	0	
Mr D Davidson	0 - 0	0 - 0	0	0	0	
Mrs C Duthie	0 - 0	0 - 0	0	0	0	
Mrs J Edey (to 31st May 2012)	0 - 0	0 - 0	0	0	0	
Mr A Lucas	0 - 0	0 - 0	0	0	0	
Mr A Scott (to 30th April 2012)	0 - 0	0 - 0	0	0	0	
Mrs D Steele	0 - 0	0 - 0	0	0	0	
Mr J Hammond	0 - 0	0 - 0	0	0	0	
Mrs P Alexander	0 - 0	0 - 0	0	0	0	
Mrs C Bhatia (from 18th June 2012)	0 - 0	0 - 0	0	0	0	
Employee Director :Mrs E Cameron	0-2.5* 0-2.5#	10-12.5* 35-37.5#	224	240	0	1
Other Senior Employees						
Total			2912	3223	118	

* An entry suffixed with * indicates this figure relates to pension only

An entry suffixed with # indicates this figure relates to lump sum only

1 - Mrs E Cameron is employed as a Non Executive Director of NHS Borders Board for one day per week and by NHS Borders as Employee Director for 4 days per week.

2 - The post of Director of Public Health was appointed jointly by NHS Borders and the Local Authority, Scottish Borders Council. Scottish Borders Council financially contribute £50,000 per annum towards the Salary & Pension Contributions costs of the post.

3 - Dr W Cameron retired from NHS Borders on 30th June 2012.

4 - Dr S Macdonald was appointed as NHS Borders Medical Director from 30th July 2012. Dr McDonald has accrued service within 2 separate pension schemes in relation to her General Medical Practitioner Independent Contract and the NHS Scotland Superannuation Scheme during her employment with NHS Borders, a consolidated position is not given. It should be noted that Dr MacDonald did not withhold consent to disclose this information.

5 - Mrs E Fleck was appointed as NHS Borders Director of Nursing & Midwifery from 1st August 2012. CETV Calculations for 2012/13 have been shown based on full year salary details available which comprise service with NHS Borders and service with NHS Tayside during 2012/13.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (AUDITED INFORMATION)

FOR THE YEAR ENDED 31 MARCH 2014

Hutton Fair Pay Review

2013-14

Highest Earning Director's Total Remuneration (£'000s) Remuneration Report	165-170
Highest Earning Director's Total Remuneration (£'000s) Hutton	165-170
Median Total Remuneration	£27,983
Ratio	6.05

2012-13

Highest Earning Director's Total Remuneration (£'000s) Remuneration Report	165-170
Highest Earning Director's Total Remuneration (£'000s) Hutton	165-170
Median Total Remuneration	£27,808
Ratio	6.04

Signed

26th June 2014

Chief Executive

BORDERS HEALTH BOARD

ANNUAL ACCOUNTS 2013/2014

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE HEALTH BOARD

Under Section 15 of the Public Finance and Accountability (Scotland) Act, 2000, The Principal Accountable Officer (PAO) of the Scottish Executive has appointed me as Accountable Officer of Borders Health Board.

This designation carries with it, responsibility for:

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

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

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

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as Accountable Officer as intimated in the Departmental Accountable Officers letter to me of the 1st January 2010.

Signed

26 June 2014

Chief Executive

BORDERS HEALTH BOARD

ANNUAL ACCOUNTS 2013/2014

STATEMENT OF HEALTH BOARD MEMBERS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 2014, 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 Government Health and Social Care Directorates. 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.

Signed

26 June 2014

Chair

Signed

26 June 2014

Director of Finance

BORDERS HEALTH BOARD
ANNUAL ACCOUNTS 2013/14

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 the organisation's policies and promotes achievement of the organisation's aims and objectives, including those set by Scottish Ministers. Also, I am responsible for safeguarding the public funds and assets assigned to the organisation.

Purpose of Internal Control

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

The system of internal control is designed to manage rather than eliminate 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 the organisation accords with guidance from the Scottish Ministers in the Scottish Public Finance Manual (SPFM) and supplementary NHS guidance, and has been in place for the year ended 31 March 2014, and up to the date of approval of the annual report and accounts.

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

Governance Framework

The Accountable Officer is supported to discharge his responsibilities by the existence of the following Governance Framework.

- The Vision, Values and Corporate Objectives of NHS Borders were revised during 2013/14 and were formally approved by the Board at its meeting on 5th September 2013. Patient Safety remains the Board's main priority and is at the heart of all of the services provided by NHS Borders. The Board has clear focus to provide patient care that is safe, effective and affordable.
- The Board continues to operate the Patient Safety Programme, which encompasses regular reporting to Board Members on national quality indicators and key performance indicators.
- During 2013/14 the Board operated a corporate performance management and reporting framework. This included the ongoing development and review of Clinical Board / Clinical Executive performance scorecards and quarterly performance reviews, ensuring focus on quality and safety as well as wider service performance issues. Progress against key performance targets, including HEAT targets, are reported to the Board on a regular basis.
- The standing committees of the Board including the Audit Committee refresh Terms of Reference on an annual basis as part of the update to the Board Code of Corporate Governance. This ensures explicit agreement of the purpose, core functions and delegated remit of each committee.
- The Board, to assess its effectiveness, continues to complete individual Board Member Self Assessment Checklists as recommended within the Audit Scotland 'Role of Boards' Report issued in September 2010. As part of the current exercise the Board members self assessment exercise will be completed early in 2014/15 with results being compiled for report to the Board in August 2014. The results from the exercise will be used by NHS Borders to inform the content of the structured Board Development Programme. This programme is in place for the all members of the Board with bi-monthly sessions concentrated on specific topics selected for their national strategic content, current relevance to the business of NHS Borders, issues concerning local service provision or particular areas

of interest from which knowledge and skills can be gained. The provision of such concentrated discussion promotes strengthening of the Executives and Non Executive Directors to achieve their strategic and operational roles.

- The Best Value Framework in place within NHS Borders ensures that all processes within NHS Borders have in-built Best Value elements and aim to achieve:-
 - Continuous improvement which will help ensure sustainable economic growth for the people of Scotland whilst maintaining an appropriate balance between quality and cost; and
 - Realising economy, efficiency, effectiveness, equal opportunities requirements and contributing to the achievement of sustainable development.

NHS Borders is fully aware that the Duty of Best Value principles are about creating an effective organisational context from which the NHS Borders can deliver its key outcomes. The Framework details that Best Value is simply a codification of good governance and good management and therefore existing governance processes should be utilised wherever possible.

The Framework provides the assurance and evidence to demonstrate NHS Borders incorporates Best Value principles in everyday business.

- NHS Borders Code of Corporate Governance (CoCG) is in place and uses best practice in Corporate Governance as set out in reports such as Cadbury and Nolan, as well as guidance issued by the Scottish Government Health and Social Care Directorate (SGHSCD). The CoCG includes sections detailing how business is organised, members' code of conduct, standards of business conduct for NHS staff, the Counter Fraud Policy and Action Plan, reservation of powers and delegation of authority and standing financial instructions. The CoCG details fully the core functions of the Audit Committee and the other standing committees of the Board including the terms of reference which are reviewed and approved on an annual basis.
- The CoCG is reviewed on a quarterly basis by the CoCG Steering Group. A detailed report presenting recommendations from the Steering Group was approved by the Board at its meeting on 20th February 2014.
- The Board ensures it maintains strong financial governance supported by the CoCG which incorporates the Board's standing orders and scheme of delegation. To support the scheme of delegation an authorised signatory database is in place.
- The Board has processes in place to ensure relevant laws and regulations as well as internal policies and procedures are implemented as required and that operationally compliance is achieved. The office of the Chief Executive manages the distribution process of incoming instruction in matters of law and regulation with Executive Directors taking action as necessary. The External and Internal Audit review of internal policies and procedures, as part of the risk assessed Annual Audit Plans, give assurance that compliance is achieved.
- NHS Borders 'Whistleblowing Arrangements' policy was signed off by the Area Partnership Forum in May 2012. This policy replaces the Voicing Concerns Policy and should be used to raise concerns where the interest of patients, staff or of NHS Borders is at risk. The Policy can be accessed via the Staff Intranet.
- The Board Remuneration Committee is in place to ensure compliance with mandatory requirements for the performance management of staff in the Executive cohort. Setting and agreeing performance objectives remains a key element of the performance management system for staff in the Executive and Senior Management cohorts within NHS Borders. Each member of staff covered by Executive and Senior Managers pay arrangements has an annual appraisal the results of which are considered by the Remuneration Committee.
- NHS Borders works in partnership to deliver, and continuously improve, the services it provides. The Areas Partnership Forum and Local Clinical Board Partnership Forums provide opportunity for management and staff side representatives to discuss, comment and agree organisational business. In addition as part of the work being progressed by the Board in response to the Health and Social Care

Integration agenda, a Shadow Board has been formed which is supported by the Local Authority and NHS Board Joint Staff Forum.

- Borders Community Health and Care Partnership's (CHCP) role is to deliver the CHCP Strategic Plan, monitor governance arrangements, plan, commission and redesign jointly delivered services, hold Joint Boards to account and drive forward health improvement. The Healthy Borders theme within New Ways is addressed mainly by the Borders CHCP, which includes NHS Borders, Scottish Borders Council's Education and Lifelong Learning and Social Work Departments, and the wider community and voluntary sector. As part of the Health and Social Care Integration Agenda the role and remit of the CHCP is transferred to the Shadow Integration Board.
- The Board utilises many forms of communication including a monthly Corporate and Team Brief, Staff Newsletter, Chief Executive Open forum meetings, and the Intranet 'Ask the Board' facility,
- In accordance with 'IAS 27 – Consolidated and Separate Financial Statements, the Financial Statements consolidate the Borders Health Board Endowment Fund (known as 'The Difference'). The statement includes any relevant disclosure in respect of the Endowment Accounts. An assurance statement has been provided by the Chair of the Endowment Fund Board of Trustees as part of the Review of the Governance Framework together with an unqualified audit opinion from independently appointed auditors 'Geoghegans' following the 2013/14 audit of the Endowment Fund Financial Statements.

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 and Senior Managers who are responsible for developing, implementing and maintaining internal controls across their areas;
- Statements of Assurance from the core governance committees of the NHS Board;
- the work of the internal auditors, who submit to the Audit Committee regular reports which include their independent and objective opinion on the effectiveness of risk management, control and governance processes, together with recommendations for improvement; and
- comments made by the external auditors in their management letters and other reports.

The control mechanisms are overseen and evaluated by the NHS Board, its standing committees (as detailed in the Directors' Report) and a number of other groups including:

- the Remuneration Committee, which is a subcommittee of the Staff Governance Committee and deals with all aspects of Executive and Senior Manager Pay arrangements;
- the Healthcare Governance Steering Group
- the Information Governance Committee

The review of the effectiveness of the governance framework in place for NHS Borders is a comprehensive documented exercise within NHS Borders and includes the following

- Review against guidance from the Scottish Government Health and Social Care Directorate
- Statements of Assurance from the Governance Committees of the Board
- The role of Internal and External Audit in providing the Board with assurance
- Statement on the Best Value Framework
- Third Party Assurance Reports
- Annual Fraud Report
- Report on Losses and Compensation (SFR18)

The process identifies and documents the sources of assurance and the information considered by the Audit Committee in reaching a conclusion on the effectiveness of the governance framework. The Audit Committee reports its conclusion to the NHS Board leading to the Chief Executive signing off the Governance Statement.

Best Value

In accordance with the principles of Best Value, NHS Borders aims to foster a culture of continuous improvement. As part of this, directors and managers are encouraged to review, identify and improve the efficient and effective use of resources. I can confirm that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual.

Risk Assessment

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

NHS Borders is committed to continuous improvement and develops systems in response to any relevant reviews and identification of best practice.

The Healthcare Governance Steering Group (HCGSG) holds the Risk portfolio for the Board. In carrying out its role the HCGSG has regular oversight and reporting of topics considered within Clinical Board and Support Services healthcare governance groups, as well as, through the Resilience Committee, Infection Control Committee, Occupational Health and Safety Forum and Research Governance Committee.

The Risk Management Strategy, Policies and supporting guidelines provides the overall risk management framework for NHS Borders. The HCGSG revised the Board Risk Management Strategy in line with External Audit recommendation and issued this for consultation during the period January to March 2014. An updated Risk Management Strategy will be presented to the Board for approval in August 2014. Outcomes for the HCGSG include ensuring timely implementation of the Board's Significant Adverse Events improvement plan, monitoring improvement actions linked to the management of adverse events, and in monitoring the implementation of External and Internal Audit Recommendations.

All national performance reports issued by Audit Scotland are reviewed by the HCGSG to ensure that recommendations are taken forward within NHS Borders. Reports reviewed during 2013/14 included - Improving community planning in Scotland, Transport for health & social care, Community health partnership, Tele-health impact report and Equality outcomes. The HCGSG provides regular reports to the NHS Borders Audit Committee, which as a standing committee of the Board has responsibility for the oversight of risk management systems and processes.

The Datix Risk Management system is in place and includes patient safety software for healthcare risk management, incident reporting and adverse events.

In addition to risk management process, training is provided to the organisation on how to apply risk management, to use the risk register and manage incidents. Statutory mandatory training programmes are also provided which address corporate and operational risk.

One significant area of risk for NHS Borders is the aspect of maintaining Business Continuity and robust Emergency Planning procedures in terms of the business of the organisation. NHS Borders Resilience Committee, reporting to the HCGSG, is remitted to support the Chief Executive and the HCGSG in the implementation of their duties in all areas of Resilience Planning within NHS Borders. The Resilience Committee Annual Workplan is reported twice yearly to the Audit Committee.

During financial year 2013/14, the Annual Assurance Statement from the Information Governance Committee demonstrates that NHS Borders continues to embed the elements of information governance in the way business is conducted. The NHS Borders Information Governance Strategy and Information Governance Policy were reviewed in 2012 and subsequently approved by the Information Governance Committee for use within the organisation. Key performance indicators were agreed by the IG Committee to monitor the policy and were reported as part of organisational Performance Scorecards in 2013/14.

Assurance Statement

Taking account of the work done, I consider that I have taken appropriate steps to ensure that I have discharged my responsibilities in relation to the management of risk on behalf of NHS Borders.

Governance Statement 2012/13

Highlighted in the Governance Statement in 2012/13 were actions required to improve the control environment. Detailed below are updates on these actions:

ISSUE 1 – PROPERTY MANAGEMENT STRATEGY

The formal adoption by the Board of a property management strategy that clearly identifies the property requirements of NHS Borders fully connected and consistent with links to identified service strategies.

2013/14 update

The Board has submitted to Scottish Government, on an annual basis, a full Property and Asset Management Strategy and it will address the requirements highlighted within the Strategy through detailed prioritisation of the Capital Programme. - COMPLETE

ISSUE 2 –SCOTTISH STANDARD TIME AND ATTENDANCE (SSTS) IMPLEMENTATION

The roll out of SSTS, a national time recording system that interfaces directly with the payroll system, to eliminate dependency on manual records for recording hours worked and will assist in the elimination of fraudulent pay claims.

2013/14 update

As at March 2014, all NHS Borders employees (excluding 'as and when' required Bank staff) are being managed in terms of time and attendance through the SSTS system. - COMPLETE

Disclosures

During the year ended 31 March 2014, 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.

C Campbell
Chief Executive and Accountable Officer
26 June 2014

Independent auditor's report to the members of Borders Health Board, the Auditor General for Scotland and the Scottish Parliament

We have audited the financial statements of Borders Health Board for the year ended 31 March 2014 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn, the Balance Sheet, the Statement of Cash Flow, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2013/14 Government Financial Reporting Manual (the 2013/14 FReM).

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

Respective responsibilities of Accountable Officer and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the board's affairs as at 31 March 2014 and of its net operating cost for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2013/14 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.

Opinion on regularity

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

Opinion on other prescribed matters

In our opinion:

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

.....

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

26 June 2014

NHS BORDERS

STATEMENT OF CONSOLIDATED COMPREHENSIVE NET EXPENDITURE
AND SUMMARY OF RESOURCE OUTTURN
FOR THE YEAR ENDED 31 MARCH 2014

Restated 2013 £'000		Note	2014 £'000	2014 £'000
Clinical Services Costs				
169,671	Hospital and Community	4	175,477	
<u>13,669</u>	Less: Hospital and Community Income	8	<u>15,550</u>	
156,002				159,927
50,029	Family Health	5	51,034	
<u>1,481</u>	Less: Family Health Income	8	<u>1,784</u>	
48,548				<u>49,250</u>
<u>204,550</u>	Total Clinical Services Costs			209,177
1,984	Administration Costs	6	1,936	
<u>0</u>	Less: Administration Income	8	<u>0</u>	
1,984				1,936
6,680	Other Non Clinical Services	7	5,406	
<u>7,100</u>	Less: Other Operating Income	8	<u>2,369</u>	
<u>(420)</u>				<u>3,037</u>
<u>206,114</u>	Net Operating Costs			<u>214,150</u>

OTHER COMPREHENSIVE NET EXPENDITURE

2013 £'000		2014 £'000
1,294	Net (gain)/loss on revaluation of Property Plant and Equipment	(5,117)
0	Net (gain)/loss on revaluation of Intangibles	0
(315)	Net (gain)/loss on revaluation of available for sales financial assets	(64)
<u>979</u>	Other Comprehensive Expenditure	<u>(5,181)</u>
<u>207,093</u>	Total Comprehensive Expenditure	<u>208,969</u>

The Notes to the Accounts, numbered 1 to 31, form an integral part of these Accounts.

NHS BORDERS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE AND SUMMARY OF RESOURCE OUTTURN (Cont.)

FOR THE YEAR ENDED 31 MARCH 2014

	2014 £'000	2014 £'000
SUMMARY OF CORE REVENUE RESOURCE OUTTURN		
Net Operating Costs		214,150
Total Non Core Expenditure (see below)		(7,722)
FHS Non Discretionary Allocation		(9,246)
Donated Assets Income		125
Endowment Net Operating Costs		334
Total Core Expenditure		197,641
Core Revenue Resource Limit		197,706
Saving/(excess) against Core Revenue Resource Limit		65

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN		
Depreciation/Amortisation	3,738	
Annually Managed Expenditure - Impairments	2,738	
Annually Managed Expenditure - Creation of Provisions	113	
Annually Managed Expenditure - Depreciation of Donated Assets	239	
Additional SGHSCD non-core funding	894	
Total Non Core Expenditure		7,722
Non Core Revenue Resource Limit		7,722
Saving/(excess) against Non Core Revenue Resource Limit		0

	Resource Expenditure aving/(Excess)		
	£'000	£'000	£'000
Core	197,706	197,641	65
Non Core	7,722	7,722	0
Total	205,428	205,363	65

NHS BORDERS

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2014

Consolidated 2012 £'000	Board 2012 £'000	Consolidated 2013 £'000	Board 2013 £'000		Note	Consolidated 2014 £'000	Board 2014 £'000
109,810	109,810	111,621	111,621	Property, plant and equipment	11	112,924	112,924
278	278	272	272	Intangible assets	10	249	249
				Financial assets:			
2,330	0	2,845	0	Available for sale financial assets	14	2,918	0
3,600	3,600	3,618	3,618	Trade and other receivables	13	5,412	5,412
116,018	113,688	118,356	115,511	Total non-current assets		121,503	118,585
				Current Assets:			
1,037	1,037	1,024	1,024	Inventories	12	1,040	1,040
				Financial assets:			
7,224	7,077	9,340	9,312	Trade and other receivables	13	10,656	10,641
1,604	215	1,410	261	Cash and cash equivalents	15	621	135
0	0	0	0	Available for sale financial assets	14	0	0
0	0	0	0	Derivatives financial assets	26	0	0
732	732	540	540	Assets classified as held for sale	11c	695	695
10,597	9,061	12,314	11,137	Total current assets		13,012	12,511
126,615	122,749	130,670	126,648	Total assets		134,515	131,096
(3,334)	(3,334)	(3,338)	(3,338)	Current liabilities			
(25,385)	(25,143)	(32,424)	(31,250)	Provisions	17	(2,541)	(2,541)
0	0	0	0	Financial liabilities:			
(28,719)	(28,477)	(35,762)	(34,588)	Trade and other payables	16	(26,403)	(26,231)
				Derivatives financial liabilities	26	0	0
97,896	94,272	94,908	92,060	Total current liabilities		(28,944)	(28,772)
(1,566)	(1,566)	(1,737)	(1,737)	Non-current assets plus/less net current assets/liabilities		105,571	102,324
(1,457)	(1,457)	(1,376)	(1,376)	Non-current liabilities			
(3,023)	(3,023)	(3,113)	(3,113)	Provisions	17	(5,962)	(5,962)
94,873	91,249	91,795	88,947	Financial liabilities:			
				Trade and other payables	16	(1,244)	(1,244)
				Total non-current liabilities		(7,206)	(7,206)
				Assets less liabilities		98,365	95,118
54,871	54,871	55,142	55,142	Taxpayers' Equity			
36,378	36,378	33,805	33,805	General fund	SOCTE	57,839	57,839
0	0	0	0	Revaluation reserve	SOCTE	37,279	37,279
3,624	0	2,848	0	Other reserves	SOCTE	0	0
94,873	91,249	91,795	88,947	Fund held on Trust	SOCTE	3,247	0
				Total taxpayers' equity		98,365	95,118

Adopted by the Board on 26 June 2014

..... Director of Finance

.....Chief Executive

The Notes to the Accounts, numbered 1 to 31, form an integral part of these Accounts.

NHS BORDERS
STATEMENT OF CONSOLIDATED CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2014

Restated 2013 £'000		2014 £'000	2014 £'000
	Cash flows from operating activities		
(206,114)	Net operating cost	(214,150)	
3,554	Adjustments for non-cash transactions	7,702	
0	Add back: interest payable recognised in net operating cost	0	
0	Deduct: interest receivable recognised in net operating cost	0	
0	Investment Income	0	
(2,372)	(Increase) / decrease in trade and other receivables	(3,177)	
13	(Increase) / decrease in inventories	(16)	
7,111	Increase / (decrease) in trade and other payables	(6,072)	
175	Increase / (decrease) in provisions	3,428	
(197,633)	Net cash outflow from operating activities	31	(212,285)
	Cash flows from investing activities		
(6,912)	Purchase of property, plant and equipment	(4,255)	
(30)	Purchase of intangible assets	(17)	
(377)	Investment Additions	(483)	
478	Proceeds of disposal of property, plant and equipment	650	
0	Proceeds of disposal of intangible assets	(0)	
177	Receipts from sale of investments	474	
0	Interest received	(0)	
(6,664)	Net cash outflow from investing activities	31	(3,631)
	Cash flows from financing activities		
204,134	Funding	215,382	
46	Movement in general fund working capital	(126)	
204,180	Cash drawn down	215,256	
(77)	Capital element of payments in respect of finance leases and on-balance sheet PFI	(129)	
0	Interest paid	0	
0	Interest element of finance leases and on-balance sheet PFI/PPP contracts	0	
204,103	Net Financing	31	215,127
(194)	Net Increase / (decrease) in cash and cash equivalents in the period		(789)
1,604	Cash and cash equivalents at the beginning of the period		1,410
1,410	Cash and cash equivalents at the end of the period		621
	Reconciliation of net cash flow to movement in net debt/cash		
(194)	Increase/(decrease) in cash in year		(789)
1,604	Net debt/cash at 1 April		1,410
1,410	Net debt/cash at 31 March		621

The Notes to the Accounts, numbered 1 to 31, form an integral part of these Accounts.

NHS BORDERS

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

FOR THE YEAR ENDED 31 MARCH 2014

CONSOLIDATED SOCIETY

	Note	General Fund £'000	Revaluation Reserve £'000	Funds Held on Trust £'000	Total Reserves £'000
Balance at 31 March 2013		55,142	33,805	2,848	91,795
Prior year adjustments for changes in accounting policy and material errors	24	0	0		0
Restated balance at 1 April 2013		55,142	33,805	2,848	91,795
Changes in taxpayers' equity for 2013-14					
Net gain/(loss) on revaluation/indexation of property, plant and equipment	11	0	5,117		5,117
Net gain/(loss) on revaluation/indexation of intangible assets	10	0	0		0
Net gain/(loss) on revaluation of available for sale financial assets	14		0	65	65
Impairment of property, plant and equipment	11		(3,632)		(3,632)
Impairment of intangible assets	10		0		0
Revaluation & impairments taken to operating costs	3		3,632		3,632
Release of reserves to the statement of comprehensive net expenditure	11b	0			0
Transfers between reserves		1,643	(1,643)		0
Transfer of non current assets from other bodies		138			138
Transfer of non current assets to other bodies		(43)			(43)
Other Non Cash Costs		61			61
Net operating cost for the year		(214,484)		334	(214,150)
Total recognised income and expense for 2013-14		(212,685)	3,474	399	(208,812)
Funding:					
Drawn down		215,256			215,256
Movement in General Fund (Creditor) / Debtor	cfs	126			126
Balance at 31 March 2014	BS	57,839	37,279	3,247	98,365

CONSOLIDATED SOCIETY (PRIOR YEAR)

	Note	General Fund £'000	Revaluation Reserve £'000	Funds Held on Trust £'000	Total Reserves £'000
Balance at 31 March 2012		54,871	36,378	3,624	94,873
Prior year adjustments for changes in accounting policy and material errors	24	0	0	0	0
Restated balance at 1 April 2012		54,871	36,378	3,624	94,873
Changes in taxpayers' equity for 2012-13					
Net gain/(loss) on revaluation/indexation of property, plant and equipment	11	0	(1,294)		(1,294)
Net gain/(loss) on revaluation/indexation of intangible assets	10	0	0		0
Net gain/(loss) on revaluation of available for sale financial assets	14		0	315	315
Impairment of property, plant and equipment	11		(2,726)		(2,726)
Impairment of intangible assets	10		0		0
Revaluation & impairments taken to operating costs	3		2,696		2,696
Release of reserves to the statement of comprehensive net expenditure	11b	0			0
Transfers between reserves		1,249	(1,249)		0
Transfer of non current assets from other bodies		0	0		0
Pension reserve movements		0			0
Other non cash costs [please specify]		(89)			(89)
Net operating cost for the year		(205,023)		(1,091)	(206,114)
Total recognised income and expense for 2012-13		(203,863)	(2,573)	(776)	(207,212)
Funding:					
Drawn down		204,180			204,180
Movement in General Fund (Creditor) / Debtor		(46)			(46)
Balance at 31 March 2013	BS	55,142	33,805	2,848	91,795

The Notes to the Accounts, numbered 1 to 31, form an integral part of these Accounts.

BORDERS HEALTH BOARD

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

1. Authority

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

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

2. Basis of Consolidation

In accordance with IAS 27 – Consolidated and Separate Financial Statements, the Financial Statements consolidate the Borders Health Board Endowment Fund known as "The Difference". Borders Health Board is a corporate trustee of "The Difference" 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 Difference" 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 consolidation has required the restatement of prior year comparatives including consolidating the opening Balance Sheet as at 1 April 2012.

The principal financial statements which have been restated are as follows:

- Consolidated Statement of Comprehensive Net Expenditure
- Consolidated Statement of Financial Position (Balance Sheet)
- Consolidated Statement of Cash Flows
- Consolidated Statement of Changes in Taxpayers Equity

Note 33 to the Annual Accounts, details how these consolidated Financial Statements have been calculated.

3. Prior Year Adjustments

No prior year adjustments have been noted to the 2013-14 accounts.

4. Going Concern

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

5. Accounting Convention

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

6. Funding

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

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 pharmaceutical, dental or ophthalmic services identified by the Scottish Government. Non discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the RRL in the Statement of Resource Outturn.

Funding for the acquisition of Property, Plant & Equipment 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 operating cost statement except where it results in the creation of a non-current asset such as property, plant and equipment.

7. Property, plant and equipment

The treatment of Property, Plant and Equipment in the accounts (capitalisation, valuation, depreciation, particulars concerning donated assets) is in accordance with the [NHS Capital Accounting Manual](#).

During 2013/14 NHS Borders completed a design and build capital project for Lauder Health Centre utilising the Hub Initiative. Assets procured through a Hub design and build contract are recognised on the Board balance sheet as Property, Plant and Equipment and Intangible Assets at their fair value.

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

7.1 Recognition

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

All assets falling into the following categories are capitalised:

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

7.2 Measurement

Valuation:

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

All assets are measured subsequently at fair value as follows:

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

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

Valuations of all land and building assets are reassessed by valuers under a 5-year programme of professional valuations and adjusted in intervening years to take account of movements in prices since the latest valuation. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Scottish Government.

Non specialised equipment, installations and fittings are valued at fair value. Boards value such assets by applying appropriate price indices issued by SGHSCD. A depreciated historical cost basis is used 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.

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 operating cost statement. 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 operating cost statement, in which case they are recognised as income. Movements on revaluation are considered for individual assets rather than groups or land/buildings together.

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

Gains and losses recognised in the revaluation reserve are reported in the Statement of Other Comprehensive Expenditure.

7.3 Depreciation

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

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

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

Depreciation is charged on a straight line basis.

The following asset lives have been used:

Asset Category/Component	Useful Life
Buildings (including structure; engineering; and external plant)	8-70 years
Site Services	10-90 years
Surfacing	5-90 years
Moveable engineering plant and equipment and long-life medical equipment	15 years
Furniture and medium-life medical equipment	10 years
Short to Medium Life Medical Equipment	7 years
Mainframe information technology installations	8 years
Vehicles and soft furnishings	5-10 years
Office, information technology, short-life medical and other equipment	5 years

8. Intangible Assets

8.1 Recognition

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

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

The main classes of intangible assets recognised are:

Software:

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

Software licences:

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

8.2 Measurement

Valuation:

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

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

Revaluation and impairment:

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the operating cost statement, in which case they are recognised in income.

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

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

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

8.3 Amortisation

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

Amortisation is charged to the operating cost statement on each main class of intangible asset as follows:

- 1) Internally generated intangible assets. Amortised on a systematic basis over the period expected to benefit from the project.
- 2) Software. Amortised over their expected useful life
- 3) Software licences. Amortised over the shorter term of the licence and their useful economic lives.
- 4) Other intangible assets. Amortised over their expected useful life.
- 5) Intangible assets which has been reclassified as 'Held for Sale' ceases to be amortised upon the reclassification.

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Asset Category/Component	Useful Life
Application Software	5-10 years
Software Licences	5-10 years

9. Non-current assets held for sale

Non-current assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

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

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

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

10. Donated Assets

Non-current assets that are donated or purchased using donated funds are included in the Balance Sheet initially at the current full replacement cost of the asset. Donated assets are accounted for in accordance with ISA16 in the same way as other assets of the same type.

The accounting treatment, including the method of valuation, follows the rules in the [NHS Capital Accounting Manual](#).

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

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

12. Leasing

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Board, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability. Assets held under finance leases are valued at their fair values and are depreciated over the remaining period of the lease in accordance with IFRS.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The minimum lease payments (annual rental less operating costs e.g. maintenance and contingent rental) are apportioned between the repayment of the outstanding liability and a finance cost. The annual finance cost is allocated to each period during the lease terms so

as to produce a constant periodic rate of interest on the remaining balance of the liability using the implicit interest rate. Finance charges are recorded as interest payable in the Statement of Comprehensive Net Expenditure. Contingent rental and operating costs are charged as expenses in the periods in which they are incurred.

Operating leases

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

Leases of land and buildings

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

13. Impairment of non-financial assets

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

14. General Fund Receivables and Payables

Where the 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.

15. Inventories

Inventories are valued at the lower of cost and net realisable value. Taking into account the high turnover of NHS inventories, the use of average purchase 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.

16. Losses and Special Payments

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

17. Employee Benefits

Short-term Employee Benefits

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

Pension Costs

The Board participates in the NHS Superannuation Scheme for Scotland providing defined benefits based on final pensionable pay, where contributions are credited to the Exchequer and are deemed to be invested in a portfolio of Government Securities. The Board is unable to identify its share of the

underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the operating cost statement represents the Board's employer contributions payable to the scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to Exchequer. The pension cost is assessed every five years by the Government Actuary and determines the rate of contributions required. The most recent actuarial valuation is published by the Scottish Public Pensions Agency and is available on their website.

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

18. Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to a threshold per claim. Costs above this 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 Borders 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' are assessed on an individual basis 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.

19. Related Party Transactions

Material related party transactions are disclosed in the note 27 (Pg 79) in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 4 (Pg 48).

20. 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 property, plant and equipment. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

21. Provisions

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

22. Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in note 19 (Pg 68) where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 19 (Pg 68), unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

23. Corresponding Amounts

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

24. Financial Instruments

Financial assets

Classification

The Board classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

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

(b) Loans and receivables

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

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available for sale financial assets comprise investments.

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 operating cost statement.

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 operating cost statement.

(b) Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the Board will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the loan and receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is

reduced through the use of an allowance account, and the amount of the loss is recognised in the operating cost statement. When a loan or receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the operating cost statement.

(c) Available-for-sale financial assets

Available-for-sale financial assets are initially recognised and subsequently carried at fair value. Changes in the fair value of financial assets classified as available for sale are recognised in equity in other reserves. When financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the operating cost statement. Dividends on available-for-sale equity instruments are recognised in the operating cost statement when the Board's right to receive payments is established.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment.

The Board assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the operating cost statement. Impairment losses recognised in the operating cost statement on equity instruments are not reversed through the income statement.

Financial Liabilities

Classification

The Board classifies its financial liabilities in the following categories: at fair value through profit or loss, and other financial liabilities. The classification depends on the purpose for which the financial liabilities were issued. Management determines the classification of its financial liabilities at initial recognition.

(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) Other financial liabilities

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

Recognition and measurement

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

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

(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 operating cost statement.

(b) Other financial liabilities

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

25. Segmental reporting

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

Operating segments are unlikely to directly relate to the analysis of expenditure shown in notes 4 to 7 for Hospital & Community, Family Health and Other Service and Administration Costs, the basis of which relates to Scottish Government funding streams and the classification of which varies depending on Scottish Government reporting requirements.

26. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held by the Government Banking Service, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. NHS Borders utilises the Government Banking Service Contract provided by Citi and Royal Bank of Scotland Group, funds held in these accounts should not be classed as commercial bank balances.

27. Foreign exchange

The functional and presentational currencies of the Board are sterling.

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

Where the Board has assets or liabilities denominated in a foreign currency at the balance sheet date:

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

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

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

28. Third party assets

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

However, they are disclosed in note 29 (Pg 81) to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

29. Key sources of judgement and estimation uncertainty

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

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Board makes judgements in applying

accounting policies. The estimates, assumptions and judgements that have a significant risk of a causing material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are addressed below.

Equal Pay Claims: NHS Borders has received 9 claims under the Equal Pay Act 1970 mainly from women seeking compensation for past inequalities with male colleagues, under their pay arrangements. NHS Borders has used the advice from the NHS Scotland Central Legal Office and Equal Pay Unit. It is not practicable to attempt to make any estimate of financial liability at this stage because the lack of information available would mean that any such estimate would be likely to be misleading.

Pension Provision: The pension provision is calculated using information received from the Scottish Public Pension Agency relating to former NHS Borders employees for whom NHS Borders have an on-going pension liability. The liability is calculated using information obtained from SPPA and discount rates as per SGHD guidance.

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 Borders. The provision covers all claims classified as category 3 and category 2 which have been assessed as having a probability of settlement.

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

2. (a) STAFF NUMBERS AND COSTS

							2014	2013
	Executive Board Members	Non Executive Members	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	Total	Total
	£'000	£'000	£'000	£000s	£'000	£'000	£'000	£'000
STAFF COSTS								
Salaries and wages	677	94	89,123	0	0	(615)	89,279	85,195
Social security costs	80	4	6,558	0	0	(58)	6,584	6,441
NHS scheme employers' costs	88	0	10,877	0	0	(78)	10,887	10,464
Other employers' pension costs	0	0	0	0	0	0	0	0
Inward secondees	0	0	0	17	0	0	17	80
Agency staff	0	0	0	0	4,045	0	4,045	2,075
	845	98	106,558	17	4,045	(751)	110,812	104,255
Compensation for loss of office or early retirement	0	0	307	0	0	0	307	170
Pensions to former board members	0	0	0	0	0	0	0	0
TOTAL	845	98	106,865	17	4,045	(751)	111,119	104,425

Included in the total Staff Costs above were costs of staff engaged directly on capital projects, charged to capital expenditure of: 118 190

	2014 ANNUAL MEAN	2013 ANNUAL MEAN
STAFF NUMBERS (EMPLOYEES BY WHOLE TIME EQUIVALENT)		
Administration Costs	27.8	29.4
Hospital and Community Services	2,512.0	2,479.5
Non Clinical Services	74.8	71.9
Inward secondees	0.5	2.5
Agency staff	74.0	28.2
Outward Secondees	(13.4)	(7.7)
Board Total Average Staff	2,675.7	2,603.8
Disabled staff	18.9	18.3

The total number of staff engaged directly on capital projects, included in Staff Numbers above and charged to capital expenditure was: 2.0 4.0

Note: Staff pension benefits are provided through the NHS Superannuation Scheme for Scotland. Details of the scheme in **note 23**

The Agency Staff WTE for 2012-13 has been restated in these Accounts for comparability

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

2. (b) HIGHER PAID EMPLOYEES REMUNERATION

	2014	2013
	Number	Number
Other employees whose remuneration fell within the following ranges:		
Clinicians		
£ 50,001 to £ 60,000	45	39
£ 60,001 to £70,000	21	25
£ 70,001 to £ 80,000	9	13
£ 80,001 to £ 90,000	26	24
£ 90,001 to £100,000	16	9
£100,001 to £110,000	11	12
£110,001 to £120,000	6	11
£120,001 to £130,000	5	4
£130,001 to £140,000	10	9
£140,001 to £150,000	4	4
£150,001 to £160,000	6	6
£160,001 to £170,000	6	7
£170,001 to £180,000	1	0
£180,001 to £190,000	0	0
£190,001 to £200,000	1	0
£200,001 and above	0	1
 Other		
£ 50,001 to £ 60,000	11	10
£ 60,001 to £ 70,000	8	7
£ 70,001 to £ 80,000	2	1

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

3. OTHER OPERATING COSTS

2013 £'000		Note	2014 £'000
	Expenditure Not Paid In Cash		
3,705	Depreciation	11	3,698
36	Amortisation	10	40
182	Depreciation Donated Assets	11b	239
2,696	Impairments on PPE charged to SOCNE	11	3,632
(3,243)	Funding Of Donated Assets	11b	(125)
(71)	Loss/(Profit) on disposal of property, plant and equipment		(57)
11	Creation of Provisions		146
0	Other Non-Cash Costs		61
3,316	Total Expenditure Not Paid In Cash	CFS	7,634
	Statutory Audit		
171	External auditor's remuneration and expenses		167

The External Auditor did not undertake any non-audit work for the Board during the financial year 2013-14

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

4. HOSPITAL AND COMMUNITY HEALTH SERVICES

2013 £'000	BY PROVIDER	2014 £'000
137,183	Treatment in Board area of NHSScotland Patients	141,829
24,226	Other NHSScotland Bodies	25,796
1,358	Health Bodies outside Scotland	1,101
0	Primary care bodies	0
3,453	Private sector	3,274
	Community Care	
0	Support Finance	0
2,644	Resource Transfer	2,689
383	Contributions to Voluntary Bodies and Charities	389
169,247	Total NHSScotland Patients	175,078
424	Treatment of UK residents based outside Scotland	399
169,671	Total Hospital & Community Health Service	175,477
		SOCNE

5. FAMILY HEALTH SERVICE EXPENDITURE

2013 £'000		Unified £'000	Non Disc £'000	2014 £'000
16,160	Primary Medical Services	16,308	-	16,308
24,112	Pharmaceutical Services	20,744	3,690	24,434
8,212	General Dental Services	3,290	5,411	8,701
1,545	General Ophthalmic Services	13	1,578	1,591
50,029	Total	40,355	10,679	51,034
				SOCNE

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

6. ADMINISTRATION COSTS

2013 £'000		2014 £'000
910	Board members' remuneration	943
67	Administration of Board Meetings and Committees	73
365	Corporate Governance and Statutory Reporting	329
420	Health Planning, Commissioning and Performance Reporting	340
64	Treasury Management and Financial Planning	67
45	Public Relations	43
113	Other	141
1,984	Total administration costs	1,936

Note 2 (a)

SOCNE

7. OTHER NON CLINICAL SERVICES

2013 £'000		2014 £'000
71	Compensation payments - Clinical	1,822
99	Pension enhancement & redundancy	221
437	Patients' Travel Attending Hospitals	408
709	Health Promotion	671
1,183	Public Health	1,499
62	Emergency Planning	64
47	Post Graduate Medical Education	61
0	Loss on disposal of non-current assets	4
3,699	Endowment Expenditure	305
373	Other	351
6,680	Total Other Non Clinical Services	5,406

SOCNE

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

8. OPERATING INCOME

2013 £'000			2014 £'000
	Hospital and Community Health Services Income		
	NHSScotland Bodies		
7,461	Boards		7,085
3,580	NHS Non-Scottish Bodies		3,900
	Non NHS		
40	Private Patients		22
214	Compensation Income		178
<u>2,374</u>	Other Hospital and Community Health Services income		<u>4,365</u>
<u>13,669</u>	Total Hospital and Community Health Services Income	SOCNE	<u>15,550</u>
	Family Health Service Income		
29	Unified		351
	Non Discretionary		
1,451	General Dental Services		1,431
<u>1</u>	General Ophthalmic Services		<u>2</u>
<u>1,481</u>	Total Family Health Services Income	SOCNE	<u>1,784</u>
	Other Operating Income		
58	Profit on disposal of non current assets		58
3,243	Donated Asset Additions		125
0	Interest Received	CFS	0
0	Shared Services		0
2,608	Endowment Income		639
<u>1,191</u>	Other		<u>1,547</u>
<u>7,100</u>	Total Other Operating Income	SOCNE	<u>2,369</u>
<u>22,250</u>	Total Income		<u>19,703</u>
<u>7,461</u>	Of the above, the amount derived from NHS bodies is		<u>7,085</u>

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

9. ANALYSIS OF CAPITAL EXPENDITURE

2013 £'000		Note	2014 £'000
	EXPENDITURE		
30	Acquisition of Intangible Assets	10	17
6,790	Acquisition of Property, plant and equipment	11	4,429
3,243	Donated Asset Additions	11b	125
<u>10,063</u>	Gross Capital Expenditure		<u>4,571</u>
	INCOME		
0	Net book value of disposal of Property, plant and equipment	11a	43
407	Value of disposal of Non-Current Assets held for sale	11c	550
3,243	Donated Asset Income		125
<u>3,650</u>	Capital Income		<u>718</u>
<u>6,413</u>	Net Capital Expenditure		<u>3,853</u>

SUMMARY OF CAPITAL RESOURCE OUTTURN

6,413	Core capital expenditure included above	3,853
<u>6,420</u>	Core Capital Resource Limit	<u>3,858</u>
<u>7</u>	Saving/(excess) against Core Capital Resource Limit	<u>5</u>
0	Non Core capital expenditure included above	0
<u>0</u>	Non Core Capital Resource Limit	<u>0</u>
<u>0</u>	Saving/(excess) against Non Core Capital Resource Limit	<u>0</u>
6,413	Total Capital Expenditure	3,853
<u>6,420</u>	Total Capital Resource Limit	<u>3,858</u>
<u>7</u>	Saving/(excess) against Total Capital Resource Limit	<u>5</u>

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

10. INTANGIBLE ASSETS - CONSOLIDATED

	Software Licences £'000	IT - software £'000	Total £'000
Cost or Valuation:			
As at 1st April 2013	373	204	577
Additions	0	17	17
At 31st March 2014	373	221	594
Amortisation			
As at 1st April 2013	160	145	305
Provided during the year	13	27	40
At 31st March 2014	173	172	345
Net Book Value at 1st April 2013	213	59	272
Net Book Value at 31 March 2014	200	49	249

B S

INTANGIBLE ASSETS - BOARD

	Software Licences £'000	IT - software £'000	Total £'000
Cost or Valuation:			
As at 1st April 2013	373	204	577
Additions	0	17	17
At 31st March 2014	373	221	594
Amortisation			
As at 1st April 2013	160	145	305
Provided during the year	13	27	40
At 31st March 2014	173	172	345
Net Book Value at 1st April 2013	213	59	272
Net Book Value at 31 March 2014	200	49	249

B S

INTANGIBLE ASSETS - CONSOLIDATED PRIOR YEAR

	Software Licences £'000	Information technology - software £'000	Total £'000
Cost or Valuation:			
As at 1st April 2012	343	204	547
Additions	30	0	30
At 31st March 2013	373	204	577
Amortisation			
As at 1st April 2012	147	122	269
Provided during the year	13	23	36
At 31st March 2013	160	145	305
Net Book Value at 1st April 2012	196	82	278
Net Book Value at 31 March 2013	213	59	272

B S

INTANGIBLE ASSETS - BOARD PRIOR YEAR

	Software Licences £'000	IT - software £'000	Total £'000
Cost or Valuation:			
As at 1st April 2012	343	204	547
Additions	30	0	30
At 31st March 2013	373	204	577
Amortisation			
As at 1st April 2012	147	122	269
Provided during the year	13	23	36
At 31st March 2013	160	145	305
Net Book Value at 1st April 2012	196	82	278
Net Book Value at 31 March 2013	213	59	272

B S

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

11. (a) PROPERTY, PLANT AND EQUIPMENT (Purchased Assets) - CONSOLIDATED

	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Cost or valuation								
At 1 April 2013	4,311	93,317	1,522	15,561	4,247	842	4,197	123,997
Additions	138	3,704	0	93	15	0	479	4,429
Completions	251	3,761	0	102	0	0	(4,114)	0
Transfers	0	(51)	0	0	0	0	0	(51)
Transfers (to)/from non-current assets held for sale	0	(705)	0	0	0	0	0	(705)
Revaluation	214	4,895	0	0	0	0	8	5,117
Impairment Charge	(112)	(3,520)	0	0	0	0	0	(3,632)
Disposals	(43)	0	0	0	0	0	0	(43)
At 31 March 2014	4,759	101,401	1,522	15,756	4,262	842	570	129,112
Depreciation								
At 1 April 2013	0	2,119	1,112	11,434	2,935	534	0	18,134
Provided during the year	0	2,106	111	979	438	64	0	3,698
At 31 March 2014	0	4,225	1,223	12,413	3,373	598	0	21,832
Net book value at 1 April 2013	4,311	91,198	410	4,127	1,312	308	4,197	105,863
Net book value at 31 March 2014	4,759	97,176	299	3,343	889	244	570	107,280
Open Market Value of Land in Land and Dwellings Included Above	4,759							
Asset financing:								
Owned	4,759	96,137	299	3,343	889	723	91	106,241
Finance leased	0	1,039	0	0	0	0	0	1,039
Net Book Value at 31 March 2014	4,759	97,176	299	3,343	889	723	91	107,280

11. (a) PROPERTY, PLANT AND EQUIPMENT (Purchased Assets) - BOARD

	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Cost or valuation								
At 1 April 2013	4,311	93,317	1,522	15,561	4,247	842	4,197	123,997
Additions	138	3,704	0	93	15	0	479	4,429
Completions	251	3,761	0	102	0	0	(4,114)	0
Transfers	0	(51)	0	0	0	0	0	(51)
Transfers (to)/from non-current assets held for sale	0	(705)	0	0	0	0	0	(705)
Revaluation	214	4,895	0	0	0	0	8	5,117
Impairment Charge	(112)	(3,520)	0	0	0	0	0	(3,632)
Disposals	(43)	0	0	0	0	0	0	(43)
At 31 March 2014	4,759	101,401	1,522	15,756	4,262	842	570	129,112
Depreciation								
At 1 April 2013	0	2,119	1,112	11,434	2,935	534	0	18,134
Provided during the year	0	2,106	111	979	438	64	0	3,698
At 31 March 2014	0	4,225	1,223	12,413	3,373	598	0	21,832
Net book value at 1 April 2013	4,311	91,198	410	4,127	1,312	308	4,197	105,863
Net book value at 31 March 2014	4,759	97,176	299	3,343	889	244	570	107,280
Open Market Value of Land in Land and Dwellings Included Above	4,759							
Asset financing:								
Owned	4,759	96,137	299	3,343	889	723	91	106,241
Finance leased	0	1,039	0	0	0	0	0	1,039
Net Book Value at 31 March 2014	4,759	97,176	299	3,343	889	723	91	107,280

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

11. (a) PROPERTY, PLANT AND EQUIPMENT (Purchased Assets) - PRIOR YEAR CONSOLIDATED

	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Cost or valuation								
At 1 April 2012	4,311	92,660	1,270	13,896	4,077	842	3,869	120,925
Additions	0	883	252	1,665	170	0	3,820	6,790
Completions	0	3,454	0	0	0	0	(3,454)	0
Transfers	0	0	0	0	0	0	(8)	(8)
Transfers (to)/from non-current assets held for sale	0	(270)	0	0	0	0	0	(270)
Revaluation	0	(1,294)	0	0	0	0	0	(1,294)
Impairment Charge	0	(2,116)	0	0	0	0	(30)	(2,146)
At 31 March 2013	4,311	93,317	1,522	15,561	4,247	842	4,197	123,997
Depreciation								
At 1 April 2012	0	0	1,050	10,408	2,459	467	0	14,384
Provided during the year	0	2,074	62	1,026	476	67	0	3,705
Transfers	0	45	0	0	0	0	0	45
At 31 March 2013	0	2,119	1,112	11,434	2,935	534	0	18,134
Net book value at 1 April 2012	4,311	92,660	220	3,488	1,618	375	3,869	106,541
Net book value at 31 March 2013	4,311	91,198	410	4,127	1,312	308	4,197	105,863
Open Market Value of Land in Land and Dwellings Included Above	4,311							
Asset financing:								
Owned	4,311	88,375	472	5,153	1,788	375	4,197	104,671
Finance leased	0	1,192	0	0	0	0	0	1,192
Net Book Value at 31 March 2013	4,311	89,567	472	5,153	1,788	375	4,197	105,863

11. (a) PROPERTY, PLANT AND EQUIPMENT (Purchased Assets) - PRIOR YEAR BOARD

	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Cost or valuation								
At 1 April 2012	4,311	92,660	1,270	13,896	4,077	842	3,869	120,925
Additions	0	883	252	1,665	170	0	3,820	6,790
Completions	0	3,454	0	0	0	0	(3,454)	0
Transfers	0	0	0	0	0	0	(8)	(8)
Transfers (to)/from non-current assets held for sale	0	(270)	0	0	0	0	0	(270)
Revaluation	0	(1,294)	0	0	0	0	0	(1,294)
Impairment Charge	0	(2,116)	0	0	0	0	(30)	(2,146)
At 31 March 2013	4,311	93,317	1,522	15,561	4,247	842	4,197	123,997
Depreciation								
At 1 April 2012	0	0	1,050	10,408	2,459	467	0	14,384
Provided during the year	0	2,074	62	1,026	476	67	0	3,705
Transfers	0	45	0	0	0	0	0	45
At 31 March 2013	0	2,119	1,112	11,434	2,935	534	0	18,134
Net book value at 1 April 2012	4,311	92,660	220	3,488	1,618	375	3,869	106,541
Net book value at 31 March 2013	4,311	91,198	410	4,127	1,312	308	4,197	105,863
Open Market Value of Land in Land and Dwellings Included Above	4,311							
Asset financing:								
Owned	4,311	88,375	472	5,153	1,788	375	4,197	104,671
Finance leased	0	1,192	0	0	0	0	0	1,192
Net Book Value at 31 March 2013	4,311	89,567	472	5,153	1,788	375	4,197	105,863

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

11. (b) PROPERTY, PLANT AND EQUIPMENT (Donated Assets) - CONSOLIDATED

	Land (land holdings and land underlying buildings) £'000	Buildings (excluding dwellings) £'000	Plant & Machinery £'000	Assets Under Construction £'000	Total £'000
Cost or valuation					
At 1 April 2013	0	5,419	2,025	0	7,444
Additions	10	0	115	0	125
At 31 March 2014	10	5,419	2,140	0	7,569
Depreciation					
At 1 April 2013	0	55	1,631	0	1,686
Provided during the year	0	104	135	0	239
At 31 March 2014	0	159	1,766	0	1,925
Net book value at 1 April 2013	0	5,364	394	0	5,758
Net book value at 31 March 2014	10	5,260	374	0	5,644
	10				
Open Market Value of Land in Land and Dwellings Included Above					
Asset financing:					
Owned	10	5,260	374	0	5,644
Net Book Value at 31 March 2014	10	5,260	374	0	5,644

11. (b) PROPERTY, PLANT AND EQUIPMENT (Donated Assets) - BOARD

	Land (land holdings and land underlying buildings) £'000	Buildings (excluding dwellings) £'000	Plant & Machinery £'000	Assets Under Construction £'000	Total £'000
Cost or valuation					
At 1 April 2013	0	5,419	2,025	0	7,444
Additions	10	0	115	0	125
At 31 March 2014	10	5,419	2,140	0	7,569
Depreciation					
At 1 April 2013	0	55	1,631	0	1,686
Provided during the year	0	104	135	0	239
At 31 March 2014	0	159	1,766	0	1,925
Net book value at 1 April 2013	0	5,364	394	0	5,758
Net book value at 31 March 2014	10	5,260	374	0	5,644
	10				
Open Market Value of Land in Land and Dwellings Included Above					
Asset financing:					
Owned	10	5,260	374	0	5,644
Net Book Value at 31 March 2014	10	5,260	374	0	5,644

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

11. (b) PROPERTY, PLANT AND EQUIPMENT (Donated Assets) - PRIOR YEAR CONSOLIDATED

	Land (land holdings and land underlying buildings) £'000	Buildings (excluding dwellings) £'000	Plant & Machinery £'000	Assets Under Construction £'000	Total £'000
Cost or valuation					
At 1 April 2012	0	1,885	1,851	1,037	4,773
Additions	0	3,069	174	0	3,243
Completions	0	1,037	0	(1,037)	0
Transfers	0	8	0	0	8
Impairment Charge	0	(580)	0	0	(580)
At 31 March 2013	0	5,419	2,025	0	7,444
Depreciation					
At 1 April 2012	0	0	1,504	0	1,504
Provided during the year	0	55	127	0	182
At 31 March 2013	0	55	1,631	0	1,686
Net book value at 1 April 2012	0	1,885	347	1,037	3,269
Net book value at 31 March 2013	0	5,364	394	0	5,758
Open Market Value of Land in Land and Dwellings Included Above	0				
Asset financing:					
Owned	0	5,364	394	0	5,758
Finance leased	0	0	0	0	0
On-balance sheet PFI contracts	0	0	0	0	0
Net Book Value at 31 March 2013	0	5,364	394	0	5,758

11. (b) PROPERTY, PLANT AND EQUIPMENT (Donated Assets) - PRIOR YEAR BOARD

	Land (land holdings and land underlying buildings) £'000	Buildings (excluding dwellings) £'000	Plant & Machinery £'000	Assets Under Construction £'000	Total £'000
Cost or valuation					
At 1 April 2012	0	1,885	1,851	1,037	4,773
Additions	0	3,069	174	0	3,243
Completions	0	1,037	0	(1,037)	0
Transfers	0	8	0	0	8
Impairment Charge	0	(580)	0	0	(580)
At 31 March 2013	0	5,419	2,025	0	7,444
Depreciation					
At 1 April 2012	0	0	1,504	0	1,504
Provided during the year	0	55	127	0	182
At 31 March 2013	0	55	1,631	0	1,686
Net book value at 1 April 2012	0	1,885	347	1,037	3,269
Net book value at 31 March 2013	0	5,364	394	0	5,758
Open Market Value of Land in Land and Dwellings Included Above	0				
Asset financing:					
Owned	0	5,364	394	0	5,758
Net Book Value at 31 March 2012	0	5,364	394	0	5,758

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

11 (c). ASSETS HELD FOR SALE

The following assets related to NHS Borders have been presented as held for sale following approval for sale by management of the Board. The completed date for sale of the assets is expected to be within the 12 months from 31st March 2014.

- * Orchard Park, St Boswells
- * Fenton Lodge, Duns
- * Crumhaugh, Hawick

During the year ended 31st March 2014, the Board completed the sale of the following properties:

- * 21 The Crofts, Ayton
- * 6 Whitefield Court, Newtown St Boswells
- * 71 High Street, Galashiels
- * Nurses Flats, Dingleton
- * Factors Park, Lauder

ASSETS HELD FOR SALE - CONSOLIDATED

		Property, Plant & Equipment £'000	Total £'000
At 1 April 2013		540	540
Transfers (to)/from property, plant and equipment	11a	705	705
Transfers (to)/from intangible assets	10		0
Gain or losses recognised on remeasurement of non-current assets held for sale		0	0
Disposals for non-current assets held for sale		(550)	(550)
As at 31 March 2014	BS	<u>695</u>	<u>695</u>

ASSETS HELD FOR SALE - BOARD

		Property, Plant & Equipment £'000	Total £'000
At 1 April 2013		540	540
Transfers (to)/from property, plant and equipment	11a	705	705
Transfers (to)/from intangible assets	10		0
Gain or losses recognised on remeasurement of non-current assets held for sale		0	0
Disposals for non-current assets held for sale		(550)	(550)
As at 31 March 2014	BS	<u>695</u>	<u>695</u>

ASSETS HELD FOR SALE (PRIOR YEAR) - CONSOLIDATED

		Property, Plant & Equipment £'000	Total £'000
At 1 April 2012		732	732
Transfers (to)/from property, plant and equipment	11a	270	270
Transfers (to)/from intangible assets	10	0	0
Gain or losses recognised on remeasurement of non-current assets held for sale		(55)	(55)
Disposals for non-current assets held for sale		(407)	(407)
As at 31 March 2013	BS	<u>540</u>	<u>540</u>

ASSETS HELD FOR SALE (PRIOR YEAR) - BOARD

		Property, Plant & Equipment £'000	Total £'000
At 1 April 2012		732	732
Transfers (to)/from property, plant and equipment	11a	270	270
Transfers (to)/from intangible assets	10	0	0
Gain or losses recognised on remeasurement of non-current assets held for sale		(55)	(55)
Disposals for non-current assets held for sale		(407)	(407)
As at 31 March 2013	BS	<u>540</u>	<u>540</u>

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

11. (d) PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated 2013 £'000	Board 2013 £'000		Consolidated 2014 £'000	Board 2014 £'000
		Net book value of property, plant and equipment at 31 March		
105,863	105,863	Purchased	11a 107,280	107,280
5,758	5,758	Donated	11b 5,644	5,644
111,621	111,621	Total	B S 112,924	112,924
150	150	Net book value related to land valued at open market value at 31 March	0	0
390	390	Net book value related to buildings valued at open market value at 31 March	0	0
1,192	1,192	Total value of assets held under:		
1,192	1,192	Finance Leases	1,039	1,039
1,370	1,370	Total depreciation charged in respect of assets held under:		
1,370	1,370	Finance leases	1,444	1,444
			1,444	1,444

Land and buildings were fully revalued by the James Barr at 31 March 2012 on the basis of fair value (market value or depreciated replacement cost where appropriate). These values have been updated as at 31 March 2014 using indices and various specific property revaluations supplied by James Barr (Lauder Health Centre; Huntlyburn; BGH Outpatients; BGH MAU; Newstead).

The net impact was an increase in value of £1,485k, of which £5,117k was credited to the revaluation reserve with respect to indexation. A total impairment charge of £3,632k was charged to the Statement of Consolidated Comprehensive Net Expenditure.

12. INVENTORIES

Consolidated 2012 £'000	Board 2012 £'000	Consolidated 2013 £'000	Board 2013 £'000		Consolidated 2014 £'000	Board 2014 £'000
0	0	0	0	Raw Materials and Consumables	0	0
0	0	0	0	Work in Progress	0	0
1,037	1,037	1,024	1,024	Finished Goods	1,040	1,040
1,037	1,037	1,024	1,024	Total Inventories	B S 1,040	1,040

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FOR THE YEAR ENDED 31 MARCH 2014

13. TRADE AND OTHER RECEIVABLES

Consolidated 2012 £'000	Board 2012 £'000	Consolidated 2013 £'000	Board 2013 £'000		Note	Consolidated 2014 £'000	Board 2014 £'000
				Receivables due within one year			
				NHSScotland			
257	257	14	14	SGHSCD		198	198
2,031	2,031	2,284	2,284	Boards		2,732	2,732
2,288	2,288	2,298	2,298	Total NHSScotland Receivables		2,930	2,930
127	127	266	266	NHS Non-Scottish Bodies		1,258	1,258
0	0	0	0	General Fund Receivable		0	0
163	163	195	195	VAT recoverable		196	196
1,201	1,201	1,784	1,784	Prepayments		2,163	2,163
46	46	55	55	Accrued income		84	84
1,870	1,870	3,488	3,488	Other Receivables		547	547
0	0	0	0	Reimbursement of provisions		1,750	1,750
1,382	1,382	1,226	1,226	Other Public Sector Bodies		1,713	1,713
147	0	28	0	Endowment Account Receivables		15	0
7,224	7,077	9,340	9,312	Total Receivables due within one year	B 5	10,656	10,641
				Receivables due after more than one year			
				NHSScotland			
3,600	3,600	3,618	3,618	Reimbursement of Provisions		5,412	5,412
3,600	3,600	3,618	3,618	Total Receivables due after more than one year	B 5	5,412	5,412
10,824	10,677	12,958	12,930	TOTAL RECEIVABLES		16,068	16,053
121	121	156	156	The total receivables figure above includes a provision for impairments of :		200	200
				WGA Classification			
2,031	2,031	2,284	2,284	NHSScotland		2,732	2,732
163	163	195	195	Central Government Bodies		196	196
170	170	974	974	Whole of Government Bodies		884	884
127	127	266	266	Balances with NHS Bodies in England and Wales		1,258	1,258
8,333	8,186	9,239	9,211	Balances with bodies external to Government		10,998	10,983
10,824	10,677	12,958	12,930	Total		16,068	16,053

2013 £'000	2013 £'000
121	121
42	42
(7)	(7)
0	0
156	156

Movements on the provision for impairment of receivables are as follows:

At 1 April	156	156
Provision for impairment	56	56
Receivables written off during the year as uncollectible	(12)	(12)
Unused amounts reversed	0	0
At 31 March	200	200

2014 £'000	2014 £'000
156	156
56	56
(12)	(12)
0	0
200	200

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

As of 31 March 2014, receivables with a carrying value of £592,584 (2013: £1,018,395) were impaired and provided for. The amount of the provision was £200,470 (2013: £155,323). The aging of these receivables is as follows:

2013 £'000	2013 £'000		2014 £'000	2014 £'000
21	21	3 to 6 months past due	60	60
135	135	Over 6 months past due	140	140
156	156		200	200

The receivables assessed as individually impaired were mainly English, Welsh and Irish NHS Trusts/ Health Authorities, other Health Bodies, overseas patients, research companies 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 2014, receivables with a carrying value of £4,637,953 (2013: £3,042,806) were past their due date but not impaired. The aging of receivables which are past due but not impaired is as follows:

2013 £'000	2013 £'000		2014 £'000	2014 £'000
2,634	2,634	Up to 3 months past due	3,807	3,807
109	109	3 to 6 months past due	92	92
300	300	Over 6 months past due	738	738
3,043	3,043		4,637	4,637

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.

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.

2013 £'000	2013 £'000		2014 £'000	2014 £'000
12,958	12,930	The carrying amount of receivables are denominated in the following currencies:		
		Pounds	16,068	16,053
12,958	12,930		16,068	16,053

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

The fair value of long term other receivables is £5.412m (2012-13: £3.618m)

Pension liabilities are discounted at 1.8% (2012-13: 2.35%)

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

14. AVAILABLE FOR SALE FINANCIAL ASSETS

Consolidated 2012 £'000	Board 2012 £'000	Consolidated 2013 £'000	Board 2013 £'000		Consolidated 2014 £'000	Board 2014 £'000
0	0	0	0	Government securities	0	0
0	0	0	0	Other	0	0
0	0	0	0	TOTAL	0	0
1,969	0	2,330	0	At 1 April	2,845	0
667	0	377	0	Additions	483	0
(317)	0	(177)	0	Disposals	(474)	0
0	0	0	0	Impairment recognised in SOCNE	0	0
11	0	315	0	Revaluation surplus/(deficit) transferred to equity	64	0
2,330	0	2,845	0	At 31 March	2,918	0
0	0	0	0	Current	0	0
2,330	0	2,845	0	Non-current	2,918	0
2,330	0	2,845	0	At 31 March	2,918	0
0	0	0	0	The carrying value includes an impairment provision of	0	0

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

15. CASH AND CASH EQUIVALENTS

	Note	At 01/04/13 £'000	Cash Flow £'000	At 31/03/14 £'000
Government Banking Service account balance		261	(126)	135
Cash at bank and in hand		0	0	0
Endowment Cash		1,149	(663)	486
Total cash and cash equivalents - balance sheet	B S	1,410	(789)	621
Overdrafts	16	0	0	0
Total cash - cash flow statement		1,410	(789)	621
		CFS		CFS
CASH AND CASH EQUIVALENTS - PRIOR YEAR				
	Note	At 01/04/12 £'000	Cash Flow £'000	At 31/03/13 £'000
Government Banking Service account balance		206	55	261
Cash at bank and in hand		9	(9)	0
Endowment Cash		1,389	(240)	1,149
Total cash and cash equivalents - balance sheet	B S	1,604	(194)	1,410
Overdrafts	16	0	0	0
Total cash - cash flow statement		1,604	(194)	1,410
		CFS		CFS

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

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

16. TRADE AND OTHER PAYABLES

Consolidated	Board	Consolidated	Board			Consolidated	Board
2012	2012	2013	2013			2014	2014
£'000	£'000	£'000	£'000		Note	£'000	£'000
				Payables due within one year			
				NHSScotland			
				Boards		3,251	3,251
1,968	1,968	2,224	2,224	Total NHSScotland Payables		3,251	3,251
<u>1,968</u>	<u>1,968</u>	<u>2,224</u>	<u>2,224</u>				
1	1	674	674	NHS Non-Scottish Bodies		223	223
215	215	261	261	Amounts Payable to General Fund		135	135
6,289	6,289	6,862	6,862	FHS Practitioners		6,518	6,518
2,619	2,619	2,500	2,500	Trade Payables		2,278	2,278
4,805	4,805	9,453	9,453	Accruals		3,707	3,707
801	801	869	869	Payments received on account		678	678
77	77	78	78	Net obligations under Finance Leases	22	78	78
2,237	2,237	2,116	2,116	Income tax and social security		2,091	2,091
1,331	1,331	1,436	1,436	Superannuation		1,559	1,559
1,947	1,947	2,204	2,204	Holiday Pay Accrual		2,069	2,069
1,885	1,885	1,293	1,293	Other Public Sector Bodies		2,799	2,799
968	968	1,280	1,280	Other payables		845	845
242	0	1,174	0	Endowment Account Payables		172	0
25,385	25,143	32,424	31,250	Total Payables due within one year	B 5	26,403	26,231
				Payables due after more than one year			
				NHSScotland			
0	0	80	80	Net obligations under Finance Leases due within 2 years	22	79	79
325	325	253	253	Net obligations under Finance Leases due after 2 years but within 5 years	22	249	249
1,079	1,079	993	993	Net obligations under Finance Leases due after 5 years	22	869	869
53	53	50	50	Other payables		47	47
<u>1,457</u>	<u>1,457</u>	<u>1,376</u>	<u>1,376</u>	Total Payables due after more than one year	B 5	1,244	1,244
26,842	26,600	33,800	32,626	TOTAL PAYABLES		27,647	27,475
				WGA Classification			
1,968	1,968	2,224	2,224	NHSScotland		3,251	3,251
2,237	2,237	2,116	2,116	Central Government Bodies		2,091	2,091
603	603	1,293	1,293	Whole of Government Bodies		1,468	1,468
1	1	674	674	Balances with NHS Bodies in England and Wales		223	223
22,033	21,791	27,493	26,319	Balances with bodies external to Government		20,614	20,442
<u>26,842</u>	<u>26,600</u>	<u>33,800</u>	<u>32,626</u>	Total		27,647	27,475

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

16. TRADE AND OTHER PAYABLES (CONT.)

£'000	£'000		£'000	£'000
1,404	1,404	Borrowings included above comprise:	1,275	1,275
1,404	1,404	Finance Leases	1,275	1,275
<hr/>			<hr/>	
2013	2013		2014	2014
£'000	£'000	The carrying amount and fair value of the non-current borrowings are as follows	£'000	£'000
1,326	1,326	Carrying amount	1,197	1,197
		Finance Leases		
1,326	1,326		1,197	1,197
<hr/>			<hr/>	
2013	2013		2014	2014
Fair value	Fair value	The carrying amount and fair value of the non-current borrowings are as follows	Fair value	Fair value
£'000	£'000	Fair value	£'000	£'000
1,326	1,326	Finance Leases	1,197	1,197
1,326	1,326		1,197	1,197
<hr/>			<hr/>	
2013	2013		2014	2014
£'000	£'000	The carrying amount of short term payables approximates their fair value.	£'000	£'000
33,800	32,626		27,647	27,475
33,800	32,626	The carrying amount of payables are denominated in the following currencies:	27,647	27,475
		Pounds		
<hr/>			<hr/>	

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

17. PROVISIONS - CONSOLIDATED AND BOARD

	Pensions and similar obligations £'000	Clinical & Medical £'000	Other £'000	2014 Total £'000
At 1 April 2013	1,496	3,579	0	5,075
Arising during the year	138	3,674	55	3,867
Utilised during the year	(119)	(193)		(312)
Unwinding of discount	0	(5)	0	(5)
Reversed unutilised	0	(102)	(20)	(122)
At 31 March 2014	1,515	6,953	35	8,503

The amounts shown above are stated gross and the amount of any expected reimbursements are separately disclosed as

Analysis of expected timing of discounted flows to 31 March 2014

	Pensions and similar obligations £'000	Clinical & Medical £'000	Other £'000	2014 Total £'000	
Payable in one year	118	2,388	35	2,541	B S
Payable between 2 - 5 years	449	1,340	0	1,789	
Payable between 6 - 10 years	514	1,675	0	2,189	
Thereafter	434	1,550	0	1,984	B S
Total as at 31 March 2014	1,515	6,953	35	8,503	

PROVISIONS - CONSOLIDATED AND BOARD (PRIOR YEAR)

	Pensions and similar obligations £'000	Clinical & Medical £'000	Other £'000	2013 Total £'000
At 1 April 2012	1,396	3,504	0	4,900
Arising during the year	221	103	0	324
Utilised during the year	(121)	(24)	0	(145)
Unwinding of discount	0	0	0	0
Reversed unutilised	0	(4)	0	(4)
At 31 March 2013	1,496	3,579	0	5,075

The amounts shown above are stated gross and the amount of any expected reimbursements are separately disclosed as

Analysis of expected timing of discounted flows - to 31 March 2013

	Pensions and similar obligations £'000	Clinical & Medical £'000	Other £'000	2013 Total £'000	
Payable in one year	118	3,220	0	3,338	B S
Payable between 2 - 5 years	447	359	0	806	
Payable between 6 - 10 years	504	0	0	504	
Thereafter	427	0	0	427	B S
At 31 March 2013	1,496	3,579	0	5,075	

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

17. PROVISIONS - CONSOLIDATED AND BOARD

Analysis of expected timing of discounted flows - to 31 March 2012

	Pensions and similar obligations £'000	Clinical & Medical £'000	Other £'000	2012 Total £'000	
Payable in one year	115	3,219	0	3,334	B S
Payable between 2 - 5 years	431	285	0	716	
Payable between 6 - 10 years	465	0	0	465	
Thereafter	385	0	0	385	B S
At 31 March 2012	1,396	3,504	0	4,900	

	Pensions and similar obligations £'000	Clinical & Medical £'000	Other £'000	Total £'000	
Current	115	3,219	0	3,334	B S
Non-current	1,281	285	0	1,566	B S
At 31 March 2012	1,396	3,504	0	4,900	

Pensions and similar obligations

The Board meets the additional costs of benefits beyond the normal National Health Service Superannuation Scheme for Scotland benefits 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 2.35% in real terms. The Board expects expenditure to be charged to this provision for a period of up to 38 years. employees who retire early by paying

Clinical & Medical

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 Scottish NHS Central Legal Office who will decide upon risk liability and likely outcome of each case. Claims assessed as 'Category 3' are deemed most likely and are provided for in full, those in 'Category 2' are assessed on an individual basis and those in 'Category 1' as nil. All 'Category 2' claims at 31 March 2014 have been individually assessed and provided for in full.

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.

Other

The Board has provided for non-clinical staff claims using information from the Scottish NHS Central Legal Office. All 'Category 2' claims at 31 March 2014 have been individually assessed and provided for in full.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

18. MOVEMENT ON WORKING CAPITAL BALANCES

2013 Net Movement £'000	Note	Opening Balances £'000	Closing Balances £'000	2014 Net Movement £'000
INVENTORIES				
13 Balance Sheet	12	1,024	1,040	
13 Net Decrease/(Increase)				(16)
TRADE AND OTHER RECEIVABLES				
(2,235) Due within one year	13	9,312	10,641	
(18) Due after more than one year	13	3,618	5,412	
		12,930	16,053	
		12,930	16,053	
(2,253) Net Decrease/(Increase)				(3,123)
TRADE AND OTHER PAYABLES				
6,107 Due within one year	16	31,250	26,231	
(81) Due after more than one year	16	1,376	1,244	
122 Less: Property, Plant & Equipment (Capital) included in above		649	475	
(46) Less: General Fund Creditor included in above	16	(261)	(135)	
77 Less: Lease and PFI Creditors included in above	16	(1,404)	(1,275)	
		31,610	26,540	
6,179 Net (Decrease)/Increase				(5,070)
PROVISIONS				
175 Balance Sheet	17	5,075	8,503	
175 Net (Decrease)/Increase				3,428
4,114 NET MOVEMENT (Decrease)/Increase	CFS			(4,781)

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

19. CONTINGENT LIABILITIES

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

2013 Value £'000	Nature	2014 Value £'000
472	Clinical and medical compensation payments	611
25	Employer's liability	96
497	TOTAL CONTINGENT LIABILITIES	707
CONTINGENT ASSETS		
330	Clinical and medical compensation payments	475
0	Employer's liability	5
330		480

NHS Borders currently has 9 claims that have been lodged with the Employment Tribunal under the Equal Pay Act 1970 mainly from women seeking compensation for past inequalities with male colleagues, under their pay arrangements. In the past year 7 claims have been withdrawn by claimants.

The basis of claims is as follows:

The claimant's job has been rated as being of equivalent to that of their comparator using a valid Job Evaluation Study, and/or is of equal value to that of their comparator.

Their comparator is currently paid or has been paid more than them.

They claim equal pay, back pay and interest.

The current position and recent developments are summarised below.

Claimant Information

Work is ongoing to ensure that there is consistency in relation to the data that is held on the CLO data, and that held by the claimants' representatives, and the Employment Tribunal. Until this exercise is concluded it is not possible to accurately advise of the number of live claims.

Comparator Information

Named comparators have still not been identified. Work is still ongoing by both claimants and respondents in this regard. In a significant number of cases the term/terms that is/are said to breach the equality clause has/have not been identified. Work is however being planned in order to capture the information necessary to progress claims once the terms have been identified.

Period of Claim

The period over which back pay for any established breach would have to be calculated is the period between dissolution of their employing Trust and 30 September 2004. For NHS Borders this means that the period of the claim is limited to 18 months.

Summary

The NHS Scotland Central Legal Office and Equal Pay Unit are continuing to monitor the progress of all equal pay claims in NHS Scotland as well as developments relating to NHS equal pay claims elsewhere that may further inform the position. They continue to advise that it is not possible to provide any financial quantification at this stage because of the lack of information available. On the basis of their view the appropriate accounting treatment is to disclose the claims as a contingent liability that is not possible to quantify.

20. EVENTS AFTER THE END OF THE REPORTING YEAR

There are no post balance sheet events after the reporting period.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

21. COMMITMENTS

		2014	
		Property, plant and equipment:	Total
2013	Capital Commitments	£'000	£'000
	The Board has the following Capital Commitments which have not been included for in the accounts		
£'000			
	Contracted		
790	Health Centre Modernisation	300	300
790	Total	300	300
	Authorised but not Contracted		
779	Rolling Replacement Programmes	400	400
50	Medical Equipment	450	450
1,774	Statutory compliance and backlog maintenance property expenditure	1,500	1,500
1,819	Efficiency Programme / Estates Rationalisation / Service Redesign	0	0
0	Clinical Strategy	267	267
0	Car Parking	300	300
0	Project Management	190	190
0	Uncommitted	595	595
4,422	Total	3,702	3,702

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

22. COMMITMENTS UNDER LEASES

2013	Operating Leases		2014
£'000	Total future minimum lease payments under operating leases are given the in the table below for the each of the following periods.		£'000
	Obligations under operating leases comprise:		
	Land		
53	Not later than one year		49
49	Later than one year, not later than 2 years		50
153	Later than two year, not later than five years		157
601	Later than five years		548
	Buildings		
26	Not later than one year		4
0	Later than one year, not later than 2 years		0
0	Later than two year, not later than five years		0
0	Later than five years		0
	Other		
711	Not later than one year		626
402	Later than one year, not later than 2 years		348
111	Later than two year, not later than five years		140
0	Later than five years		0
	Amounts charged to Operating Costs in the year were:		
943	Hire of equipment (including vehicles)		823
88	Other operating leases		85
1,031	Total		908
2013	Finance Leases		2014
£'000	Total future minimum lease payments under finance leases are given the in the table below for the each of the following periods.		£'000
	Obligations under Finance leases comprise:		
	Buildings		
378	Rentals due within one year	16	387
387	Rentals due between one and two years (inclusive)	16	397
1,220	Rentals due between two and five years (inclusive)	16	1,251
4,788	Rentals due after five years	16	4,360
6,773			6,395
(5,369)	Less interest element		(5,120)
1,404			1,275

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NOTES TO THE ACCOUNTS

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23. PENSION COSTS

The NHS board participates in the National Health Service Superannuation Scheme for Scotland which is a notional defined benefit scheme where contributions are credited to the Exchequer and the balance in the account is deemed to be invested in a portfolio of Government securities. The pension cost is assessed every five years by the Government Actuary; details of the most recent actuarial valuation can be found in the separate statement of the Scottish Public Pensions Agency (SPPA).

The National Health Service Superannuation Scheme for Scotland is a multi-employer scheme where the share of the assets and liabilities applicable to each employer is not identified. The NHS board will therefore account for its pension costs on a defined contribution basis as permitted by IAS 19.

For the current year, normal employer contributions of £10,887,000 were payable to the SPPA (prior year £10,464,000) at the rate of 13.5% (prior year: 13.5%) of total pensionable salaries. In addition, during the accounting period the NHS board incurred additional costs of £307,000 (prior year £170,000) arising from the early retirement of staff. The most recent actuarial valuation discloses a balance of £370 million to be met by future contributions from employing authorities.

Provisions amounting to £1,515,000 are included in the Balance Sheet and reflect the difference between the amounts charged to the Statement of Comprehensive Net Expenditure and the amounts paid directly.

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

Existing scheme:

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

On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump-sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Child allowances are payable according to the number of dependant children and whether there is a surviving parent who will get a scheme widow/widower's pension. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately where the member has more than 2 years service. Where service exceeds 5 years, the pension is calculated using specially enhanced service, with a maximum enhancement of 10 years.

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

Arrangements from 2008:

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

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

	2014	2013
	£'000	£'000
Pension cost charge for the year	10,887	10,464
Additional Costs arising from early retirement	307	170
Provisions/Liabilities/Pre-payments included in the Balance Sheet	1,515	1,436

The scheme is an unfunded multi employer defined benefit scheme. It is accepted that the treatment can be as a defined contribution. An actuarial assessment was carried out on 31st March 2008. The results of this assessment were rolled forward to give a liability of £370 million. As the scheme is unfunded there can be no surplus or shortfall. Pension contribution rates will be set by the schemes actuary at a level which ensures that NHS Borders has no liability for other employers obligations to the multi-employer scheme.

	£'000
NHS Borders Contribution to Scheme in 2013-14	10,887
Total NHS Employer's Contribution to Scheme in 2013-14	595,600
Total Teacher Employer's Contribution to Scheme in 2013-14	344,800

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

24. EXCEPTIONAL ITEMS AND PRIOR YEAR ADJUSTMENTS

Prior year adjustments which have been recognised in these Accounts are:

Adjustment 1

Borders Health Board Endowment Funds (known as 'the difference') has been consolidated into the NHS Borders accounts in accordance with IAS 27

Until April 2013, the Treasury had directed that IAS 27 should not be applied to NHS charities. However, that direction has now been removed and IAS 27 requires that consolidated accounts are prepared.

This is because NHS Borders is the corporate trustee of the 'the difference' and the charity's objectives are for the benefit of NHS Borders

The main financial statements disclose the NHS organisation's financial position alongside that of the group (which is the NHS organisation (NHS Borders) and the NHS charity ('The Difference')).

A prior period adjustment has been required to reflect the consolidation of 'the difference.'
The effect on the 2012/13 accounts is summarised in Note 25.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

25a. RESTATED SOCNE

	Previous Accounts £'000	Adjustment 1 £'000	These Accounts £'000
Clinical Services Costs			
Hospital and Community	169,671	0	169,671
Less: Hospital and Community Income	13,669	0	13,669
	156,002	0	156,002
Family Health Services	50,029	0	50,029
Less: Family Health Services Income	1,481	0	1,481
	48,548	0	48,548
Total Clinical Services Costs	204,550	0	204,550
Administration Costs	1,984	0	1,984
Less: Administration Income	0	0	0
	1,984	0	1,984
Other Non Clinical Services	2,981	3,699	6,680
Less: Other Operating Income	4,492	2,608	7,100
	(1,511)	1,091	(420)
Net Operating Costs	205,023	1,091	206,114

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25b. RESTATED BALANCE SHEET	Previous Accounts £'000	Adjustment 1 £'000	These Accounts £'000
Non-current assets			
Property, plant and equipment	111,621	0	111,621
Intangible assets	272	0	272
Financial assets:			
Available for sale financial assets	0	2,845	2,845
Trade and other receivables	3,618	0	3,618
	115,511	2,845	118,356
CURRENT ASSETS			
Inventories	1,024	0	1,024
Financial assets:			
Trade and other receivables	9,312	28	9,340
Cash and cash equivalents	261	1,149	1,410
Assets classified as held for sale	540	0	540
	11,137	1,177	12,314
TOTAL ASSETS	126,648	4,022	130,670
CURRENT LIABILITIES			
Provisions	(3,338)	0	(3,338)
Financial liabilities:			
Trade and other payables	(31,250)	(1,174)	(32,424)
Derivatives financial liabilities	0	0	0
TOTAL CURRENT LIABILITIES	(34,588)	(1,174)	(35,762)
NON-CURRENT ASSETS PLUS/LESS NET CURRENT ASSETS/LIABILITIES	92,060	2,848	94,908
Non-current liabilities			
Provisions	(1,737)	0	(1,737)
Financial liabilities:			
Trade and other payables	(1,376)	0	(1,376)
Total non-current liabilities	(3,113)	0	(3,113)
Assets less liabilities	88,947	2,848	91,795
TAXPAYERS' EQUITY			
General Fund	55,142	0	55,142
Revaluation Reserve	33,805	0	33,805
Other Reseves	0	2,848	2,848
Total taxpayers' equity	88,947	2,848	91,795

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

25c. RESTATED CASH FLOW STATEMENT

	Previous Accounts £'000	Adjustment 1 £'000	These Accounts £'000
Cash flows from operating activities			
Net operating cost	(205,023)	(1,091)	(206,114)
Adjustments for non-cash transactions	3,316	238	3,554
(Increase) / decrease in trade and other receivables	(2,253)	(119)	(2,372)
(Increase) / decrease in inventories	13	0	13
Increase / (decrease) in trade and other payables	6,179	932	7,111
Increase / (decrease) in provisions	175	0	175
Net cash outflow from operating activities	(197,593)	(40)	(197,633)
Cash flows from investing activities			
Purchase of property, plant and equipment	(6,912)	0	(6,912)
Purchase of intangible assets	(30)	0	(30)
Investment Additions	0	(377)	(377)
Proceeds of disposal of property, plant and equipment	478	0	478
Proceeds of disposal of intangible assets	0	0	0
Receipts from sale of investments	0	177	177
Net cash outflow from investing activities	(6,464)	(200)	(6,664)
Cash flows from financing activities			
Funding	204,134	0	204,134
Movement in general fund working capital	46	0	46
Cash drawn down	204,180	0	204,180
Interest element of finance leases and on-balance sheet PFI/PPP contracts	(77)	0	(77)
Net Financing	204,103	0	204,103
Net Increase / (decrease) in cash and cash equivalents in the period	46	(240)	(194)
Cash and cash equivalents at the beginning of the period	215		215
Cash and cash equivalents at the end of the period	261	(240)	21
Reconciliation of net cash flow to movement in net debt/cash			
Increase/(decrease) in cash in year	46	(240)	(194)
Net debt/cash at 1 April	215	1,389	1,604
Net debt/cash at 31 March	261	1,149	1,410

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

26. FINANCIAL INSTRUMENTS

a FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

CONSOLIDATED

	Note	Loans and Receivables £'000	Total £'000
At 31 March 2014			
Assets per balance sheet			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	13	3,617	3,617
Cash and cash equivalents	15	621	621
		<hr/>	<hr/>
		4,328	4,328

BOARD

	Note	Loans and Receivables £'000	Total £'000
At 31 March 2014			
Assets per balance sheet			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	13	3,602	3,602
Cash and cash equivalents	15	135	135
		<hr/>	<hr/>
		3,737	3,737

CONSOLIDATED (Prior Year)

	Note	Loans and Receivables £'000	Total £'000
At 31 March 2013			
Assets per balance sheet			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	13	5,063	5,063
Cash and cash equivalents	15	1,410	1,410
		<hr/>	<hr/>
		6,473	6,473

BOARD (Prior Year)

	Note	Loans and Receivables £'000	Total £'000
At 31 March 2013			
Assets per balance sheet			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	13	5,035	5,035
Cash and cash equivalents	15	261	261
		<hr/>	<hr/>
		5,296	5,296

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

26. FINANCIAL INSTRUMENTS

a FINANCIAL INSTRUMENTS BY CATEGORY

Financial Liabilities

CONSOLIDATED

At 31 March 2014	Note	Other financial liabilities £'000	Total £'000
Liabilities per balance sheet			
Finance lease liabilities	16	1,275	1,275
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	16	19,424	19,424
		20,699	20,699

BOARD

At 31 March 2014	Note	Other financial liabilities £'000	Total £'000
Liabilities per balance sheet			
Finance lease liabilities	16	1,275	1,275
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	16	19,252	19,252
		20,527	20,527

CONSOLIDATED (Prior Year)

At 31 March 2013	Note	Other financial liabilities £'000	Total £'000
Liabilities per balance sheet			
Finance lease liabilities	16	1,404	1,404
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	16	26,570	26,570
		27,974	27,974

BOARD (Prior Year)

At 31 March 2013	Note	Other financial liabilities £'000	Total £'000
Liabilities per balance sheet			
Finance lease liabilities	16	1,404	1,404
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	16	25,396	25,396
		26,800	26,800

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

26. 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.

The Board has written credit control procedures

a) Credit Risk

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

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

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

The utilisation of credit limits is regularly monitored.

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

b) Liquidity Risk

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

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

	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31st March 2014				
Finance lease liabilities	78	79	249	869
Trade and other payables excluding statutory liabilities	19,355	3	9	35
Total	19,433	82	258	904

	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31st March 2014				
Finance lease liabilities	78	80	253	993
Trade and other payables excluding statutory liabilities	27,623	3	9	35
Total	27,701	83	262	1,028

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 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.

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

27. RELATED PARTY TRANSACTIONS

NHS Borders is a child of the Scottish Government Health Department (SGHD). The SGHD is regarded as a related party. During the year, NHS Borders has had various material transactions with the Department and with other entities for which the department is regarded as the parent department.

In addition, NHS Borders has had a number of transactions with other government departments and other central government bodies. Most of these transactions have been with the Scottish Public Pensions Agency (SPPA); Inland Revenue; HM Customs & Excise; Scottish Borders Council; and various NHS Bodies in England and Wales.

The Health Board is the corporate trustee of charitable endowment funds of £3.247m as at 31 March 2014 (2013: £2.848m) as per these consolidated Group Accounts

No board member, key manager or other related party has undertaken any material transactions with the Board during the year.

Scottish Borders Council

Due to	£1.468m
Due from	£0.884m
Income from	£1.280m
Expenditure with	£7.847m

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

28. SEGMENT INFORMATION

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

Note	Clinical Executive	Family Health Services	Commissioning of Healthcare	Central & Support Costs	The Difference	2014
	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost 2013/14	127,569	46,340	24,309	16,266	(334)	214,150
						2013
Note	Clinical Executive £'000	Family Health Services £'000	Commissioning of Healthcare £'000	Central & Support Costs £'000	The Difference £'000	Restated £'000
Net operating cost 2012/13	118,531	47,620	24,180	14,692	1,091	206,114

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

29. 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.

	Board	Gross Inflows	Gross Outflows	2014
	£'000	£'000	£'000	£'000
Monetary amounts such as bank balances and monies on deposit	0	118	(111)	7
Total Monetary Assets	0	118	(111)	7

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

30. EXIT PACKAGES

Exit package cost band	2014		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	0	0
£10,000 - £25,000	0	0	0
£25,000 - £50,000	0	3	3
£50,000 - £100,000	0	1	1
£100,000- £150,000	0	1	1
£150,000- £200,000	0	0	0
>£200,000	0	0	0
Total number exit packages by type	0	5	5
Total resource cost (£'000)	0	307	307

EXIT PACKAGES - PRIOR YEAR

Exit package cost band	2013		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	2	2
£10,000 - £25,000	0	0	0
£25,000 - £50,000	0	2	2
£50,000 - £100,000	0	1	1
£100,000- £150,000	0	0	0
£150,000- £200,000	0	0	0
>£200,000	0	0	0
Total number exit packages by type	0	5	5
Total resource cost (£'000)	0	170	170

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

31a. CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Group 2013 £'000		Board 2014 £'000	Endowments 2014 £'000	Consolidated 2014 £'000
	Clinical Services Costs			
169,671	Hospital and Community	175,477	0	175,477
13,689	Less: Hospital and Community Income	15,550	0	15,550
<u>156,002</u>		<u>159,927</u>	<u>0</u>	<u>159,927</u>
50,029	Family Health	51,034	0	51,034
1,481	Less: Family Health Income	1,784	0	1,784
<u>48,548</u>		<u>49,250</u>	<u>0</u>	<u>49,250</u>
<u>204,550</u>	Total Clinical Services Costs	209,177	0	209,177
1,984	Administration Costs	1,936	0	1,936
0	Less: Administration Income	0	0	0
<u>1,984</u>		<u>1,936</u>	<u>0</u>	<u>1,936</u>
6,680	Other Non Clinical Services	5,101	305	5,406
7,100	Less: Other Operating Income	1,730	639	2,369
<u>(420)</u>		<u>3,371</u>	<u>(334)</u>	<u>3,037</u>
<u>206,114</u>	Net Operating Costs	214,484	(334)	214,150

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

31b. CONSOLIDATED GROUP BALANCE SHEET

Group 2013 £'000		Note	Board 2014 £'000	Endowment 2014 £'000	Group 2014 £'000
	Non-current assets:				
111,621	Property, plant and equipment	11	112,924	0	112,924
272	Intangible assets	10	249	0	249
	Financial assets:				
2,845	Available for sale financial assets	14	0	2,918	2,918
3,618	Trade and other receivables	13	5,412	0	5,412
118,356	Total non-current assets		118,585	2,918	121,503
	Current Assets:				
1,024	Inventories	12	1,040	0	1,040
	Financial assets:				
9,340	Trade and other receivables	13	10,641	15	10,656
1,410	Cash and cash equivalents	15	135	486	621
540	Assets classified as held for sale	11c	695	0	695
12,314	Total current assets		12,511	501	13,012
130,670	Total assets		131,096	3,419	134,515
	Current liabilities				
(3,338)	Provisions	17	(2,541)	0	(2,541)
	Financial liabilities:				
(32,424)	Trade and other payables	16	(26,231)	(172)	(26,403)
(35,762)	Total current liabilities		(28,772)	(172)	(28,944)
94,908	Non-current assets plus/less net current assets/liabilities		102,324	3,247	105,571
	Non-current liabilities				
(1,737)	Provisions	17	(5,962)	0	(5,962)
	Financial liabilities:				
(1,376)	Trade and other payables	16	(1,244)	0	(1,244)
(3,113)	Total non-current liabilities		(7,206)	0	(7,206)
91,795	Assets less liabilities		95,118	3,247	98,365
	Taxpayers' Equity				
55,142	General fund	SOCTE	57,839	0	57,839
33,805	Revaluation reserve	SOCTE	37,279	0	37,279
0	Other reserves	SOCTE	0	0	0
2,848	Funds Held on Trust	SOCTE	0	3,247	3,247
91,795	Total taxpayers' equity		95,118	3,247	98,365

NHS BORDERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

31c. CONSOLIDATED STATEMENT OF CASHFLOWS

Board £'000	Endowment £'000	Group £'000		Board £'000	Endowment £'000	Group £'000
(205,023)	(1,091)	(206,114)	Cash flows from operating activities			
3,316	238	3,554	Net operating cost	(214,484)	334	(214,150)
0	0	0	Adjustments for non-cash transactions	7,634	68	7,702
0	0	0	Add back: interest payable recognised in net operating cost	0	0	0
0	0	0	Deduct: interest receivable recognised in net operating cost	0	0	0
0	0	0	Investment Income	0	0	0
(2,253)	(119)	(2,372)	(Increase) / decrease in trade and other receivables	(3,123)	(54)	(3,177)
13	0	13	(Increase) / decrease in inventories	(16)	0	(16)
6,179	932	7,111	Increase / (decrease) in trade and other payables	(5,070)	(1,002)	(6,072)
175	0	175	Increase / (decrease) in provisions	3,428	0	3,428
(197,593)	(40)	(197,633)	Net cash outflow from operating activities	(211,631)	(654)	(212,285)
(6,912)	0	(6,912)	Cash flows from investing activities			
(30)	0	(30)	Purchase of property, plant and equipment	(4,255)	0	(4,255)
0	(377)	(377)	Purchase of intangible assets	(17)	0	(17)
478	0	478	Investment Additions	0	(483)	(483)
0	0	0	Proceeds of disposal of property, plant and equipment	650	0	650
0	0	0	Proceeds of disposal of intangible assets	0	0	0
0	177	177	Receipts from sale of investments	0	474	474
0	0	0	Interest and dividends received	0	0	0
(6,464)	(200)	(6,664)	Net cash outflow from investing activities	(3,622)	(9)	(3,631)
204,134	0	204,134	Cash flows from financing activities			
46	0	46	Funding	215,382	0	215,382
			Movement in general fund working capital	(126)	0	(126)
204,180	0	204,180	Cash drawn down	215,256	0	215,256
(77)	0	(77)	Capital element of payments in respect of finance leases and on-			
0	0	0	balance sheet PFI contracts	(129)	0	(129)
0	0	0	Interest paid	0	0	0
			Interest element of finance leases and on-balance sheet PFI/PPP			
			contracts	0	0	0
204,103	0	204,103	Net Financing	215,127	0	215,127
46	(240)	(194)	Net Increase / (decrease) in cash and cash equivalents in the period	(126)	(663)	(789)
215	1,389	1,604	Cash and cash equivalents at the beginning of the period	261	1,149	1,410
261	1,149	1,410	Cash and cash equivalents at the end of the period	135	486	621
46	(240)	(194)	Reconciliation of net cash flow to movement in net debt/cash			
215	1,389	1,604	Increase/(decrease) in cash in year	(126)	(663)	(789)
			Net debt/cash at 1 April	261	1,149	1,410
261	1,149	1,410	Net debt/cash at 31 March	135	486	621