

Annual Report & Accounts 2024/25



Borders Health Board Annual Report and Accounts 2024/25

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PERFORMANCE REPORT

Performance Overview: Introduction

This performance overview contains the information that NHS Borders is required to formally report each year. It gives a financial overview of NHS Borders for the period 1 April 2024 to 31 March 2025 and aims to provide the reader with sufficient information to understand our organisation, its purpose, the key risks impacting on delivery of our objectives, and how we have performed during the year.

The annual report and accounts contain:

- The Performance Report
- The Accountability Report
- The Financial Statements

Further detail on the issues described in this section can be found within the Performance Analysis, Accountability Report and NHS Borders financial statements included within this report.

Message from the Chief Executive

I took up post as Chief Executive of NHS Borders in September 2024 and spent much of my first three months visiting services, talking to patients, meeting our staff and learning about what makes the Scottish Borders a special place.



I have seen lots of services that I am really proud of and have met lots of fantastic staff. The People across NHS Borders really are our greatest asset and it is clear to see how well they work together, often in challenging circumstances. Every day brings an opportunity to make a difference, and it is incredibly inspiring to see staff care for patients, their families and carers, supporting the breadth of work we undertake across NHS Borders and the Health and Social Care Partnership.

The bond between our staff and our communities is really evident too. I am conscious that in such tight knit communities very often staff are providing care for people they know personally or through other friend and family connections; and it is this which really underpins the incredible levels of care and compassion that our staff demonstrate.

Just a small selection of our achievements over the past year include two of our staff members winning Royal College of Nursing Scotland Awards, including the prestigious 'Scotland's Nurse of the Year' title, the launch of 'Our Plan' which sets out a five year plan for dementia services across the Scottish Borders, the Queen's Nurse title being awarded to one of our nurses for the eighth consecutive year, and NHS Borders scooping the 'Golden Hip' award for being the best performing Health Board in Scotland for patients with hip fractures. This is such great work by everyone involved, and important also to recognise that even the smallest gesture can have a massive impact as we go about our daily working lives.

Alongside the achievements there are of course areas in which we must improve; balancing the resources we have to ensure that services work effectively to deliver safe, timely and person-centred care, and to hold ourselves accountable where performance is simply not acceptable. We need to operate as effective teams who are open to challenge and seek solutions together which help us achieve what we all want for our patients.

'Being the best at getting better' is an improvement motto that has been adopted by a number of UK health organisations and is fundamental to our improvement journey here at NHS Borders. Key areas of focus for the coming year are to reduce waiting times for treatment which are currently wholly unacceptable, reducing the length of time people spend in hospital, and reducing the delays in our system which ultimately cause harm to patients. Some of this work has already started and will be underpinned by a restructure of our governance systems which is vital in order to properly manage these issues.

Of course, 'living within our means' is a requirement so we need to think carefully and smarter about how we deliver the improvements we must make with the resources we have available to us. Staff have worked really hard this year to deliver an unprecedented level of savings, and I am grateful to them for the innovative ideas that have been brought forward to achieve this. Whilst the financial outlook remains challenging, we are seeing an improved position and further details of this are contained within our financial plan for 2025/26.

A key priority for me when I became Chief Executive was to develop an organisational strategy; giving us an opportunity to reconnect with our staff and communities, provide a clear ambitious vision of where we are going and how we will meet the needs of our communities and patients in the future.

During January 2025 we undertook a large scale engagement exercise to hear from our staff and communities about what NHS Borders means to them, what they value about our services and where there are opportunities for improvement. The information gathered was to inform the development of the 'future direction' of NHS Borders and to inform our organisational strategy for the next five years.

The hospitality, enthusiasm and sense of community spirit that we were shown throughout the engagement was genuinely uplifting and it was heartwarming to see just how special the relationship is between NHS Borders and our communities.

Amongst other things we heard about the importance of timely access to services, the need for community health services and how much value is placed on holistic and preventative care. I really appreciate all you do to keep yourselves well, despite how difficult this can be within the current social and economic climate. Prevention will be one of the themes that runs through our organisational strategy and our clinical strategy, the development of which is another priority for the coming year.

I am looking forward to spending more time with our staff, patients and people from across our vibrant Borders communities as we face the year ahead with energy, enthusiasm and a focus on improvement.



Peter Moore
Chief Executive

New appointments: -

Peter Moore, Chief Executive (from 2 September 2024)

Oliver Bennett, Interim Director of Acute Services – Interim appointment in the absence of Gareth Clinkscale, Director of Acute Services (from 24 February 2025)

Departures: -

Ralph Roberts, Chief Executive (retired on 30 August 2024)

Stephanie Errington, Interim Director of Planning and Performance – Interim appointment in the absence of June Smyth, Director of Planning and Performance (to 3rd May 2024)

Kevin Buchan, Non Executive Director (to 16th January 2025)

Lynne Huckerby, Interim Director of Acute Services – Interim appointment in the absence of Gareth Clinkscale, Director of Acute Services (to 28th February 2025)

Reappointments: -

Lucy O'Leary, Non-Executive Member of Board (second appointment from 30 November 2024)









Purpose and Activities of the Board

Borders Health Board (commonly known as NHS Borders) is responsible for the commissioning and delivery of health care services for the population of the Scottish Borders. We are the most rural mainland Health Board in Scotland. This is defined by a more expansive geography to cover, to ensure that our communities get essential access to services, and increased travel time for staff. The graphic below illustrates the number of some of our high-level key services we have across the system:



* Localities relate to a geographical area of the Scottish Borders and the health services provided to that area. These localities are namely Berwickshire, Cheviot, Eildon, Teviot & Liddesdale and Tweeddale.

Our annual workload for 2024/25 included:

| Annual Workload | | |
|--|-----------|-------------|
| Number of | 2023-24 | 2024-25 |
|  Emergency Attendees | 33438 | 34022 |
|  Outpatient Appointments | 60907 | 62483 |
|  Inpatient - Elective | 1062 | 1011 |
|  Inpatient - Emergency | 8131 | 7295 |
|  Admissions - Day Case | 7587 | 7946 |
|  Hospital Beds Available | 399 | 396 |
|  Babies Delivered | 835 | 814 |
|  Prescription Items Dispensed | 2,729,110 | 2,307,706 * |

* Combined figure - Hospital data provided for full year with Community data only available for the period 1 April 2024 – 31 January 2025

The population of the Scottish Borders was 116,020 in mid-2021. It is projected that by 2028, the population of over 75s in the Scottish Borders will significantly increase and the number of children will reduce, as our population ages, the number of people living with one or more complex or long term medical conditions will rise. Alongside this inequalities in health needs and outcomes are evident, for example, those living in the most deprived areas of the Borders have almost a third more admissions to hospital for coronary heart disease compared to the overall average for the Borders and likewise the most deprived areas in Borders have 79% higher rates of hospitalisations for Chronic Obstructive Pulmonary disease than the overall average in Borders. In both these cases if levels that were experienced in the least deprived groups were seen across the whole population, the rates of hospitalisation would be anything from 14 to 60% lower.

As a Board we are acutely aware of these inequities as we design our services to be fair to all.

We work with partners across health and social care to make sure that our patients have access to local services wherever possible and to specialist treatment where necessary, both within and in some cases outwith our region.

The board aims to improve the health of our population and to deliver healthcare services that meet the needs of our community. In July 2020 we published our most recent set of organisational objectives and priorities which seek to:

- Reduce health inequalities and improve the health of our local population.
- Provide high quality, person centred services that are safe, effective, sustainable and affordable.
- Promote excellence in organisational behaviour and always act with pride, humility and kindness.

In delivering these objectives we operate within the legal and policy context of the NHS in Scotland, follow national direction from Scottish Government, and develop our own local plans through our clinical strategy and annual operational planning and within our own values.

Our Values



Compassion



Kindness



Integrity



Teamwork



Excellence

Our performance measures and the risks we seek to manage are described in further detail later in this Performance Report. Additional information on the framework in place for managing our delivery is contained within the *Accountability Report* section of this document.

We work with partner organisations including the Scottish Borders Integration Joint Board (IJB) to plan and deliver our services. The IJB is responsible for strategy and commissioning for many of the functions of both health and social care, including all adult community health care and some hospital services. NHS Borders is responsible, along with Scottish Borders Council, for the delivery of services as directed by the IJB as part of its Strategic Implementation Plan.

You can read more about the board's services, our forthcoming clinical strategy and our objectives on our website: www.nhsborders.scot.nhs.uk.

Performance Summary

The Scottish Borders face challenges due to its demographic profile and large geographical area. Our aging population and workforce necessitate adapting our healthcare system to future needs, including new roles, ensuring an appropriate staffing skill mix, and maximising self-care and community support to avoid hospital admissions. Despite financial constraints, we focus on providing safe, effective, sustainable, and affordable patient care. Improving population health and well-being can reduce healthcare demand. Additionally, our aging infrastructure and need for technological upgrades, such as digital health tools and electronic health records, require attention. We recognise that patients often face long waiting times for treatments and appointments, which is frustrating and delays their return to full health. We are committed to addressing these challenges and improving processes to ensure timely access to care, aiming to reduce waiting times and enhance service efficiency.

NHS Borders has an agreed set of trajectories for 2024/25 describing planned activity and performance against key measures, as committed to in the Annual Delivery Plan. Delivering our Annual Plan and agreed performance measures remains challenging, particularly in light of the high number of strategic risks across the organisation.

An in depth summary of these performance measures can be found in the Non-Financial performance section.

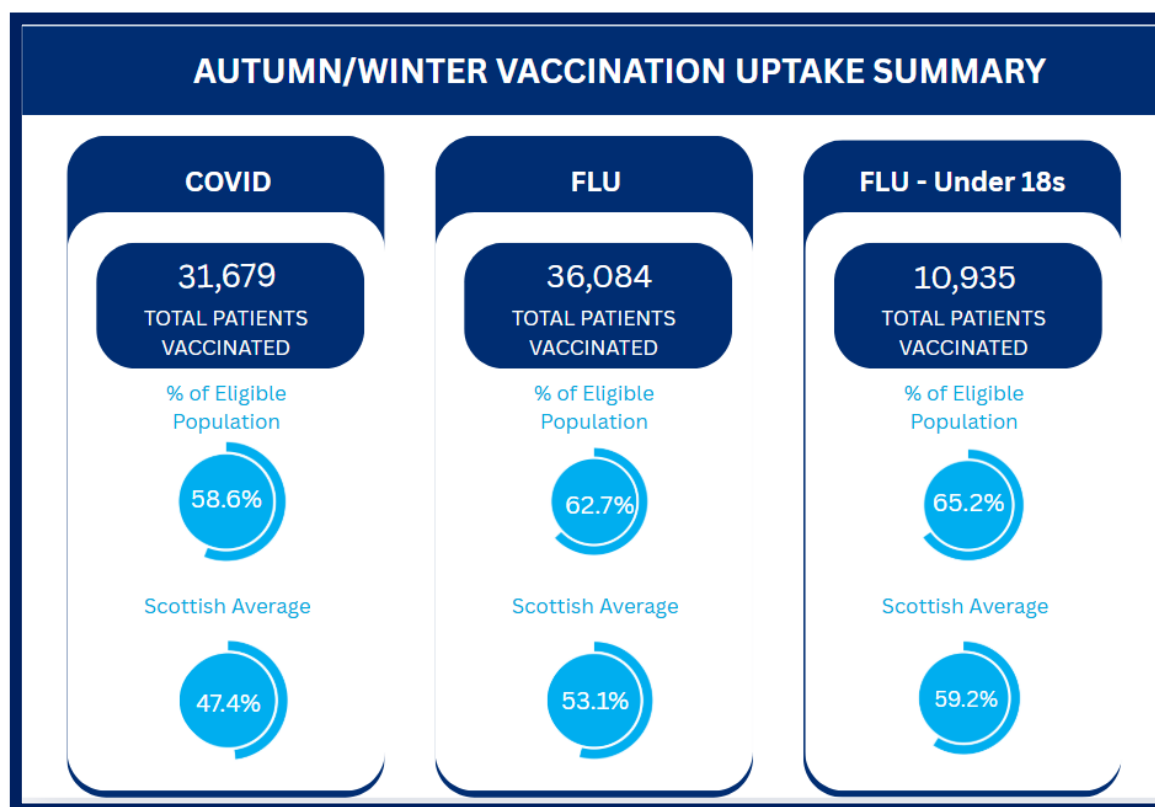
Recruitment of Registered Nursing & Midwifery staff has been a positive experience for NHS Borders, with successful International Recruitment addressing historical high Registered General Nursing vacancies over the last two years. We have concerns, however around significantly reduced Student Intake Numbers, and attrition from undergraduate training programmes reducing future Newly Qualified Practitioner (NQP) recruitment over the coming years. We are also experiencing a change in the profile of difficult to recruit to posts to now include Healthcare Support Workers (HCSW) from the local labour market.

Some of the initiatives and measures that we have undertaken to ensure a safe workforce in future years include:

- Engagement with local schools and visited careers fairs, with our own nurses selling the career directly to potential applicants who are in their senior years at school.
- Face to face recruitment open days for Newly Qualified Practitioners (NQP) and final year nursing students, and a rolling recruitment programme.
- Final year students prior to Nursing and Midwifery Council (NMC) registration, have accepted part time Associate Practitioner roles with a job guarantee when achieving NMC registration.
- Worked with our partner Education Providers in identifying locally based nursing students, with the purpose of improving their experience whilst in clinical placement and to engage earlier in their training about nursing & midwifery opportunities in the Borders on qualification.
- Working with the local Borders College on the Access to Health Professions course - including Nursing, this is a wider access programme aimed at adults who have few or no formal qualifications and who have been out of full-time education for some time, in order to pursue a health and care career.
- Supported employability initiatives including Kings Trust and Train to Care, hosting placements for our potential future HCSW workforce.
- At the opposite end of the career spectrum, we have been supportive of the return to employment of retired practitioners. With a Return to Practice (RTP) programme for former NMC registrants run in partnership with Robert Gordon University - successful candidates are appointed as permanent registered nurse post on conclusion of the programme.
- To supplement our nursing skill mix we continue to develop and train the non-registered nursing workforce to progress as Associate Practitioners



We continue to provide successful vaccination programmes, as well as delivering infection prevention and control support to care homes and other facilities outwith our own estate. The 2024/25 Autumn/Winter seasonal Covid-19 and Influenza Vaccination Programme ran from September 2024 and ended on 31st March 2025. The Covid-19 offer ended on 31st January 2025, but the flu offer remained open until the end of March 2025.



Our system relies on the relationships between all our services in order to serve the Scottish Borders community; the Health and Social Care Partnership (HSCP) is vital in ensuring that we find the right provision across all aspects of care. Constraints in one area of this partnership can have a significant effect across the whole system and for this reason shared solutions are critical to our successful recovery.

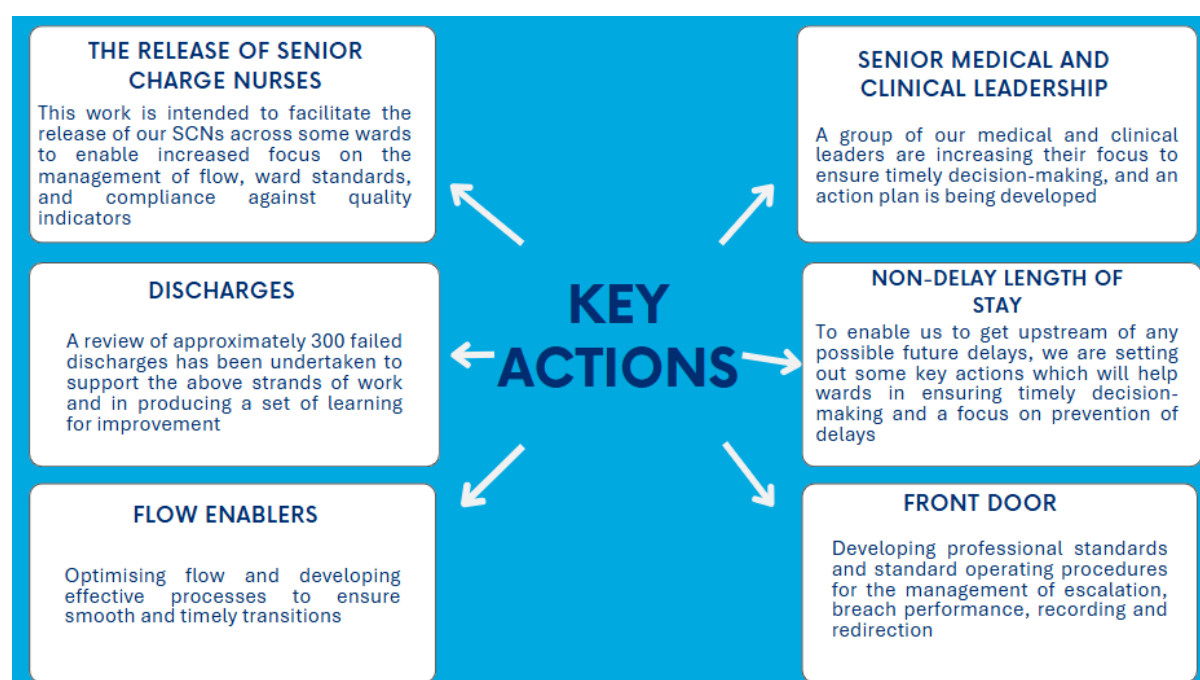
There continues to be high occupancy across our hospital system, with increased length of stay of patients who are receiving medical input, and increased occupancy associated to delayed discharges. As a system, a daily Ready for Discharge meeting has been established with representation from across Acute and the wider Health and Social Care Partnership. The group is responsible for providing rigour and constructive challenge to processes and outcomes in order to expedite plans and discharge dates, and above all to reduce harm and further delays to our patients.

The group are tasked with:

- Delivery against delayed discharge trajectory
- Ensuring issues are highlighted, actioned and escalated where required
- Apply the escalation framework to the matters which require escalation to Chief Officer (HSCP) and Director of Acute Services
- Consider alternatives to expedite patient discharge when in the best interests
- Review policies and processes for improvements and implementation of key changes

Across the Borders General Hospital (BGH), a bespoke Acute Flow Improvement Programme has been established, concentrating on enhancing ward activities. There is a strong commitment to ensuring quality multidisciplinary team (MDT) engagement to facilitate timely decisions regarding patient care and improve discharge planning from the point of admission. This is underpinned by a comprehensive governance structure which includes senior executive oversight. There are early signs demonstrating improvements in Planned Dates of Discharge and more timely referrals to Social Work teams.

Key actions are now being taken forward including:



Mental Health services have continued to see high demand for all services. The adult community mental health team continue to be under pressure due to an increase in neurodiverse referrals and complex cases. One of our main concerns within this area is around the recruitment of senior medical staff and despite attempts to recruit they have been unsuccessful which is in line with other boards across Scotland. The core mental health standards were published in September 2023, and these are being implemented locally, and we will move into our improvement phase during April 2025 and report progress.

The Mental Health Older Adults service review is at an advanced stage and is due to complete at the end of March 2025. The review seeks to plan and shape the service to meet future demand and there has been extensive engagement with public and people who use the service.

The Child and Adolescent Mental Health Service (CAMHS) is committed to enhance the quality of care provided to the children and young people in the Borders, this will be achieved by continuous improvements. Key activities over the past year include the implementation of career development frameworks across nursing, psychology, and psychiatry, as well as a focus on optimising patient flow to address the diverse needs of those referred to our service. The service continues to maintain both formal and informal stakeholder engagements, fostering effective multiagency collaboration with colleagues from the Scottish Borders Council and Third Sector organisations.

One of the primary objectives of the CAMHS is to consistently conduct new patient assessment appointments, with a specific emphasis on meeting the 18-week Referral to

Treatment (RTT) Annual Delivery Plan (ADP) Target. In November, 95.8% of CAMHS patients were seen within the 18-week Health Improvement, Efficiency, Access and Treatment (HEAT) target, and in December, this figure was 94.7%. CAMHS rigorously monitors waiting times on a weekly basis to ensure that patients are seen within the 18-week timeframe.

The implementation of referrals from all schools to CAMHS for neurodevelopmental queries was finalised in Spring 2024. Schools are currently our primary source of referrals for neurodevelopmental queries, resulting in a more comprehensive referral. We have undertaken significant work to create broad and inclusive support materials for redirecting referrals, which include detailed information in redirection letters along with links to websites and QR codes. A Duty Nurse rota has been implemented to address the increase in enquiries resulting from our expanding internal waiting list.

We are currently engaged in a project to review inpatient services in the East Region of Scotland, recognising the ongoing challenge of accessing specialist beds for young people. This continues to increase pressure on our adult acute inpatient service. Our Advanced Clinical Nurse Specialist in CAMHS has enhanced the Multidisciplinary Team approach to ensure that assessments and treatments are carried out by the most suitable professionals. There are on-going plans to review and develop current services in line with the CAMHS and Neurodevelopmental standards and specifications for service delivery. A paper was presented to the Joint Executive Team (JET) with a proposal to support a Whole Systems Approach to CAMHS Neurodevelopmental services, work is currently underway with support from Scottish Government and colleagues in Social Work, Education and Third Sector to work collaboratively to meet the needs of the population within a Getting It Right For Every Child (GIRFEC) approach. These efforts will ensure that the right services are delivered at the right time by providing high-quality care and support, tailored to the needs of children, young people, and their families. Within CAMHS, we have established services that adopt a person-centred approach, focusing on the evolving capacity and individual needs of each child. It is fundamental that families are continuously involved and consulted in all aspects of care.

Our Independent General Practice Contractors continue to provide high quality general medical services to the local population, while balancing the continuing pressures of GP sustainability. The challenges of recruitment and retention, along with the level of demand on practices, are ongoing. Our Primary and Community Services (P&CS) team continue to support practices and work to maintain resilience in service provision. The Health Board continue to manage one 2C Practice (a GP Practice run by an NHS Health Board rather than an Independent Contractor), for which a procurement process to return this to Independent Contractor status is in progress.

The pressures on public and general dental services have continued nationally however locally, we continue to make positive progress in relation to improving access to NHS General Dental Services (GDS). This was due to the support of Scottish Dental Access Initiative Grants (SDAI) from the Scottish Government which has allowed two new GDS practices to open and the expansion of another GDS practice. The reformed Statement of Dental Remuneration (employed nationally) is continuing to support GDS providers to maintain and improve GDS access across the Board.

The Public Dental Service (PDS) has for many years supported dental access and has a significant number of routine GDS patients registered with the service. PDS are also impacted by sickness/absence and recruitment challenges, with a number of posts vacant. There is no capacity in PDS to accept further patients for routine GDS care, with priority given to those who fall within the core remit of PDS (patients with additional needs or vulnerabilities).

Pressures in GDS are having a knock-on effect on PDS and it will be essential that the service retains the ability to provide care for vulnerable patients who cannot be treated in GDS.

Despite access to NHS dental services remaining a challenge, we have seen and continue to see positive developments, in an increase in the number of General Dental Practitioners (GDPs) and therefore GDS access in Borders. Given this positive increase in GDS access the opportunity arose to commence rebalancing the PDS. The rebalancing process involves the transfer of patients that do not have additional needs to a GDS practice. The GDS practice will continue the NHS registration of these patients and patients will be entitled to all the same NHS treatments and at the same cost as when registered with a PDS dentist.

Rebalancing is consistent with dental policy and strategic intent in terms of improved access/dental provider sustainability.

In line with recommendations from the first Integrated Scottish Borders Health and Social Care Partnership (HSCP) Workforce Plan 2022-2025, a cross-sector implementation board was established, with a focus on implementing actions, whilst ensuring that a whole systems approach is taken to workforce decisions. This group continues to meet, and cross sector leads are co-producing a response to Scottish Government (Annex A, DL (2024)33) outlining immediate and long-term workforce challenges, and how we plan to collectively address these.

The significant financial challenges faced by the Board are discussed separately under financial sustainability below.

As a result of the changing workforce and financial situation we will need to take decisions over the next year and into the medium-term future to transform our services, make them more sustainable and allow us to live within our projected workforce and financial budgets. This is likely to result in some significant changes to the way in which our services are planned and delivered. People who engaged with our Time for Change community conversations across the Borders between October and December last year heard us talk about finance and the challenges that we face providing services with limited resources. However, the draft Scottish Government budget, announced on 4 December 2024, set out an even more challenging budget position than we described when we were having these conversations with the community. We are therefore reviewing all the feedback we received and will use this to help inform the work we are currently doing on the future of our services. We are also considering what the changed situation will mean for the way in which we progress the next stage of discussions with our communities and stakeholders.

During 2024/25 we continued to progress with the implementation of our Quality Management System (QMS) within the organisation which supports our on-going commitment to prioritise the quality of service delivery and provide the framework for how we lead and deliver our services moving forward. We have worked collaboratively with both staff and patients across the organisation to ensure that they continue to be at the centre of our approach when developing and implementing the outputs from the QMS.

Our achievements during 2024/25 include our continued commitment to our Compassionate Leadership Programme which has been well received from staff within the organisation, and we continue to build on these principles throughout our ongoing QMS work. By the end of March 2025, there will have been 160 staff that have participated in the first seven cohorts of the Compassionate Leadership Programme. We have held regular all staff teams calls on a regular basis which give the opportunity for all staff within the organisation to meet frequently with either the Chief Executive or an Executive Director and for information to be shared with them, alongside the opportunity to support each other on different topics.



Non-Financial Performance

During 2024/25 we sustained emergency activity, cancer patients and patients deemed as clinically urgent to ensure they were seen and treated. As in previous years post-pandemic, there has been a system wide impact on elective care, with services only operational as pressures and workforce have allowed.

The Board continues to work towards the agreed trajectories in the Annual Delivery Plan across many areas, however, the continued system pressure during Winter 2024/25 following on from not being able to recover from the previous year's impact has resulted in increased waiting lists and our ability to deliver services has remained constrained. Our performance against many of our key performance indicators (KPIs) continues to sit below the level set within national standards and targets, however plans are in place to significantly improve these in 2025/26.

Of the 12 KPIs and 3 safety related indicators routinely reported to the Board, NHS Borders was able to report at end March 2025 only 3 were at or above the required standard.

In common with much of NHS Scotland we have experienced another year of poor performance against the 4-hour Emergency Access standard. Our March 2025 performance was 67.2% (March 2024: 68.5%). The Emergency Department at Borders General Hospital continues to experience significant pressures due to capacity challenges across the whole Health & Social Care system. Along with all other systems in Scotland, over the last few years we have seen increased length of stay for patients in hospital and an increase in the number of patients waiting for discharge home with a package of care or to Care Homes.

Many of our breaches against the four-hour standard are as a result of whole system issues including a lack of capacity for inpatient admission, increased length of stay due to increased patient dependency and health and social care delays. Our bed capacity has been particularly constrained as a result.

The number of delays to hospital discharge is an indicator of the overall difficulties in maintaining effective flow through hospitals and ensuring that patients are being cared for in the most appropriate setting, whether it is in the community or at home. The trend for the year can be found on page 38 in the Annual Delivery Plan targets. There is evidence that access to appropriate social care support, whether a home care package or admission to residential or nursing home care, remains a significant factor in our ability to discharge from hospitals in

a timely manner. The provision of rural health and social care comes with additional challenges. Within the Scottish Borders we have an increased level of demand associated with an older population (Scotland's over 65 age profile won't match our current profile until 2054), and reduced workforce supply with 45% of our population being of working age compared to the Scottish average of 65%. In addition, challenges associated with transport, travel, housing associated to our rurality compounds the situation. However, this also presents an opportunity for the Scottish Borders to innovate and help influence planning and policy for Scotland's demography over the next 30 years.

Throughout the last 12 months we have found it increasingly difficult to achieve the referral to treatment Urgent Suspicion of Cancer (USC) within 62-day target. Since 2022/23 there has been a steady decline in performance (2022/23 below 90%, 2023/24 79%) with the 2024/25 performance reported at 55%. There are a number of factors behind this:

- The Prostate pathway has been particularly challenging, with a performance of 42% against the standard over the past year. This pathway is complex, and performance issues are widespread across Scotland. Additionally, clinical capacity within the local Urology service has worsened the situation. These challenges have been exacerbated by a significant increase in referrals over the last four months of 2024 and long waits for curative treatment in NHS Lothian.
- Performance across the other tumour sites has been better, averaging almost 92%. The main issues across the other specialties have been waiting times for diagnostic and outpatient appointments, with Colonoscopy the most significant pressure.
- We have again seen an increase in the number of urgent referrals for outpatient appointments being received, and although this has been difficult to balance this against the requirement to achieve targets for routine waiting times, it also positively reflects increased usage of the USC category to ensure that these people are seen quickly.
- Around one third of 'suspicion of cancer' referrals were waiting over four weeks for their first appointment at the end of 2024. This impacts greatly on performance against Cancer Waiting Times (CWT) standards and is partly responsible for the reduced performance compared to previous years.

Performance towards the 31-day target for decision to treat to starting treatment was achieved for the full year, with overall performance of 99% reported.

At the end of March 2025, we had a total of 11333 on the outpatient waiting list (11649 in March 2024), with 1384 patients waiting greater than 52 weeks at end of March 2025 for their first outpatient appointment, which is the current Waiting Times Standard (1611 in March 2024). The target to have no patients waiting over 2 years for surgery by September 2022 has been challenging with 152 remaining over that target at end of March 2025. This reflects the difficulties of maintaining a dedicated elective ward and the scale of challenge that we face as we develop our plans to recover this backlog. During the last 12 months we saw diagnostic waits over 6 weeks increase and at end of March 2025 there were 694 patients waiting over 6 weeks (255 in March 2024).

Within the Child Adolescence Mental Health Service (CAMHS), an initiative has been running to increase the number of patients who are seen, from the longest waits. In February 2025 we reported 100.0% of patients meeting the 18 weeks Referral to Treatment (RTT) standard (February 2024: 50.0%) which is tackling the backlog on the waiting list. Recruitment continues to be a challenge, but initiatives are ongoing.

Psychological therapies continue to have a strong demand for all services, especially the 'Renew' primary care service and secondary care adult mental health. In February 2025

performance on the Referral to Treatment (RTT) target of psychological therapy starting for 90% of those referred within 18 weeks was 80.7% (February 2024: 83.5%)

We have continued to report strong performance throughout 2024/25 against the 3 Week Drug and Alcohol Referral to Treatment standard, achieving it every quarter, reporting performance of 98% in December 2024 (latest available data).

Our performance against individual indicators is reported within the Performance Analysis section of this report.

Financial Sustainability

In common with the wider public sector and the NHS across Scotland, NHS Borders continues to face significant financial challenges. Our costs continue to grow at a rate higher than available funding, with changes in population health need and general economic factors such as price inflation impacting on the cost of services. Productivity in healthcare delivery has continued to fall below pre-pandemic levels, although some progress has been made. Workforce issues mean that agency staffing is often required to address gaps for specialist clinical roles, and to support safe staffing levels. Lack of capital investment places constraint on how services can be developed through use of new technologies and means that we face increasing costs to maintain our ageing estate. Alongside this, delays to hospital discharge, long waits for treatment, and workload in primary care, mean that services are often working under pressure.

Although the issues facing NHS Borders are similar to those faced by other Health Boards, the recurring deficit brought forward from previous years means that NHS Borders faces a proportionately greater challenge than many of its peers and we remain at Stage 3 on the Scottish Government's Support and Intervention Framework.

Our financial plan for the past year projected our deficit would increase to £40m before savings by end March 2025. We were set a target to reduce this to £14.8m through savings and by taking actions necessary to restrict expenditure, including where this may impact on service delivery. At the time of planning, we had identified actions which would reduce our deficit to £25.8m, however this fell some way short of achieving the target set for us and Scottish Government did not approve our financial plan. Because of this situation we have remained under close scrutiny and with ongoing support from the Scottish Government Finance Delivery Unit (FDU) throughout 2024/25.

By mid 2024 we were able to demonstrate good progress towards delivering the savings set out in our plan and towards controlling in year cost pressures such that our forecast was substantially improved. As a result of this position we received additional funding from Scottish Government which meant that the level of brokerage support (borrowing) we required in order to achieve a breakeven position was reduced to £13.3m.

In delivering this improvement we were able to achieve £8.4m recurring savings, the highest level of savings we have managed to achieve in a single financial year (2023/24: £3.7m and previous high achievement in 2019/20 £7.1m). This was supplemented by further non-recurrent savings, including over £2m reduction in the cost of agency staffing against previous year.

Grip and Control is a key component of our approach towards financial balance. A robust Grip and Control Framework has been issued to cover the broader agenda that includes cost pressure and cost containment management areas. This covers all measures that reduce and

eliminate overspends around the budgeted cost base. It also covers improvements in control that result in an underlying reduction in the budgeted cost base. Our local Grip and Control framework includes robust scrutiny at a senior level within the organisation and covers the following key areas:

- Vacancy Control
- Agency and overtime usage
- Non-pay Controls and expenses

Setting out our plan for the next three years, we continue to project our costs will rise at a rate greater than our available resources. Our plan for 2025/26 projects a slight reduction on our final outturn in 2024/25, with an expected deficit of £12.8m. This is however predicated on delivering 3% recurrent savings, a figure consistent with what has been achieved in the past year but against which we do not yet have plans which set out fully how this will be delivered. Over the term of our plan, we expect that we will continue to report a deficit in each year, with the position at March 2028 projected at £15m.

We have continued to work closely with colleagues in Scottish Government to demonstrate the actions we are taking to improve our financial performance and despite our financial plan remaining unbalanced, we have received conditional approval for the plan. This approval requires that we continue to develop the detail of our savings plans and that we set out a longer term pathway to financial balance over a five year period. Our initial scenario modelling has allowed us to understand the conditions under which this can be met, and we are now working through the development of this longer term plan which is expected to be prepared by mid 2025.

As we are developing the next iteration of our plan we are also seeking to ensure this is fully aligned to the objectives set out in our recently published [NHS Borders Organisational Strategy](#) and to the emerging clinical strategy which will support this approach.

We expect that alongside financial improvement activities focussed on cost containment, improved efficiency and elimination of waste, we will also be looking at clinical productivity and at how we prioritise and target resources towards the needs of our population and shift resource away from the 'failure demand' which drives up costs and which has led to use of unfunded beds and premium rate capacity and workforce as mitigation to operational pressures.

We anticipate that difficult choices will need to be made but remain committed to ensuring these are developed in partnership with our communities and service users. We also expect that structural reform across NHS Scotland will contribute to our long-term financial sustainability as services are redesigned and consolidated where it makes sense for this to happen, and where new technologies provide a foundation for transformational change to our current ways of working.

We will continue to work closely with partners including Scottish Borders Council and the Integration Joint Board, as well as other NHS Bodies and Scottish Government, to shape our long term plans.

Risk and Uncertainty

NHS Borders operates a risk management framework which follows the international standard for risk management (BS ISO 31000), supported by the Orange Book (2024) and Blueprint for Good Governance: second edition (2022). The framework provides an infrastructure that is intended to ensure that risk management activities are aligned to corporate objectives and

delivery of safe and effective healthcare. Our risk management framework requires all types of risk to be managed through a single risk management system (known as enterprise risk management).

Within this system we maintain two separate risk registers: an operational risk register which is the day-to-day tool used by individual managers to identify and mitigate individual risks; and a strategic register which captures the high-level strategic risks affecting the organisation.

Strategic Risks

NHS Borders maintains a strategic risk register which reflects a comprehensive assessment of the major risks faced by the organisation in achieving their corporate objectives.

Each risk is owned by a lead director (a member of the Board's Executive Team). Oversight of strategic risks is provided by committees of the board (see 'domain' in table below). A rating is applied based on assessment of the risk before and after (Current and Target) implementation of mitigating actions. These actions are monitored in line with the board's risk management process.

The following table is an extract of the strategic risk register, summarising the risks and describing the current and target risk level.

Summary of Strategic Risk Register 2024/25

| Domain | Title of Risk | Description of Risk | Risk Owner | Risk level (current) | Risk level (Target) | Risk level change since 23/24 |
|------------------------------------|--------------------------------|---|--|----------------------|---------------------|-------------------------------|
| Clinical Governance Committee | Whole system flow | If levels of population need and dependence remain high with the associated increase in demand and occupancy for health and social care services, then this leads to increased health and social care demand, and results on reduced unscheduled care and scheduled care performance, and patient / system safety. This results in additional workforce and financial pressure. | Interim Director of Acute Services | Very High (25) | High (16) | ↔ |
| Resource and Performance Committee | Organisational Resilience | If NHS Borders does not comply with Civil Contingencies Act 2004 then there is a risk of failing legal obligations resulting in the resilience of the organisation to adapt to emergencies. | Interim Director of Planning & Performance | Very High (25) | High (15) | ↔ |
| Resource and Performance Committee | Financial Performance (Annual) | If the Board is unable to identify a financial plan which demonstrates how it will deliver a breakeven position over the medium-term planning cycle (i.e. three years) then the requirement for increased brokerage support is likely to lead to further escalation on the Scottish Government's support & intervention framework resulting in a requirement to implement additional financial control measures directly impacting on patient care. | Director of Finance | Very High (25) | High (10) | ↔ |

| | | | | | | |
|------------------------------------|--|---|-----------------------------|----------------|-----------|-----|
| Clinical Governance Committee | Quality and Sustainability of Acute Services | If we continue to face sustainability challenges in terms of workforce in the context of keeping up with the requirements of our changing population demographic and complexity, and the evolving nature of healthcare; then this will lead to unviable service provision in certain specialties and specialist groups, resulting in a risk that the functioning of certain services, and compromising the functioning of the Borders General Hospital. | Director of Acute Services | Very High (20) | High (16) | NEW |
| Clinical Governance Committee | Quality and Sustainability of Primary & Community Services and independent contractors | If the market and workforce conditions in the Scottish Borders are not conducive to attract and sustain independent Primary Care providers and sufficient salaried workforce, then there is a risk that Primary Care provision may not be sustained, resulting in an inability to sustain appropriate Primary Care services for our population, increased Health Board provision and associated costs of Primary Care services, and impacting on people's health and wellbeing, leading to increased secondary care demand. | Chief Officer | Very High (20) | High (16) | ↔ |
| Staff Governance Committee | Organisational compliance with health and safety regulations and legislation | Health and Safety at Work etc Act 1974 - This Act places a legal duty on employers to ensure, so far as reasonably practicable, the health, safety, and welfare of employees, and to ensure that employees and others are kept safe. Non-compliance with legislative requirements would result in increased risk of ill health, unnecessary injury to staff, patients and visitors, in some circumstances death could occur. NHS Borders reputation would be damaged, leading to negative public perception and potentially undermine patients' willingness to receive care from our services and impact staff recruit. NHS Borders and Directors/Senior Managers open to criticism, prosecution and financial impact of safety failings. | Director of HR, OH&S and OD | Very High (20) | High (12) | ↔ |
| Resource and Performance Committee | Health Inequalities | If the Equalities Act (2010) is not adhered to, then NHS Borders will be unable to discharge statutory duties to fully address healthcare and employment inequalities resulting in poorer health outcomes for certain groups or part of the population and increasing inequalities. | Director of Public Health | Very High (20) | High (12) | ↔ |

| | | | | | | |
|------------------------------------|--|--|--------------------------------------|----------------|------------|-----|
| Resource and Performance Committee | Built Environment (premises) | IF property infrastructure is not developed and maintained in line with relevant legislation, regulation, standards and guidance, then the condition and functional suitability of the healthcare environment will no longer be fit for purpose and may breach legal requirements, resulting in increased incidence of avoidable harm to patients, visitors and staff and potential for legal action including regulatory enforcement impacting on business continuity | Director of Finance | Very High (20) | High (10) | ↑ |
| Clinical Governance Committee | Quality and Sustainability of MH & LD Services | If the levels of mental health need continue to increase in the context of workforce challenges and financial constraints, then demand and waits for more acute mental health services will increase and workforce sustainability will be undermined, resulting in a potential deterioration in the health and wellbeing outcomes of our population. | Chief Officer | High (16) | High (12) | NEW |
| Staff Governance Committee | Inconsistent uptake of statutory training and mandatory training | Individuals/Services failing to achieve near to/at 100% compliance with Statutory and Mandatory training requirements, be that on-line learning or where necessary, face-to-face training. | Director of HR, OH&S and OD | High (16) | High (12) | ↔ |
| Resource and Performance Committee | Multi Agency Working | Less effective service delivery as a result of ineffective Multi agency stakeholder and regional working | Chief Executive | High (16) | Medium (6) | ↔ |
| Staff Governance Committee | Workforce | If NHS Borders is unable to deliver the objectives of the integrated (plus NHS) workforce plan then challenges to recruitment and retention will increase potentially resulting in NHS Borders being unable to function in areas, as a competent health care service under the current workforce model. | Director of HR, OH&S and OD | High (16) | High (16) | NEW |
| Resource and Performance Committee | COVID-19 Inquiries | The COVID-19 inquiries create a risk of 1. Individual/organisational reputational and/or legislative damage as a result of identifying failings in NHS Borders COVID response 2. Significant increase in workload in responding to information requirements/requests 3. Staff morale and wellbeing as a result of the potential uncertainty and criticism | Chief Executive | High (15) | High (10) | ↔ |
| Resource and Performance Committee | Digital infrastructure and security controls being inadequate to support local needs | There is a risk that Local Digital & Information infrastructure, security standards and cyber security measures in place are not adequate to support delivery of the Board's objectives or protect against emerging threats. | Director of Planning and Performance | High (15) | Medium (9) | ↔ |

| | | | | | | |
|------------------------------------|--|---|--------------------------------------|------------|------------|-----|
| Resource and Performance Committee | Climate Emergency (long term) | If NHS Borders is unable to implement sufficient actions to adapt to the impact of climate change, then it is possible that access to services will be adversely affected resulting in inequalities, business continuity risk, increased patient harm and additional cost of remedial actions to address potential effects of climate change e.g. extreme weather | Director of Finance | High (15) | High (10) | ↑ |
| Resource and Performance Committee | Climate Emergency (3-year outlook) | If NHS Borders is unable to identify sufficient resources, then the board will be unable to fully implement the actions outlined in the NHS Scotland climate emergency and sustainability strategy resulting in a delay or inability to meet its obligations towards mitigation and adaptation of climate change. | Director of Finance | High (12) | High (10) | ↔ |
| Resource and Performance Committee | Implementation of Board Delivery Plan | If the Board's Delivery Plan is not fully implemented, then the agreed strategic aims of the strategic framework will not be achieved resulting in healthcare services not being delivered within available means. | Director of Planning and Performance | Medium (9) | Medium (9) | NEW |
| Resource and Performance Committee | Failure of the Board to effectively involve patients, public and third sector partners in decision making. | Failure to effectively involve patients, public and third sector partners in decision making could lead to harmed relationships, reputational damage and in extreme cases government intervention which would impact on timescales for service changes and developments. | Director of Planning and Performance | Medium (9) | Medium (8) | ↔ |

Further refinement of strategic risks was undertaken in 2024/25 which accounts for a change in risks reported at a strategic level.

There are eighteen strategic risks identified on this register, a decrease of four on the number reported in 2023/24. Changes reflect the annual review undertaken by NHS Borders in aligning risks to strategy and ensuring that risks are positioned at a strategic level, and significant operational risks are held on the correct risk register. There are no risks in development.

Each strategic risk has been assessed in line with the 3-year strategic plans using a standard 5x5 risk matrix which identifies likelihood and scale of impact, rating each on a scale of 1-5 and with risk classification (low, medium, high, very high) based on a multiplier of these two elements.

Sixteen of the eighteen risks recorded are outwith the target level we would expect to achieve. This mirrors the increases in the operational risk register and is reflective of the strategic issues facing the board as we look to recover performance whilst still dealing with the pandemic backlog and an increasingly volatile financial environment. Each strategic risk is fed into the appropriate governance committee on a rotational basis for increased scrutiny and focus.

The Board continues to develop its strategic risk register, and we anticipate that further refinement will be reported during 2025/26 with the introduction of an Organisational and Clinical Strategy.

‘Very High’ Risks - 8 risks are identified as ‘very high’. Of these, two directly reflect the current operating environment and how it impacts on our ability to deliver safe and effective care, four relate to legislative compliance and the two remaining risks are categorised as ‘very high’ relates to financial performance.

Whole System Flow - Increased levels of dependency on the BGH has resulted in bottlenecks in the hospital system, meaning that flow in and out of our hospital is challenged. Our Emergency Department and wards cannot sustain the level of demand, and so a number of mitigating actions have been put into place.

Hospital at Home has expanded, and Home First is being aligned to Community Nursing to enhance its functionality. In addition, across the wider HSCP additional unpaid carer supports, along with additional care home capacity have been put into place. Discharge to assess in adult social care has been developed in the central region, which will be further rolled out in 2025/26 to help ensure the right care, in the right place at the right time.

There has been a major focus on reducing delayed discharge and improving processes to do this, along with discharge without delay. This has included work to decommission the temporary capacity in Borders View. This combined work has seen a reduction in occupied bed days associated to delay. The Board has signed up to the national 'Discharge without Delay' Collaborative and have submitted a funding request to the Scottish Government for additional capacity to support this along with additional capacity in Hospital at Home. The Buchan and Associates review of capacity required across Health and Social Care will report shortly and will inform the commissioning approach across the system to best meet people's need.

Improving system flow will continue to be an important and significant focus for NHS Borders and its partners in 2025/26 to further mitigate the risk to patients as a result of delayed discharge or transfer of care.

Organisational Resilience – Significant progress has been made throughout 2024/25 in strengthening our approach to Organisational Resilience. A structured Emergency Planning and Resilience (EPR) Workplan was developed, establishing clear priorities aligned with both expectations as a Category One Responder under the Civil Contingencies Act (2004) and local service needs. This plan has been actively monitored and will continue to be updated throughout the year, providing a framework for delivery and assurance. A major development has been the implementation of a refreshed Business Continuity Management process. This new model is designed to close the loop between operational risk and emergency planning by embedding continuity planning into the InPhase risk monitoring system. It ensures that risks identified by services are assessed in terms of resilience impact and that mitigation plans are owned and appropriately recorded.

Capacity and leadership within the EPR function have also been strengthened. The permanence of the Emergency Planning and Resilience Manager post and expansion of the team to include a Project Support Officer (to be recruited) has improved the organisation's ability to plan for, respond to, and recover from disruptions. Several key programmes of work - notably the Major Incident Plan review and the refresh of Business Continuity Plans across all service areas - are underway and progressing to the Workplan.

Finally, the Strategic Risk relating to Organisational Resilience has been formally presented to the Resource & Performance Committee (R&PC) and, for the first time in recent years, has been escalated to Board-level awareness. A follow-up update will be presented to the R&PC within the next six months to provide assurance on continued progress and highlight any emerging areas of concern.

Quality & Sustainability of Services - A review of clinical services through a quality and sustainability lens has been commissioned. The review is ongoing and has yet to be fully completed which is not expected until the end of the first half of 2025/26. The review is likely to present evidence around the fragility and vulnerability of several clinical services provided by NHS Borders. The work will explore what options are available at service level to deliver stability going forward and to ensure that models of care are fit for the future and the impact will also be assessed.

Quality and Sustainability of Primary & Community Services and Independent Contractors – Recruitment challenges and increased workload continue to present a significant and ongoing risk to the sustainability of all P&CS services. In Primary Care, GP Practices serving smaller rural communities remain particularly vulnerable. Over the past year, these pressures have intensified, particularly in the context of workforce retention, access to support services due to premises restrictions, and difficulty attracting specialist services such as Pharmacists and Dentists.

To help address these challenges, the GP Fellow Scheme has expanded to include additional practices. Feedback from participating GPs has been very positive, highlighting the value of the fellowship in supporting workload, professional development, and retention. This initiative, along with our work as a Primary Care Improvement Plan (PCIP) Demonstrator Site, is contributing to improved access to GP services through the development of new models of care and enhanced MDT working.

Through the work of the PCIP Demonstrator Site, the challenges in successfully recruiting to Pharmacist posts have inspired alternative ways of working. This includes the creation of the Pharmacy Hub, designed to maximise skill mix and promote collaborative working across practices.

In Dental Services, the rebalancing of PDS and GDS has enabled a targeted focus on providing access for the most vulnerable populations. While the service remains stable, access continues to be a challenge. The whole of NHS Borders continues to be designated for SDAI (Scottish Dental Access Initiative) grants, which are available to encourage expansion of NHS General Dental Services and support recruitment and retention across the region.

Health Inequalities - In April 2024, NHS Borders produced a health inequalities strategy, “THIS Borders: Tackling Health Inequalities in the Scottish Borders”. The strategy aimed to highlight the inequalities we see in health and wellbeing across our region and to begin a plan for addressing the underlying causes through partnership working. The Community Planning Partnership (CPP) provides a valuable opportunity to progress the work, particularly through the working group for Theme 3 which is specifically about improving health. The Theme 3 working group has been carrying out a strategic exercise in order to develop a workplan for the next year. The results so far have been shared with the CPP Delivery Board and Strategic Board. It has recently been agreed that the membership of the Wellbeing Board will also be invited to the CPP Theme 3 workstream meetings in future to boost engagement. In addition, a series of Health Inequality Workshops were held last year. These workshops brought together health and care professionals, other public sector representatives – including from housing and transport services – and third sector organisations. Planning is underway for another series, beginning with one focused on education and inequalities experienced by children and young people. The Board also recently published its Equality and Diversity Mainstreaming Report which made recommendations and these will be taken forward over the coming year.

We remain without access to dedicated health intelligence facilities. However, in reviewing the Public Health service, the requirement for a half-time post dedicated to that role has been identified.

We intend to reinstate regular workshops across the Borders which will be held on a quarterly basis and will bring diverse partners together to discuss and action topics of relevance for health inequalities. The next event is expected to be held in June 2025.

A plan to easily identify people who may be suffering from health inequalities is required. The preferred method is to measure and use people's Adverse Childhood Experiences which Health Visitors have begun to measure. Work is ongoing with Education colleagues to adopt this approach for those at the P7/S1 interface and success is dependent on good partnership working.

The establishment of a Wellbeing Board has been successful but has also faced challenges operating in an environment of resource constraints, chasing delayed discharges and reducing waiting lists. This has resulted in less opportunities for broader partnership working with the exception of mental health where our Creating Hope Award is being used as an exemplar of best practice elsewhere in Scotland.

This ongoing work supports the actions in place to reduce the risk of health inequalities across the population.

Health and Safety - Delivery of 'business as usual' continues to be disrupted with continued demand on services. Emerging Health and Safety risks have also impacted on a team with limited capacity. This disruption means that health and safety risks are not always assessed prior to service change and have left a backlog of areas where these risks are not fully understood.

Built Environment (premises) – Delivery of 'business as usual' continues to be disrupted with continued demand on services. Emerging premises risks have also impacted on a team with limited capacity. Recruitment to specialist posts has been arduous, and at times unsuccessful. These posts require continuous specialist training to ensure appropriate healthcare experience, knowledge and skills are available inhouse.

An interim Business Continuity Plan (BCP) is in place with capital investment prioritised on a risk basis in conjunction with national NHS Scotland planning requirements; the NHS Borders Estates team have implemented a managed approach to estates maintenance which focussed on statutory requirements and areas of highest risk.

Financial Performance - This issue is described separately under 'financial sustainability' above.

Movement in 'very high' risks

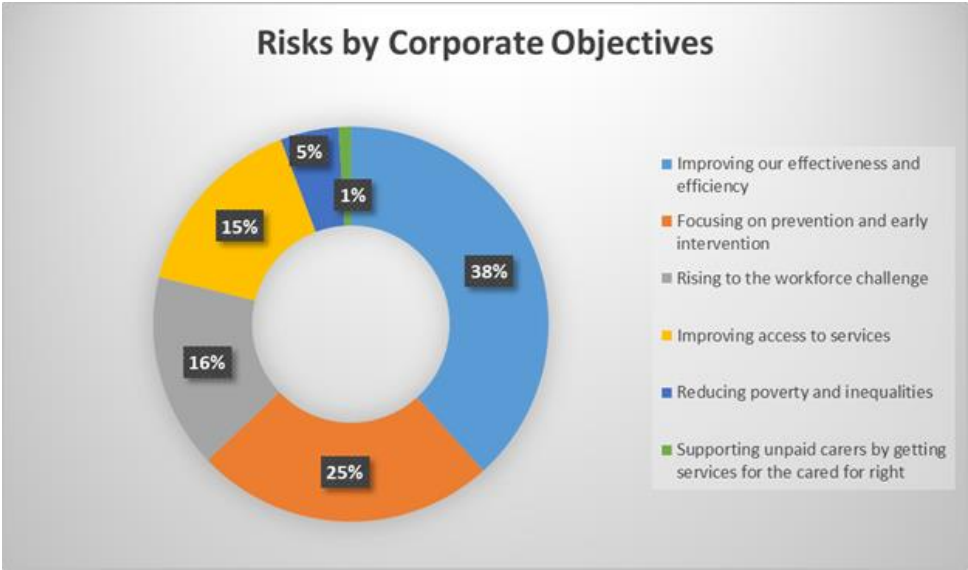
There has been an increase of very high risks from 2023/24; however, this reflects the increasing risks faced by NHS Borders. The increase from 6 very high risks to 8 during 2024/25 can be accounted for by:

- One new very high risk relating to the quality and sustainability of Acute Services.
- Healthcare environment being reviewed and replaced by built environment (premises) and escalated to very high risk.

Operational Risks

The composition of the Board’s operational risk register summarised below.

The corporate objective with most uncertainty around its achievement is improving our effectiveness and efficiency, closely followed by focusing on prevention and early intervention.



There are 869 individual risks recorded on our operational risk register as at February 2025, a decrease of 63 on the number recorded in 2023/24.

The movement in overall risk and their rating is described in the following tables.

| Likelihood | 2023/24 | | | | | | Likelihood | 2024/25 | | | | | |
|------------|----------------|------------|-------|----------|-------|---------|------------|----------------|------------|-------|----------|-------|---------|
| | Almost Certain | 1 | 1 | 6 | 13 | 4 | | Almost Certain | 1 | 1 | 6 | 18 ↑ | 3 ↓ |
| | Likely | 3 | 28 | 36 | 42 | 12 | | Likely | 2 ↓ | 27 ↓ | 38 ↑ | 43 ↑ | 17 ↑ |
| | Possible | 27 | 64 | 244 | 53 | 24 | | Possible | 24 ↓ | 63 ↓ | 221 ↓ | 60 ↑ | 21 ↓ |
| | Unlikely | 39 | 80 | 92 | 74 | 13 | | Unlikely | 37 ↓ | 78 ↓ | 70 ↓ | 54 ↓ | 16 ↑ |
| | Rare | 12 | 14 | 14 | 12 | 24 | | Rare | 12 | 13 ↓ | 11 ↓ | 12 | 21 ↓ |
| | | Negligible | Minor | Moderate | Major | Extreme | | | Negligible | Minor | Moderate | Major | Extreme |
| | | Impact | | | | | | | Impact | | | | |

| | |
|--|----------------|
| | Very High Risk |
| | High Risk |
| | Medium Risk |
| | Low Risk |

The organisational risk profile shows that most risk is classified as medium-high risk. High and very high risks account for 26% of operational risks; 21% being high risk and 5% very high risk. This is a 2% increase in high risks and 2% increase in very high risks compared to 23/24.

Project Risk

Project risk is managed through a robust project management framework with oversight from the Project Management Office. The escalation route for project risks out with tolerance is to the relevant programme board and the Quality and Sustainability Board (Q&SB). Q&SB was established to provide oversight to the board's transformation programmes, including financial recovery. Management of project risk is progressed through individual action plans. Managing project risks may lead to the identification of operational risks.

Performance Analysis

Introduction

The Board monitors its performance against a range of quality and performance measures agreed with Scottish Government through submission of our Annual Delivery Plan.

Our performance against key indicators, including national standards, is summarised below. You can read more about our governance and reporting arrangements within the *Accountability Report*.

The key performance indicators described in this report are based on those measures agreed in our Annual Delivery Plan for 2024/25, which sets out our expected performance as agreed with Scottish Government. This includes performance against key standards such as: Delayed Discharges, Access stage of treatment targets (including Cancer performance), and Staff Absence.

Data on our performance is published regularly at both a local and national level. You can access current information at the following websites:

<http://www.nhsborders.scot.nhs.uk/corporate-information>
<https://www.nhsperforms.scot/>

Our performance scorecard is reported at each Board meeting and can be accessed through the first link by searching on the category: 'Board Papers' within the relevant period.

Financial Performance

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

- Revenue resource limit (RRL)
- Capital resource limit (CRL)
- Cash requirement

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.

RRL

Scottish Government funding the Board receives to cover all day to day activities, excluding certain Family Health services which are covered centrally by the Scottish Government.

CRL

Covers additions to land and buildings or intangible assets or new equipment with a life greater than 1 year and a value greater than £5k.

Cash Requirement

A financing requirement to fund the cash consequences of the on-going operations and net capital investment.

The Board's General Fund reports an outturn position of £0.07m deficit as at 31 March 2025, resulting from the in year difference of the revenue resource limit £350.48m including Scottish Government brokerage support (£13.30m) and the net operating costs £350.55m. Scottish Government has been advised of this position and is content with the appropriateness of accounting treatment.

Non Core Revenue Resource Limit provides funding for more technical accounting entries that do not directly trigger a cash payment such as the depreciation or impairment of an asset or the creation of a provision for a future liability.

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

| | Limit set by SGHSCD £000 | Actual Outturn £000 | Variance (Deficit)/ Surplus £000 |
|-------------------------------------|--------------------------------|---------------------------|---|
| Core Revenue Resource Limit | 350,485 | 350,554 | (69) |
| Non Core Revenue Resource Limit | 6,730 | 6,730 | 0 |
| Total | 357,215 | 357,284 | (69) |
| Core Capital Resource Limit | 5,429 | 5,351 | 78 |
| Total Capital Resource Limit | 5,429 | 5,351 | 78 |
| Cash Requirement | 368,233 | 368,233 | 0 |

| Memorandum for In Year Outturn | £000 |
|--|-------------|
| Core Revenue Resource Variance – Deficit in 2024/25 | (69) |
| Financial Flexibility: funding provided by Scottish Government | (13,300) |
| Underlying (Deficit) against Core Revenue Resource Limit | (13,369) |
| Percentage of RRL | 3.82% |

A three-year financial plan was submitted to Scottish Government by NHS Borders on 15 March 2024. This plan set out a projected deficit of £25.8m for 2024/25 which was significantly above the brokerage limit of £14.8m set by Scottish Government.

A letter was issued by Scottish Government in response to the NHS Boards' financial plan on 4 April 2024. This letter advised that the submitted plan would not be agreed and that the Board should continue to work towards an improved position through close collaboration with the Scottish Government Finance Delivery Unit (FDU). Through follow up it was agreed that a revised plan was not requested for 2024/25, and that improvement would be monitored through the regular performance reporting cycle.

During the course of 2024/25 there was significant progress towards an improved in year performance against financial plan and at Quarter Two it was confirmed by FDU that the Board would remain at Stage 3 on the Scottish Government's Support & Intervention Framework.

This improved progress was achieved through additional control measures including cessation of non-essential maintenance, reduction in agency staffing and rationalisation of discretionary spend. These measures were intended to minimise direct impact on clinical services where possible. Further improvement was also achieved through management of cost pressures including use of unplanned patient beds and reduction in forecast prescribing growth above budgeted level.

Following confirmation of the final outturn position, Scottish Government approved brokerage of £13.3m allowing the Board to meet its requirement to deliver financial balance. Without this support, the Board's final outturn position would have been £13.3m overspent (equivalent to 3.93% of the Revenue Resource Limit).

As outlined within the Performance Report (see 'Financial Sustainability') the Board's medium term plan for the period 2025/26 to 2027/28 does not present a balanced financial position over the term of the plan. Despite this, the Board has received conditional approval for the plan on the basis that the Board set out a five year plan which describes a trajectory to financial balance over that period.

No repayment profile has been agreed in relation to brokerage incurred in 2024/25 or brought forward from previous years. As at end March 2025 the cumulative brokerage liable for repayment to Scottish Government is £48.8m.

Net Expenditure as detailed in the Summary of Core Revenue Resource Outturn on page 104 is reported at £373.83m of which £350.48m is funded by the Core Revenue Resource Limit (RRL) from Scottish Government, a further £17.02m relates to the Family Health Services non discretionary allocation and a total of £6.73m as Non core expenditure. The consolidation of 50% of the Scottish Borders Integration Joint Board (IJB) outturn at £1.10m and the Boards Endowment Fund with a net charge of £0.64m are both reported within the overall Net Expenditure figure.

The Core Capital Resource Limit is breakeven.

NHS Borders delivered £7.61m (£8.39m, full year effect) of recurring savings during 2024/25 with a further £1.03m delivered on a non-recurrent basis. Above this, cost avoidance measures including reduction in use of Agency staffing delivered a further £2.25m.

You can read more about the board's financial plan and long term financial outlook within the *Financial Sustainability* section of the *Overview* to this report.

Annual Accounts Preparation and Consolidation - Endowment Funds

Consolidated within the Annual Accounts are the Borders Health Board Endowment Funds (known as 'The Difference') which have been prepared in accordance with International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements".

NHS Borders is the corporate trustee of 'The Difference' and the charity's objectives are for the benefit of NHS Borders in the advancement of health, through: improvement in the physical and mental health of the Board's population; the prevention, diagnosis and treatment of illness and the provision of services and facilities in connection to the above.

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

recorded a net charge to funds of £0.64m with income received totalling £1.14m, expenditure of £1.77m and a net loss on investments of £0.08m. The Charity's Report from the Trustees noted a number of projects and initiatives which had been taken forward to deliver the charitable purpose.

Annual Accounts Preparation and Consolidation – Integration Joint Board

The integration of health and social care services under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and associated secondary legislation impacts on Health Board disclosure requirements in the annual accounts. Note 22 to the Annual Accounts, details how these consolidated Financial Statements have been calculated.

In accordance with IAS 28 – Investments in Associates and Joint Arrangements, the primary financial statements include the outturn results and reserve balances of the delegated functions and set aside budgets from NHS Borders to the Scottish Borders Integration Joint Board (IJB) using the equity method of accounting.

Scottish Borders Integration Joint Board

NHS Borders delegated functions and provided resources for these functions during 2024/25 to the Integration Joint Board totalling £189.50m (2023/24 £179.12m) as analysed in the following table.

| Contribution 2023/24 £m | Health and Social Care Service Area | Contribution 2024/25 £m |
|--|--|--|
| 141.41 | NHS Borders Delegated Services | 147.53 |
| 32.53 | NHS Borders Set Aside Budgets | 31.34 |
| 8.05 | Scottish Borders Council Delegated Services* | 8.21 |
| 0.09 | Employee Benefits (50% of IJB total cost) | 0.20 |
| 0.02 | Auditor Fee : External Audit | 0.02 |
| 0.02 | National Development Team for Inclusion | - |
| (3.00) | Reserve (Utilisation)/Carry Forward | 2.20 |
| 179.12 | Total Contribution from NHS Borders | 189.50 |

*Pass through resource, allocated to SBC Delegated Functions from NHS Borders Baseline Revenue Allocation from Scottish Government, titled the Social Care Fund.

The IJB Annual Accounts consolidated from NHS and Social care spend reported a surplus of £2.20m in 2024/25. As part of the Investment in Associates and Joint Arrangements (IAS 28) the NHS proportion (50%) of the IJB year end outturn and equity has been included in this report at £1.10m and £4.53m respectively. The 2024/25 IJB Year end outturn directly relates to the increase in the level of ring fenced reserve funds carried forward to 2025/26.

The Board agreed an initial uplift of 1.7% to the recurring resources provided to the IJB for delegated functions in 2024/25. This uplift was directed at specific cost pressures and investments highlighted in the IJBs financial plan and it was noted that further variation to budget was expected to be enacted following confirmation of NHS pay awards and other in year allocations. In addition, ring fenced allocations received by the Board in relation to IJB delegated functions were made available to the IJB in full.

The Integration Joint Board reported a £6.60m deficit in respect of health delegated functions in 2024/25, and in order to achieve the statutory requirement to deliver a breakeven position a contribution of £6.60m was actioned by NHS Borders. The contribution has been included

in the figure reported in the above table for Delegated Services at £147.53m. This contribution was met following agreement of brokerage with Scottish Government in relation to the Health Board's overall position. The Scottish Borders Scheme of Integration sets out the financial arrangements applicable to the budget of the IJB. Any contribution required from the partners in order to meet the IJBs statutory duty of breakeven is expected to be repayable. At this stage no agreement has been made in relation to specific terms of repayment relating to the support provided to the IJB by NHS Borders.

The Board continues to utilise the agreed Partnership Scheme of Integration to enable resources to be carried forward for use in 2025/26. The balance carried forward by the Health Board on behalf of the IJB has increased from £6.6m to £9.0m during 2024/25. There is ongoing dialogue between the IJB and NHS Borders regarding the utilisation of IJB reserves for repayment of in year support provided to the IJB.

The Delegated Resources and the Commissioned Services are disclosed within Note 4 – Operating Income and Note 3 – Operating Expenses of this report.

The Scottish Borders Integration Joint Board 2024/25 annual accounts will be available from the Scottish Borders Council website www.scotborders.gov.uk

Capital Investment

The Board has reported a total capital spend in 2024/25 of £5.43m achieving the financial target of breakeven against the Capital Resource Limit (CRL).

The capital programme during 2024/25 reported on the completion (a small number of snagging items remain pending at the date of this report) of the Mammography scanner replacement* and the upgrade to Borders Macmillan Centre#. These significant value projects have been financed through carry forward of resources from 2023/24* and a combination of Endowment Charitable Funds and a Grant from Macmillan Cancer Support Charity#.

The Board received a 'formula' based allocation of NHS Scotland capital funding totalling £2.48m for 2024/25, from which prioritised areas of spend included backlog and rolling replacement requirements by the Estates and Facilities Directorate (£0.65m), medical equipment (£0.74m) and rolling replacement items of IM&T (£0.24m). Additional capital resources were allocated to NHS Borders by the National Equipping Board which enabled the replacement of a number of prioritised items totalling £0.17m.

The contractual commitment to a replacement Laboratory Information Management System continues to be reported as an asset under construction for 2024/25. The project is expected to be completed in June 2025.

The Board continued with its multi-year Information Management & Technology (IM&T) Digital Portfolio Programme during 2024/25. The programme was supported by a level of additional fixed term staffing resource within the IM&T team including specialist IM&T contractors. Costs of the staffing resource are reported as part of the Board's Revenue Resource Limit (RRL).

In January 2025 the Board was advised of an issue requiring immediate action in relation to the management of Reinforced Autoclaved Aerated Concrete (RAAC) at Knoll Hospital and Health Centre. Actions implemented included temporary closure of the majority of the Knoll site, including the inpatient ward, as well as decant of services from affected areas, pending remedial works expected to be undertaken during 2025. This is discussed further within the 'disclosures' section of the Governance Statement.

During 2023/24 the Scottish Government advised all Health Boards of increasing constraints on the availability of capital resources. The Board continued to operate on a 'business continuity, maintenance only' basis with regard to capital projects throughout 2024/25.

The situation regarding availability of NHS capital continues to present a significant challenge to NHS Borders moving forward, with an increasing backlog on maintenance and life cycle replacement and concerns on cyber-resilience within the digital programme. Property surveys are undertaken during 2024/25 have informed development of the Board's capital Business Continuity Plan presented to Scottish Government in early 2025 and which has been subject to national prioritisation. This has supported agreement of additional capital investment against immediate maintenance backlog priorities including remediation of structural issues arising from RAAC surveys at the Knoll site. Despite this, current information indicates a backlog in excess of £30m to address maintenance and life cycle replacement across the estate and it is anticipated that this figure will continue to increase following completion of further survey work during 2025/26. These risks are actively monitored through the Board's Resources & Performance Committee.

Payment Policy

The Scottish Government is committed to supporting business in the current economic situation 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 Board reports a good level of performance against both the 30 day contractual and the aspirational 10 day payment targets. The performance statistics reported within this section include all non public sector invoices paid by the Board.

NHS Borders endeavours 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) are as follows:

| | 2024/25 | Volumes | 2023/24 | Volumes |
|---|---------|---------|---------|---------|
| Average period of credit taken | 13 days | | 16 days | |
| - Total Number of Invoices paid | | 40,702 | | 45,125 |
| - Total value of invoices paid | | £79.9m | | £94.3m |
| Percentage of invoices paid within 30 days: | | | | |
| - by volume | 89% | 36,337 | 86% | 38,966 |
| - by value | 89% | £71.4m | 80% | £75.4m |
| Percentage of invoices paid within 10 days: | | | | |
| - by volume | 78% | 31,799 | 75% | 34,058 |
| - by value | 76% | £60.8m | 60% | £56.8m |

Provisions and Liabilities

The following provisions and liabilities are included in the Board's 2024/25 Annual Accounts:

| | 2024/25 | 2023/24 | Notes |
|--|---------|---------|-------|
|--|---------|---------|-------|

| | | | |
|--|---------|---------|---|
| Expected credit loss | £1.57m | £0.54m | Increase to the provision driven by the level of hard to recover income across Public Sector organisations. |
| Trade and other payables (payable within 1 yr.) | £65.99m | £60.55m | Other public Sector bodies (increase of £3m) resulting from the increase in the level of IJB ring fenced funds. |
| Accrual for outstanding Annual Leave (included in Trade and Other payables within 1 yr balances above) | £7.24m | £6.22m | Continued service pressures has necessitated approval of the balance of carry forward of leave into 2024/25 for a significant number of front line and non clinical staff. |
| Provision for Scottish Government Pay Terms and Conditions. | £2.90m | £2.90m | Reviewed provision to reflect the anticipated financial impact of the agreed exercise to review Agenda for Change Band 5 nursing staff. An in year arising figure of £1.53m for 2024/25 Band 5 nursing has been offset by the release of unutilised pay terms and conditions provision of £1.52m. |
| Clinical & Medical Legal Claims | £20.62m | £1.05m | A small number of high value claims have been assessed by Central Legal Office as having an increased probability of substantial liability. |
| Participation in the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) | £12.78m | £12.40m | Volume of claims arising across NHSS during 2024/25. |
| Pensions and similar obligations | £0.91m | £0.96m | Provision utilised in year, no additional obligations as Government Policy no longer permits the enhancement to pension. Any difference year on year results from the application of a the HM Treasury discount factor to reflect time value of the provision over its remaining estimated life. |

Counter Fraud Services

NHS Borders has a zero tolerance for fraud, bribery or corruption. Staff are updated regularly on counter fraud matters including the confidential routes that are available to report suspected fraud, bribery or corruption. A range of fraud awareness initiatives were progressed during the year including targeted awareness in relation to Once for Scotland policies.

NHS Borders has robust procedures in place, which reduce the likelihood of fraud occurring. These are included within the Code of governance (i.e. Standards of Business Conduct, Standing Orders, and Standing Financial Instructions), financial procedures, systems of internal control and risk assessment and not least a comprehensive counter fraud policy and action plan.

NHS Borders works closely with other organisations, including Counter Fraud Services (CFS), the Central Legal Office, Audit Scotland, the Cabinet Office, Department for Work and Pensions, the Home Office, Councils, the Police and the Procurator Fiscal/Crown Office to combat fraud and participates in the bi-annual National Fraud Initiative exercise which is a data matching exercise.

The programme of patient exemption eligibility checking within the CFS Patient Claims Team (PCT) is aligned to policy as agreed by Scottish Government.

Proactive Initiatives

Counter Fraud Services continue to support the fraud agenda with the Board through the local Countering Fraud Operational Group (CFOG), which provides a forum for senior managers from across the organisation to discuss, share information and take forward proactive initiatives facilitated by CFS colleagues.

NHS Borders will continue to work with CFS to ensure the maximum possible resource is available for health services in the Borders.

Implementation of the new Counter Fraud Standards including an annual assessment has been completed by NHS Scotland. The details of the Board's assessment responses has been included in the Annual Fraud Report submitted to the Audit Committee by the Counter Fraud Champion (Andrew Bone, Director of Finance).

PERFORMANCE AGAINST KEY NON-FINANCIAL TARGETS

Social Matters

We strive to be a progressive and exemplary employer. The Board is fully committed to meeting our obligations in respect of the NHS Scotland Staff Governance Standard, and in compliance with the Public Sector Equality Duty (PSED), Scotland, and the Employer's *Statutory Code of Practice* as outlined in the Equality Act (2010).

Our organisational objectives reiterate our aim to embed a culture of accountability and performance within our organisation, and to 'promote excellence in organisational behaviour and always act with pride, humility and kindness'. The new national Workforce Strategy has introduced further values in parallel with the ones above.

We have a zero tolerance approach to bribery and our commitment to the Bribery Act 2010 is set out with the NHS Borders Fraud Policy which is an integral element of the Board's Code of Corporate Governance.

You can read more about the NHS Scotland Workforce Strategy here:
<https://www.gov.scot/publications/national-workforce-strategy-health-social-care/>

You can read the first Scottish Borders Health & Social Care Partnership Integrated Scottish Workforce Plan here:

[Scottish Borders Health and Social Care Partnership \(HSCP\) Workforce Plan 2022-25 is published here.](#)

NHS Borders is committed to being a strong Anchor Institution in South-East Scotland and committed to being a Fair Work employer.

Public Involvement

Public involvement and community engagement is a purposeful process which develops a working relationship between communities, community organisations and public and private bodies to help them to identify and act on community needs and ambitions. It involves respectful dialogue between everyone involved, aimed at improving understanding between them and taking joint action to achieve positive change.

Effective community engagement and the active participation of people is essential to ensure that health and social care services are fit for purpose and lead to better outcomes for people.

Across NHS Borders and the wider Scottish Borders Health and Social Care Partnership our mission is 'to help the people of the Scottish Borders live their life to the full, by delivering services that place their needs at the heart of everything we do.'

This mission cannot be achieved by working in isolation, and we are committed to improving the ways in which people, especially those with lived experience, their families, carers and groups experiencing inequality can have their voices heard in decision making that affects them. We want current and future users of the services we provide to know that their views on what is important to them are understood and that they have influence and choice over how their health and social care needs are met.

As the resources (human and financial) we have available to us become ever tighter, it is also vital that patients, families, carers and our communities feel encouraged and supported to take an active role in their own health as well as in shaping and delivering the care we provide.

NHS Borders **Involving People Framework** is our framework for engagement that:

- service providers can use to help plan engagement activities; and
- service users can refer to in order to find out what they can expect from involvement activities that take place for services provided by NHS Borders and the Scottish Borders Health and Social Care Partnership



The framework is based around the seven National Standards for Community Engagement; planning, inclusion, support, working together, methods, communication and impact; and is being embedded within NHS Borders ways of working.

Engagement on the ‘future direction’ of NHS Borders

During January 2025 NHS Borders undertook a large scale engagement exercise to hear from our staff and communities about what NHS Borders means to them, what they value about our services and where there are opportunities for improvement.

The information gathered was to inform the development of the ‘future direction’ of NHS Borders and to inform our organisational strategy for the next five years; giving us an opportunity to reconnect with our staff and communities, provide a clear vision of where we are going and link this to our values.

Through a combination of pop-up conversations that took place across the entire Borders including in supermarkets, libraries and leisure centres, with an option to fill in an on-line questionnaire a total of 1347 responses were received.

The hospitality, enthusiasm, and sense of community spirit that we were shown throughout the engagement was genuinely uplifting. It was heartwarming to see how special the relationship is between NHS Borders and our communities.



Amongst other things we heard about the importance of timely access to services, the need for community health services and how much value is placed on holistic and preventative care.

The level of positively-framed and constructive feedback we received has been invaluable in informing the development of our organisational strategy for 2025 – 2030, and whilst the strategy remains in development a summary of the initial emerging themes from the responses can be viewed on our website at: <https://www.nhsborders.scot.nhs.uk/our-future-direction>.

Top 5 Themes from Public responses



Accessibility and Timeliness:

Many respondents emphasised the importance of easy access to healthcare services and prompt appointments. They expressed concerns about long waiting times and the difficulty of getting timely care.

Quality of Care:

High standards of medical care and professional staff were frequently mentioned. Respondents valued compassionate, empathetic, and respectful treatment from healthcare providers.

Mental Health Services:

There was a significant demand for better access to mental health support. Many respondents highlighted the need for more mental health services and resources closer to their communities.

Holistic and Preventive Care:

A comprehensive approach to healthcare that addresses both physical and mental health needs was highly valued. Respondents wanted more focus on preventive care and health promotion.

Community Health Services:

The need for local clinics and community health services, such as minor injuries units and routine check-ups, was a common theme. Respondents wanted more healthcare services available within their local areas to reduce the need for travel.

Our thanks go out to everyone for supporting this important piece of work as we shape the future of NHS Borders.

Annual Delivery Plan

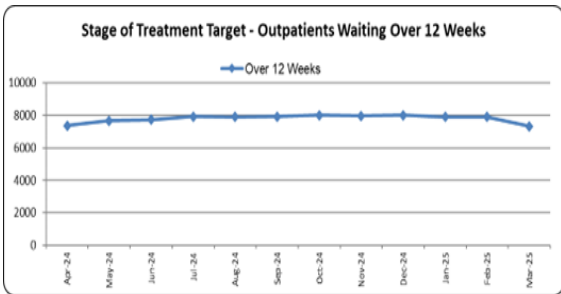
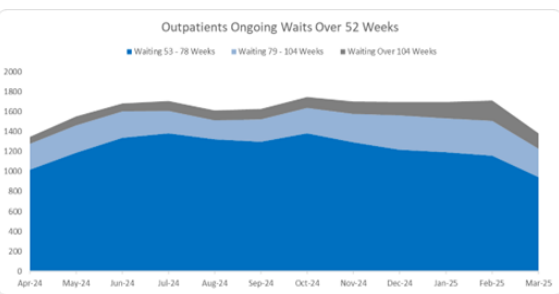
In response to the COVID-19 pandemic the Scottish Government introduced a revised one year planning framework, replacing Annual Operational Plans (AOP) with Remobilisation Plans (RMP4 is the Board's latest version) and subsequently an Annual Delivery Plan (ADP) and Medium Term Plan (MTP) in 2023/24. NHS Borders agreed a set of trajectories in 2024/25 describing planned activity and performance against key measures, as outlined in the Performance Scorecard.

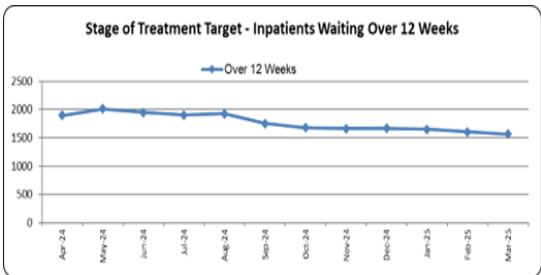
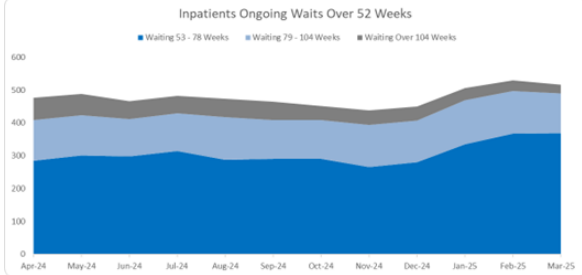
You will see some measures reported under both ADP, MTP and RMP4. Performance trajectory milestones and targets have been set as either percentage or numerical measures. The scorecard highlights deviation from planned performance using a Red / Amber / Green key, as follows:

| Current Performance Key | | | |
|-------------------------|---------------------------|---|---|
| R | Under Performing | Current performance is significantly out with the trajectory set. | Out with the standard by 11% or greater |
| A | Slightly Below Trajectory | Current performance is moderately out with the trajectory set. | Out with the standard by up to 10% |
| G | Meeting Trajectory | Current performance matches or exceeds the trajectory set | Overachieves, meets or exceeds the standard, or rounds up to standard |

Summary of Performance against the Annual Delivery Plan targets and local Key Performance Indicators (KPI) as at 31 March 2025.

| Cancer | Feb 2025 | RAG | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|------------|---|-------|------------|------------|--------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|-------|------------|------------|--------|------|-----|--------|------|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|--------|------|-----|--------|------|-----|--------|------|-----|--------|-----|-----|--------|-----|-----|--------|------|-----|--------|------|-----|
| 95% of all cases with a Suspicion of Cancer to be seen within 62 days | 55% | R | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 95% of all patients requiring Treatment for Cancer to be seen within 31 days | 100% | G | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>The performance reported below covers the period to end February 2025 (latest available data), as reported to the Board in March 2025. There has been a drop in performance from March 2024. The standard for patients that started treatment within 62 days of referral of urgent suspicion of cancer has not been met for the 11 months within 2024/25 reported here, and was not met at February 2024. However, the standard for those to start treatment within 31 days of decision to treat has been met 10 of the 11 months throughout 2024/25. The reasoning behind this drop in performance is explained earlier in this document under the non-financial performance section.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div style="display: flex; justify-content: space-around;"> <div style="width: 45%;"> <p>95% of suspicion of cancer cases seen within 62 Days</p> <table border="1"> <caption>95% of suspicion of cancer cases seen within 62 Days</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> <th>Standard %</th> </tr> </thead> <tbody> <tr><td>Mar-24</td><td>85%</td><td>95%</td></tr> <tr><td>Apr-24</td><td>78%</td><td>95%</td></tr> <tr><td>May-24</td><td>80%</td><td>95%</td></tr> <tr><td>Jun-24</td><td>70%</td><td>95%</td></tr> <tr><td>Jul-24</td><td>75%</td><td>95%</td></tr> <tr><td>Aug-24</td><td>75%</td><td>95%</td></tr> <tr><td>Sep-24</td><td>80%</td><td>95%</td></tr> <tr><td>Oct-24</td><td>68%</td><td>95%</td></tr> <tr><td>Nov-24</td><td>80%</td><td>95%</td></tr> <tr><td>Dec-24</td><td>65%</td><td>95%</td></tr> <tr><td>Jan-25</td><td>45%</td><td>95%</td></tr> <tr><td>Feb-25</td><td>55%</td><td>95%</td></tr> </tbody> </table> </div> <div style="width: 45%;"> <p>95% of cancer treatment patients treated within 31 Days</p> <table border="1"> <caption>95% of cancer treatment patients treated within 31 Days</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> <th>Standard %</th> </tr> </thead> <tbody> <tr><td>Mar-24</td><td>100%</td><td>95%</td></tr> <tr><td>Apr-24</td><td>100%</td><td>95%</td></tr> <tr><td>May-24</td><td>95%</td><td>95%</td></tr> <tr><td>Jun-24</td><td>98%</td><td>95%</td></tr> <tr><td>Jul-24</td><td>98%</td><td>95%</td></tr> <tr><td>Aug-24</td><td>100%</td><td>95%</td></tr> <tr><td>Sep-24</td><td>100%</td><td>95%</td></tr> <tr><td>Oct-24</td><td>100%</td><td>95%</td></tr> <tr><td>Nov-24</td><td>98%</td><td>95%</td></tr> <tr><td>Dec-24</td><td>97%</td><td>95%</td></tr> <tr><td>Jan-25</td><td>100%</td><td>95%</td></tr> <tr><td>Feb-25</td><td>100%</td><td>95%</td></tr> </tbody> </table> </div> </div> | | | Month | Percentage | Standard % | Mar-24 | 85% | 95% | Apr-24 | 78% | 95% | May-24 | 80% | 95% | Jun-24 | 70% | 95% | Jul-24 | 75% | 95% | Aug-24 | 75% | 95% | Sep-24 | 80% | 95% | Oct-24 | 68% | 95% | Nov-24 | 80% | 95% | Dec-24 | 65% | 95% | Jan-25 | 45% | 95% | Feb-25 | 55% | 95% | Month | Percentage | Standard % | Mar-24 | 100% | 95% | Apr-24 | 100% | 95% | May-24 | 95% | 95% | Jun-24 | 98% | 95% | Jul-24 | 98% | 95% | Aug-24 | 100% | 95% | Sep-24 | 100% | 95% | Oct-24 | 100% | 95% | Nov-24 | 98% | 95% | Dec-24 | 97% | 95% | Jan-25 | 100% | 95% | Feb-25 | 100% | 95% |
| Month | Percentage | Standard % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar-24 | 85% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr-24 | 78% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May-24 | 80% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun-24 | 70% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul-24 | 75% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug-24 | 75% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep-24 | 80% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct-24 | 68% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov-24 | 80% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec-24 | 65% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-25 | 45% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb-25 | 55% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Month | Percentage | Standard % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar-24 | 100% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr-24 | 100% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May-24 | 95% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun-24 | 98% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul-24 | 98% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug-24 | 100% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep-24 | 100% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct-24 | 100% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov-24 | 98% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec-24 | 97% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-25 | 100% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb-25 | 100% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| New Outpatients | March 2025 | RAG |
|---|------------|-----|
| 0 patients waiting over 12 weeks for Outpatients first appointment | 7351 | |
| <p>As at end March 2025 there were 7351 patients waiting greater than the national access standard (12 weeks) for first appointment. This is an increase of 212 from the position reported at March 2024 (7137). As at end March 2025 it is estimated that the Board has remobilised outpatient capacity at 79% of pre-pandemic levels, with vacancies in key specialist posts resulting in significant shortage in a small number of specialties.</p> <p>The Board's ADP sets out an in year performance trajectory for the number of patients waiting in excess of 52 weeks. As at March 2025 there were 1384 patients waiting greater than one year for first outpatient appointment against a target of 0 (Zero).</p> | | |
| <div>   </div> | | |

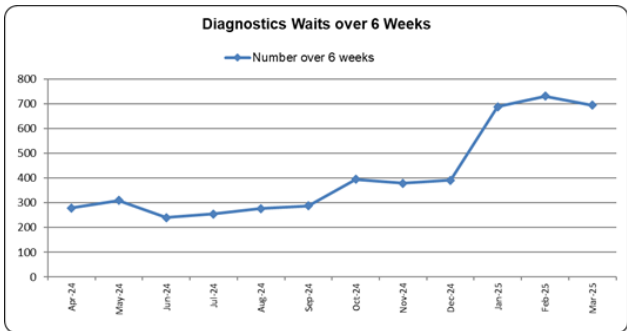
| Inpatients | March 2025 | RAG |
|---|------------|-----|
| 0 patients waiting over 12 weeks for inpatient treatment | 1565 | |
| <p>As at end March 2025 there were 1565 patients waiting greater than the national treatment standard (12 weeks). This is a decrease of 437 from the position reported at March 2024 (2002). Access to inpatient treatment continues to be significantly affected by the availability of hospital beds as a result of pressures on unscheduled care performance and the number of delayed discharges.</p> <p>The Board's ADP sets out an in year performance trajectory for the number of patients waiting in excess of 78 weeks (1 year 6 months). As at March 2025 there were 148 patients.</p> | | |
| <div>   </div> | | |

| Treatment Time Guarantee | March 2025 | RAG |
|--|------------|-----|
| 0 patients waiting over 84 days (12 weeks) for inpatient treatment | 152 | |

The Board continues to monitor performance against the national treatment time guarantee and referral to treatment standard. Performance against these standards is measured on the basis of completed 'journeys' and therefore excludes the impact of long waits not completed at the time of reporting.

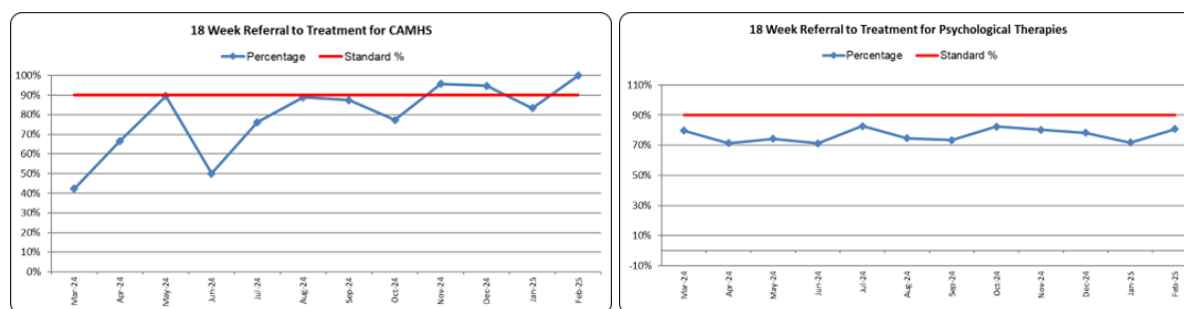
In March 2025 there were 152 patients who had not been treated within 12 weeks. This is an increase of 85 on the figure reported at March 2024 (197).

A number of initiatives have been implemented to improve these figures including theatre scheduling, pooled lists, In Patient Waiting List (IPWL) validation and review of elective bed capacity.

| Diagnostic Waiting Times | March 2025 | RAG |
|---|------------|-----|
| 6 Week Waiting Target for Diagnostics | 694 | |
| <p>Against the 8 key tests measured, there were 694 patients waiting greater than the national standard (six weeks) at the end of March 2025. This is an increase of 439 on the position reported at March 2024 (255).</p> <p>There is no separate ADP trajectory for diagnostic tests.</p>  | | |

| Mental Health Waiting Times | Feb 2025 | RAG |
|---|----------|-----|
| 90% of CAMHS patients seen and treated within 18 weeks of Referral to Treatment | 100% | |
| 90% of Psychological Therapy patients to be seen within 18 weeks of Referral to Treatment | 80.7% | |
| <p>The national standards for Child & Adolescent Mental Health Services (CAMHS) and Psychological Therapies require that 90% of patients are treated within 18 weeks of referral. Performance in both of these areas is significantly impacted by availability of workforce, with continued vacancies across Mental Health services in a number of key specialist roles. The Board is working closely with Scottish Government to address this position.</p> <p>As at February 2025, CAMHS performance was 100.0%, a 50% increase from February 2024 (50.0%). Psychological Therapies (PT) performance for the same period was 80.7%, a decrease on the March 2024 performance of 83.5%. We are currently undertaking a</p> | | |

Service Review within PT to consider ways of improving performance although this is challenging due to gaps in services; a proposal to engage some fixed term psychology input to assist with reducing our longest waits is being developed.



Drugs & Alcohol

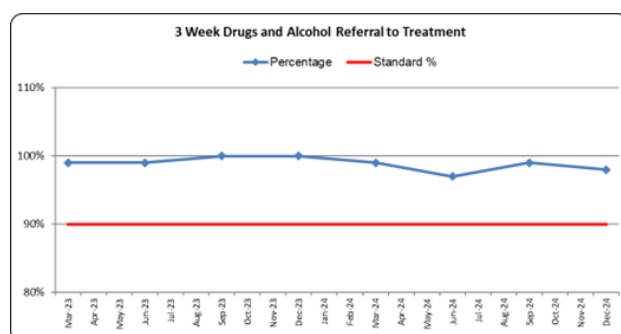
**Dec
2024**

RAG

90% of patients treated within 3 weeks of referral

98%

Performance is measured against the 3 week national referral to treatment standard. The Board continues to meet this standard at 98% performance.



Accident & Emergency

**March
2025**

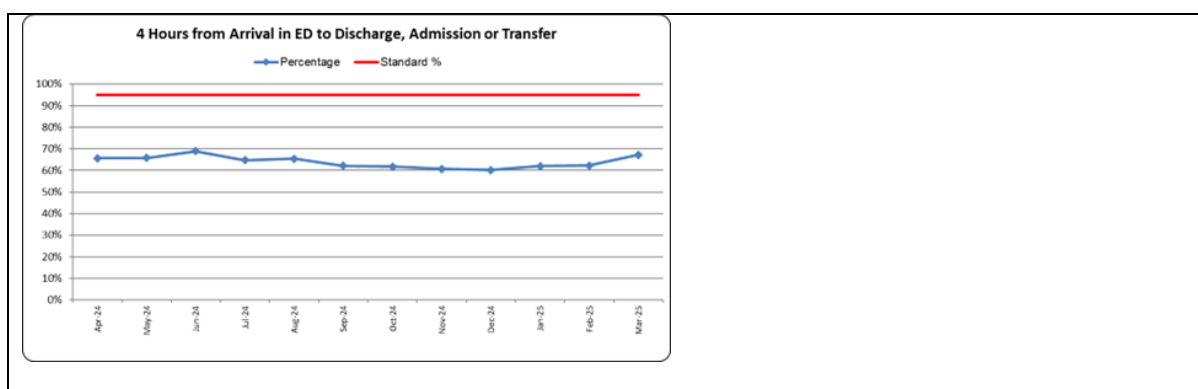
RAG

95% of patients seen, discharged or transferred within 4 hours

67.2%

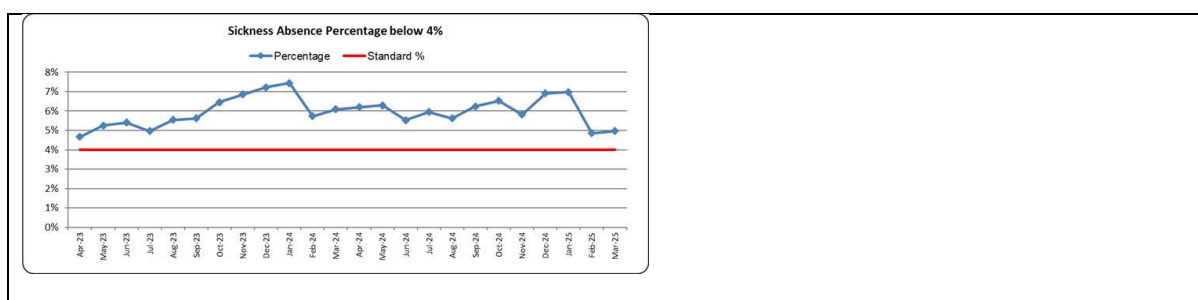
Performance against the four hour emergency access standard (95%) was 67.2% in March 2025, a 0.6% improvement against the March 2024 performance of 68.46%.

This performance is driven by a number of factors including: increased acuity, bed 'blockers' within medical assessment unit resulting in crowding in the Emergency Department, lack of hospital flow impacting on the ability to admit from A&E and resulting in overnight stays within the department, and continued staffing shortages within the department. An urgent and unscheduled care programme is leading on actions to address the issues underpinning poor performance.



| Delayed Discharges | March 2025 | RAG | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|----------------------------|-----|-------|----------------------------|--------|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|----|
| 0 patients delayed in hospital for more than 72 hours | 46 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| As at March 2025 there were 46 patients waiting greater than 72 hours for hospital discharge. This is a decrease of 11 on the equivalent number at March 2024 (57). The overall number of bed days attributable to delayed discharges continues to present a significant challenge to hospital flow. Further details around the actions and improvements we are making are explained earlier in this document within the non-financial performance section. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div><p>DDs at Census Delayed over 72 Hours</p><p>— DDs over 72 hours (3 days)</p><table><thead><tr><th>Month</th><th>DDs over 72 hours (3 days)</th></tr></thead><tbody><tr><td>Apr-24</td><td>58</td></tr><tr><td>May-24</td><td>46</td></tr><tr><td>Jun-24</td><td>62</td></tr><tr><td>Jul-24</td><td>55</td></tr><tr><td>Aug-24</td><td>56</td></tr><tr><td>Sep-24</td><td>57</td></tr><tr><td>Oct-24</td><td>64</td></tr><tr><td>Nov-24</td><td>58</td></tr><tr><td>Dec-24</td><td>52</td></tr><tr><td>Jan-25</td><td>48</td></tr><tr><td>Feb-25</td><td>47</td></tr><tr><td>Mar-25</td><td>46</td></tr></tbody></table></div> | | | Month | DDs over 72 hours (3 days) | Apr-24 | 58 | May-24 | 46 | Jun-24 | 62 | Jul-24 | 55 | Aug-24 | 56 | Sep-24 | 57 | Oct-24 | 64 | Nov-24 | 58 | Dec-24 | 52 | Jan-25 | 48 | Feb-25 | 47 | Mar-25 | 46 |
| Month | DDs over 72 hours (3 days) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr-24 | 58 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May-24 | 46 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun-24 | 62 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul-24 | 55 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug-24 | 56 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep-24 | 57 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct-24 | 64 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov-24 | 58 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec-24 | 52 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-25 | 48 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb-25 | 47 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar-25 | 46 | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Sickness Absence | March 2025 | RAG |
|--|------------|-----|
| Maintain overall sickness absence rates below 4% | 5% | |
| <p>The sickness absence rate at the end of March is 5% across NHS Borders, against a standard of 4%. The Workforce Directorate support several initiatives across all Clinical Boards including providing monthly sickness reports, advice and support through the NHS Scotland Attendance Policy for long and short term absences, as well as working with Occupational Health to support case reviews. Dashboards are also produced and discussed as part of HR updates to local Partnership Forums and Clinical Board meetings. Various other training and support has been implemented to help improve sickness absence rates for NHS Borders staff members.</p> | | |



| C.difficile Infection (CDI) | 2024/25 | RAG |
|--|---------|-----|
| Maximum of 12 healthcare associated CDI cases | 15 | |
| <p>The Scottish Government set a target for each Board to achieve a 10% reduction in the healthcare associated CDI rate per 100,000 total occupied bed days (TOBDs) by the end of 2023/24 (using 2018/19 as the baseline). In the absence of any Scottish Government target for 2024/25, NHS Borders continued to work towards the previous target.</p> <p>Recurrence of CDI is not uncommon. In 2024/25, 18% of the patients with CDI accounted for 9 (60%) of the cases. During this period NHS Borders was not a statistical outlier from the rest of NHS Scotland.</p> | | |

| S.aureus bacteraemia (SAB) | 2024/25 | RAG |
|--|---------|-----|
| Maximum of 20 healthcare associated SAB cases | 24 | |
| <p>The Scottish Government set a target for each Board to achieve a 10% reduction in the healthcare associated SAB rate per 100,000 total occupied bed days (TOBDs) by the end of 2023/24 (using 2018/19 as the baseline). In the absence of any Scottish Government target for 2024/25, NHS Borders continued to work towards the previous target.</p> <p>In December 2024, there were 5 cases which was a statistically significantly increase. Two of the cases were associated with skin / soft tissue. This reflects a recent shift with this now being the most frequent cause of healthcare associated SAB cases rather than Catheter Associated Urinary Tract Infection (CAUTI). Work is progressing to review each case and identify any learning.</p> | | |

| E.coli bacteraemia (ECB) | 2024/25 | RAG |
|---|---------|-----|
| Maximum of 32 healthcare associated ECB cases | 47 | |
| <p>The Scottish Government previously set a target for each Board to achieve a 25% reduction in the healthcare associated ECB rate per 100,000 total occupied bed days (TOBDs) by the end of 2024/25 (using 2018/19 as the baseline). In the absence of any Scottish Government target for 2024/25, NHS Borders continued to work towards the previous target.</p> <p>Urinary catheters are the primary risk for patients developing ECB. Catheter Associated Urinary Tract Infection (CAUTI) was the cause of 36% of ECB cases in 2024/25. A</p> | | |

Prevention of CAUTI Group is overseeing a programme of work to reduce the risk of CAUTI. This includes considering alternatives to catheters when appropriate, safe management of catheters when they are required and early removal when possible.

Sustainability and Environmental Reporting

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

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

Further information on the Scottish Government's approach can be found in the [Climate Change Plan 2018-2032](#) while national reports can be found at the following resource:

<https://sustainablesotlandnetwork.org/reports>

In February 2024 the Health Board published its third annual climate and sustainability report. This report describes the level of emissions currently reported against our estate, together with the actions we are taking in relation to adaptation and mitigation of climate change, and our wider duties in relation to biodiversity and sustainable development. You can access this report at the following link:

nhsborders.scot.nhs.uk/corporate-information/about-the-board/climate-sustainability/

The report includes our metrics used to measure all aspects of reducing our Carbon footprint. It also includes details of the Adaptation plan.

Events after the end of the reporting period

The Board has included provisions and contingent liabilities and assets relating to Clinical Medical Negligence claims based on information received from the NHS Scotland Central Legal Office after the balance sheet date of 31st March 2025 up to the signing date of these accounts.

Following a successful procurement exercise the General Medical Services contract for Duns Medical Group (DMG) has been awarded to Merse Medical Practice. Merse Medical Practice is the neighbouring GP Practice based in the Knoll Health Centre, Duns. The General Medical Services provision contract to run DMG will be transferred to Merse Medical Practice on 1 October 2025. From this date DMG patients will be registered with Merse Medical Practice.

Signed

Peter Moore
Chief Executive and Accountable Officer
26 June 2025



THE ACCOUNTABILITY REPORT

I. CORPORATE GOVERNANCE REPORT

a) The Directors' Report

Naming Convention

NHS Borders is the common name for Borders Health Board.

Date of Issue

The Accountable Officer authorised these financial statements for issue on 26 June 2025.

Appointment of Auditors

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. The Auditor General appointed Mr J Boyd, Audit Director, from Audit Scotland 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.

Board Membership

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

The Health Board has collective responsibility for the performance of the local NHS system as a whole, and reflects the partnership approach, which is essential to improving health and health care. The members of the NHS Board who served during the year from 1 April 2024 to 31 March 2025 were as follows:

Non-Executive Members

Mrs K Hamilton, Chair
 Mr J Ayling
 Dr K Buchan (to 16th January 2025)
 Mrs H Campbell
 Ms L Livesey*
 Mr J McLaren
 Mrs L O'Leary
 Cllr D Parker
 Mrs F Sandford

Are all Scottish Government appointed Non Executive Members.

*Whistleblowing Champion for the Board.

Board Membership

Executive Members

Mr R Roberts, Chief Executive* (to 30th August 2024)
 Mr Peter Moore, Chief Executive* (from 2nd September 2024)

Mr A Bone, Director of Finance, Procurement, Estates & Facilities*
 Mr G Clinkscale, Director of Acute Services
 Mrs S Horan, Director of Nursing, Midwifery & Allied Health Professionals
 Dr L McCallum, Medical Director *
 Mrs J Smyth, Director of Planning & Performance
 Mr A Carter, Director of Workforce
 Dr S Bhatti, Director of Public Health *
 Mr C Myers, Chief Officer Health & Social Care
 Mrs L Jones, Director of Quality & Improvement
 Ms L Huckerby, Interim Director of Acute Services (FTC from 4 December 2023 to 28th February 2025 to cover the absence of Mr G Clinkscale)
 Mr Oliver Bennett, Interim Director of Acute Service (from 24th February 2025 to cover absence of Mr G Clinkscale)
 Mrs S Errington, Interim Director of Planning & Performance (to 3rd May 2024)

* Are all Scottish Government appointed Executive Directors.

The Board members' responsibilities in relation to the accounts are set out in section B of the Corporate Governance Report.

Board Members' and Senior Managers' Interests

Details of any related party transactions 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 20 (Related Party Transactions).

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. The register is updated on an annual basis or as a result of a specific amendment from a Board Member.

Access to the Register of Interest can be made via the Board's website <http://www.nhsborders.scot.nhs.uk/corporate-information/about-the-board/board-member-register-of-interests>.

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.

Pension Liabilities

The accounting policy note for pensions is provided within the Accounting Policy Note 1 and disclosure of the costs is shown within Note 18 and the Remuneration Report.

Remuneration for Non Audit Work

No non audit work has been undertaken by Audit Scotland on behalf of the NHS Board.

Public Services Reform (Scotland) Act 2010

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

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.scot.nhs.uk/corporate-information/about-the-board/public-services-reform-\(scotland\)-act-2010](http://www.nhsborders.scot.nhs.uk/corporate-information/about-the-board/public-services-reform-(scotland)-act-2010).

Disclosure of Information to Auditors

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

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 19, and described in the Accounting Policy Note 1.

Personal data related incidents reported to the Information Commissioner

During 2024/25 the Information Commissioner took enforcement action against several UK organisations for breaching data protection legislation, including several health organisations. In June 2024 NHS Borders received a notification regards use of WhatsApp for patient related data after receiving a complaint. The Information Commissioner's Office (ICO) upheld the complaint, and the Board were required to take several actions.

Also of note, Advanced, the supplier of Adastra Out of Hours System (used by NHS24 and NHS Borders Urgent Care Out of Hours Service) has had a fine of £3 million imposed in relation to the cyber-attack it experienced in August 2022. The ICO announced last year that it intended to impose a provisional £6m fine on Advanced for the breach, however this was halved because of the proactive engagement of Advanced with police, cyber security services and the NHS following the attack. In addition to this, NHS Dumfries & Galloway self-reported to the ICO following the cyber-attack and loss of personal data that they experienced in March 2024, and an investigation is ongoing.

It therefore remains a key priority on the Information Governance Action Plan to promote staff awareness of what constitutes a data protection incident, and that these are accurately reported in the adverse event reporting tool InPhase and followed up as appropriate.

The Statement of Board Members' Responsibilities

Under the National Health Service (Scotland) Act 1978, the Health Board is required to prepare accounts in accordance with the directions of Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the Health Board as at 31 March 2025 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 on a reasonable basis.
- State where applicable accounting standards as set out in the Financial Reporting Manual have not been followed where the effect of the departure is material.

- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Board will continue to operate.

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

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

b) The Statement of Accountable Officer's responsibilities

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

This designation carries with it, responsibility for:

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

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

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

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

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as Accountable Officer as intimated in the Departmental Accountable Officers letter to me of the 19 June 2024.

c) The 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. I am also 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 2025, and up to the date of approval of the annual report and accounts.

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

Quality and Sustainability Board

The Quality and Sustainability Board was established to provide governance and oversight to the development of organisational strategies and programmes of work which support the implementation of these strategies. The membership of this group includes key senior clinical and managerial representatives and monitors progress towards the delivery of key programmes of work established on a whole system basis to support strategy implementation, including, but not limited to, financial recovery, service reviews, efficiency and productivity.

Governance Framework

The Accountable Officer is supported to discharge his responsibilities by the existence of the following governance framework:

The Board

The Board met 6 times during the year 01.04.24 to 31.03.25 with 6 scheduled meetings. Meetings are held via MS Teams, in person, and as a hybrid, to progress the business of the NHS Board. An invitation for public attendance is advertised on the NHS Borders website allowing attendance via the Teams platform or in person dependent on the meeting arrangements.

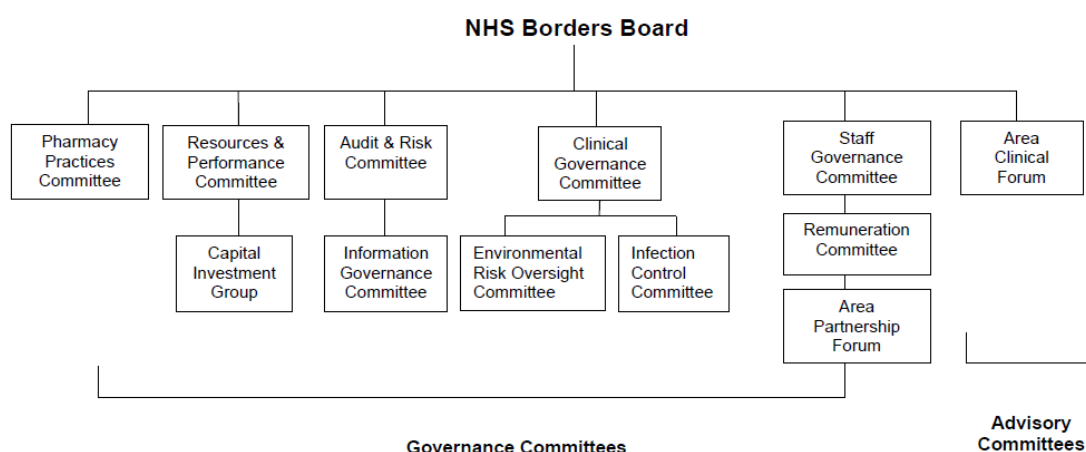
Standing Committees

The NHS Board is supported by a number of standing committees which are directly accountable to it:

- Clinical Governance Committee
- Staff Governance Committee
- Resources & Performance Committee
- Audit & Risk Committee
- Pharmacy Practices Committee

Minutes of each standing committee are noted by the full NHS Board.

A number of other management committees are established to support the business of the standing committees; these are included in the diagram below.



* The Pharmacy Practices Committee has delegated authority from the Board to meet when there are applications to consider in line with Statutory Instrument 1995 NO 414 (S28)
The National Health (Pharmaceutical Services) Service (Scotland) - Regulations 1995

The remit of each standing committee is noted below:

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 clinical governance controls are in place and effective across NHS Borders, and that the principles of clinical governance are applied to the health improvement activities of the Board. The committee is also remitted to ensure an appropriate approach is in place to deal with clinical risk management and that performance of the management of clinical risk is reviewed.

Resources and Performance Committee

The overall purpose of the Resources and Performance Committee is to provide assurance across the healthcare system regarding finance and performance, ensure alignment across whole system planning and commissioning, and to discharge the delegated responsibility from the NHS Board in respect of asset management.

The Committee receive reports, and draft plans for review and response in respect of, Finance, Performance, Capital, Asset Management, East of Scotland Regional Planning, National Shared Services and the Health and Social Care Partnership strategic plan.

The Committee oversees the development of a Financial Strategy for approval by the Board that is consistent with the principle of Patient Safety as our number one priority, but with reference to all other national and local priorities.

The Committee acts as the Performance Management Committee of the Board, the Service Redesign Committee of the Board and influences the early development of the strategic direction of the Board.

Audit & Risk Committee

The purpose of the Audit & Risk Committee (A&RC) is to ensure compliance to the Board's Code of Corporate Governance and give assurance that an effective system of internal control is maintained. The duties of the Audit & Risk Committee are in accordance with the Scottish Government Audit Committee Handbook and include assisting the Board to deliver its responsibilities for the conduct of public business, the stewardship of funds under its control and that effective systems of Risk Management are in place.

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 as detailed by the Staff Governance Standard which forms part of the National Health Service Reform (Scotland) Act 2004. 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.

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 on the 28th August 2024 to consider a new pharmacy application for the Kelso area.

The remit of the supporting committees is described below.

Infection Control Committee

The Infection Control Committee (ICC) exists to maintain an overview of infection control priorities across NHS Borders, and links into the healthcare governance processes. It ensures that infection control issues are managed and escalated appropriately, escalating to the Clinical Governance Committee appropriate risks that have been identified together with actions being taken to minimise the level of risk. The ICC formally reports to the Operational Planning Group with a link to the Clinical Governance Committee for scrutiny and assurance.

Information Governance Committee

The Information Governance Committee's role is to provide assurance to NHS Borders Audit & Risk Committee that the board is compliant with legislation relating to information governance, and that robust delivery systems are in place to monitor compliance and provide support to the organisation with information governance and data protection matters. The Information Governance Committee consists of members from different professional backgrounds and includes representatives from each Business Unit of NHS Borders.

Environmental Risk Oversight Committee (EROC)

This group is constituted to provide specialist technical oversight to areas of risk relating to the built environment. It does not replace the existing risk management functions performed by other groups including Infection Control Committee, Occupational Health & Safety Forum, Operational Planning Group (OPG). The EROC formally reports to the Operational Planning Group on matters relating to operational performance, risk and financial control. It ensures that environmental risk issues are managed and escalated appropriately; escalating very high risks, as considered from the Board risk appetite approach, to the Operational Planning Group; and escalating to the Clinical Governance Committee appropriate risks that have been identified together with actions being taken to minimise the level of risk.

Remuneration Committee

The Board Remuneration Committee is in place to ensure compliance with mandatory guidance 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.

Area Partnership Forum (APF)

The Area Partnership Forum, as a strategic body, is responsible for facilitating, monitoring and evaluating the effective operation of partnership working across NHS Borders, and to develop and approve Workforce (i.e. HR and related) Policies in accordance with agreed timetables and priorities through the partnership process, for adoption of these policies by the Staff Governance Committee on behalf of the Board as the employer.

Area Clinical Forum

This is an advisory committee which formulates comprehensive clinical advice to the Board on matters of policy and implementation.

Corporate Governance

Corporate Governance arrangements in place within the Board to support the Accountable Officer are detailed below:

- The Board approved the NHS Borders Organisational Purpose, Objective, Priorities and Values 2020-2023. The organisation wishes to reduce health inequalities and improve the health of our local population; provide high quality, person-centred services that are safe, effective, sustainable and affordable; promote excellence in the organisational behaviour and always act with pride, humility and kindness. The following link provides access to the full report <http://www.nhsborders.scot.nhs.uk/corporate-information> .
- The Chief Executive is keen to have a clear future direction for NHS Borders, and work has begun to create the overarching strategy. Public and staff engagement sessions were held in 2025 to provide the opportunity to discover what is important to the local community and to provide the blueprint for our bridge towards the 2025-2030 strategy. When implementing the NHS Borders Strategy 2025-2030, the governance architecture may need to adapt. Development is at an early stage, but it has already identified the need to streamline the architecture and decision-making structures within NHSB in order to set clear direction for Business Units and empower teams, with enhanced clinical leadership. This approach will

empower teams, fostering a sense of ownership that leads to more effective and transparent planning for progress. It will also cultivate innovation, enhance standards across the organisation, and ensure the successful delivery of agreed priorities for 2025/26.

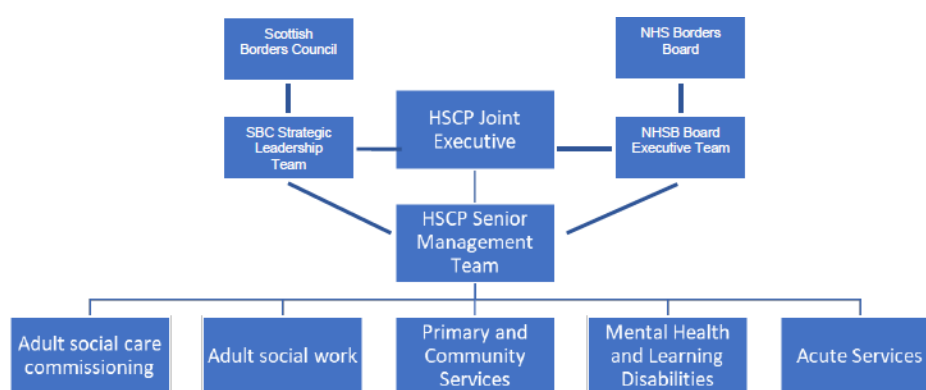
- Patient safety is paramount within NHS Borders and our commitment to strive for excellence in patient safety and improve patient experience is reflected in the organisational objectives.
- During 2024/25 the Board operated a corporate performance management and reporting framework. This included the ongoing development and review of Service/Clinical Board/Clinical Executive performance scorecards ensuring focus on quality and safety as well as wider service performance issues. Progress against key performance targets are reported to the Board on a regular basis.
- The board member development programme keeps the board up to date on issues. Members of the board have access to the NHS Scotland Board Development website <https://learn.nes.nhs.scot/17367/board-development>. There have been 6 sessions this year.
- The Board utilises many forms of communication including staff share updates, the intranet 'Ask the Board' facility, social media and a weekly BGH newsletter; as well as leadership walk rounds by senior managers.
- The standing committees, strategic and operational groups within the organisation are remitted to promote Best Value within NHS Borders thus ensure that all processes within the Board 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.
 - Realising economy, efficiency, effectiveness, and 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. Best Value is considered by the Board as simply a codification of good governance and good management and therefore existing governance processes should be utilised wherever possible.
- By embedding Best Value in existing governance processes, assurance and evidence can be obtained 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 the Cadbury, Nolan and other Reports, including the [NHS Scotland - blueprint for good governance: second edition - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/blueprint-for-good-governance/second-edition/pages/1-to-4.aspx) and guidance issued by the Scottish Government Health & Social Care Directorates (SGHSCD) and others. 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 & Risk

Committee and the other standing committees of the Board including the terms of reference which are reviewed and approved on an annual basis. This ensures explicit agreement of the purpose, key functions and delegated remit of each Committee. The refreshed CoCG was presented to the Board on the 4th April 2024 for approval and as a result established two new standing committees both sub-committees of the Clinical Governance Committee. The Environmental Risk Oversight Committee will maintain an overview of environmental risk priorities across NHS Borders and the Infection Control Committee will maintain an overview of infection control priorities across NHS Borders. Both will link into the healthcare governance processes and ensure control issues are managed and escalated appropriately.

- The Board maintains strong financial governance through 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 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 policies and procedures, as part of the risk based annual audit plans, give assurance that compliance is achieved.
- The Independent National Whistleblowing Officer (INWO) Standards were introduced from 01 April 2021 in the form of the *'NHS Borders: Guide for Staff on Raising Whistleblowing Concerns'*. Lynne Livesey is the NHS Borders Whistleblowing Champion and non-executive director member of the NHSB Board. The Board has several confidential contacts to help interested parties understand the nature of any concerns they have and whether they fit the definition of whistleblowing. The current confidential contacts and their email addresses are detailed on the Human Resources microsite, follow the whistleblowing link. The annual "Speak Up Week" ran from the 30th September and show cased the importance of speaking up and raising awareness about how staff, students and volunteers can raise concerns within the NHS in Scotland.
- In line with the Blueprint for Good Governance, NHS Borders adopted a standard process for annual self-assessment of the board and its committees. The purpose of the self-assessment is to assess how effective each committee is in discharging its business, and to provide supporting evidence to inform the committee's annual report (i.e. assurance statement). Any identified areas for development or improvement are translated into an action plan which is reviewed and monitored by the relevant committee. The latest self-assessment request will be issued by the Scottish Government and take the form of an online survey.
- NHS Borders ensures it appropriately governs its research activities by referring any research request for independent advice to the South East Scotland Research and Ethics Service (SESR&ES). The SESR&ES consider whether the planned activity adequately protects the dignity, rights, safety and wellbeing of individual research subjects. Outcomes from the research governance process are reported to the Clinical Boards and Operational Planning Group (OPG).
- The Scottish Borders Health and Social Care Integration Joint Board (IJB) is responsible for the "functions" which NHS Borders and Scottish Borders Council has delegated to it. The IJB must agree a strategic plan and direct the NHS Board and local authority as to how the functions are to be delivered in order to deliver

services as commissioned by the Scottish Borders Health and Social Care Integration Joint Board in line with the agreed Borders [Joint Strategic Plan](#). The IJB must have regard to the national health and wellbeing outcomes, the integration delivery principles and the needs of localities within the Scottish Borders region. The IJB is governed by a Board with membership drawn equally from non-executive members of the Health Board and councillors from Scottish Borders Council.

The Health and Social Care Partnership (HSCP) is a operational management vehicle through which the delivery of IJB delegated functions is managed. This includes a joint executive group where executives officers of the Health Board, Scottish Borders Council and the IJB meet jointly to provide leadership to the HSCP.



The chart above outlines the reporting arrangements for the Health and Social Care Partnership.

More information about the IJB and HSCP is also available on its website under [frequently asked questions](#).

- In accordance with IAS 28 – Investments in Associates and Joint Arrangements, the primary financial statements include the outturn results of the delegated functions and set aside budgets from NHS Borders to the Scottish Borders IJB using the equity method of accounting.
- In accordance with 'IFRS 10 – Separate Financial Statements, the Financial Statements' consolidate the Borders Health Board Endowment Fund (known as 'The Difference'). An unqualified audit opinion has been provided from the independently appointed auditors, Thomson Cooper, following the 2024/25 audit of the Endowment Fund financial statements. The audit opinion includes that no significant issues were reported as part of the audit, with a number of recommendations being made which will be considered by the Trustees. This governance statement includes any relevant disclosure in respect of Endowment Funds.

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:

- Statements of assurance from the Executive Directors 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 & Risk Committee regular reports which include their independent and objective opinion on the effectiveness of risk management, control and governance processes, together with recommendations for improvement.
- Comments made by the external auditors in their management letters and other reports.

The control mechanisms are overseen and evaluated by the NHS Board, its standing committees (as detailed in this governance statement) 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 individual clinical boards who hold responsibility for risk management.
- The Information Governance Committee whose remit is to provide assurance to the Board that guidance and best practice is applied to the way NHS Borders handles information.

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 Executive Directors.
- Statements of assurance from the governance committees of the Board.
- The role of internal and external audit in providing the Board with assurance.
- A statement on achieving the objectives of Best Value.
- Third party assurance reports.
- Annual fraud report; and
- Report on losses and compensation (SFR18).

The process identifies and documents the sources of assurance and the information considered by the Audit & Risk Committee in reaching a conclusion on the effectiveness of the governance framework. The A&RC reports its conclusion to the NHS Board leading to the Chief Executive as the Board's Accountable Officer 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 (SPFM).

Risk Assessment

NHS Scotland bodies are subject to the requirements of NHS Scotland Accounts Manual, which references the UK Financial Reporting Manual (FReM) and the Scottish Public Finance Manual (SPFM) and must operate a risk management strategy in accordance with relevant guidance issued by Scottish Ministers.

The Risk Management Strategy, policies and supporting guidelines provide the overall risk management framework for NHS Borders. NHS Borders holds separate risk registers for operational and strategic risks. The electronic risk management system is utilised by the Board for risk management, adverse event reporting, complaints and claims management.

Training programmes in relation to corporate and operational risk are mandated for relevant staff with responsibilities for risk management. Additional training is offered to support risk managers in using the electronic risk management system, undertaking risk assessments, and managing and reporting adverse events.

Strengthened operational lines of reporting between topic specific groups, Clinical Boards and the Operational Planning Group (OPG) are in place in relation to healthcare governance; these support the Board to gain assurance on the management and mitigation of risks within the Health System. The Operational Planning Group acts as the Risk Management Board for NHS Borders.

Risk mitigation funds support non-recurrent, short-term mitigations of risks identified as 'unacceptable' to the organisation. As part of accessing this fund a robust process is in place which brings risk management to the forefront of decision making when consideration is given to investments from this funding stream.

Risks out with risk appetite are scrutinised and addressed at the Operational Planning Group. As part of this process the OPG can access the Risk Mitigation Fund to finance short term risk mitigation strategies. Information on these risks, and decisions made at OPG, are fed through to the Board Executive Team. An escalation process is in place to highlight these risks for action at the appropriate level if required.

Quarterly reports are fed into the Operational Planning Group for submission to the Audit & Risk Committee. Risk Management Improvement Plans are reported into the Operational

Planning Group on a quarterly basis and high-risk assurance reports are fed in bi-annually via the clinical boards. Strategic risks are fed into each governance committee based on the committees remit on a rolling basis within the financial year. The strategic risk register is owned by the Board Executive Team and individual risks assigned a director as risk owner.

Further detail on risk management arrangements, including performance against key performance indicators and an overview of the board's strategic risk register, are included in the Performance Report.

2024/25 Annual Operational Plan Standards Performance

Strong performance against standards remains a key priority across all areas of NHS Borders. The board executive team (BET) undertakes quarterly performance reviews with

the senior leadership within each business unit, focussing on variation against plan and key performance indicators. Performance is discussed operationally through regular business meetings and is reported regularly to the Resources and Performance Committee.

Network & Information Security (NIS) Regulations

We completed year 5 of the NIS audit in February 2025, with 2024/25 being the second year of the audit cycle under new control measures. Overall compliance was assessed as 77% in the 2024/25 audit (67% in 2023/24).

Under the new audit structure we reported the following:

- Overall compliance assessed at 77% which achieved KPI 1⁽¹⁾.
- We achieved 60% or more in 15 out of the 17 categories and therefore achieved KPI 2⁽¹⁾. It is of note that our performance in 8 of the categories was more than 80%.
- We achieved 60% or more in 55 of the 68 subcategories, however 1 subcategory was assessed as below 30% and we therefore failed to achieve KPI 3⁽¹⁾.

¹ KPI 1 – overall compliance should be at $\geq 60\%$; KPI 2 – 60% of categories should have compliance of $\geq 60\%$; KPI 3 – there should be zero subcategories with a compliance of $< 30\%$.

The subcategory assessed as below 30% relates to Business Continuity/Disaster Recovery Testing Policies & Procedures and the evidence that scenario-based exercises and processes to test recovery response plans are planned and performed. This area has previously been highlighted as requiring action within other external audits. Action to address this issue requires business unit management teams to work closely with our digital functions to develop and test their local plans.

Workforce

Resourcing

Continued successful International Recruitment has stabilised Band 5 Registered General Nursing (RGN) vacancies during year 2024-25 and the development of Band 4 Assistant Practitioner posts has helped attract and retain final year students/newly qualified Nurses over the past year. Over 2024-25 the profile of workforce shortages has changed within NHS Borders, and for the first time, we have had trouble attracting Health Care Support Workers from the local labour market. An increased focus on local employability initiatives, such as Kings Trust and partnership working with the local authority to introduce paid work placements are being progressed to aid attraction into these essential roles.

Inhouse development to support enhanced roles e.g. Associate Practitioners and ANP's has supported us to develop and retain experienced staff, and the use of Clinical Development Fellow's and the International Medical Graduate programme has helped us fill resident level medical vacancies. Improved relationships with local housing associations in the points-based application process for new key workers for social housing/mid rent properties has also eased accommodation challenges over the past year.

eRostering

Over 2024-25 the eRostering team have prioritised implementation of clinical areas to enable the use of Safe Care, the nationally recommended tool to support boards to evidence compliance with the Health and Care Staffing (Scotland) Act 2019. Whilst eRostering is not considered to be a clinical system, staff resources have a direct impact on the safety and quality of clinical care. Almost 50% Nursing and Midwifery Staff (36% staff overall) are now live on Optima, enabling real time visibility of staffing levels to support leaders to make objective evidence-based decisions on the deployment of staff.

Reduced Working Week

From the 01 April 2024, full-time hours for Agenda for Change staff reduced from 37.5 hours per week to 37 hours and pro rata for part time staff. This had been collectively agreed as part of the 2023-24 Pay Deal for Agenda for Change staff. A sub-group of the Policy and Conditions of Employment (PACE) group was established to oversee the implementation. This included representatives from each business unit, trades unions,

Finance, HR and Communications. By 30 November 2024, NHS Borders achieved wholesale introduction of the new 37-hour working week (plus adjustments for part-time staff) except for a very small part of the workforce, amounting to no more than 0.2% (less than ten workers) of all Agenda for Change staff. A solution is now in place and this team of staff will be adopting a new working pattern by the end of April 2025. Planning for the next reduction (a further 1 hour for full time staff, pro rata for part time staff) has commenced, and this will be effective from 01 April 2026.

Equality, Diversity & Inclusion

During 2024-25 NHS Borders trades unions and professional organisations have worked hard to establish fora for staff from different minority groups. NHS Borders now has an Ethnic Minority Forum, a Disability Forum and a newly-formed LGBTQ+ Forum; all three chaired by trade union stewards. These groups provide a very useful 2-way communication channel for staff & Management to engage over matters of mutual interest. The Ethnic Minority Forum has been instrumental in helping settle new International Recruits into the Scottish Borders/NHS Borders, the Disability Forum has promoted the significance of reasonable workplace adjustments to make working life easier for staff with disabilities and the LGBTQ+ Forum is helping to make sure that NHSB employees who signed-up to the Pride Pledge, are fulfilling their commitments. During the year, more than 150 staff have undergone Race and LGBTQ+ anti-discrimination training delivered by expert external trainers. The Compassionate Leadership program also saw three half-day equality sessions delivered in year.

Occupational Health & Safety

NHS Borders commissioned training in year which took us to a cumulative total of more than 40 managers having secured a NEBOSH Certificate in Health & Safety Leadership Excellence from St Andrews University. Attendance at the Occupational Health and Safety (OH&S) Forum has continued to strengthen and compliance around on-line Health and Safety statutory/mandatory training has shown signs of improvement. The Occupational Health Department increased face-to-face training in year in personal resilience, stress management and helped generate trauma pathways for staff who had been faced with very difficult clinical events.

Training, Education & Development

The Training, Education & Development (TED) Board has continued to play a pivotal role in supporting staff development initiatives while ensuring that resources are strategically and appropriately allocated. Through effective planning and successful funding bids, we have been able to direct funds towards both mandatory and statutory training requirements, significantly enhancing compliance across the organisation. The Estates Department, to name but one department, has seen significant investment in training.

By taking a proactive, organisation-wide approach and forecasting future training needs, the TED Board has ensured that funding is prioritised for the most critical and high-impact areas. This has not only strengthened our compliance with legal and professional standards but has also positively influenced staff morale and engagement.

In addition, the TED Board has maintained oversight of role-specific and statutory/mandatory training compliance, introducing greater rigour and efficiency in the commissioning and delivery of training across the board.

Whistleblowing

During 2024-25 the role of Whistleblowing Champion for NHS Borders transferred from one Non-Executive Director to another, and the co-ordination of whistleblowing activity was taken forward within Board Administration. There was further publicity in & around Speak Up week and further encouragement for managers to undertake the Turas training

modules on how to handle whistleblowing allegations. The Whistleblowing Governance Group met throughout the year and towards the end of 2024-25, the decision was made to return executive leadership of the whistleblowing agenda to the Director of HR. This meets with the approval of the Independent National Whistleblower Officer.

Internal Audit Opinion

The Chief Internal Auditor Opinion for 2024/25 is noted as: -

“My overall opinion for the period 1 April 2024 to 31st March 2025 is that based on the scope of reviews undertaken and the sample tests completed during the period, Partial Assurance with improvement required can be given on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control”.

Six internal audit reviews have been completed in 2024/25 of which:

- Three were issued with Reasonable Assurance with some improvement required
 - Financial Controls Payroll
 - Digital Incident Management
 - Risk Management: Board Assurance Framework
- Two were issued with Partial Assurance with improvement required
 - Healthcare Associated Infections
 - Productivity Review (Allied Health Professionals)*
- One was issued with no assurance rating given as there were no transactions in the year
 - Property Transaction Monitoring

*This audit has one high risk recommendation regarding no reporting in the impact on operational capacity

In the areas where there is reasonable assurance with some improvement required, there were only minor weaknesses in the risk management activities and controls designed to achieve the risk management objectives required by management. The Board can take some reasonable assurance those activities and controls examined were operating with sufficient effectiveness. There are no “high” risk findings.

In the areas with partial assurance with improvement required, there were some moderate weaknesses in the risk management activities and controls designed to achieve the risk management objectives required by management. The Board can take some partial assurance those activities and controls examined were operating with sufficient effectiveness.

2024/25 Internal Audit – Implementation of recommendations to address identified high Risks

During 2024/25, the audit for Productivity Review (Allied Health Professionals) included one high rated recommendation regarding the inefficient use of resources, including staff and technology, limiting productivity.

Senior management within the organisation has agreed recommendations in relation to all audits undertaken during the past year and implementation of all recommendations will be monitored by the Audit & Risk Committee at each of its meetings during 2025/26.

The Audit & Risk Committee undertook a comprehensive review of the NHS Borders Governance Framework for 2024/25, informed by a variety of sources but in particular

the work of internal and external audit and assurances from those responsible for each of the governance streams. The following points were noted as part of this review:

Prior Year Internal Audit – Implementation of recommendations to address identified high risks

In the last twelve months, progress has been made to close all outstanding high risk recommendations from the previous year's internal audit reports, leaving work remaining to close off two outstanding recommendations in relation to Contract Management Arrangements and one in relation to Financial Sustainability. The actions are actively monitored through the Audit & Risk Committee, which receives regular update on progress towards completion.

Disclosures

Based on the evidence considered during my review of the effectiveness of the internal control environment operating within NHS Borders, I consider the following issues to be significant enough to warrant disclosure.

Financial Sustainability

NHS Borders remains at stage three of the Scottish Government's Support & Intervention Framework which identifies 'significant variation from plan; risks materialising; tailored support required' and highlights a requirement for a formal recovery plan agreed with Scottish Government. This position was reviewed in 2024/25 and it was confirmed that there would be no change to the current status. Further detail on the Board's financial sustainability is set out in the Performance Report.

Operational Performance (including delayed discharges)

NHS Borders continues to face significant challenges in delivering access standards and meeting waiting list targets. Urgent and unscheduled care demands continue to place strain on emergency care and within the Borders General Hospital and our Community Hospitals there continues to be a high number of delayed discharges, where patients require capacity in a community setting which is not presently available. Similar pressures related to demand and capacity exist across both primary care and mental health services. There are also continuing recruitment challenges in specialist services. Further information on these issues is available in the Performance Report.

Staff Governance / Whistleblowing

The Board's whistleblowing champion has raised concerns in relation to the arrangements in place for the investigating the on-going cases, including how information is reported and the timeliness of investigations. Changes have been implemented in late 2024/25 and the Board is considering how the effectiveness of these changes will be reviewed in 2025/26.

Information Management, Technology & Governance

A review of the Board's digital infrastructure in 2024/25 highlighted areas of concern including risks in relation to cyber resilience and security, data storage, and the adequacy of resources and capability to support changes necessary to address these risks. A Digital Refresh Programme has been established in order to address these issues over period of 18-24 months. This approach will require prioritisation of resources to areas of highest risk. The Board's compliance with Network & Information Security (NIS) Regulations is described under separate heading earlier in this statement.

Laboratory Medicine Resilience and Quality Management

During 2024/25 there has been ongoing challenges to implementation of the Board's new Laboratory Information Management System (LIMS). This project has exceeded its expected timeline by more than one year because of unforeseen issues in relation to the complexity of migration to a new system and the level of disruption to business-as-usual activities within the directorate. A revised programme is in place and the project is expected to be completed by June 2025.

On the 5th February 2025, following a UKAS (United Kingdom Accreditation Service) review, NHS Borders Laboratory ISO 15189 accreditation was suspended. This issue arises due to weaknesses in documentation of Quality Management processes. The most significant implication of this situation is a risk to ongoing provision of Blood Transfusion services within the Borders General Hospital, and this matter has been discussed with the Medicines and Healthcare Regulatory Agency (MHRA). Action plans to address the issues highlighted by UKAS and to ensure compliance with MHRA requirements are in place and are expected to be delivered within a twelve-month period.

Estates and Facilities – Backlog Maintenance Risk, including RAAC

There is a significant and increasing backlog for Estates maintenance, which includes life cycle replacement of essential plant and equipment as well as remedial work to maintain the condition of buildings within required standards. The Board is aware that this situation cannot be remedied within existing resources and that there remain significant constraints on NHS capital resources which mean that this situation is likely to continue for a number of years. An interim Business Continuity Plan (BCP) is in place with capital investment prioritised on a risk basis in conjunction with national NHS Scotland planning requirements; the NHS Borders Estates team have implemented a managed approach to estates maintenance which focussed on statutory requirements and areas of highest risk.

There are four locations within NHS Borders estate where RAAC is present: Knoll Community Hospital and Health Centre, Jedburgh Health Centre, and Kelso Community Hospital. Detailed survey has concluded for Knoll and Kelso sites, with Jedburgh Health Centre expected to conclude during 2025. In January 2025 the results of in-depth surveys identified issues with the roof construction at Knoll Hospital and Health Centre which required urgent remedial action due to the use of RAAC in its construction. As a result, Business Continuity Plans were actioned and the temporary relocation of services from Knoll Hospital commenced to ensure safety of staff and patients. No similar issues have been identified to date within other affected sites and there are management plans in place to ensure ongoing monitoring of RAAC. It is expected that affected areas of the Knoll Community Hospital and Health Centre will reopen in late 2025.

Third Party Assurances

The Board places reliance on third parties that provide it with major services, such as payment processing, computer facilities or procurement services. The Board is dependent on the controls operated by the third party. Consequently, any deficiencies in the third party's control systems, or a breakdown in the interfaces between the Board and the third party, may have a significant effect on the overall level of control exercised by the Board. In order to mitigate risks emerging from these services NHS Borders reviews service audit reports and other relevant performance information.

The National Single Instance (NSI) Financial Ledger Services 2024/25 service auditor report provided an unqualified opinion, but noted that IT general controls were out of scope.

The Practitioner & Counter Fraud Services report provided an unqualified opinion, confirming the suitability of the description of controls in place were operating effectively with one exception. Staff have already been retrained and further testing confirmed compliance.

The National IT Services report considers controls carried out by NSS Digital and Security (DaS) and Atos. The report confirms the suitability of the description and design of the controls in place and concludes that they are operating effectively with the exception of the controls relating to logical access to applications, operating systems and databases for MIDAS, OPTIX, PMSPS, DCVP/nDCVP and ePayroll which did not operate effectively. Management has accepted most of the exceptions found and action has already taken place to mitigate impact including training for relevant staff and review of procedures. This has resulted in a qualified opinion. This is a minor qualification, not an adverse opinion, and the NSS Audit and Risk Committee took assurance of the IT controls in place.

The PECOS procurement system, which used to be managed on Scottish Government servers, is now hosted by Elcom. However, Elcom did not provide a service auditor report for the year 2024/2025, meaning no official assurances were given about its reliability or security.

Assurance Statement

Based on the evidence considered during my review of the effectiveness of the internal control environment operating within NHS Borders, I am not aware of any outstanding significant control weaknesses or other failures to achieve the standards set out in the guidance on governance, risk management and control.

II. REMUNERATION AND STAFF REPORT

Board Members' and Senior Employees' Remuneration figures and pension values (pages 63 to 70), the Hutton Fair Pay Review (page 62), the Staff Report section a) Staff Numbers and Costs (page 71) and section g) Exit Packages are subject to audit.

a) Remuneration Report

BOARD MEMBERS' AND SENIOR EMPLOYEES' REMUNERATION

Remuneration Committee

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

The purpose of the Committee is to provide assurance to the Board, through the Staff Governance Committee, that appropriate arrangements are in place to ensure that NHS Borders meets the statutory requirements laid out in the Staff Governance Standard in respect of the remuneration of the Executive Directors and Directors (and any other staff employed under Executive Managers' or Consultants' pay arrangements). The Committee will also review submissions from the Chief Executive for any settlement agreements.

The Remuneration Committee comprises of Mrs K Hamilton (Chair), Mr J Ayling, Mrs H Campbell, Mrs F Sandford and Mr J McLaren (Employee Director). Mr R Roberts (30th August 2024), Mr P Moore (from 2nd September 2025), Mr A Carter (Director of Workforce), Mrs I Bishop (Board Secretary) and Mr B Salmond (Associate Director of Workforce) 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 line with Policy determined by Scottish Ministers.

Determination of Senior Employees' Remuneration

Remuneration levels are determined by the Remuneration Committee.

Performance Management

The executive and senior manager pay arrangements including performance management arrangements were set out in the Pay and Conditions of Service NHS Circulars - PCS(ESM)2024/2 and PCS(ESM)2025/1. The PCS requires NHS Boards to submit provisional performance ratings for employees within the executive and senior manager cohort to the National Performance Management Committee on an annual basis for review and approval. 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 Committee, to oversee the local operation of these arrangements. The deliberations of Health Boards and the Remuneration Committee are subject to standard arrangements for internal 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 NHS Circulars.

BOARD MEMBERS' AND SENIOR EMPLOYEES' REMUNERATION

The Board Members' and Senior Employees' Remuneration report, shown on the following pages, details Board Members' and Senior Employees' remuneration, in bands of £5,000. The Board remunerates Non Executive Members in line with the Scottish Government pay terms and conditions. Additional payment can be made to Non Executive members based on a daily rate to reflect additional commitment required to conduct Board business. A number of the Board's Non Executive members are board members of the Integration Joint Board. All payments made to NHS Board members, who are appointed members of the IJB, in relation to the activities of the IJB are excluded from the NHS Remuneration Report. Payments in relation to IJB business activities are reported as part of the 2024/25 IJB Annual Accounts.

The IJB senior employees, which are in part charged to the Health Board's accounts through their roles of Chief Officer and the Chief Finance Officer for the Scottish Borders Integration Joint Board (IJB), are not included in the Health Board's Remuneration Report as these employees are reported within the 2024/25 IJB Annual Accounts Report.

The Scottish Borders Integration Joint Board 2024/25 annual accounts will be available from the Scottish Borders Council website www.scotborders.gov.uk

Pension Benefits figures in the 2024/25 Remuneration Report

On 1 April 2015 public sector pension schemes were reformed and the Career Average Revalued Earnings (CARE) pension scheme was introduced.

Most pension scheme members were moved from their legacy scheme (final salary) to the reformed (CARE) scheme, but some protections were put in place for members who were close to their retirement date. These protections meant that older members stayed in their pre-reform schemes.

In December 2018, the Court of Appeal found that this approach discriminated against younger scheme members (McCloud judgement). The government has removed this discrimination for the period between 1 April 2015 and 31 March 2022 (McCloud (2015) remedy).

From 1 April 2022 all members of the NHS Pension Scheme became members of the 2015 pension scheme and the pre-reform schemes were closed to further pension build-up. Members affected by the 2015 remedy, and who choose to retire after 1 April 2022, will be entitled to both legacy and reformed scheme benefits.

All NHS Scotland Staff became members of the 2015 Career Average Revalued Earnings (CARE) Pension Scheme on 1 April 2022.

As a consequence of the McCloud (2015) remedy Court of Appeal judgement, covering all Public Sector Pension Schemes, all accrued pension benefits for the Executive Directors and Senior Managers for the period to 31 March 2022 have been calculated in line with the benefits of the 1995 Pension Scheme regulations (their pre reform scheme).

From 1 April 2022 pension membership and accrued benefits have been calculated on the basis of the terms and conditions of the CARE scheme.

Hutton Fair Pay Review

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. Additional disclosures as required by the UK FReM are included and report the 25th and 75th percentile multiple for the current year to 31 March 2025 and for the previous financial year, 2023/24.

The Hutton median pay calculation has been completed following the guidance from Scottish Government which supports consistent reporting across NHS Scotland. The calculation excludes employees with contracted hours below 2hrs per week, any employees on maternity leave or employees who were not in post as at 31 March 2025.

The median ratio (Total pay and benefits) comparing March 2024 and March 2025 has increased from 5.13 to 5.65 respectively as detailed in the following table;

| | 2024/25 | 2023/24 | Change |
|---|-------------|-------------|--------|
| | | | % |
| Range of Staff Remuneration | £24k-£266k | £23k-£243k | 9 |
| Highest Earning director's remuneration | £225k-£230k | £200k-£205k | 12.4 |
| Median (Total pay & benefits) | £40,287 | £39,875 | 1.0 |
| Median (Salary only) | £36,597 | £37,664 | (2.8) |
| Ratio | 5.65 | 5.13 | 10.1 |
| 25th Percentile (Total pay & benefits) | £31,314 | £30,477 | 2.7 |
| 25th Percentile (Salary only) | £28,654 | £27,486 | 4.2 |
| Ratio | 7.27 | 6.71 | 8.4 |
| 75th Percentile (Total pay & benefits) | £50,651 | £50,127 | 1.0 |
| 75th Percentile (Salary only) | £48,635 | £46,100 | 5.5 |
| Ratio | 4.49 | 4.08 | 10.0 |

The Board's highest earning Director is the Medical Director. The increase in the reported ratios has resulted as employee salaries were increased by the pay awards agreed for all staff groups across the organisation.

The salary range of NHS Borders employees is recorded as £24k to £266k in 2024/25 (£23k to £243k in 2023/24).

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION

FOR THE YEAR ENDED 31 MARCH 2025

| | Salary (Bands of £5,000) | Benefits in kind | Performance Related Bonus (Bands of £5,000) | Total Earnings in Year (Bands of £5,000) | Pension Benefits (Bands of £1,000)** | Total Remuneration (Bands of £5,000) | Note |
|--|--------------------------------|---------------------|--|--|--|---|----------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Remuneration of: | | | | | | | |
| Executive Members | | | | | | | |
| Chief Executive: Mr R Roberts (retired on 30th August 2024) | 65-70 | * | * | 65-70 | 70 | 135-140 | 1 |
| Chief Executive: Mr P Moore (from 2nd September 2024) | 75-80 | * | * | 75-80 | 20 | 95-100 | 2 |
| Joint Director of Public Health: Dr S Bhatti | 190-195 | * | * | 190-195 | 46 | 235-240 | |
| Director of Finance , Estates and Procurement: Mr A Bone | 100-105 | * | * | 100-105 | 59 | 160-165 | |
| Medical Director: Dr L McCallum | 225-230 | * | * | 225-230 | 162 | 385-390 | |
| Nursing, Midwifery & Allied Health Professionals (AHP's) Director: Mrs S Horan | 105-110 | * | * | 105-110 | 67 | 170-175 | |
| Director of Planning & Performance: Mrs J Smyth | 110-115 | * | * | 110-115 | 58 | 170-175 | |
| Interim Director of Planning & Performance: Mrs S Errington (from 01 Apr to 03 May 2025) | 05-10 | * | * | 05-10 | 2 | 05-10 | 3 |
| Director of Workforce: Mr A Carter | 110-115 | * | * | 110-115 | 76 | 185-190 | |
| Director of Quality and Improvement: Mrs L Jones | 100-105 | * | * | 100-105 | 65 | 165-170 | |
| Director of Acute Services: Mr G Clinkscale | 65-70 | * | * | 65-70 | 0 | 65-70 | |
| Interim Director of Acute Services : Mrs L Huckerby (to 28th February 2025) | 95-100 | * | * | 95-100 | 25 | 120-125 | 4 |
| Interim Director of Acute Services : Mr O Bennett (from 24th February 2025) | 10-15 | * | * | 10-15 | 3 | 10-15 | 5 |
| Non Executive Members | | | | | | | |
| Chair - Mrs K Hamilton | 30-35 | * | * | 30-35 | * | 30-35 | |
| Mr J Ayling | 10-15 | * | * | 10-15 | * | 10-15 | 6 |
| Dr K Buchan (to 16th January 2025) | 5-10 | * | * | 5-10 | * | 5-10 | |
| Mrs H Campbell | 10-15 | * | * | 10-15 | * | 10-15 | |
| Mrs L Livesey | 10-15 | * | * | 10-15 | * | 10-15 | |
| Mrs L O'Leary | 10-15 | * | * | 10-15 | * | 10-15 | 6 |
| Councillor D Parker | 10-15 | * | * | 10-15 | * | 10-15 | 6 |
| Mrs F Sandford | 10-15 | * | * | 10-15 | * | 10-15 | 6 |
| Employee Director :Mr J McLaren | 65-70 | * | * | 65-70 | 34 | 100-105 | 7 |
| Total | | 0.0 | | | 687 | | |

NOTES TO THE 2024/25 BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION REPORT

**In accordance with the UK Financial Reporting Manual (FReM) and the Companies Act, NHS Borders has detailed 'pension benefits' within its Remuneration Report. 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 Board Members and Senior Employees Remuneration Report details all ministerial appointments made to the Board of NHS Borders and includes where interim arrangements have been made in year to cover the Executive Director portfolio during periods of recruitment.

The 'total earnings in year' column shows the remuneration relating to actual earnings payable in 2024/25.

- 1 - Mr R Roberts retired on 30th August 2024, Remuneration figures have been provided to the date of retirement. Full year equivalent salary costs for 2024/25 are £155k - £160k
- 2 - Mr P Moore was appointed as the Board's Chief Executive on 2nd September 2024. Full year equivalent salary costs for 2024/25 are £135k - £140k.
- 3 - Mrs S Errington was appointed as Interim Director of Planning & Performance from 01st Apr 2025 to 3rd May 2025 to provide cover until Mrs J Smyth returns to her post. Full year equivalent salary costs for Mrs Errington for 2024/25 are £80k-£85k.
- 4 - Mrs L Huckerby terminated employment with NHS Borders on 28th February 2025. Remuneration figures have been provided to the date of leaving. Full year equivalent salary costs for 2024/25 are £105k - £110k
- 5 - Mr O Bennett was appointed as Interim Director of Acute Services on 24th February 2025. Full year equivalent salary costs for 2024/25 are £115k - £120k.
- 6 - NHS Non Executive Director appointed as a Board Member of the Scottish Borders Integration Joint Board (IJB). Remuneration paid to NHS Non Executive Directors in respect of IJB membership has been removed from the NHS Remuneration Report. Full details of the IJB Board Member remuneration is reported in the 2024/25 IJB Annual Accounts available from www.scotborders.gov.uk.
- 7 - 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 (which is not an Executive Member role) for 4 days per week and the salary for this role is £55k - £60k.

BOARD MEMBERS AND SENIOR EMPLOYEES PENSION VALUES

FOR THE YEAR ENDED 31 MARCH 2025

| | Real increase in pension (Bands of £2,500) | | Total accrued pension at 31 March (Bands of £5,000) | | Cash Equivalent Transfer Value (CETV) at 31 March 2024 £'000 | Cash Equivalent Transfer Value (CETV) at 31 March 2025 £'000 | Real increase in CETV in year £'000 | Note |
|--|---|----------------|--|----------------|--|--|---|------|
| | Pension £'000 | Lump Sum £'000 | Pension £'000 | Lump Sum £'000 | | | | |
| Remuneration of: | | | | | | | | |
| Executive Members | | | | | | | | |
| Chief Executive: Mr R Roberts (retired on 30th August 2024) | 2.5-5 | 5-7.5 | 65-70 | 190-195 | 1,637 | 1,718 | 72 | 1,7 |
| Chief Executive: Mr P Moore (from 2nd September 2024) | 0-2.5 | * | 0-5 | * | * | 21 | 11 | 2 |
| Joint Director of Public Health: Dr S Bhatti | 2.5-5 | * | 5-10 | * | 54 | 114 | 36 | |
| Director of Finance , Estates and Procurement : Mr A Bone | 2.5-5 | 2.5-5 | 30-35 | 85-90 | 687 | 759 | 60 | 7 |
| Medical Director - Dr L McCallum | 7.5-10 | 12.5-15 | 65-70 | 170-175 | 1,159 | 1,326 | 139 | 7 |
| Nursing, Midwifery & Allied Health Professionals (AHP's) Director: Mrs S Horan | 2.5-5 | 5-7.5 | 40-45 | 105-110 | 807 | 888 | 67 | 7 |
| Director of Planning & Performance: Mrs J Smyth | 2.5-5 | 2.5-5 | 55-60 | 100-105 | 985 | 1,057 | 56 | 7 |
| Interim Director of Planning & Performance: Mrs S Errington (from 01 Apr to 03 May 2025) | 0-2.5 | * | 0-5 | * | 8 | 9 | - | 3 |
| Director of Workforce: Mr A Carter | 2.5-5 | 5-7.5 | 45-50 | 125-130 | 989 | 1,084 | 80 | 7 |
| Director of Quality & Improvement: Mrs L Jones | 2.5-5 | 2.5-5 | 40-45 | 80-85 | 689 | 757 | 55 | 7 |
| Director of Acute Services: Mr G Clinkscale | * | * | 35-40 | * | 452 | 446 | (15) | 7 |
| Interim Director of Acute Services : Mrs L Huckerby (to 28th February 2025) | 0-2.5 | * | 0-5 | * | 10 | 37 | 14 | 4 |
| Interim Director of Acute Services : Mr O Bennett (from 24th February 2025) | 0-2.5 | * | 0-5 | * | * | 3 | 2 | 5 |
| Non Executive Members | | | | | | | | |
| Mrs K Hamilton | * | * | * | * | * | * | * | |
| Mr J Ayling | * | * | * | * | * | * | * | |
| Dr K Buchan | * | * | * | * | * | * | * | |
| Mrs H Campbell | * | * | * | * | * | * | * | |
| Mrs L Livesey | * | * | * | * | * | * | * | |
| Mrs L O'Leary | * | * | * | * | * | * | * | |
| Councillor D Parker | * | * | * | * | * | * | * | |
| Mrs F Sandford | * | * | * | * | * | * | * | |
| Employee Director: Mr J McLaren | 0-2.5 | 0-2.5 | 25-30 | 55-60 | 595 | 641 | 40 | 6,7 |
| Total | | | | | 8,072 | 8,860 | 617 | |

NOTES TO THE 2024/25 BOARD MEMBERS AND SENIOR EMPLOYEES PENSION VALUES

The Cash Equivalent Calculator used to calculate the above figures is obtained from the Scottish Public Pensions Agency and is updated for the NHS Pension scheme factors as advised by the Government Actuary's Department (GAD). As the factors supplied by GAD have changed, the 'CETV at start of period' for 2024/25 can be different from the 'CETV at end of period' reported for 2023/24. The CETV at the start of the period is pre inflation, the CETV at the end of the period is inclusive of inflation and/or in year annual salary with the movement as calculated from the difference between the start and the end CETV's offset by the individual employee's in year personal pension contributions.

From 1 April 2022 all members of the NHS Pension Scheme became members of the 2015 pension scheme and the pre-reform schemes were closed to pension build-up. Members affected by the 2015 remedy and who choose to retire after 1 April 2022, will be entitled to both legacy and reformed scheme benefits.

Accrued pension benefits for the Executive Directors and Senior Managers reported in the Board's 2024/25 Remuneration Report who have been affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1st April 2015 and 31st March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement, on retirement, to decide instead to receive benefits calculated under the terms of the NHS Scotland scheme for the period from 1 April 2015 to 31 March 2022.

Pension benefits for the period 1 April 2022 to 31 March 2025 have been calculated on the basis of membership of the 2015 Career Average Revalued Earnings (CARE) Pension Scheme.

- 1 - Mr R Roberts retired on 30th August 2024, figures have been provided to the date of retirement.
- 2 - Mr P Moore was appointed as the Board's Chief Executive on 2nd September 2024. Pension figures are reported for the period 2nd September 2024 to 31st March 2025.
- 3 - Mrs S Errington was appointed as Interim Director of Planning & Performance from 01st Apr 2025 to 3rd May 2025 to provide cover until Mrs J Smyth returns to her post. Full year equivalent salary costs for Mrs Errington for 2024/25 are £80k-£85k.
- 4 - Mrs L Huckerby terminated employment with NHS Borders on 28th February 2025. Pension figures are reported as at the date of termination.
- 5 - Mr O Bennett was appointed as Interim Director of Acute Services on 24th February 2025. Pension figures are reported for the period 24th February 2025 to 31st March 2025.
- 6 - 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 (which is not an Executive Member role) for 4 days per week, pension figures provided relate to Mr McLaren's Employee Director role only.
- 7 - Executive Directors and Senior Managers who are affected by the Public Service Pensions Remedy as described above.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION

FOR THE YEAR ENDED 31 MARCH 2024

| | Salary (Bands of £5,000) | Benefits in kind | Performance Related Bonus (Bands of £5,000) | Total Earnings in Year (Bands of £5,000) | Pension Benefits (Bands of £1,000)** | Total Remuneration (Bands of £5,000) | Note |
|--|--------------------------------|---------------------|--|--|--|---|------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Remuneration of: | | | | | | | |
| Executive Members | | | | | | | |
| Chief Executive: Mr R Roberts | 135-140 | * | * | 135-140 | 697 | 835-840 | 1 |
| Joint Director of Public Health: Dr S Bhatti | 175-180 | * | * | 175-180 | 42 | 215-220 | |
| Director of Finance , Estates and Procurement: Mr A Bone | 95-100 | * | * | 95-100 | 20 | 115-120 | |
| Medical Director: Dr L McCallum | 200-205 | * | * | 200-205 | 220 | 420-425 | 2 |
| Nursing, Midwifery & Allied Health Professionals (AHP's) Director: Mrs S Horan | 100-105 | * | * | 100-105 | 19 | 115-120 | |
| Interim Nursing, Midwifery & Allied Health Professionals (AHP's) Director: Mr P Lerpiniere (from 6th November 2023 to 12th February 2024) | 20-25 | * | * | 20-25 | 6 | 25-30 | 3 |
| Director of Planning & Performance: Mrs J Smyth | 105-110 | * | * | 105-110 | 84 | 185-190 | |
| Interim Director of Planning & Performance: Mrs S Errington (from 6th November 2023) | 30-35 | * | * | 30-35 | 9 | 40-45 | 4 |
| Director of Workforce: Mr A Carter | 105-110 | * | * | 105-110 | 16 | 120-125 | |
| Director of Quality and Improvement: Mrs L Jones | 95-100 | * | * | 95-100 | 60 | 155-160 | |
| Director of Acute Services: Mr G Clinkscale | 105-110 | * | * | 105-110 | 113 | 215-220 | |
| Interim Director of Acute Services : Mrs L Huckerby (from 1st December 2023) | 30-35 | * | * | 30-35 | 9 | 40-45 | 5 |
| Non Executive Members | | | | | | | |
| Chair - Mrs K Hamilton | 25-30 | * | * | 25-30 | * | 25-30 | |
| Mr J Ayling | 5-10 | * | * | 5-10 | * | 5-10 | |
| Dr K Buchan | 5-10 | * | * | 5-10 | * | 5-10 | |
| Mrs H Campbell | 5-10 | * | * | 5-10 | * | 5-10 | |
| Ms S Lam (to 31st January 2024) | 5-10 | * | * | 5-10 | * | 5-10 | |
| Mrs L Livesey (from 1st February 2024) | 0-5 | * | * | 0-5 | * | 0-5 | 6 |
| Mrs L O'Leary | 5-10 | * | * | 5-10 | * | 5-10 | 7 |
| Councillor D Parker | 5-10 | * | * | 5-10 | * | 5-10 | |
| Mrs F Sandford | 5-10 | * | * | 5-10 | * | 5-10 | |
| Mr T Taylor (to 1st February 2024) | 5-10 | * | * | 5-10 | * | 5-10 | 7 |
| Employee Director :Mr J McLaren | 65-70 | * | * | 65-70 | 33 | 95-100 | 8 |
| Total | 0.0 | | | 1328 | | | |

NOTES TO THE 2023/24 BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION REPORT

**In accordance with the UK Financial Reporting Manual (FReM) and the Companies Act, NHS Borders has detailed 'pension benefits' within its Remuneration Report. 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 Board Members and Senior Employees Remuneration Report details all ministerial appointments made to the Board of NHS Borders and includes where interim arrangements have been made in year to cover the Executive Director portfolio during periods of recruitment.

The 'total earnings in year' column shows the remuneration relating to actual earnings payable in 2023/24.

- 1 - Mr R Roberts participated in the Pension Recycling Scheme during 2022/23 resulting in a reduction to pensionable pay to 50%, £65k-£70k, of annual salary paid £130k-£135k. The pension benefits reported in 2023/24 relate to the difference in cumulative pension scheme value based on pensionable pay reported in 2022/23 and in 2023/24, £65k-£70k and £135k-£140k respectively. Mr Roberts annual salary has not changed from 2022/23 to 2023/24 except for the increase of pay inflation uplift.
- 2 - Dr L McCallum participated in the Pension Recycling Scheme during 2022/23 resulting in a reduction to pensionable pay to 85%, £150k-£155k, of annual salary paid £175k-£180k. The pension benefits reported in 2023/24 relate to the difference in cumulative pension scheme value based on pensionable pay reported in 2022/23 and in 2023/24, £150k-£155k and £185k-£190k respectively. Dr McCallums annual salary has not changed from 2022/23 to 2023/24 except for the increase of pay inflation uplift.
- 3 - Mr P Lerpiniere was appointed as Interim Director of Nursing, Midwifery & Allied Health Professionals (AHP's) from 06 November 2023 to 12th February 2024 as cover for Mrs S Horan . Full year equivalent salary costs for Mr Lepiniere for 2023/24 are £85k-£90k.
- 4 - Mrs S Errington was appointed as Interim Director of Planning & Performance on 06 November 2023 to provide cover until Mrs J Smyth returns to her post. Full year equivalent salary costs for Mrs Errington for 2023/24 are £80k-£85k.
- 5 - Mrs L Huckerby was appointed as Interim Director of Acute Services from 1st December 2023 to provide cover until Mr G Clinkscale returns to his post. Full year equivalent salary costs for Mrs Huckerby for 2023/24 are £100k-£105k.
- 6 - Mrs L Livesey appointed as Non Executive Director on 1st February 2024. Full year equivalent salary costs for 2023/24 are £5k - £10k
- 7 - NHS Non Executive Director appointed as a Board Member of the Scottish Borders Integration Joint Board (IJB). Remuneration paid to NHS Non Executive Directors in respect of IJB membership has been removed from the NHS Remuneration Report. Full details of the IJB Board Member remuneration is reported in the 2023/24 IJB Annual Accounts available from www.scotborders.gov.uk.
- 8 - 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 (which is not an executive Member role) for 4 days per week and the salary for this role is £55k - £60k.

NHS Borders 2024/25 Annual Report & Accounts

BOARD MEMBERS AND SENIOR EMPLOYEES PENSION VALUES

FOR THE YEAR ENDED 31 MARCH 2024

| | Real increase in pension (Bands of £2,500) | | Total accrued pension at 31 March (Bands of £5,000) | | Cash Equivalent Transfer Value (CETV) at 31 March 2023 £'000 | Cash Equivalent Transfer Value (CETV) at 31 March 2024 £'000 | Real increase in CETV in year £'000 | Note |
|---|---|----------------|--|----------------|--|--|--|------|
| | Pension £'000 | Lump Sum £'000 | Pension £'000 | Lump Sum £'000 | | | | |
| Remuneration of: | | | | | | | | |
| Executive Members | | | | | | | | |
| Chief Executive: Mr R Roberts | 30-32.5 | 85-87.5 | 60-65 | 175-180 | 726 | 1,565 | 820 | 1 |
| Joint Director of Public Health: Dr S Bhatti | 0-2.5 | * | 0-5 | * | - | 54 | 31 | |
| Director of Finance , Estates and Procurement : Mr A Bone | 0-2.5 | * | 25-30 | 75-80 | 578 | 648 | 57 | |
| Medical Director - Dr L McCallum | 10-12.5 | 20-22.5 | 55-60 | 145-150 | 824 | 1,090 | 240 | 2 |
| Nursing, Midwifery & Allied Health Professionals (AHP's) Director: Mrs S Horan | 0-2.5 | * | 35-40 | 95-100 | 689 | 766 | 64 | |
| Interim Nursing, Midwifery & Allied Health Professionals (AHP's) Director: Mr P Lerpiniere (from 6th November 2023 to 12th February 2024) | 0-2.5 | * | 0-5 | * | * | 8 | 4 | 3 |
| Director of Planning & Performance: Mrs J Smyth | 2.5-5 | 5-10 | 50-55 | 95-100 | 817 | 968 | 137 | |
| Interim Director of Planning & Performance: Mrs S Errington (from 6th November 2023) | 0-2.5 | * | 0-5 | * | * | 7 | 4 | 4 |
| Director of Workforce: Mr A Carter | 0-2.5 | * | 40-45 | 110-115 | 852 | 942 | 76 | |
| Director of Quality & Improvement: Mrs L Jones | 2.5-5 | 2.5-5 | 35-40 | 70-75 | 577 | 678 | 87 | |
| Director of Acute Services: Mr G Clinksale | 5-7.5 | * | 35-40 | * | 340 | 444 | 91 | |
| Director of Acute Services : Mrs L Huckerby (from 1st December 2023) | 0-2.5 | * | 0-5 | * | * | 10 | 5 | 5 |
| Non Executive Members | | | | | | | | |
| Mrs K Hamilton | * | * | * | * | * | * | * | |
| Mr J Ayling | * | * | * | * | * | * | * | |
| Dr K Buchan | * | * | * | * | * | * | * | |
| Mrs H Campbell | * | * | * | * | * | * | * | |
| Ms S Lam (to 31st January 2024) | * | * | * | * | * | * | * | |
| Mrs L Livesey (from 1st February 2024) | * | * | * | * | * | * | * | |
| Mrs L O'Leary | * | * | * | * | * | * | * | |
| Councillor D Parker | * | * | * | * | * | * | * | |
| Mrs F Sandford | * | * | * | * | * | * | * | |
| Mr T Taylor (to 1st February 2024) | * | * | * | * | * | * | * | |
| Employee Director: Mr J McLaren | 0-2.5 | 0-2.5 | 25-30 | 50-55 | 508 | 585 | 71 | 6 |
| Total | | | | | 5911 | 7765 | 1,687 | |

NOTES TO THE 2023/24 BOARD MEMBERS AND SENIOR EMPLOYEES PENSION VALUES

The Cash Equivalent Calculator used to calculate the above figures is obtained from the Scottish Public Pensions Agency and is updated for the NHS Pension scheme factors as advised by the Government Actuary's Department (GAD). As the factors supplied by GAD have changed, the 'CETV at start of period' for 2023/24 can be different from the 'CETV at end of period' reported for 2023/24. The CETV at the start of the period is pre inflation, the CETV at the end of the period is inclusive of inflation and/or in year annual salary with the movement as calculated from the difference between the start and the end CETV's offset by the individual employee's in year personal pension contributions.

From 1 April 2022 all members of the NHS Pension Scheme became members of the 2015 pension scheme and the pre-reform schemes were closed to pension build-up. Members affected by the 2015 remedy and who choose to retire after 1 April 2022, will be entitled to both legacy and reformed scheme benefits.

Accrued pension benefits for the Executive Directors and Senior Managers reported in the Board's 2023/24 Remuneration Report have been calculated in line with the benefits of their pre reform pension scheme (1995 or 1998) for all service up to the 31st March 2023. Pension benefits for the year ended 31st March 2024 have been calculated on the basis of membership of the 2015 Career Average Revalued Earnings (CARE) Pension Scheme.

- 1 - Mr R Roberts participated in the Pension Recycling Scheme during 2022/23 resulting in a reduction to pensionable pay reported. Pension calculations reflect the increase from the pensionable pay reported in 2022/23 and the 2023/24 pensionable pay, £65k-£70k and £135k-£140k respectively. Mr Robert's annual salary has not changed from 2022/23 to 2023/24 except for the increase of pay inflation uplift.
- 2 - Dr L McCallum participated in the Pension Recycling Scheme during 2022/23 resulting in a reduction to pensionable pay reported. Pension calculations reflect the increase from the pensionable pay reported in 2022/23 and the 2023/24 pensionable pay, £150k-£155k and £185k-£190k respectively. Dr McCallum's annual salary has not changed from 2022/23 to 2023/24 except for the increase of pay inflation uplift.
- 3- Mr P Lerpiniere was appointed as Interim Director of Nursing, Midwifery & Allied Health Professionals (AHP's) from 06 November 2023 to 12th February 2024 as cover for Mrs S Horan .Mr Lerpiniere's pension calculations relate to the period from 6th November 2023 to 12th February 2024.
- 4 - Mrs S Errington was appointed as Interim Director of Planning & Performance on 06 November 2023 to provide cover until Mrs J Smyth returns to her post. Mrs Errington's pension calculations relate to the period from 6th November 2023 to 31st March 2024.
- 5 - Mrs L Huckerby was appointed as Interim Director of Acute Services from 1st December 2023 to provide cover until Mr G Clinkscale returns to his post. Mrs Huckerby's pension calculations relate to the period from 1st December 2023 to 31st March 2024.
- 6 - 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 (which is not an Executive Member role) for 4 days per week, pension figures provided relate to Mr McLaren's Employee Director role only.

b) Staff Report

The following tables and supporting narrative have been included to provide further analysis and definition to the staff cost figures and whole time equivalent/staff in post numbers which have been included in the Board's Annual Report and Accounts.

a) Staff Numbers and Costs

Total staff costs for the year to 31 March 2025 were £195.453m (2024: £184.41m). An analysis of these costs is detailed below:

| | Executive Board £000 | Non Executive Members £000 | Permanent Staff £000 | Inward Secondees £000 | Other Staff £000 | Outward Secondees £000 | 2025 Total £000 | 2024 Total £000 |
|--|-------------------------|-------------------------------|-------------------------|--------------------------|---------------------|---------------------------|--------------------|--------------------|
| STAFF COSTS | | | | | | | | |
| Salaries and wages | 1,370 | 124 | 142,586 | | | (113) | 143,967 | 136,035 |
| Social security costs | 175 | 6 | 12,938 | | | (13) | 13,106 | 13,390 |
| NHS scheme employers' costs | 311 | | 27,067 | | | (11) | 27,367 | 24,026 |
| Other employers' pension costs | | | | | | | 0 | 0 |
| Secondes | | | | 7,582 | | | 7,582 | 6,643 |
| Agency staff | | | | | 3,431 | | 3,431 | 4,317 |
| TOTAL STAFF COSTS | 1,856 | 130 | 182,591 | 7,582 | 3,431 | (137) | 195,453 | 184,411 |
| Included in the total staff costs above were costs of staff engaged directly on capital projects, charged to capital expenditure of: | | | | | | | | |
| | | | | | | | 0 | 0 |
| STAFF NUMBERS | | | | | | | | |
| Whole time equivalent (WTE) | 11 | 2 | 2,907 | 79 | 25 | (2) | 3022 | 3007 |
| Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of: | | | | | | | | |
| | | | | | | | 0 | 0 |
| Included in the total staff number above were disabled staff of: | | | | | | | | |
| | | | | | | | 69 | 64 |
| Included in the total staff numbers above were Special Advisers of: | | | | | | | | |
| | | | | | | | 0 | 0 |

b) Higher Paid Employees – analysis of employees whose earnings are greater than £70,000

| Employees whose remuneration fell within the following ranges | 2025 Numbers | 2024 Numbers |
|--|-------------------------|-------------------------|
| Clinicians* | | |
| £70,001 to £80,000 | 36 | 29 |
| £80,001 to £90,000 | 22 | 21 |
| £90,001 to £100,000 | 12 | 14 |
| £100,001 to £110,000 | 20 | 14 |
| £110,001 to £120,000 | 14 | 11 |
| £120,001 to £130,000 | 16 | 12 |
| £130,001 to £140,000 | 8 | 21 |
| £140,001 to £150,000 | 11 | 9 |
| £150,001 to £160,000 | 14 | 8 |
| £160,001 to £170,000 | 6 | 9 |
| £170,001 to £180,000 | 10 | 2 |
| £180,001 to £190,000 | 2 | 5 |
| £190,001 to £200,000 | 5 | 1 |
| £200,001 and above | 8 | 4 |
| TOTAL | 184 | 160 |
| Other# | | |
| £70,001 to £80,000 | 13 | 6 |
| £80,001 to £90,000 | 12 | 12 |
| £90,001 to £100,000 | 1 | 1 |
| £100,001 to £110,000 | - | - |
| £110,001 to £120,000 | 1 | - |
| £120,001 to £130,000 | - | - |
| £130,001 to £140,000 | - | - |
| £140,001 to £150,000 | - | - |
| £150,001 to £160,000 | - | - |
| £160,001 to £170,000 | - | - |
| £170,001 to £180,000 | - | - |
| £180,001 to £190,000 | - | - |
| £190,001 to £200,000 | - | - |
| £200,001 and above | - | - |
| TOTAL | 27 | 19 |

The above tables exclude Board Members (Non executive and Executive Directors) and Senior Managers who have been reported in the Remuneration Report on page 63.

The definition of the categories used in the above tables is noted as Clinicians* – staff involved in directly providing patient care & Other# – staff not categorised as clinicians.

c) Staff numbers

The following table provides analysis by whole time equivalent and headcount for all staff paid by the Board during 2024/25 and prior year 2023/24. The employee headcount in the table details an individual count for each employee for each post they hold with NHS Borders.

| STAFF NUMBERS | WTE 2025 Annual Mean | WTE 2024 Annual Mean | | Headcount 2025 Annual Mean | Headcount 2024 Annual Mean |
|---|-------------------------------|-------------------------------|--|-------------------------------------|-------------------------------------|
| Medical & Dental | 286.4 | 279 | | 541 | 539 |
| Nursing & Midwifery | 1292.6 | 1270.5 | | 2094 | 2099 |
| Other staff groups | 1442.4 | 1457.9 | | 2303 | 2441 |
| Board Total Average Staff | 3021.5 | 3007.4 | | 4938 | 5079 |
| | | | | | |
| Permanent Staff | 2628.5 | 2583.9 | | 3614 | 3623 |
| Staff with Short Term Contract | 159.8 | 193.6 | | 296 | 364 |
| Bank Staff | 131.8 | 127.9 | | 941 | 1009 |
| Inward Secondees | 78.7 | 76.1 | | 89 | 87 |
| Agency Staff* | 24.5 | 28.7 | | - | - |
| Outward Secondees | (1.9) | (2.8) | | (2) | (4) |
| Board Total Average Staff | 3021.5 | 3007.4 | | 4938 | 5079 |
| | | | | | |
| Disabled Staff (Declared) | 68.9 | 63.5 | | 113 | 115 |
| | | | | | |
| Special Advisers | | | | | |
| | | | | | |
| WTE engaged directly on capital projects, included in Staff Numbers above and charged to capital expenditure was: | 0 | 0 | | 0 | 0 |

- * Expenditure incurred on Agency Staff during 2024/25 was reported as £3.43m (2023/24: £4.32m). Medical Agency staff costs decreased in year to £1.44m (2023/24: £2.33m). Nursing Agency costs also reported a decrease from previous year, incurring a total spend of £0.48m (2023/24: £0.88m). Agency staffing costs incurred to deliver the IM&T Digital Portfolio totalled £0.25m (2023/24: £0.90m). During 2024/25 NHS Borders continued to receive services from NHS Regional Bank Team which process Bank and Agency bookings for staff required to support services in Borders.

d) Staff Composition

The following table details the total headcount of staff in post by gender as at 31 March. The employee headcount details each employee once and does not recognise if the employee holds more than one post with NHS Borders.

| | 2025 | | | 2024 | | |
|---|------------|--------------|--------------|------------|--------------|--------------|
| | Male | Female | Total | Male | Female | Total |
| Executive Directors | 7 | 4 | 11 | 5 | 5 | 10 |
| Non-Executive Directors and Employee Director | 3 | 5 | 8 | 4 | 5 | 9 |
| Senior Employees (other) | 101 | 115 | 216 | 89 | 92 | 181 |
| Other | 722 | 3,001 | 3,723 | 773 | 3,095 | 3,868 |
| Total Headcount | 833 | 3,125 | 3,958 | 871 | 3,197 | 4,068 |

e) Sickness absence data

NHS Borders recorded the following sickness absence rate across all staff.

| | 2025 | 2024 |
|-----------------------|------|------|
| Sickness Absence Rate | 5.0% | 6.1% |

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

All health boards across NHS Scotland are required to comply with the three aims of the Public Sector General Duty, Equality Act (2010) and (Specific Duties) (Scotland) Regulations 2012, outlined below. The implementation of these legal duties will be monitored by the Equality and Human Rights Commission in Scotland.

The purpose of the Public Sector General Equality Duty is to ensure that all public bodies, including health boards, mainstream equality into their day to day business by proactively advancing equality, encouraging good community relations and addressing discrimination. The current duty requires equality to be considered in relation to key health board functions including the development of internal and external policies, decision making processes, procurement, workforce support, service delivery and improving outcomes for patients/service users.

The Board operates in line with the agreed Human Resources (HR) Policy entitled 'Equal Opportunities' which in a broader context sets out the Board's commitment to equality of opportunity. The Policy notes the requirements of management and staff in this area and specifically notes that:

- NHS Borders must demonstrate, through application of the policy that they are working within the current legal framework to recruit, develop and retain a workforce that is able to deliver high quality services that are fair, accessible, appropriate and responsive to the needs of the local community.
- NHS Borders is committed to ensuring the elimination of all forms of discrimination on the basis of age, culture, disability, employment status, ethnic origin, faith, gender, gender reassignment, HIV status, marital status, nationality, offending record, political affiliation or trade union membership, race, religion, sexual orientation or social background.

g) Exit Packages

There have been no exit packages agreed in NHS Borders for 2024/25 or 2023/24.

h) Compensation Payments

NHS Borders did not make any compensation payments in financial years 2024/25 or 2023/24.

Trade Union Regulations

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require public sector employers to publish information relating to facility time taken by union representatives within their organisation. The reporting period runs from 1 April to 31 March and reports require to be published by 31 July each year. Detailed below is the relevant information for NHS Borders for the period 2024/25.

The facility time data organisations are required to collate and publish under the new regulations is shown below.

| | |
|---|-----------------------------|
| <i>Number of employees who were relevant union officials during the relevant period</i> | WTE employee number |
| - 0 - Ad hoc time | Not applicable (adhoc time) |
| - 5 – dedicated time | 3.66 |

| | |
|---------------------------|---------------------------|
| <i>Percentage of time</i> | Number of representatives |
| 0% | 0 |
| 1-50% | 0 |
| 51-99% | 0 |
| 100% | 5 |

| | |
|---|--------------|
| <i>Total cost of facility time</i> | £ 170,360 |
| <i>Total pay bill</i> | £195,453,000 |
| <i>Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100</i> | 0.09% |

| | |
|---|---|
| <i>Time spent on paid TU activities as a percentage of total paid facility time hours</i> | 0% - all time is spent on trade union duties. |
|---|---|

III. PARLIAMENTARY ACCOUNTABILITY REPORT

NHS Borders is required to report against the elements of the Parliamentary Accountability Report including Losses and Special Payments and Fees and Charges.

Losses and Special Payments


On occasion the Board may be required to write off balances which are no longer recoverable. Losses and special payments over £300k require formal approval to regularise such transactions and their notation in the annual accounts.

The Board has approved debt write off during 2024/25 as detailed in the following table and the prior year is also shown.

| | 2024/25 | | 2023/24 | |
|----------------------------------|--------------------|-------------|--------------------|-------------|
| | No of Cases | £000 | No of Cases | £000 |
| Claims Abandoned | 42 | 328 | 157 | 73 |
| Stores Losses : deterioration | 0 | Nil | 0 | Nil |
| Damage to buildings and fixtures | 0 | Nil | 0 | Nil |
| Total | 0 | Nil | 0 | Nil |

Fees and Charges

As required in the fees and charges guidance in the Scottish Public Finance Manual, NHS Borders charges for services provided on a full costs basis, wherever applicable. The Parliamentary Accountability Report requires disclosure where fees and charges for services have a full annual cost of £1m or more. NHS Borders notes a nil disclosure for 2024/25 and in the prior year 2023/24 for this section of the report.

Signed 

Chief Executive and Accountable Officer
26 June 2025

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

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of NHS Borders and its group for the year ended 31 March 2025 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Consolidated Comprehensive Net Expenditure, the Statement of Consolidated Financial Position, the Statement of Consolidated Cashflows, the Statement of Consolidated Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the board and its group as at 31 March 2025 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 2 December 2022. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the board and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

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

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

Risks of material misstatement

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

Responsibilities of the Accountable Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- using my understanding of the health sector to identify that the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers are significant in the context of the board;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the board;
- inquiring of the Accountable Officer concerning the board's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

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

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

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

Reporting on other requirements

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

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

Other information

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

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and

Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

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

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

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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



John Boyd FCPFA
Audit Scotland
8 Nelson Mandela Place,
Glasgow.
G2 1BT.

26 June 2025

STATEMENT OF CONSOLIDATED COMPREHENSIVE NET EXPENDITURE

| 2024 £'000 | | Note | 2025 £'000 |
|----------------|--|------|----------------|
| 184,652 | Employee expenditure | 3a | 195,590 |
| | Other operating expenditure | 3b | |
| 40,442 | Independent Primary Care Services | | 43,845 |
| 56,192 | Drugs and medical supplies | | 57,792 |
| 258,328 | Other health care expenditure | | 297,272 |
| 539,614 | Gross expenditure for the year | | 594,499 |
| (191,936) | Less: operating income | 4 | (219,564) |
| 1,499 | Associates and joint ventures accounted for on an equity basis | | (1,103) |
| 349,177 | Net expenditure for the year | | 373,832 |

OTHER COMPREHENSIVE NET EXPENDITURE



| 2024 £'000 | | 2025 £'000 |
|----------------|--|----------------|
| (6,017) | Net Gain on revaluation of Property Plant and Equipment | (3,580) |
| 0 | Net Gain on revaluation of available for sale financial assets | 0 |
| 0 | Net (gain) / loss on revaluation of investments | 0 |
| (6,017) | Other Comprehensive Expenditure | (3,580) |
| 343,160 | Total Comprehensive Expenditure | 370,252 |

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

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

| Board 2024 £'000 | Consolidated 2024 £'000 | | Note | Board 2025 £'000 | Consolidated 2025 £'000 |
|------------------------|-------------------------------|--|-------|------------------------|-------------------------------|
| 150,920 | 150,920 | Non-current assets: | | | |
| 1,849 | 1,849 | Property, plant and equipment | 7c | 154,388 | 154,388 |
| 1,847 | 1,847 | Intangible assets | 6 | 2,101 | 2,101 |
| 0 | | Right of Use Assets | | 1,434 | 1,434 |
| 0 | 3,423 | Financial assets: | | | |
| 85 | 0 | Investment - associates and joint ventures | 22b | 0 | 4,526 |
| 0 | 5,231 | Investment - GP Loan | 10 | 84 | 84 |
| | | Investment - Endowment Fund | 10 | 0 | 4,830 |
| | | Trade and other receivables | 9 | 20,175 | 20,175 |
| 154,701 | 163,270 | Total non-current assets | | 178,182 | 187,538 |
| 1,659 | 1,659 | Current Assets: | | | |
| 9,993 | 10,054 | Inventories | 8 | 1,458 | 1,458 |
| 131 | 382 | Financial assets: | | | |
| 130 | 130 | Trade and other receivables | 9 | 6,080 | 6,637 |
| 11,913 | 12,225 | Cash and cash equivalents | 11 | 448 | 717 |
| | | Assets classified as held for sale | 7b | 0 | 0 |
| | | Total current assets | | 7,986 | 8,812 |
| 166,614 | 175,495 | Total assets | | 186,167 | 196,349 |
| (7,199) | (7,199) | Current liabilities | | | |
| (60,548) | (60,605) | Provisions | 13a | (8,285) | (8,285) |
| (67,747) | (67,804) | Financial liabilities: | | | |
| | | Trade and other payables | 12 | (65,993) | (66,961) |
| | | Total current liabilities | | (74,278) | (75,246) |
| 98,867 | 107,691 | Non-current assets (less) net current liabilities | | 111,889 | 121,103 |
| (10,145) | (10,145) | Non-current liabilities | | | |
| (1,679) | (1,679) | Provisions | 13a | (28,936) | (28,936) |
| (11,824) | (11,824) | Financial liabilities: | | | |
| | | Trade and other payables | 12 | (1,209) | (1,209) |
| | | Total non-current liabilities | | (30,145) | (30,145) |
| 87,043 | 95,867 | Assets less liabilities | | 81,744 | 90,958 |
| 16,651 | 16,651 | Taxpayers' Equity | | | |
| 70,391 | 70,391 | General fund | SOCTE | 9,711 | 9,711 |
| 0 | 3,423 | Revaluation reserve | SOCTE | 72,033 | 72,033 |
| 0 | 5,402 | Other reserves - associates and joint ventures | SOCTE | 0 | 4,526 |
| | | Fund held on Trust | SOCTE | 0 | 4,688 |
| 87,042 | 95,867 | Total taxpayers' equity | | 81,744 | 90,958 |

The financial statements on pages 83 to 86 were approved by the Accountable Officer on 26th June 2025 and signed


 Director of Finance

 Chief Executive

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

STATEMENT OF CONSOLIDATED CASHFLOWS

| 2024 £'000 | | Note | 2025 £'000 | 2025 £'000 |
|------------------|---|-------|----------------|------------------|
| | Cash flows from operating activities | | | |
| (349,177) | Net expenditure | SoCTE | (373,832) | |
| 7,942 | Adjustments for non-cash transactions | 2b | 2,465 | |
| 89 | Add back: interest payable recognised in net operating expenditure | 2b | 100 | |
| (13,571) | Movements in working capital | 2b | 9,164 | |
| (354,717) | Net cash outflow from operating activities | 22c | | (362,103) |
| | Cash flows from investing activities | | | |
| (2,717) | Purchase of property, plant and equipment | | (4,910) | |
| (295) | Purchase of intangible assets | | (441) | |
| (862) | Investment Additions | 10 | (290) | |
| 0 | Transfer of assets (to)/from other NHS bodies | | 0 | |
| 110 | Proceeds of disposal of property, plant and equipment | | 12 | |
| 76 | Proceeds of disposal of intangible assets | | 0 | |
| 609 | Receipts from sale of investments | | 528 | |
| 0 | Interest received | | 0 | |
| (3,079) | Net cash outflow from investing activities | 22c | | (5,101) |
| | Cash flows from financing activities | | | |
| 357,772 | Funding | SoCTE | 367,760 | |
| 681 | Movement in general fund working capital | SoCTE | 473 | |
| 358,453 | Cash drawn down | | 368,233 | |
| (470) | Capital element of payments in respect of finance leases | 17b | (595) | |
| (89) | Interest element of finance leases | 2b | (100) | |
| 357,894 | Net Financing | 22c | | 367,538 |
| 98 | Net increase/(decrease) in cash and cash equivalents in the period | | | 335 |
| 284 | Cash and cash equivalents at the beginning of the year | | | 382 |
| 382 | Cash and cash equivalents at the end of the period | | | 717 |
| | Reconciliation of net cash flow to movement in net debt / cash | | | |
| 98 | Increase / (decrease) in cash in year | 11 | | 335 |
| 284 | Net debt / cash at 1 April | | | 382 |
| 382 | Net debt / cash at 31 March | | | 717 |

STATEMENT OF CONSOLIDATED CHANGES IN TAXPAYERS' EQUITY

CONSOLIDATED SOCTE

| Note | General Fund | Revaluation Reserve | Other reserve - associates and joint ventures | Funds Held on Trust | Total Reserves |
|--|---------------|---------------------|---|---------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance at 31 March 2024 | 16,651 | 70,391 | 3,423 | 5,402 | 95,867 |
| Retrospective restatements for changes in accounting policy and material errors | 0 | 0 | 0 | 0 | 0 |
| Restated balance at 1 April 2024 | 16,651 | 70,391 | 3,423 | 5,402 | 95,867 |
| Changes in taxpayers' equity for 2024-25 | | | | | |
| Net gain / (loss) on revaluation / indexation of property, plant and equipment | 7a | 0 | 3,580 | 0 | 3,580 |
| Net gain / (loss) on revaluation / indexation of intangible assets | 6 | 0 | 0 | 0 | 0 |
| Net gain / (loss) on revaluation of investments | 10 | 0 | 0 | (78) | (78) |
| Net gain / (loss) on revaluation of Right-of-Use assets | 17a | 0 | 0 | 0 | 0 |
| Impairment of property, plant and equipment | | 0 | 0 | 0 | 0 |
| Impairment of intangible assets | 6 | 0 | 0 | 0 | 0 |
| Revaluation and impairments taken to operating costs | 2b | 0 | 0 | 0 | 0 |
| Release of reserves to the statement of comprehensive net expenditure | | (2,339) | 0 | 0 | (2,339) |
| Transfers between reserves | | 1,938 | (1,938) | 0 | 0 |
| Pension reserve movements | | 0 | 0 | 0 | 0 |
| Other non cash costs [please specify] | 2b | 0 | 0 | 0 | 0 |
| Net operating cost for the year | CFS | (374,299) | 0 | 1,103 | (373,832) |
| Total recognised income and expense for 2024-25 | | (374,700) | 1,642 | (714) | (372,669) |
| Funding: | | | | | |
| Drawn down | CFS | 368,233 | | | 368,233 |
| Movement in General Fund (creditor) / debtor | CFS | (473) | | | (473) |
| Balance at 31 March 2025 | SOFP | 9,711 | 72,033 | 4,526 | 90,958 |

CONSOLIDATED SOCTE (PRIOR YEAR)

| Note | General Fund | Revaluation Reserve | Other reserve - associates and joint ventures | Funds Held on Trust | Total Reserves |
|--|--------------|---------------------|---|---------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 31 March 2023 | 5,495 | 66,124 | 4,448 | 5,279 | 81,346 |
| Retrospective restatements for changes in accounting policy and material errors | 0 | 0 | 0 | 0 | 0 |
| At 1 April 2023 | 5,495 | 66,124 | 4,448 | 5,279 | 81,346 |
| Changes in taxpayers' equity for 2023-24 | | | | | |
| Net gain / (loss) on revaluation / indexation of property, plant and equipment | 7a | 0 | 6,017 | 0 | 6,017 |
| Net gain / (loss) on revaluation / indexation of intangible assets | 6 | 0 | 0 | 0 | 0 |
| Net gain / (loss) on revaluation of investments | 10 | 0 | 0 | 173 | 173 |
| Net gain / (loss) on revaluation of Right-of-Use assets | | 0 | 0 | 0 | 0 |
| Impairment of property, plant and equipment | 6 | 0 | 0 | 0 | 0 |
| Impairment of intangible assets | 2b | 0 | 0 | 0 | 0 |
| Revaluation and impairments taken to operating costs | | 0 | 0 | 0 | 0 |
| Release of reserves to the statement of comprehensive net expenditure | | 0 | 0 | 0 | 0 |
| Transfers between reserves | | 1,750 | (1,750) | 0 | 0 |
| Pension reserve movements | | 0 | 0 | 0 | 0 |
| Other non cash costs [please specify] | | (738) | 0 | 474 | (264) |
| Net operating cost for the year | | (347,628) | 0 | (1,499) | (349,177) |
| Total recognised income and expense for 2023-24 | CFS | (346,616) | 4,267 | 123 | (343,251) |
| Drawn down | CFS | 358,453 | 0 | 0 | 358,453 |
| Movement in General Fund (creditor) / debtor | CFS | (681) | 0 | 0 | (681) |
| Balance at 31 March 2024 | SOFP | 16,651 | 70,391 | 3,423 | 95,867 |

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 (IFRS) as adopted by the United Kingdom, Interpretations issued by the IFRS Interpretations Committee (IFRIC) and the Companies Act 2006, to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

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

Disclosure of new accounting standards

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

There are no new standards, amendments or interpretations effective in the year 2024/2025.

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

There are no new standards, amendments or interpretations early adopted in the 2024/25 financial year.

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

The table below summarises recent standards, amendments and interpretations issued but not adopted in the 2024/25 financial year.

| Standard | Current status |
|---|---|
| IFRS 14 Regulatory Deferral Accounts | Effective for accounting periods starting on or after 1 January 2016. Not applicable to NHS Scotland bodies. |
| IFRS 17 Insurance Contracts | Effective for accounting periods beginning on or after 1 January 2023. However this Standard is not yet adopted by the FReM. Expected adoption by the FReM from April 2025. |
| IFRS 18 Presentation and disclosure in financial statements | Effective for periods starting on or after 1 January 2027, this standard has not yet been endorsed by the UKEB or adopted by HM Treasury. |
| IFRS 19 Subsidiaries without public accountability: disclosures | Effective for periods starting on or after 1 January 2027, this standard has not yet been endorsed by the UKEB or adopted by HM Treasury. |

2. Basis of Consolidation

In accordance with IFRS 10 – Consolidated 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 intergroup transactions between the Board and the Endowment Fund have been eliminated on consolidation.

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

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

Note 22, provides further details on the consolidation of the Endowment Fund and the IJB within the Financial Statements.

3. Retrospective restatements

There are no retrospective restatements in the 2024/25 annual accounts.

4. Going Concern

The accounts are prepared on a going concern basis, which provides that NHS Borders will continue in operational existence for the foreseeable future, unless informed by Scottish Ministers of the intention for dissolution without transfer of services or functions to another entity.

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 and financial assets and liabilities (including derivative instruments) at fair value as determined by the relevant accounting standards and the FReM.

6. Funding and Income

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 (RRL). Cash drawn down to fund expenditure within this approved RRL is credited to the general fund.

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

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

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

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

Non discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the RRL in the Statement of Resource Outturn.

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

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

7. Property, Plant and Equipment

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

Title to properties included in the Board's 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, NHS Borders; 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:

- 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.
- 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.
- Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total (including VAT where this is not recoverable), or where they are part of the initial costs of equipping a new

development and total over £20,000 (including VAT where this is not recoverable).

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.

Valuations of all land and building assets are assessed by valuers under a 5-year programme of professional valuations and are 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 (Red Book) insofar as these terms are consistent with the agreed requirements of the Scottish Government.

In line with the agreed Property Plant and Equipment – Valuation Accounting Policy all specialist land and building assets were subject to an index linked increase of 3% on the advice of the appointed Property Advisor in line with the Board's Accounting Policies as at 31st March 2025, (2023/24 5%). A nil% indexation was applied to the Board's non specialist assets, (2023/24 – nil%). The Board's assets continue to be held on the basis of fair value (fair value is the term used to describe the valuation basis of either market value or depreciated replacement costs, which are selected as appropriate dependent on the asset).

In general, operational assets which are in use delivering front line services or back-office functions are valued at current market value in existing use. However, to meet the underlying objectives established by the Scottish Government the following accepted variations of the RICS Appraisal and Valuation Manual are adopted:

- Specialised operational assets are valued on a modified replacement cost basis to take account of modern substitute building materials and locality factors only.
- Non-specialised equipment, installations and fittings are valued at fair value, using the most appropriate valuation methodology available. A depreciated historical cost basis is considered an appropriate proxy for fair value in respect of assets which have short useful lives or low values (or both).

Plant and machinery, fixtures and fittings, vehicles and ICT are valued at depreciated historical cost basis which is considered an appropriate proxy for fair value in respect of assets which have short useful lives or low values.

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

- Specialised NHS Land, buildings, equipment, installations and fittings are stated at depreciated replacement cost, as a proxy for fair value as specified in the FReM.
- Non specialised land and buildings, such as offices, are stated at current value.

Surplus assets with restrictions on their disposal, are valued at current value in existing use. Assets have been assessed as surplus where there is no clear plan to bring the asset back into

future use as an operational asset.

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.

Subsequent Expenditure

Subsequent expenditure is capitalised into an asset's carrying value when it is probable the future economic benefits associated with the item will flow to the Board and the cost can be measured reliably. Where subsequent expenditure does not meet these criteria the expenditure is charged to the Statement of Comprehensive Net Expenditure. If part of an asset is replaced then the part it replaces is de-recognised, regardless of whether or not it has been depreciated separately.

Revaluations and Impairment

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

Permanent decreases in asset values and impairments arising from a reduction in service potential or consumption of economic benefit are charged to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

Temporary Decreases in Asset Value

Temporary decreases in asset values or impairments arising from a change in market price are charged to the revaluation reserve when there is an available balance for the asset concerned, and thereafter are charged to the Statement of Comprehensive Net Expenditure.

7.3 Depreciation

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

Specific review of the lives of the land and buildings held by the Board was completed by Avison Young as part of the full revaluation exercise as at 31st March 2023. Lives assigned to land and buildings assets in March 2023 remain appropriate for the accounting period to 31st March 2025. The Board is compliant with the agreed extended life depreciation policy of Scottish Government.

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. Land values incorporated in the lease contracts for Right of Use assets is depreciated and charged on a straight line basis over the term of the lease.
- 2) Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Board, respectively.

- 3) Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated from the date of 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 as right of use assets are depreciated over the shorter of the lease term and the estimated useful life. Unless there is reasonable certainty the Board will obtain ownership of the asset by the end of the lease term in which case it is depreciated over its 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) | 13-72 years* |
| Site Services | 56-91 years* |
| Surfacing | 56-87 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 |

*Asset Lives for buildings, site services and surfacing were updated following the full revaluation exercise completed in March 2023, as advised to the Board by the Property Advisor.

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.

Websites

Websites are capitalised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Board; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Internally generated intangible assets

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

Expenditure on research is not capitalised.

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

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

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

8.2 Measurement

Valuation

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

Subsequently intangible assets that are not held for their service potential (i.e. assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured at fair value. Where an active (homogeneous) market exists, intangible assets are carried at market value in existing use. 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.

Revaluation and Impairment

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the

Statement of Comprehensive Net Expenditure, in which case they are recognised in income.

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

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

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

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

8.3 Amortisation

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

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

1. Internally generated intangible assets - Amortised on a systematic basis over the period expected to benefit from the project.
2. Software licences - Amortised over the shorter term of the licence and their useful economic lives.
3. Software - Amortised over their expected useful life
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 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:

- a. The asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- b. The sale must be highly probable i.e.:
 - i. Management are committed to a plan to sell the asset.
 - ii. An active programme has begun to find a buyer and complete the sale.
 - iii. The asset is being actively marketed at a reasonable price.
 - iv. The sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'.
 - v. 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. The revaluation amount is transacted to the Statement of Comprehensive Net Expenditure (SOCNE). 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 Statement of Financial Position initially at the current full replacement cost of the asset. Donated assets are revalued, depreciated/amortised and subject to impairment in the same way as other non-current assets in accordance with the NHS Capital Accounting Manual.

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 Statement of Comprehensive Net Expenditure. Non-current assets held for sale will include assets transferred from other categories and will reflect any resultant changes in valuation.

12. Leases

Scope and classification

Leases are contracts, or parts of a contract that convey the right to use an asset in exchange

for consideration. The FReM expands the scope of IFRS 16 to include arrangements with nil consideration. The standard is also applied to accommodation sharing arrangements with other government departments.

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

The following are excluded:

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

Initial recognition

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

Subsequent measurement

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

Lease expenditure

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

Estimates and judgements

The Board determines the amounts to be recognised as the right-of-use asset and lease liability for embedded leases based on the stand-alone price of the lease and non-lease component or components. This determination reflects prices for leases of the underlying asset, where these are observable; otherwise, it maximises the use of other observable data, including the fair values of similar assets, or prices of contracts for similar non-lease components. In some circumstances, where stand-alone prices are not readily observable, the entire contracts are

treated as a lease as a practical expedient. The FReM requires right-of-use assets held under “peppercorn” leases to be measured at existing use value.

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 SoCNE 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

17.1 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 in line with agreed policy.

17.2 Pension Costs

The Board participates in the NHS Superannuation Scheme (Scotland). This scheme is an unfunded statutory pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay as specified in the regulations. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the Statement of Comprehensive Net Expenditure represents the Board's employer contributions payable to the scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to the Exchequer. The pension cost is assessed every four years by the Government Actuary and this valuation determines the rate of contributions required. The most recent actuarial valuation is published by the Scottish Public Pensions Agency and is available on their website.

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

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' as 50% of the claim and those in 'Category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and which will be recoverable from the Clinical Negligence and Other Risks Indemnity Scheme in the event of payment by an individual health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

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

19. Related Party Transactions

Material related party transactions are disclosed in the Note 20 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 3.

The Scottish Borders Integration Joint Board (IJB) is a legal entity in its own right which was

created following the implementation of the Joint Working Public Bodies (Scotland) Act 2014. NHS Borders and the Scottish Borders Council have delegated some of their functions to the IJB and the IJB is wholly responsible for carrying out these functions. NHS Borders has incurred costs of £189.50m and reported income for services commissioned of £178.87m in relation to the IJB Delegated Functions and Set Aside Budgets, this is detailed in Note 3 and Note 4 of these accounts (pages 107 & 108). The consolidated Group Accounts (Notes 22a to 22c on pages 135 to 137) for NHS Borders report the pro rate share (50%) of the IJB's year end outturn (£1.10m) and equity (£4.53m) for 2024/25.

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 non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

21. Provisions

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

22. Contingencies

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

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

- 22.1** 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
- 22.2** 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.

The Board holds Contingent assets and liabilities in relation to a number of Clinical Medical Negligence claims where the certainty of value and date of payment is low and unclear and is dependent on ongoing investigation and due process being taken forward by the NHS Central Legal Office. The investigation and due process to settle such claims can span a number of years.

The Board receives monthly information from the NHS Central Legal Office which provides assessment and update on the progress of all lodged claims, this information is used to determine the level of provision and contingent assets/liabilities reported.

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

24.1 Financial Assets

Business Model

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

Classification

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

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

This is the default basis for financial assets.

(b) Financial assets held at amortised cost.

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

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

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

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

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

Impairment of Financial Assets

Provisions for impairment of financial assets are made on the basis of expected credit losses.

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

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

Recognition and Measurement

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

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

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

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

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

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

Derivative Financial Instruments

NHS Borders does not hold any derivative financial instruments (2023/24: nil).

Commitments under PFI Contracts

NHS Borders do not hold any PFI commitments under PFI Contracts.

24.2 Financial Liabilities

Classification

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

- i. These are measured at fair value on a portfolio basis in accordance with a documented risk management or investment strategy.

- ii. They contain embedded derivatives, and/or
- iii. It eliminates or reduces 'accounting mismatch' that would otherwise arise from measurement or recognition on an amortised costs basis.

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

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

(b) Financial liabilities held at amortised cost

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

Recognition and Measurement

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

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

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

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

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

(b) Amortised costs

Financial liabilities held at amortised costs 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 Note 5 in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for Board and throughout the organisation at senior and operational management levels where the responsibility for allocating resources and assessing performance of the operating segments is held. This has been identified as the individual Operational Business Units, External Healthcare Providers and Corporate and Support Service areas of the Board.

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

26. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. The Board does not hold a bank overdraft facility. Where the Government Banking Service is using the National Westminster Bank to provide the banking services, funds held in these accounts should not be classed as commercial bank balances.

27. Foreign Exchange

The functional and presentational currencies of the Board are sterling.

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

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

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

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

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

28. Third Party Assets

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

However, they are disclosed in Note 21 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual (FReM). In addition, where third party monies have been held in a public bank account, commentary is provided in Note 11.

29. Key Sources of Judgement and Estimation Uncertainty

The Board makes subjective and complex judgements in applying its accounting policies and relies on a range of estimation techniques and assumptions concerning uncertain future events. It is recognised that sources of estimation uncertainty are likely to vary from year to year and the resulting accounting estimates will, by definition, seldom equal the related actual results. As such, key judgements and estimates are continually reviewed, based on historical experience and other factors, including changes to past assumptions and 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.

Judgements

The key judgements exercised in the application of the Board's accounting policies which have the most significant effect on the carrying amounts in the financial statements are summarised below:

Accruals: NHS Borders makes judgement, applies estimates and assumptions to the accrual of expenditure and income within the annual accounts. Specifically in areas of holiday pay, pay enhancement and the expected credit loss. NHS Borders reviews on an annual basis methodology relating to significant accrual balances held. Significant accruals held relate to pay policy and employment contractual terms and conditions, business travel, carry forward of annual leave and income due for treatment provided as part of the procedure for Road Traffic Accidents (RTA).

Estimates

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

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.

The effects on the net pension's liability of changes in individual assumptions can be measured. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out as follows:

| Sensitivities at 31 March 2025 | Approximate % increase to Employer Liability | Approximate monetary amount £000's |
|--|---|---|
| 0.5% decrease in real discount rate | 3% | 26 |
| 0.5% increase in pension discount rate | 3% | 27 |

Other Provisions: The Board is recording an 'Other Provision' reflecting probable payments in relation to Scottish Government Pay Terms and Conditions, including the 2023/24 nationally agreed exercise to review all Agenda for Change Band 5 nursing staff. The provision level held as at 31st March 2025 is £2.90M (March 2024: £2.89M).

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 50% of the full cost of category 2 claims which have been assessed as having a probability of settlement. The provisions are reported in Note 13a on page 121. The element of claims in Categories 1 and 2 not covered by the provision is recorded as a contingent liability. The

sensitivities regarding the categorization of claims is set out as follows:

| Sensitivities at 31 March 2025 | Increase in Provision £000's | Decrease in Contingent Liability £000's |
|--|---|--|
| 5% increase in claims needing to be fully provided for | 90 | -90 |

Asset Valuation: Details of the estimates and judgements made by the Board in relation to the valuation of non current assets as at 31st March 2025 have been provided in Section 7.2 Measurement, on page 89 of this report. NHS Borders instructs a full valuation of non current assets on a 5 yearly cycle, between full valuations, market informed indexation is applied which will not be exactly representative of the value had a full valuation been completed.

NOTES TO THE ACCOUNTS

| 2024 £'000 | 2a. SUMMARY OF CORE REVENUE RESOURCE OUTTURN | NOTE | 2025 £'000 | 2025 £'000 |
|----------------|--|--------------|---------------|----------------|
| 349,177 | Net Operating Costs | SoCNE | | 373,832 |
| (7,747) | Total Non Core Expenditure (see below) | | | (6,730) |
| (15,624) | Family Health Services non-discretionary allocation | | | (17,015) |
| (50) | Endowment net expenditure | | | (636) |
| (1,499) | Associates and joint ventures accounted for on an equity basis | | | 1,103 |
| 324,257 | Total Core Expenditure | | | 350,554 |
| 324,425 | Core Revenue Resource Limit | | | 350,485 |
| 168 | Saving against Core Revenue Resource Limit | | | (69) |

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

| | | | |
|--------------|--|---------|--------------|
| 0 | Capital Grants to / (from) Other Bodies | (1,702) | |
| 5,741 | Depreciation/Amortisation | 5,976 | |
| 0 | Annually Managed Expenditure - Impairments | 718 | |
| 70 | Annually Managed Expenditure - Creation of Provisions | 303 | |
| 239 | Annually Managed Expenditure - Depreciation of Donated Assets | 240 | |
| (176) | Annually Managed Expenditure - Pension valuation | 66 | |
| 0 | Donated Asset Income | (882) | |
| 1,411 | Additional Scottish Government non-core funding | 1,533 | |
| 0 | Right of Use (RoU) Interest | 0 | |
| 0 | Right of Use (RoU) Non-recoverable VAT | 0 | |
| 462 | Right of Use (RoU) Asset Depreciation | 0 | |
| 0 | Right of Use (RoU) Peppercorn Leases Depreciation | 478 | |
| 7,747 | Total Non Core Expenditure | | 6,730 |
| 7,747 | Non Core Revenue Resource Limit | | 6,730 |
| 0 | Saving/(excess) against Non Core Revenue Resource Limit | | 0 |

SUMMARY RESOURCE OUTTURN

| | Resource £'000 | Expenditure £'000 | Saving /(Excess) £'000 |
|--------------|-------------------|----------------------|---------------------------|
| Core | 350,485 | 350,554 | (69) |
| Non Core | 6,730 | 6,730 | 0 |
| Total | 357,215 | 357,284 | (69) |

NOTES TO THE ACCOUNTS

2b. NOTES TO THE CASH FLOW STATEMENT

Consolidated adjustments for non-cash transactions

| 2024 £'000 | | Note | 2025 £'000 |
|---------------|--|------------|---------------|
| | Expenditure not paid in cash | | |
| 5,522 | Depreciation | 7a | 5,787 |
| 219 | Amortisation | 6 | 189 |
| 239 | Depreciation of donated assets | 7a | 240 |
| 462 | Depreciation of Right of Use (RoU) Assets | 17b | 478 |
| 0 | Right of Use (RoU) Remeasurement (gain)/loss | 17b | 0 |
| 0 | Impairments on PPE charged to SoCNE | | 0 |
| 0 | Net revaluation on PPE charged to SoCNE | | 0 |
| 0 | Reversal of impairments on PPE charged to SoCNE | | 0 |
| 0 | Impairments on intangible assets charged to SoCNE | 6 | 0 |
| 0 | Net revaluation on intangible assets charged to SoCNE | 6 | 0 |
| 0 | Reversal of impairments on intangible assets charged to SoCNE | 6 | 0 |
| 0 | Loss on re-measurement of non-current assets held for sale | 7b | 0 |
| 0 | Funding Of Donated Assets | 7a | (882) |
| 0 | Loss / (profit) on disposal of intangible assets | | 0 |
| 0 | Loss / (profit) on disposal of property, plant and equipment | | (5) |
| 0 | Impairment of investments charged to SoCNE | 10 | 0 |
| 1 | GP Loans fair value adjustment | 10 | 0 |
| 1,499 | Associates and joint ventures accounted for on an equity basis | SoCNE | (1,103) |
| 0 | Other non-cash transactions General Fund | | (2,239) |
| 7,942 | | CFS | 2,465 |

Interest payable recognised in operating expenditure

| 2024 £'000 | | Note | 2025 £'000 |
|---------------|---|------------|---------------|
| | Interest payable | | |
| 0 | Interest on late payment of commercial debt | | 0 |
| 0 | Bank and other interest payable | | 0 |
| 0 | PFI lease charges allocated in the year | | 0 |
| 89 | Lease interest | 17b | 100 |
| 0 | Provisions - Unwinding of discount | | 0 |
| 89 | Net interest payable | CFS | 100 |

Consolidated movements in working capital

| 2024 Net movement £'000 | | Note | Opening balances £'000 | Closing balances £'000 | 2025 Net movement £'000 |
|----------------------------------|---|------------|------------------------------|------------------------------|----------------------------------|
| | INVENTORIES | | | | |
| 191 | Balance Sheet | 8 | 1,659 | 1,458 | 201 |
| 191 | Net decrease / (increase) | | | | |
| | TRADE AND OTHER RECEIVABLES | | | | |
| (623) | Due within one year | 9 | 10,054 | 6,637 | |
| 0 | Due after more than one year | 9 | 0 | 20,175 | |
| 0 | Less: property, plant & equipment (capital) included in above [enter as negative] | | 0 | 0 | |
| 0 | Less: intangible assets (capital) included in above [enter as negative] | | 0 | 0 | |
| 0 | Less: General Fund creditor included in above | | 0 | 0 | |
| (623) | Net decrease / (increase) | | 10,054 | 26,812 | (16,758) |
| | TRADE AND OTHER PAYABLES | | | | |
| (13,016) | Due within one year | 12 | 60,605 | 66,961 | |
| (313) | Due after more than one year | 12 | 1,679 | 1,209 | |
| 0 | Less: property, plant & equipment (capital) included in above | | 0 | 0 | |
| 0 | Less: intangible assets (capital) included in above | | 0 | 0 | |
| 0 | Less: bank overdraft | | 0 | 0 | |
| (681) | Less: General Fund creditor included in above | 12 | (7,785) | (8,258) | |
| 342 | Less: lease and PFI creditors included in above | 12 | (2,059) | (1,628) | |
| (13,668) | Net (decrease) / increase | | 52,440 | 58,284 | 5,844 |
| | PROVISIONS | | | | |
| 1,269 | Statement of Financial Position | 13a | 17,344 | 37,221 | |
| (740) | Transfer from provision to General Fund | | 0 | 0 | |
| 529 | Net (decrease) / increase | | 17,344 | 37,221 | 19,877 |
| (13,571) | Net movement (decrease) / increase | CFS | | | 9,164 |

Other General Fund non-cash costs shown on the face of SoCNE

| 2024 £000 | | 2025 £000 |
|--------------|-----------------------------------|--------------|
| (738) | | 0 |
| (738) | Total other non-cash costs | 0 |

NOTES TO THE ACCOUNTS

3. OPERATING EXPENSES

3a. Employee expenditure

| 2024 | | | 2025 | 2025 |
|----------------|--------------------|--------------|----------------|----------------|
| Total | | | Board | Consolidated |
| £'000 | | Note | £'000 | £'000 |
| 41,344 | Medical and Dental | | 44,776 | 44,776 |
| 72,061 | Nursing | | 75,693 | 75,693 |
| 71,247 | Other Staff | | 75,121 | 75,121 |
| 184,652 | Total | SoCNE | 195,590 | 195,590 |

Note 3a - Employee expenditure is reported gross of income received by the Board for staff who have been on secondment to other organisations during 2024/25, The remuneration and Staff Report, which forms part of the Accountability Report notes a net position with income for seconded staff being offset.

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

3b. Other operating expenditure

| 2024 | | | 2025 | 2025 |
|--|---|------|----------------|----------------|
| Total | | | Board | Consolidated |
| £'000 | | Note | £'000 | £'000 |
| Independent Primary Care Services | | | | |
| 23,426 | General Medical Services | | 24,750 | 24,750 |
| 6,849 | Pharmaceutical Services | | 6,677 | 6,677 |
| 8,141 | General Dental Services | | 10,217 | 10,217 |
| 2,026 | General Ophthalmic Services | | 2,201 | 2,201 |
| 40,442 | Total independent primary care services | | 43,845 | 43,845 |
| Drugs and medical supplies | | | | |
| 28,303 | Prescribed drugs Primary Care | | 28,109 | 28,109 |
| 18,643 | Prescribed drugs Secondary Care | | 19,817 | 19,817 |
| 262 | Personal Protective Equipment (PPE and Testing Kits) | | 0 | 0 |
| 8,984 | Medical Supplies | | 9,866 | 9,866 |
| 56,192 | Total drugs and medical supplies | | 57,792 | 57,792 |
| Other health care expenditure | | | | |
| 179,124 | Contribution to Integration Joint Boards | | 189,500 | 189,500 |
| 32,954 | Goods and services from other NHS Scotland bodies | | 36,181 | 36,181 |
| 1,449 | Goods and services from other UK NHS bodies | | 1,760 | 1,760 |
| 7,033 | Goods and services from private providers | | 5,721 | 5,721 |
| 21 | Goods and services from voluntary organisations | | 182 | 182 |
| 2,772 | Resource Transfer | | 2,772 | 2,772 |
| 326 | Loss on disposal of assets | | 0 | 0 |
| 33,641 | Other operating expenses | | 59,212 | 59,212 |
| 168 | External Auditor's remuneration - statutory audit fee | | 172 | 172 |
| 840 | Endowment Fund expenditure | | 0 | 1,772 |
| 258,328 | Total other health care expenditure | | 295,500 | 297,272 |
| 354,962 | Total Other Operating Expenditure | | 397,137 | 398,909 |

NOTES TO THE ACCOUNTS

4. OPERATING INCOME

| | | Board Consolidated | |
|-----------------|--|--------------------|----------------|
| 2024 | | 2025 | 2025 |
| £'000 | | £'000 | £'000 |
| | | Note | |
| 0 | Income from Scottish Government | | 0 |
| 7,433 | Income from other NHS Scotland bodies | | 8,659 |
| 2,385 | Income from NHS non-Scottish bodies | | 2,809 |
| 0 | Income from private patients | | 0 |
| 173,937 | Income for services commissioned by Integration Joint Board | | 178,867 |
| 1,398 | Patient charges for primary care | | 2,187 |
| 0 | Donations | | 0 |
| 0 | Profit on disposal of assets | | 5 |
| 0 | Contributions in respect of clinical and medical negligence claims | | 19,587 |
| 0 | Interest received | CFS | 0 |
| Non NHS: | | | |
| 3 | Overseas patients (non-reciprocal) | | 0 |
| 0 | Non-patient care income schemes | | 0 |
| 790 | Endowment Fund Income | | 1,136 |
| 5,990 | Other | | 6,314 |
| 191,936 | | SoCNE | 218,428 |
| | | | 219,564 |

NOTES TO THE ACCOUNTS

5. SEGMENTAL INFORMATION

The Segmental Analysis provided is in line with the Board Reporting Structure and is in the form reported to Internal Management.

| | 2024-25 | | | | | | |
|----------------------------|-----------------------------------|----------------------------------|------------------------------|-------------------------------------|------------------------------|----------------|----------------------------------|
| | Business Unit - Acute Services | Business Unit - IJB Delegated | Business Unit - Set Aside | External Healthcare Providers | Corporate & Support Costs | The Difference | Associates and joint ventures |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Net operating cost 2024-25 | 95,379 | 177,673 | 34,854 | 33,425 | 32,968 | 636 | (1,103) |
| | | | | | | | 373,832 |
| | 2023-24 | | | | | | |
| | Business Unit - Acute Services | Business Unit - IJB Delegated | Business Unit - Set Aside | External Healthcare Providers | Central & Support Costs | The Difference | Associates and joint ventures |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Net operating cost 2023-24 | 86,966 | 156,720 | 33,929 | 32,662 | 37,351 | 50 | 1,499 |
| | | | | | | | 349,177 |

NOTES TO THE ACCOUNTS

6. INTANGIBLE ASSETS - BOARD AND CONSOLIDATED

| Cost or Valuation | Note | Software Licences £'000 | IT - software £'000 | Websites £'000 | Assets Under Development £'000 | Total £'000 |
|--|-------------|-------------------------------|------------------------|-------------------|--------------------------------------|----------------|
| As at 1st April 2024 | | 569 | 3,051 | 0 | 1,258 | 4,878 |
| Additions | | 99 | 0 | 0 | 342 | 441 |
| Completions | | 0 | 0 | 0 | 0 | 0 |
| Transfers between Asset Categories | | 0 | 0 | 0 | 0 | 0 |
| Impairment charges | | 0 | 0 | 0 | 0 | 0 |
| Disposals | | 0 | 0 | 0 | 0 | 0 |
| At 31st March 2025 | | 668 | 3,051 | 0 | 1,600 | 5,319 |
| Amortisation | | | | | | |
| As at 1st April 2024 | | 388 | 2,641 | 0 | 0 | 3,029 |
| Provided during the year | | 28 | 161 | 0 | 0 | 189 |
| Transfers | | 0 | 0 | 0 | 0 | 0 |
| Disposals | | 0 | 0 | 0 | 0 | 0 |
| At 31st March 2025 | | 416 | 2,802 | 0 | 0 | 3,218 |
| Net Book Value at 1st April 2024 | | 181 | 410 | 0 | 1,258 | 1,849 |
| Net Book Value at 31st March 2025 | SoFP | 252 | 249 | 0 | 1,600 | 2,101 |

INTANGIBLE ASSETS - BOARD AND CONSOLIDATED PRIOR YEAR

| Cost or Valuation | Note | Software Licences £'000 | IT - software £'000 | Websites £'000 | Assets Under Development £'000 | Total £'000 |
|---|-------------|-------------------------------|------------------------|-------------------|--------------------------------------|----------------|
| As at 1st April 2023 | | 655 | 3,051 | 0 | 963 | 4,669 |
| Additions | | 0 | 0 | 0 | 295 | 295 |
| Completions | | 0 | 0 | 0 | 0 | 0 |
| Transfers between Asset Categories | | 0 | 0 | 0 | 0 | 0 |
| Impairment charges | | (86) | 0 | 0 | 0 | (86) |
| At 31st March 2024 | | 569 | 3,051 | 0 | 1,258 | 4,878 |
| Amortisation | | | | | | |
| As at 1st April 2023 | | 361 | 2,459 | 0 | 0 | 2,820 |
| Provided during the year | | 37 | 182 | 0 | 0 | 219 |
| Transfers | | 0 | 0 | 0 | 0 | 0 |
| Disposals | | (10) | 0 | 0 | 0 | (10) |
| At 31st March 2024 | | 388 | 2,641 | 0 | 0 | 3,029 |
| Net Book Value at 1st April 2023 | | 294 | 592 | 0 | 963 | 1,849 |
| Net Book Value at 1st April 2024 | SoFP | 181 | 410 | 0 | 1,258 | 1,849 |

NOTES TO THE ACCOUNTS

7a. PROPERTY, PLANT AND EQUIPMENT - BOARD AND CONSOLIDATED

| | | Land (including under buildings) | Buildings (excluding dwellings) | Transport Equipment | Plant & Machinery | Information Technology | Furniture & Fittings | Assets Under Construction | Total |
|---|-------------|---|---------------------------------------|------------------------|----------------------|---------------------------|-------------------------|------------------------------|----------------|
| Cost or Valuation | Note | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| As at 1st April 2024 | | 5,210 | 147,708 | 1,241 | 37,490 | 8,860 | 862 | 949 | 202,320 |
| Additions - purchased | | 0 | 0 | 51 | 1,067 | 140 | 0 | 3,652 | 4,910 |
| Additions - donated | | 0 | 0 | 0 | 47 | 0 | 0 | 835 | 882 |
| Completions | | 0 | 0 | 0 | 470 | 0 | 0 | (470) | 0 |
| Transfers between asset categories | | 0 | (3,794) | 0 | 0 | 0 | 0 | 3,794 | 0 |
| Transfers (to)/from non-current assets held for sale | | 0 | 130 | 0 | 0 | 0 | 0 | 0 | 130 |
| Revaluations | | 0 | 3,855 | 0 | 0 | 0 | 0 | 0 | 3,855 |
| Impairment charges | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals - purchased | | 0 | 0 | (42) | (144) | 0 | 0 | 0 | (186) |
| Disposals - donated | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31st March 2025 | | 5,210 | 147,899 | 1,250 | 38,930 | 9,000 | 862 | 8,760 | 211,911 |
| Depreciation | | | | | | | | | |
| As at 1st April 2024 | | 0 | 20,244 | 794 | 22,290 | 7,210 | 862 | 0 | 51,400 |
| Provided during the year - purchased | | 0 | 3,295 | 85 | 1,878 | 529 | 0 | 0 | 5,787 |
| Provided during the year - donated | | 0 | 147 | 0 | 91 | 2 | 0 | 0 | 240 |
| Transfers (to)/from non-current assets held for sale | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations | | 0 | 275 | 0 | 0 | 0 | 0 | 0 | 275 |
| Impairment charges | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals - purchased | | 0 | 0 | (35) | (144) | 0 | 0 | 0 | (179) |
| Disposals - donated | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31st March 2025 | | 0 | 23,961 | 844 | 24,115 | 7,741 | 862 | 0 | 57,523 |
| Net Book Value at 1st April 2024 | | 5,210 | 127,464 | 447 | 15,200 | 1,650 | 0 | 949 | 150,920 |
| Net Book Value at 31st March 2025 | SoFP | 5,210 | 123,938 | 406 | 14,815 | 1,259 | 0 | 8,760 | 154,388 |
| Open Market value of Land in Land and Dwellings included above | | 5,210 | | | | | | | |
| Asset financing: | | | | | | | | | |
| Owned - purchased | | 5,200 | 117,857 | 406 | 14,169 | 1,259 | 0 | 7,838 | 146,729 |
| Owned - donated | | 10 | 6,081 | 0 | 646 | 0 | 0 | 922 | 7,659 |
| Net Book Value at 31st March 2025 | SoFP | 5,210 | 123,938 | 406 | 14,815 | 1,259 | 0 | 8,760 | 154,388 |

In 2024-25 specific assets previously held as under development were completed and transferred category to assets in use.

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

| | | Land (including under buildings) | Buildings (excluding dwellings) | Transport Equipment | Plant & Machinery | Information Technology | Furniture & Fittings | Assets Under Construction | Total |
|---|-------------|---|---------------------------------------|------------------------|----------------------|---------------------------|-------------------------|------------------------------|----------------|
| Cost or Valuation | Note | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| As at 1st April 2023 | | 5,210 | 140,554 | 1,793 | 34,938 | 8,593 | 862 | 2,799 | 194,749 |
| Additions - purchased | | 0 | 28 | 289 | 1,529 | 267 | 0 | 604 | 2,717 |
| Additions - donated | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Completions | | 0 | 823 | 0 | 1,631 | 0 | 0 | (2,454) | 0 |
| Transfers between asset categories | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers (to)/from non-current assets held for sale | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations | | 0 | 6,303 | 0 | 0 | 0 | 0 | 0 | 6,303 |
| Impairment charges | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals - purchased | | 0 | 0 | (841) | (489) | 0 | 0 | 0 | (1,330) |
| Disposals - donated | | 0 | 0 | 0 | (119) | 0 | 0 | 0 | (119) |
| At 31st March 2024 | | 5,210 | 147,708 | 1,241 | 37,490 | 8,860 | 862 | 949 | 202,320 |
| Depreciation | | | | | | | | | |
| As at 1st April 2023 | | 0 | 16,660 | 1,528 | 21,030 | 6,612 | 862 | 0 | 46,692 |
| Provided during the year - purchased | | 0 | 3,157 | 77 | 1,695 | 593 | 0 | 0 | 5,522 |
| Provided during the year - donated | | 0 | 141 | 0 | 93 | 5 | 0 | 0 | 239 |
| Transfers (to)/from non-current assets held for sale | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations | | 0 | 286 | 0 | 0 | 0 | 0 | 0 | 286 |
| Impairment charges | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals - purchased | | 0 | 0 | (811) | (409) | 0 | 0 | 0 | (1,220) |
| Disposals - donated | | 0 | 0 | 0 | (119) | 0 | 0 | 0 | (119) |
| At 31st March 2024 | | 0 | 20,244 | 794 | 22,290 | 7,210 | 862 | 0 | 51,400 |
| Net Book Value at 1st April 2023 | | 5,210 | 123,894 | 265 | 13,908 | 1,981 | 0 | 2,799 | 148,057 |
| Net Book Value at 1st April 2024 | SoFP | 5,210 | 127,464 | 447 | 15,200 | 1,650 | 0 | 949 | 150,920 |
| Open Market value of Land in Land and Dwellings included above | | 5,210 | | | | | | | |
| Asset financing: | | | | | | | | | |
| Owned - purchased | | 5,200 | 121,413 | 447 | 14,510 | 1,648 | 0 | 862 | 144,080 |
| Owned - donated | | 10 | 6,051 | 0 | 690 | 2 | 0 | 0 | 6,753 |
| On-balance sheet PFI contracts | | 0 | 0 | 0 | 0 | 0 | 0 | 87 | 87 |
| Net Book Value at 1st April 2024 | SoFP | 5,210 | 127,464 | 447 | 15,200 | 1,650 | 0 | 949 | 150,920 |

In 2023-24 specific assets previously held as under development were completed and transferred category to assets in use.

NOTES TO THE ACCOUNTS

7b. ASSETS HELD FOR SALE

For a number of years the Board has held Orchard Park, located in St Boswells, as an Asset Held for Sale. No progress has been made during 2024/25 to actively market the property for sale and as such the Board is reporting the asset as an operational asset for the period to 31st March 2025.

ASSETS HELD FOR SALE - BOARD AND CONSOLIDATED

| | Property, Plant & Equipment | Total |
|---|--------------------------------|----------|
| Note | £'000 | £'000 |
| As at 1st April 2024 | 130 | 130 |
| Transfers (to)/from property, plant and equipment | (130) | (130) |
| Gains or losses recognised on remeasurement of non-current assets | 0 | 0 |
| Disposals of non-current assets held for sale | 0 | 0 |
| At 31st March 2025 | 0 | 0 |

ASSETS HELD FOR SALE (PRIOR YEAR) - BOARD AND CONSOLIDATED

| | Property, Plant & Equipment | Total |
|---|--------------------------------|------------|
| Note | £'000 | £'000 |
| As at 1st April 2023 | 130 | 130 |
| Transfers (to)/from property, plant and equipment | 0 | 0 |
| Gains or losses recognised on remeasurement of non-current assets | 0 | 0 |
| Disposals of non-current assets held for sale | 0 | 0 |
| At 31st March 2024 | 130 | 130 |

NOTES TO THE ACCOUNTS

7c. PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

| Board 2024 £'000 | Consolidated 2024 £'000 | | Note | Board 2025 £'000 | Consolidated 2025 £'000 |
|--|-------------------------------|--|-------------|------------------------|-------------------------------|
| Net book value of property, plant and equipment at 31 March | | | | | |
| 144,080 | 144,080 | Purchased | | 146,729 | 146,729 |
| 6,840 | 6,840 | Donated | | 7,659 | 7,659 |
| 150,920 | 150,920 | Total | SoFP | 154,388 | 154,388 |
| 5,210 | 5,210 | Net book value related to land valued at open market value at 31 March | | 5,210 | 5,210 |

All land and buildings were revalued, as at 31st March 2023, by the Board's Appointed Property Advisor, Avison Young. In line with the Board's Accounting Policies the Board's land and buildings assets are considered for indexation uplift in each of the four years between the five yearly cycle of full valuation. Indexation is applied to the fair value of each asset (current value in existing use or depreciated replacement costs where appropriate). The indexation uplift has been computed in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS.

The net impact of indexation was an increase of £3.58m, 3% (2023-24: an increase of £6.02m, 5%) which was credited to the revaluation reserve. No impairment (2023-24 no impairment) was charged to the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn

NOTES TO THE ACCOUNTS

7d. ANALYSIS OF CAPITAL EXPENDITURE

| Board 2024 £'000 | Consolidated 2024 £'000 | | Board 2025 £'000 | Consolidated 2025 £'000 |
|------------------------|-------------------------------|---|------------------------|-------------------------------|
| | | Expenditure | | |
| 295 | 295 | Acquisition of intangible assets | 441 | 441 |
| 2,717 | 2,717 | Acquisition of property, plant and equipment | 4,910 | 4,910 |
| 0 | 0 | Donated asset additions | 882 | 882 |
| 0 | 0 | GP Loans advances | 0 | 0 |
| 128 | 128 | Right of Use (RoU) Additions | 64 | 64 |
| 0 | 0 | Right of Use (RoU) Dilapidations | 0 | 0 |
| 3,140 | 3,140 | Gross Capital Expenditure | 6,297 | 6,297 |
| | | Income | | |
| 76 | 76 | Net book value of intangible assets | 0 | 0 |
| 110 | 110 | Net book value of disposal of property, plant and equipment | 7 | 7 |
| 0 | 0 | Donated asset income | 0 | 0 |
| 0 | 0 | Right of Use Disposals | 0 | 0 |
| 186 | 186 | Capital Income | 7 | 7 |
| 2,954 | 2,954 | Net Capital Expenditure | 6,290 | 6,290 |
| | | SUMMARY OF CAPITAL RESOURCE OUTTURN | | |
| 3,012 | 3,012 | Core capital expenditure | 5,351 | 5,351 |
| 3,020 | 3,020 | Core Capital Resource Limit | 5,429 | 5,429 |
| 8 | 8 | Saving/(excess) against Total Capital Resource Limit | 78 | 78 |

NOTES TO THE ACCOUNTS

8. INVENTORIES

| Board | Consolidated | | Board | Consolidated |
|--------------|--------------|--------------------------|--------------|--------------|
| 2024 | 2024 | | 2025 | 2025 |
| £'000 | £'000 | Note | £'000 | £'000 |
| 1,659 | 1,659 | Finished goods | 1,458 | 1,458 |
| 1,659 | 1,659 | Total inventories | 1,458 | 1,458 |

SoFP

NOTES TO THE ACCOUNTS

9. TRADE AND OTHER RECEIVABLES

| Board 2024 £'000 | Consolidated 2024 £'000 | | Note | Board 2025 £'000 | Consolidated 2025 £'000 |
|---|-------------------------------|---|------|------------------------|-------------------------------|
| | | Receivables due within one year | | | |
| | | NHS Scotland | | | |
| 1,351 | 1,351 | Scottish Government Health & Social Care Directorate | | 396 | 396 |
| 704 | 704 | Boards | | 623 | 623 |
| 2,055 | 2,055 | Total NHS Scotland Receivables | | 1,019 | 1,019 |
| 857 | 857 | NHS Non-Scottish bodies | | 635 | 635 |
| 0 | 0 | General Fund receivables | | 0 | 0 |
| 148 | 148 | VAT recoverable | | 362 | 362 |
| 3,877 | 3,877 | Prepayments | | 3,173 | 3,173 |
| 116 | 116 | Accrued income | | 298 | 298 |
| 1,965 | 1,965 | Other receivables | | 101 | 101 |
| 975 | 975 | Reimbursement of provisions | | 0 | 0 |
| 0 | 0 | Other public sector bodies | | 493 | 493 |
| 0 | 61 | Endowment Fund Debtors | | 0 | 557 |
| 9,993 | 10,054 | Total Receivables due within one year | SoFP | 6,080 | 6,637 |
| | | Receivables due after more than one year | | | |
| | | NHS Scotland | | | |
| 0 | 0 | Reimbursement of Provisions | | 20,175 | 20,175 |
| 0 | 0 | Total Receivables due after more than one year | SoFP | 20,175 | 20,175 |
| 9,993 | 10,054 | TOTAL RECEIVABLES | | 26,255 | 26,812 |
| 535 | 535 | The total receivables figure above includes a provision for impairments of: | | 1,574 | 1,574 |
| | | WGA Classification | | | |
| 704 | 704 | NHS Scotland | | 623 | 623 |
| 148 | 148 | Central Government bodies | | 362 | 362 |
| 0 | 0 | Whole of Government bodies | | 493 | 493 |
| 857 | 857 | Balances with NHS bodies in England and Wales | | 635 | 635 |
| 8,284 | 8,345 | Balances with bodies external to Government | | 24,143 | 24,700 |
| 9,993 | 10,054 | Total | | 26,255 | 26,812 |
| 2024 | 2024 | | | 2025 | 2025 |
| £'000 | £'000 | | | £'000 | £'000 |
| Movements on the provision for impairment of receivables are as follows:- | | | | | |
| 671 | 671 | At 1 April | | 535 | 535 |
| (63) | (63) | Provision for impairment | | 1,084 | 1,084 |
| (73) | (73) | Receivables written off during the year as uncollectable | | (45) | (45) |
| 0 | 0 | Unused amounts reversed | | 0 | 0 |
| 535 | 535 | At 31 March | | 1,574 | 1,574 |

NOTES TO THE ACCOUNTS

As of 31 March 2025, receivables with a carrying value of £1.5m (2023-24: £0.60m) were impaired and provided for. The ageing of these receivables is as follows:

| Board | Consolidated | | Board | Consolidated |
|--------------|---------------------|------------------------|--------------|---------------------|
| 2024 | 2024 | | 2025 | 2025 |
| £'000 | £'000 | | £'000 | £'000 |
| 54 | 54 | 3 to 6 months past due | 15 | 15 |
| 481 | 481 | Over 6 months past due | 1,559 | 1,559 |
| 535 | 535 | | 1,574 | 1,574 |

The receivables assessed as individually impaired were mainly Health Bodies, overseas patients and private individuals and it was assessed that not all of the receivable balance may be recovered.

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2025, receivables with a carrying value of £1.0 million (2023-24: £1.2 million) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:

| Board | Consolidated | | Board | Consolidated |
|--------------|---------------------|------------------------|--------------|---------------------|
| 2024 | 2024 | | 2025 | 2025 |
| £'000 | £'000 | | £'000 | £'000 |
| 675 | 675 | Up to 3months past due | 531 | 531 |
| 0 | 0 | 3 to 6 months past due | 97 | 97 |
| 583 | 583 | Over 6 months past due | 393 | 393 |
| 1,258 | 1,258 | | 1,021 | 1,021 |

The receivables assessed as past due but not impaired were mainly NHS Scotland Health Boards and Local Authorities 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 expected credit loss.

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

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

| Board | Consolidated | | Board | Consolidated |
|--------------|---------------------|------------|---------------|---------------------|
| 2024 | 2024 | | 2025 | 2025 |
| £'000 | £'000 | | £'000 | £'000 |
| 9,993 | 10,054 | Pounds | 26,255 | 26,812 |
| | | Euros | | |
| | | US Dollars | | |
| 9,993 | 10,054 | | 26,255 | 26,812 |

NOTES TO THE ACCOUNTS

10. INVESTMENTS

| Board 2024 £'000 | Consolidated 2024 £'000 | | Note | Board 2025 £'000 | Consolidated 2025 £'000 |
|------------------------|-------------------------------|--|-------|------------------------|-------------------------------|
| 85 | 4,804 | At 1 April | | 84 | 5,231 |
| 0 | 862 | Additions | CFS | 0 | 290 |
| 0 | 0 | GP Loans advances | CFS | 0 | 0 |
| 0 | (609) | Disposals | | 0 | (529) |
| 0 | 0 | Impairment recognised in SOCNE | 2 | 0 | 0 |
| (1) | (1) | GP Loans Fair Value Adjustment | 2b | 0 | 0 |
| 0 | 175 | Revaluation deficit transferred to equity | SoCTE | 0 | (78) |
| 84 | 5,231 | At 31 March | | 84 | 4,914 |
| 0 | 0 | Current | SoFP | 0 | 0 |
| 84 | 5,231 | Non-current | SoFP | 84 | 4,914 |
| 84 | 5,231 | At 31 March | | 84 | 4,914 |
| 0 | 0 | The carrying value includes an impairment provision of | | 0 | 0 |

A GP Sustainability Loan totalling £124k was provided under the terms of the Scottish Government GP Sustainability Loan Scheme. The outstanding balance of the loan has been discounted in 2024/25 using the Financial Instruments Nominal Discount rate of 2.15% as issued by HM Treasury in the Public Expenditure System (PES) circular referenced 2024 (09).

NOTES TO THE ACCOUNTS

11. CASH AND CASH EQUIVALENTS

| | 2025 | 2024 |
|---|-----------------|------------|
| Note | £'000 | £'000 |
| Balance at 1 April | 382 | 284 |
| Net charge in cash and cash equivalent balances | CFS 335 | 98 |
| Balance at 31 March | SoFP 717 | 382 |
| Overdrafts | 0 | 0 |
| Total Cash - Cash Flow Statement | 717 | 382 |

The following balances at 31 March were held at

| | | |
|-----------------------------------|------------|------------|
| Government Banking Service | 242 | 2 |
| Commercial banks and cash in hand | 206 | 129 |
| Overdrafts | 0 | 0 |
| Short term investments | 0 | 0 |
| Endowment cash | 269 | 251 |
| Balance at 31 March | 717 | 382 |

NOTES TO THE ACCOUNTS

12. TRADE AND OTHER PAYABLES

| Board 2024 £'000 | Consolidated 2024 £'000 | | Note | Board 2025 £'000 | Consolidated 2025 £'000 |
|---------------------------------|--|---|------|---------------------------------|--|
| | | Payables due within one year | | | |
| | | NHS Scotland | | | |
| 0 | 0 | Scottish Government Health & Social Care Directorate | | 0 | 0 |
| 5,361 | 5,361 | Boards | | 5,473 | 5,473 |
| 5,361 | 5,361 | Total NHS Scotland Payables | | 5,473 | 5,473 |
| 0 | 0 | NHS Non-Scottish bodies | | 1,253 | 1,253 |
| 7,785 | 7,785 | Amounts payable to General Fund | | 8,258 | 8,258 |
| 7,794 | 7,794 | FHS practitioners | | 7,708 | 7,708 |
| 96 | 96 | Trade payables | | 233 | 233 |
| 14,465 | 14,465 | Accruals | | 13,556 | 13,556 |
| 1,369 | 1,369 | Payments received on account | | 1,347 | 1,347 |
| 488 | 488 | Net obligations under leases | 17b | 518 | 518 |
| 3,287 | 3,287 | Income tax and social security | | 3,568 | 3,568 |
| 2,951 | 2,951 | Superannuation | | 3,281 | 3,281 |
| 6,221 | 6,221 | Holiday pay accrual | | 7,241 | 7,241 |
| 10,621 | 10,621 | Other public sector bodies | | 13,643 | 13,643 |
| 110 | 110 | Other payables | | (85) | (85) |
| 0 | 57 | Endowment Fund creditors | | | 968 |
| 60,548 | 60,605 | Total Payables due within one year | SoFP | 65,993 | 66,961 |
| | | Payables due after more than one year | | | |
| | | NHS Scotland | | | |
| 506 | 506 | Net obligations under leases due within 2 years | 17b | 542 | 542 |
| 1,065 | 1,065 | Net obligations under leases due after 2 years but within 5 years | 17b | 568 | 568 |
| 0 | 0 | Net obligations under leases due after 5 years | 17b | 0 | 0 |
| 0 | 0 | Deferred Income | | 0 | 0 |
| 108 | 108 | Other payables | | 99 | 99 |
| 1,679 | 1,679 | Total Payables due after more than one year | SoFP | 1,209 | 1,209 |
| 62,227 | 62,284 | TOTAL PAYABLES | | 67,203 | 68,171 |
| | | WGA Classification | | | |
| 5,361 | 5,361 | NHS Scotland | | 5,473 | 5,473 |
| 0 | 0 | Central Government bodies | | 0 | 0 |
| 16,859 | 16,859 | Whole of Government bodies | | 20,492 | 20,492 |
| 0 | 0 | Balances with NHS bodies in England and Wales | | 0 | 0 |
| 40,007 | 40,064 | Balances with bodies external to Government | | 41,238 | 42,206 |
| 62,227 | 62,284 | Total | | 67,203 | 68,171 |
| Board 2024 £'000 | Consolidated 2024 £'000 | | | Board 2025 £'000 | Consolidated 2025 £'000 |
| | | Borrowings included above comprise: | | | |
| 2,059 | 2,059 | Leases | | 1,628 | 1,628 |
| 2,059 | 2,059 | | | 1,628 | 1,628 |
| | | The carrying amount and fair value of the non-current borrowings are as follows | | | |
| 1,571 | 1,571 | Leases | | 1,110 | 1,110 |
| 1,571 | 1,571 | | | 1,110 | 1,110 |
| | | The fair value of the non-current borrowings are as follows | | | |
| 0 | 0 | Leases | | 0 | 0 |
| 0 | 0 | | | 0 | 0 |
| | | The carrying amount of payables approximates their fair value | | | |
| | | The carrying amount of payables are denominated in the following currencies: | | | |
| 62,227 | 62,284 | Pounds | | 67,203 | 68,171 |
| 62,227 | 62,284 | | | 67,203 | 68,171 |

NOTES TO THE ACCOUNTS

13a. PROVISIONS - CONSOLIDATED AND BOARD

| | Pensions and similar obligations | Clinical & Medical Legal Claims against NHS Board | Participation in CNORIS | Other (non- endowment) | 2025 TOTAL |
|---------------------------|--|--|----------------------------|---------------------------|---------------|
| Note | £'000 | £'000 | £'000 | £'000 | £'000 |
| As at 1st April 2024 | 965 | 1,046 | 12,398 | 2,935 | 17,344 |
| Arising during the year | 144 | 20,169 | 1,208 | 1,534 | 23,055 |
| Utilised during the year | (121) | (308) | (824) | (40) | (1,293) |
| Unwinding of discount | 0 | 0 | 0 | 0 | 0 |
| Reversed unutilised | (77) | (284) | 0 | (1,524) | (1,885) |
| At 31st March 2025 | 911 | 20,623 | 12,782 | 2,905 | 37,221 |

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

Analysis of expected timing of discounted flows to 31 March 2025

| | Pensions and similar obligations | Clinical & Medical | Participation in CNORIS | Other (non endowment) | 2025 TOTAL |
|----------------------------------|--|-----------------------|----------------------------|--------------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Payable in one year | SoFP 111 | 2,073 | 3,196 | 2,905 | 8,285 |
| Payable between 2 - 5 years | SoFP 385 | 18,550 | 7,772 | 0 | 26,707 |
| Payable between 6 - 10 years | SoFP 282 | 0 | 665 | 0 | 947 |
| Thereafter | SoFP 133 | 0 | 1,149 | 0 | 1,282 |
| Total as at 31 March 2025 | 911 | 20,623 | 12,782 | 2,905 | 37,221 |

PROVISIONS - CONSOLIDATED AND BOARD (PRIOR YEAR)

| | Pensions and similar obligations | Clinical & Medical | Participation in CNORIS | Other (non endowment) | 2024 TOTAL |
|---------------------------|--|-----------------------|----------------------------|--------------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| As at 1st April 2023 | 1,266 | 1,278 | 12,132 | 1,399 | 16,075 |
| Arising during the year | 103 | 675 | 859 | 1,536 | 3,173 |
| Utilised during the year | (124) | (843) | (593) | 0 | (1,560) |
| Unwinding of discount | (280) | 0 | 0 | 0 | (280) |
| Reversed unutilised | 0 | (64) | 0 | 0 | (64) |
| At 31st March 2024 | 965 | 1,046 | 12,398 | 2,935 | 17,344 |

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

Analysis of expected timing of discounted flows to 31 March 2024

| | Pensions and similar obligations | Clinical & Medical | Participation in CNORIS | Other (non endowment) | 2024 TOTAL |
|----------------------------------|--|-----------------------|----------------------------|--------------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Payable in one year | SoFP 118 | 1,046 | 3,100 | 2,935 | 7,199 |
| Payable between 2 - 5 years | SoFP 408 | 0 | 7,539 | 0 | 7,947 |
| Payable between 6 - 10 years | SoFP 299 | 0 | 645 | 0 | 944 |
| Thereafter | SoFP 140 | 0 | 1,114 | 0 | 1,254 |
| Total as at 31 March 2024 | 965 | 1,046 | 12,398 | 2,935 | 17,344 |

NOTES TO THE ACCOUNTS

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

| 2024 | | | 2025 |
|--------|--|------|---------------|
| £'000 | | Note | £'000 |
| 1,046 | Provision recognising individual claims against the NHS Board as at 31 March | 13a | 20,623 |
| (975) | Associated CNORIS receivables at 31 March | 9 | (20,175) |
| 12,398 | Provision recognising the NHS Board's liability from participating in the scheme at 31 March | 13a | 12,782 |
| 12,469 | Net Total Provision relating to CNORIS at 31 March | | 13,230 |

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

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

As a result of participation in the scheme, boards should also recognise that they will be required to make contributions to the scheme in future years. Therefore a second provision that recognises the board's share of the total CNORIS liability of NHSScotland has been made and this is reflected in third line above.

Therefore there are two related but distinct provisions required as a result of participation in the scheme. Both of these provisions as well as the associated receivable have been shown in the note above to aid the reader's understanding of CNORIS.

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

NOTES TO THE ACCOUNTS

14. CONTINGENT LIABILITIES

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

| 2024 | Nature | 2025 |
|--------------------------|--|---------------|
| £'000 | | £'000 |
| 60,760 | Clinical and medical compensation payments | 37,233 |
| 5 | Employer's liability | 0 |
| 60,765 | TOTAL CONTINGENT LIABILITIES | 37,233 |
| CONTINGENT ASSETS | | |
| 60,195 | Clinical and medical compensation payments | 36,840 |
| 0 | Employer's liability | 0 |
| 60,195 | TOTAL CONTINGENT ASSETS | 36,840 |

15. EVENTS AFTER THE END OF THE REPORTING YEAR

The Board has included provisions and contingent liabilities and assets relating to Clinical Medical Negligence claims based on information received from the NHS Scotland Central Legal Office after the balance sheet date of 31st March 2025 up to the signing date of these accounts.

NOTES TO THE ACCOUNTS

16. COMMITMENTS

Capital Commitments

The Board has the following capital commitments which have not been provided for in the accounts

| 2024 | Contracted | 2025 |
|--------------|---|--------------|
| £'000 | | £'000 |
| 300 | Project Management | 350 |
| 1,650 | Endoscopy Turnkey, CT Turnkey and Mammography Project | 0 |
| 0 | Laboratory Information Management Scheme | 0 |
| 1,950 | Total | 350 |
| | Authorised but not Contracted | |
| 300 | Rolling Replacement Programmes for IM&T | 300 |
| 1,500 | IM&T Projects Portfolio | 0 |
| 285 | Medical Equipment | 300 |
| 1,500 | Statutory compliance and backlog maintenance property expenditure | 1,434 |
| 1,000 | Community Hospitals/RAAC mitigation | 0 |
| 100 | Feasibility | 100 |
| 0 | Business Continuity Plan | 3,400 |
| 0 | | 0 |
| 0 | Anticipated Capital to Revenue transfer (Asset Classification) | (1,500) |
| 4,685 | Total | 4,034 |
| 6,635 | Total Capital Commitments | 4,384 |

Note - As detailed on page 27 of this Annual Report remedial structural work is in progress at the Knoll Hospital and the building is partially non operational at 31st March 2025. The remedial works are estimated to cost £2m and will be completed during 2025/26

NOTES TO THE ACCOUNTS

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

| | Note | Land (including under buildings) | Buildings (excluding dwellings) | Transport Equipment | Plant & Machinery | Information Technology | Furniture & Fittings | Intangibles | Total |
|---|-------------|---|---------------------------------------|------------------------|----------------------|---------------------------|-------------------------|-------------|--------------|
| Cost or Valuation | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| As at 1st April 2024 | | 446 | 2,529 | 0 | 0 | 0 | 0 | 0 | 2,975 |
| Additions (include new dilapidation provisions) | | 10 | 55 | 0 | 0 | 0 | 0 | 0 | 64 |
| Additions - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Transfers (to) / from other SG Consolidation Entities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers between asset categories | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment charges | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment reversals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31st March 2025 | | 456 | 2,584 | 0 | 0 | 0 | 0 | 0 | 3,039 |
| Depreciation | | | | | | | | | |
| As at 1st April 2024 | | 89 | 1,039 | 0 | 0 | 0 | 0 | 0 | 1,128 |
| Provided during the year - (include new dilapidation provisions) | | 92 | 386 | 0 | 0 | 0 | 0 | 0 | 478 |
| Provided during the year - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Transfers (to) / from other SG Consolidation Entities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers between asset categories | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment charges | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment reversals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31st March 2025 | | 181 | 1,425 | 0 | 0 | 0 | 0 | 0 | 1,606 |
| Net Book Value at 31st March 2025 | SoFP | 275 | 1,159 | 0 | 0 | 0 | 0 | 0 | 1,434 |
| Net Book Value at 1st April 2024 | | 357 | 1,490 | 0 | 0 | 0 | 0 | 0 | 1,847 |
| Open Market value of Land in Land and Dwellings included above | | 275 | | | | | | | |

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

| | Note | Land (including under buildings) | Buildings (excluding dwellings) | Transport Equipment | Plant & Machinery | Information Technology | Furniture & Fittings | Intangibles | Total |
|---|-------------|---|---------------------------------------|------------------------|----------------------|---------------------------|-------------------------|-------------|--------------|
| Cost or Valuation | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| As at 1st April 2024 | | 446 | 2,529 | 0 | 0 | 0 | 0 | 0 | 2,975 |
| Additions (include new dilapidation provisions) | | 10 | 55 | 0 | 0 | 0 | 0 | 0 | 64 |
| Additions - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Transfers (to) / from other SG Consolidation Entities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers between asset categories | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment charges | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment reversals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31st March 2025 | | 456 | 2,584 | 0 | 0 | 0 | 0 | 0 | 3,039 |
| Depreciation | | | | | | | | | |
| As at 1st April 2024 | | 89 | 1,039 | 0 | 0 | 0 | 0 | 0 | 1,128 |
| Provided during the year - (include new dilapidation provisions) | | 92 | 386 | 0 | 0 | 0 | 0 | 0 | 478 |
| Provided during the year - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Transfers (to) / from other SG Consolidation Entities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers between asset categories | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations - Peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment charges | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment charges - Peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment reversals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31st March 2025 | | 181 | 1,425 | 0 | 0 | 0 | 0 | 0 | 1,606 |
| Net Book Value at 31st March 2025 | SoFP | 275 | 1,159 | 0 | 0 | 0 | 0 | 0 | 1,434 |
| Net Book Value at 1st April 2024 | | 357 | 1,490 | 0 | 0 | 0 | 0 | 0 | 1,847 |
| Open Market value of Land in Land and Dwellings included above | | 275 | | | | | | | |

NOTES TO THE ACCOUNTS

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

| | | Land (including under buildings) | Buildings (excluding dwellings) | Transport Equipment | Plant & Machinery | Information Technology | Furniture & Fittings | Intangibles | Total |
|---|-------------|---|---------------------------------------|------------------------|----------------------|---------------------------|-------------------------|-------------|--------------|
| Cost or Valuation | Note | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| As at 1st April 2023 | | 427 | 2,420 | 0 | 0 | 0 | 0 | 0 | 2,847 |
| Additions (include new dilapidation provisions) | | 19 | 109 | 0 | 0 | 0 | 0 | 0 | 128 |
| Additions - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Transfers (to) / from other SG Consolidation Entities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers between asset categories | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment charges | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment reversals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31st March 2024 | | 446 | 2,529 | 0 | 0 | 0 | 0 | 0 | 2,975 |
| Depreciation | | | | | | | | | |
| As at 1st April 2023 | | 0 | 666 | 0 | 0 | 0 | 0 | 0 | 666 |
| Provided during the year - (include new dilapidation provisions) | | 89 | 373 | 0 | 0 | 0 | 0 | 0 | 462 |
| Provided during the year - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Transfers (to) / from other SG Consolidation Entities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers between asset categories | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment charges | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment reversals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31st March 2024 | | 89 | 1,039 | 0 | 0 | 0 | 0 | 0 | 1,128 |
| Net Book Value at 1st April 2024 | SoFP | 357 | 1,490 | 0 | 0 | 0 | 0 | 0 | 1,847 |
| Net Book Value at 1st April 2023 | | 427 | 1,754 | 0 | 0 | 0 | 0 | 0 | 2,181 |
| Open Market value of Land in Land and Dwellings included above | | 357 | | | | | | | |

17a. Right of Use Assets (RoU) - BOARD (Prior Year)

| | | Land (including under buildings) | Buildings (excluding dwellings) | Transport Equipment | Plant & Machinery | Information Technology | Furniture & Fittings | Intangibles | Total |
|---|-------------|---|---------------------------------------|------------------------|----------------------|---------------------------|-------------------------|-------------|--------------|
| Cost or Valuation | Note | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 April 2023 | | 427 | 2,420 | 0 | 0 | 0 | 0 | 0 | 2,847 |
| Additions (include new dilapidation provisions) | | 19 | 109 | 0 | 0 | 0 | 0 | 0 | 128 |
| Additions - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Transfers (to) / from other SG Consolidation Entities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers between asset categories | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment charges | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment reversals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31st March 2024 | | 446 | 2,529 | 0 | 0 | 0 | 0 | 0 | 2,975 |
| Depreciation | | | | | | | | | |
| At 1 April 2023 | | 0 | 666 | 0 | 0 | 0 | 0 | 0 | 666 |
| Provided during the year - (include new dilapidation provisions) | | 89 | 373 | 0 | 0 | 0 | 0 | 0 | 462 |
| Provided during the year - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Transfers (to) / from other SG Consolidation Entities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers between asset categories | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations - Peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment charges | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment charges - Peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment reversals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals - peppercorn leases | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31st March 2024 | | 89 | 1,039 | 0 | 0 | 0 | 0 | 0 | 1,128 |
| Net Book Value at 31st March 2024 | SoFP | 357 | 1,490 | 0 | 0 | 0 | 0 | 0 | 1,847 |
| Net Book Value at 1st April 2023 | | 427 | 1,754 | 0 | 0 | 0 | 0 | 0 | 2,181 |
| Open Market value of Land in Land and Dwellings included above | | 357 | | | | | | | |

NOTES TO THE ACCOUNTS

17b. LEASE LIABILITIES

| | | Land (including under buildings) | Buildings (excluding dwellings) | Transport Equipment | Plant & Machinery | Information Technology | Furniture & Fittings | Intangibles | Total |
|--|------|---|---------------------------------------|------------------------|----------------------|---------------------------|-------------------------|-------------|--------------|
| | Note | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Amounts falling due: | | | | | | | | | |
| Not later than one year | | 78 | 440 | 0 | 0 | 0 | 0 | 0 | 518 |
| Later than one year, not later than 2 years | | 81 | 461 | 0 | 0 | 0 | 0 | 0 | 542 |
| Later than two year, not later than five years | | 85 | 483 | 0 | 0 | 0 | 0 | 0 | 568 |
| Later than five years | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Less: Unaccrued interest | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31st March 2025 | | 244 | 1,384 | 0 | 0 | 0 | 0 | 0 | 1,628 |
| <hr/> | | | | | | | | | |
| Current | | 78 | 440 | 0 | | | | | 518 |
| Non-Current | | 166 | 944 | 0 | | | | | 1,110 |
| | | 244 | 1,384 | 0 | 0 | 0 | 0 | 0 | 1,628 |

Amounts recognised in the Statement of Comprehensive Net Expenditure

| | Consolidated | Board |
|--|--------------|--------------|
| | £'000 | £'000 |
| Depreciation | 478 | 478 |
| Interest Expense | 100 | 100 |
| Non Recoverable VAT on lease payments | 0 | 0 |
| Low value and short term leases | 1,200 | 1,200 |
| Remeasurement of ROU assets - (gain)/loss charged to SOCNE | 0 | 0 |
| Total | 1,778 | 1,778 |

Amounts recognised in the Statement of Cash Flows

| | Consolidated | Board |
|----------------------------------|--------------|------------|
| | £'000 | £'000 |
| Interest Expense | 100 | 100 |
| Repayment of Principal of leases | 595 | 595 |
| Total | 695 | 695 |

NOTES TO THE ACCOUNTS

17b. LEASE LIABILITIES (Prior Year)

| | | Land (including under buildings) | Buildings (excluding dwellings) | Transport Equipment | Plant & Machinery | Information Technology | Furniture & Fittings | Intangibles | Total |
|--|------|---|---------------------------------------|------------------------|----------------------|---------------------------|-------------------------|-------------|--------------|
| | Note | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Amounts falling due: | | | | | | | | | |
| Not later than one year | | 73 | 415 | 0 | 0 | 0 | 0 | 0 | 488 |
| Later than one year, not later than 2 years | | 76 | 430 | 0 | 0 | 0 | 0 | 0 | 506 |
| Later than two year, not later than five years | | 160 | 905 | 0 | 0 | 0 | 0 | 0 | 1,065 |
| Later than five years | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Less: Unaccrued interest | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31st March 2024 | | 309 | 1,750 | 0 | 0 | 0 | 0 | 0 | 2,059 |
| <hr/> | | | | | | | | | |
| Current | | 73 | 415 | 0 | | | | | 488 |
| Non-Current | | 236 | 1,335 | 0 | | | | | 1,571 |
| | | 309 | 1,750 | 0 | 0 | 0 | 0 | 0 | 2,059 |

Amounts recognised in the Statement of Comprehensive Net Expenditure (Prior Year)

| | Consolidated | Board |
|--|--------------|--------------|
| | £'000 | £'000 |
| Depreciation | 462 | 462 |
| Interest Expense | 89 | 89 |
| Non Recoverable VAT on lease payments | 0 | 0 |
| Low value and short term leases | 1,693 | 1,693 |
| Remeasurement of ROU assets - (gain)/loss charged to SOCNE | 0 | 0 |
| Total | 2,244 | 2,244 |

Amounts recognised in the Statement of Cash Flows (Prior Year)

| | Consolidated | Board |
|----------------------------------|--------------|------------|
| | £'000 | £'000 |
| Interest Expense | 89 | 89 |
| Repayment of Principal of leases | 561 | 561 |
| Total | 650 | 650 |

NOTES TO THE ACCOUNTS

18. PENSION COSTS

(a) NHS Borders participates in the NHS Pension Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a four-yearly funding valuation undertaken by the scheme actuary.

The valuation carried out as at 31 March 2016 confirmed that an increase in the employer contribution rate from 14.9% to 20.9% was required from 1 April 2019 to 31 March 2023. The UK Government since confirmed that these employer rates would remain in place until 31 March 2024. In addition, member pension contributions over the period to 30 September 2023 have been paid within a range of 5.2% to 14.7% and have been anticipated to deliver a yield of 9.6%.

The valuation carried out as at 31 March 2020 confirmed that an increase in the employer contribution rate from 20.9% to 22.5% will be required from 1 April 2024 to 31 March 2027. In addition, member pension contributions since 1 October 2024 have been paid within a range of 5.7% to 12.7% and have been anticipated to deliver a yield of 9.8%.

(b) NHS Borders has no liability for other employers' obligations to the multi-employer scheme

(c) As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme

(d)

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

(ii) It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the NHS Borders is unable to identify its share of the underlying assets and liabilities of the scheme.

(iii) The employer contribution rate for the period from 1 April 2024 is 22.5% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.8% of pensionable pay.

(iv) While a valuation was carried out as at 31 March 2016, work on the cost cap valuation was suspended by the UK Government following the decision by the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that the transitional protections provided as part of the 2015 reforms unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that current employer contribution rates would stay in force until 1 April 2024.

(v) NHS Borders level of participation in the scheme is 1.52% based on the proportion of employer contributions paid in 2023-24*. Participation figures are produced by SPPA one year in arrears.

Full information on the NHS Pension Scheme (Scotland) is available on the Scottish Public Pensions Agency (SPPA) web site at www.sppa.gov.uk.

The new NHS Pension Scheme (Scotland) 2015

From 1 April 2015 the NHS Pension Scheme (Scotland) 2015 was introduced. This scheme is a Career Average Re-valued Earnings (CARE) scheme. Members will accrue 1/54 of their pay as pension for each year they are a member of the scheme. The accrued pension is re-valued each year at an above inflation rate to maintain its buying power. This is currently 1.5% above increases to the Consumer Prices Index (CPI). This continues until the member leaves the scheme or retires. From 1 October 2024 members paid tiered contribution rates ranging from 5.7% to 12.7% of pensionable earnings. The normal pension age (NPA) is the same as the State Pension age. Members can take their benefits earlier but there will be a deduction for early payment.

The existing NHS Superannuation Scheme (Scotland)

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

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

National Employment Savings Trust (NEST)

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

NEST is a defined contribution pension scheme established by law to support the introduction of Auto Enrolment. Contributions are taken from qualifying earnings, which are currently from £6,240 up to £50,270, but will be reviewed every year by the government.

The initial employee contribution is 1% of qualifying earnings, with an employer contribution of 1%. This will increase in stages to meet levels set by government.

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

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

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

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

| | 2025 £'000 | 2024 £'000 |
|---|---------------|---------------|
| Pension cost charge for the year | 27,367 | 24,026 |
| Additional Costs arising from early retirement | 0 | 0 |
| Provisions/Liabilities/Pre-payments included in the Statement of Financial Position | 911 | 965 |
| Pension costs for the year for staff transferred from local authority | 0 | 0 |

NOTES TO THE ACCOUNTS

Note 19 FINANCIAL INSTRUMENTS

19a. FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

CONSOLIDATED

| | | Financial assets at amortised cost | Financial assets at fair value through profit/loss | Total |
|--|------|---------------------------------------|--|---------------|
| | Note | 2025 £'000 | 2025 £'000 | 2025 £'000 |
| AS AT 31 MARCH 2025 | | | | |
| Assets per Statement of Financial Position | | | | |
| Investments | 10 | - | 4,914 | 4,914 |
| Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable. | 9 | 2,084 | 0 | 2,084 |
| Cash and cash equivalents | 11 | 717 | 0 | 717 |
| | | 2,801 | 4,914 | 7,715 |

BOARD

| | | Financial assets at amortised cost | Financial assets at fair value through profit/loss | Total |
|--|----|---------------------------------------|--|---------------|
| | | 2025 | 2025 | 2025 £'000 |
| AS AT 31 MARCH 2025 | | | | |
| Assets per Statement of Financial Position | | | | |
| Investments | 10 | - | 84 | 84 |
| Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable. | 9 | 1,527 | - | 1,527 |
| Cash and cash equivalents | 11 | 448 | - | 448 |
| | | 1,975 | 84 | 2,059 |

CONSOLIDATED (Prior Year)

| | | Financial assets at amortised cost | Financial assets at fair value through profit/loss | Total |
|--|----|---------------------------------------|--|---------------|
| | | 2024 | 2024 | 2024 £'000 |
| At 31 March 2024 | | | | |
| Assets per Statement of Financial Position | | | | |
| Investments | 10 | - | 5,231 | 5,231 |
| Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable. | 9 | 2,999 | | 2,999 |
| Cash and cash equivalents | 11 | 382 | | 382 |
| | | 3,381 | 5,231 | 8,612 |

BOARD (Prior Year)

| | | Financial assets at amortised cost | Financial assets at fair value through profit/loss | Total |
|--|----|---------------------------------------|--|---------------|
| | | 2024 | 2024 | 2024 £'000 |
| At 31 March 2024 | | | | |
| Assets per Statement of Financial Position | | | | |
| Investments | 10 | 0 | 84 | 84 |
| Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable. | 9 | 2,938 | 0 | 2,938 |
| Cash and cash equivalents | 11 | 131 | 0 | 131 |
| | | 3,069 | 84 | 3,153 |

NOTES TO THE ACCOUNTS

19. FINANCIAL INSTRUMENTS (cont.)

Financial Liabilities

CONSOLIDATED

| | | Financial liabilities at amortised cost | Total |
|--|-------------|---|---------------|
| | | 2025 £'000 | 2025 £'000 |
| AS AT 31 MARCH 2025 | Note | | |
| Liabilities per Statement of Financial Position | | | |
| Lease liabilities (Right of Use Assets) | 12 | 1,628 | 1,628 |
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation | 12 | 54,221 | 54,221 |
| | | 55,849 | 55,849 |

BOARD

| | | Financial liabilities at amortised cost | Total |
|--|----|---|---------------|
| | | 2025 £000 | 2025 £000 |
| AS AT 31 MARCH 2025 | | | |
| Liabilities per Statement of Financial Position | | | |
| Lease liabilities (Right of Use Assets) | 12 | 1,628 | 1,628 |
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation | 12 | 53,253 | 53,253 |
| | | 54,881 | 54,881 |

CONSOLIDATED (Prior Year)

| | | Financial liabilities at amortised cost | Total |
|---|----|---|---------------|
| | | 2024 £'000 | 2024 £'000 |
| At 31 March 2024 | | | |
| Liabilities per Statement of Financial Position | | | |
| Lease liabilities (Right of Use Assets) | 12 | 2,059 | 2,059 |
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation | 12 | 48,626 | 48,626 |
| | | 50,685 | 50,685 |

Board (Prior Year)

| | | Financial liabilities at amortised cost | Total |
|---|----|---|---------------|
| | | 2024 £'000 | 2024 £'000 |
| At 31 March 2024 | | | |
| Liabilities per Statement of Financial Position | | | |
| Lease liabilities (Right of Use Assets) | 12 | 2,059 | 2,059 |
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation | 12 | 48,569 | 48,569 |
| | | 50,628 | 50,628 |

NOTES TO THE ACCOUNTS

19. FINANCIAL INSTRUMENTS, cont.**19b. FINANCIAL RISK FACTORS****Exposure to Risk**

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

Credit risk - the possibility that other parties might fail to pay amounts due.

Liquidity risk - the possibility that the NHS Board might not have funds available to meet its commitments to make payments.

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

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

a) Credit Risk

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

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

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

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 date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|--|---------------------|--------------------------|--------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| At 31st March 2025 | | | | |
| Finance Lease Liabilities (Right of Use Assets) | 518 | 542 | 568 | 0 |
| Trade and other payables excluding statutory liabilities | 51,889 | 3 | 11 | 85 |
| Total | 52,407 | 545 | 579 | 85 |
| | | | | |
| | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
| | £'000 | £'000 | £'000 | £'000 |
| At 31st March 2024 | | | | |
| Finance Lease Liabilities (Right of Use Assets) | 488 | 506 | 1,065 | 0 |
| Trade and other payables excluding statutory liabilities | 48,461 | 3 | 9 | 96 |
| Total | 48,949 | 509 | 1,074 | 96 |

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) Cashflow 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.

d) Fair Value Estimation

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

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.

NOTES TO THE ACCOUNTS

20. RELATED PARTY TRANSACTIONS

Scottish Government

NHS Borders is a child of the Scottish Government Health & Social Care Directorate (SGHSCD). The SGHSCD is regarded as a related party. During the year, NHS Borders has had various material transactions with the Directorate and the other entities for which the directorate is regarded at the parent directorate. 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 of both an income and expenditure nature, and have been with the Scottish Public Pensions Agency (SPPA); Scottish Borders Council; and various NHS Bodies in England and Wales. In addition the Board operates in partnership with the Scottish Borders Integration Joint Board and the Local Authority Scottish Borders Council in line with the agreed Scheme of Integration and to support the outcomes of the Strategic Commissioning Plan. NHS Borders is supported by the Development Partner of Choice, Hub South East, for Public Sector bodies in Edinburgh, the Lothians and Scottish Borders.

Borders Health Board Endowment Fund

"The Health Board is a corporate Trustee of charitable endowment funds of £4.688m as at 31st March 2025, (2024: £5.402m) as per these consolidated Group Accounts.

The Endowment Fund is supported in delivery of designated projects through secondment arrangements with NHS Borders staff.

| | SOFA Ref | 2024/25 | | 2023/24 (Restated) | |
|--|------------------|---------------|----------------|--------------------|----------------|
| | | WTE | £ | WTE | £ |
| Fundraising Manager | Press, Publicity | 0.8 | 51,865 | 0.8 | 48,779 |
| Fundraising Support Officer | Press, Publicity | 1.0 | 45,720 | 1.0 | 40,595 |
| Charity Development Manager* | Governance Costs | 1.0 | 47,229 | 0.9 | 44,387 |
| Evelyn Sutherland Nurse | Grant Funded 5a | 1.0 | 77,053 | 1.0 | 72,574 |
| Palliative Care Nurse Consultant | Grant Funded 5a | 0.9 | 43,513 | 0.9 | 43,513 |
| Palliative Care Quality Improvement | Grant Funded 5a | - | - | 1.0 (Part year) | 6,127 |
| Palliative Care GP | Grant Funded 5a | 0.6 | 73,854 | 0.6 | 76,100 |
| Palliative Care Specialist Registrar | Grant Funded 5a | 1.0 (Part yr) | 51,200 | - | - |
| Advanced Nurse Practitioners | Grant Funded 5a | 1.0 | 51,962 | 2.0 (Part year) | 60,114 |
| Music Therapy | Grant Funded 5a | 0.4 | 16,210 | 0.4 (Part year) | 7,274 |
| Simulation Based Education | Grant Funded 5a | 1.0 | 55,294 | 1.0 | 49,417 |
| Oncology Development Staff Nurse | Grant Funded 5a | 0.5 | 27,619 | - | - |
| Clinical Practitioner Complex Dementia | Grant Funded 5a | 0.8 | 39,052 | - | - |
| Lavendar Touch Cancer Services Support | Grant Funded 5a | not detailed | 50,703 | not detailed | 35,356 |
| Finance Team Support | Governance Costs | 1.0 | 48,040 | 1.0 | 46,750 |
| Total Staff Recharge | | | 679,314 | | 530,986 |

*The Charity received a grant totalling £30,000 from Association of NHS Charities as contribution to the costs of the Charity Development Manager. The cost detailed above for this post is the net charge to the Endowment Fund reported in these accounts.

"The financial transactions of the Endowment Fund are recorded through, and reported from, the NHS Scotland National Finance System. Financial transactions between NHS Borders and the Endowment are appropriately authorised and monitored.

Value added Tax (VAT) relief is secured on financial transactions of the Endowment Fund under Group 15, Schedule 8 V.A.T. Act 1994 on all eligible purchases of medical equipment provided entirely by charity or from voluntary contributions.

The Health Board Director of Finance, Mr A Bone, has a registered interest as Director on the Board of Hub South East Scotland Ltd. Mr Bone does not receive any personal payment through this appointment. Payment for the charges relating to the provision of Strategic Support services for a GP Services and Premises Project were processed during 2024/25. The Board receives reimbursement for attendance by Mr Bone at Hub South East Scotland Ltd Board meetings. The total reimbursement received in 2024/25 was £12,555 (2023/24 £15,664), which has been reported as 'Other Operating Income' in Note 4 of these accounts.

There have been no further transactions with NHS Borders or Borders Health Board Endowment Fund or the Integration Joint Board (Health Delegated Functions) and any of the organisations noted by the Board Member's on the 2024/25 NHS Borders Register of Interests.

NOTES TO THE ACCOUNTS

21. 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.

| | 2024 | Gross Inflows | Gross Outflows | 2025 |
|--|----------|------------------|-------------------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Monetary amounts such as bank balances and monies on deposit | 5 | 36 | (35) | 6 |
| Total Monetary Assets | 5 | 36 | (35) | 6 |

NOTES TO THE ACCOUNTS

22a. CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

| Consolidated | | | Board | Endowment | Associates and joint ventures - Borders IJB | Consolidated |
|----------------|---|------|----------------|--------------|---|----------------|
| 2024 | | | 2025 | 2025 | 2025 | 2025 |
| £'000 | | Note | £'000 | £'000 | £'000 | £'000 |
| | Total income and expenditure | | | | | |
| 184,652 | Employee expenditure | 3a | 195,590 | 0 | | 195,590 |
| | Other operating expenditure | 3b | | | | |
| 40,442 | Independent Primary Care Services | | 43,845 | 0 | | 43,845 |
| 56,192 | Drugs and medical supplies | | 57,792 | 0 | | 57,792 |
| 258,328 | Other health care expenditure | | 295,500 | 1,772 | | 297,272 |
| 539,614 | Gross expenditure for the year | | 592,727 | 1,772 | | 594,499 |
| (191,936) | Less: operating income | 4 | (218,428) | (1,136) | | (219,564) |
| 1,499 | Associates and joint ventures accounted for on an equity basis | | 0 | 0 | (1,103) | (1,103) |
| 349,177 | Net Expenditure | | 374,299 | 636 | (1,103) | 373,832 |

Associates and joint ventures accounted for on an equity basis discloses the Board's share of the partnership with the Scottish Borders Integration Joint Board (IJB) which reports a breakeven financial outturn on delegated resources during 2024/25.

NOTES TO THE ACCOUNTS

22b. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Consolidated | | Board | Endowment | Associates and joint ventures - Borders IJB | Consolidated |
|-----------------|--|-----------------|--------------|---|-----------------|
| 2024 | | 2025 | 2025 | 2021 | 2025 |
| £'000 | | £'000 | £'000 | £'000 | £'000 |
| | Non-current assets: | | | | |
| 150,920 | Property, plant and equipment | 154,388 | 0 | 0 | 154,388 |
| 1,849 | Intangible assets | 2,101 | 0 | 0 | 2,101 |
| 1,847 | Right of Use assets | 1,434 | 0 | | 1,434 |
| | Financial assets: | | | | |
| 5,147 | Investments - Endowment Fund | 0 | 4,830 | 0 | 4,830 |
| 84 | Investments - GP Loans | 84 | 0 | | 85 |
| 3,423 | Investments - Associates and joint ventures | 0 | 0 | 4,526 | 4,526 |
| 0 | Trade and other receivables | 20,175 | 0 | 0 | 20,175 |
| 163,270 | Total non-current assets | 178,182 | 4,830 | 4,526 | 187,539 |
| | Current Assets: | | | | |
| 1,659 | Inventories | 1,458 | 0 | 0 | 1,458 |
| | Financial assets: | | | | |
| 10,054 | Trade and other receivables | 6,080 | 557 | 0 | 6,637 |
| 382 | Cash and cash equivalents | 448 | 269 | 0 | 717 |
| 0 | Investments | 0 | 0 | | 0 |
| 130 | Assets classified as held for sale | 0 | 0 | 0 | 0 |
| 12,225 | Total current assets | 7,986 | 826 | 0 | 8,812 |
| 175,495 | Total assets | 186,167 | 5,656 | 4,526 | 196,350 |
| | Current liabilities | | | | |
| (7,199) | Provisions | (8,285) | 0 | 0 | (8,285) |
| | Financial liabilities: | | | | |
| (60,605) | Trade and other payables | (65,993) | (968) | 0 | (66,962) |
| (67,804) | Total current liabilities | (74,278) | (968) | 0 | (75,247) |
| 107,691 | Non-current assets (less) net current liabilities | 111,889 | 4,688 | 4,526 | 121,103 |
| | Non-current liabilities | | | | |
| (10,145) | Provisions | (28,936) | 0 | 0 | (28,936) |
| | Financial liabilities: | | | | |
| (1,679) | Trade and other payables | (1,209) | 0 | 0 | (1,209) |
| (11,824) | Total non-current liabilities | (30,145) | 0 | 0 | (30,145) |
| 95,867 | Assets less liabilities | 81,744 | 4,688 | 4,526 | 90,958 |
| | Taxpayers' Equity | | | | |
| 16,651 | General fund | 9,711 | 0 | 0 | 9,711 |
| 70,391 | Revaluation reserve | 72,033 | 0 | 0 | 72,033 |
| 3,423 | Other reserves - associates and joint ventures | 0 | 0 | 4,526 | 4,526 |
| 5,402 | Funds held on Trust | 0 | 4,688 | 0 | 4,688 |
| 95,867 | Total taxpayers' equity | 81,744 | 4,688 | 4,526 | 90,958 |

NOTES TO THE ACCOUNTS

22c. CONSOLIDATED STATEMENT OF CASHFLOWS

| Board | Endowment | Restated Associates and joint ventures - Borders IJB | Consolidated |
|------------------|---------------|---|------------------|
| 2024 £'000 | 2024 £'000 | 2024 £'000 | 2024 £'000 |
| (347,628) | (50) | (1,499) | (349,177) |
| 6,443 | 0 | 1,499 | 7,942 |
| 89 | 0 | 0 | 89 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| (13,955) | 384 | 0 | (13,571) |
| (355,051) | 334 | 0 | (354,717) |
| (2,717) | 0 | 0 | (2,717) |
| (295) | 0 | 0 | (295) |
| 0 | (862) | 0 | (862) |
| 0 | 0 | 0 | 0 |
| 110 | 0 | 0 | 110 |
| 76 | 0 | 0 | 76 |
| 0 | 609 | 0 | 609 |
| 0 | 0 | 0 | 0 |
| (2,826) | (253) | 0 | (3,079) |
| 357,772 | 0 | 0 | 357,772 |
| 681 | 0 | 0 | 681 |
| 358,453 | 0 | 0 | 358,453 |
| (470) | 0 | 0 | (470) |
| (89) | 0 | 0 | (89) |
| 357,894 | 0 | 0 | 357,894 |
| 17 | 81 | 0 | 98 |
| 108 | 176 | 0 | 284 |
| 125 | 257 | 0 | 382 |
| 26 | 72 | 0 | 98 |
| 108 | 176 | 0 | 284 |
| 134 | 248 | 0 | 382 |

Cash flows from operating activities

| | |
|--|--|
| Net operating cost | |
| Adjustments for non-cash transactions | |
| Add back: interest payable recognised in net operating expenditure | |
| Deduct interest receivable recognised in net operating expenditure | |
| Investment income | |
| Movement in working capital | |

Net cash outflow from operating activities**Cash flows from investing activities**

| | |
|---|--|
| Purchase of property, plant and equipment | |
| Purchase of intangible assets | |
| Investment Additions | |
| Transfer of assets (to)/from other NHS bodies | |
| Proceeds of disposal of property, plant and equipment | |
| Proceeds of disposal of intangible assets | |
| Receipts from sale of investments | |
| Interest received | |

Net cash outflow from investing activities**Cash flows from financing activities**

| | |
|--|--|
| Funding | |
| Movement in general fund working capital | |
| Cash drawn down | |
| Capital element of payments in respect of finance leases | |
| Interest element of finance leases | |

Net Financing**Net increase/(decrease) in cash and cash equivalents in the period****Cash and cash equivalents at the beginning of the year****Cash and cash equivalents at the end of the period****Reconciliation of net cash flow to movement in net debt / cash**

| | |
|---------------------------------------|--|
| Increase / (decrease) in cash in year | |
| Net debt / cash at 1 April | |

Net debt / cash at 31 March

| Note | Board 2025 £'000 | Endowment 2025 £'000 | Associates and joint ventures - Borders IJB 2025 £'000 | Consolidated 2025 £'000 |
|-----------|------------------------|----------------------------|--|-------------------------------|
| | (374,299) | (636) | 1,103 | (373,832) |
| 2b | 3,568 | 0 | (1,103) | 2,465 |
| 2b | 100 | 0 | 0 | 100 |
| 4 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| 2b | 9,574 | (410) | 0 | 9,164 |
| | (361,057) | (1,046) | 0 | (362,103) |
| | (4,910) | 0 | 0 | (4,910) |
| | (441) | 0 | 0 | (441) |
| | 0 | (290) | 0 | (290) |
| | 0 | 0 | 0 | 0 |
| | 12 | 0 | 0 | 12 |
| | 0 | 0 | 0 | 0 |
| | 0 | 528 | 0 | 528 |
| | 0 | 0 | 0 | 0 |
| | (5,339) | 238 | 0 | (5,101) |
| | 367,760 | 0 | 0 | 367,760 |
| | 473 | 0 | 0 | 473 |
| | 368,233 | 0 | 0 | 368,233 |
| | (595) | 0 | 0 | (595) |
| 2b | (100) | 0 | 0 | (100) |
| | 367,538 | 0 | 0 | 367,538 |
| | 1,142 | (807) | 0 | 335 |
| | 134 | 248 | 0 | 382 |
| 11 | 1,276 | (559) | 0 | 717 |
| | 314 | 21 | 0 | 335 |
| | 134 | 248 | 0 | 382 |
| | 448 | 269 | 0 | 717 |

DIRECTIONS BY THE SCOTTISH MINISTERS

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

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

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

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

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

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

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

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

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

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

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



Signed by the authority of the Scottish Ministers

Dated 22 MARCH 2022