

Annual Report & Accounts 2023/24



Borders Health Board Annual Report and Accounts 2023/24

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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 2023 to 31 March 2024 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 the Health Board's financial statements included within this report.

Message from the Chief Executive

When I reflect on the last year and look back on my introduction to last year's Performance Report, I am struck by how much the pressure on our services continues to impact on our community and our staff, as well as how similar the issues described last year remain. We continue to see patients waiting an unacceptable length of time to be seen or to get procedures; whether that is to see their GP or Dentist, or to be seen or admitted to hospital. It is important that I acknowledge the impact this has on our patients who are living with uncertainty, pain and discomfort.



In acknowledging this impact on patients and carers it is also right that I recognise the effect on our staff who work round the clock to provide the best care they can in exceptionally difficult circumstances and are equally frustrated by their inability to always provide the quality of care to which they aspire. I remain immensely grateful for, and proud of, the care and support they provide to their patients and each other every day.

Despite the challenges we face I am pleased to also reflect on some of the positive feedback and initiatives that have taken place over the last year. There are far too many to mention individually but would draw attention to a small number.

In August 2023 Healthcare Improvement Scotland undertook an unannounced inspection of our mental health inpatient wards. Positive feedback included our range of patient feedback processes; how we communicate with patients and how managers share feedback and learning opportunities with staff.

We were again delighted that our UNICEF Baby Friendly re-accreditation was awarded for the fourth consecutive year. This esteemed accreditation focuses on the standards of care provided by Health Visiting and Family Nurse Partnership staff. As part of the assessment, we received a visit from Inspectors in June which was followed up with a report stating that it was clear pregnant women and new mothers receive a "very high standard of care" from the teams across NHS Borders.

We were also pleased in January 2024 to formally open the refurbished “Eildon room” in our maternity unit, as a quiet and dedicated space for mothers and families who have experienced the loss of a baby. In providing this we are very grateful for the support of the SiMBA Charity.

Our staff are very humble about the work they do but I am delighted that the NHS Borders Celebrating Excellence staff awards returned this year, with a record number of nominations received from the public and colleagues. The ceremony took place on 19 April and was a huge success celebrating teams and individuals, and am grateful to our charity ‘the difference’ for funding this event.

We were proud to have a trio of finalists in the Scottish Health Awards last November in the Doctor, Integrated Care and Support Worker categories and for the seventh consecutive year since the Queen’s Nursing Institute Scotland (QNIS) reintroduced their annual awards, we were delighted that one of our Health Visitors, Rhona McLeman was awarded the prestigious Queen’s Nurse title.

In addition to individual accolades there have been some great success stories in the steps we are taking to address workforce challenges, including the launch in June 2023 of an exciting and innovative new GP Fellowship scheme to attract recently qualified GPs to the region. The Fellowship is being offered to ‘FirstFive’ GPs (people who have completed their GP training in the last five years) to help them kick-start their careers. We have been very successful in recruiting overseas qualified health professionals and have been delighted to welcome them into the NHS Borders family. We have also been actively engaging with schools and further education to encourage young people to consider a career in health care.

On a more challenging note, we have been unable to develop a Financial Recovery Plan that will deliver a return to financial balance within the next three years. With the ongoing economic turbulence and inflationary pressures, our financial position has continued to deteriorate. Our financial plan for 2024/25 predicts our opening financial position in April 2024 will be a deficit of £28 million. Without any cost savings being made this overspend would rise to around £40 million at the end of March 2025 because of new costs from inflation, increased demand and the cost of investments needed to deliver new health technologies and services. This is clearly unsustainable.

Although this situation is not unique to the Borders, with most health boards in Scotland facing similar challenges, we have a responsibility to deliver a balanced financial budget, so it is vitally important that we are open and transparent about the scale of the challenge that we face. With the level of savings required (more than of 10% of our total budget) it is inevitable this will have an impact on our services and we will need to make significant and radical decisions in the year ahead.

Although we are doing everything we can to mitigate the impact, we recognise that our services will feel different for our staff, patients and communities. I would like to thank everyone who engaged with our ‘Time for Change’ conversations across the Borders between October and December 2023. Staff and communities heard us talk about finance and the wider challenges of demographics, workforce and new technology, that will all impact on the way in which we should provide services in the future. As we consider the difficult choices and decisions we will undoubtedly have to make in the coming months and years we remain committed to involving people in the decisions that will affect them.

We also continue to recognise the need to shift our ambition in improving the overall health and wellbeing of the Scottish Borders population. Over the last year our Public Health teams have carried out a variety of work that seeks to “lead, encourage, co-ordinate and improve the efforts of local organisations, groups and allies to improve the health and wellbeing of

everyone that lives, works or is educated in the Scottish Borders” and our emerging strategy, ‘Tackling Health Inequalities in the Scottish Borders’ will be brought to public attention in the first quarter of 2024/25. You can read our Report of the Director of Public Health 2023 [here](#). In the context of the pressures on the NHS, as well as the changing demographics of our population, it is fair to reflect that a focus on Population Health and Health inequalities has never been more important and at a time of financial challenge it is essential that we continue this focus.

In advance of my retirement later in 2024, and as I write my final introduction to the Board’s accounts, I would like to take the opportunity to acknowledge again just how privileged I consider myself to have been as an NHS Leader. When the service and staff are under pressure, it is all too easy to forget just what an amazing concept a Health service, free at the point of use is, and I would encourage us all to continue to do everything in our power to live up to these principles and the amazing ambition shown in the establishment of the NHS. Like all the best things in life, this is only sustained if we cherish and protect this.

Finally, can I thank everyone, but especially the colleagues I have worked most closely with over the past 4 decades and express my genuine appreciation for your commitment, hard work and support.

With many, many best wishes for the future.

Ralph Roberts
Chief Executive, NHS Borders

New appointments: -

Ms Lynne Livesey, Whistleblowing Non Executive Board Member (as at 1 February 2024)
Ms Lynne Huckerby, Interim Director of Acute Services – Interim appointment in the absence of Mr Gareth Clinkscale, Director of Acute Services (as at 4 December 2023)
Mrs Stephanie Errington, Interim Director of Planning & Performance – Interim appointment in the absence of Mrs June Smyth (as at 6 November 2023)
Mr Peter Lerpiniere, Interim Director of Nursing, Midwifery & AHPs – Interim appointment in the absence of Mrs Sarah Horan (from 31 December 2023 to 12 February 2024)

Departures: -

Ms Sonya Lam, Non Executive Board Member (as at 31 January 2024)
Mr Tris Taylor, Non Executive Board Member (as at 1 February 2024)

Reappointments:-

Mrs Karen Hamilton, Chair (Second term as of 15 July 2023)

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, a remote and rural area in South East Scotland covering over 1,800 square miles with an estimated population of 116,020 people (National Records of Scotland, as at June 2021). Our population is ageing, with many people living with multiple health conditions, and the proportion of our population of working age is shrinking, magnifying the shortage of staff being faced nationally.

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. 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.

The board provides services throughout the Scottish Borders region, organised within five separate geographic ‘localities’ (see figure, below).



NHS Borders: our localities

In addition to the acute Borders General Hospital in Melrose, we also operate a number of other inpatient facilities. These include four community hospitals, as well as both directly delivering, and contracting for, primary care and community services including 22 GP practices, 17 dental practices, 29 community pharmacies, and 12 opticians. A total of approximately 5,000 staff (headcount) work in our organisation across our services and managed within three clinical business units (Acute services, Mental Health and Learning Disabilities, and Primary & Community Services) as well as a range of supporting functions including Public Health and Infection Prevention and Control, our Facilities and Estates management, and our Corporate services.

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 clinical strategy and our objectives on our website: www.nhsborders.scot.nhs.uk.

PERFORMANCE SUMMARY

The COVID-19 pandemic across health and social care has had, and continues to have, an unprecedented impact on health and social care provision across Scotland, and in the Scottish Borders with particular impact on the backlog of waiting lists. Looking forward now we can see with clarity that recovery will be measured in years, not months, and that our health services will be forever changed because of this experience. Our challenge is to ensure, wherever possible, we maximise the positive benefits and lessons from this experience, while continuing to mitigate the negative impact on individuals, our population, and our staff.

Recruitment of Nursing & Midwifery staff has been a positive experience for NHS Borders in recent months, with the vacancy rate reducing to pre pandemic levels (decrease from a nursing vacancy rate of over 10% to 4% between September 2022 – September 2023). We have had a very good experience in recruiting overseas qualified nurses at the level of Hospital Registered General Nurse (RGN) at Band 5 and this has contributed to NHS Borders having the lowest vacancy rate for Band 5 Hospital Adult Nurses in Scotland.

We have noted the trend for reducing numbers of applicants to nursing courses and the attrition rates. Some of the initiatives and measures that we have undertaken to ensure a safe workforce in future years:

- Engaged 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.
- Return of face to face recruitment open days (the first since the Pandemic) for Newly Qualified Practitioners (NQP) and final year nursing students. 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.
- 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 2023/24 Autumn/Winter seasonal COVID-19 and extended Influenza Vaccination Programme ran from September 2023 – March 2024, as a majority co-administration model

of both vaccinations where possible. As of 04 February 2024, we delivered 68.8% vaccines to the total eligible for a COVID-19 and 62.3% vaccines to the total eligible for influenza, a higher uptake than the Scottish average of 57.1 % COVID-19 and 53.8% Influenza. We also delivered 66.3 % of the total eligible for Influenza – Children under 18.

Our system relies on the relationships between all of our services in order to serve the Scottish Borders community; the Health and Social Care Partnership (HSCP) is vital to 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. Based on the experience of HSCP staff in our communities and NHS staff in hospital, this is likely to be as a result of the increased levels of dependency that we are seeing from our communities. The IJB commissioned a Delayed Discharge and Surge Plan, with £1.9m additional funding for social care during 2023/24, and a range of other actions to transform services. As a result, we have seen an increase in the number of people transferred to care/ HSCP services, but unfortunately this was partially offset by the increased demand for care that we have seen over the winter months. As a result, the number of people delayed waiting for care has reduced by around 30% since its peak rather than the 75% anticipated. The partnership organisations continue to work to reduce demand for social work and social care, increase productivity, and get more people to the right place at the right time.

There has been an on-going need for additional beds across our system to accommodate the higher occupancy in acute and community hospital inpatient beds. This includes the use of surge beds for both acutely unwell patients and for people waiting for care. Staffing these additional beds and maintaining safe staffing across inpatient areas has required the deployment of staff into these areas, with increased cost.

In addition, we are taking a programme approach to the improvement of patient flow (the rate at which patients are able to move from admission to discharge). Our Urgent and Unscheduled Care Programme Board includes representatives responsible for planning health and social care across both the acute hospital and wider HSCP and aims to provide a delivery mechanism for system wide changes to facilitate seamless transitions between care settings and to optimise flow.

Progress in these areas will in turn support our aspiration to further remobilise our elective programme. While we have made good progress remobilising elective capacity over the last 12 months, we continue to see interruption to planned elective activity to meet urgent demand and support flow through our emergency department and unscheduled care services. Within Borders General Hospital the ability to maintain access to routine and planned surgical treatment is reliant on the effectiveness of our unscheduled care system at maintaining patient flow and managing this within the physical space and workforce resources available. We are reviewing the potential for ring fenced capacity to support greater resilience for planned elective surgery, but this will be dependent on resources being available to support an additional investment.

Mental Health services have continued to see high demand for all services. We have an increased demand for older adult beds within our functional and specialist beds. This creates risk in our inpatient units as we must manage a mix of patient cohorts across a finite resource. The adult community mental health teams have seen an increase in referrals and therefore developed waiting lists. Difficulties in recruitment of community mental health nurses has been an issue however recruitment has now improved, and they are fully

established for nursing. One of the main concerns is around the recruitment of senior medical staff and despite attempts to recruit we have been unsuccessful which is in line with other boards across Scotland.

Child and Adolescent Mental Health Service (CAMHS) continues to develop new ways to improve the service it provides to children and young people. These improvements include career development structures within nursing, psychology and psychiatry, and a focus on patient flow designed to meet the broad range of needs for patients referred to the service. Formal and informal stakeholder engagement will continue, ensuring multiagency working with colleagues in Scottish Borders Council and Third Sector organisations.

One of the key priorities in relation to CAMHS includes continuing to carry out new patient assessment appointments with a focus on reducing the Annual Delivery Plan (ADP) target of 18 weeks Referral to Treatment (RTT). CAMHS has significantly reduced the longest waits for referral to treatment from 72 weeks to 33 weeks. However, current trajectory is to meet the target of 90% within 18 weeks by end of April 2024.

Future work includes improving the referral quality through a Borders wide roll out of a school referral route for neurodevelopmental queries. The new referral template is continuing to benefit the service and the pilot continues to support identifying whether any interventions can be established prior to the first appointment.

Work is also progressing on expanding the range of support materials and integration with other communication platforms as well as the development of an in-house Urgent Emergency/Intensive Home Treatment Service (ITS) and working with colleagues across Scotland to support and deliver an Out of Hours (OOH) CAMHS service provision. Working on these different pathways of care will avoid clinicians being pulled away from waiting list focussed work.

We are also involved in work to examine inpatient services across Scotland acknowledging that access to specialist young person beds continues to be challenging and this places demand on our adult acute inpatient service. Newly appointed AHP (Allied Health Professionals) and psychology roles within CAMHS have strengthened the MDT (Multidisciplinary team) approach to ensure the most appropriate professional carries out assessment and treatment.

There are on-going plans to review and develop current services in line with the CAMHS and Neurodevelopmental standards and specifications for service delivery. These will involve ensuring the right services are delivered at the right time by delivering high quality care and support that is right for children and young people, and their families. Within CAMHS there are established services that have a person-centred approach focusing on the needs of the individual child according to a child's evolving capacity. Identified areas are that families are continuously involved and consulted.

Our independent General Practice (GP) contractors continue to experience the same challenges with workforce pressures with activity levels within Primary Care continuing to be significantly above pre-pandemic levels. Our Primary and Community Services (P&CS) teams have worked to maintain resilience across practices throughout the pandemic and are providing ongoing support. We continue to manage one 2C GP practice (a GP practice that is run by an NHS Board rather than independently by GP Partners) due to being unable to recruit a salaried GP and are running the practice with locums.

The impact on public and general dental services has been equally significant however we are making positive progress in relation to improve access to NHS General Dental Services (GDS). Two additional general dental practices have opened in the Scottish Borders

supported by the Scottish Dental Access Initiative Grants (SDAI), with 2 further successful applications for practice expansion. Additionally, the reformed Statement of Dental Remuneration (employed nationally) will continue to support GDS providers to maintain and improve GDS access across the Board. Our Senior Dental Management Team remain in conversation with Chief Dental Officer (CDO) to further widen and promote NHS GDS access.

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 NHS General Dental Service (GDS) access in Borders. Given this positive increase in GDS access the opportunity has arisen to consider rebalancing the PDS. The rebalancing process would involve the transfer of patients that do not have additional needs to a GDP practice. The GDP 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.

Following the publication of 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. A progress update report at the mid-point of the 3-year Workforce Plans (including our accompanying NHS Borders Workforce Plan focussing on services outwith the partnership) will be published in Summer 2024, and will consider progress against previously committed actions, and the workforce impact of the new financial landscape.

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 18 December 2023, 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.

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

During 2023/24 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 2023/24 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 2024, there will have been 86 staff that have participated in the first four cohorts of the Compassionate Leadership Programme. We have also held the course with our Senior Leadership Team which concluded in March 2024. This approach has been welcomed and has ensured that the principles of the course are supported and implemented throughout the whole organisation.

We have held Management Engagement Sessions on a six weekly basis which give the opportunity for all managers within the organisation to meet frequently and for information to be shared with them, alongside the opportunity to support each other on different topics. We have refreshed our Management Development Programme and our established Change Team within NHS Borders has had a positive impact on the organisation.

Non-Financial Performance

During 2023/24 the COVID-19 pandemic continued to have an impact on how healthcare services are delivered both globally and locally, here in Scotland and within the Scottish Borders.

A level of activity has been maintained to ensure emergency, cancer and patients deemed as clinically urgent were seen and treated. However, there has been a system wide impact on elective care, with services only operational as pressures and workforce have allowed.

The Board has been working towards the agreed trajectories in the Annual Delivery Plan across many areas, however, the continued system pressure during Winter 2023/24 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.

Of the 13 KPIs and 3 safety related indicators routinely reported to the Board, NHS Borders was able to report at end March 2024 only 3 were at or above the required standard across the year.

In common with much of NHS Scotland we have experienced another year of poor performance against the 4-hour Emergency Access standard. Our March 2024 performance was 66.6% (March 2023: 59%). 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.

At end March 2024 there were 57 hospital beds occupied by patients whose discharge was delayed (March 2023: 41). 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. 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. 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 to 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 within 62-day target, and during 2023 performance dropped to below 90% for the first time. There are a number of factors behind this:

- Urology has been particularly challenging due to long term sickness within the nursing team.
- Sickness and vacancies in other specialties has also impacted on performance, including within Breast and Melanoma.
- Diagnostic waiting times were challenging at some points during the year, in particular for Colonoscopy, which remains a significant pressure.
- We have seen an increase in the number of urgent referrals for outpatient appointments being received, and it has been difficult to balance this against the requirement to achieve targets for routine waiting times. Around half of 'suspicion of cancer' referrals were waiting over four weeks for their first appointment at the end of 2023. This impacts greatly on performance against Cancer Waiting Times (CWT) standards, and we are starting to see the impact of this on patients treated in the early part of 2024.

Performance towards the 31-day target for decision to treat to starting treatment has been achieved for the full year.

Our overall waiting times backlog has continued to grow over the last twelve months. At the end of March 2024 we had a total of 11649 on the outpatient waiting list (11469 in March

2023), with 552 patients waiting greater than 52 weeks at end of March 2024 for their first outpatient appointment, which is the current Waiting Times Standard (1611 in March 2023). The target to have no patients waiting over 2 years for surgery by September 2022 has been challenging with 63 remaining over that target at end of March 2024. 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 over the summer and autumn; however, since then we have been working to clear the backlog and at end of March 2024 there were 255 patients waiting over 6 weeks, a significant improvement from March 2023 (865).

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 March 2024 we reported 50.0% of patients meeting the 18 weeks Referral to Treatment (RTT) standard (March 2023: 47.1%) 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. Performance on the Referral to Treatment (RTT) target of psychological therapy starting for 90% of those referred within 18 weeks has been steadily improving, especially over the past year with March 2024 reporting 83.5% (March 2023: 73.7%)

We have continued to report strong performance throughout 2023/24 against the 3 Week Drug and Alcohol Referral to Treatment standard, achieving it every quarter, reporting performance of 100% in December 2023 (latest available data).

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

Financial Sustainability

Our previous annual reports have described the scale of the financial challenge faced by the Health Board and work underway to address this situation.

In March 2023 we set out a financial plan which described a projected deficit of £22m per year over the three years to March 2026, with no clear route to financial recovery. We have worked closely with Scottish Government over the past year to review the drivers of our deficit and how these can be addressed through financial recovery actions over the medium term.

Over the past year the increased pressure on NHS Scotland and its resources have had a corresponding impact on NHS Borders and we have seen further increase to our deficit.

We have continued to face increasing costs and experienced operational pressures which have in turn impacted on delivery of savings. In common with the wider NHS, pressures on hospital flow have led to frequent crowding in our emergency department and increasing use of unfunded 'surge' beds. Increases in prescribing and other expenditure are driven by a combination of high-cost treatments, supply chain pressures, introduction of new medicines, and longer-term conditions.

Our plan described a requirement for £20m of recurrent savings over the medium term (with further savings to be delivered non-recurrently in each year). At March 2024 we have achieved £3.74m savings recurrently (full year equivalent) against an expected £5m to be delivered in 2023/24. This position has been offset by increased delivery of non-recurrent

savings however the delivery of recurring savings remains critical to addressing the long term financial sustainability of the Board.

As the financial challenges facing NHS Scotland have become clearer there has been an increasing focus on the development of whole system financial recovery with collaboration nationally and regionally towards identification of the efficiency and reform necessary to deliver financial sustainability.

The Scottish Government's medium term financial framework requires that NHS Boards present a balanced financial plan over a three year period.

Despite ongoing work to develop our long term financial strategy, our draft financial plan prepared at March 2024 is unable to meet this requirement and our forecast to March 2025 exceeds the expected level of support available through Scottish Government brokerage (i.e. borrowing). In order to provide a basis for ongoing operations, an interim budget was approved in April 2024 pending further development of the financial plan.

Our financial plan for 2024/25 describes a significant deterioration in our financial performance, linked to the factors outlined above. At March 2024 we estimate our recurring deficit to be £28m and this is expected to rise to £40m (before savings) at March 2025. The Scottish Government's budget for 2024/25, whilst protecting the NHS budget overall, provides limited additional funding to offset this position beyond the recurring impact of commitments made in 2023/24. The increase in deficit includes the compound effect of ongoing prescribing growth, inflationary impacts, and expected ongoing pressures on hospital capacity.

This situation is unprecedented and reflects the scale of the challenge which the Health Board now faces. It is projected that – even after delivery of an ambitious level of savings over the next three years – that the Board's total brokerage requirement at March 2027 would stand at £100m, and its recurring deficit remain in excess of £20m.

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 improvement programme continues to focus on cash-releasing savings across our services through local efficiency schemes and service redesign. As we have developed our 2024/25 plan, we have increased the level of internal controls upon all aspects of expenditure, including recruitment and use of premium rate staffing solutions such as agency staff and overtime. Further work is in place to improve productivity in hospital flow, theatre efficiency and outpatient capacity. These activities are intended to mitigate future cost growth by improving patient access and addressing increasing demand for services through productivity gain.

The reduction in expenditure required to address our deficit will not be delivered by improved efficiency and cost containment measures alone. In developing our financial recovery plans we have identified a number of transformation programmes which are intended to drive longer term reform. This includes consideration of the balance of how services are delivered in our communities, and what is delivered within hospital settings both locally and on a regional or national basis. We are considering how we can work closer with partner organisations such as Scottish Borders Council and other NHS bodies to deliver services on a shared basis and through greater partnership working.

Our draft 2024/25 financial plan sets out a total of £31.6m of potential savings to be delivered over the next three years. This includes £14.6m required in 2024/25. Much of these savings will only be delivered if we are able to progress the level of reform outlined above.

As we continue to develop our financial recovery plans and work towards a sustainable position it is clear that we will need to engage our communities and our workforce in ongoing dialogue about the future shape of our services and how we can maximise the value delivered from within the resources available.

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 (2023) 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 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 (as at 31/03/2024)

Domain	Title of Risk	Description of Risk	Risk Owner	Risk level (current)	Risk level (Target)	Risk level change since 22/23
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)	NEW

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)	NEW
Resource and Performance Committee	Financial Performance	Risk that the board does not meet its financial targets including delivery of a balanced financial position over a three year planning cycle resulting in a requirement to accelerate changes to deliver financial improvement which may impact on patient care.	Director of Finance	Very High (25)	High (10)	↔
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)	NEW
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)	↔
Public Governance 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)	NEW

Staff Governance Committee	Inconsistent uptake of statutory training and mandatory training	Incomplete delivery of statutory/ mandatory and professional skills training	Director of HR, OH&S and OD	High (16)	Medium (8)	↔
Public Governance 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)	NEW
Staff Governance Committee	Sustaining safe staffing levels and providing clinical specialist services resulting from ability to recruit professional groups	Sustaining safe staffing levels in accordance with Workload tools and triangulation of safe staffing. Potential to not be able to provide adequate levels of patient care as a result of inability to recruit to both Registered Nurses and Health Care Support Workers.	Director of Nursing, Midwifery and AHPs	High (15)	High (15)	↓
Public Governance 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)	NEW
Resource and Performance Committee	Healthcare premises	Inability to comply with relevant standards and legislation relating to fabric and layout of buildings	Director of Finance	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.	Interim Director of Planning and Performance	High (15)	Medium (9)	↓
Staff Governance Committee	Destabilisation of clinical services due to ability to recruit and retain medical workforce	NHS Borders destabilisation due to inability to recruit and retain medical workforce	Medical Director	High (12)	Medium (9)	↔
Resource and Performance Committee	Climate Emergency and Sustainability	If NHS Borders fails to comply with the implementation of the Climate Change Scotland Act 2009 (amended 2019) then the organisation will be unable to meet national targets resulting in future litigation if organisation knowingly does not comply with the transition thus impacting on the reputation of NHS Borders	Director of Finance	High (10)	High (10)	↔
Staff Governance Committee	Potential for industrial action	Should all or some of the health trades unions take strike action this could have a detrimental impact on the delivery of core services across NHS Borders. Agenda for Change trades unions accepted a pay deal; broader (non-pay) aspects of which are still being worked on. Junior Doctors settled. Consultants appear accepting of the Doctors & Dentists Review Body recommendations which have been implemented.	Director of HR, OH&S and OD	Medium (9)	Medium (9)	NEW

Public Governance 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.	Interim Director of Planning and Performance	Medium (9)	Medium (8)	↔
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During March 2024 a review of the Public Governance Committee (PGC) in relation to its own performance, effectiveness and terms of reference was undertaken following the Chair stepping down. Recommendations following this were presented to NHS Borders Board during April 2024 and will be implemented in 2024/25 which allocate the remit of the PGC across the other governance committees.

Further refinement of strategic risks was undertaken in 2023/24 which accounts for a change in risks reported at a strategic level.

There are sixteen strategic risks identified on this register, a decrease of six on the number reported in 2022/23. 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 three risks in development which are expected to be entered onto the risk register by the 30 April 2024.

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.

Thirteen of the sixteen risks recorded are outwith the target level we would expect to achieve. This mirrors 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 and an increasingly volatile financial environment.

The Board continues to develop its strategic risk register and we anticipate that further refinement will be reported during 2024/25.

‘Very High’ Risks

Six 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, three relate to legislative compliance and the remaining risk categorised as ‘very high’ relates to financial performance.

Whole System Flow - Increased demand for our acute services 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 the usual winter pressures have resulted in additional surge capacity being created with no immediate sustainable route to close. Additional capacity through Home First, Hospital at Home, and more recently Respiratory Virtual Ward have supported some admission prevention, and early supported discharge. In order to address these whole system challenges we have reset the Urgent & Unscheduled Care Programme Board to address flow into, and through the hospital, and ensuring that the relevant community/at home support is in place ensuring 'right care, right place, right time' approach to a sustainable healthcare delivery model.

Primary Care Sustainability - Recruitment challenges and increased workload have presented an increasing risk to sustainability of general practice over the past year. We continue to manage a 2C practice in Duns. Practices serving smaller rural communities remain vulnerable to these issues and we expect that there will be further pressure in these areas moving forward. To address these challenges, we have successfully recruited to our first GP Fellow and are currently looking at expanding this scheme with additional practices.

Health and Safety - Delivery of 'business as usual' continues to be disrupted post pandemic with continued demand on services. 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.

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

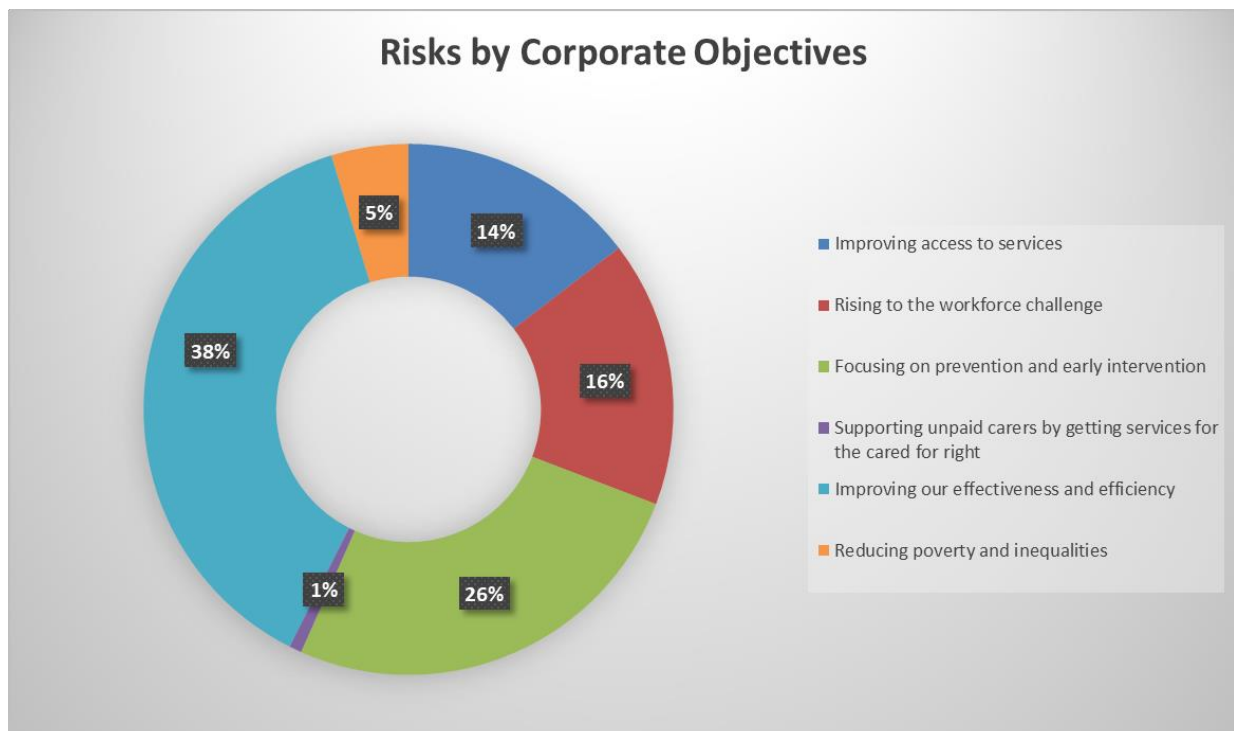
Movement in 'very high' risks

There has been a reduction of very high risks from 2022/23; however, this reflects a more cohesive approach to recording strategic risks. The reduction from 9 very high risks to six during 2023/24 can be accounted for by:

- One risk being moved to the operational risk register.
- Two risks being amalgamated together to form a strategic risk relating to whole system flow.
- One risk reducing in risk level relating to industrial action.

Operational Risks

The composition of the board's operational risk register is summarised below. A transition exercise has taken place to map risks from NHS Borders previous corporate objectives to the Health and Social Care Strategic Framework's corporate objectives.



There are 932 individual risks recorded on our operational risk register as at 2023/24, an increase of 64 on the number recorded in 2022/23.

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

		2022/23					2023/24				
		Consequence/ Impact					Consequence/ Impact				
		Negligible	Minor	Moderate	Major	Extreme	Negligible	Minor	Moderate	Major	Extreme
Likelihood	Almost Certain	1	1	5	11	3	1	1	6	13	4
	Likely	2	29	30	20	8	3	28	36	42	12
	Possible	18	68	250	40	19	27	64	244	53	24
	Unlikely	32	63	120	72	7	39	80	92	74	13
	Rare	7	16	13	12	21	12	14	14	12	24

	Low Risk
	Medium Risk
	High Risk
	Very High Risk

The organisational risk profile shows that most risk is classified as medium-high risk. High and very high risks account for 22% of operational risks; 19% being high risk and 3% very high risk. This is a 5% increase in high risks compared to 2022/23. Very high risks have remained static at 3% of risks during 2023/24.

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 in 2021 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 2023/24, 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 £0.17m surplus as at 31 March 2024, resulting from the in year difference of the revenue resource limit £324.43m including Scottish Government brokerage support (£15.53m) and the net operating costs £324.26m. 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	324,425	324,257	168
Non Core Revenue Resource Limit	7,747	7,747	0
Total	332,172	332,004	168
Core Capital Resource Limit	3,020	3,012	8
Total Capital Resource Limit	3,020	3,012	8
Cash Requirement	358,415	358,415	0

Memorandum for In Year Outturn	£000
Core Revenue Resource Variance – Surplus in 2023/24	168
Financial Flexibility: funding provided by Scottish Government	15,533
Underlying (Deficit) against Core Revenue Resource Limit	(15,365)
Percentage of RRL	4.73%

A three-year financial plan was submitted to Scottish Government by NHS Borders on 16 March 2023 and a letter was issued in response to the NHS Boards' financial plan on 31 March 2023. However as this did not present a breakeven position over the period, Scottish Government undertook a review of the NHS Board's current escalation status. Upon review NHS Borders remained at escalation stage 3 on the NHS Board Performance Escalation Framework.

NHS Borders required £15.533m from Scottish Government to achieve financial balance in 2023-24. Without this additional support, the Board's final outturn would have been an overspend of £15.365m (equivalent to 4.73% of the Revenue Resource Limit). As outlined within the Performance Report (see 'Financial Sustainability') the Board's medium term plan for the period 2024/25 to 2026/27 does not present a balanced financial position over the term of the plan and as such remains unapproved by Scottish Government. No repayment profile has been agreed in relation to brokerage incurred in 2023/24 or brought forward from previous years.

Net Expenditure as detailed in the Summary of Core Revenue Resource Outturn on page 98 is reported at £349.18m of which £324.43m is funded by the Core Revenue Resource Limit (RRL) from Scottish Government, a further £15.62m relates to the Family Health Services non discretionary allocation and a total of £7.75m as Non core expenditure. The consolidation of 50% of the Scottish Borders Integration Joint Board (IJB) outturn at £1.50m and the Boards Endowment Fund with a net charge of £0.05m are both reported within the overall Net Expenditure figure.

The Core Capital Resource Limit is breakeven.

Specific items of Personal Protective Equipment (PPE), Pandemic Stock and of Medical/Intensive Care Unit equipment which were procured, and distributed, on a nationally coordinated basis to Boards have been accounted for within the Board's Annual Accounts with the Board acting as principal, as the customer, in the use of the items provided by NHS National Services Scotland (NSS). Additional RRL funding has been provided by SG to NHS Borders equivalent to the Board's identified value of the PPE, Pandemic Stock and Medical/Intensive Care Unit equipment provided by NHS NSS. NHS Borders has not recorded any stock held for these items as the items are used by services as soon as they are received, any stock is held nationally and has been disclosed in the 2023/24 Annual Accounts of NHS NSS. The total value of expenditure is £0.26m of which £0.002m has been reported within the functions delegated to the IJB in relation to the supply of PPE and Testing Kits. This expenditure is identified separately in note 3 of the accounts.

NHS Borders delivered £3.74m (full year equivalent) of recurring savings during 2023/24 with a further £4.35m delivered on a non-recurrent basis.

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 surplus to funds of £0.12m with income received totalling £0.79m, expenditure of £0.84m and a net gain on investments of £0.17m. 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 2023/24 to the Integration Joint Board totalling £179.12m (2022/23 £151.05m) as analysed in the following table.

Contribution 2022/23 £m	Health and Social Care Service Area	Contribution 2023/24 £m
130.75	NHS Borders Delegated Services	141.41
29.03	NHS Borders Set Aside Budgets	32.53
7.89	Scottish Borders Council Delegated Services	8.05
0.08	Employee Benefits (50% of IJB total cost)	0.09
0.01	Auditor Fee : External Audit	0.02
0.04	National Development Team for Inclusion	0.02
(16.75)	Reserve Utilisation	(3.00)
151.05	Total Contribution from NHS Borders	179.12

The IJB recorded a breakeven position for financial year 2023/24 on commissioned services from NHS Borders following an additional contribution of funding totalling £5.71m. 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 £1.50m and £3.42m respectively.

The Board agreed an uplift of 2% to the recurring resources provided to the IJB for delegated functions in 2023/24. This uplift matched the uplift received by the Board from Scottish Government. In addition, ring fenced allocations received by the Board in relation to IJB delegated functions were made available to the IJB in full, with increased resource available in relation to Alcohol & Drugs partnerships, Mental Health and Wellbeing, and the Primary Care Improvement Fund.

The Integration Joint Board reported a £5.59m deficit in respect of health delegated functions in 2023/24. In order to achieve the statutory requirement to deliver a breakeven position a contribution of £5.71m was required from NHS Borders. 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 2024/25. The balance carried forward by the Health Board on behalf of the IJB has reduced from £8.8m to £6.6m during 2023/24.

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 2023/24 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 2023/24 of £3.01m achieving the financial target of breakeven against the Capital Resource Limit (CRL).

The capital programme during 2023/24 reported on the completion of the Endoscopy, the Oaklands Forensic Suite and CT Scanner projects. Projects commencing in year and remaining in progress at end March 2024 include Mammography scanner replacement, upgrade to Borders Macmillan Centre and increase in storage facilities within BGH to address fire prevention. Projects have been financed through additional capital allocation from Scottish Government.

The Board received a 'formula' based allocation of NHS Scotland capital funding totalling £2.48m for 2023/24, from which prioritised areas of spend included backlog and rolling replacement requirements by the Estates and Facilities Directorate (£0.87m), medical equipment (£0.89m) and rolling replacement items of IM&T (£0.27m). Investment to reduce the level of backlog maintenance included specifically areas of roofing repairs, electrical services, external building fabric and boilers and heating equipment. Additional capital resources were allocated to NHS Borders by the National Equipping Board which enabled the replacement of a number of prioritised items including an Ear, Nose and Throat Simulator and a Renal Dialysis machine to a total spend of £0.12m.

The contractual commitment to a replacement Laboratory Information Management System continues to be reported as an asset under construction for 2023/24. The implementation of this project remains challenging with current estimates, not yet agreed, for completion being reported as the end of 2024/25.

The Board continued with its multi-year Information Management & Technology (IM&T) Digital Portfolio Programme during 2023/24. 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).

Early in the year there was an emerging issue in relation to the identification of the presence of Reinforced Autoclaved Aerated Concrete (RAAC) within the estate. Buildings remain in use and there has been no requirement for significant remedial works to date however this position continues to be monitored. 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. In late 2023, the Board made the decision to temporarily close a facility (Hay Lodge House, Peebles) due to unavailability of capital resources and further service disruption may be required in future due to the current situation regarding availability of capital investment. Other impacts include delay to planned business cases for replacement of GP health centres.

This situation presents 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 being undertaken during the early part of 2024/25 which will inform the Board's capital plan for 2024/25 and beyond. Existing information indicates a backlog of £24m to address maintenance and life cycle replacement across the estate and it is anticipated that this figure will increase following completion of survey work. 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) were as overleaf:

	2023/24	Volumes	2022/23	Volumes
Average period of credit taken	16 days		18 days	
- Total Number of Invoices paid		45,125		44,507
- Total value of invoices paid		£94.3m		£68.0m
Percentage of invoices paid within 30 days:				
- by volume	86%	38,966	84%	37,525
- by value	80%	£75.4m	81%	£55.2m
Percentage of invoices paid within 10 days:				
- by volume	75%	34,058	70%	31,429
- by value	60%	£56.8m	64%	£43.3m

Provisions and Liabilities

The following provisions and liabilities are included in the Board's 2023/24 Annual Accounts:

	2023/24	2022/23	Notes
Provision for bad and doubtful debts	£0.54m	£0.67m	Increased focus on debt recovery and use of a Debt Recovery Agency.
Trade and other payables (payable within 1 yr.)	£60.55m	£73.50m	Other public Sector bodies (decrease of £3m) resulting from the reduction in the level of IJB ring fenced funds SFR30 balances with other Scottish Health Boards reduced by £6.5m due to the main Service Level Agreement with NHS Lothian being fully settled by the year end.
Accrual for outstanding Annual Leave (included in Trade and Other payables within 1 yr balances above)	£6.22m	£6.97m	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	£1.40m	Reviewed provision to reflect implementation of automatically calculated payment as if at work enhancements and also the possible financial impact of the agreed exercise to review Band 5 nursing staff.
Clinical & Medical Legal Claims	£1.05m	£1.28m	A number of claims were settled during 2023/24.
Participation in the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS)	£12.40m	£12.13m	Volume of claims arising across NHSS during 2023/24.
Pensions and similar obligations	£0.96m	£1.27m	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.

In June 2023 NHS Borders Board approved the new [Involving People Framework](#) which is intended to be a tool 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.

'Time for Change' Engagement Activity

Within the context of the challenges we face we must focus on maximising the use of resources to deliver high quality, safe, effective, efficient, sustainable and affordable patient care; increasing productivity and reducing waste.

It is crucial that everyone using NHS resources understands the context within which we are operating, and that the decisions they (staff, patients, partners and communities) make have a financial impact.

The Time for Change engagement programme was designed to help get that message across and took place as a series of conversations across the five localities of the Borders between October and December 2023.

The themes that emerged from the Time for Change conversations were used to inform the Board's Medium Term Plan and consideration will be given to continuing Time for Change conversations during 2024/25.

We would like to express our thanks to everyone who was involved in the Time for Change conversations; and to our Public Involvement Partnership Group members for their contributions and continued support to public involvement activities.

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 2023/24 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

A summary of the Board's performance KPIs at March 2024 is included on the following pages.

Summary of Performance against the Annual Delivery Plan targets and local Key Performance Indicators (KPI) as at 31 March 2024.

Cancer Performance

The performance reported below covers the period to end February 2024 (latest available data), as reported to the Board in March 2024. There has been a drop in performance from March 2023. The standard for patients that started treatment within 62 days of referral of urgent suspicion of cancer has been met for 4 of the 11 months within 2023/24 reported here, and was not met at March 2023. However, the standard for those to start treatment within 31 days of decision to treat has been met throughout 2023/24.

New Outpatients

As at end March 2024 there were 7137 patients waiting greater than the national access standard (12 weeks) for first appointment. This is a small decrease of 59 from the position reported at March 2023 (7198). As at end March 2024 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.

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 2024 there were 1193 patients waiting greater than one year for first outpatient appointment against a target of 0 (Zero).

Inpatients

As at end March 2024 there were 2002 patients waiting greater than the national treatment standard (12 weeks). This is a small increase of 64 from the position reported at March 2023

(1938). 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.

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 2024 there were 213 patients against a target of 270.

Treatment Time Guarantee and Referral to Treatment

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 2024 there were 197 patients who had not been treated within 12 weeks. This is an increase of 41 on the figure reported at March 2023 (156).

In March 2024 61.6% of patients were treated within 18 weeks of referral against the 90% standard. This is a 3% reduction on the equivalent performance at March 2023 (64.8%).

Diagnostic Waiting Times

Against the 8 key tests measured, there were 255 patients waiting greater than the national standard (six weeks) at the end of March 2024. This is an improvement of 610 on the position reported at March 2023 (865).

There is no separate ADP trajectory for diagnostic tests.

Mental Health Services

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.

As at March 2024, CAMHS performance was 50.0%, a 3% increase from March 2023 (47.1%). Psychological therapies performance for the same period was 83.5%, a 10% improvement on the March 2023 performance (73.7%).

Drugs & Alcohol

Performance is measured against the 3 week national referral to treatment standard. The Board continues to meet this standard in full (100% performance).

A&E 4 hour standard

Performance against the four hour emergency access standard (95%) was 66.6% in March 2024, a 7% improvement against the March 2023 performance of 58.8%. Although the average wait for 2023/24 has slightly improved the position continues to reflect reduced performance first reported in summer 2021.

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.

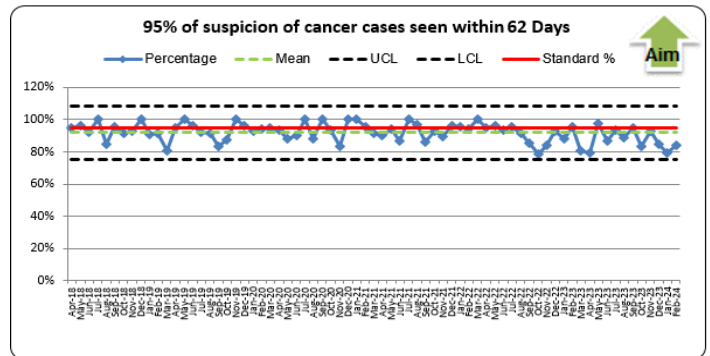
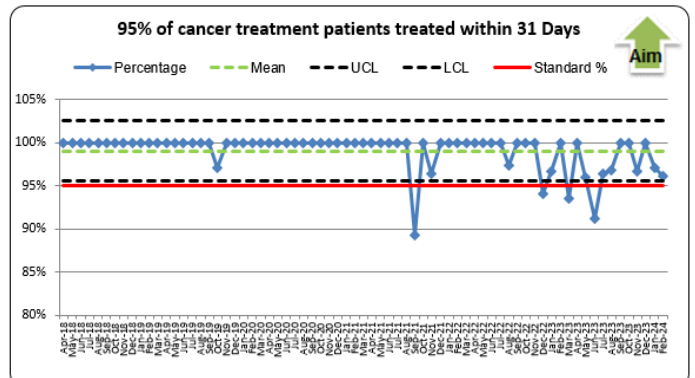
Delayed Discharges

As at March 2024 there were 57 patients waiting greater than 72 hours for hospital discharge. This is an increase of 16 on the equivalent number at March 2023 (41). The overall number of bed days attributable to delayed discharges continues to present a significant challenge to hospital flow.

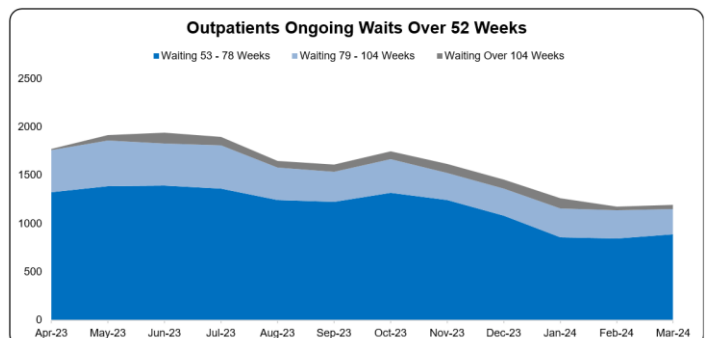
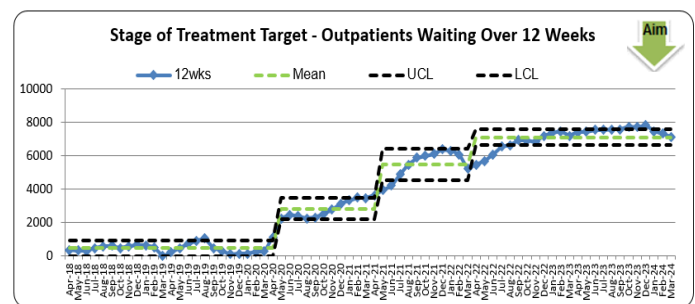
Performance Scorecard: outlining performance against the Annual Delivery Plan targets and local Key Performance Indicators (KPIs) as at 31 March 2024

Cancer Waiting Times	February 2024 *
Percentage of people who started treatment within 31 days of decision to treat (national standard; target = 95%)	96.2%
Percentage of people who started treatment within 62 days of referral of urgent suspicion (national standard; target = 95%)	84.2%

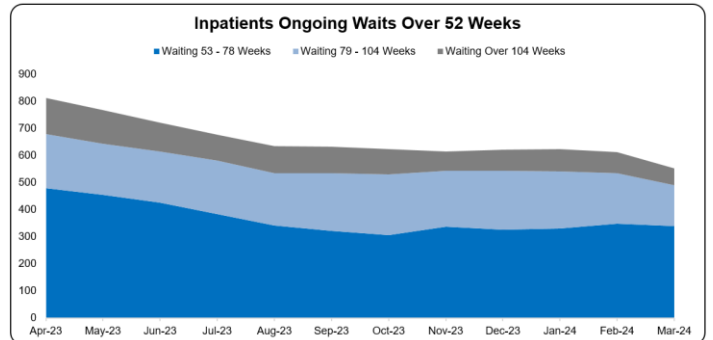
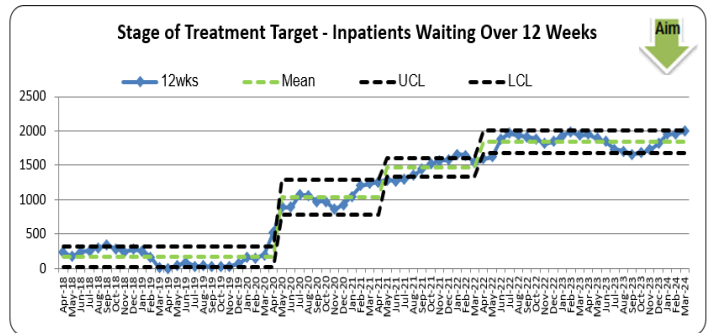
* latest available data is February 2024



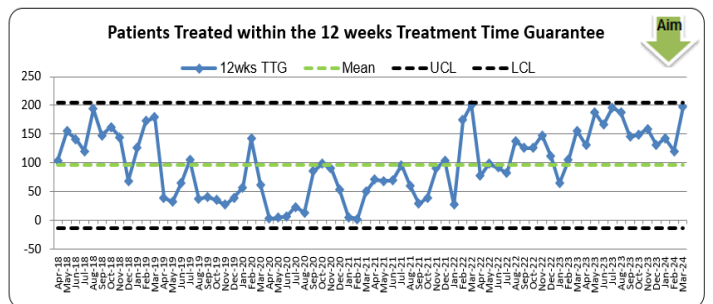
New Outpatient Waiting Times	March 2024
Number Waiting > 12 weeks	7,137
Number Waiting > 52 weeks	1,193



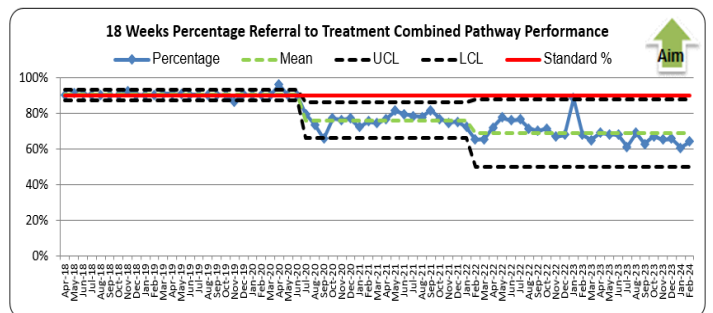
New Inpatient Waiting Times	March 2024
Number Waiting > 12 weeks	2,002
Number Waiting > 52 weeks	552
Number Waiting > 78 weeks	213



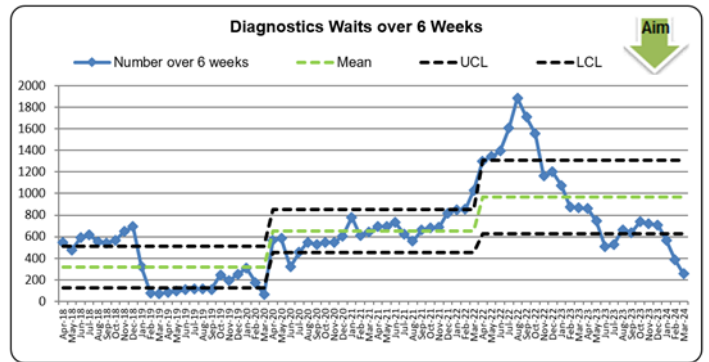
Treatment Time Guarantee (Not treated within 84 days)	March 2024
Number Waiting > 12 weeks	197



Referral to Treatment (RTT)	March 2024
% Treated within 18 weeks of referral	61.6%
Number waiting under 18 weeks	1,549
Total Patients	2,515

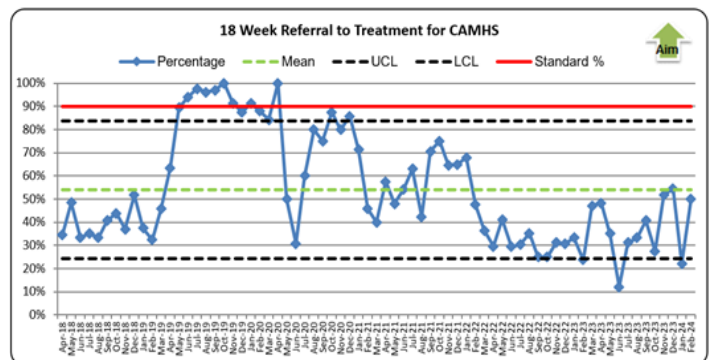


Waiting Times for Diagnostics (8 key tests)	March 2024
Number Waiting over 6 Weeks	255
Total Patients Waiting	1,874



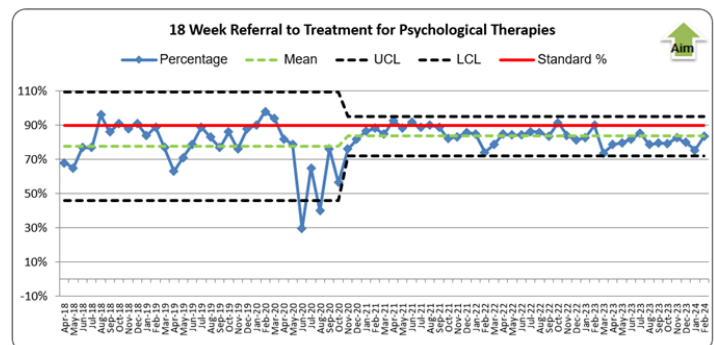
CAMHS Referral to Treatment	February 2024 *
% treated within 18 weeks of referral	50.0%

* Latest available data is February 2024



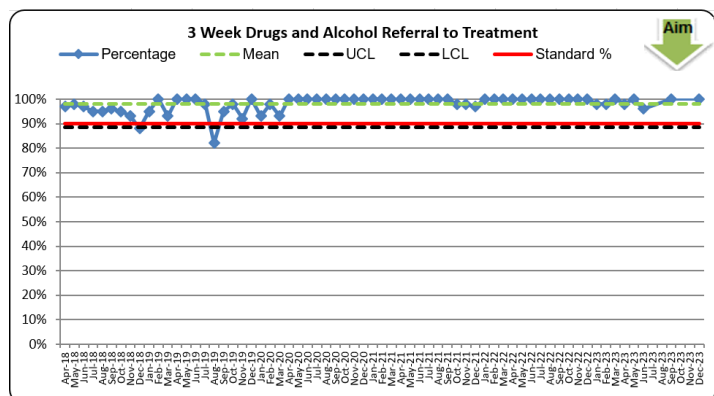
Psychological Therapies Referral to Treatment	February 2024 *
% treated within 18 weeks of referral	83.5%

* Latest available data is February 2024

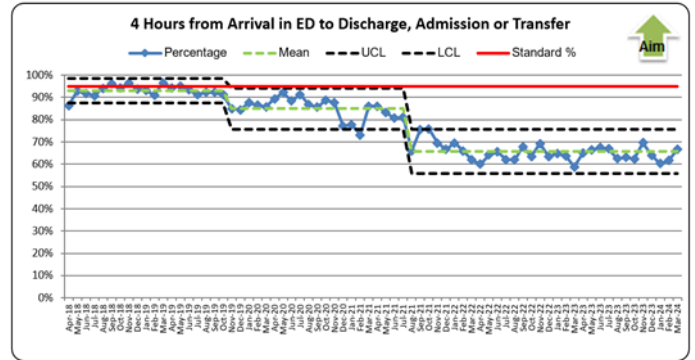


Drugs & Alcohol Referral to Treatment	Dec 2023 *
% Treated within 3 weeks of referral	100%

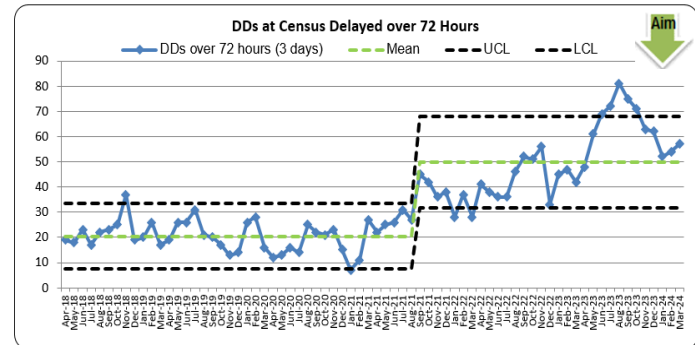
* Latest available data is December 2023



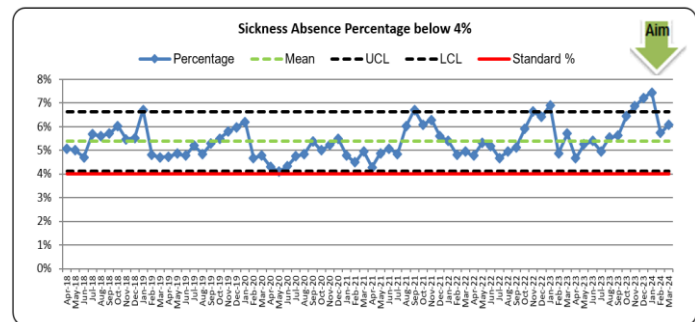
A&E 4 Hour Standard Patients discharged or transferred within 4 hours	March 2024
% Discharged/Transferred > 4 Hours	66.6%
Number Discharged / Transferred > 4 Hours	942
Total Patients Seen	2,376



Delayed Discharges	March 2024
Patients delayed over 72 hours	57
Delayed Bed Days	2,037



Sickness Absence Rate (Target – 4%)	March 2024
% Sickness Absence	6.1%



C.difficile Infection (CDI)

Target/measure	Predicted Target for 2023-24	Actual cases for the period Q1 2023-Q3 2023 (Apr-Dec)
The Scottish Government has 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).	Max 12 healthcare associated CDI cases.	10 (not on target)

S.aureus bacteraemia (SAB)

Target/measure	Predicted Target for 2023-24	Actual cases for the period Q1 2023-Q3 2023 (Apr-Dec)
The Scottish Government has 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).	Max 20 healthcare associated SAB cases.	13 (on target)

E.coli bacteraemia (ECB)

Target/measure	Predicted Target for 2023-24	Actual cases for the period Q1 2023-Q3 2023 (Apr-Dec)
The Scottish Government has 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 2023/24 (using 2018/19 as the baseline).	Max 32 healthcare associated ECB cases.	42 (breached target)

Sustainability & 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://sustainablescotlandnetwork.org/reports>

In February 2023 the Health Board published its second 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/

Events after the end of the reporting period

Nil

Signed

Ralph Roberts

Ralph Roberts
Chief Executive and Accountable Officer

28 June 2024

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 financial statements have been authorised for issue by the Accountable Officer on 30 June 2024.

Appointment of Auditors

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. 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 2023 to 31 March 2024 were as follows:

Non-Executive Members

Mrs K Hamilton, Chair (reappointment second term from 15 July 2023)
 Mr J Ayling
 Dr K Buchan
 Mrs H Campbell
 Ms S Lam* (to 31 January 2024)
 Ms L Livesey* (from 1 February 2024)
 Mr J McLaren
 Mrs L O'Leary
 Cllr D Parker
 Mrs F Sandford
 Mr T Taylor (to 1 February 2024)

Are all Scottish Government appointed Non Executive Members.

*Whistleblowing Champion for the Board.

Board Membership

Executive Members

Mr R Roberts, Chief Executive*

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 (from 4 December 2023 and ongoing to cover the absence of Mr G Clinkscale)

Mr P Lepiniere, Interim Director of Nursing, Midwifery & Allied Health Professions (from 6 November 2023 – 12 February 2024 covered the absence of Mrs S Horan)

Mrs S Errington, Interim Director of Planning & Performance (from 6 November 2023 and ongoing to cover the absence of Mrs J Smyth)

* 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.

Value of Land

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

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

NHS Borders did not report any personal data related incidents to the Information Commissioner during 2023/24.

More generally the Information Commissioner took enforcement action against several organisations and individual staff members in the UK for breaching data protection. No penalties were served against any Scottish Health organisation in the past 12 months; however, a reprimand was issued to NHS Lanarkshire in relation to use of WhatsApp. At this point of time, there are no details yet of the actions that the ICO will take regards the Cyber incident at NHS Dumfries & Galloway that led to the exfiltration of patient and staff data.

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 2024 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for the NHS Scotland by Scottish Ministers.
- Make judgements and estimates that are reasonable.
- 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 March 2019.

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 2024, 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

As part of a review of our decision making and governance structures, a Quality and Sustainability Board has been 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 5 times during the year 01.04.23 to 31.03.24 with 4 scheduled meetings, 1 extraordinary meeting. Meetings were held both 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.

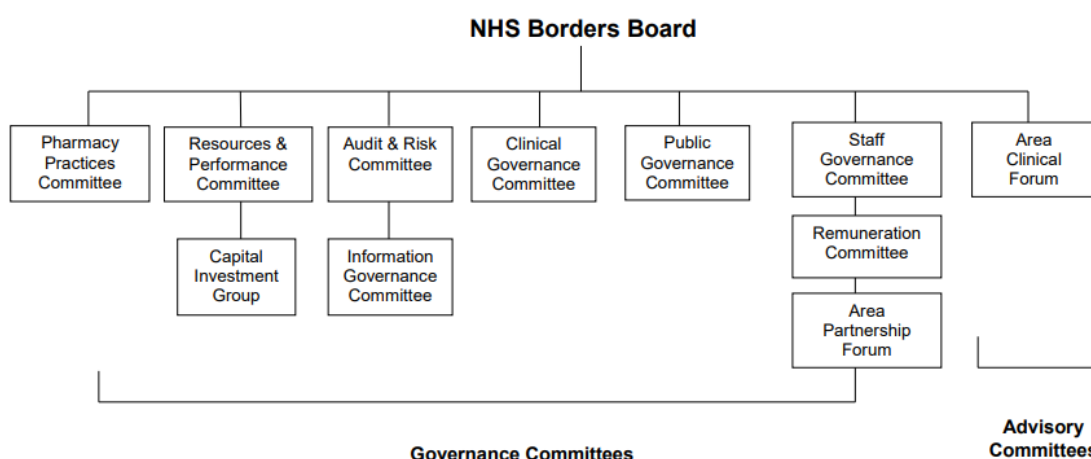
Standing Committees

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

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

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

The standing committee structure is noted 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.

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.

Public Governance Committee

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

During March 2024 a review of the committee in relation to its own performance, effectiveness and terms of reference was undertaken following the Chair stepping down. Recommendations following this were presented to NHS Borders Board during April 2024 and will be implemented in 2024/25 which allocate the remit of the PGC across the other governance committees.

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 16 January 2024 to consider a new pharmacy application for the Tweedbank area.

Area Clinical Forum

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

Corporate Governance

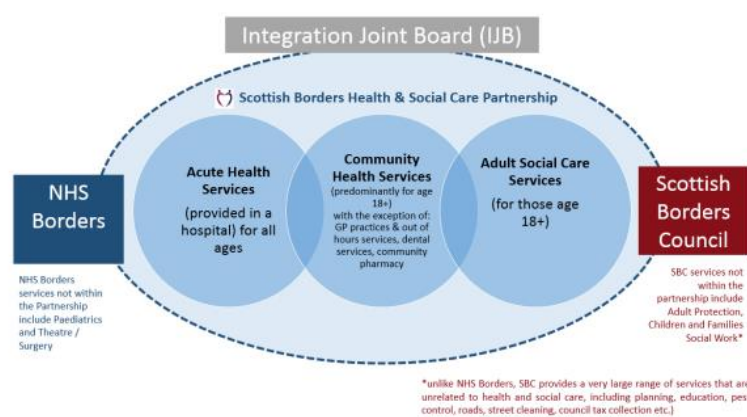
Corporate Governance arrangements in place within the Board to support the Accountable Officer are detailed below:

- 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> .
- 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 2023/24 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 5 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 ensuring 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/resources/documents/2022/06/20220622_nhs-scotland-blueprint-for-good-governance-second-edition.pdf) 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 4 April 2024 for approval and as a result will establish 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*'. During the year Mrs S Lam's tenure as Non-Executive Director came to end as did her position of NHS Borders Whistleblowing Champion, on the 31st January 2024. Her replacement Mrs L Livesey commenced the appointment on the 1st February 2024. 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.

- 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. On the 1 February 2024 NHS Borders held a Blueprint for Good Governance self-assessment development session, to consider the results of the survey and what this means for the Board.
- 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 Integration Joint Board (IJB) is responsible for the “functions” which NHS Borders and Scottish Borders Council has delegated to it. The IJB is required to 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 and in line with the agreed Borders Joint Strategic Plan. The IJB is required to 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.



More information about the IJB and HSCP is also available in our [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 2023/24 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.

A risk mitigation fund was created in 2022-23 to 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.

2023/24 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 at the NHS Borders Access Board, and is reported regularly to the Resources and Performance Committee.

Network & Information Security (NIS) Regulations

The NIS audit is a 3-year recurring cycle. 2023/24 saw the start of a new audit cycle, with changes or additions within 42 of the audit categories. In previous audits NHS Borders NIS compliance rose from 38% to 66%, while its Cyber risk profile fell from 46% to 12%. This has meant it was difficult this year to directly compare NHS Borders performance to previous audits, and to aid with this the auditors provided an estimate of compliance of 75% under the old controls, which shows a further solid improvement.

Under the new audit structure for 2023/24 we reported the following:

- Overall compliance assessed at 67% which **achieved KPI 1⁽¹⁾**.
- We achieved 60% or more in 11 out of the 17 categories and therefore **achieved KPI 2⁽¹⁾**. It is of note, that our performance in 7 of the categories was more than 80%.
- We achieved 60% or more in 46 out of 68 subcategories, however 5 subcategories were assessed as below 30% and we therefore **failed to achieve KPI 3⁽¹⁾**.

In the 5 subcategories that were we assessed as below 30%, either red (3) or black (2), it is worth noting that 2 of the reds were assessed as black in previous years audits and we were aware that we would not meet KPI 3 in the 2023/24 audit cycle. A detailed plan is currently being developed to progress audit recommendations.

(1) KPI1 - Overall Compliance should be at ≥ 60% ,KPI2 - 60% of Categories should have a compliance of ≥ 60% (yellow, green, blue) ,KPI3 - There should be zero subcategories with a compliance of <30% (red, black)

Workforce

Resourcing

2023-24 was a year in which the Board was able to make significant progress towards addressing vacancies within nursing. Successful International Recruitment helped unfilled Acute Registered General Nursing (RGN) vacancies at Band 5 level reach their lowest level for many years. In the first half of the year, international recruitment of registered staff also had a positive effect on the use of/expenditure on agency nurses. The effect of Winter Pressures/use of Surge Beds has since seen an increase in the use of framework agency nurses but plans are in place to curtail this upward trajectory

with ongoing deployment of internationally-sourced talent. The local (Scottish) pipeline for newly qualified nurses remains challenged, with course places not being filled to capacity and students dropping out of courses. The deployment of International Medical Graduates and recruitment of Clinical Development Fellows helped to keep medical agency spend under control and at a relatively low level. NHS Borders has continued to manage the performance of the Lothian & Borders Banks (hosted by NHS Lothian), improving the experience of Borders residents in joining the Bank and trying to drive up levels of successful placement.

eRostering

During 2023-24, responsibility for eRostering formally transferred into the Human and Resources (HR) portfolio and a number of HR roles have been temporarily re-designed to accommodate this. eRostering is new software which makes the deployment of staff to cover services more modern, accurate and efficient. A project infrastructure has been established with the employment of a specialist team and progress against key project milestones has been favourable. This work will complement the Health and Care Staffing Act.

Equality, Diversity & Inclusion

During 2023-24 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 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 made helping to settle new International Recruits into the Scottish Borders a priority, 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 are fulfilling their Pride Pledge. 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 helped more than 30 managers to secure 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 improved substantially. 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

In its' 2 year of operating, the Training, Education & Development (TED) Board has continued to support training and development initiatives including investing in specialist clinical training, training in mediating workplace disputes, using artificial intelligence software to improve fluency in communicating with patients and individual/team assessment tools. The TED Board has also been highly influential in driving up compliance with statutory/mandatory compliance levels and injecting more rigour and efficiency into the acquisition/commissioning of training.

Whistleblowing

Efforts to raise the profile of what whistleblowing is and how to go about it have been ongoing. During October 2023, NHS Borders ran a Speak Up week and there was publicity around several of the Health Board's Confidential Contacts – who they are, why they got into the voluntary role, what they do and what training they have had.

Internal Audit Opinion

The Chief Internal Auditor Opinion for 2023/24 is noted as:-

“My overall opinion for the period 1 April 2023 to 31 March 2024 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”.

Seven internal audit reviews have been completed in 2023/24 of which:

- One was issued with No Assurance for Use of Bank and Agency Staff
- Three were issued with Partial Assurance with improvement required
- Three were issued with Reasonable Assurance with some improvement required

In the areas examined there are some moderate weaknesses in the risk management activities and controls designed to achieve the risk management objectives required by management. Those activities and controls examined were operating with sufficient effectiveness to provide partial assurance.

The Audit & Risk Committee undertook a comprehensive review of the NHS Borders Governance Framework for 2023/24, 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:

2023/24 Internal Audit – Implementation of recommendations to address identified high risks

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 & Committee at each of its meetings during 2024/25.

A number of high rated recommendations remain from prior year reports. This includes three outstanding recommendations in relation to Ventilation Systems, two in relation to IT Recovery and Resilience, one in relation to Health Inequalities, and one against Health and Safety – Risk Management. The actions are actively monitored through the Audit & Risk Committee, which receives regular update on progress towards completion.

During 2023/24, four individual audits included high rated recommendations including one report which received an overall ‘no assurance’ rating.

An audit on the Use of Bank and Agency Staff reported a ‘no assurance’ rating in September 2023. This report included three recommendations rated as ‘high’, covering weaknesses in relation to documentation and compliance with policies & procedures. This audit is discussed further under ‘Disclosures’ below.

An audit on the Board's Contract Management Arrangements (September 2023) provided 'partial assurance with improvement required'. There was a total of four high rated recommendations of which three were in relation to contract governance, highlighting the lack of a contract management framework, policy and associated guidance, and training for relevant personnel in the use of same. Overall, these three recommendations resulted in a 'no assurance' rating against one of the risks considered within the report, which assessed whether appropriate contracts were in place and managed effectively. A further high rated recommendation was identified highlighting weaknesses in the process and implementation or regular contract reviews.

In December 2023 an audit reported on the use of the Infection and Control toolkit 'HAI Scribe'. HAI-SCRIBE is the acronym for Healthcare Associated Infection System (for) Controlling Risk in the Built Environment. The overall report provided 'partial assurance with improvement required', within which there were 2 high rated recommendations addressing incomplete implementation of HAI-SCRIBE tool and risks in relation to data quality.

In February 2024, an audit of the Board's Financial Improvement Programme (FIP) was undertaken, considering how the programme is governed, including leadership and accountability as well as process and documentation. This report received an overall rating of 'partial assurance with improvement required'. There were four high rated recommendations including two which considered the methodology by which savings are identified and planned. Alongside this, a further recommendation highlighted a need to strengthen the leadership approach to agreement and implementation of strategic direction on financial recovery. A final high rated recommendation highlighted a need to increase focus on performance management arrangements for the delivery of financial savings.

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.

Reinforced Autoclaved Aerated Concrete (RAAC)

An initial desktop survey conducted on an NHS Scotland basis in early 2023 identified eight potential properties where RAAC may be present within NHS Borders estate. Following further review and on site surveys conducted in September 2023 it was confirmed that RAAC is present in three sites, as follows: Knoll Community Hospital / Health Centre, Jedburgh Health Centre, and Kelso Community Hospital. Action plans were developed in line with advice issued following on site surveys.

On 7 March 2023 a Health & Safety Executive team undertook on site inspection of these sites and reviewed previous survey information and actions in place. Following this inspection the Board were advised that a *notice of contravention* letter would be issued to the Board in respect of issues identified during the inspection. This letter was received on 1 May 2024. The letter highlighted a number of concerns, including areas of weakness in existing action plans, and identified three risks highlighted as 'red' of which two are considered critical. These issues require urgent works to be undertaken. The Chief Executive is required to respond to the letter by 27 June 2024.

Use of Bank and Agency Staff

NHS Borders utilises bank staff to supplement their permanent workforce levels. NHS Borders and NHS Lothian have agreed a partnership approach for the use of Supplementary Staff across all hospital and community settings. This service is hosted

by NHS Lothian. An internal audit review was conducted to provide an independent assessment of the design and operational effectiveness of NHS Borders arrangements for the use of Bank and Agency staff. The audit report provided “No Assurance” due to a lack of agreed Service Level Agreement (SLA), policy, procedure; sample testing identified weaknesses in adherence to process and control, and there was a lack of monitoring and oversight. Since the report was published the SLA has been reviewed by NHS Lothian and NHS Borders and will be signed in Quarter 1 2024.

Estates and Facilities – Ventilation Systems

NHS Borders management is responsible for ensuring that inspection, service and maintenance activities are carried out safely and to the correct specifications. A review was conducted in June 2023 which considered the effectiveness of controls in place. This report received a ‘no assurance’ rating and included nineteen recommendations for improvement including five high rated recommendations. Progress has been made to close many of the recommendations however four actions remain outstanding at end March 2024, including three high rated recommendations.

Estates and Facilities – Backlog Maintenance & Risk

The Estates team continue to carry a significant workload creating pressures to deliver all aspects of their extensive portfolio. This has been compounded by availability of skilled workforce causing delays to both routine work and planned projects. There were a number of actions underway to address maintenance backlogs and to get the compliance programme back on track in addition to scoping work to assess works required to the BGH in the medium to long term as part of a property strategy. However, with a reducing capital allocation and expectations to maintain the estate and key plants for longer periods there will continue to be growing demands on the human resources within the estates function.

Financial Sustainability

The Board’s financial sustainability remains a significant risk and this position has deteriorated further during 2023-24 because of increasing cost pressures and the wider economic environment.

NHS Borders remains at stage three of the Scottish Government’s Performance Escalation 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.

A financial plan for the period April 2024 to March 2027 has been prepared in line with the *Medium Term Financial Framework* set out by Scottish Government. This plan identifies a significant financial gap over the duration of the plan and as such remains unapproved by the Scottish Government. An interim budget was approved by the Board at its meeting on 4 April 2024 pending further work to progress the Board’s financial recovery plan.

An audit of the Board’s approach to its financial improvement programme was prepared in February 2024. This report provided an overall ‘Partial Assurance with Improved Required’ rating. This is described further under ‘Internal Audit Opinion’ above.

The Health Board requested brokerage (i.e. borrowing) of £15.533m from Scottish Government to achieve a breakeven position for financial year 2023/24. As at 31 March the Board has an accumulated brokerage of £35.533m. This amount remains repayable to Scottish Government. Timescales for repayment have not been set at this stage.

Further information on this topic can be found under 'Financial Sustainability' within the Performance Report.

Operational Performance

NHS Borders continues to face significant challenges in delivering access standards and meeting waiting list targets. Urgent and unscheduled care demand continues to place strain on emergency care and within the Borders General Hospital and our Community Hospitals there continue 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. Further information on these issues is available in the Performance Report.

Health Inequalities

The 2022/23 Health Inequalities internal audit report has outstanding audit recommendations which management are trying to close regarding strategy processes.

Information Governance (IG)

The Certificate of Assurance and Information Governance Committee Annual Report has highlighted a number of issues:-

- Cyber Security
 - Network & Information Security (NIS) Regulations
 - Information Asset Register
 - Staff Training
 - NHS Borders Data Centre
 - Unsupported Office 365 Applications
 - Escalating Costs of Technology and Software Licenses
- For further details, please see refer to the IG Annual Report.

Contract Management Arrangements

An Internal Audit conducted in September 2023 identified weaknesses in the Board's contract management arrangements, highlighting the absence of a robust contract management framework with supplementary policies and guidance that outline roles and responsibilities of staff across the organisation. Issues observed include failure to plan for contract renewal at date of expiry and lack of effective contract monitoring reviews. This is discussed further under 'Internal Audit Opinion', above.

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 57 to 64), the Hutton Fair Pay Review (page 56) and the Staff Report section a) Staff Numbers and Costs (page 65) 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, 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)2023/3 and PCS(ESM)2024/1. 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 2023/24 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 2023/24 IJB Annual Accounts Report.

Pension Benefits figures in the 2023/24 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.

Pension Benefit figures for the 2023/24 Remuneration Report.

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 2024 and for the previous financial year, 2022/23.

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 2024.

The median ratio (Total pay and benefits) comparing March 2023 and March 2024 has increased from 5.08 to 5.13 respectively as detailed in the following table;

	2023/24	2022/23	Change
			%
Range of Staff Remuneration	£23k-£243k	£22k-£215k	5
Highest Earning director's remuneration	£200k-£205k	£195k-£200k	3
Median (Total pay & benefits)	£39,875	£38,885	3
Median (Salary only)	£37,664	£35,365	7
Ratio	5.13	5.08	1
25th Percentile (Total pay & benefits)	£30,477	£29,975	2
25th Percentile (Salary only)	£27,486	£26,895	2
Ratio	6.71	6.59	2
75th Percentile (Total pay & benefits)	£50,127	£49,192	2
75th Percentile (Salary only)	£46,100	£45,305	2
Ratio	4.08	4.01	2

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 award agreed for Agenda for Change (AFC).

The salary range of NHS Borders employees is recorded as £23k to £243k in 2023/24 (£22k to £215k in 2022/23).

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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 (FRoM) 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 for 4 days per week.

NHS Borders 23/24 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	Cash Equivalent Transfer Value (CETV) at 31 March 2024	Real increase in CETV in year	Note
	Pension £'000	Lump Sum £'000	Pension £'000	Lump Sum £'000	£'000	£'000	£'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 Clinkscale	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	
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.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION

FOR THE YEAR ENDED 31 MARCH 2023

	Salary (Bands of £5,000) £'000	Benefits in kind £'000	Performance Related Bonus (Bands of £5,000) £'000	Total Earnings in Year (Bands of £5,000) £'000	Pension Benefits (Bands of £1,000)** £'000	Total Remuneration (Bands of £5,000) £'000	Note
Remuneration of:							
Executive Members							
Chief Executive: Mr R Roberts	140-145	*	*	140-145	*	140-145	1
Joint Director of Public Health: Dr T Patterson (to 31st August 2022)	80-85	*	*	80-85	*	80-85	2
Joint Director of Public Health: Dr S Bhatti (from 26th September 2022)	85-90	*	*	85-90	*	85-90	3
Director of Finance , Estates and Procurement: Mr A Bone	90-95	*	*	90-95	35	125-130	
Medical Director: Dr L McCallum	195-200	*	*	195-200	*	195-200	1
Nursing, Midwifery & Allied Health Professionals (AHP's) Director: Mrs S Horan	90-95	*	*	90-95	5	95-100	
Director of Planning & Performance: Mrs J Smyth	100-105	*	*	100-105	22	120-125	
Director of Workforce: Mr A Carter	100-105	*	*	100-105	12	110-115	
Director of Quality and Improvement: Mrs L Jones (from 1st June 2022)	65-70	*	*	65-70	7	70-75	4
Director of Acute Services: Mr G Clinkscale	100-105	*	*	100-105	38	140-145	5
Non Executive Members							
Chair - Mrs K Hamilton	30-35	*	*	30-35	*	30-35	
Mr J Ayling	5-10	*	*	5-10	*	5-10	
Dr K Buchan (from 1st August 2022)	5-10	*	*	5-10	*	5-10	7&8
Mrs H Campbell	5-10	*	*	5-10	*	5-10	
Ms S Lam	5-10	*	*	5-10	*	5-10	
Mrs L O'Leary	5-10	*	*	5-10	*	5-10	6
Councillor D Parker	5-10	*	*	5-10	*	5-10	
Mrs F Sandford	5-10	*	*	5-10	*	5-10	
Mr T Taylor	5-10	*	*	5-10	*	5-10	6
Mrs A Wilson (to 31st July 2022)	5-10	*	*	5-10	*	5-10	9
Employee Director :Mr J McLaren	55-60	*	*	55-60	11	70-75	10
Total		0.0			130		

NOTES TO THE 2022/23 BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION REPORT

**In accordance with the UK Financial Reporting Manual (FRM) 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 2022/23.

- 1 - Mr R Roberts and Dr L McCallum applied in line with Scottish Government Alternative Pay Policy (Recycling Employer Pension Contributions) to receive employer pension contributions during October - March 2023.
Total Remuneration figures have been reported excluding the pension recycling payments made directly to these two Directors for the values of £5-10k for Mr R Roberts and £0-£5k for Dr Lynn McCallum.
- 2 - Dr T Patterson retired from NHS Borders on 31st August 2022. Full year equivalent salary costs for 2022/23 are £190k - £195k.
- 3 - Dr S Bhatti was appointed as Director of Public Health from 26th September 2022. Full year equivalent salary costs for 2022/23 are £170k - £175k.
- 4 - Mrs L Jones was appointed as Director of Quality and Improvement from 1st June 2022. Full year equivalent salary costs for 2022/23 are £85k - £90k.
- 5 - Mr G Clinkscale 2022/23 reported remuneration has been revised following information from the Scottish Public Pensions Agency (SPPA) regarding Mr Clinkscale's Pension Scheme membership in the NHS 2008 Scheme.

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 2022/23 IJB Annual Report and Accounts available from www.scotborders.gov.uk.
- 7 - The full year equivalent salary cost of a Non Executive Members for 2022/23 is £5k - £10k.
- 8 - Dr K Buchan was appointed as Non Executive Director on 1st August 2022. , Full year equivalent salary costs for 2022/23 are £5k - £10k.
- 9 - Mrs Wilson does not receive personal remuneration in relation to this appointment, Mrs Wilson's Directorate can access funding equivalent to the remuneration level to enable a time release of Mrs Wilson to fulfil Non Executive duties.
- 10 - Mr J McLaren is employed as a Non Executive Director of NHS Borders Board for one day per week and by NHS Borders as Employee Director for 4 days per week.

BOARD MEMBERS AND SENIOR EMPLOYEES PENSION VALUES

FOR THE YEAR ENDED 31 MARCH 2023

	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 2022 REVISED	Cash Equivalent Transfer Value (CETV) at 31 March 2023	Real increase in CETV in year	Note
	Pension £'000	Lump Sum £'000	Pension £'000	Lump Sum £'000	£'000	£'000	£'000	
Remuneration of:								
Executive Members								
Chief Executive: Mr R Roberts	*	*	60-65	185-190	1326	1436	100	1&2
Joint Director of Public Health: Dr T Patterson (to 31st August 2022)	*	*	60-65	185-190	1514	1514	*	3
Joint Director of Public Health: Dr S Bhatti (from 26th September 2022)	*	*	*	*	*	*	*	4
Director of Finance , Estates and Procurement : Mr A Bone	0-2.5	0-2.5	25-30	75-80	449	537	76	
Medical Director - Dr L McCallum	0-2.5	*	45-50	130-135	697	778	59	2
Nursing, Midwifery & Allied Health Professionals (AHP's) Director: Mrs S Horan	0-2.5	*	35-40	110-115	649	735	74	
Director of Planning & Performance: Mrs J Smyth	0-2.5	*	30-35	85-90	493	574	67	1
Director of Workforce: Mr A Carter	0-2.5	*	35-40	110-115	691	789	85	1
Director of Quality & Improvement: Mrs L Jones (from 1st June 2022)	0-2.5	*	20-25	65-70	346	396	41	5
Director of Acute Services: Mr G Clinkscale	2.5-5	*	20-25	*	176	222	32	6
Non Executive Members								
Mrs K Hamilton	*	*	*	*	*	*	*	
Mr J Ayling	*	*	*	*	*	*	*	
Dr K Buchan (from 1st August 2022)	*	*	*	*	*	*	*	
Mrs H Campbell	*	*	*	*	*	*	*	
Ms S Lam	*	*	*	*	*	*	*	
Mrs L O'Leary	*	*	*	*	*	*	*	
Councillor D Parker	*	*	*	*	*	*	*	
Mrs F Sandford	*	*	*	*	*	*	*	
Mr T Taylor	*	*	*	*	*	*	*	
Mrs A Wilson (to 31st July 2022)	*	*	*	*	*	*	*	
Employee Director :Mr J McLaren	0-2.5	*	15-20	45-50	327	378	46	
Total					6668	7359	580	

NOTES TO THE 2022/23 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 2022/23 can be different from the 'CETV at end of period' reported for 2021/22. 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. A revision to figures reported as 'CETV at the start of the period' has been actioned in the 2023/24 Annual Accounts as clarification has been given to NHS Scotland Health Boards regarding the requirement to report the pre inflation calculated figure.

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 2022/23 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 2022. Pension benefits for the year ended 31st March 2023 have been calculated on the basis of membership of the 2015 Career Average Revalued Earnings (CARE) Pension Scheme.

- 1 - Executive Directors impacted by the McCloud (2015) remedy, accrued pension benefits have been recalculated in line with pre reform pension schemes, either the 1995 or 1998 NHS Scotland Pension Scheme as appropriate.

- 2 - Mr R Roberts and Dr L McCallum applied in line with Scottish Government Alternative Pay Policy (Recycling Employer Pension Contributions) to receive employer pension contributions during October - March 2023.
Total accrued pension values have been reported excluding the pension recycling payments made directly to these two Directors for the values of £5-10k for Mr R Roberts and £0-£5k for Dr Lynn McCallum..

- 3 - Dr T Patterson retired from NHS Borders on 31st August 2022. Dr Patterson had opted out of the 1995 NHS Pension Scheme on 31st May 2016 and re-entered the NHS Pension Scheme on 1st December 2020, Pension benefits for both periods of membership have been consolidated in this report.

- 4 - Dr S Bhatti was appointed as Joint Director of Public Health on 26th September 2022. Dr Bhatti is in receipt of an NHS Pension from the UK Department of Health and as a result is not eligible for membership of the NHS Scotland Pension Scheme. Dr Bhatti makes contribution to the National Employment Savings Trust (NEST) which is the alternative Pension Provider offered by NHS Borders. Pension values are not available from this scheme.

- 5 - Mrs L Jones was appointed as Director of Quality and Improvement on 1st June 2022. Mrs Jones's pension calculations relate to the period from 1st June 2022 to 31st March 2023.

- 6 - Mr G Clinkscale 2022/23 reported pension calculations have been revised following information from the Scottish Public Pensions Agency (SPPA) regarding Mr Clinkscale's Pension Scheme membership in the NHS 2008 Scheme.

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 2024 were £184.41m (2023: £169.80m). 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	2024 Total £000	2023 Total £000
STAFF COSTS								
Salaries and wages	935	107	135,185			(191)	136,035	122,427
Social security costs	118	3	13,292			(23)	13,390	12,443
NHS scheme employers' costs	200		23,852			(27)	24,026	21,963
Other employers' pension costs							0	0
Secondees				6,643			6,643	5,650
Agency staff					4,317		4,317	7,318
TOTAL STAFF COSTS	1,252	110	172,329	6,643	4,317	(241)	184,411	169,801
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)	9	2	2,895	76	29	(3)	3007	2,964.6
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:							64	40
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	2024 Numbers	2023 Numbers
Clinicians*		
£70,001 to £80,000	29	24
£80,001 to £90,000	21	19
£90,001 to £100,000	14	11
£100,001 to £110,000	14	20
£110,001 to £120,000	11	14
£120,001 to £130,000	12	12
£130,001 to £140,000	21	14
£140,001 to £150,000	9	7
£150,001 to £160,000	8	3
£160,001 to £170,000	9	7
£170,001 to £180,000	2	6
£180,001 to £190,000	5	2
£190,001 to £200,000	1	1
£200,001 and above	4	1
TOTAL	160	141
Other#		
£70,001 to £80,000	6	11
£80,001 to £90,000	12	6
£90,001 to £100,000	1	1
£100,001 to £110,000	-	1
£110,001 to £120,000	-	-
£120,001 to £130,000	-	-
£130,001 to £140,000	-	-
£140,001 to £150,000	-	-
£150,001 to £160,000	-	-
£160,001 to £170,000	-	-
£170,001 to £180,000	-	-
£180,001 to £190,000	-	-
£190,001 to £200,000	-	-
£200,001 and above	-	-
TOTAL	19	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 57.

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 2023/24 and prior year 2022/23. The employee headcount in the table details an individual count for each employee for each post they hold with NHS Borders.

STAFF NUMBERS	WTE 2024 Annual Mean	WTE 2023 Annual Mean	Headcount 2024 Annual Mean	Headcount 2023 Annual Mean
Medical & Dental	279	269.7	539	540
Nursing & Midwifery	1270.5	1245.2	2099	2074
Other staff groups	1457.9	1449.7	2441	2461
Board Total Average Staff	3007.4	2964.6	5079	5075
Permanent Staff	2583.9	2503.0	3623	3516
Staff with Short Term Contract	193.6	221.1	364	433
Bank Staff	127.9	119.9	1009	1046
Inward Secondees	76.1	75.0	87	83
Agency Staff*	28.7	47.8	-	-
Outward Secondees	(2.8)	(2.2)	(4)	(3)
Board Total Average Staff	3007.4	2964.6	5079	5075
Disabled Staff (Declared)	63.5	40.5	115	80
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 2023/24 was reported as £4.32m (2022/23: £7.32m). Medical Agency staff costs decreased in year to £2.33m (2022/23: £2.96m). Nursing Agency costs also reported a decrease from previous year, incurring a total spend of £0.88m (2022/23: £2.32m). Agency staffing costs incurred to deliver the IM&T Digital Portfolio totalled £0.90m (2022/23: £1.27m). During 2023/24 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.

	2024			2023		
	Male	Female	Total	Male	Female	Total
Executive Directors	5	5	10	6	3	9
Non-Executive Directors and Employee Director	4	5	9	5	5	10
Senior Employees (other)	89	92	181	75	80	155
Other	773	3,095	3,868	742	3,132	3,874
Total Headcount	871	3,197	4,068	828	3,220	4,048

e) Sickness absence data

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

	2024	2023
Sickness Absence Rate	6.1	5.6%

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 2023/24 or 2022/23.

h) Compensation Payments

NHS Borders did not make any compensation payments in financial years 2023/24 or 2022/23.

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 2023/24.

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
- 6 - Ad hoc time	Not applicable (ad hoc time) 3.65
- 5 – dedicated time*	

<i>Percentage of time</i>	Number of representatives
0%	6
1-50%	0
51-99%	0
100%	5

<i>Total cost of facility time</i>	£ 162,537
<i>Total pay bill</i>	£184,411,000
<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.
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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 2023/24 as detailed in the following table. No debt write off or special payments were approved in the prior year 2022/23 and a nil disclosure is reported.

	2023/24		2022/23	
	No of Cases	£000	No of Cases	£000
Claims Abandoned	157	73	0	Nil
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 2023/24 and in the prior year 2022/23 for this section of the report.

Signed *Ralph Roberts*

Chief Executive and Accountable Officer

28 June 2024

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 2024 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Consolidated Comprehensive Net Expenditure, Statement of Consolidated Financial Position, 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 2023/24 Government Financial Reporting Manual (the 2023/24 FReM).

In my opinion the accompanying financial statements:

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

Basis for opinion

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

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

Auditor's responsibilities for the audit of the financial statements

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
Nelson Mandela Place
Glasgow
G2 1BT

STATEMENT OF CONSOLIDATED COMPREHENSIVE NET EXPENDITURE

Restated 2023 £'000		Note	2024 £'000
169,930	Employee expenditure	3a	184,652
	Other operating expenditure	3b	
37,909	Independent Primary Care Services		40,442
49,696	Drugs and medical supplies		56,192
227,304	Other health care expenditure		258,328
484,839	Gross expenditure for the year		539,614
(175,796)	Less: operating income	4	(191,936)
8,850	Associates and joint ventures accounted for on an equity basis		1,499
317,893	Net expenditure for the year		349,177

OTHER COMPREHENSIVE NET EXPENDITURE

2023 £'000		2024 £'000
(11,921)	Net Gain on revaluation of Property Plant and Equipment	(6,017)
0	Net Gain on revaluation of available for sale financial assets	0
0	Net (gain) / loss on revaluation of investments	0
(11,921)	Other Comprehensive Expenditure	(6,017)
305,972	Total Comprehensive Expenditure	343,160

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

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

Board 2023 £'000	Consolidated 2023 £'000		Note	Board 2024 £'000	Consolidated 2024 £'000
148,057	148,057	Non-current assets:			
1,849	1,849	Property, plant and equipment	7c	150,920	150,920
2,181	2,181	Intangible assets	6	1,849	1,849
0		Right of Use Assets		1,847	1,847
0	4,448	Financial assets:			
85	0	Investment - associates and joint ventures	10	0	3,423
0	4,804	Investment - GP Loan	10	84	0
		Investment - Endowment Fund	10	0	5,231
152,172	161,339	Total non-current assets		154,700	163,270
1,850	1,850	Current Assets:			
8,931	9,431	Inventories	8	1,659	1,659
107	284	Financial assets:			
0	0	Trade and other receivables	9	9,993	10,054
130	130	Cash and cash equivalents	11	131	382
		Investments	10	0	0
11,018	11,695	Assets classified as held for sale	7b	130	130
		Total current assets		11,913	12,225
163,190	173,034	Total assets		166,613	175,495
(5,910)	(5,910)	Current liabilities			
(73,504)	(73,621)	Provisions	13a	(7,199)	(7,199)
(79,414)	(79,531)	Financial liabilities:			
		Trade and other payables	12	(60,548)	(60,605)
83,776	93,503	Total current liabilities		(67,747)	(67,804)
		Non-current assets (less) net current liabilities		98,866	107,691
(10,165)	(10,165)	Non-current liabilities			
(1,992)	(1,992)	Provisions	13a	(10,145)	(10,145)
(12,157)	(12,157)	Financial liabilities:			
		Trade and other payables	12	(1,679)	(1,679)
71,619	81,346	Total non-current liabilities		(11,824)	(11,824)
		Assets less liabilities		87,042	95,867
5,495	5,495	Taxpayers' Equity			
66,124	66,124	General fund	SOCTE	16,651	16,651
0	4,448	Revaluation reserve	SOCTE	70,391	70,391
0	5,279	Other reserves - associates and joint ventures	SOCTE	0	3,423
71,619	81,346	Fund held on Trust	SOCTE	0	5,402
		Total taxpayers' equity		87,042	95,867

The financial statements on pages 76 to 79 were approved by the Accountable Officer on 28th June 2024 and signed

Andrew Bone
 Director of Finance
Ralph Roberts
 Chief Executive

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

STATEMENT OF CONSOLIDATED CASHFLOWS

2023 £'000		Note	2024 £'000	2024 £'000
	Cash flows from operating activities			
(317,893)	Net expenditure	SoCTE	(349,177)	
15,072	Adjustments for non-cash transactions	2b	7,942	
27	Add back: interest payable recognised in net operating expenditure	2b	89	
(12,161)	Movements in working capital	2b	(13,571)	
(314,955)	Net cash outflow from operating activities	22c		(354,717)
	Cash flows from investing activities			
(2,739)	Purchase of property, plant and equipment		(2,717)	
(1,285)	Purchase of intangible assets		(295)	
(456)	Investment Additions	10	(862)	
0	Transfer of assets (to)/from other NHS bodies		0	
0	Proceeds of disposal of property, plant and equipment		110	
0	Proceeds of disposal of intangible assets		76	
6	Receipts from sale of investments		609	
0	Interest received		0	
(4,474)	Net cash outflow from investing activities	22c		(3,079)
	Cash flows from financing activities			
318,668	Funding	SoCTE	357,772	
550	Movement in general fund working capital	SoCTE	681	
319,218	Cash drawn down		358,453	
(702)	Capital element of payments in respect of finance leases	2b	(470)	
(27)	Interest element of finance leases	2b	(89)	
318,489	Net Financing	22c		357,894
(940)	Net increase/(decrease) in cash and cash equivalents in the period			98
1,224	Cash and cash equivalents at the beginning of the year			284
284	Cash and cash equivalents at the end of the period			382
	Reconciliation of net cash flow to movement in net debt / cash			
(940)	Increase / (decrease) in cash in year	11		98
1,224	Net debt / cash at 1 April			284
284	Net debt / cash at 31 March			382

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

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 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
Restated balance 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	0	6,017
Net gain / (loss) on revaluation / indexation of intangible assets	6	0	0	0	0	0
Net gain / (loss) on revaluation of investments	10	0	0	0	173	173
Net gain / (loss) on revaluation of Right-of-Use assets	17a	0	0	0	0	0
Impairment of property, plant and equipment		0	0	0	0	0
Impairment of intangible assets	6	0	0	0	0	0
Revaluation and impairments taken to operating costs	2b	0	0	0	0	0
Release of reserves to the statement of comprehensive net expenditure		0	0	0	0	0
Transfers between reserves		1,750	(1,750)	0	0	0
Pension reserve movements		0	0	0	0	0
Other non cash costs IJB 2022/23 Prior Year revision	2b	(738)	0	474	0	(264)
Net operating cost for the year	CFS	(347,628)	0	(1,499)	(50)	(349,177)
Total recognised income and expense for 2023-24		(346,616)	4,267	(1,025)	123	(343,251)
Funding:						
Drawn down	CFS	358,453				358,453
Movement in General Fund (creditor) / debtor	CFS	(681)				(681)
Balance at 31 March 2024	SOFP	16,651	70,391	3,423	5,402	95,867

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 2022		(5,393)	55,486	13,298	5,656	69,047
Retrospective restatements for changes in accounting policy and material errors		0	0	0	0	0
At 1 April 2022		(5,393)	55,486	13,298	5,656	69,047
Changes in taxpayers' equity for 2022-23						
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a	0	11,921	0	0	11,921
Net gain / (loss) on revaluation / indexation of intangible assets	6	0	0	0	0	0
Net gain / (loss) on revaluation of investments	10	0	0	0	(397)	(397)
Net gain / (loss) on revaluation of Right-of-Use assets		0	0	0	0	0
Impairment of property, plant and equipment	6	0	30	0	0	30
Impairment of intangible assets	2b	0	0	0	0	0
Revaluation and impairments taken to operating costs		0	(30)	0	0	(30)
Release of reserves to the statement of comprehensive net expenditure		0	0	0	0	0
Transfers between reserves		1,283	(1,283)	0	0	0
Pension reserve movements		0	0	0	0	0
Other non cash costs [please specify]		0	0	0	0	0
Net operating cost for the year	CFS	(309,063)	0	(8,850)	20	(317,893)
Total recognised income and expense for 2022-23		(307,780)	10,638	(8,850)	(377)	(306,369)
Drawn down	CFS	319,218	0	0	0	319,218
Movement in General Fund (creditor) / debtor	CFS	(550)	0	0	0	(550)
Balance at 31 March 2023	SOFP	5,495	66,124	4,448	5,279	81,346

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

1. Authority

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 appended, these Accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury, which follows International Financial Reporting Standards (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 2023-2024.

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

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

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

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

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

NOTES TO THE ACCOUNTS

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 IJBs within the Financial Statements.

3. Retrospective restatements

There was a prior year error in the accounting treatment of the IJB transactions resulting in a £18.93m decrease in operating expenses (contribution to IJB decrease of £18.81m and other operating expenses decrease of £0.12m) and a £18.93m decrease in operating income (services commissioned by the IJB). The correction to the error does not impact the financial position of the Health Board or the reported outturn of the IJB.

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.

NOTES TO THE ACCOUNTS

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 medical, pharmaceutical, dental or ophthalmic services identified by the Scottish Government.

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

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

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

7. Property, Plant and Equipment

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

NOTES TO THE ACCOUNTS

- 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.

The board commission a full revaluation every 5 years but will also complete a full valuation where they consider there is a potential significant movement in year. Thereafter, valuations of all land and building assets are reassessed 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 on the advice of the appointed Property Advisor in line with the Board's Accounting Policies as at 31st March. A nil% indexation was applied to the Board's non specialist assets. 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 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.

NOTES TO THE ACCOUNTS

- 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 for land and buildings as set in March 2023 remain appropriate for the accounting period to 31st March 2024. 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

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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 under finance leases 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 have been updated in the current year following the full revaluation exercise completed in March 2023, and are 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:

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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

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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

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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.

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

Subsequent measurement

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

Lease expenditure

Expenditure includes interest, straight-line depreciation 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.

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Transitional arrangements

The Board is not impacted by the amendments to the FrEM which require reporting entities to record indexation linked payments in PPP liabilities in accordance with IFRS 16 from 2023-24 as the Board does not hold any PPP/PFI contracts.

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

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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

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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 £179.12m and reported income for services commissioned of £173.94m in relation to the IJB Delegated Functions and Set Aside Budgets, this is detailed in Note 3 and Note 4 of these accounts (pages 100 & 101). The consolidated Group Accounts (Notes 22a to 22c on pages 128 to 130) for NHS Borders report the pro rate share (50%) of the IJB's year end outturn (£1.50m) and equity (£3.42m) for 2023/24.

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:

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- 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

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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.

NOTES TO THE ACCOUNTS

Derivative Financial Instruments

NHS Borders does not hold any derivative financial instruments (2022/23: 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.

NOTES TO THE ACCOUNTS

(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.

NOTES TO THE ACCOUNTS

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 (FRM). 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. The estimates, assumptions and judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are addressed 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 provision for bad debts. 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).

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

Clinical and Medical Negligence Provision: The clinical and medical negligence provision is calculated using information received from the Central Legal Office regarding claims they have received relating to NHS Borders. The provision covers all claims classified as category 3 and 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 114.

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 2024 is £2.89M (March 2023: £1.40M). The balance to the total Other Provision held of £2.94m relates to the provisional sum for an Estimated Cash Loss (ECL) from an independent Practitioner supplier.

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 2024 have been provided in Section 7.2 Measurement, on page 83 of this report.

STATEMENT OF CONSOLIDATED COMPREHENSIVE NET EXPENDITURE

2023 £'000	2a. SUMMARY OF CORE REVENUE RESOURCE OUTTURN	NOTE	2024 £'000	2024 £'000
317,893	Net Operating Costs	SoCNE		349,177
(6,313)	Total Non Core Expenditure (see below)			(7,747)
(14,460)	Family Health Services non-discretionary allocation			(15,624)
20	Endowment net expenditure			(50)
(8,850)	Associates and joint ventures accounted for on an equity basis			(1,499)
288,290	Total Core Expenditure			324,257
288,477	Core Revenue Resource Limit			324,425
187	Saving against Core Revenue Resource Limit			168

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

0	Capital Grants to / (from) Other Bodies		0	
5,304	Depreciation/Amortisation		5,741	
(30)	Annually Managed Expenditure - Impairments		0	
17	Annually Managed Expenditure - Creation of Provisions		70	
243	Annually Managed Expenditure - Depreciation of Donated Assets		239	
1	Annually Managed Expenditure - Pension valuation		(176)	
0	Donated Asset Income		0	
85	Additional Scottish Government non-core funding		1,411	
27	Right of Use (RoU) Interest		0	
0	Right of Use (RoU) Non-recoverable VAT		0	
666	Right of Use (RoU) Asset Depreciation		462	
0	Right of Use (RoU) Peppercorn Leases Depreciation		0	
6,313	Total Non Core Expenditure			7,747
6,313	Non Core Revenue Resource Limit			7,747
0	Saving/(excess) against Non Core Revenue Resource Limit			0

SUMMARY RESOURCE OUTTURN

	Resource £'000	Expenditure £'000	Saving /(Excess) £'000
Core	324,425	324,257	168
Non Core	7,747	7,747	0
Total	332,172	332,004	168

STATEMENT OF CONSOLIDATED CASHFLOWS

2b. NOTES TO THE CASH FLOW STATEMENT

Consolidated adjustments for non-cash transactions

2023 £'000		Note	2024 £'000
	Expenditure not paid in cash		
4,984	Depreciation	7a	5,522
320	Amortisation	6	219
243	Depreciation of donated assets	7a	239
666	Depreciation of Right of Use (RoU) Assets	17b	462
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
(30)	Loss on re-measurement of non-current assets held for sale	7b	0
0	Funding Of Donated Assets	7a	0
0	Loss / (profit) on disposal of intangible assets		0
0	Loss / (profit) on disposal of property, plant and equipment		0
0	Impairment of investments charged to SoCNE	10	0
39	GP Loans fair value adjustment	10	1
8,850	Associates and joint ventures accounted for on an equity basis	SoCNE	1,499
0	Other non-cash transactions IJB Outturn reversed		0
0	Other non-cash transactions IJB Outturn reversed		0
15,072	Total expenditure not paid in cash	CFS	7,942

Interest payable recognised in operating expenditure

2023 £'000		Note	2024 £'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
27	Lease interest	17b	89
0	Provisions - Unwinding of discount		0
27	Net interest payable	CFS	89

Consolidated movements in working capital

2023 Net movement £'000		Note	Opening balances £'000	Closing balances £'000	2024 Net movement £'000
	INVENTORIES				
(43)	Balance Sheet	8	1,850	1,659	
(43)	Net decrease / (increase)				191
	TRADE AND OTHER RECEIVABLES				
(1,960)	Due within one year	9	9,431	10,054	
0	Due after more than one year	9	0	0	
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	
(1,960)	Net decrease / (increase)		9,431	10,054	(623)
	TRADE AND OTHER PAYABLES				
(7,780)	Due within one year	12	73,621	60,605	
747	Due after more than one year	12	1,992	1,679	
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	
(550)	Less: General Fund creditor included in above	12	(7,104)	(7,785)	
(1,699)	Less: lease and PFI creditors included in above	12	(2,401)	(2,059)	
			66,108	52,440	
(9,282)	Net (decrease) / increase				(13,668)
	PROVISIONS				
(1,134)	Statement of Financial Position	13a	16,075	17,344	
258	Transfer from provision to General Fund		0	(740)	
			16,075	16,604	
(876)	Net (decrease) / increase				529
(12,161)	Net movement (decrease) / increase	CFS			(13,571)

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

2023 £000		2024 £000
	Other non-cash costs - IJB 2022/23 Prior Year revision	(738)
0	Total other non-cash costs	(738)

NOTES TO THE ACCOUNTS

3. OPERATING EXPENSES

3a. Employee expenditure

2023			2024	2024
Total			Board	Consolidated
£'000		Note	£'000	£'000
37,002	Medical and Dental		41,344	41,344
67,710	Nursing		72,061	72,061
65,218	Other Staff		71,247	71,247
169,930	Total	SoCNE	184,652	184,652

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

Restated			2024	2024
2023			Board	Consolidated
Total		Note	£'000	£'000
£'000				
Independent Primary Care Services				
21,949	General Medical Services		23,426	23,426
6,309	Pharmaceutical Services		6,849	6,849
7,855	General Dental Services		8,141	8,141
1,796	General Ophthalmic Services		2,026	2,026
37,909	Total independent primary care services		40,442	40,442
Drugs and medical supplies				
26,142	Prescribed drugs Primary Care		28,303	28,303
16,006	Prescribed drugs Secondary Care		18,643	18,643
366	Personal Protective Equipment (PPE and Testing Kits)		262	262
7,182	Medical Supplies		8,984	8,984
49,696	Total drugs and medical supplies		56,192	56,192
Other health care expenditure				
151,054	Contribution to Integration Joint Boards		179,124	179,124
30,623	Goods and services from other NHS Scotland bodies		32,954	32,954
1,771	Goods and services from other UK NHS bodies		1,449	1,449
6,285	Goods and services from private providers		7,033	7,033
159	Goods and services from voluntary organisations		21	21
2,805	Resource Transfer		2,772	2,772
0	Loss on disposal of assets		326	326
33,755	Other operating expenses		33,641	33,641
164	External Auditor's remuneration - statutory audit fee		168	168
688	Endowment Fund expenditure		0	840
227,304	Total other health care expenditure		257,488	258,328
314,909	Total Other Operating Expenditure		354,122	354,962

NOTES TO THE ACCOUNTS

4. OPERATING INCOME

Restated 2023 £'000		Board 2024 £'000	Consolidated 2024 £'000
	Note		
0		0	0
7,291		7,433	7,433
2,047		2,385	2,385
0		0	0
159,783		173,937	173,937
1,055		1,398	1,398
0		0	0
0		0	0
0		0	0
0		0	0
0	CFS	0	0
Non NHS:			
2		3	3
0		0	0
707		0	790
4,911		5,990	5,990
175,796	SoCNE	191,146	191,936

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.

	2023-24							
	Business Unit - Acute Services	Business Unit - IJB Delegated	Business Unit - Set Aside	External Healthcare Providers	Corporate & Support Costs	The Difference	Associates and joint ventures	Total
	£'000	£'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
	Business Unit - Acute Services	Business Unit - IJB Delegated	Business Unit - Set Aside	External Healthcare Providers	Central & Support Costs	The Difference	Associates and joint ventures	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost 2022/23	79,050	146,428	30,042	30,776	22,767	(20)	8,850	317,893

NOTES TO THE ACCOUNTS

6. INTANGIBLE ASSETS - BOARD AND CONSOLIDATED

Cost or Valuation	Note	Software	IT - software	Websites	Assets Under	Total
		Licences			Development	
		£'000	£'000	£'000	£'000	£'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		0	0	0	0	0
Disposals		(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 31st March 2024	SoFP	181	410	0	1,258	1,849

INTANGIBLE ASSETS - BOARD AND CONSOLIDATED PRIOR YEAR

Cost or Valuation	Note	Software	IT - software	Websites	Assets Under	Total
		Licences			Development	
		£'000	£'000	£'000	£'000	£'000
As at 1st April 2022		356	2,974	0	0	3,330
Additions		299	23	0	963	1,285
Completions		0	0	0	0	0
Transfers between Asset Categories		0	54	0	0	54
Impairment charges		0	0	0	0	0
At 31st March 2023		655	3,051	0	963	4,669
Amortisation						
As at 1st April 2022		355	2,145	0	0	2,500
Provided during the year		6	314	0	0	320
Transfers		0	0	0	0	0
At 31st March 2023		361	2,459	0	0	2,820
Net Book Value at 1st April 2022		1	829	0	0	830
Net Book Value at 31st March 2023	SoFP	294	592	0	963	1,849

NOTES TO THE ACCOUNTS

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

Cost or Valuation	Note	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
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 2022		5,210	123,894	265	13,908	1,981	0	2,799	148,057
Net Book Value at 31st March 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	87	6,840
Net Book Value at 31st March 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.

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

Cost or Valuation	Note	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
As at 1st April 2022		4,547	129,183	1,652	33,640	8,544	862	1,715	180,143
Additions - purchased		0	113	141	1,137	103	0	1,245	2,739
Additions - donated		0	0	0	0	0	0	0	0
Completions		0	0	0	0	0	0	0	0
Transfers between asset categories		0	0	0	161	(54)	0	(161)	(54)
Transfers (to)/from non-current assets held for sale		0	0	0	0	0	0	0	0
Revaluations		663	11,258	0	0	0	0	0	11,921
Impairment charges		0	0	0	0	0	0	0	0
Disposals - purchased		0	0	0	0	0	0	0	0
Disposals - donated		0	0	0	0	0	0	0	0
At 31st March 2023		5,210	140,554	1,793	34,938	8,593	862	2,799	194,749
Depreciation									
As at 1st April 2022		0	13,832	1,478	19,312	5,981	862	0	41,465
Provided during the year - purchased		0	2,688	50	1,619	627	0	0	4,984
Provided during the year - donated		0	140	0	99	4	0	0	243
Transfers (to)/from non-current assets held for sale		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
Disposals - purchased		0	0	0	0	0	0	0	0
Disposals - donated		0	0	0	0	0	0	0	0
At 31st March 2023		0	16,660	1,528	21,030	6,612	862	0	46,692
Net Book Value at 1st April 2022		4,547	115,351	174	14,328	2,563	0	1,715	138,678
Net Book Value at 31st March 2023	SoFP	5,210	123,894	265	13,908	1,981	0	2,799	148,057
Open Market value of Land in Land and Dwellings included above		5,210							
Asset financing:									
Owned - purchased		5,200	117,990	265	13,125	1,974	0	2,712	141,266
Owned - donated		10	5,904	0	783	7	0	87	6,791
Net Book Value at 31st March 2023	SoFP	5,210	123,894	265	13,908	1,981	0	2,799	148,057

In 2022-23 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

The Asset Held for Sale by the Board is Orchard Park, St Boswells. The Market Value of the asset was updated as part of the Board's Asset Revaluation Exercise completed by the Board's appointed Property Advisor, Avison Young for values as at 31st March 2023. The Board has applied an indexation uplift to its property values during 2023/24, Avison Young recommended a 0% uplift be applied to non specialised assets within the Board's estate such as the Orchard Park property, therefore the valuation of £130k continues to be held for this asset. It is the Board's intention to conclude the sale of this property during 2024/25.

ASSETS HELD FOR SALE - 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 31 March 2024	130	130

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

	Property, Plant & Equipment	Total
Note	£'000	£'000
As at 1st April 2022	100	100
Transfers (to)/from property, plant and equipment	0	0
Gains or losses recognised on remeasurement of non-current assets	30	30
Disposals of non-current assets held for sale	0	0
At 31 March 2023	130	130

NOTES TO THE ACCOUNTS

7c. PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Board 2023 £'000	Consolidated 2023 £'000		Note	Board 2024 £'000	Consolidated 2024 £'000
Net book value of property, plant and equipment at 31 March					
141,266	141,266	Purchased		144,080	144,080
6,791	6,791	Donated		6,840	6,840
148,057	148,057	Total	SoFP	150,920	150,920
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 £6.02m (2022-23: an increase of £11.92m) which was credited to the revaluation reserve. No impairment (2022-23 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 2023 £'000	Consolidated 2023 £'000		Board 2024 £'000	Consolidated 2024 £'000
		Expenditure		
1,285	1,285	Acquisition of intangible assets	295	295
2,739	2,739	Acquisition of property, plant and equipment	2,717	2,717
0	0	Donated asset additions	0	0
124	124	GP Loans advances	0	0
0	0	Right of Use (RoU) Additions	128	128
0	0	Right of Use (RoU) Dilapidations	0	0
4,148	4,148	Gross Capital Expenditure	3,140	3,140
		Income		
0	0	Net book value of intangible assets	76	76
0	0	Net book value of disposal of property, plant and equipment	110	110
0	0	Donated asset income	0	0
0	0	Right of Use Disposals	0	0
0	0	Capital Income	186	186
4,148	4,148	Net Capital Expenditure	2,954	2,954
		SUMMARY OF CAPITAL RESOURCE OUTTURN		
4,025	4,025	Core capital expenditure	3,012	3,012
4,058	4,058	Core Capital Resource Limit	3,020	3,020
33	33	Saving/(excess) against Total Capital Resource Limit	8	8

NOTES TO THE ACCOUNTS

8. INVENTORIES

Board	Consolidated		Board	Consolidated
2023	2023		2024	2024
£'000	£'000	Note	£'000	£'000
1,850	1,850	Finished goods	1,659	1,659
1,850	1,850	Total inventories	1,659	1,659

NOTES TO THE ACCOUNTS

9. TRADE AND OTHER RECEIVABLES

Board 2023 £'000	Consolidated 2023 £'000		Note	Board 2024 £'000	Consolidated 2024 £'000
Receivables due within one year					
NHS Scotland					
82	82	Scottish Government Health & Social Care Directorate		1,351	1,351
805	805	Boards		704	704
887	887	Total NHSScotland Receivables		2,055	2,055
1,175	1,175	NHS Non-Scottish bodies		857	857
0	0	General Fund receivables		0	0
92	92	VAT recoverable		148	148
3,959	3,959	Prepayments		3,877	3,877
164	164	Accrued income		116	116
1,677	1,677	Other receivables		1,965	1,965
977	977	Reimbursement of provisions		975	975
0	0	Other public sector bodies		0	0
0	500	Endowment Fund Debtors		0	61
8,931	9,431	Total Receivables due within one year	SoFP	9,993	10,054
Receivables due after more than one year					
NHS Scotland					
0	0	Reimbursement of Provisions		0	0
0	0	Total Receivables due after more than one year	SoFP	0	0
8,931	9,431	TOTAL RECEIVABLES		9,993	10,054
671	671	The total receivables figure above includes a provision for impairments of:		535	535
WGA Classification					
805	805	NHS Scotland		704	704
92	92	Central Government bodies		148	148
0	0	Whole of Government bodies		0	0
1,175	1,175	Balances with NHS bodies in England and Wales		857	857
6,859	7,359	Balances with bodies external to Government		8,284	8,345
8,931	9,431	Total		9,993	10,054
2023	2023			2024	2024
£'000	£'000			£'000	£'000
Movements on the provision for impairment of receivables are as follows:-					
1,013	1,013	At 1 April		671	671
(342)	(342)	Provision for impairment		(63)	(63)
0	0	Receivables written off during the year as uncollectable		(73)	(73)
0	0	Unused amounts reversed		0	0
671	671	At 31 March		535	535

NOTES TO THE ACCOUNTS

As of 31 March 2024, receivables with a carrying value of £0.60m (2022/23: £0.67m) were impaired and provided for. The ageing of these receivables is as follows:

Board	Consolidated		Board	Consolidated
2023	2023		2024	2024
£'000	£'000		£'000	£'000
31	31	3 to 6 months past due	54	54
640	640	Over 6 months past due	481	481
671	671		535	535

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 2024, receivables with a carrying value of £1.2 million (2022/23: £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
2023	2023		2024	2024
£'000	£'000		£'000	£'000
675	675	Up to 3months past due	675	675
0	0	3 to 6 months past due	0	0
583	583	Over 6 months past due	583	583
1,258	1,258		1,258	1,258

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 doubtful receivables.

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

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

Board	Consolidated		Board	Consolidated
2023	2023	The carrying amount of receivables are denominated in the following currencies	2024	2024
£'000	£'000		£'000	£'000
8,931	9,431	Pounds	9,993	10,054
		Euros		
		US Dollars		
8,931	9,431		9,993	10,054

NOTES TO THE ACCOUNTS

10. INVESTMENTS

Board 2023 £'000	Consolidated 2023 £'000		Note	Board 2024 £'000	Consolidated 2024 £'000
0	4,791	At 1 April		85	4,804
0	332	Additions	CFS	0	862
124	124	GP Loans advances	CFS	0	0
0	(7)	Disposals		0	(609)
0	0	Impairment recognised in SOCNE	2	0	0
(39)	(39)	GP Loans Fair Value Adjustment	2b	(1)	(1)
0	(397)	Revaluation deficit transferred to equity	SoCTE	0	175
85	4,804	At 31 March		84	5,231
0	0	Current	SoFP	0	0
85	4,804	Non-current	SoFP	84	5,231
85	4,804	At 31 March		84	5,231
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 2023/24 using the Financial Instruments Nominal Discount rate of 2.05% as issued by HM Treasury in the Public Expenditure System (PES) circular referenced 2023 (10).

NOTES TO THE ACCOUNTS

11. CASH AND CASH EQUIVALENTS

	2024	2023
Note	£'000	£'000
Balance at 1 April	284	1,224
Net charge in cash and cash equivalent balances	98	(940)
Balance at 31 March	382	284
Overdrafts	0	0
Total Cash - Cash Flow Statement	382	284

The following balances at 31 March were held at

Government Banking Service	2	60
Commercial banks and cash in hand	129	47
Overdrafts	0	0
Short term investments	0	0
Endowment cash	251	177
Balance at 31 March	382	284

NOTES TO THE ACCOUNTS

12. TRADE AND OTHER PAYABLES

Board 2023 £'000	Consolidated 2023 £'000		Note	Board 2024 £'000	Consolidated 2024 £'000
		Payables due within one year			
		NHS Scotland			
0	0	Scottish Government Health & Social Care Directorate		0	0
11,841	11,841	Boards		5,361	5,361
11,841	11,841	Total NHSScotland Payables		5,361	5,361
0	0	NHS Non-Scottish bodies		0	0
7,104	7,104	Amounts payable to General Fund		7,785	7,785
6,382	6,382	FHS practitioners		7,794	7,794
120	120	Trade payables		96	96
17,506	17,506	Accruals		14,465	14,465
3,923	3,923	Payments received on account		1,369	1,369
448	448	Net obligations under leases	17b	488	488
3,185	3,185	Income tax and social security		3,287	3,287
2,610	2,610	Superannuation		2,951	2,951
6,974	6,974	Holiday pay accrual		6,221	6,221
13,406	13,406	Other public sector bodies		10,621	10,621
5	5	Other payables		110	110
0	117	Endowment Fund creditors			57
73,504	73,621	Total Payables due within one year	SoFP	60,548	60,605
		Payables due after more than one year			
		NHS Scotland			
459	459	Net obligations under leases due within 2 years	17b	506	506
1,494	1,494	Net obligations under leases due after 2 years but within 5 years	17b	1,065	1,065
0	0	Net obligations under leases due after 5 years	17b	0	0
16	16	Deferred Income		0	0
23	23	Other payables		108	108
1,992	1,992	Total Payables due after more than one year	SoFP	1,679	1,679
75,496	75,613	TOTAL PAYABLES		62,227	62,284
		WGA Classification			
11,841	11,841	NHS Scotland		5,361	5,361
0	0	Central Government bodies		0	0
19,201	19,201	Whole of Government bodies		16,859	16,859
0	0	Balances with NHS bodies in England and Wales		0	0
44,454	44,571	Balances with bodies external to Government		40,007	40,064
75,496	75,613	Total		62,227	62,284
		Borrowings included above comprise:			
2,401	2,401	Leases		2,059	2,059
2,401	2,401			2,059	2,059
		The carrying amount and fair value of the non-current borrowings are as follows			
1,953	1,953	Leases		1,571	1,571
1,953	1,953			1,571	1,571
		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:			
75,496	75,613	Pounds		62,227	62,284
75,496	75,613			62,227	62,284

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)	2023 TOTAL
Note	£'000	£'000	£'000	£'000	£'000
At 1 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 31 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)	2023 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

PROVISIONS - CONSOLIDATED AND BOARD (PRIOR YEAR)

	Pensions and similar obligations	Clinical & Medical	Participation in CNORIS	Other (non-endowment)	2022 TOTAL
	£'000	£'000	£'000	£'000	£'000
At 1 April 2022	1,383	1,724	11,128	2,974	17,209
Arising during the year	24	368	1,792	0	2,184
Utilised during the year	(118)	(292)	(788)	(1,575)	(2,773)
Unwinding of discount	0	(1)	0	0	(1)
Reversed unutilised	(23)	(521)	0	0	(544)
At 31 March 2023	1,266	1,278	12,132	1,399	16,075

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 2023

	Pensions and similar obligations	Clinical & Medical	Participation in CNORIS	Other (non-endowment)	2022 TOTAL
	£'000	£'000	£'000	£'000	£'000
Payable in one year	SoFP 204	1,278	3,029	1,399	5,910
Payable between 2 - 5 years	SoFP 803	0	7,379	0	8,182
Payable between 6 - 10 years	SoFP 259	0	628	0	887
Thereafter	SoFP 0	0	1,096	0	1,096
At 31 March 2023	1,266	1,278	12,132	1,399	16,075

NOTES TO THE ACCOUNTS

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

2023		Note	2024
£'000			£'000
1,278	Provision recognising individual claims against the NHS Board as at 31 March	13a	1,046
(977)	Associated CNORIS receivables at 31 March	9	(975)
12,132	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	13a	12,398
12,433	Net Total Provision relating to CNORIS at 31 March		12,469

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:

2023	Nature	2024
£'000		£'000
21,218	Clinical and medical compensation payments	60,760
128	Employer's liability	5
<u>21,346</u>	TOTAL CONTINGENT LIABILITIES	<u>60,765</u>
CONTINGENT ASSETS		
20,828	Clinical and medical compensation payments	60,195
75	Employer's liability	0
<u>20,903</u>	TOTAL CONTINGENT ASSETS	<u>60,195</u>

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 2024 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

2023	Contracted	2024
£'000		£'000
240	Project Management	300
1,500	Endoscopy Turnkey, CT Turnkey and Mammography Project Laboratory Information Management Scheme	1,650 0
1,740	Total	1,950
	Authorised but not Contracted	
300	Rolling Replacement Programmes for IM&T	300
1,500	IM&T Projects Portfolio	1,500
244	Medical Equipment	285
1,450	Statutory compliance and backlog maintenance property expenditure	1,500
250	Borders Health Campus	0
500	Primary Care Premises	0
1,924	National Infrastructure Board - Med Equip, Dental and Radiology	0
0	Community Hospitals/RAAC mitigation	1,000
0	Feasibility	100
6,168	Total	4,685
7,908	Total Capital Commitments	6,635

NOTES TO THE ACCOUNTS

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

	Note	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Intangibles £'000	Total £'000
Cost or Valuation									
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
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 2023		427	1,754	0	0	0	0	0	2,181
Net Book Value at 31st March 2024	SoFP	357	1,490	0	0	0	0	0	1,847
Open Market value of Land in Land and Dwellings included above		357							

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

	Note	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Intangibles £'000	Total £'000
Cost or Valuation									
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 1st April 2023		427	1,754	0	0	0	0	0	2,181
Net Book Value at 31st March 2024	SoFP	357	1,490	0	0	0	0	0	1,847
Open Market value of Land in Land and Dwellings included above		357							

NOTES TO THE ACCOUNTS

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

	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
At 1 April 2022		427	2,420	0	0	0	0	0	2,847
Additions (include new dilapidation provisions)		0	0	0	0	0	0	0	0
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 2023		427	2,420	0	0	0	0	0	2,847
Depreciation									
At 1 April 2023		0	0	0	0	0	0	0	0
Provided during the year - (include new dilapidation provisions)		0	666	0	0	0	0	0	666
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 2023		0	666	0	0	0	0	0	666
Net Book Value at 1st April 2022		427	2,420	0	0	0	0	0	2,847
Net Book Value at 31st March 2023	SoFP	427	1,754	0	0	0	0	0	2,181
Open Market value of Land in Land and Dwellings included above		427							

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

	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
At 1 April 2022		427	2,420	0	0	0	0	0	2,847
Additions (include new dilapidation provisions)		0	0	0	0	0	0	0	0
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 2023		427	2,420	0	0	0	0	0	2,847
Depreciation									
At 1 April 2022		0	0	0	0	0	0	0	0
Provided during the year - (include new dilapidation provisions)		0	666	0	0	0	0	0	666
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 2023		0	666	0	0	0	0	0	666
Net Book Value at 1st April 2022		427	2,420	0	0	0	0	0	2,847
Net Book Value at 31st March 2023	SoFP	427	1,754	0	0	0	0	0	2,181
Open Market value of Land in Land and Dwellings included above		427							

NOTES TO THE ACCOUNTS

17b. LEASE LIABILITIES

	Note	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Intangibles £'000	Total £'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
Balance At 31st March 2024		309	1,750	0	0	0	0	0	2,059
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

	Consolidated £'000	Board £'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

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

NOTES TO THE ACCOUNTS

17b. LEASE LIABILITIES (Prior Year)

	Note	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Intangibles £'000	Total £'000
Amounts falling due:									
Not later than one year		67	381	0	0	0	0	0	448
Later than one year, not later than 2 years		70	389	0	0	0	0	0	459
Later than two year, not later than five years		223	1,271	0	0	0	0	0	1,494
Later than five years		0	0	0	0	0	0	0	0
Less: Unaccrued interest		0	0	0	0	0	0	0	0
Balance At 31st March 2023		360	2,041	0	0	0	0	0	2,401
Current		67	381	0					448
Non-Current		293	1,660	0					1,953
		360	2,041	0	0	0	0	0	2,401

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

	Consolidated £'000	Board £'000
Depreciation	666	666
Interest Expense	27	27
Non Recoverable VAT on lease payments	0	0
Low value and short term leases	1,572	1,572
Remeasurement of ROU assets - (gain)/loss charged to SOCNE	0	0
Total	2,265	2,265

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

	Consolidated £'000	Board £'000
Interest Expense	27	27
Repayment of Principal of leases	510	510
Total	537	537

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 2023 have been paid within a range of 5.7% to 13.7% 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 2023 is 20.9% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.6% of pensionable pay.

(iv) While a valuation was carried out as at 31 March 2016, work on the cost cap valuation was suspended by the UK Government following the decision by the Court of Appeal (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 2022-23.

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

National Employment Savings Trust (NEST)

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

NEST is a defined contribution pension scheme established by law to support the introduction of 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 April 2019	5%	3%	8%

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

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

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

	2024 £'000	2023 £'000
Pension cost charge for the year	24,026	21,963
Additional Costs arising from early retirement	0	0
Provisions/Liabilities/Pre-payments included in the Statement of Financial Position	965	1,266
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

	Note	Financial assets	Financial assets at	Total
		at amortised cost	fair value through profit/loss	
		2024	2024	2024
		£'000	£'000	£'000
AS 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	0	2,999
Cash and cash equivalents	11	382	0	382
		3,381	5,231	8,612

BOARD

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

CONSOLIDATED (Prior Year)

		Financial assets	Financial assets at	Total
		at amortised cost	fair value through profit/loss	
		2023	2023	2023
		£'000	£'000	£'000
At 31 March 2023				
Assets per Statement of Financial Position				
Investments	10	-	4,804	4,804
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	3,516	-	3,516
Cash and cash equivalents	11	284	-	284
		3,800	4,804	8,604

BOARD (Prior Year)

		Financial assets	Financial assets at	Total
		at amortised cost	fair value through profit/loss	
		2023	2023	2023
		£'000	£'000	£'000
At 31 March 2023				
Assets per Statement of Financial Position				
Investments	10	0	85	85
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	3,016	0	3,016
Cash and cash equivalents	11	107	0	107
		3,123	85	3,208

NOTES TO THE ACCOUNTS

19. FINANCIAL INSTRUMENTS (cont.)

Financial Liabilities

CONSOLIDATED

		Financial liabilities at amortised cost	Total
		2024	2024
	Note	£'000	£'000
AS AT 31 MARCH 2024			
Liabilities per Statement of Financial Position			
Lease liabilities	12	2,059	2,059
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	48,626	48,626
		<u>50,685</u>	<u>50,685</u>

BOARD

		Financial liabilities at amortised cost	Total
		2024	2024
		£000	£000
AS AT 31 MARCH 2024			
Liabilities per Statement of Financial Position			
Lease liabilities	12	2,059	2,059
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	48,569	48,569
		<u>50,628</u>	<u>50,628</u>

CONSOLIDATED (Prior Year)

		Financial liabilities at amortised cost	Total
		2023	2023
		£'000	£'000
At 31 March 2023			
Liabilities per Statement of Financial Position			
Lease liabilities	12	2,401	2,401
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	12	55,560	55,560
		<u>57,961</u>	<u>57,961</u>

Board (Prior Year)

		Financial liabilities at amortised cost	Total
		2023	2023
		£'000	£'000
At 31 March 2023			
Liabilities per Statement of Financial Position			
Lease liabilities	12	2,401	2,401
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	12	55,443	55,443
		<u>57,844</u>	<u>57,844</u>

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 an minimum rating of 'A' are accepted.

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

The utilisation of credit limits is regularly monitored.

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

b) Liquidity Risk

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

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to contractual date.

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

	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31st March 2024				
Finance Lease Liabilities	488	506	1,065	0
Trade and other payables excluding statutory liabilities	48,461	3	9	96
Total	48,949	509	1,074	96
	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31st March 2023				
Finance Lease Liabilities	448	459	1,494	0
Trade and other payables excluding statutory liabilities	55,420	3	9	11
Total	55,868	462	1,503	11

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); Inland Revenue; HM Revenue & Customs; 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 £5.402m as at 31st March 2024, (2023: £5.279m) 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	2023/24		2022/23	
		WTE	£	WTE	£
Fundraising Manager	Press, Publicity	0.8	48,779	0.8	43,648
Fundraising Support Officer	Press, Publicity	1.0	40,595	1.0	36,696
Charity Development Manager*	Governance Costs	0.9	44,387	0.9	39,292
Evelyn Sutherland Nurse	Grant Funded 5a	1.0	72,574	1.0	67,992
Palliative Care Nurse Consultant	Grant Funded 5a	0.9	43,513	0.6	43,513
Palliative Care Quality Improvement	Grant Funded 5a	1.0 (Part year)	6,127	1.0 (Part year)	51,744
Palliative Care GP	Grant Funded 5a	0.6	76,100	0.0	-
Advanced Nurse Practitioners	Grant Funded 5a	2.0 (Part year)	60,114	3.0	126,905
Music Therapy	Grant Funded 5a	0.4 (Part year)	7,274	0.0	-
Simulation Based Education	Grant Funded 5a	1.0	49,417	0.0	-
Total Staff Recharge			448,880		409,790

*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 2023/24, the charge was accrued to 2022/23 as work was completed in June 2022. The Board receives reimbursement for attendance by Mr Bone at Hub South East Scotland Ltd Board meetings. The total reimbursement received in 2023/24 was £15,664 (2022/23 £17,651 related to 15 months), 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 2023/24 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.

	2023	Gross Inflows	Gross Outflows	2024
	£'000	£'000	£'000	£'000
Monetary amounts such as bank balances and monies on deposit	10	39	(44)	5
Total Monetary Assets	10	39	(44)	5

NOTES TO THE ACCOUNTS

22a. CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Consolidated		Board	Endowment	Associates and joint ventures - Borders IJB	Consolidated
2023		2024	2024	2024	2024
£'000	Note	£'000	£'000	£'000	£'000
	Total income and expenditure				
169,930	Employee expenditure	184,652	0		184,652
	Other operating expenditure				
37,909	Independent Primary Care Services	40,442	0		40,442
49,696	Drugs and medical supplies	56,192	0		56,192
227,304	Other health care expenditure	257,488	840		258,328
484,839	Gross expenditure for the year	538,774	840		539,614
(175,796)	Less: operating income	(191,146)	(790)		(191,936)
8,850	Associates and joint ventures accounted for on an equity basis	0	0	1,499	1,499
317,893	Net Expenditure	347,628	50	1,499	349,177

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 2023/24.

NOTES TO THE ACCOUNTS

22b. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated		Board	Endowment	Other reserves - associates and joint ventures	Consolidated
2023 £'000		2024 £'000	2024 £'000	2024 £'000	2024 £'000
	Non-current assets:				
148,057	Property, plant and equipment	150,920	0	0	150,920
1,849	Intangible assets	1,849	0	0	1,849
2,181	Right of Use assets	1,847	0	0	1,847
	Financial assets:				
4,804	Investments - Endowment Fund	0	5,147	0	5,147
0	Investments - GP Loans	84	0	0	85
4,448	Investments - Associates and joint ventures	0	0	3,423	3,423
0	Trade and other receivables	0	0	0	0
161,339	Total non-current assets	154,700	5,147	3,423	163,271
	Current Assets:				
1,850	Inventories	1,659	0	0	1,659
	Financial assets:				
9,431	Trade and other receivables	9,993	61	0	10,054
284	Cash and cash equivalents	131	251	0	382
0	Investments	0	0	0	0
130	Assets classified as held for sale	130	0	0	130
11,695	Total current assets	11,913	312	0	12,225
173,034	Total assets	166,613	5,459	3,423	175,496
	Current liabilities				
(5,910)	Provisions	(7,199)	0	0	(7,199)
	Financial liabilities:				
(73,621)	Trade and other payables	(60,548)	(57)	0	(60,605)
(79,531)	Total current liabilities	(67,747)	(57)	0	(67,805)
93,503	Non-current assets (less) net current liabilities	98,866	5,402	3,423	107,691
	Non-current liabilities				
(10,165)	Provisions	(10,145)	0	0	(10,145)
	Financial liabilities:				
(1,992)	Trade and other payables	(1,679)	0	0	(1,679)
(12,157)	Total non-current liabilities	(11,824)	0	0	(11,824)
81,346	Assets less liabilities	87,042	5,402	3,423	95,867
	Taxpayers' Equity				
5,495	General fund	16,651	0	0	16,651
66,124	Revaluation reserve	70,391	0	0	70,391
4,448	Other reserves - associates and joint ventures	0	0	3,423	3,423
5,279	Funds held on Trust	0	5,402	0	5,402
81,346	Total taxpayers' equity	87,042	5,402	3,423	95,867

NOTES TO THE ACCOUNTS

22c. CONSOLIDATED STATEMENT OF CASHFLOWS

Board 2023 £'000	Endowment 2023 £'000	Consolidated 2023 £'000		Board 2024 £'000	Endowment 2024 £'000	Consolidated 2024 £'000
			Cash flows from operating activities			
(317,913)	20	(317,893)	Net operating cost	(347,628)	(50)	(347,678)
15,072	0	15,072	Adjustments for non-cash transactions	2b 6,443	0	6,443
27	0	27	Add back: interest payable recognised in net operating expenditure	2b 89	0	89
0	0	0	Deduct interest receivable recognised in net operating expenditure	4 0	0	0
0	0	0	Investment income	0	0	0
(11,862)	(299)	(12,161)	Movement in working capital	2b (13,955)	384	(13,571)
(314,676)	(279)	(314,955)	Net cash outflow from operating activities	(355,051)	334	(354,717)
			Cash flows from investing activities			
(2,739)	0	(2,739)	Purchase of property, plant and equipment	(2,717)	0	(2,717)
(1,285)	0	(1,285)	Purchase of intangible assets	(295)	0	(295)
(124)	(332)	(456)	Investment Additions	0	(862)	(862)
0	0	0	Transfer of assets (to)/from other NHS bodies	0	0	0
0	0	0	Proceeds of disposal of property, plant and equipment	110	0	110
0	0	0	Proceeds of disposal of intangible assets	76	0	76
0	6	6	Receipts from sale of investments	0	609	609
0	0	0	Interest received	0	0	0
(4,148)	(326)	(4,474)	Net cash outflow from investing activities	(2,826)	(253)	(3,079)
			Cash flows from financing activities			
318,668	0	318,668	Funding	357,772	0	357,772
550	0	550	Movement in general fund working capital	681	0	681
319,218	0	319,218	Cash drawn down	358,453	0	358,453
(702)	0	(702)	Capital element of payments in respect of finance leases	(470)	0	(470)
(27)	0	(27)	Interest element of finance leases	2b (89)	0	(89)
318,489	0	318,489	Net Financing	357,894	0	357,894
(335)	(605)	(940)	Net increase/(decrease) in cash and cash equivalents in the period	17	81	98
444	780	1,224	Cash and cash equivalents at the beginning of the year	108	176	284
109	175	284	Cash and cash equivalents at the end of the period	11 125	257	382
			Reconciliation of net cash flow to movement in net debt / cash			
(336)	(604)	(940)	Increase / (decrease) in cash in year	26	72	98
444	780	1,224	Net debt / cash at 1 April	108	176	284
108	176	284	Net debt / cash at 31 March	134	248	382

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.

A handwritten signature in black ink, appearing to be 'D. M. C.', written over a horizontal line.

Signed by the authority of the Scottish Ministers

Dated 22 MARCH 2022