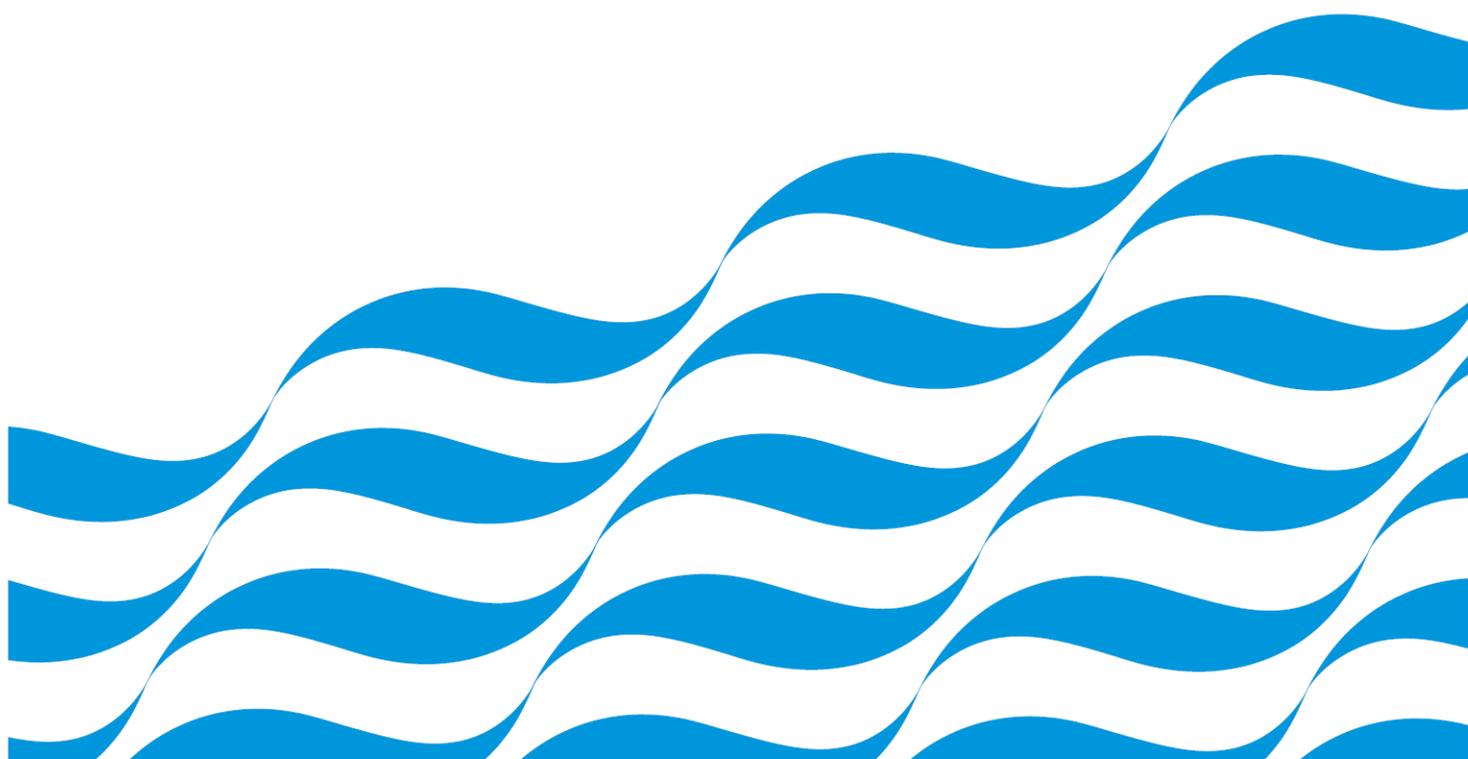




Annual report and consolidated accounts

For the year ended
31 March 2022



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Published Month Year

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PERFORMANCE REPORT

Overview

The purpose of this overview is to provide a summary of the activities of NHS Fife and to highlight some of the key achievements during 2021/22 and also some specific risks which have arisen. In addition, detail is provided on all aspects of financial and non-financial performance.

Chief Executive Statement

The past 12 months have been dominated by our continuing response to the global Covid-19 pandemic, with all NHS Boards operating on an emergency footing basis and consequently under the direction of the Scottish Government. Given the recent assessment of the status and impact of the pandemic, all Boards were notified by the Director General Health and Social Care on 29 April 2022 that the emergency footing basis would cease from 1 May 2022.

Covid-19 and the impact of the backlog of treatments which required to be delayed during the pandemic, continues to be the most significant challenge the country and the public sector has faced in a generation. Our response to and recovery from Covid-19 remains our key focus with our partners across the wider health and social care system.

Throughout the pandemic, our actions and decisions have been informed by the available scientific evidence and Scottish Government guidance. Our community focus has been on a range of interventions to suppress the transmission of the virus and protect our clinical services, to save lives and provide a route back to normality whilst we all adapt and learn to live with the virus. Our work has included delivering NHS Fife's largest ever mass vaccination programme, and delivery of new treatments and therapeutics to ensure that the most clinically vulnerable in society could remain safe.

Reducing transmission and retaining the support of the public has been vital throughout the pandemic. Without public support we would not have been able to facilitate the effective delivery of mass testing and contact tracing. Through local partnerships we have been able to provide targeted and tailored isolation support services, particularly for the most vulnerable citizens in Fife, reinforcing the role of NHS Fife in addressing the broader well-being needs of the population, beyond the boundaries of traditional healthcare services.

NHS Fife has worked hard throughout the pandemic to create service capacity and to manage the challenges presented by Covid-19, ensuring that urgent and emergency care and Covid-19 related critical care services were not overwhelmed.

This has required colleagues across NHS Fife to go that extra mile. Our staff have shown huge professional and personal commitment to do the right thing, with many being redeployed or recruited into new operational areas. I cannot thank colleagues enough for their hard work and the resilience they have shown during the most difficult and challenging of times.

Whilst waiting time performance and waiting lists have been significantly impacted by Covid-19, we have followed our agreed clinical prioritisation process, which has ensured treatment has continued for urgent and cancer patients during this time.

Covid-19 has also exacerbated a wide range of public health challenges facing our local population, with health inequalities particularly coming sharply into focus. As we continue to develop our new Population Health and Wellbeing strategy, we aim to use NHS Fife's position as an Anchor Institution to support all the communities we serve and to deliver our specific role to increase equity of access across our diverse population.

It is important that we now take time to reflect and learn from the pandemic and look to continue to refine and enhance our preparedness and response to any future health public health emergencies.

One of our strategic priorities during 2021/22 recognised the critical need to continue to do all we can to support the health and wellbeing of all of our staff. We have put in place a range of support arrangements including the creation of Staff Hubs where our teams can take some time out to rest and recharge. We are committed to continuing this focus to ensure our workforce can flourish and are continuously exploring other initiatives to support our staff.

The pandemic has provided us with the opportunity to also look at how we could deliver services differently in the future. Working at pace, we have been able to empower staff to explore new services configuration, working collaboratively towards a common goal and often using digital capability as a key enabler. This is something I am keen to see continue as part of our plans for the future.

In spite of the challenges presented by the pandemic, NHS Fife has successfully progressed a number of priority projects and new services as detailed below.

Early Cancer Diagnostic Centre

In August 2021 we launched our Early Cancer Diagnostic Centre (ECDC). The ECDC pathway provides access to diagnostic tests for patients whose symptoms are non-specific but concerning and who need a diagnosis so that a treatment plan can be put in place for them. Patients have an individualised assessment with the aim of achieving a diagnosis and initiating a treatment plan or gaining the reassurance that nothing concerning has been found. This pathway has helped to ensure timely access to early diagnosis, thereby reducing patient waiting times and the stress associated with waiting for a diagnosis. We will build on this important initiative during 2022/23.

National Treatment Centre Fife

The new orthopaedic National Treatment Centre is the largest capital project that NHS Fife has undertaken since the opening of the new wing of the Victoria Hospital in 2012 and remains on course for completion later this year. Work commenced on construction in March 2021, with the facility forming part of the network of National Treatment Centres across Scotland. The £33m project will see the creation of a state-of-the-art facility hosting three operating theatres, a supporting inpatient ward and associated outpatient facilities.

The demand for orthopaedic procedures in Fife continues to increase, as it has done for some time and will continue to do so in the years to come as a result of the impact of the pandemic. NHS Fife is incredibly fortunate to have one of the most innovative and forward-thinking orthopaedic teams in the country and this new Centre will help us both in our efforts to meet that demand and to deliver care in a new, modern, state-of-the-art facility.

Queen Margaret Hospital (QMH) Day Surgery

As part of our objective to develop an integrated planned care programme to address waiting times for elective surgical procedures, we embarked on work during 2021/22 to optimise the level of day surgery carried out at QMH. The first phase of this has been to create space to increase capacity and enable a more efficient streamlined flow through the wider department. We will continue with this project during 2022/23 with the aim of delivering more day surgery on the QMH site.

International Recruitment:

In January 2022 NHS Fife became the first Health Board in Scotland to welcome international recruits as part of a wider project to enhance and expand NHS Fife's nursing workforce. We worked in partnership with Yeovil District Hospital who have had significant success in their own international recruitment efforts. Yeovil District Hospital NHS Foundation Trust have become specialists in attracting experienced nursing staff from overseas to a range of clinical roles in the NHS through their innovative and World Health Organisation compliant programme.

Kincardine and Lochgelly Health Centres Development

We are progressing our organisational commitment to improve primary and community care through the development of modern purpose-built facilities for people in Lochgelly and Kincardine which will include a co-ordinated range of GP, Social Care and Voluntary Sector Services. The Initial Agreements for these projects were approved by the Scottish Government in January 2020. The project development process was paused due to the global pandemic however the Outline Business Case stage commenced with associated project governance in March 2021. We anticipate presenting the Outline Business cases to the NHS Fife Board and the Scottish Government by the end of June 2022.

These are five examples of the work that has been continuing throughout the pandemic and I am confident that 2022/23 will see even more innovation and new ways of working.

It remains a great privilege to lead NHS Fife as Chief Executive and I would like to take this opportunity to thank all our staff and our partners for their continued hard work, dedication, passion, and commitment to support the health and care system in such challenging times.

Purpose and Activities of the Board

NHS Fife is the common name for Fife Health Board. Fife Health Board was established in 1974 under the National Health Service (Scotland) Act 1972 and is responsible for commissioning and delivering health care services for the residents of Fife, a total population of c.373,000.

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

The role of the NHS Board is to:

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

The functions of the NHS Board comprise:

- strategy development
- resource allocation
- implementation of the Annual Operational Plan; and
- performance management.

Component Parts of NHS Fife

NHS Fife's structure comprises an Acute Services Division and a Health and Social Care Partnership, which is overseen by the Fife Integration Joint Board.

Acute Services Division

The Division is responsible for acute hospital services at Victoria Hospital in Kirkcaldy and Queen Margaret Hospital in Dunfermline.

Health and Social Care Partnership (H&SCP)

The Partnership is responsible for the improvement of the health and wellbeing of the local population and the provision of primary and community health services including community hospitals.

Corporate Directorates

The following Directorates provide Fife-wide services:

- Public Health
- Medical Directorate (including Clinical Governance, Research, Development & Innovation, Digital & Information, and Primary Care Administration)
- Nursing (including Patient Relations and Legal Services)
- Pharmacy
- Workforce (including Learning & Development and Occupational Health)
- Finance (including Corporate Governance, Planning & Performance, Procurement, Communications and Risk Management)
- Property and Asset Management (including Health and Safety).

Integration Joint Board

The Public Bodies (Joint Working) (Scotland) Act 2014 was passed by the Scottish Parliament in February 2014 and received Royal assent in April 2015. It established the framework for the integration of health and social care in Scotland.

The Parties agreed to proceed by way of adopting the body corporate model of integration and have established an Integration Joint Board as provided for in Section 1(4)(a) of the Act. The Integration Joint Board is responsible for the operational oversight of Integrated Services and, through the Director of Health and Social Care, is responsible for the operational management of Integrated Services.

The Integration Joint Board is responsible for the planning of a range of specific Acute Services; however, NHS Fife remains responsible for the operational oversight of these services on a day-to-day basis. The Director of Health and Social Care and the Director of Acute Services work closely together to ensure appropriate planning and delivery of the services they respectively plan for and manage.

The Integration Joint Board is governed by Committees with membership drawn equally from members of the Health Board (both Executive and Non-Executive members) and Councillors from Fife Council.

Key Issues and Risks During 2021/22

The performance management framework reflects the national activity projections in the Remobilisation Plan where actual performance was compared against projected activity. The Remobilisation Plan replaced the previous Annual Operating Plan arrangements during the period of the pandemic. The activity was projected on the capacity available based on the national guidelines of social distancing and particularly the 2 metre restrictions. NHS Fife approached

remobilisation of services in a safe and phased way which consequently meant that capacity significantly reduced during periods of surge.

NHS Fife's elective activity was significantly impacted in 2021/22 due the required pausing of a range of planned procedures. Urgent care and urgent suspicion of cancer referral patients however continued to be seen and treated in line with the existing clinical prioritisation process. There was an increase in the number of patients waiting over 6 weeks for diagnostics and over 12 weeks for outpatients, inpatients, and day cases (TTG), however, this was monitored and tracked locally throughout the year. There are significant risks nationally and locally around the delivery of the backlog of cases which has developed during the pandemic, however recovery plans are being developed for discussion with our Board and with the Scottish Government to improve this position during 2022/23.

During 2021/22, services and staff focussed on the Covid-19 response and the consequent national priority programmes such as the Seasonal Flu Vaccination, Covid-19 Vaccination and Test and Protect programmes. The roll out of digital innovation remained a high priority across Fife to support implementation of new ways of working including increasing the level of telephone and online consultations.

In March 2022, the Board considered and approved a proposal in relation to the development of the new Population Health and Wellbeing Strategy. The proposal included the creation of a Transitional Strategic Plan for 2022/23 to be informed by the outputs from the Strategic Planning and Resource Allocation process for 2022/23. The proposal also set out the plan to embark on a series of activities from April to December 2022 to develop the medium and longer-term strategy.

Financial Improvement and Sustainability

In managing the financial performance of the organisation and preparing to support delivery of financial improvement, it is important to reflect on the context of the past 2 years as we have managed through the impact of the pandemic. For a number of years NHS Fife has successfully delivered financial balance however there has been a requirement for a level of additional support from Scottish government to enable this on a non-recurring basis. At the beginning of 2020/21 the organisation considered the development of a plan to work towards reducing and removing the underlying gap in the financial position. The organisational response was understandably limited during 2020/21 and 2021/22 as a consequence of the pandemic however work progressed through the Strategic Planning and Resource Allocation process during this time to protect time and capacity to develop the plans and infrastructure to deliver against this important organisational challenge.

Some of the key foundation work arising from this approach during 2021/22 include:

- Significant progress made in relation to achieving greater NRAC parity from 2022/23, albeit we remain 0.8% from our full NRAC share.
- Progress also in relation to delivering cost reduction on our externally commissioned activity during 2021/22.
- Final agreement on a moderation of the financial risk-share arrangement between NHS Fife and Fife Council as we jointly continue to ensure the appropriate risk-share mechanism is in place to support the HSCP.
- Benchmarking work to evidence that our Acute Services perform well in relation to cost when compared to other similar sized Boards.

Additionally, the organisation created a Portfolio Board during 2021/22 to ensure a corporate approach to all change across the organisation and also to oversee the coordination of the developing NHS Fife Population Health and Wellbeing Strategy. The work of the Portfolio Board includes directing and scrutinising the performance of the newly established Financial Improvement and Sustainability (FIS) Programme. The FIS Programme has been established to drive projects which will ensure the long-term financial improvement and sustainability of the organisation. The FIS Programme will do this through delivering against the following key objectives:

- Develop and agree productive opportunities and savings targets for 2022/23.
- Develop a clear medium-term plan.
- Deliver enhanced quality of patient care with effective allocation of resources and increased capacity within the system.

Performance Summary

NHS Fife continued to scrutinise key performance indicators in respect of financial and non-financial performance, as well as quality, safety and risk metrics based on the suite of Scottish Government Standards.

Performance Analysis

The Scottish Government requires NHS Boards to meet three key financial targets on an annual basis. These are:

- a Revenue resource limit (RRL) – a resource budget for on-going operations.
- a Capital resource limit (CRL) – a resource budget for net capital investment.
- a Cash requirement.

The Revenue and Capital Resource Limits are further analysed into Core and Non-Core, where non-core expenditure, typically comprises items of a technical accounting nature, details of which can be found in Note 2a – the Summary of Resource Outturn on page 56. We have delivered on all three of our key financial targets.

The following table highlights the Boards delivery against these targets for 2021/22:

Statutory Financial Targets	Limit as set by SGHSCD £000's	Actual Outturn £000's	Variance Under/(Over) £000's
Core Revenue Resource Limit	920,016	919,636	380
Non-Core Revenue Resource Limit	23,123	23,123	0
Total Revenue Resource Limits	943,139	942,759	380
Core Capital Resource Limit	32,389	32,387	2
Non-Core Capital Resource Limit	0	0	0
Total Capital Resource Limits	32,389	32,387	2
Cash Requirement	949,412	949,412	0
Memorandum for In Year Out-turn			£000
Core Revenue Resource Variance Surplus in 2021/22			40
Financial flexibility : funding banked with Scottish Government			340
Underlying Surplus against Core Revenue Resource Limit			380
Percentage of the Core Revenue Resource Limit			0.004%

A one year financial plan was submitted to Scottish Government on 31 March 2021. Due to the impact of the Covid-19 pandemic, the Scottish Government paused the three year annual operating and financial planning process. Recognising the exceptional nature of 2021-22 and the impact on delivery of financial plans, additional non-repayable funding was provided to support in year financial balance across all NHS Boards. NHS Fife received £13.6m.

Excluding provision of financial flexibility provided by Scottish Government, the Board's outturn would have been an underspend on RRL of £40k (equivalent to 0.004%). The underspend is within the one percent flexibility afforded by the three-year financial planning and performance cycle and will be managed within an overall breakeven position in the period to 2024/25. The financial flexibility provided is the Boards underspend from 2020/21 carried forward.

Despite the continuance of the impact of the global pandemic and all efforts being focused on the Covid-19 response, the board delivered savings of £9.6m in-year against a target of £8.2m; of which £5.8m was delivered on a recurring basis and £3.8m on a non-recurring basis. In addition, £13.6m of non-repayable funding support was granted by the Scottish Government, in line with Scottish Government's commitment to support in-year financial balance across all NHS Boards during the second year of the pandemic.

Throughout the financial year significant work to identify, monitor and report the financial impact of managing the Covid-19 global pandemic continued. Quarterly returns were provided to Scottish Government capturing expenditure incurred and we worked closely with the Integration Joint Board to ensure the financial impact for both Health delegated, and Social Care services were included. Full funding was received to meet Covid-19 expenditure incurred in-year. In addition, remaining Covid-19 funding has been carried forward to 2022/23 in an earmarked reserve for Covid-19 purposes by the Integration Joint Board. Use of these allocations to meet Covid-19 expenditure in 2022/23 have been agreed by the IJB Chief Finance Officer and the NHS Board Director of Finance, with the funding targeted at meeting

all additional costs of responding to the Covid-19 pandemic in the Integration Authority as well as appropriate NHS Board costs.

Details of NHS Fife's Net Operating Costs and RRL outturn are set out in Notes 3 and 4 of the Accounts. The Board Revenue and Capital Resource Limits are split between two component elements. Core revenue and capital have a cash or near-cash impact on the Boards net expenditure. Non-cash revenue and capital elements of net expenditure such as impairments, provisions and depreciation on assets have a non-core impact.

For 2021/22, the Board's initial core Revenue Resource Limit (RRL) was £712.604m, increasing to £920.016m by the year-end. This increase of £207m includes additional allocations granted throughout the year such as Covid-19 funding of £95.2m (£36.5m Health; and £58.7m passported to Social Care); Primary Medical Services (covering services provided by GP's) of £59.2m, Outcomes Framework of £4.5m (encompassing various outcomes-based initiatives), Access Support (waiting times) of £11.12m and New Medicines Fund of £3.3m. The additional allocations are spread throughout the year and clarified in the following table.

Allocations Core 2021-22	Baseline Recurring	Earmarked recurring	Non-recurring	Total
	£000s	£000s	£000s	£000s
opening allocation	712,604			712,604
In-Year Allocations				
May	-70			-70
June	9,264	12,245	20,964	42,473
July			8,002	8,002
August	141	230	1,522	1,893
September	-135	59,997	-1,931	57,931
October		3,388	14,907	18,295
November	2,042	1,704	4,334	8,080
December		22	3,126	3,148
January	-178	6,274	67,905	74,001
February	-345	-642	721	-266
March			-6,075	-6,075
Total	723,323	83,218	113,475	920,016

The Board received a significant number of additional allocations in the year which required adjustments to the in-year operational plans. In particular, the late in-year allocation of additional funding that was passported through to the IJB significantly affected the IJB reserve at the year end.

Significant costs incurred by Core and delegated health services to manage the impact of the pandemic are identified in the table below.

Covid-19 Funding & Costs 2021/22	Health Retained	Fife HSCP	Total
	£000	£000	£000
Funding	36,464	58,725	95,189
Costs	36,695	22,731	59,426
Fife H&SCP Earmarked Reserve		35,478	35,478
TOTAL	36,695	58,209	94,904

Planning for 2022/23 has identified a similar level of savings requirement to 2021/22. The continued response to the pandemic and the remobilisation of services will also have an ongoing financial impact. The engagement through both the Strategic Planning Resource Allocation process and Financial Improvement and Sustainability Programme has however delivered a level of confidence that whilst this is an ambitious plan it is deliverable given the continuing focus and drive of the Board on ensuring cost effectiveness and efficiency across the organisation.

During the financial year the Health & Social Care Integration Scheme was reviewed as required by The Public Bodies (Joint Working) Scotland Act 2014. The extant scheme has been updated to reflect the current arrangements for the IJB in line with legislation and was formally signed off by Scottish Ministers on 8 March 2022. The review included a proposal to vary the financial risk share and a reduction for NHS Fife was agreed.

The Financial Statements provide further detail on the Board's income and expenditure during the year and the financial position. The statements include the consolidated position of both the IJB and Fife Health Charity.

Legal Obligations

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.

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 further provision that recognises the board's share of the total CNORIS liability of NHS Scotland has been made.

The total net provision relating to CNORIS at 31 March 2022 is £47.245m, a movement of £0.999m in year. More detail is provided in Note 13.

Capital Expenditure

During 2021/22 the Board recorded spend of £32.421m on a wide range of capital building projects, equipment, and technology (Note 7). The element charged to the Capital Resource Limit is £32.387m which is the Capital Expenditure net of receipts. The balance is offset against the Net Book Value (NBV) of equipment disposed of in 2021/22.

Significant capital allocations were secured during the financial year. Major projects undertaken during the year include: £16.74m spent on construction works for the NTC-Fife Orthopaedic Centre; two replacement CT Scanners £1.4m. An additional £1.437m was also spent on a range of small building projects supporting clinical priorities across the Board's estate.

Backlog Maintenance/Statutory Compliance projects undertaken during the year totalled £3.516m.

Digital and Information investment of £1.702m has also been made during the year, along with new and replacement Medical Equipment purchases, excluding the CT scanners of £6.326m.

The Board has met the Capital Resource Limit in full for the year.

Significant Changes in Non-Current Assets

During the year, the Board has commissioned valuations on several properties from the Valuation Office Agency (VOA). Adamson Hospital, Whytemans Brae Hospital, Victoria Hospital all EUV properties (Health Centres/Clinics) and all land and AHFS at the year end. This has resulted in an overall £24.764m upward revaluation movement. The year-end indexation factor from the Valuation Office created an impairment reversal of £0.578m at the year-end across NHS Fife (Index factor 315).

The valuation report has been used to inform the measurement of assets in these financial statements. Property markets have started to operate again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value.

Public Private Partnerships

The Board has two significant service initiatives under the PPP funding route (Note 18).

The Board entered into a contract with Projco (St Andrews Hospital) Limited for the provision of a new Community Hospital and Health Centre on a site in St Andrews. The contract is for a period of 30 years commencing 31 July 2009. The current Annual Service Payment value is £3.505m per annum.

The Board entered into a contract with Consort Healthcare for the provision of the new Phase 3 on the Victoria Hospital site in Kirkcaldy. The contract is for a period of 30 years commencing 28 October 2011. The current Annual Service Payment value is £25.252m per annum.

Under IFRS Accounting Treatment, both the hospital and the healthcare facilities are recognised as a Non-Current Asset on the Board's Statement of Financial Positions. Net Book Value included at the year-end are £26.756m (St. Andrews Community Hospital) and £182.472m (Victoria Hospital, Kirkcaldy, Phase 3).

Provisions

As at 31 March 2022, the Board has provisions of £131.372m (2020/21 £115.762m) as detailed in the table below and in Note 13:

	2021/22 £m	2020/21 £m
Clinical and Medical Negligence Cases	76.281	60.654
Boards share of total NHS Scotland CNORIS liability	46.516	45.759
Pension Provisions	1.875	2.060
Injury Benefit Provisions	6.669	7.259
WEE Regulations	0.03	0.03
Total	131.372	115.762

There was an increase in the Boards Clinical and Medical Negligence Cases provision during the year, with a number of cases being revalued higher than the previous year. These provisions include the element funded through Annually Managed Expenditure (AME) in 2021/22. The Board is also disclosing a contingent liability of £17.286m (2020/21 £18.804m) for other legal cases and a contingent asset of £16.285m (2020/21 £17.853m) for income receivable for these. The Board has a small provision for Capital Waste Electronic and Electrical Equipment of £30k.

Outstanding Liabilities

The Board has total outstanding liabilities of £301.786m (2020/21 £248,596m). Of this total, £162.004m relates to future amounts payable on the two PFI contracts (2020/21 £165.417m).

Integrated Performance and Quality Analysis

Like all other Mainland Health Boards, NHS Fife continued to face significant challenges during the year in maintaining waiting times performance in the context of the global pandemic.

The impact of the Covid-19 pandemic has continued to challenge the ability to meet existing treatment Standards and a return to the position at the start of March 2020 will take many years to recover. The following paragraphs give a general overview of performance in 2021/22.

Waiting Times in the Acute Services Division was significantly affected, not just in terms of a growth in waiting lists but in the number of patients now having to wait in excess of the agreed LDP Standard time for first appointment or treatment. This was particularly apparent for New Outpatients, the Patient Treatment Time Guarantee and, laterally, Diagnostics Tests. Discussions continued nationally with the Scottish Government to agree the appropriate recovery of this position and the additional funding that will be necessary to support this.

Within Mental Health services, there was an ongoing challenge to improve performance against a background of increased referrals. Significant changes were made to the way in which services were delivered, to address the social distancing requirements of Covid-19, and these have been generally successful, supported by additional funding from the Scottish Government. We have focussed on reducing the number of 'long waits' in both CAMHS and the wider Psychological Therapies without sacrificing the need to prioritise urgent referrals.

Performance against the 4-Hour Emergency Access Standard fell significantly during the year, in part due to a sustained rise in unplanned attendances. During the winter months, and in particular during the Omicron wave of the virus, performance fell below 80%, however this position began to improve towards the end of the financial year.

The percentage of patients who started Cancer treatment within 31 days of a decision to treat was consistently above the 95% Standard, with no breaches at all being recorded in 6 of the first 10 months of the year. However, the challenge to achieve an improved performance against the 62-day referral-to-treatment Standard continued. Over half of the breaches were in the Urology (Prostate) specialty, where the treatment pathway is particularly complex.

Infection Control performance across all areas continued to improve during 2021/22, and we expect to meet the improvement target for SAB by March, but slightly miss the targets for C Diff and ECB.

The following table summarises the position for key Standards at the end of 2021/22. Performance is classed as either 'Achieved' or 'Not Achieved'. A column showing the performance trend in comparison to 2020/21 is also provided.¹

The assessments for the two Dementia measures (for which there are no official targets) are based on ranking comparisons with all other Mainland Health Boards.

The months when formal publications are available are indicated in the right-hand column, while the column to its left indicates the 'local data' position date (on which the Achieved/Not Achieved status is based).

	LDP Standard / Local Target	Status 2021-22	Target / Standard	Data		Direction of Travel	Local Data Up To	Data Published
				2020-21	2021-22			
H&SCP	Alcohol Brief Interventions ¹	N/A	80.0%	N/A	N/A	N/A	N/A	N/A
	Antenatal Access ²	Achieved	80.0%	N/A	90.1%	N/A	N/A	Mar-22
	CAMHS Waiting Times	Not Achieved	90.0%	73.2%	74.2%	↑	Mar-22	Jun-22
	Delayed Discharge (% Bed Days Lost)	Not Achieved	5.0%	5.7%	8.7%	↓	Mar-22	Jul-22
	Dementia PDS - Referrals ³	Achieved	N/A	61.0%	58.5%	↓	N/A	Mar-22
	Dementia PDS - Support ³	Achieved	N/A	93.4%	93.2%	↓	N/A	Mar-22
	Drugs & Alcohol Waiting Times	Not Achieved	90.0%	93.1%	86.8%	↓	Mar-22	Jun-22
	Psychological Therapies Waiting Times	Not Achieved	90.0%	77.2%	82.2%	↑	Mar-22	Jun-22
	Smoking Cessation	Not Achieved	100.0%	53.3%	71.9%	↑	Mar-22	Oct-22
ACUTE SERVICES & CORPORATE	18 Weeks RTT	Not Achieved	90.0%	70.4%	70.7%	↑	Mar-22	May-22
	4-Hour Emergency Access	Not Achieved	95.0%	94.0%	82.4%	↓	Mar-22	May-22
	C Diff (HAI/HCAI)	Not Achieved	6.5	9.8	7.7	↑	Mar-22	Jul-22
	Cancer 31-Day DTT	Achieved	95.0%	98.2%	99.1%	↑	Mar-22	Jun-22
	Cancer 62-Day RTT	Not Achieved	95.0%	82.5%	82.7%	↑	Mar-22	Jun-22
	Detect Cancer Early	Not Achieved	29.0%	22.5%	21.2%	↓	Sep-21	Oct-22
	Diagnostics Waiting Times ⁴	Not Achieved	100.0%	80.7%	61.7%	↓	Mar-22	May-22
	ECB (HAI/HCAI)	Not Achieved	33.0	38.4	40.8	↓	Mar-22	Jul-22
	IVF Waiting Times	Achieved	90.0%	100.0%	100.0%	↔	Mar-22	May-22
	Outpatient Waiting Times ⁴	Not Achieved	95.0%	52.6%	53.5%	↑	Mar-22	May-22
	Patient TTG (Patients Waiting) ⁴	Not Achieved	100.0%	51.7%	56.5%	↑	Mar-22	May-22
	Patient TTG (Patients Treated)	Not Achieved	100.0%	64.3%	70.1%	↑	Mar-22	May-22
	SAB (HAI/HCAI)	Achieved	18.8	16.3	12.8	↑	Mar-22	Jul-22
	Sickness Absence	Not Achieved	4.00%	4.77%	5.72%	↓	Mar-22	Jun-22
1	No formal publication is available due to the COVID pandemic impact on service and data collection							
2	The comparison is between 2020 and 2021							
3	The comparison is between 2018/19 and 2019/2020							
4	Position at end of last month of FY (i.e. 31st March)							

NHS Fife's Integrated Performance Report and Quality Report (IPQR) provides the Board with the information required to review performance at a strategic level. This ensures that key performance indicators in respect of financial and non-financial performance, including quality, safety and risk are robustly scrutinised by the Board. The content is based on the suite of Scottish Government Standards.

A review of the IPQR commenced during 2021/22, focussing on format and method of reporting, key performance indicators included reflecting changes since Covid-19 and additional relevant indicators. This review is part of a suite of improvement activity agreed by NHS Fife Board to ensure ongoing active governance of organisational performance across the organisation and at Board level.

Further detail is provided in the next table which summarises NHS Fife performance against targets in 2021/22. The left-hand block of data is derived locally, whilst the right-hand block shows figures based on national publications produced by Public Health Scotland. The period covered by the latter is constrained by publication dates. Whilst our performance has been challenged in a number of areas during 2021/22 the next table demonstrates that we remain in the mid-range or upper quartile of performance in a number of key areas relative to all other territorial Boards across Scotland.

¹ The direction of travel shows the movement from the previous financial year. In the balanced scorecard reported on the following page, the direction of travel shows the movement from the previous monthly or quarterly report during 2021/22.

c. Indicator Summary

		Performance				Benchmarking								
		meets / exceeds the required Standard / on schedule to meet its annual Target				●	Upper Quartile							
		behind (but within 5% of) the Standard / Delivery Trajectory				●	Mid Range							
		more than 5% behind the Standard / Delivery Trajectory				●	Lower Quartile							
Section	Measure	Target 2021/22	Reporting Period	Year Previous	Previous	Current	Reporting Period	Fife	Scotland					
Clinical Governance	Major & Extreme Adverse Events	N/A	Month	Mar-21	34	Feb-22	34	Mar-22	27	↑	N/A			
	HSMR	N/A	Year Ending	Dec-20	1.01	Sep-21	1.04	Dec-21	1.02	↑	N/A			
	Inpatient Falls	7.68	Month	Mar-21	7.97	Feb-22	7.33	Mar-22	7.62	↓	YE Dec-21	1.02	●	1.00
	Inpatient Falls with Harm	1.65	Month	Mar-21	1.68	Feb-22	1.59	Mar-22	2.28	↓	N/A			
	Pressure Ulcers	0.42	Month	Mar-21	1.22	Feb-22	1.23	Mar-22	1.07	↑	N/A			
	Caesarean Section SSI	2.5%	Quarter Ending	Sep-20	2.2%	Jun-21	3.6%	Sep-21	2.5%	↑	QE Dec-19	2.3%	●	0.9%
	SAB - HAI/HCAI	18.8	Quarter Ending	Mar-21	16.5	Feb-22	15.4	Mar-22	15.2	↑	QE Mar-22	15.2	●	16.3
	SAB - Community	N/A	Quarter Ending	Mar-21	13.0	Feb-22	8.7	Mar-22	10.9	↓	QE Mar-22	13.0	●	9.6
	C Diff - HAI/HCAI	6.5	Quarter Ending	Mar-21	10.2	Feb-22	4.7	Mar-22	5.8	↓	QE Mar-22	7.0	●	12.6
	C Diff - Community	N/A	Quarter Ending	Mar-21	7.6	Feb-22	1.1	Mar-22	2.2	↓	QE Mar-22	2.2	●	3.2
	ECB - HAI/HCAI	33.0	Quarter Ending	Mar-21	21.6	Feb-22	27.3	Mar-22	28.1	↓	QE Mar-22	31.6	●	30.5
	ECB - Community	N/A	Quarter Ending	Mar-21	33.6	Feb-22	39.3	Mar-22	45.8	↓	QE Mar-22	50.9	●	39.2
	Complaints (Stage 1 Closure Rate)	80%	Quarter Ending	Mar-21	84.9%	Feb-22	67.8%	Mar-22	67.8%	↔	2020/21	80.2%	●	79.5%
	Complaints (Stage 2 Closure Rate)	65%	Quarter Ending	Mar-21	26.3%	Feb-22	12.8%	Mar-22	11.8%	↓	2020/21	32.8%	●	57.8%
Operational Performance	IVF Treatment Waiting Times	90%	Month	Mar-21	100.0%	Feb-22	100.0%	Mar-22	100.0%	↔	N/A			
	4-Hour Emergency Access	95%	Month	Mar-21	90.8%	Feb-22	83.0%	Mar-22	79.6%	↓	Mar-22	79.6%	●	71.6%
	Patient TTG (% of Total Waits <= 12 Weeks)	100.0%	Month	Mar-21	49.7%	Feb-22	52.7%	Mar-22	55.2%	↑	Mar-22	55.2%	●	34.0%
	New Outpatients (% of Total Waits <= 12 Weeks)	95%	Month	Mar-21	53.4%	Feb-22	48.8%	Mar-22	53.4%	↑	Mar-22	53.4%	●	49.6%
	Diagnostics (% of Total Waits <= 6 Weeks)	100%	Month	Mar-21	80.6%	Feb-22	61.2%	Mar-22	61.6%	↑	Mar-22	61.6%	●	49.6%
	18 Weeks RTT	90%	Month	Mar-21	72.4%	Feb-22	71.4%	Mar-22	69.8%	↓	QE Mar-22	72.2%	●	72.7%
	Cancer 31-Day DTT	95%	Month	Mar-21	100.0%	Feb-22	100.0%	Mar-22	96.1%	↓	QE Mar-22	98.1%	●	96.3%
	Cancer 62-Day RTT	95%	Month	Mar-21	80.3%	Feb-22	83.6%	Mar-22	78.6%	↓	QE Mar-22	78.4%	●	76.9%
	Detect Cancer Early	29%	Year Ending	Sep-20	19.0%	Jun-21	21.4%	Sep-21	23.2%	↑	2019, 2020	22.5%	●	24.1%
	Freedom of Information Requests	85%	Quarter Ending	Mar-21	89.9%	Feb-22	86.9%	Mar-22	88.1%	↑	N/A			
	Delayed Discharge (% Bed Days Lost)	5%	Month	Mar-21	5.9%	Feb-22	7.0%	Mar-22	6.6%	↑	QE Mar-22	6.4%	●	7.2%
	Delayed Discharge (# Standard Delays)	N/A	Month	Mar-21	47	Feb-22	55	Mar-22	46	↑	Mar-22	15.22	●	27.75
	Antenatal Access	80%	Month	Mar-21	85.5%	Feb-22	88.1%	Mar-22	82.1%	↓	2021	90.1%	●	88.5%
	Finance	Revenue Resource Limit Performance	Breakeven	Month	Mar-21	N/A	Feb-22	Breakeven	Mar-22	£0.380m	↑	N/A		
Capital Resource Limit Performance		£32.4m	Month	Mar-21	N/A	Feb-22	£19.2m	Mar-22	£32.4m	↑	N/A			
Staff Governance	Sickness Absence	3.89%	Month	Mar-21	4.43%	Feb-22	5.63%	Mar-22	5.59%	↑	YE Mar-22	5.72%	●	5.69%
Public Health & Wellbeing	Smoking Cessation	473	YTD	Mar-21	52.2%	Feb-22	74.0%	Mar-22	71.9%	↓	QE Sep-21	58.9%	●	82.0%
	CAMHS Waiting Times	90%	Month	Mar-21	73.0%	Feb-22	68.0%	Mar-22	70.6%	↑	QE Mar-22	70.6%	●	73.8%
	Psychological Therapies Waiting Times	90%	Month	Mar-21	84.3%	Feb-22	79.2%	Mar-22	82.7%	↑	QE Mar-22	82.7%	●	84.5%
	Alcohol Brief Interventions (Priority Settings)	80%	YTD	Mar-19	60.2%	Dec-19	75.7%	Mar-20	79.2%	↑	FY 2019/20	79.2%	●	83.2%
	Drugs & Alcohol Treatment Waiting Times	90%	Month	Mar-21	90.1%	Feb-22	89.4%	Mar-22	85.4%	↓	QE Dec-21	93.4%	●	93.1%
	Dementia Post-Diagnostic Support	N/A	Annual	2018/19	93.4%	2019/20	93.2%	2020/21	94.6%	↑	2019/20	93.2%	●	81.3%
	Dementia Referrals	N/A	Annual	2018/19	61.0%	2019/20	58.5%	2020/21	50.6%	↓	2019/20	58.5%	●	42.9%

NHS Fife was asked to provide activity projections to cover the first half and then second half of 2021/22 as different waves of the pandemic impacted on service delivery and plans had to be continuously adapted. A summary of achieved against forecast activity is shown below.

Mobilisation Plan | Projected Activity

Better than Projected | Worse than Projected | No Assessment
 (NOTE: Better/Worse may be higher or lower, depending on context)

		Quarter End	Quarter End	Quarter End	Month End				Quarter End
		Jun-21	Sep-21	Dec-21	Jan-22	Feb-22	Mar-22	Mar-22	
TTG Inpatient/Daycase Activity (Definitions as per Waiting Times Datamart)	Projected	2,981	3,120	3,400	1,203	1,269	1,268	3,740	
	Actual	3,260	2,953	2,792	756	1,012	1,169	2,937	
	Variance	279	-167	-608	-447	-257	-99	-803	
New OP Activity (F2F, NearMe, Telephone, Virtual) (Definitions as per Waiting Times Datamart)	Projected	17,100	19,125	20,905	7,286	7,287	7,288	21,861	
	Actual	19,488	20,161	19,600	5,073	6,358	7,501	18,932	
	Variance	2,388	1,036	-1,305	-2,213	-929	213	-2,929	
Elective Scope Activity (Definitions as per Diagnostic Monthly Management Information)	Projected	1,801	1,833	1,840	613	613	614	1,840	
	Actual	1,406	1,511	1,381	446	433	497	1,376	
	Variance	-395	-322	-459	-167	-180	-117	-464	
Elective Imaging Activity (Definitions as per Diagnostic Monthly Management Information)	Projected	10,850	11,250	13,642	4,480	4,605	4,607	13,692	
	Actual	12,971	12,629	11,733	3,962	4,149	4,569	12,680	
	Variance	2,121	1,379	-1,909	-518	-456	-38	-1,012	
A&E Attendance (Definitions as per Scottish Government Unscheduled Care Datamart)	Projected	17,110	19,110	20,620	7,110	6,450	6,780	20,340	
	Actual	20,729	20,814	18,554	5,883	5,997	7,326	19,206	
	Variance	3,619	1,704	-2,066	-1,227	-453	546	-1,134	
A&E 4-Hour Performance (%) : ALL A&E and MIU (Definitions as per Core Sites, unplanned attendances only)	Projected			80.0%	85.0%	86.0%	87.0%	83.0%	
	Actual			77.4%	77.1%	83.0%	79.6%	79.9%	
	Variance			-2.6%	-7.9%	-3.0%	-7.4%	-3.1%	
Emergency Admissions (Definitions as per Scottish Government Unscheduled Care Datamart)	Projected	8,040	8,320	10,680	3,520	3,190	3,410	10,120	
	Actual	10,085	10,001	9,975	3,275	2,923		6,198	
	Variance	2,045	1,681	-705	-245	-267		-3,922	
Total Emergency Admission Mean Length of Stay (Definitions as per Discovery indicator attached)	Projected	5.82	5.85	5.63				5.73	
	Actual	5.55	6.17	6.34					
	Variance	-0.27	0.32	0.71					
Urgent Suspicion of Cancer - Referrals Received (SG Management Information)	Projected	2,450	2,610	2,610	870	870	870	2,610	
	Actual	2,885	3,047	2,820	973	928	1,044	2,945	
	Variance	435	437	210	103	58	174	335	
31 Day Cancer – Decision to treat to first treatment (Definitions as per published statistics)	Projected	415	435	384	128	128	128	384	
	Actual	305	337	306	84	93	127	304	
	Variance	-110	-98	-78	-44	-35	-1	-80	
62 Day Cancer - Referral to First treatment (Definitions as per published statistics)	Projected			200	70	70	70	210	
	Actual			215	66	67	98	231	
	Variance			15	-4	-3	28	21	
CAMHS - First Treatment Appointments (patients treated within 52 weeks of referral)(Definitions as per published statistics)	Projected			405	130	143	120	393	
	Actual			350	126	150	152	428	
	Variance			-55	-4	7	32	35	
CAMHS - Backlog First Treatment Appointments (patients treated after waiting 52+ weeks, if applicable) (Definitions as per published statistics)	Projected			68	20	10	0	30	
	Actual			13	8	6	11	25	
	Variance			-55	-12	-4	11	-5	
CAMHS - Performance against the 18 week standard (%) (Definitions as per published statistics)	Projected			69.3%	70.0%	75.0%	80.0%	75.0%	
	Actual			71.9%	69.4%	68.0%	70.6%	69.4%	
	Variance			2.6%	-0.6%	-7.0%	-9.4%	-5.6%	
Psychological Therapies - First Treatment Appointments (patients treated within 52 weeks of referral) (Definitions as per published statistics)	Projected			1,941	768	799	630	2,197	
	Actual			1,750	600	530	629	1,759	
	Variance			-191	-168	-269	-1	-438	
Psychological Therapies - Backlog First Treatment Appointments (patients treated after waiting 52+ weeks, if applicable) (Definitions as per published statistics)	Projected			234	85	70	55	210	
	Actual			113	22	29	37	88	
	Variance			-121	-63	-41	-18	-122	
Psychological Therapies - Performance against the 18 week standard (%) (Definitions as per published statistics)	Projected			73.2%	67.5%	65.9%	70.9%	67.9%	
	Actual			80.1%	81.8%	79.2%	82.7%	81.4%	
	Variance			6.9%	14.3%	13.3%	11.8%	13.5%	

		Month End	Month End	Month End	Month End			
		Jan-22	Feb-22	Dec-21	Jan-22	Feb-22	Mar-22	Mar-22
Delayed Discharges at Month End (Any Reason or Duration, per the Definition for Published Statistics) ¹	Projected	65	63	84	81	73	66	66
	Actual	127	112	69	96	100	91	91
	Variance	62	49	-15	15	27	25	25
Code 9 Delayed Discharges at Month End (Any Duration, per the Definition for Published Statistics) ¹	Projected	28	27	23	21	21	20	20
	Actual	47	29	26	46	45	45	45
	Variance	19	2	3	25	24	25	25
Standard Delayed Discharges at Month End (Any Duration, per the Definition for Published Statistics) ¹	Projected	37	36	61	60	52	46	46
	Actual	80	83	43	50	55	46	46
	Variance	43	47	-18	-10	3	0	0

¹ The data required is the estimated number of people delayed at each census point (the snapshot figure). Baseline figures used are the census point figures as at the end of each month

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 within 10 working days, across all public bodies.

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

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

	2021/22	2020/21
Average Credit Taken	14 days	13 days
Paid within 30 days by Value	95%	95%
Paid within 30 days by Volume	91%	92%
Paid within 10 days by Value	90%	90%
Paid within 10 days by volume	77%	83%

Pension Liabilities

The accounting policy note for pensions is provided in Note 1 and disclosure of the costs is shown within Note 19 and the Remuneration Report.

Anti-fraud

NHS Fife 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 sessions and service updates in relation to Once for Scotland policies.

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

NHS Fife 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.

Social Matters

NHS Fife is committed to leading and promoting Equality and Diversity, equal opportunities and supporting human rights in terms of the provision of health services for the community it serves and in its practice as an exemplar employer. NHS Fife provides a central budget for all translation and interpreting provision, which enables us to meet the communication needs of patients and staff who require additional support. A funding allocation from NHS Charities Together has been used to supplement this with further equipment to support patient communication. This included procuring additional iPads, which were in addition to existing iPads purchased for virtual visiting. A number of 'Interpreter on Wheels' devices support patients who are deaf or speak community languages. Wipe boards were purchased to support communication for patients who are hard of hearing, along with 'See Hear' bags, which contained various resources for hearing and sensory impaired patients. Facemask stickers for staff and patients who are hard of hearing, and communication support information patient leaflets, have also been introduced to remove any unnecessary barriers.

NHS Fife is legally bound by the Equality Act 2010, to prohibit unlawful discrimination across all functions and services (this includes how we purchase goods and services). The Public Sector Duty 2012 also requires us to foster good relations, eliminate discrimination and advance equality. NHS Fife treats suppliers equally and without discrimination. Equality is considered throughout tendering processes, and these comply with all legislative aspects of procurement as required under the Procurement Reform Act and two pieces of legislation that came into force in 2016: the Public Contracts (Scotland) Regulations 2015 and the Procurement (Scotland) Regulations 2016.

Under its Equality Mainstreaming Plan, NHS Fife is committed to:

- purchasing goods, services, and facilities in line with our equalities and diversity commitments.
- not using suppliers or organisations who do not share our values on equality of opportunity and diversity.
- ensuring all businesses from diverse communities have an equal opportunity of competing for NHS Fife procurement contracts.
- ensuring Small and Medium Enterprises have an equal opportunity of competing for NHS Fife procurement contracts.

Fairness Matters, The Fairer Fife Commission, November 2015 supports the need for NHS Fife to further embed its ethical practice to reduce health inequalities at a local level by increasing local procurement from local sources. Our intention to commission and procure local services by NHS Fife also enables us to contribute to addressing inequalities for local population by securing employment and local economic growth for all. NHS Fife continues to work within given NHS Services Scotland National Procurement Policy.

NHS Fife is fully committed to the prevention of bribery and corruption to bribery and its adherence to the Bribery Act 2010 is set out within the Fraud Policy, Code of Conduct and a range of Board policies and procedures.

Sustainability and Environmental Reporting

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

All designated Major Players (of which [insert name of NHS Board] 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>

NHS Fife, in line with the revised policy for NHS Scotland on the Climate Emergency and Sustainable Development DL (2021) 38, has a clear commitment to operating and developing sustainable practices. NHS Fife has an ambition to become an anchor institution in sustainable healthcare and to actively support sustainable care via local recovery and health and wellbeing promotion. The local Sustainability Forum is overseen by the Portfolio Board, the Executive Lead and the Board Champion, and the NHS Fife Board through the Public Health and Wellbeing Committee. The Sustainability and Energy Fora meet at quarterly intervals assisting the Board's work in delivering its sustainability targets and promoting preparation for climate change. The Sustainability Forum also has links with the Health and Wellbeing Group to coordinate efforts with other parts of the Board. The National Sustainability Assessment Tool is utilised as a benchmark to measure progress in other sustainability areas. A dedicated Waste Officer also oversees the work of reducing emissions and increasing recycling.

The energy group monitors progress towards meeting revised energy reduction, carbon reduction and other relevant targets and is composed of sector Estates Managers and PPP partners.

Work on improving sustainability across these areas is central to the Board's performance monitoring framework and is assessed continuously, being reported on annually via Scottish government reporting and policies via SSN.

As in previous years energy-saving measures such as boiler decentralisation and combined heat and power (CHP) installations together with replacement of lighting with more energy efficient LED lamps and the installation of photovoltaic cells are being pursued wherever practicable. PPP sites are utilising ground source heat pumps and Biomass boilers to reduce overall reliance on fossil fuels. The Board is adding more intelligent lighting controls and replacing historic outdated lighting and currently planning to use further Scottish Government funding to improve measures across the estate. A recent review identified a range of potential energy saving revenue and capital projects and an Energy Performance Contract has now been executed to deliver a range of these energy savings measures for the Board.

NHS Fife has increased the use of electric fleet vehicles and charging points. Over 60 cycle storage places have also been installed, actively increasing opportunities for wider ranging carbon savings, as well as many other measures.

Continued partnership working with Fife Council through active participation in the Addressing Climate Emergency Board, The Fife Environmental Partnership, and with other Boards through the East Region Climate Emergency and

Sustainability Group will result in benefits to the local population of Fife. The Board participates in numerous sustainability campaigns throughout the year such as Bike Week, Lift share Week, Cycle to Work and promotes these via intranet news items, web sites and staff newsletters

Signature: *Carol Potter*.....

Date: 02 August 2022

Carol Potter
Chief Executive and Accountable Officer
NHS Fife

ACCOUNTABILITY REPORT

Overview

The purpose of the Accountability Report is to set out how the Board meet key accountability requirements to Parliament. It comprises three key sections:

- Corporate Governance Report

This explains how NHS Fife has been governed during 2021/22, including membership and organisation of our governance structures and how they support the achievement of the objectives. The report includes the Directors' Report, the Statement of Accounting Officer's Responsibilities, and the Governance Statement. The Corporate Governance Report is set out from page 16.

- Remuneration and Staff Report

This sets out the remuneration policies for Non-Executive Directors and the Executive Directors and how these policies have been implemented for the reporting period, including salary information and pension liabilities. It also provides further detail on remuneration and staff expenditure. The Remuneration and Staff Report is set out from page 27.

- Parliamentary Accountability and Audit Report

This brings together key information to support accountability to Parliament, including a summary of losses and special payment, fees and charges and remote contingent liabilities. The Parliamentary Accountability and Audit Report is set out from page 35.

Corporate Governance Report

Directors' Report

Date of Issue

Financial statements were approved by the Board and authorised for issue by the Accountable Officer on 2 August 2022.

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 Brian Howarth, Audit Director, Audit Scotland to undertake the audit of Fife Health Board. 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 NHS Fife Board is a board of governance whose membership will be conditioned by the functions of the Board. Members of the NHS Board 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 NHS Fife Board has collective responsibility for the performance of the local NHS system as a whole, and reflects a partnership approach, which is essential to improving health and health care. NHS Board members are also Trustees of the Fife Health Board endowment funds held by the Fife Health Charity. The members of the NHS Fife Board who served during the year from 1 April 2021 to 31 March 2022 were as follows:

Non-Executive Members

Tricia Marwick	Chairperson
Rona Laing	Non-Executive Board Member / Vice Chairperson (from 01.04.21)
Martin Black	Non-Executive Board Member
Sinead Braiden	Non-Executive Board Member
Eugene Clarke	Non-Executive Board Member (until 31.07.21)
Christina Cooper	Non-Executive Board Member
Alastair Grant	Non-Executive Board Member (from 13.09.21)
Kirsty Macdonald	Non-Executive Board Member & Whistleblowing Champion
Mansoor Mahmood	Non-Executive Board Member (from 13.09.21)
Alistair Morris	Non-Executive Board Member
Margaret Wells	Non-Executive Board Member (until 31.07.21)
Arlene Wood	Non-Executive Board Member (from 13.09.21)
Wilma Brown	Stakeholder Member, Employee Director (Co-Chair, Area Partnership Forum)
Aileen Lawrie	Stakeholder Member (Chairperson, Area Clinical Forum)
Councillor David Graham	Stakeholder Member (Fife Councillor)

Executive Members

Carol Potter	Chief Executive
Janette Owens	Director of Nursing
Margo McGurk	Director of Finance & Strategy (and Deputy Chief Executive from 11.08.21)
Dr Chris McKenna	Medical Director
Dona Milne	Director of Public Health (until 03.06.21)
Dr Joy Tomlinson	Director of Public Health (from 01.06.21)

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 2022 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

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

- State where applicable accounting standards as set out in the Financial Reporting Manual have not been followed where the effect of the departure is material.
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Board will continue to operate.

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

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

Board Members and Senior Managers' Interests

Details of any interests of Board members, senior managers and other senior staff in contracts, or potential contractors, with the NHS Board, as required by IAS 24, are disclosed in Note 24.

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 Corporate Services Manager, Hayfield House, Hayfield Road, Kirkcaldy, KY2 5AH (fife.boardadministration@nhs.scot). A copy is also provided online at the following link:

<https://www.nhsfife.org/about-us/nhs-fife-board/register-of-board-interests/>

Directors' third-party indemnity provisions

Individual members of the NHS Board or the NHS Board as a group are covered by the NHS Board's Clinical Negligence and other Risks Indemnity Scheme (CNORIS) in respect of potential claims against them.

Remuneration for non-audit work

No non-audit work has been carried out by Audit Scotland or the Fife Health Charity auditors, Thomson Cooper, during 2021/22.

Value of Land

During the year the Board has had 100% of land revalued by the Valuation Office Agency, who have confirmed that the Board's Statement of Financial Position values do not significantly differ from market values.

Public Services (Scotland) Act 2010

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 imposed 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 Fife publishes the required information on the NHS Fife website at the following link:

<https://www.nhsfife.org/about-us/annual-reporting-and-strategic-planning/>

Information Governance and Security Incidents reported to the Competent Authority

One outstanding personal data-related incident / data protection breach from Financial Year 2020/21 was closed in April 2021, with the Information Commissioner (ICO) confirming they were taking no further action.

For Financial Year 2021/22, there were 14 incidents reported to the ICO and/or the Scottish Government. Of the 14 incidents, no further action was required for 12 of the incidents. At the time of writing, we await a response from the ICO on two incidents (one reported in January 2022, and one reported in February 2022).

Disclosure of Information to Auditors

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

Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Health Board

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

This designation carries with it the responsibility for:

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

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

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

I confirm that the Annual Report and Accounts as a whole are fair, balanced, and reasonable and 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 Officer's letter to me of 31 January 2020.

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. These financial statements consolidate the Health Board's Endowment fund, the Fife Health Charity. This statement includes any relevant disclosure in respect of these Endowment funds.

Purpose of Internal Control

The system of internal control is based on an ongoing process designed to identify, prioritise, and manage the principal 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 the risk of failure to achieve the organisation's aims and objectives. As such, it can only provide reasonable and not absolute assurance.

The process within the organisation accords with guidance from Scottish Ministers in the Scottish Public Finance Manual (SPFM) and supplementary NHS guidance and has been in place for the year up to the date of approval of the annual report and accounts.

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

Governance Framework

The Board has collective responsibility for health improvement, the promotion of integrated health and community planning through partnership working, involving the public in the design of healthcare services and staff governance.

Members of Health Boards, as detailed on page 16, 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 Board meets every two months to progress its business and holds a Development Session in intervening months to discuss topical and strategic issues for NHS Fife. The Code of Corporate Governance, which is revised on an annual basis, identifies Committees and Sub-Committees that report to the Board to help it fulfil its duties. In response to the pandemic during 2021/22, some governance meetings took place with prioritised agendas, as detailed in the *Covid-19 Pandemic – Governance Arrangements* section on page 26.

These include the following governance Committees:

- Clinical Governance;
- Audit & Risk;
- Staff Governance;
- Remuneration;
- Finance, Performance & Resources; and
- Public Health & Wellbeing

Clinical Governance Committee

Principal Function:

To provide the Board with the assurance that appropriate clinical governance mechanisms and structures are in place and effective throughout the whole of Fife Health Board's responsibilities, including health improvement activities.

Membership:

- Six Non-Executive or Stakeholder Members of the Board
- Chief Executive
- Medical Director
- Director of Nursing
- Director of Public Health
- A Staff Side Representative of NHS Fife Area Partnership Forum

- One Representative from the NHS Fife Area Clinical Forum
- One Patient Representative

Chair:

Christina Cooper, Non-Executive Board Member

Frequency of Meetings:

As necessary to fulfil its remit and not less than six times per year.

Audit & Risk Committee

Principal Function:

To provide the Board with the assurance that the activities of Fife Health Board are within the law and regulations governing the NHS in Scotland and that an effective system of internal control is maintained. The duties of the Audit and Risk Committee are in accordance with the Scottish Government Audit and Assurance Committee Handbook, dated March 2018, and associated Treasury guidance on assurance mapping.

Membership:

- Five Non-Executive or Stakeholder Members of the Board

Chair:

Martin Black, Non-Executive Board Member

Frequency of Meetings:

As necessary to fulfil its remit and not less than four times per year.

Staff Governance Committee

Principal Function:

To support the development of a culture within the health system where the delivery of the highest standard possible of staff management is understood to be the responsibility of everyone working within the system, and is built upon partnership and collaboration, and within the direction provided by the Staff Governance Standard.

Membership:

- Four Non-Executive Members of the Board
- Employee Director
- Chief Executive
- Director of Nursing
- Staff Side Chairpersons of the Local Partnership Forums

Chair:

Margaret Wells, Non-Executive Board Member (until 31 July 2021)
Sinead Braiden, Non-Executive Board Member (from 1 August 2021)

Frequency of Meetings:

As necessary to fulfil its remit but not less than four times a year.

Remuneration Committee

Principal Function:

To consider and agree performance objectives and performance appraisals for staff in the Executive cohort, to oversee performance arrangements for designated senior managers, and to direct the appointment process for the Chief Executive and Executive Members of the Board.

Membership:

- Fife NHS Board Chairperson
- Two Non-Executive Members of the Board
- Chief Executive
- Employee Director

Chair:

Tricia Marwick, Chairperson of Fife NHS Board

Frequency of Meetings:

As necessary to fulfil its remit but not less than three times a year.

Finance, Performance & Resources Committee**Principal Function:**

To keep under review the financial position and performance against key non-financial targets of the Board and to ensure that suitable arrangements are in place to secure economy, efficiency, and effectiveness in the use of all resources, and that the arrangements are working effectively.

Membership:

- Six Non-Executive or Stakeholder Members of the Board
- Chief Executive
- Director of Finance
- Medical Director
- Director of Nursing
- Director of Public Health

Chair:

Rona Laing, Non-Executive Board Member

Frequency of Meetings:

As necessary to fulfil its remit but not less than four times per year.

Public Health & Wellbeing Committee**Principal Function:**

To assure Fife NHS Board that NHS Fife is fully engaged in supporting wider population health and wellbeing for the local population, including overseeing the implementation of the population health and wellbeing actions defined in the Board's strategic plans and ensuring effective contribution to population health and wellbeing related activities.

Membership:

- Fife NHS Board Chairperson
- Three Non-Executive Members of the Board
- Employee Director
- Chief Executive
- Director of Finance & Strategy
- Director of Nursing
- Director of Public Health
- Medical Director

Chair:

Tricia Marwick, Chairperson of Fife NHS Board

Frequency of Meetings:

Initially, on a monthly cycle, though bi-monthly thereafter.

Other Governance Arrangements

The conduct and proceedings of the NHS Board are set out in the Standing Orders. These specify the matters which are solely reserved for the NHS Board to determine, the matters which are delegated under the scheme of delegation and the matters which are remitted to a Standing Committee of the NHS Board. In April 2020, the Board adopted the new national Model Standing Orders for NHS Boards, created to support the implementation of the NHS Blueprint for Good Governance, and to improve consistency across NHS Boards using this 'Once for Scotland' approach. There have been no amendments to the Standing Orders in 2021/22.

The Standing Orders also include the Code of Conduct that Board members must comply with, and, along with the Standing Financial Instructions, these documents are the focus of the NHS Board's annual review of governance arrangements. The annual review also covers updating the remits of the NHS Board's Standing Committees and a self-assessment of each Committee's effectiveness.

All committees of the Board are required to provide an Annual Statement of Assurance to the Audit & Risk Committee and Board, describing their membership, attendance, frequency of meetings, business addressed, outcomes and assurances provided, Best Value, risk management and to demonstrate they have fully fulfilled their roles and remit.

The format and content of these reports have been further expanded and improved in the current year, and a template for the respective sub-committees / groups that formally report into a Standing Committee has been followed to ensure consistency.

All NHS Board Executive Directors undertake a review of development needs as part of the annual performance management and development process. Access to external and national programmes in line with development plans and career objectives is also available. During 2021/22, the Executive Directors embarked on a programme of team coaching to further develop strong collaborative leadership and to establish an approach to model and enact ways of working and behaviours that are integral to the vision of NHS Fife and this work continues into 2022/23.

Ongoing work to improve Board effectiveness builds on the proposals originally approved by the Board in 2017 and 2018, in relation to the Chair's review of governance arrangements in NHS Fife. It also reflects the requirements of the NHS Scotland Blueprint for Good Governance (<https://learn.nes.nhs.scot/28418/board-development/blueprint-for-good-governance>), which has been implemented across all Boards. In mapping the Board's arrangements for governance against the standards given in the national Blueprint, detailed consideration has been given as to whether the right systems are in place to provide appropriate levels of assurance and to identify areas where improvements can be made. A recent internal audit review has been undertaken of NHS Fife's compliance with the Blueprint, with the conclusion that 'comprehensive assurance' can be taken from the implementation work progressed thus far. National work aimed at developing the individual workstreams from the Blueprint has largely paused during the pandemic period. However, the Board participated in an Active Governance all-day workshop in November 2021, facilitated by national colleagues from the Board Development team. A series of actions were identified as an outcome of this session, including reviewing the data provided in the Board's regular performance reporting and enhancing the presentation of risk, both of which are being taken forward by short life working groups, with the ambition to conclude both by summer 2022.

During 2019, Board members were each invited to complete a diagnostic self-assessment questionnaire assessing the Board against the Blueprint's initial requirements, to identify common themes and areas for improved effectiveness at Board-level. The outcome of the self-assessment process was presented to Board members at the April 2019 Development Session and, following discussion, an action plan was approved at the May 2019 Board meeting. Progress updates were considered by the Board in November 2019 and September 2020. A summary of the most recent self-assessment process undertaken in December 2021, noting the largely positive evaluation of governance arrangements in place in NHS Fife and completion of the initial Blueprint action plan, can be found at the link below: https://www.nhsfife.org/media/36723/boardblueprint_dec21.pdf

Each year, each Board committee also undertake a detailed self-assessment exercise, via the format of an online questionnaire surveying both members and attendees for their feedback. The regular review of Board committee effectiveness is an important tool in identifying areas where improvements can be made, such as in enhancing training opportunities, and is a central part of the internal year-end assurance process.

The Chief Executive is accountable to the NHS Board through the Chair of the Board. The Remuneration Committee agrees the Chief Executive's annual objectives in line with the Board's strategic and corporate plans.

Non-Executive Directors have a supported orientation to the organisation, as well as a series of development sessions. An enhanced induction programme has been established to support new members and a dedicated Induction Pack (available at <https://www.nhsfife.org/about-us/nhs-fife-board/board-members-induction-pack/>) is update on a rolling basis. This programme, developed originally by NHS Fife, has been used to create national guidance issued to all Boards across Scotland, as an example of best practice. Opportunities for ongoing member support also exist at a national level via the NHS Scotland Board Development website (<https://learn.nes.nhs.scot/17367/board-development>) and related resources, and discussions around individual member development are a key part of the annual appraisal process of each member by the Chair.

To ensure that the NHS Board complies with relevant legislation, regulations, guidance and policies, a distribution process is in place to ensure that all Circulars and communications received from the Scottish Government Health and Social Care Directorate (SGHSCD), internal policies and procedures, are directed to Senior Managers who are held responsible for implementation. A dedicated Covid-19 log has continued to operate throughout the current year to capture and track all relevant correspondence. A process to monitor compliance with regulations and procedures laid down by Scottish Ministers and the SGHSCD is in place.

In accordance with the principles of Best Value, the Board aims to foster a culture of continuous improvement. The Board Committees support the Board in delivering best value through the relevant focus within their Terms of Reference and the annual work-plans. Directors and Managers are encouraged to review, identify, and improve the efficient and effective use of resources.

During 2021/22, NHS Fife has implemented the National Whistleblowing Standards, introduced to all Boards from 1 April 2021. A dedicated Whistleblowing Champion took up position on the Board as a full Non-Executive Member in April 2021. The Board's Staff Governance Committee has undertaken review of the National Whistleblowing Standards

and have overseen their adoption locally, including the initial cycle of regular reporting on the number of cases raised under the Standards and also any anonymous concerns raised. The Board is committed to achieving the highest possible standards of service and the highest possible ethical standards in public life in all of its practices. To achieve these ends, it encourages staff to use internal mechanisms for reporting any fraud, malpractice or illegal acts or omissions by its staff. The Board wishes to create a working environment which encourages staff to contribute their views on all aspects of patient care and patient services. All staff have a duty to protect the reputation of the service they work within. The Board does not tolerate any harassment or victimisation of staff using this policy, and treats this as a serious disciplinary offence, managed under the Board's Management of Employee Conduct policy.

There is a well-established complaints system in place whereby members of the public can make a formal complaint to the Board regarding care or treatment provided by or through the NHS, or how services in their local area are organised if this has affected care or treatment. Information on our complaints procedures is available on the NHS Fife website.

The Board is committed to working in partnership with staff, other public sector organisations and the third sector. NHS Fife strives to consult all of its key stakeholders. We do this in a variety of ways. How we inform, engage, and consult with patients and the public in transforming services is an important part of how we plan for the future. To fulfil our responsibilities for public involvement, we routinely communicate with, and involve, the people and communities we serve, to engage with them on our plans and performance.

An Integrated Performance & Quality Report (IPQR) was presented to each Clinical Governance Committee, Finance, Performance & Resources Committee, Staff Governance Committee and Board meeting. This provides detailed monitoring information on a range of measures covering financial and clinical delivery. The ongoing impact of Covid-19 on performance against key metrics has been significant and the Board notes the challenges to be faced in recovering the position, particularly in relation to reducing waiting times and the number of referrals. As a result of the Covid-19 measures and the Covid-19 activity surges experienced throughout last year, the performance management framework was replaced nationally by performance against projected activity. The NHS Board also considers at each meeting the most up-to-date information available in relation to the financial position. In addition, an Executive Summary is prepared for the NHS Board and incorporates all matters escalated by each Committee from its own review of the IPQR. A review of the IPQR's content and format is currently underway, to address actions from the Board's Active Governance session and to ensure it remains relevant and clear to Board members.

A robust action plan was developed following Health Improvement Scotland (HIS) external inspection visit to Victoria Hospital (4-6 May 2021), which was focused on the Board's Covid-19 control measures. The report is available at https://www.healthcareimprovementscotland.org/our_work/inspecting_and_regulating_care/hosp_nhs_fife/victoria_hospital_jun_21.aspx. The inspection resulted in the identification of seven areas of good practice (largely related to robust infection control measures being in place, safeguarding patient, staff, and visitor health during the pandemic) and two requirements for further action. The two requirements for further action related to, firstly, ensuring that an enhanced in-patient Covid-19 testing protocol was in place and, secondly, to ensuring that the condition of both patient equipment and the environment in wards in the older part of the Victoria Hospital building allows for effective decontamination until the wards are relocated as planned. The action plan created in response to the inspection has now been completed and a report submitted thereon to the Board's Clinical Governance Committee.

During 2021/22 the Board, as the Corporate Trustee for the Fife Health Charity, kept under review the overall governance for charitable funds, including the approach to the management and oversight of funds.

Integration Joint Board (IJB)

A number of NHS Fife Board Members also have a role on the Integration Joint Board and its Committees and maintain responsibility for their respective professional remits at all times. The Director of Health & Social Care as the Accountable Officer for the IJB is also a direct report to the NHS Fife Chief Executive. The Chief Executive maintains responsibility for all aspects of governance relating to health services across Fife.

Minutes of the IJB's Clinical & Care Governance Committee are considered at the Clinical Governance Committee of the NHS Board and an annual assurance statement is also provided from the IJB's Chief Internal Auditor and the IJB's Clinical & Care Governance Committee to support the assurance process. The Integrated Performance & Quality Report encompasses all aspects of delegated services.

The approach adopted for health and social care within Fife is the 'fully delegated' model, with the IJB responsible for governance and assurance of all operational activities for its delegated functions. During 2021/22 the NHS Board and supporting governance committees maintained an overarching assurance role in relation to both clinical and financial governance, and therefore oversight of the adequacy and effectiveness of controls for delegated functions. The operational and governance framework of the IJB continues to be developed, to ensure clarity and consistency of approach.

A joint local review of the Fife Integration Scheme was originally scheduled to conclude by 31 March 2020 (as per the five-year review cycle required by legislation). The review of the Scheme was delayed due to the Covid-19 pandemic and an extension to the submission date, to December 2021, was granted by the Scottish Government. The review successfully concluded by this timescale and the revised Scheme received formal sign-off by the Scottish Government on 8 March 2022. The format of the reviewed Scheme continues to follow the Model Integration Scheme introduced across Scotland, and the Fife version has been refreshed to give more clarity to the agreed governance and assurance arrangements and to remove repetition and duplication. The main changes can be summarised as follows:

- Improved clarification around the role of the Chief Officer in respect of operational direction and accountability to the IJB, in addition to their role overseeing clinical and care governance.
- Enhanced clarity around the responsibilities and accountabilities of NHS Fife and Fife Council for clinical and care governance and the professional roles held by the Executive Nurse Director, the Executive Medical Director, and the Chief Social Work Officer.
- Clarification that the IJB will ensure mechanisms to discharge its statutory responsibilities for the delivery of integrated health and social care services, health and wellbeing outcomes, the quality aspects of integrated functions for strategic planning and public involvement and delivery, monitoring and reporting on integration thought Localities, Directions, and its Annual Performance Report.
- Removal of specific reference to the IJB's Clinical & Care Governance Committee, Finance & Performance Committee and Audit & Risk Committee, to enable the IJB to develop and reflect its own Scheme of Delegation for its operation.
- Changes to the financial basis upon which the parties share the cost of overspends or underspends incurred by the IJB.

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:

- Discussions with Executive Directors and senior managers who are responsible for developing, implementing, and maintaining internal controls across their areas.
- Annual Statements of Assurance from each Director.
- Reports from other inspection bodies.
- The work of the internal auditors, who submit regular reports to the Audit & Risk Committee, which include their independent and objective opinion on the effectiveness of risk management, control, and governance processes, together with recommendations for improvement.
- The work of the external auditors, which includes their independent and objective opinion on the audit of the annual report and accounts, their review of key financial systems and consideration of the four key audit dimensions in their Annual Report.
- The completion of self-assessment questionnaires considering the Board's own performance and that of its Committees.
- The range of topics covered at Board Development Sessions, to develop the knowledge, awareness, and engagement of both Executive and Non-Executive Board members on strategic matters.
- The effectiveness of the Board's agreed approach to Risk Management.
- The work of the other assurance Committees and groups supporting the Board: Staff Governance Committee, Remuneration Committee, Finance, Performance & Resources Committee, Public Health & Wellbeing Committee, and the Clinical Governance Committee (which also embraces Information Governance & Security).

For the year 2021/2022 the Service Audit Reports in relation to the NSI financial ledger services and IT services were unqualified. In addition, the report in relation to Practitioner and Counter Fraud Services is unqualified. The Auditors did however provide an emphasis of Matter paragraph highlighting that the post payment verification services were not performed for any of the three payment streams (general medical services payments, general dental services payments and general ophthalmic services payments) throughout the period 1 April 2021 to 31 March 2022 by NSS. This decision was in line with Scottish Government circulars and due to the ongoing nature of interim payment structures across the three payment streams, alongside a low level of items of service claimed. It had not therefore, been necessary to carry out post payment verification work on items of service claims as the level of these claims has little, if any, financial impact on payments made. Across the three services, minimal overall payments are determined by individual patient claims, and therefore post payment verification and checking analysis of levels of claims has not been considered an integral part of some of the payment calculations. The Auditors confirmed that their opinion is not modified in respect of this matter.

Data Quality

The Board receives a range of reports which include financial, clinical, and staffing information. In general, these reports are considered by the Executive Directors Group and at a Governance Committee prior to being discussed at the Board. This allows for detailed consideration and scrutiny of the content, completeness and clarity of the information being provided to the Board.

Assurance on the information included in reports also comes from the overall approach to the management of information (overseen by the Information Governance & Security Steering Group) and validation processes and assurances on the quality of information provided from internal audit and other scrutiny bodies. I can confirm that there were no significant control weaknesses or issues reported at the year-end which the Information Governance & Security Steering Group considered should be disclosed in the Governance Statement, as they may have impacted financially or otherwise in the year or thereafter.

Risk Management

The Chief Executive of the NHS Board, as Accountable Officer, whilst personally answerable to Parliament, is ultimately also accountable to the Board for the effective management of risk.

NHS Scotland bodies are subject to the requirements of the Scottish Public Finance Manual (SPFM) and must operate a risk management strategy in accordance with relevant guidance issued by Scottish Ministers. The general principles for an effective risk management strategy are set out in the SPFM.

All of the key areas within the organisation maintain a risk register. The risk registers are held in Datix, the Risk Management Information System. The Risk Management team provide training and support in response to the needs of individuals and teams.

During 2021/22, the high-level risks identified as having the potential to impact on the delivery of NHS Fife's strategic priorities, and related operational high-level risks, were reported bi-monthly through the Board Assurance Framework (BAF) to the governance committees, and subsequently to the Audit & Risk Committee and the Board. Due to the emerging Omicron wave of Covid-19 infection and resultant system pressures, the January 2022 governance committees took place with condensed agendas prioritised to reflect Covid-19 related business, which did not include the BAF. There was however frequent reporting to the full Board during this period on the impact of Omicron and the risks emerging from it. Regular reports recommenced as scheduled to the committees in March 2022.

NHS Fife is committed to maintaining and fully embracing an effective risk culture across the organisation. To this end risk management development sessions with the EDG on 23 September 2021 and at the Board Development Session on 21 December 2021 took place to initiate the plan to refresh the NHS Fife Risk Management Framework. These sessions discussed a range of aspects of risk management and created an improvement plan to support the active governance of risk which includes the following improvements and developments:

- a review of the Board Risk Appetite Statement
- a review of the current Board Strategic Risk Profile
- the establishment of a Corporate Risk Register to replace the current Board Assurance Framework
- the creation of a risk dashboard to complement the updated Integrated Performance and Quality Report (IPQR) and to support effective performance management
- an updated process to support the escalation, oversight, and governance of risk and
- the creation of a Risks and Opportunities Group.

Good progress is being made with this improvement plan which will support operational teams to identify and manage risks effectively and will also refocus reporting to the Board on corporate level risk. The plan will ensure alignment with the SPRA process to identify organisational or external risks associated with the delivery of corporate objectives. It will also support the identification and mitigation of risks identified through development and delivery of the Population Health and Wellbeing Strategy.

This work is underpinned by acknowledgment of the need to promote a culture that encourages the proactive identification and mitigation of risks from ward to Board.

During 2020/21, the Director of Finance & Strategy, as Executive Lead for Risk Management, reported on all of the above to the Audit & Risk Committee. The outcomes from this improvement work will be reported to the Board in June 2022 for implementation thereafter.

Strategy Development and Strategic Planning and Resource Allocation (SPRA) process

In April 2021, the NHS Fife Board agreed to the development of a new organisational strategy, focused on delivering excellence in clinical care, reducing health and inequalities, and improving population health and wellbeing for the people of Fife. The development of the new strategy has been slower than originally planned, due to the ongoing impact of Covid-19 pressures on our services. However, work has continued on our annual Strategic Planning & Resource Allocation (SPRA) process, to create a transitional 1-year Strategic Plan and specific objectives for 2022/23, including a proposed financial plan. This 1-year plan was reviewed by the governance committees and approved by the Board in March 2022.

The proposal for the progression of the medium to longer-term Population Health & Wellbeing strategy, envisages that we will embark on a series of specific activities during April through to December 2022 to progress this work. The proposed sequencing of activities reflects the interdependence between activities and how each individually influences the development of our strategy. At each stage of development, the governance committees and the Board will review, influence, and prioritise this work. This iterative engagement reflects the importance of the Board role in supporting and guiding strategy development and delivery for the organisation.

Covid-19 Pandemic – Governance Arrangements

The business of the Board during the year continued to be impacted greatly by the need for NHS Fife as a whole to address the ongoing challenges of the global pandemic, with all NHS Boards operating on an emergency footing basis and consequently under the direction of the Scottish Government. Given the recent assessment of the status and impact of the pandemic, all Boards were notified by the Director General Health and Social Care on 29 April 2022 that the emergency footing basis would cease from 1 May 2022. The Board continued to hold its bi-monthly meetings remotely, utilising videoconferencing via MS Teams, with a prioritised agenda in place for Board meetings at times of extremely high clinical activity and pressure. Whilst it has not been possible to meet physically in a public setting due to the ongoing lockdown restrictions and social distancing measures, from the May 2020 Board meeting onwards, representatives from the local media were invited to listen in via Teams. Arrangements for members of the public to join virtual meetings have also been in place since shortly after that date, with NHS Fife one of the first Boards to establish a process for remote public access. Board papers continue to be published in advance on the NHS Fife website, as do the Board minutes after each meeting has taken place. Given the lifting of most restrictions during April 2022 the Board has begun consideration of the plan required to begin to meet face-to-face where it is safe and appropriate to do so. This was tested successfully at our first face to face meeting for 2 years at a development session of the Board in April 2022.

During times of high activity, weekly meetings of the Chair, Vice-Chair and members of the Executive Team were held, with a detailed note circulated to Board members for their information. The Chair and Vice-Chair additionally had regular contact with the Chief Executive and other key members of the Executive Team on priority items as and when required. Regular meetings with local elected representatives (MPs/MSPs) also continued to operate on a monthly basis.

Agendas for Committee meetings during the year have reflected the priorities of the Board's ongoing response to Covid-19, in addition to the consideration of business otherwise requiring formal approval or scrutiny for assurance purposes. The Chair, Vice-Chair and Committee Chairs have liaised closely with the Executive Team to identify what business must be considered by the Board and its committees and what must be prioritised in agenda planning. In the period covered by this report, some routine business was suspended or deferred, with a number of meetings running with prioritised agendas. Each Committee's workplan has, however, been reviewed to ensure that new items related to Covid-19 have been covered appropriately and that the required assurances could be provided to the Board as part of the year-end process.

During the initial phase of the pandemic, NHS Fife established an organisational command structure to provide direction, decision-making, escalation, and communication functions during the busiest times of activity. The Gold Command meeting process, utilised successfully in the first two phases of the pandemic, was re-introduced in July 2021, to respond to the impact of rising Covid-19 case numbers. Meetings continued on a regular basis since then, increasing in frequency over the 2021/22 winter period, particularly in response to the Omicron wave of infections. A supporting sub-structure of Silver and Bronze commands also continued to meet, to provide rapid response and direction to address key operational pressures. Routine meetings, such as the fortnightly formal Executive Directors' Group (EDG) meeting, have resumed, and a new monthly Portfolio Board has been established to take forward the individual workstreams of NHS Fife's new Population Health & Wellbeing Strategy development work.

Disclosures

During the 2021/22 financial year, no other significant control weaknesses or issues have arisen, in the expected standards for good governance, risk management and control.

Remuneration and Staff Report

Board Members' and Senior Employees Remuneration

The Remuneration Committee is a standing committee of the Board. This Committee meets as necessary, with a minimum of three meetings per year. It considers and agrees performance objectives and performance appraisals for staff in the Executive Cohort and oversees implementation of performance management arrangements for other senior managers.

The membership comprises the Board Chairperson, two Non-Executive Board members and the Employee Director. The Director of Workforce attends the Committee in a professional advisory capacity, as does the Board Chief Executive. (Both leave for matters relating to their own performance and remuneration).

Board Members and senior managers are remunerated in accordance with approved national pay rates. All posts at this level are subject to rigorous job evaluation arrangements and the pay scales applied reflect the outcomes of these processes. All extant policy guidance issued by the Scottish Government Health and Social Care Directorate (SGHSCD) has been appropriately applied and agreed by the Remuneration Committee.

Details in the remuneration report have been audited with the exception of Staff Composition, Sickness Absence data and Staff Policies applied during the year sections which have been checked for consistency with the rest of the financial statements.

Directors and Senior Employees Remuneration (Audited Information)

The following table provides details on the remuneration of the Executive Directors, Non-Executive Directors and Senior Employees for 2021/22.

	Gross Salary (Bands of £5,000)	Benefit in Kind £'000	Total Earnings in Year (Bands of £5,000)	Pension Benefits (£'000)	Total Remuneration (Bands of £5,000)
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
Executive Members					
Carol Potter, Chief Executive	135 - 140		135 - 140	106	240 - 245
Margo McGurk, Director of Finance, Strategy & Deputy Chief Executive (12) & (14)	115 - 120		115 - 120	50	165 - 170
Dr Christopher McKenna, Medical Director	170 - 175		170 - 175	46	215 - 220
Dona Milne, Director of Public Health (1) & (12)	15 - 20		15 - 20	5	20 - 25
Janette Owens, Director of Nursing	95 - 100	3	100 - 105	42	140 - 145
Dr Joy Tomlinson, Director of Public Health (2) & (12)	95 - 100		95 - 100	103	200 - 205
Non-Executive Members					
Patricia Marwick, Chairperson	30 - 35		30 - 35		20 - 35
Catriona Laing, vice Chairperson (13)	25 - 30		25 - 30		25 - 30
Martin Black	15 - 20		15 - 20		15 - 20
Sinead Braiden	10 - 15		10 - 15		10 - 15
Eugene Clarke (3) & (12)	0 - 5		0 - 5		0 - 5
Christina Cooper	15 - 20		15 - 20		15 - 20
Alistair Grant (4) & (12)	0 - 5		0 - 5		0 - 5
Kirstie MacDonald	5 - 10		5 - 10		5 - 10
Mansoor Mahmood (5) & (12)	0 - 5		0 - 5		0 - 5
Alistair Morris	10 - 15		10 - 15		10 - 15
Margaret Wells (6) & (12)	5 - 10		5 - 10		5 - 10
Arlene Wood (7) & (12)	5 - 10		5 - 10		5 - 10
Stakeholders					
Wilma Brown, Employee Director	70 - 75		70 - 75	20	90 - 95
Councillor David Graham, Fife Council Representative (16)	5 - 10		5 - 10		5 - 10
Aileen Lawrie, Chairperson, Area Clinical Forum	85 - 90		85 - 90	68	155 - 160
Other Senior Employees					
Claire Dobson, Director of Acute Services (8)	95 - 100		95 - 100	57	155 - 160
Linda Douglas, Director of Workforce	105 - 110		105 - 110	28	135 - 140
Scott Garden, Director of Pharmacy and Medicines (9)	95 - 100		95 - 100	25	120 - 125
Benjamin Hannan, Director of Pharmacy (10) & (12)	10 - 15		10 - 15	5	15 - 20
Neil McCormick, Director of Property and Asset Management	100 - 105		100 - 105	25	125 - 130

Notes

1. Donna Milne, Director of Public Health until 03/06/21
2. Dr Joy Tomlinson, Director of Public Health from 01/06/21
3. Eugene Clarke, Non-Executive until 31/07/21
4. Alistair Grant, Non-Executive from 13/09/21
5. Mansoor Mahmood, Non-Executive from 13/09/21
6. Margaret Wells, Non-Executive until 31/07/21
7. Arlene Wood, Non-Executive from 13/09/21
8. Claire Dobson, Director of Acute Services (interim from 22/09/20, appointed from 29/07/21)
9. Scott Garden, Director of Pharmacy and Medicine until 28/02/22
10. Benjamin Hannan, Director of Pharmacy and Medicine from 14/02/22
11. N Connor is the Chief Officer for the Fife integration Joint Board; her salary and pension information is disclosed in the remuneration report of the IJB Accounts. In this role she is also classified as an 'Other Senior Employee' of NHS Fife.
12. The full year equivalent total earnings calculations in bands of £5,000 are as follows:
Dr Joy Tomlinson Director of Public Health (115 - 120),
Eugene Clarke, Non-Executive (10 - 15),
Alistair Grant, Non-Executive (5 - 10),
Mansoor Mahmood, Non-Executive (5 - 10),
Margaret Wells, Non-Executive (15 - 20),
Arlene Wood, Non-Executive (10 - 15),
Benjamin Hannan, Director of Pharmacy (105 - 110),
Donna Milne, Director of Public Health (95 - 100),
Scott Garden, Director of Pharmacy (105 - 110),
Margo McGurk, Director of Finance, Strategy and Deputy Chief Executive (115 - 120).
13. Catriona Laing, Vice Chairperson from 01/04/21.
14. Margo McGurk, Deputy Chief Executive from 11/08/21.
15. There were no performance related bonuses payable for 2021/22.
16. Appears in remuneration table only as no pension benefits held with NHS Fife.

The following table provides details on the remuneration of the Executive Directors, Non-Executive Directors and Senior Employees for 2020/21.

	Gross Salary (Bands of £5,000)	Benefit in Kind £'000	Total Earnings in Year (Bands of £5,000)	Pension Benefits (£'000)	Total Remuneration (Bands of £5,000)
Executive Members					
Carol Potter, Chief Executive	115 - 120		115 - 120	97	210 - 215
Dona Milne, Director of Public Health	100 - 105		100 - 105	23	125 - 130
Helen Buchanan, Director of Nursing (2)	105 - 110	1.7	105 - 110	96	205 - 210
Dr Christopher McKenna, Medical Director	160 - 165		160 - 165	40	200 - 205
Margo McGurk, Director of Finance & Strategy (3)	105 - 110		105 - 110	16	120 - 125
Janette Owens, Director of Nursing (4) (6) (13)	85 - 90	3.3	85 - 90	24	110 - 115
Non-Executive Members					
Patricia Marwick, Chairperson	30 - 35		30 - 35		30 - 35
Dr Leslie Bisset, Vice Chairperson (14)	25 - 30		25 - 30		25 - 30
Katy Miller (5) (13)	5 - 10		5 - 10		5 - 10
Martin Black	15 - 20		15 - 20		15 - 20
Christina Cooper	10 - 15		10 - 15		10 - 15
Catriona Laing	15 - 20		15 - 20		15 - 20
Alistair Morris	5 - 10		5 - 10		5 - 10
Eugene Clarke	10 - 15		10 - 15		10 - 15
Margaret Wells	15 - 20		15 - 20		15 - 20
Sinead Braiden	5 - 10		5 - 10		5 - 10
Stakeholders					
Wilma Brown, Employee Director (6)	65 - 70		65 - 70	44	110 - 115
Councillor David Graham, Fife Council Representative (16)	5 - 10		5 - 10		5 - 10
Aileen Lawrie, Chairperson, Area Clinical Forum (6) & (7)	5 - 10		5 - 10	49	55-60
Other Senior Employees					
James Crichton, Transformation Programme Director (8)	100 - 105		100 - 105		100 - 105
Linda Douglas, Director of Workforce	100 - 105		100 - 105	25	125 - 130
Scott Garden, Director of Pharmacy and Medicines	100 - 105		100 - 105	25	130 - 135
Andrew Fairgrieve, Director of Estates, Facilities & Capital Services (9)	95 - 100		95 - 100	26	120 - 125
Claire Dobson, Interim Director of Acute Services (10) (13)	50 - 55		50 - 55	73	120 - 125
Neil McCormick, Director of Property and Asset Management (11) (13)	15 - 20		15 - 20	4	20 - 25

Notes

- Paul Hawkins, Seconded as Chief Executive to NHS Highland from 27/01/20 until 16/12/20 (NHS Highland met all costs until 16/12/20)
- Helen Buchanan, Director of Nursing until 31/03/21
- Margo McGurk, Director of Finance and Strategy from 01/01/21. Prior to this she was Director of Finance from 1 April 2020 and was seconded from NHS 24.
- Janette Owens, Chairperson, Area Clinical Forum until 03/01/21. Appointed Director of Nursing from 04/01/21
- Katy Miller, until 30/11/20
- Includes non-Board remuneration of £65k-£70k for Janette Owens, £65k - £70k for Wilma Brown and £5k - £10k for Aileen Lawrie
- Aileen Lawrie, Chairperson, Area Clinical Forum from 01/03/21
- James Crichton, Seconded to H&SCP Senior Team to assist with Covid-19 from April 2020 until March 2021
- Andrew Fairgrieve, Director of Estates, Facilities and Capital Services until 31/03/21
- Claire Dobson, Interim Director of Acute Services from 22/09/20
- Neil McCormick, DOC Director of Property and Asset Management from 01/02/21
- Nicky Connor is the Chief Officer for the Fife integration Joint Board; her salary and pension information is disclosed in the remuneration report of the IJB Accounts. In this role she is also classified as an 'Other Senior Employee' of NHS Fife.
- The full year equivalent total earnings calculations in bands of £5,000 are as follows:
Janette Owens, Director of Nursing (£80k - £85k), Katy Miller (£5k - £10k),
Claire Dobson, Interim Director of Acute Services (£95k - £100k), Neil McCormick, Director of Property and Asset Management (£95k - £100k)
- Dr Les Bisset, Vice Chairperson until 31/03/21
- There were no performance related bonuses payable for 2020/21
- Appears in remuneration table only as no pension benefits held with NHS Fife.

Directors and Senior Employees Pension Benefits (Audited Information)

The following table shows the pension benefits of the Executive Directors, Non-Executive Directors and Senior Employees for 2021/22.

	Total accrued pension at pension age (Bands of £5,000)	Accrued Lump sum at pension age (Bands of £5,000)	Real increase in pension at pension age (Bands of £2,500)	Real increase in lump sum at pension age (Bands of £2,500)	CETV at 31 March 2021 (£'000)	CETV at 31 March 2022 (£'000)	Real Increase in CETV in year (£'000)
Executive Members							
Carol Potter, Chief Executive	45 - 50	100 - 105	5 - 7.5	7.5 - 10	763	876	113
Margo McGurk, Director of Finance and Strategy	30 - 35	100 - 105	2.5 - 5	7.5 - 10	732	818	86
Dr Christopher McKenna, Medical Director	15 - 20	0	2.5 - 5	0	150	188	38
Dona Milne, Director of Public Health	5 - 10	0	0 - 2.5	0	57	63	6
Janette Owens, Director of Nursing	15 - 20	10 - 15	2.5 - 5	0 - 2.5	231	284	53
Joy Tomlinson, Director of Public Health	50 - 55	0	5 - 7.5	0	597	702	105
Stakeholders							
Wilma Brown, Employee Director	15 - 20	35 - 40	0 - 2.5	0 - 2.5	351	377	26
Aileen Lawrie, Chairperson, Area Clinical Forum	30 - 35	95 - 100	2.5 - 5	7.5 - 10	628	710	82
Other Senior Employees							
Claire Dobson, Interim Director of Acute Services	30 - 35	70 - 75	2.5 - 5	2.5 - 5	509	568	59
Linda Douglas, Director of Workforce	0 - 5	0	0 - 2.5	0	33	63	30
Scott Garden, Director of Pharmacy and Medicines	5 - 10	0	0 - 2.5	0	37	58	21
Benjamin Hannan, Director of Pharmacy and Medicine	10 - 15	0	2.5 - 5	0	84	106	22
Neil McCormick, Director of Property and Asset Management	0 - 5	0	0 - 2.5	0	4	30	26

The following table shows the pension benefits of the Executive Directors, Non-Executive Directors and Senior Employees for 2020/21.

	Total accrued pension at pension age (bands of £5,000)	Accrued Lump sum at pension age (Bands of £5,000)	Real increase in pension at pension age (Bands of £2,500)	Real increase in lump sum at pension age (Bands of £2,500)	CETV at 31 March 2020 (£'000)	CETV at 31 March 2021 (£'000)	Real Increase in CETV in year (£'000)
Executive Members							
Carol Potter, Chief Executive	40 - 45	85 - 90	5.0 - 7.5	7.5 - 10	639	740	101
Helen Buchanan, Director of Nursing	40 - 45	130 - 135	2.5 - 5.0	12.5 - 15	847	972	111
Dona Milne, Director of Public Health	0 - 5	0	0 - 2.5	0	33	55	22
Dr Christopher McKenna, Medical Director	15 - 20	0	2.5 - 5.0	0	113	146	33
Margo McGurk, Director of Finance and Strategy	30 - 35	90 - 95	0 - 2.5	2.5 - 5	663	710	32
Janette Owens, Director of Nursing	10 - 15	5 - 10	0 - 2.5	0 - 2.5	190	224	34
Stakeholders							
Wilma Brown, Employee Director	15 - 20	35 - 40	0 - 2.5	2.5 - 5	291	340	49
Aileen Lawrie, Chairperson, Area Clinical Forum	25 - 30	85 - 90	2.5 - 5	7.5 - 10	542	609	57
Other Senior Employees							
Scott Garden, Director of Pharmacy and Medicines	0 - 5	0	0 - 2.5	0	17	36	19
Linda Douglas, Director of Workforce	0 - 5	0	0 - 2.5	0	6	32	26
Andrew Fairgrieve, Director of Estates, Facilities & Capital Services	15 - 20	0	0 - 2.5	0	271	310	39
Claire Dobson, Interim Director of Acute Services	30 - 35	60 - 65	2.5 - 5	5 - 7.5	423	491	68
Neil McCormick, Director of Property and Asset Management	0 - 5	0	0 - 2.5	0	0	3	3

Fair Pay Disclosure

Reporting bodies are required to disclose the relationship between remuneration of the highest paid director in the organisation and the median remuneration of the organisation's workforce as set out in the table below.

	2022	2021	% Change
Range of staff remuneration	1- 240	1-215	4
Highest earning Director's total remuneration (£000s)	170 - 175	160 - 165	6
Median (<i>total pay & benefits</i>)	30,093	-	-
Median (<i>salary only</i>)	30,082	29,532	2
Ratio	5.75:1	5.50:1	4.50
25th Percentile (<i>total pay & benefits</i>)	22,722.00	-	-
25th Percentile (<i>salary only</i>)	22,719.00	22,567.00	0.70
Ratio	7.61:1	7.2:1	5.60
75th Percentile Pay (<i>total pay & benefits</i>)	39,174.00	-	-
75th Percentile Pay (<i>salary only</i>)	39,113.00	37,790.00	3.50
Ratio	4.42:1	4.3:1	2.30

As of 27th May 2021, the Scottish Government confirmed the full settlement for pay and conditions for NHS staff covered by the Agenda for Change Agreement. The settlement represents an overall average uplift of 4% in Agenda for Change pay and is the main reason for the increase in median pay. The Highest Earning Directors (Medical Director) salary increased at a higher rate than the overall average uplift and this has been the cause of the ratios all increasing in year. There has been a 24% increase in headcount in year with a predominance in the recruitment to Band 5 as a result of the Covid-19 pandemic which has influenced the movements in the higher end of the percentile pay.

Staff Report Higher Paid Employees' Remuneration (*Audited Information*)

The headcount of senior staff as at the 31 March of each year

Employees whose remuneration fell within the following ranges:	2022 Number	2021 Number
Clinicians		
£ 70,001 to £ 80,000	50	54
£ 80,001 to £ 90,000	38	38
£ 90,001 to £100,000	48	38
£100,001 to £110,000	42	46
£110,001 to £120,000	55	42
£120,001 to £130,000	29	34
£130,001 to £140,000	22	26
£140,001 to £150,000	20	19
£150,001 to £160,000	15	17
£160,001 to £170,000	15	10
£170,001 to £180,000	10	5
£180,001 to £190,000	5	4
£190,001 to £200,000	2	2
£200,001 and above	1	2
Other		
£ 70,001 to £ 80,000	10	11
£ 80,001 to £ 90,000	5	5
£ 90,001 to £100,000	10	7
£100,001 to £110,000	4	7
£110,001 to £120,000	1	1
£120,001 to £130,000	0	0
£130,001 to £140,000	1	0
£140,001 to £150,000	0	0
£150,001 to £160,000	0	0
£160,001 to £170,000	0	0
£170,001 to £180,000	0	0
£180,001 to £190,000	0	0
£190,001 to £200,000	0	0
£200,001 and above	0	0

Staff Numbers and Costs

Staff Costs

	Executive Board Members	Non-Executive Members	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	2022 TOTAL	2021 TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000
EMPLOYEE EXPENDITURE								
Salaries and wages	640	326	338,997			(267)	339,696	320,945
Taxation & Social security costs	85	30	32,451			(86)	32,480	29,775
NHS scheme employers' costs	132	29	60,299			(57)	60,403	55,426
Other employers' pension costs			121				121	95
Inward secondees				392			392	253
Agency and other directly engaged staff					20,467		20,467	12,525
	857	385	431,868	392	20,467	(410)	453,559	419,019
Compensation for loss of office/early retirement							0	0
Pensions to former Board members							0	0
Total	857	385	431,868	392	20,467	(410)	453,559	419,019

Included in the total employee expenditure above were costs of staff engaged directly on capital projects, charged to capital expenditure of: 92 166

STAFF NUMBERS

Whole time equivalent (WTE)	5	15	8,116	7	147	(6)	8,284	7,886
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Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of: 2 3
 Included in the total staff numbers above were disabled staff of: 168 93
 Included in the total staff numbers above were Special Advisers of: 0 0

Staff Composition

Staff composition - an analysis of the number of persons of each sex who were directors and employees

	2022				2021			
	Male	Female	Prefer not to say	Total	Male	Female	Prefer not to say	Total
Executive Directors	1	4	0	5	1	4	0	5
Non-Executive Directors and Employee Director	6	9	0	15	4	9	0	13
Senior Employees	172	191	0	363	177	191	0	368
Other	1,943	11,762	0	13,705	1,633	9,353	0	10,986
Total Headcount	2,122	11,966	0	14,088	1,815	9,557	0	11,372

Sickness Absence Data

	2022	2021
Sickness Absence Rate	5.72%	4.77%

A key responsibility of the Board is staff governance. To ensure it meets its obligations, NHS Fife, in partnership with the trade unions and staff professional associations, ensures annual monitoring of its adherence to the staff governance standard. This is framed around the five strands of the standard: Well-Informed; Appropriately Trained; Involved in decisions which affect them; Treated Fairly and Consistently; and Provided with an Improved and Safe Working Environment.

The delivery of staff governance activity is agreed and monitored by the Area Partnership Forum, which also oversees the production of local staff governance action plans by the Local Partnership Forums hosted within the Acute Services Division and the three Health & Social Care Partnership Divisions.

The Board ensures engagement with staff through various routes. Covid-19 restrictions this year have required some adjustment to normal face-to-face activities, but the deployment of virtual communication solutions such as Microsoft Teams has allowed increased virtual engagement and is supported by communication through our website, Staff Link intranet, e-mail, Facebook, Twitter, and specific briefings by members of the Executive Directors' Group. The Board consults staff and/or their representatives so their views are considered in decisions affecting their interests through the Area Partnership Forum and the Local Partnership Forums along with specific working groups which routinely include staff representatives within the membership.

As an equal opportunities' employer, the Health Board welcomes applications for employment from disabled persons. Recruitment and retention processes ensures specialist medical advice is available relating to the adjustments to work routines or the working environment which ensures disabled persons can contribute to the work of the Board. Similarly, a range of policies are available to employees who become disabled to support them in their current role, or alternatively to identify suitable alternative employment for them, to ensure they continue to make a positive contribution to the Board.

NHS Fife was Awarded Disability Confident Employer status in 2016 and the Health Board demonstrates our commitment to maximising the talents and insights disabled people can bring to our workforce through the application of our robust employment policies and practices. Staff policies were applied during the financial year relating to the employment of disabled persons

NHS Fife continues to work with partner organisations, such as the Glasgow Centre for Inclusive Living, to provide employment opportunities for disabled people, providing them with challenging and rewarding experience of employment to set them up for a sustainable career. We have continued with this work within our Equality Outcomes.

Exit packages

Exit packages – Current Year

In 2021/22 there were no exit packages paid.

Exit Packages – Prior Year

In 2020/21 there were no exit packages paid.

Trade Union (Facility Time Publication Requirements) Regulation 2017

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The data is required to be published on a website maintained by or on behalf of the employer before 31 July each year. We intend to publish this data at the following link: www.nhsfife.org/tradeunionregs.

Relevant Union Officials

Number of employees who were relevant union officials during the period 1 April
2021 to 31 March 2022

56

Full-time equivalent employee number

49

Percentage of time spent on facility time

Percentage of time	Number of representatives
0%	52
1 - 50%	2
51-99%	2
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	73,089
Total pay bill	411,976,533
Percentage of the total pay bill spent on facility time	0.02%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	89%
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Parliamentary Accountability Report

Losses and Special Payments

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

The write-off of the following losses and special payments has been approved by the Board:

	2022		2021	
	Number of cases	£'000	Number of Cases	£'000
Losses	841	4,292	820	4,835

In 2021/22, the Board was required to pay out £2.62m in respect of 2 claims individually greater than £300,000 settled under the CNORIS scheme (2020/21: £2.454m, 3 claims). Further details on the scheme can be found in Note 1 of the annual accounts.

The Board is also required to provide for CNORIS claims notified to it and which will be settled at a future date; details of these provisions can be found in Note 13.

Fees and Charges

As required in the fees and charges guidance in the Scottish Public Finance Manual, Fife Health Board charges for services provided on a full cost basis, wherever applicable. The Board had no commercial trading activity during 2021/22 where the full annual cost exceeded £1 million.

Remote Contingent Liabilities

Contingent liabilities that meet the disclosure requirements in IAS37 Provisions and Contingent Liabilities are included in note 14 of the Notes to the Accounts.

In addition, due to the nature of activities of Fife Health Board there are contingent liabilities for which IAS37 does not require disclosure because of the probability of any requirements on the Board to meet future liabilities is considered to be remote.

Signature: *Carol Potter*

Date: 02 August 2022

Carol Potter
Chief Executive and Accountable Officer
NHS Fife

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NHS FIFE, 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 Fife and its group for the year ended 31 March 2022 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Consolidated Statement of Comprehensive Net Expenditure, the Consolidated Statement of Financial Position, the Consolidated Statement of Cashflows, the Consolidated Statement of Changes in Taxpayers' Equity and notes to the financial statements, including significant accounting policies. 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 2021/22 Government Financial Reporting Manual (the 2021/22 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the affairs of the board and its group as at 31 March 2022 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 2021/22 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 18 July 2016. The period of total uninterrupted appointment is six years. I am independent of the board and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 board's current or future financial sustainability. 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 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 of the Health Board, 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:

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

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

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

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

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities 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 part of the Remuneration and Staff Report

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

Other information

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

My responsibility is to read all the 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 part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



Brian Howarth ACMA CGMA

Audit Director

Audit Scotland

4th Floor, South Suite

The Athenaeum Building

8 Nelson Mandela Place

Glasgow G2 1BT

02 August 2022

NHS FIFE

**CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2022**

2021			2022
£000		Note	£000
419,590	Employee expenditure	3a	453,877
	Other operating expenditure	3b	
107,513	Independent Primary Care Services		111,384
139,106	Drugs and medical supplies		151,594
680,087	Other health care expenditure		761,884
1,346,296	Gross expenditure for the year		1,478,739
(421,919)	Less: operating income	4	(485,987)
(14,822)	Associates and joint ventures accounted for on an equity basis		(25,034)
909,555	Net expenditure for the year		967,718
OTHER COMPREHENSIVE NET EXPENDITURE			
2021			2022
£000			£000
4,427	Net (gain) / loss on revaluation of property, plant, and equipment		(24,765)
(2,510)	Net (gain) / loss on revaluation of investments		(889)
1,917	Other comprehensive expenditure		(25,654)
911,472	Comprehensive net expenditure		942,064

**NHS FIFE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

Consolidated	Board		Consolidated	Board
2021	2021		2022	2022
£000	£000	Note	£000	£000
488,367	488,136	Property, plant, and equipment	527,351	527,120
207	207	Intangible assets	227	227
		Financial assets:		
13,466	0	Investments	14,380	0
14,822	0	Investments in associates and joint ventures	39,856	0
48,926	48,926	Trade and other receivables	54,537	54,537
565,788	537,269	Total non-current assets	636,351	581,884
		Current Assets:		
5,476	5,476	Inventories	5,857	5,857
		Financial assets:		
32,541	32,166	Trade and other receivables	39,740	39,549
2,423	434	Cash and cash equivalents	2,415	573
1,623	1,623	Assets classified as held for sale	1,623	1,623
42,063	39,699	Total current assets	49,635	47,602
607,851	576,968	Total assets	685,986	629,486
		Current liabilities		
(24,841)	(24,841)	Provisions	(37,347)	(35,218)
		Financial liabilities:		
(86,610)	(86,591)	Trade and other payables	(143,465)	(143,451)
(111,451)	(111,432)	Total current liabilities	(180,812)	(178,669)
496,400	465,536	Non-current assets plus / less net current assets / liabilities	505,174	450,817
		Non-current liabilities		
(90,921)	(90,921)	Provisions	(96,154)	(96,154)
		Financial liabilities:		
(162,005)	(162,005)	Trade and other payables	(158,335)	(158,335)
(252,926)	(252,926)	Total non-current liabilities	(254,489)	(254,489)
243,474	212,610	Assets less liabilities	250,685	196,328
		Taxpayers' Equity		
68,925	68,925	General fund	32,119	32,119
143,685	143,685	Revaluation reserve	164,209	164,209
14,822	0	Other reserves - associates and joint ventures	39,856	0
16,042	0	Fund held on Trust	14,501	0
243,474	212,610	Total taxpayers' equity	250,685	196,328

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

The annual report and accounts were approved by the Board on 2nd August 2022 and signed on their behalf by:

<i>Margo McGurk</i>	Director of Finance	02 August 2022
<i>Carol Potter</i>	Chief Executive	02 August 2022

**NHS FIFE
CONSOLIDATED STATEMENT OF CASHFLOWS
AS AT 31 MARCH 2022**

2021			2022	2022
£000		Note	£000	£000
	Cash flows from operating activities			
(909,555)	Net expenditure	SoCTE	(967,718)	
10,577	Adjustments for non-cash transactions	2b	(6,849)	
13,946	Add back: interest payable recognised in net operating expenditure	2b	13,574	
(356)	Investment income		(410)	
(1,026)	Movements in working capital	2b	55,244	
(886,414)	Net cash outflow from operating activities	26c		(906,159)
	Cash flows from investing activities			
(16,866)	Purchase of property, plant, and equipment		(26,532)	
(12)	Purchase of intangible assets		(127)	
(2,528)	Investment additions	10	(2,019)	
14	Proceeds of disposal of property, plant, and equipment		0	
2,407	Receipts from sale of investments		1,994	
356	Interest received		410	
(16,629)	Net cash outflow from investing activities	26c		(26,274)
	Cash flows from financing activities			
921,052	Funding	SoCTE	949,273	
(51)	Movement in general fund working capital	SoCTE	139	
921,001	Cash drawn down		949,412	
(3,174)	Capital element of payments in respect of finance leases and on-balance sheet PFI and Hub contracts	2b	(3,413)	
(227)	Interest paid		(93)	
(13,719)	Interest element of finance leases and on-balance sheet PFI / PPP and Hub contracts	2b	(13,481)	
903,881	Net Financing	26c		932,425
838	Net Increase / (decrease) in cash and cash equivalents in the period			(8)
1,585	Cash and cash equivalents at the beginning of the period			2,423
2,423	Cash and cash equivalents at the end of the period			2,415
	Reconciliation of net cash flow to movement in net debt/cash			
838	Increase / (decrease) in cash in year	11		(8)
1,585	Net debt / cash at 1 April			2,423
2,423	Net debt / cash at 31 March			2,415

**NHS FIFE
CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
AS AT 31 MARCH 2022**

		General Fund	Revaluation Reserve	Other reserve - associates and joint ventures	Funds Held on Trust	Total Reserves
	Note	£000	£000	£000	£000	£000
Balance at 31 March 2021		68,925	143,685	14,822	16,042	243,474
Retrospective restatements for changes in accounting policy and material errors	21					0
Restated balance at 1 April 2021		68,925	143,685	14,822	16,042	243,474
Changes in taxpayers' equity for 2021-22						
Net gain / (loss) on revaluation / indexation of property, plant, and equipment	7a		24,765			24,765
Net gain / (loss) on revaluation of investments	10		0		889	889
Impairment of property, plant, and equipment			578			578
Revaluation and impairments taken to operating costs	2b		(578)			(578)
Transfers between reserves		4,241	(4,241)			0
Other non-cash costs [please specify]	2b	2				2
Net operating cost for the year	CFS	(990,322)		25,034	(2,430)	(967,718)
Total recognised income and expense for 2021-22		(986,079)	20,524	25,034	(1,541)	(942,062)
Funding:						
Drawn down	CFS	949,412				949,412
Movement in General Fund (creditor) / debtor	CFS	(139)				(139)
Balance at 31 March 2022	SoFP	32,119	164,209	39,856	14,501	250,685

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYER'S EQUITY – PRIOR YEAR

		General Fund	Revaluation Reserve	Other reserve - associates and joint ventures	Funds Held on Trust	Total Reserves
	Note	£000	£000	£000	£000	£000
At 31 March 2020		62,155	152,499	0	12,661	227,315
Retrospective restatements for changes in accounting policy and material errors	20					0
At 1 April 2020		62,155	152,499	0	12,661	227,315
Changes in taxpayers' equity for 2020-21						
Net gain / (loss) on revaluation / indexation of property, plant, and equipment	7a	0	(4,427)		6	(4,421)
Net gain / (loss) on revaluation of investments	10		0		2,510	2,510
Impairment of property, plant, and equipment			(526)			(526)
Revaluation and impairments taken to operating costs	2b		520			520
Transfers between reserves		4,381	(4,381)			0
Other non-cash costs [please specify]		6,579				6,579
Net operating cost for the year	CFS	(925,242)		14,822	865	(909,555)
Total recognised income and expense for 2020-21		(914,282)	(8,814)	14,822	3,381	(904,893)
Funding:						
Drawn down	CFS	921,001				921,001
Movement in General Fund (creditor) / debtor	CFS	51				51
Balance at 31 March 2021	SoFP	68,925	143,685	14,822	16,042	243,474

NOTE 1 ACCOUNTING POLICIES

Authority

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

The accounting policies applied are those of the group and include the Endowment Fund and Fife IJB. Where a policy has a direct relevance to the Endowment Fund or Fife IJB appropriate reference has been made within the policy.

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 30 below.

Note: Where a new international accounting standard / amendment / interpretation has been issued but not yet implemented, Boards are required to disclose in their financial statements the nature of the standard, and if possible, an estimate of its likely effect on future financial statements.

(a) Standards, amendments, and interpretations effective in 2021/22

There are no new standards, amendments, or interpretations effective in current year

(b) Standards, amendments, and interpretation adopted early in 2021/22

There are no new standards, amendments or interpretations adopted early in 2021/22.

(c) Disclosure of new accounting standards not yet adopted

IFRS 16 - Leases

IFRS 16 Leases supersedes IAS 17 Leases and is being applied by HM Treasury in the Government Financial Reporting Manual (FReM) from 1 April 2022. IFRS 16 introduces a single lessee accounting model that results in a more faithful representation of a lessee's assets and liabilities and provides enhanced disclosures to improve transparency of reporting on capital employed.

Under IFRS 16, lessees are required to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. While no standard definition of 'low value' has been mandated, NHS Scotland has elected to utilise the capitalisation threshold of £5,000 to determine the assets to be disclosed. NHS Fife expects that its existing finance leases will continue to be classified as leases. All existing operating leases will fall within the scope of IFRS 16 under the 'grandfathering' rules mandated in the FReM for the initial transition to IFRS 16. In future year's new contracts and contract renegotiations will be reviewed for consideration under IFRS 16 as implicitly identified right-of-use assets. Assets recognised under IFRS 16 will be held on the Statement of Financial Position as (i) right-of-use assets which represent the Board's right to use the underlying leased assets; and (ii) lease liabilities which represent the obligation to make lease payments. The bringing of leased assets onto the Statement of Financial Position will require depreciation and interest to be charged on the right-of-use asset and lease liability, respectively. Cash repayments will also be recognised in the Statement of Cash Flows, as required by IAS 7.

Impact of the new standard

The Board has assessed the impact that the application of IFRS 16 would have on the comprehensive net expenditure for the financial year ending 31 March 2023 and on the Statement of Financial Position at that date. The figures below represent existing leases as at 31 March 2022.

The standard is expected to increase total expenditure in 2022/23 by £5k. Right-of-use assets totalling £2.5 million will be brought onto the Statement of Financial Position, with an associated lease liability of £1.9 million.

Basis of Consolidation

In accordance with IFRS 10 – Consolidated Financial Statements, the Financial Statements consolidate the Fife Health Board 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 Fife Health Board Endowment Fund is a Registered Charity with the Office of the Charity Regulator of Scotland (OSCR) and is required to prepare and submit Audited Financial Statements to OSCR on an annual basis.

The basis of consolidation used is Merger Accounting. Any intragroup transactions between the Board and the Endowment Fund have been eliminated on consolidation.

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

In accordance with IAS 28 – Investments in Associates and Joint Arrangements, the primary financial statements have been amended for the additional disclosure required to accurately reflect the interest of Integration Joint Boards using the equity method of accounting.

Note 24 to the Annual Accounts, details how the consolidated Financial Statements have been calculated.

Going Concern

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

Accounting Convention

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

Funding

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

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

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

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

Non-discretionary funding out with the RRL is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, dental or ophthalmic services identified by the Scottish Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the RRL in the Statement of Resource Outturn.

Funding for the acquisition of 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.

Property, plant, and equipment

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

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

Recognition

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

All assets falling into the following categories are capitalised:

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

Measurement

Valuation

All Board property, machinery 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.

With IFRS 10 being applied the financial statements include the consolidation of Fife Health Board Endowment Fund. The Fund has an Art Collection included in the Consolidated Statement of Financial Position valued at current insurance values. The Art Collection does not meet Heritage Asset classification and is therefore incorporated within Note 7 (a) as Furniture & Fittings.

All Board assets are measured subsequently as follows:

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

Non specialised land and buildings, such as offices, are stated at Equivalent Use Value (E.U.V);

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

Non specialised plant and machinery installations and fittings are valued at fair value. Using the most appropriate valuation methodology available. A depreciated historical cost basis as a proxy for fair value in respect of such assets is applied.

Assets under construction are valued at cost and are also subject to impairment review.

To meet the underlying objectives established by the Scottish Government the following accepted variations of the RICS Appraisal and Valuation Manual have been required:

Specialised operational assets are valued on a modified replacement cost basis to take account of modern substitute building materials and locality factors only.

Subsequent expenditure:

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

Revaluations and Impairment:

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

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

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

Depreciation

Items of Board 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. Purchased or donated items in the Fife Health Board Endowment Fund Art Collection are not depreciated.

Depreciation is charged on each main class of Board non-current asset as follows:

- Freehold land is considered to have an infinite life and is not depreciated.
- Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Board, respectively.
- Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.
- 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.
- Equipment is depreciated over the estimated life of the asset.
- Property, plant, and equipment held under finance leases are depreciated over the shorter of the lease term and the estimated useful life.

Depreciation is charged on a straight-line basis. The following asset lives have been used:

<i>Asset Category/Component</i>	<i>Useful Life</i>
Buildings – Structure	5 – 95
Buildings – Engineering	3 – 95
Buildings – External Works	5 – 80
Plant and Equipment	2 – 25
Information Technology	6 – 7
Furniture and Fittings	5 – 15
Vehicles	3 – 7

Intangible Assets

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 only class of intangible assets recognised is:

Software licences:

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

Measurement

Valuation:

Software licences 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.

Revaluation and impairment:

The Board does not revalue or impair software licences and the licences have no re-sale value.

Amortisation

Software licences 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 for the intangible asset (software licences). The licences are amortised over the shorter term of the licence and their useful economic lives on a straight-line basis. A useful life of between 3 to 7 years is used for this asset category.

Non-current assets held for sale

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

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

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

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

Donated Assets

Non-current assets that are donated or purchased using donated funds are included in the Statement of Financial Position initially at the current full replacement cost of the asset. The accounting treatment, including the method of valuation, follows the rules in the NHS Capital Accounting Manual.

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.

Leasing

Operating leases

An Operating lease is where the risks and rewards of ownership are not transferred to the lessee. The lease will generally run for less than the full economic life of the asset and the lessor would expect the asset to have a residual value at the end of the lease period.

The treatment adopted by the Board is to charge lease rentals to expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to expenditure over the life of the lease.

Leases of land and buildings

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

Impairment of non-financial assets

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

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.

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.

Losses and Special Payments

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

Employee Benefits

Short-term Employee Benefits

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

Pension Costs

The Board participates in the NHS Superannuation Scheme (Scotland). This scheme is an unfunded statutory pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay as specified in the regulations. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged

to the Statement of Comprehensive Net Expenditure represents the Board's employer contributions payable to the scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to the Exchequer. The pension cost is assessed every four years by the Government Actuary and this valuation determines the rate of contributions required. The most recent actuarial valuation is published by the Scottish Public Pensions Agency and is available on their website.

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

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 Fife 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 CNORIS in the event of payment by an individual health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

NHS Fife 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 the information prepared by NHS Boards and 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.

Related Party Transactions

Material related party transactions are disclosed in Note 22 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 3.

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.

PFI Schemes

Transactions financed as revenue transactions through the Private Finance Initiative (PFI) are accounted for in accordance with the HM Treasury application of IFRIC 12, *Service Concession Arrangements*, outlined in the FReM.

Transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-balance sheet' by the Board. The underlying assets are recognised as Property, Plant and Equipment and Intangible Assets at their fair value. An equivalent liability is recognised in accordance with IAS 17. Where it is not possible to separate the finance element from the service element of unitary payment streams this has been estimated from information provided by the operator and the fair values of the underlying assets. Assets are subsequently revalued in accordance with the treatment specified for their applicable asset categories.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme.

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

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.

Contingencies

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

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

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

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.

Financial Instruments

Financial assets

Business model

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

Classification

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

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

This is the default basis for financial assets.

(b) Financial assets held at amortised cost

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

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

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

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

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

Impairment of financial assets

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

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

Recognition and measurement

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

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

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

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

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

(b) Financial assets held at amortised cost

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

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

Financial Liabilities

Classification

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

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

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

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

(b) Financial liabilities held at amortised cost

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

Recognition and measurement

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

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

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

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

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

(b) Amortised costs

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

Segmental reporting

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

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

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position. Where the Government Banking Service is using Royal Bank of Scotland Group to provide the banking services, funds held in these accounts should not be classed as commercial bank balances.

Foreign exchange

The functional and presentational currencies of the Board are sterling. The Board has no material transactions which are denominated in a foreign currency.

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 23 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

Key sources of judgement and estimation uncertainty

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

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Board makes judgements in applying accounting policies. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are addressed below:

Significant Estimates

Early Retirement and Injury Benefit Provisions

The Board has provided for the estimated future costs relating to early retirement and injury benefits. Reliance is placed on information provided by other parties in order to establish the value of such provisions. The Scottish Public Pensions Agency provides details of claimants and the amounts the Board is due to pay over. Future payments are estimated using a discount rate provided by HM Treasury and life tables provided by the Office for National Statistics (ONS). Any future significant changes to the discount rate or the life tables could have a material impact on the level of provision required.

Clinical and Medical Negligence Claims

Assumptions have been made regarding the likely outcome of legal claims lodged against the Board using information provided by the Central Legal Office and are in accordance with Scottish Government Guidance.

Fair value of Property, plant, and equipment

Estimates and assumptions regarding the fair value of Property, Plant and Equipment, as well as estimated impairment have been made. This is partly through information supplied by the Board's valuers, along with judgements around appropriate indices to use.

The Board commissioned a valuation for 31 March 2022 which was performed in March 2022.

The pandemic and the measures taken to tackle Covid-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. For the avoidance of doubt, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of Covid-19 we highlight the importance of the valuation date.

The valuation report has been used to inform the measurement of assets in these financial statements.

Of the £313.862m net book value of land and buildings subject to valuation, £239.495m (76.31%) relates to specialised assets valued on a depreciated replacement cost basis replaced.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 2

NOTE 2A SUMMARY OF CORE REVENUE RESOURCE OUTTURN

		2022	2022
2a. SUMMARY OF CORE REVENUE RESOURCE OUTTURN	Note	£000	£000
Net expenditure	SoCNE		967,718
Total non core expenditure (see below)			(23,123)
Family Health Services non-discretionary allocation			(47,563)
Endowment net expenditure			(2,430)
Associates and joint ventures accounted for on an equity basis			25,034
Total core expenditure			919,636
Core Revenue Resource Limit			920,016
Saving/(excess) against Core Revenue Resource Limit			380
SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN			
Capital grants to / (from) other bodies			
Depreciation / amortisation		13,687	
Annually Managed Expenditure - impairments		(578)	
Annually Managed Expenditure - provisions		50	
Annually Managed Expenditure - depreciation of donated assets		114	
Additional Scottish Government non-core funding		950	
IFRS PFI expenditure		8,900	
Total Non Core Expenditure			23,123
Non Core Revenue Resource Limit			23,123
Saving / (excess) against Non Core Revenue Resource Limit			0

SUMMARY RESOURCE OUTTURN	Resource	Expenditure	Saving / (Excess)
	£000	£000	£000
Core	920,016	919,636	380
Non-Core	23,123	23,123	0
Total	943,139	942,759	380

NOTE 2B NOTES TO THE CASHFLOW STATEMENT

Consolidated Adjustments for Non Cash Transactions

2021			2022
£000		Note	£000
	Expenditure not paid in cash		
18,052	Depreciation	7a	18,505
130	Amortisation	6	107
118	Depreciation of donated assets	7a	114
697	Impairments on PPE charged to SoCNE		3,094
(6)	Net revaluation on PPE charged to SoCNE		0
(171)	Reversal of impairments on PPE charged to SoCNE		(3,672)
0	Loss / (profit) on disposal of property, plant, and equipment		35
(14,822)	Associates and joint ventures accounted for on an equity basis	SoCNE	(25,034)
6,579	Other non-cash transactions		2
10,577	Total expenditure not paid in cash	CFS	(6,849)

Interest payable recognised in operating expenditure

2021			2022
£000			£000
	Interest payable		
13,719	PFI Finance lease charges allocated in the year	18b	13,481
227	Provisions - Unwinding of discount		93
13,946	Net interest payable	CFS	13,574

Consolidated movements in working capital

2021				2022
Net movement		Note	Opening balances	Closing balances
£000			£000	£000
	INVENTORIES			
75	Balance Sheet	8	5,476	5,857
75	Net decrease / (increase)			(381)
	TRADE AND OTHER RECEIVABLES			
23,508	Due within one year	9	32,541	39,740
1,325	Due after more than one year	9	48,926	54,537
24,833			81,467	94,277
24,833	Net decrease / (increase)			(12,810)

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

TRADE AND OTHER PAYABLES				
4,640	Due within one year	12	86,610	143,465
(3,412)	Due after more than one year	12	162,005	158,335
(448)	Less: property, plant & equipment (capital) included in above		(1,944)	(7,707)
51	Less: General Fund creditor included in above	12	(434)	(573)
3,174	Less: lease and PFI creditors included in above	12	(165,417)	(162,004)
			80,820	131,516
4,005	Net decrease / (increase)			50,696
PROVISIONS				
(29,939)	Statement of Financial Position	13a	115,762	133,501
			115,762	133,501
(29,939)	Net decrease / (increase)			17,739
(1,026)	Net movement (decrease) / increase	CFS		55,244

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 3. OPERATING EXPENSES

3a. Employee expenditure

2021		2022	2022
Total		Board	Consolidated
£000		£000	£000
86,497	Medical and Dental	92,971	92,971
187,192	Nursing	203,461	203,461
145,901	Other Staff	157,445	157,445
419,590	Total	453,877	453,877

SoCNE

3b. Other operating expenditure

2021		2022	2022
Total		Board	Consolidated
£000		£000	£000
		Note	
Independent Primary Care Services:			
58,682	General Medical Services	61,360	61,360
18,387	Pharmaceutical Services	19,046	19,046
22,763	General Dental Services	23,825	23,825
7,681	General Ophthalmic Services	7,153	7,153
107,513	Total	111,384	111,384
Drugs and medical supplies:			
72,913	Prescribed drugs Primary Care	74,325	74,325
35,017	Prescribed drugs Secondary Care	40,715	40,715
7,549	PPE and testing kits	7,397	7,397
23,627	Medical Supplies	29,157	29,157
139,106	Total	151,594	151,594
Other health care expenditure			
408,353	Contribution to Integration Joint Boards	414,901	414,901
89,100	Goods and services from other NHS Scotland bodies	93,735	93,735
640	Goods and services from other UK NHS bodies	507	507
3,645	Goods and services from private providers	3,813	3,813
3,167	Goods and services from voluntary organisations	4,437	4,437
19,261	Resource Transfer	19,261	19,261
154,660	Other operating expenses	221,757	221,757
161	External Auditor's remuneration - statutory audit fee	167	167
1,100	Endowment Fund expenditure		3,306
680,087	Total	758,578	761,884
926,706	Total Other Operating Expenditure	1,021,556	1,024,862

There were no other services provided by external auditors in year. The total auditors remuneration includes the fee for the patients private funds audit.

The total transfers in 2021/22 to the Integration Joint Board were £521.950m, this figure includes a Resource transfer of £19.261m, other payments of £32.625m (included in other operating expenses), plus an ear-marked reserve carry forward of £55.163m (included in other operating expenses).

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 4. OPERATING INCOME

2021		2022	2022
Total		Board	Consolidated
£000	Note	£000	£000
310	Income from Scottish Government	816	816
26,194	Income from other NHS Scotland bodies	28,665	28,665
117	Income from NHS non-Scottish bodies	206	206
408,353	Income for services commissioned by Integration Joint Board	414,901	414,901
594	Patient charges for primary care	2,609	2,609
1,233	Donations	3,927	3,927
27	Profit on disposal of assets	80	80
(25,468)	Contributions in respect of clinical and medical negligence claims	19,316	19,316
Non-NHS:			
19	Overseas patients (non-reciprocal)	7	7
836	Non-patient care income generation schemes	609	609
1,965	Endowment Fund Income	0	876
7,739	Other	13,975	13,975
421,919	Total Income	485,111	485,987

The 2021/22 Income for services commissioned by Integration Joint Board less £4.027m budget adjustments equals £410.874m as per the IJB Accounts.

NOTE 5 SEGMENTAL INFORMATION

The net expenditure of the Board is analysed on the basis of Individual Divisions and Corporate Directorates. The Board is updated on the financial position within the Integrated Performance Report. The segments that have been used to report performance management this year are as follows:

- Acute Services Division
- Corporate Departments
- Community Service Divisions
- Family Health Services (FHS)
- Endowments

Assets and liabilities are not reported as part of performance management arrangements and this information is not provided

	Hospital Services	Corporate	Community Service Divisions	FHS	Endowment	2022
	£000	£000	£000	£000	£000	£000
Net operating cost	248,829	246,947	301,594	192,952	2430	992,752
PRIOR YEAR						
	Hospital Services	Corporate	Community Service Divisions	FHS	Endowment	2021
	£000	£000	£000	£000	£000	£000
Net operating cost	222,414	227,727	278,142	190,643	(865)	918,061

NOTE 6. INTANGIBLE ASSETS

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

		Software Licences	Total
	Note	£000	£000
Cost or Valuation:			
At 1 April 2021		1,140	1,140
Additions		127	127
At 31 March 2022		1,267	1,267
Amortisation			
At 1 April 2021		933	933
Provided during the year		107	107
At 31 March 2022		1,040	1,040
Net book value at 1 April 2021		207	207
Net book value at 31 March 2022	<u>SoFP</u>	227	227

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

		Software Licences	Total
		£000	£000
Cost or Valuation:			
At 1 April 2021		1,140	1,140
Additions		127	127
At 31 March 2022		1,267	1,267
Amortisation			
At 1 April 2021		933	933
Provided during the year		107	107
At 31 March 2022		1,040	1,040
Net book value at 1 April 2021		207	207
Net book value at 31 March 2022	<u>SoFP</u>	227	227

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

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

		Software Licences	Total
	Note	£000	£000
Cost or Valuation:			
At 1 April 2020		1,128	1,128
Additions		12	12
At 31 March 2021		1,140	1,140
Amortisation			
At 1 April 2020		803	803
Provided during the year		130	130
At 31 March 2021		933	933
Net book value at 1 April 2020		325	325
Net book value at 31 March 2021	<u>SoFP</u>	207	207

6a. INTANGIBLE ASSETS (NON-CURRENT), cont. - BOARD PRIOR YEAR

		Software Licences	Total
	Note	£000	£000
Cost or Valuation:			
At 1 April 2020		1,128	1,128
Additions		12	12
At 31 March 2021		1,140	1,140
Amortisation			
At 1 April 2020		803	803
Provided during the year		130	130
At 31 March 2021		933	933
Net book value at 1 April 2020		325	325
Net book value at 31 March 2021	<u>SoFP</u>	207	207

NHS FIFE

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 7A.

7a. PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
At 1 April 2021	45,734	435,828	4,341	768	70,705	22,420	578	6,876	587,250
Additions - purchased	0	0	0	168	7,294	1,702	0	23,131	32,295
Additions - donated	0	0	0	0	0	0	0	0	0
Completions	0	0	0	0	0	0	0	0	0
Asset Transfers (to) / from other SG Consolidation Entities	0	0	0	0	0	0	0	0	0
Transfers between asset categories	0	4,470	0	0	0	0	0	(4,470)	0
Transfers (to) / from non-current assets held for sale	0	0	0	0	0	0	0	0	0
Revaluations	(162)	3,531	251	0	0	0	0	0	3,620
Impairment charges	0	(5,459)	0	0	0	0	0	0	(5,459)
Impairment reversals	0	1,893	0	0	0	0	0	0	1,893
Disposals - purchased	0	0	0	(67)	(2,331)	0	0	0	(2,398)
Disposals - donated	0	0	0	0	0	0	0	0	0
At 31 March 2022	45,572	440,263	4,592	869	75,668	24,122	578	25,537	617,201
Depreciation									
At 1 April 2021	0	31,072	448	667	49,456	16,893	347	0	98,883
Provided during the year - purchased	0	12,772	210	20	3,920	1,583	0	0	18,505
Provided during the year - donated	0	69	0	0	45	0	0	0	114
Asset Transfers (to) / from other SG Consolidation Entities	0	0	0	0	0	0	0	0	0
Transfers between asset categories	0	0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale	0	0	0	0	0	0	0	0	0
Revaluations	0	(21,170)	25	0	0	0	0	0	(21,145)
Impairment charges	0	(2,365)	0	0	0	0	0	0	(2,365)
Impairment reversals	0	(1,779)	0	0	0	0	0	0	(1,779)
Disposals - purchased	0	0	0	(67)	(2,296)	0	0	0	(2,363)
Disposals - donated	0	0	0	0	0	0	0	0	0
At 31 March 2022	0	18,599	683	620	51,125	18,476	347	0	89,850
Net book value at 1 April 2021	45,734	404,756	3,893	101	21,249	5,527	231	6,876	488,367
Net book value at 31 March 2022	45,572	421,664	3,909	249	24,543	5,646	231	25,537	527,351
									SoFP
Open Market Value of Land in Land and Dwellings Included Above	0		1,667						
Asset financing:									
Owned - purchased	45,572	210,674	3,909	249	24,392	5,646	0	25,537	315,979
Owned - donated	0	1,762	0	0	151	0	231	0	2,144
Held on finance lease	0	0	0	0	0	0	0	0	0
On-balance sheet PFI contracts	0	209,228	0	0	0	0	0	0	209,228
Net book value at 31 March 2022	45,572	421,664	3,909	249	24,543	5,646	231	25,537	527,351
									SoFP

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

7a. PROPERTY, PLANT AND EQUIPMENT - BOARD

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
At 1 April 2021	45,734	435,828	4,341	768	70,705	22,420	347	6,876	587,019
Additions - purchased	0	0	0	168	7,294	1,702	0	23,131	32,295
Additions - donated	0	0	0	0	0	0	0	0	0
Completions	0	0	0	0	0	0	0	0	0
Asset Transfers (to) / from other SG Consolidation Entities	0	0	0	0	0	0	0	0	0
Transfers between asset categories	0	4,470	0	0	0	0	0	(4,470)	0
Transfers (to) / from non-current assets held for sale	0	0	0	0	0	0	0	0	0
Revaluations	(162)	3,531	251	0	0	0	0	0	3,620
Impairment charges	0	(5,459)	0	0	0	0	0	0	(5,459)
Impairment reversals	0	1,893	0	0	0	0	0	0	1,893
Disposals - purchased	0	0	0	(67)	(2,331)	0	0	0	(2,398)
Disposals - donated	0	0	0	0	0	0	0	0	0
At 31 March 2022	45,572	440,263	4,592	869	75,668	24,122	347	25,537	616,970
Depreciation									
At 1 April 2021	0	31,072	447	668	49,456	16,893	347	0	98,883
Provided during the year - purchased	0	12,772	210	20	3,920	1,583	0	0	18,505
Provided during the year - donated	0	69	0	0	45	0	0	0	114
Asset Transfers (to) / from other SG Consolidation Entities	0	0	0	0	0	0	0	0	0
Transfers between asset categories	0	0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale	0	0	0	0	0	0	0	0	0
Revaluations	0	(21,170)	25	0	0	0	0	0	(21,145)
Impairment charges	0	(2,365)	0	0	0	0	0	0	(2,365)
Impairment reversals	0	(1,779)	0	0	0	0	0	0	(1,779)
Disposals - purchased	0	0	0	(67)	(2,296)	0	0	0	(2,363)
Disposals - donated	0	0	0	0	0	0	0	0	0
At 31 March 2022	0	18,599	682	621	51,125	18,476	347	0	89,850
Net book value at 1 April 2021	45,734	404,756	3,894	100	21,249	5,527	0	6,876	488,136
Net book value at 31 March 2022	45,572	421,664	3,910	248	24,543	5,646	0	25,537	527,120
Open Market Value of Land in Land and Dwellings Included Above	0		1,667						
Asset financing:									
Owned - purchased	45,572	210,674	3,910	248	24,392	5,646	0	25,537	315,979
Owned - donated	0	1,762	0	0	151	0	0	0	1,913
Held on finance lease	0	0	0	0	0	0	0	0	0
On-balance sheet PFI contracts	0	209,228	0	0	0	0	0	0	209,228
Net book value at 31 March 2022	45,572	421,664	3,910	248	24,543	5,646	0	25,537	527,120

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

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

	Land (including under buildings) £000	Buildings (excluding dwellings) £000	Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Furniture & Fittings £000	Assets Under Construction £000	Total £000
Cost or valuation									
At 1 April 2020	44,786	444,692	4,422	836	61,900	21,341	572	5,148	583,697
Additions - purchased	0	0	0	60	9,522	1,079	0	6,653	17,314
Additions - donated	0	0	0	0	0	0	0	0	0
Completions	0	4,891	34	0	0	0	0	(4,925)	0
Asset Transfers (to) / from other SG Consolidation Entities	0	0	0	0	0	0	0	0	0
Transfers between asset categories	0	0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale	(48)	0	0	0	0	0	0	0	(48)
Revaluations	996	(12,517)	(115)	0	0	0	6	0	(11,630)
Impairment charges	0	(1,242)	0	0	0	0	0	0	(1,242)
Impairment reversals	0	4	0	0	0	0	0	0	4
Disposals - purchased	0	0	0	(128)	(717)	0	0	0	(845)
Disposals - donated	0	0	0	0	0	0	0	0	0
At 31 March 2021	45,734	435,828	4,341	768	70,705	22,420	578	6,876	587,250
Depreciation									
At 1 April 2020	0	25,765	319	766	46,929	15,339	347	0	89,465
Provided during the year - purchased	0	13,074	213	29	3,182	1,554	0	0	18,052
Provided during the year - donated	0	70	0	0	48	0	0	0	118
Asset Transfers (to) / from other SG Consolidation Entities	0	0	0	0	0	0	0	0	0
Transfers between asset categories	0	0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale	0	0	0	0	0	0	0	0	0
Revaluations	0	(7,125)	(84)	0	0	0	0	0	(7,209)
Impairment charges	0	(545)	0	0	0	0	0	0	(545)
Impairment reversals	0	(167)	0	0	0	0	0	0	(167)
Disposals - purchased	0	0	0	(128)	(703)	0	0	0	(831)
Disposals - donated	0	0	0	0	0	0	0	0	0
At 31 March 2021	0	31,072	448	667	49,456	16,893	347	0	98,883
Net book value at 1 April 2020	44,786	418,927	4,103	70	14,971	6,002	225	5,148	494,232
Net book value at 31 March 2021	45,734	404,756	3,893	101	21,249	5,527	231	6,876	488,367
Open Market Value of Land in Land and Dwellings Included Above	0		1,678						
Asset financing:									
Owned - purchased	45,734	203,614	3,893	101	21,016	5,527	0	6,876	286,761
Owned - donated	0	1,690	0	0	196	0	231	0	2,117
Held on finance lease	0	0	0	0	0	0	0	0	0
On-balance sheet PFI contracts	0	199,452	0	0	37	0	0	0	199,489
Net book value at 31 March 2021	45,734	404,756	3,893	101	21,249	5,527	231	6,876	488,367

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

7a. PROPERTY, PLANT AND EQUIPMENT – BOARD PRIOR YEAR

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
At 1 April 2020	44,786	444,692	4,422	836	61,900	21,341	347	5,148	583,472
Additions - purchased	0	0	0	60	9,522	1,079	0	6,653	17,314
Additions - donated	0	0	0	0	0	0	0	0	0
Completions	0	4,891	34	0	0	0	0	(4,925)	0
Asset Transfers (to) / from other SG Consolidation Entitie	0	0	0	0	0	0	0	0	0
Transfers between asset categories	0	0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale	(48)	0	0	0	0	0	0	0	(48)
Revaluations	996	(12,517)	(115)	0	0	0	0	0	(11,636)
Impairment charges	0	(1,242)	0	0	0	0	0	0	(1,242)
Impairment reversals	0	4	0	0	0	0	0	0	4
Disposals - purchased	0	0	0	(128)	(717)	0	0	0	(845)
Disposals - donated	0	0	0	0	0	0	0	0	0
At 31 March 2021	45,734	435,828	4,341	768	70,705	22,420	347	6,876	587,019
Depreciation									
At 1 April 2020	0	25,765	318	767	46,929	15,339	347	0	89,465
Provided during the year - purchased	0	13,074	213	29	3,182	1,554	0	0	18,052
Provided during the year - donated	0	70	0	0	48	0	0	0	118
Asset Transfers (to) / from other SG Consolidation Entitie	0	0	0	0	0	0	0	0	0
Transfers between asset categories	0	0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale	0	0	0	0	0	0	0	0	0
Revaluations	0	(7,125)	(84)	0	0	0	0	0	(7,209)
Impairment charges	0	(545)	0	0	0	0	0	0	(545)
Impairment reversals	0	(167)	0	0	0	0	0	0	(167)
Disposals - purchased	0	0	0	(128)	(703)	0	0	0	(831)
Disposals - donated	0	0	0	0	0	0	0	0	0
At 31 March 2021	0	31,072	447	668	49,456	16,893	347	0	98,883
Net book value at 1 April 2020	44,786	418,927	4,104	69	14,971	6,002	0	5,148	494,007
Net book value at 31 March 2021	45,734	404,756	3,894	100	21,249	5,527	0	6,876	488,136
Open Market Value of Land in Land and Dwellings Included Above	0		1,678						
Asset financing:									
Owned - purchased	45,734	203,614	3,894	100	21,016	5,527	0	6,876	286,761
Owned - donated	0	1,690	0	0	196	0	0	0	1,886
Held on finance lease	0	0	0	0	0	0	0	0	0
On-balance sheet PFI contracts	0	199,452	0	0	37	0	0	0	199,489
Net book value at 31 March 2021	45,734	404,756	3,894	100	21,249	5,527	0	6,876	488,136

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 7B. ASSETS HELD FOR SALE - CONSOLIDATED

	Property, Plant & Equipment	Total
	£000	£000
At 1 April 2021	1,623	1,623
Transfers from property, plant, and equipment	0	0
At 31 March 2022	1,623	1,623

ASSETS HELD FOR SALE - BOARD

	Property, Plant & Equipment	Total
	£000	£000
At 1 April 2021	1,623	1,623
Transfers from property, plant, and equipment	0	0
At 31 March 2022	1,623	1,623

ASSETS HELD FOR SALE (PRIOR YEAR) - CONSOLIDATED

	Property, Plant & Equipment	Total
	£000	£000
At 1 April 2020	1,575	1,575
Transfers from property, plant, and equipment	48	48
At 31 March 2021	1,623	1,623

ASSETS HELD FOR SALE (PRIOR YEAR) - BOARD

	Property, Plant & Equipment	Total
	£000	£000
At 1 April 2020	1,575	1,575
Transfers from property, plant, and equipment	48	48
At 31 March 2021	1,623	1,623

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 7C. PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated	Board		Consolidated	Board
2021	2021		2022	2022
£000	£000		£000	£000
			Note	
Net book value of property, plant, and equipment at 31 March				
486,250	486,250	Purchased	525,207	525,207
2,117	1,886	Donated	2,144	1,913
488,367	488,136	Total	SoFP	527,351
				527,120
1,678	1,678	Net book value related to buildings valued at open market value at 31 March	1,667	1,667
Total value of assets held under:				
199,489	199,489	PFI and PPP Contracts	209,228	209,228
199,489	199,489		209,228	209,228
Total depreciation charged in respect of assets held under:				
5,209	5,209	PFI and PPP contracts	4,926	4,926
5,209	5,209		4,926	4,926

All land and 65.2% of buildings were revalued by an independent valuer, The Valuation Office Agency, as at 31/03/2022 on the basis of fair value (market value or depreciated replacement costs where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS.

The net impact was an increase of £24.764m (2020/21: an increase of £4.426m) which was charged to the revaluation reserve. Impairment Reversal of £0.578m (2020/21 £0.525m) was charged to the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 7D ANALYSIS OF CAPITAL EXPENDITURE

Consolidated	Board			Consolidated	Board
2021	2021			2022	2022
£000	£000		Note	£000	£000
		Expenditure			
12	12	Acquisition of intangible assets	6	127	127
17,314	17,314	Acquisition of property, plant and equipment	7a	32,295	32,295
0	0	Donated asset additions	7a	0	0
0	0	HUB		0	0
17,326	17,326	Gross Capital Expenditure		32,422	32,422
		Income			
0	0	Net book value of disposal of intangible assets	6	0	0
14	14	Net book value of disposal of property, plant and equipment	7a	35	35
0	0	Net book value of disposal of donated assets	7a	0	0
0	0	Value of disposal of non-current assets held for sale	7b	0	0
0	0	HUB - repayment of investment		0	0
14	14	Capital Income		35	35
17,312	17,312	Net Capital Expenditure		32,387	32,387
		SUMMARY OF CAPITAL RESOURCE OUTTURN			
17,313	17,313	Core capital expenditure included above		32,387	32,387
17,315	17,315	Core Capital Resource Limit		32,389	32,389
2	2	Saving / (excess) against Core Capital Resource Limit		2	2
0	0	Non core capital expenditure included above		0	0
0	0	Non core Capital Resource Limit		0	0
0	0	Saving / (excess) against Non Core Capital Resource Limit		0	0
17,313	17,313	Total capital expenditure		32,387	32,387
17,315	17,315	Total Capital Resource Limit		32,389	32,389
2	2	Saving / (excess) against Total Capital Resource Limit		2	2

NOTE 8. INVENTORIES

Consolidated	Board			Consolidated	Board
2021	2021			2022	2022
£000	£000		Note	£000	£000
5,476	5,476	Raw materials and consumables		5,857	5,857
5,476	5,476	Total inventories	SoFP	5,857	5,857

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 9. TRADE AND OTHER RECEIVABLES

Consolidated 2021 £000	Board 2021 £000		Note	Consolidated 2022 £000	Board 2022 £000
		Receivables due within one year			
		NHSScotland			
1,390	1,390	Scottish Government Health & Social Care Directorate		1,997	1,997
1,986	1,986	Boards	SFR 30.0	1,988	1,988
3,376	3,376	Total NHSScotland Receivables		3,985	3,985
51	51	NHS non-Scottish bodies		81	81
		General Fund receivable			
2,359	2,359	VAT recoverable		1,698	1,698
11,259	11,259	Prepayments		9,378	9,378
1,140	1,140	Accrued income		351	351
1,764	1,389	Other receivables		1,554	1,363
12,422	12,422	Reimbursement of provisions		22,310	22,310
170	170	Other public sector bodies		383	383
32,541	32,166	Total Receivables due within one year	SoFP	39,740	39,549
		Receivables due after more than one year			
		NHSScotland			
0	0	Scottish Government Health & Social Care Directorate		0	0
0	0	Boards		0	0
0	0	Total NHSScotland Receivables		0	0
		Other Public Sector Bodies			
344	344	Prepayments		357	357
816	816	Accrued income		917	917
21	21	Other receivables		21	21
47,745	47,745	Reimbursement of provisions		53,242	53,242
48,926	48,926	Total Receivables due after more than one year	SoFP	54,537	54,537
81,467	81,092	TOTAL RECEIVABLES		94,277	94,086
348	348	The total receivables figure above includes a provision for impairments of :		381	381
		WGA Classification			
1,986	1,986	NHS Scotland	SFR 30.0	1,988	1,988
3,749	3,749	Central Government bodies		3,695	3,695
170	170	Whole of Government bodies		383	383
51	51	Balances with NHS bodies in England and Wales		81	81
75,511	75,136	Balances with bodies external to Government		88,130	87,939
81,467	81,092	Total		94,277	94,086
2021	2021			2022	2022
£000	£000	Movements on the provision for impairment of receivables are as follows:		£000	£000
325	325	At 1 April		348	348
28	28	Provision for impairment		118	118
0	0	Receivables written off during the year as uncollectable		(75)	(75)
(5)	(5)	Unused amounts reversed		(10)	(10)
348	348	At 31 March		381	381

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

As of 31 March 2022, receivables with a carrying value of £381k (2020/21: £348k) were impaired and provided for. The ageing of these receivables is as follows:

2021	2021		2022	2022
£000	£000		£000	£000
0	0	3 to 6 months past due	0	0
348	348	Over 6 months past due	381	381
348	348		381	381

The receivables assessed as individually impaired were CRU income 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 2022, receivables with a carrying value of £0.638m million (2020/21: £1.313m) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:

2021	2021		2022	2022
£000	£000		£000	£000
855	855	Up to 3 months past due	397	397
105	105	3 to 6 months past due	98	98
353	353	Over 6 months past due	143	143
1,313	1,313		638	638

The receivables assessed as past due but not impaired were mainly [NHS Scotland Health Boards, Local Authorities and Universities] and there is no history of default from these customers recently.

Concentration of credit risk is limited due to customer base being large and unrelated / government bodies. Due to this, management believe that there is no future credit risk provision required in excess of the normal provision for doubtful receivables.

The credit quality of receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available. Where no external credit ratings 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:

2021	2021		2022	2022
£000	£000		£000	£000
1,952	1,952	Existing customers with no defaults in the past	2,297	2,297
1,952	1,952	Total neither past due or impaired	2,297	2,297

The maximum exposure to credit risk is the fair value of each class of receivable. The NHS Board does not hold any collateral as security.

2021	2021		2022	2022
£000	£000		£000	£000
81,467	81,092	The carrying amount of receivables are denominated in the following currencies: Pounds	94,277	94,086
81,467	81,092		94,277	94,086

All non-current receivables are due within 2 years (2020/21: 2 years) from the balance sheet date.

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

The fair value of long-term other receivables is £357k (2020/21 £344k).

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 10. INVESTMENTS

Consolidated	Board		Consolidated	Board
2021	2021		2022	2022
£000	£000		£000	£000
345	0	Government securities	595	0
13,121	0	Other	13,785	0
13,466	0	TOTAL	14,380	0
			<u>SoFP</u>	
10,835	0	At 1 April	13,466	0
2,528	0	Additions	2,019	0
(2,407)	0	Disposals	(1,994)	0
2,510	0	Revaluation surplus / (deficit) transferred to equity	889	0
13,466	0	At 31 March	14,380	0
			<u>SoCTE</u>	
		Current	<u>SoFP</u>	
13,466	0	Non-current	<u>SoFP</u>	
13,466	0	At 31 March	14,380	0

NOTE 11. CASH AND CASH EQUIVALENTS

	Note	2022	2021
		£000	£000
Balance at 1 April		2,423	1,585
Net change in cash and cash equivalent balances	<u>CFS</u>	(8)	838
Balance at 31 March	<u>SoFP</u>	2,415	2,423
Total Cash - Cash Flow Statement		2,415	2,423
The following balances at 31 March were held at:			
Government Banking Service		484	384
Commercial banks and cash in hand		89	50
Endowment cash		1,842	1,989
Balance at 31 March		2,415	2,423

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 12. TRADE AND OTHER PAYABLES

Consolidated	Board		Consolidated	Board
2021	2021		2022	2022
£000	£000	Note	£000	£000
		Payables due within one year		
		NHS Scotland		
169	169	Scottish Government Health & Social Care Directorate	510	510
10,216	10,216	Boards	8,333	8,333
10,385	10,385	Total NHS Scotland Payables	8,843	8,843
662	662	NHS Non-Scottish bodies	754	754
434	434	Amounts payable to General Fund	573	573
17,444	17,444	FHS practitioners	18,402	18,402
5,161	5,142	Trade payables	6,991	6,977
25,465	25,465	Accruals	35,468	35,468
697	697	Deferred income	1,158	1,158
2,313	2,313	Payments received on account	2,486	2,486
3,412	3,412	Net obligations under PPP / PFI Contracts	3,669	3,669
7,781	7,781	Income tax and social security	8,186	8,186
7,061	7,061	Superannuation	7,139	7,139
5,203	5,203	Holiday pay accrual	5,654	5,654
592	592	Other public sector bodies	44,142	44,142
86,610	86,591	Total Payables due within one year	143,465	143,451
		Payables due after more than one year		
		NHS Scotland		
0	0	Scottish Government Health & Social Care Directorate	0	0
0	0	Boards	0	0
0	0	Total NHS Scotland Payables	0	0
		Other public sector bodies		
3,669	3,669	Net obligations under PPP / PFI contracts due within 2 years	3,947	3,947
12,773	12,773	Net obligations under PPP / PFI contracts due after 2 years but within 5 years	13,755	13,755
145,563	145,563	Net obligations under PPP / PFI contracts due after 5 years	140,633	140,633
162,005	162,005	Total Payables due after more than one year	158,335	158,335
248,615	248,596	TOTAL PAYABLES	301,800	301,786
		WGA Classification		
10,216	10,216	NHS Scotland	8,333	8,333
14,712	14,712	Central Government bodies	15,834	15,834
592	592	Whole of Government bodies	44,142	44,142
662	662	Balances with NHS bodies in England and Wales	754	754
222,433	222,414	Balances with bodies external to Government	232,737	232,723
248,615	248,596	Total	301,800	301,786
£000	£000	Borrowings included above comprise:	£000	£000
165,417	165,417	PFI contracts	162,004	162,004
165,417	165,417		162,004	162,004

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

2021	2021	The carrying amount and fair value of the non-current borrowings are as follows	2022	2022
£000	£000	Carrying amount	£000	£000
162,005	162,005	PFI contracts	158,335	158,335
162,005	162,005		158,335	158,335

2021	2021	The carrying amount and fair value of the non-current borrowings are as follows	2022	2022
Fair value	Fair value	Fair value	Fair value	Fair value
£000	£000	£000	£000	£000
0	0		0	0

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

2021	2021	The carrying amount of payables are denominated in the following currencies:	2022	2022
£000	£000	Pounds	£000	£000
248,615	248,596		301,800	301,786
248,615	248,596		301,800	301,786

NOTE 13A. PROVISIONS
CONSOLIDATED AND BOARD

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2022 TOTAL	Charitable Endowment Funds - Provision of Liabilities	Charitable Endowment Funds - Total Funds Held on Trust	2022 Consolidated Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2021	9,319	60,654	45,759	30	115,762			115,762
Arising during the year	(72)	32,297	2,043		34,268	2,129	2,129	36,397
Utilised during the year	(675)	(4,086)	(1,286)		(6,047)			(6,047)
Unwinding of discount	93				93			93
Reversed unutilised	(120)	(12,584)			(12,704)			(12,704)
At 31 March 2022	8,545	76,281	46,516	30	131,372	2,129	2,129	133,501

The amounts shown above in relation to Clinical & Medical Legal Claims against NHS Fife 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 2022

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2022 TOTAL	Charitable Endowment Funds - Provision of Liabilities	Charitable Endowment Funds - Total Funds Held on Trust	2022 Consolidated Total
	£000	£000	£000	£000	£000	£000	£000	£000
Payable in one year	706	22,910	11,602		35,218	2,129	2,129	37,347
Payable between 2 - 5 years	2,795	24,533	28,268		55,596			55,596
Payable between 6 - 10 years	2,650	3,956	2,405		9,011			9,011
Thereafter	2,394	24,882	4,241	30	31,547			31,547
At 31 March 2022	8,545	76,281	46,516	30	131,372	2,129	2,129	133,501

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

PRIOR YEAR

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2021 TOTAL	Charitable Endowment Funds - Provision of Liabilities	Charitable Endowment Funds - Total Funds Held on Trust	2021 Consolidated Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2020	9,167	90,695	45,809	30	145,701			145,701
Arising during the year	1,014	7,497	2,407		10,918			10,918
Utilised during the year	(689)	(4,853)	(2,457)		(7,999)			(7,999)
Unwinding of discount	227				227			227
Reversed unutilised	(400)	(32,685)			(33,085)			(33,085)
At 31 March 2021	9,319	60,654	45,759	30	115,762	0	0	115,762

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

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2021 TOTAL	Charitable Endowment Funds - Provision of Liabilities	Charitable Endowment Funds - Total Funds Held on Trust	2021 Consolidated Total
	£000	£000	£000	£000	£000	£000	£000	£000
Payable in one year	705	12,722	11,414		24,841		0	24,841
Payable between 2 - 5 years	2,808	25,026	27,809		55,643		0	55,643
Payable between 6 - 10 years	2,833	3,716	2,366		8,915		0	8,915
Thereafter	2,973	19,190	4,170	30	37,813	0	0	26,363
At 31 March 2021	9,319	60,654	45,759	30	115,762	0	0	115,762

Pensions and Similar Obligations

The Board meet the additional costs of benefits beyond the normal National Health Service Superannuation Scheme for Scotland benefits in respect of employees who retire early by paying the required amounts annually to the Scottish Public Pension Agency. The Board pays the basic pension over the period between early departure and normal retirement date, then SPPA pay the basic and the Board pay the enhanced element for life. The Board provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of -1.3% in real terms. The Board expects expenditure to be charged to this provision for a period of up to 30 years.

Clinical & Medical Legal Claims against NHS Board

The Board holds a provision to meet costs of all outstanding and potential clinical and medical negligence claims. All legal claims notified to the Board are processed by the Scottish NHS Central Legal Office who will decide upon the risk liability and likely outcome of each case. The provision contains sums for settlement awards, legal expenses, and third-party costs. Clinical and medical negligence cases lodged can be extremely complex. It is expected that expenditure will be charged to this provision for a period of up to 10 years. However, where cases are settled with structured payments, these are likely to be for a longer period of time. The amounts disclosed are stated gross and the amount of any expected reimbursements are shown separately as debtors in the notes to the accounts.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

Participation in CNORIS

The Board participates in the Clinical Negligence and Other Risks Scheme (CNORIS). The principal of the scheme is that it will work in a similar manner to insurance schemes through the risk pooling of legal claims in relation to clinical negligence and other risks. The amount disclosed recognises the Board's share of the total CNORIS liability for NHS Scotland. Further detail is provided in note 13b.

Other (non-endowment)

Other contains a provision for Waste Electronic and Electrical Equipment (WEE) Regulations (£30k), which reflects the anticipated future costs of medical equipment disposals.

NOTE 13B CLINICAL NEGLIGENCE AND OTHER RISKS INDEMNITY SCHEME (CNORIS)

2021		Note	2022
£000			£000
60,654	Provision recognising individual claims against the NHS Board as at 31 March	<u>13a</u>	76,281
(60,167)	Associated CNORIS receivable at 31 March	<u>9</u>	(75,552)
45,759	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	<u>13a</u>	46,516
46,246	Net Total Provision relating to CNORIS at 31 March		47,245

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 NHS Scotland 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>

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 14 CONTINGENT LIABILITIES

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

2021		2022
£000	Nature	£000
18,804	Clinical and medical compensation payments	17,286
18,804	TOTAL CONTINGENT LIABILITIES	17,286

CONTINGENT ASSETS

17,853	Clinical and medical compensation payments	16,285
17,853	TOTAL CONTINGENT ASSETS	16,285

NOTE 15. EVENTS AFTER THE END OF THE REPORTING YEAR

None.

NOTE 16 COMMITMENTS

2021		Property, plant, and equipment	2022
£000		£000	£000
	Contracted		
1,639	Elective Orthopaedic Centre	13,390	13,390
96	VHK Phase 4 Steam	1,350	1,350
1,735	Total	14,740	14,740
	Authorised but not Contracted		
2,030	Equipment	1,507	1,507
2,388	Other Projects	2,030	2,030
1,041	Information Technology	877	877
18,447	Elective Orthopaedic Centre	0	0
1,100	HEPMA	0	0
25,006	Total	4,414	4,414

Other Financial Commitments

The Board has entered into non-cancellable (which are not leases or PFI contracts), for the Fife National Elective Centre and the Phase 4 VHK Steam.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 17 COMMITMENTS UNDER LEASES

Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

2021 £000		2022 £000
	Land	
1	Not later than one year	1
1	Later than one year, not later than 2 years	1
2	Later than two years, not later than five years	3
5	Later than five years	8
	Buildings	
317	Not later than one year	558
413	Later than one year, not later than 2 years	555
796	Later than two years, not later than five years	1,337
604	Later than five years	1,217
	Other	
3,273	Not later than one year	981
352	Later than one year, not later than 2 years	830
265	Later than two years, not later than five years	1,194
10	Later than five years	0
	Amounts charged to Operating Costs in the year were:	
2,845	Hire of equipment (including vehicles)	3,129
510	Other operating leases	460
3,355	Total	3,589

NOTE 18 COMMITMENTS UNDER PFI CONTRACTS - ON BALANCE SHEET

The Board has entered into the following on-balance sheet PFI projects:

St Andrew's Community Hospital Contract started 31st July 2009. Contract ends 30th July 2039. In accordance with HM Treasury application of IFRC12 principles the property is a non-current asset of NHS Fife Board and that the liability to pay for the property is, in substance, a finance lease obligation.

Victoria Hospital Contract started 28th October 2011. Contract ends 27th October 2041. In accordance with HM Treasury application of IFRIC 12 principles the property is a non-current asset of NHS Fife Board and that the liability to pay for the property is, in substance, a finance lease obligation.

Under IFRIC 12 the asset is treated as an asset of the Board and included in the Board's accounts as a non-current asset. The liability to pay for the property is in substance a finance lease obligation. Contractual payments therefore comprise two elements: imputed finance lease charges and service charges. The imputed finance lease obligation is as follows:

Total Obligations under on-balance sheet PFI/PPP/Hub contracts for the following periods comprises:

2021	Gross Minimum Lease Payments	St Andrews	Victoria	2022 TOTAL
£000		£000	£000	£000
16,893	Rentals due within 1 year	1,757	15,136	16,893
16,893	Due within 1 to 2 years	1,757	15,136	16,893
50,680	Due within 2 to 5 years	5,271	45,409	50,680
266,776	Due after 5 years	22,840	227,043	249,883
351,242	Total	31,625	302,724	334,349

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

2021	Less Interest Element	St Andrews	Victoria	2022 TOTAL
£000		£000	£000	£000
(13,481)	Rentals due within 1 year	(838)	(12,386)	(13,224)
(13,224)	Due within 1 to 2 years	(804)	(12,142)	(12,946)
(37,907)	Due within 2 to 5 years	(2,197)	(34,728)	(36,925)
(121,213)	Due after 5 years	(4,924)	(104,326)	(109,250)
(185,825)	Total	(8,763)	(163,582)	(172,345)

2021	Present value of minimum lease payments	Note	St Andrews	Victoria	2022 TOTAL
£000			£000	£000	£000
3,412	Rentals due within 1 year	<u>12</u>	919	2,750	3,669
3,669	Due within 1 to 2 years	<u>12</u>	953	2,994	3,947
12,773	Due within 2 to 5 years	<u>12</u>	3,074	10,681	13,755
145,563	Due after 5 years	<u>12</u>	17,916	122,717	140,633
165,417	Total		22,862	139,142	162,004

2021	Service elements due in future periods	St Andrews	Victoria	2022 TOTAL
£000		£000	£000	£000
6,276	Rentals due within 1 year	1,086	6,459	7,545
7,148	Due within 1 to 2 years	1,266	7,258	8,524
26,057	Due within 2 to 5 years	3,367	25,560	28,927
159,333	Due after 5 years	23,048	135,200	158,248
198,814	Total	28,767	174,477	203,244
364,231	Total commitments	51,629	313,619	365,248

2021	Total	Amounts charged to the SOCNE	Note	2022 Total
£000				£000
13,719	Interest charges		<u>2</u>	13,481
5,887	Service charges			6,276
	Principle repayment			0
5,588	Other charges			5,588
25,194	Total			25,345

2021	Contingent rents (included in Other Charges)	2022
£000		£000
5,588		5,588

NHS Fife currently has commitments for two 30-year hard facilities management PFI Contracts: St Andrews Community Hospital (31st July 2009 to 30th July 2039) and Victoria Hospital Phase 3 (28th October 2011 to 27th October 2041). They are held as non-current assets in the Board's Accounts with the Board liable to pay for the properties as, in substance, finance leases as detailed above. At the relevant contract termination dates, the buildings are handed over to the Board who then assume responsibility for the ongoing maintenance.

The buildings were built and financed by a concession company: Projco for St Andrews and Consort Healthcare for Victoria Hospital Phase 3. NHS Fife pays a fixed monthly Unitary Payment to the concession company who employ a service company to ensure the buildings are maintained to an agreed level of service specifications. This Unitary Payment is subject to annual inflation in line with the February level for the Retail Prices Index unless changes made to the contract. To date any changes to these contracts have been minimal in value. In the event that the standard of service falls below the agreed levels, the Board is entitled to make deductions from the Unitary Payment. The Board maintains the right to request the re-financing of these contracts but, as this involves significant cost to undertake, this is entirely dependent on the state of the world money markets. To date, the Board has not requested re-financing for either contract.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 19. PENSION COSTS

	2022	2021
	£000	£000
Pension cost charge for the year	60,524	55,521
Provisions / liabilities / prepayments included in the Statement of Financial Position	8,545	9,319

NHS Fife participates in the NHS Pension Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2016. This valuation informed an employer contribution rate from 1 April 2019 of 20.9% of pensionable pay and an anticipated yield of 9.6% employee's contributions.

NHS Fife has no liability for other employers' obligations to the multi-employer scheme. 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. The scheme is an unfunded multi-employer defined benefit scheme. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where NHS Fife is unable to identify its share of the underlying assets and liabilities of the scheme.

The employer contribution rate for the period from 1 April 2021 is 20.9% of pensionable pay. The employee rate applied is variable and is anticipated to provide yield of 9.6% of pensionable pay. 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)/ Sergeant (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 mechanisms 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.

NHS Fife's level of participation in the scheme is 4.8% based on the proportion of employer contributions paid in 2020/21.

The new NHS Pension Scheme (Scotland) 2015

From 1 April 2015 the NHS Pension Scheme (Scotland) 2015 was introduced. This scheme is a Career Average Re-Valued Earnings (CARE) scheme. Members will accrue 1/54 of their pay as pension for each year they are a member of the scheme. The accrued pension is re-valued each year at an above inflation rate to maintain its buying power. This is currently 1.7% above increases to the Consumer Prices Index (CPI). This continues until the member leaves the scheme or retires. In 2017/18 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings. The normal pension age (NPA) is the same as the State Pension age. Members can take their benefits earlier but there will be a deduction for early payment.

The existing NHS Superannuation Scheme (Scotland)

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

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

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

Further information is available on the Scottish Public Pensions Agency (SPPA) web site at www.sppa.gov.uk.

National Employment Savings Trust (NEST)

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

NEST is a defined contribution pension scheme established by law to support the introduction of Auto Enrolment. Contributions are taken from qualifying earnings, which are currently from £6,240 up to £50,000, but will be reviewed every year by the government. The initial employee contribution is 1% of qualifying earnings, with an employer contribution of 1%. This will increase in stages to meet levels set by government.

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

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

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

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

NOTE 20 and 21 RETROSPECTIVE RESTATEMENTS

There were no prior year adjustments.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 22 FINANCIAL INSTRUMENTS

NOTE 22A FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets CONSOLIDATED		Financial assets at fair value through OCI	Financial assets at amortised cost	Financial assets at fair value through profit/loss	Total
	Note	£000	£000	£000	£000
AS AT 31 MARCH 2022					
Assets per Statement of Financial Position					
Investments	10			14,380	14,380
Derivative financial instruments	23		0		0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	3,307			3,307
Cash and cash equivalents	11	2,415			2,415
	-	5,722	0	14,380	20,102
BOARD					
	Note	£000	£000	£000	£000
AS AT 31 MARCH 2022					
Assets per Statement of Financial Position					
Investments	10			0	0
Derivative financial instruments	23		0		0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	3,116			3,116
Cash and cash equivalents	11	573			573
	-	3,689	0	0	3,689
CONSOLIDATED (Prior Year)					
	Note	£000	£000	£000	£000
At 31 March 2021					
Assets per Statement of Financial Position					
Investments	10			13,466	13,466
Derivative financial instruments	23		0		0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	3,962			3,962
Cash and cash equivalents	11	2,423			2,423
	-	6,385	0	13,466	19,851
BOARD (Prior Year)					
	Note	£000	£000	£000	£000
At 31 March 2021					
Assets per Statement of Financial Position					
Investments	10			0	0
Derivative financial instruments	23		0		0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	3,587			3,587
Cash and cash equivalents	11	434			434
	-	4,021	0	0	4,021

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

Financial Liabilities				
CONSOLIDATED			Liabilities at fair value through profit and loss	Financial liabilities at amortised cost
			£000	£000
	Note			Total
			£000	£000
AS AT 31 MARCH 2022				
Liabilities per Statement of Financial Position				
Finance lease liabilities	12		0	0
PFI Liabilities	12		162,004	162,004
Derivative financial instruments	23	0		0
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12		114,470	114,470
	-		0	276,460
				276,460
BOARD				
			Liabilities at fair value through profit and loss	Financial liabilities at amortised cost
			£000	£000
	Note		£000	£000
AS AT 31 MARCH 2022				
Liabilities per Statement of Financial Position				
Finance lease liabilities	12		0	0
PFI Liabilities	12		162,004	162,004
Derivative financial instruments	23	0		0
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12		114,456	114,456
	-		0	276,460
				276,460
CONSOLIDATED (Prior Year)				
			Liabilities at fair value through profit and loss	Financial liabilities at amortised cost
			£000	£000
	Note		£000	£000
At 31 March 2021				
Liabilities per Statement of Financial Position				
Finance lease liabilities	12		0	0
PFI Liabilities	12		165,417	165,417
Derivative financial instruments	23	0		0
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	12		57,274	57,274
	-		0	222,691
				222,691
BOARD (Prior Year)				
			Liabilities at fair value through profit and loss	Financial liabilities at amortised cost
			£000	£000
	Note		£000	£000
At 31 March 2021				
Liabilities per Statement of Financial Position				
Finance lease liabilities	12		0	0
PFI Liabilities	12		165,417	165,417
Derivative financial instruments	23	0		0
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	12		57,255	57,255
	-		0	222,672
				222,672

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 22B 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.

NHS Fife provides written principles for overall risk management, as well as written Financial Operating Procedures covering credit control.

The Consolidated Group does have some exposure to foreign investments.

a) Credit Risk

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

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

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

The utilisation of credit limits is regularly monitored.

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

b) Liquidity Risk

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

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
AS AT 31 MARCH 2022	£000	£000	£000	£000
PFI Liabilities	16,893	16,893	50,680	249,883
Trade and other payables excluding statutory liabilities	114,470			
Total	131,363	16,893	50,680	249,883
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 March 2021	£000	£000	£000	£000
PFI Liabilities	16,893	16,893	50,680	266,776
Trade and other payables excluding statutory liabilities	57,274			
Total	74,167	16,893	50,680	266,776

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

c) Market Risk

The NHS Board has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the NHS Board in undertaking its activities.

i) Cash flow and fair value interest rate risk

The NHS Board has no significant interest-bearing assets or liabilities and as such income and expenditure cash flows are substantially independent of changes in market interest rates.

ii) Foreign Currency Risk

NHS Fife has no direct exposure to foreign exchange rates during the course of normal business transactions.

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. (Provide details of the technique used).

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.

NOTE 23 DERIVATIVE FINANCIAL INSTRUMENTS

None.

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 24 RELATED PARTY TRANSACTIONS

Government Bodies

The Scottish Government has effective control over the operations of NHS Fife. It provides the statutory framework within which NHS Fife operates and provides the majority of the funding for the operations of NHS Fife (which are referenced in Note 2). NHS Fife has had various material transactions with other boards, government departments and other central government bodies, such as HMRC and the Scottish Public Pension Agency. None of these are classified as related parties.

Key Management

No Board Member or key manager has undertaken any material transactions with the Board during the year.

Fife Integration Joint Board

Under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 the Fife Integration Joint Board was legally established from Saturday 3rd October 2015 with official commencement being 1st April 2016. The IJB is a partnership between NHS Fife and Fife Council and is responsible for planning and overseeing the delivery of a full range of community health and social care services. Consolidation will be applied for the 2021-22 annual accounts according to the equity method of accounting under IAS 28 - Investments in Associates and Joint Ventures.

Fife Integration Joint Board is classified as a related party and the following Board members were also members of the Integration Joint Board:

Christina Cooper (Chair), Dr Christopher McKenna, Janette Owens, Martin Black, Sinead Braiden, Wilma Brown, Alistair Morris, Arlene Wood

These NHS Fife Board members are voting members on the IJB Board. The voting membership and therefore the exercise of control over the IJB is split equally between NHS Fife and Fife Council.

NHS Fife had the following related party transactions in 2021-22:

Income £414.901m

Expenditure £414.901m

A 50% share of the integration joint board reserve (£39.856m) is included.

Fife Health Charity

The Fife Health Charity Funds are managed by Trustees who are members of the NHS Fife Board.

The Fife Health Charity had a total fund balance of £14.5m as depicted in Note 26 as part of the Group Consolidated Accounts. There was a debtor balance at the end of 2021/22 of £199k.

NOTE 25 THIRD PARTY ASSETS

Third Party Assets managed by the Board consist of balances on Patients' Private Funds Accounts.

	2021	Gross Inflows	Gross Outflows	2022
	£000	£000	£000	£000
Monetary amounts such as bank balances and monies on deposit	458	202	(409)	251
Total Monetary Assets	458	202	(409)	251

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 26A CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Group		Board	Endowment	Integration Joint Board (Joint Ventures)	Consolidated
2021		2022	2022	2022	2022
£000	Note	£000	£000	£000	£000
Total income and expenditure					
419,590	Employee expenditure	3	453,877		453,877
	Other operating expenditure	3			
107,513	Independent Primary Care Services		111,384		111,384
139,106	Drugs and medical supplies		151,594		151,594
680,087	Other health care expenditure		758,578	3,306	761,884
1,346,296	Gross expenditure for the year		1,475,433	3,306	1,478,739
(421,919)	Less: operating income	4	(485,111)	(876)	(485,987)
(14,822)	Associates and joint ventures accounted for on an equity basis			(25,034)	(25,034)
909,555	Net Expenditure		990,322	2,430	(25,034)
					967,718

Note: Joint ventures accounted for on an equity basis discloses NHS Fife share of any current year's surplus for the IJB.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 26B CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated			Board	Endowment	Intra Group adjustment	Integration Joint Board (Joint Ventures)	Consolidated
2021			2022	2022	2022	2022	2022
£000	Note		£000	£000	£000	£000	£000
Non-current assets:							
488,367	Property, plant, and equipment	SoFP	527,120	231			527,351
207	Intangible assets	SoFP	227	0			227
Financial assets:							
13,466	Investments	SoFP	0	14,380			14,380
14,822	Investments in associates and joint ventures	26a	0	0		39,856	39,856
48,926	Trade and other receivables	SoFP	54,537	0			54,537
565,788	Total non-current assets		581,884	14,611	0	39,856	636,351
Current Assets:							
5,476	Inventories	SoFP	5,857	0			5,857
Financial assets:							
32,541	Trade and other receivables	SoFP	39,549	392	(201)		39,740
2,423	Cash and cash equivalents	SoFP	573	1,842			2,415
1,623	Assets classified as held for sale	SoFP	1,623	0			1,623
42,063	Total current assets		47,602	2,234	(201)	0	49,635
607,851	Total assets		629,486	16,845	(201)	39,856	685,986
Current liabilities							
(24,841)	Provisions	SoFP	(35,218)	(2,129)			(37,347)
Financial liabilities:							
(86,610)	Trade and other payables	SoFP	(143,451)	(215)	201		(143,465)
(111,451)	Total current liabilities		(178,669)	(2,344)	201	0	(180,812)
496,400	Non-current assets plus / less net current assets/liabilities		450,817	14,501	0	39,856	505,174
Non-current liabilities							
(90,921)	Provisions	SoFP	(96,154)	0			(96,154)
Financial liabilities:							
(162,005)	Trade and other payables	SoFP	(158,335)	0			(158,335)
(252,926)	Total non-current liabilities		(254,489)	0	0	0	(254,489)
243,474	Assets less liabilities		196,328	14,501	0	39,856	250,685

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

		Taxpayers' Equity						
68,925	General fund	SoFP	32,119	0			32,119	
143,685	Revaluation reserve	SoFP	164,209	0			164,209	
14,822	Other reserves - joint venture	SoFP	0	0	0	39,856	39,856	
16,042	Funds Held on Trust	SoFP	0	14,501			14,501	
243,474	Total taxpayers' equity		196,328	14,501	0	39,856	250,685	

On consolidating the Board and Endowment Fund accounts adjustments have been required to remove the balances held with each other to ensure accurate representation of the Consolidated Statement of Financial Position. The Board accounts include a £199k debtor with the Endowment Fund. The corresponding entries on the Endowment Fund incorporate a £199k creditor to the Board. The Fife Integration Joint Board (IJB) has been incorporated within the Group accounts and a 50% share of the year end reserve (£39.856m) has been included.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 26B CONSOLIDATED STATEMENT OF FINANCIAL POSITION – PRIOR YEAR

		Board	Endowment	Intra Group adjustment	Integration Joint Board (Joint Ventures 2021	Consolidated
PRIOR YEAR		2021	2021	2021	2021	2021
		£000	£000	£000	£000	£000
Non-current assets:						
Property, plant, and equipment	SoFP	488,136	231			488,367
Intangible assets	SoFP	207	0			207
Financial assets:						
Investments	SoFP	0	13,466			13,466
Investments in associates and joint ventures		0	0	0	14,822	14,822
Trade and other receivables	SoFP	48,926	0			48,926
Total non-current assets		537,269	13,697	0	14,822	565,788
Current Assets:						
Inventories	SoFP	5,476	0			5,476
Financial assets:						
Trade and other receivables	SoFP	32,166	439	(64)		32,541
Cash and cash equivalents	SoFP	434	1,989			2,423
Assets classified as held for sale	SoFP	1,623	0			1,623
Total current assets		39,699	2,428	(64)	0	42,063
Total assets		576,968	16,125	(64)	14,822	607,851
Current liabilities						
Provisions	SoFP	(13,391)	0			(24,841)
Financial liabilities:						
Trade and other payables	SoFP	(86,591)	(83)	64		(86,610)
Total current liabilities		(99,982)	(83)	64	0	(111,451)
Non-current assets plus / less net current assets/liabilities		476,986	16,042	0	14,822	496,400
Non-current liabilities						
Provisions	SoFP	(102,371)	0			(90,921)
Financial liabilities:						
Trade and other payables	SoFP	(162,005)	0			(162,005)
Total non-current liabilities		(264,376)	0	0	0	(252,926)
Assets less liabilities		212,610	16,042	0	14,822	243,474
Taxpayers' Equity						
General fund	SoFP	68,925	0			68,925
Revaluation reserve	SoFP	143,685	0			143,685
Other reserves - joint venture	SoFP	0	0	0	14,822	14,822
Funds Held on Trust	SoFP	0	16,042			16,042
Total taxpayers' equity		212,610	16,042	0	14,822	243,474

On consolidating the Board and Endowment Fund accounts adjustments have been required to remove the balances held with each other to ensure accurate representation of the Consolidated Statement of Financial Position. The Board accounts include a £59k debtor with the Endowment Fund. The corresponding entries on the Endowment Fund incorporate a £59k creditor to the Board. The Fife Integration Joint Board (IJB) has been incorporated within the Group accounts and a 50% share of the year end reserve (£14.822m) has been included.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 26C CONSOLIDATED STATEMENT OF CASH FLOW

	Board	Endowment	Integration Joint Board (Joint Ventures)	Consolidated
	2022	2022	2022	2022
	£000	£000	£000	£000
Cash flows from operating activities				
Net operating expenditure	(990,322)	(2,430)	25,034	(967,718)
Adjustments for non-cash transactions	18,185		(25,034)	(6,849)
Add back: interest payable recognised in net operating expenditure	13,574			13,574
Investment income	0	(410)		(410)
Movements in working capital	52,936	2,308		55,244
Net cash outflow from operating activities	(905,627)	(532)	0	(906,159)
Cash flows from investing activities				
Purchase of property, plant, and equipment	(26,532)	0		(26,532)
Purchase of intangible assets	(127)	0		(127)
Investment additions	0	(2,019)		(2,019)
Receipts from sale of investments		1,994		1,994
Interest received	0	410		410
Net cash outflow from investing activities	(26,659)	385	0	(26,274)
Cash flows from financing activities				
Funding	949,273			949,273
Movement in general fund working capital	139			139
Cash drawn down	949,412			949,412
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts	(3,413)			(3,413)
Interest paid	(93)			(93)
Interest element of finance leases and on-balance sheet PFI / PPP contracts	(13,481)			(13,481)
Net Financing	932,425			932,425
Net Increase / (decrease) in cash and cash equivalents in the period	139	(147)		(8)
Cash and cash equivalents at the beginning of the period	434	1,989		2,423
Cash and cash equivalents at the end of the period	573	1,842		2,415
Reconciliation of net cash flow to movement in net debt / cash				
Increase / (decrease) in cash in year	139	(147)		(8)
Net debt / cash at 1 April	434	1,989		2,423
Net debt / cash at 31 March	573	1,842		2,415

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2022

NOTE 26C CONSOLIDATED STATEMENT OF CASH FLOW – PRIOR YEAR

Consolidated		Board	Endowment	Integration Joint Board (Joint Ventures)	Consolidated
2020		2021	2021	2021	2021
£000		£000	£000	£000	£000
Cash flows from operating activities					
(822,394)	Net operating expenditure	(925,242)	865	14,822	(909,555)
13,880	Adjustments for non-cash transactions	25,399		(14,822)	10,577
14,357	Add back: interest payable recognised in net operating expenditure	13,946			13,946
(421)	Investment income	0	(356)		(356)
9,168	Movements in working capital	(1,171)	145		(1,026)
(785,410)	Net cash outflow from operating activities	(887,068)	654		(886,414)
Cash flows from investing activities					
(10,400)	Purchase of property, plant, and equipment	(16,866)	0		(16,866)
(11)	Purchase of intangible assets	(12)	0		(12)
(12,870)	Investment additions	0	(2,528)		(2,528)
999	Proceeds of disposal of property, plant, and equipment	14	0		14
13,752	Receipts from sale of investments	0	2,407		2,407
421	Interest received	0	356		356
(8,109)	Net cash outflow from investing activities	(16,864)	235		(16,629)
Cash flows from financing activities					
811,667	Funding	921,052			921,052
(27)	Movement in general fund working capital	(51)			(51)
811,640	Cash drawn down	921,001			921,001
(2,954)	Capital element of payments in respect of finance leases and on-balance sheet PFI contracts	(3,174)			(3,174)
(418)	Interest paid	(227)			(227)
(13,939)	Interest element of finance leases and on-balance sheet PFI / PPP contracts	(13,719)			(13,719)
794,329	Net Financing	903,881			903,881
810	Net Increase / (decrease) in cash and cash equivalents in the period	(51)	889		838
775	Cash and cash equivalents at the beginning of the period	485	1,100		1,585
1,585	Cash and cash equivalents at the end of the period	434	1,989		2,423
Reconciliation of net cash flow to movement in net debt / cash					
810	Increase / (decrease) in cash in year	(51)	889		838
775	Net debt / cash at 1 April	485	1,100		1,585
1,585	Net debt / cash at 31 March	434	1,989		2,423

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 Fife by virtue of that Act, and all other powers enabling them to do so, hereby DIRECT that:

1. NHS Fife 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 Fife must use the NHS Fife 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 Fife 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 Fife 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 Fife 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 Fife is a Health Board established under section 2(1) of the National Health Service (Scotland) Act 1978

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

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

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



Signed by the authority of the Scottish Ministers

Dated 22 March 2022

