



Annual report and consolidated accounts

For the year ended
31 March 2021



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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 both the risks and achievements during the year. In addition, detail is provided on all aspects of non-financial performance.

Chief Executive Statement

The past 12 months have been dominated with our response to the global Covid-19 pandemic, and, as I write this overview, NHS Fife has been asked to maintain its major incident footing until the end of June 2021.

The financial year 1 April 2020 to 31 March 2021 has been unprecedented in the history of the NHS, with significant challenges and a seismic shift in how we deliver vital front-line services, against the backdrop of a global pandemic and national lockdowns. Never before has the NHS had to move so quickly to redesign and mobilise its services to ensure that we can continue to deliver safe, person-centred health and care for the population of Fife.

At a time when all our communities looked to the NHS to navigate them safely through these uncharted waters, we asked our local communities to stay home, save lives and protect the NHS from becoming overwhelmed with critically ill Covid-19 patients. We have worked tirelessly with our partners in the public, third and independent sectors to reach out to our diverse communities to ensure that everyone has equal access to our healthcare services and that no segment of our community is left behind during the pandemic.

The long-term implications of the Coronavirus pandemic remain unclear; however, I think we all acknowledge that things will never be the same. The pandemic has forced us all think and work differently. We have had to move quickly to introduce new and efficient ways of working to ensure that we are equipped to work safely in this new Covid-19 landscape.

We have all had to change and adopt new technologies to ensure we can continue to deliver key front line services. Technology such as 'Near Me' has enabled clinicians to carry out online consultations with their patients, the accelerated introduction of Microsoft Office 365 and MS Teams has been vital in supporting blended working and in particular for those colleagues required to work from home.

Whilst there is optimism that there are many positives resulting from this experience and the lessons learned will stand us in good stead for the future, there will be significant financial challenges ahead - adopting new and innovative technologies comes at a cost, however cost should not prevent us from exploring new ideas and ways of working.

We need to ensure that we continue to plan the delivery of innovative ways of making best use of the resources we have and minimise waste in the system. Our approach to the remobilisation, recovery and redesign of health and care services across Fife will be key determinants in ensuring we gain most value for our communities from the resources available and that we invest wisely in our future.

A key component of our future planning is also ensuring that the decisions we make are sustainable, both in a financial and environmental context. These are not mutually exclusive and in fact are more often two sides of the same coin. As a major employer and consumer in Fife, sustainability will play an important role in redefining our new business as usual. Financing sustainable initiatives will be an important part of the way forward to ensure we deliver effective health care services as well as broader societal benefits, including population health and wellbeing. Through the development of our role as an "Anchor Institution" we are committed to ensuring we make a significant wider contribution to the local community in relation to: local employment opportunities, particularly youth employment; procurement of local services; environmental impact and sustainability; as well as maximising our estate and property assets. We believe our obligations and commitment as an anchor institution will not only help to shape and develop our strategic thinking and deliverable objectives, but also help to cement our approach to partnership working and active collaboration with organisations and communities across Fife.

I am confident that we will be able to achieve this, in spite of the numerous challenges, as long as we stay true to our values and continue to listen and support our staff, as, our most valuable asset, across the whole of NHS Fife, to deliver our shared goals and vision.

Throughout our response to the pandemic we have achieved much, we have witnessed inspiring innovations and we have met and surpassed a number of major milestones that have exceeded our own expectations. From the rapid establishment of our PPE Logistics Hub, to our extensive Test and Protect Programme; our Covid-19 Mass Vaccination Programme, our adoption of technological solutions including our new staff communications and engagement app, StaffLink, and the accelerated roll-out of Microsoft Office365 - these have all illustrated how quickly we can change when empowered to do so.

We ended our financial year with the Scottish Government approving the Full Business Case to secure the development of a state of the art £34 million elective orthopaedic centre, on our Victoria Hospital site in Kirkcaldy. I am delighted that building work has now started, and we are scheduled to have the project completed in Autumn 2022.

As we all adjust to the 'New Normal' some things will remain the same: the NHS will continue to provide cradle to grave health and care, supporting the most vulnerable in our society and working hard to address health inequalities. The pressures and competing demands on our resources and finance will be challenging. However, by continuing to work together and collaborating with our partners, NHS Fife will continue to evolve, adapt, and deliver safe and effective healthcare that puts our patients at the heart of everything we do.

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 to provide primary and community health services within their areas, 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 Communications, Patient Relations and Legal Services);
- Workforce (including Learning & Development and Occupational Health);
- Finance (including Planning & Performance, Corporate Governance, Procurement and Risk Management);
- Estates and Facilities (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 that could affect delivery of objectives

The NHS Board delivered an underspend of £0.340m for 2020/21 across the core revenue position. This position encompassed full funding of additional Covid-19 costs and unachieved savings and was net of the return of offsetting cost reductions. The Scottish Government non-recurring funding of the unachieved efficiency savings of £10.096m creates a risk in the form of an opening pressure for next financial year and is a direct consequence of our focus on the Covid-19 pandemic.

The year-end position takes account of a non-recurring budget realignment process of £4.1m from the Health delegated budget within the Health and Social Care Partnership to Social Care; and there was subsequently no requirement in-year to contribute to the risk-sharing agreement for the Health and Social Care Partnership. In addition a Health delegated core underspend, together with unused Covid-19 funding and late funding allocations totalling £11.3m have been transferred to an earmarked reserve within the partnership. This represents a significant favourable non-recurring position as we enter the new financial year, however there is a risk in that future Covid-19 funding is uncertain.

Whilst the Board delivered an overall underspend, there is an underlying Acute Services cost overspend of £5.3m (counteracted by underspends across Health Board retained services including Estates and Facilities, and Corporate Services) which remains a challenge. Mitigating work is underway to manage this risk. During 2020/21 national benchmarking information was used to enable greater focus on areas where service costs require review and also confirmed areas where service costs benchmark well against similar sized non-teaching Boards. This work will continue into 2021/22.

The Covid-19 pandemic has significantly impacted on performance and areas of transformation in NHS Fife. 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 projected activity was based on capacity which reduced due to social distancing and particularly the 2 metre restrictions. NHS Fife approached remobilisation of services in a safe and phased way which meant that capacity significantly reduced during periods of surge.

During 2020/21, the transformation programme was paused as 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. Part of our response to the Pandemic has included a rapid introduction and roll out of digital innovation with an increase in virtual consultations.

During the Covid-19 period, NHS Fife submitted an integrated mobilisation plan in March 2020, a remobilisation plan in June/July 2020 and a further remobilisation plan in February 2021 to the Scottish Government. These plans replaced the Annual Operational Plan for 2020/21 with the third plan submitted in February outlining actions and activity performance for 2021/22. These plans outline how NHS Fife and Fife Health and Social Care Partnership will remobilise services following the Scottish Government Framework for NHS Scotland in respect of *Remobilise, Recover, Redesign*.

During 2020/21, the Board introduced a new Strategic Planning and Resource Allocation (SPRA) process, this is an annual process which details how each directorate/programme will support the delivery of the overall organisational strategy. The new process informed the development of the Operational Plan (RMP3) for 2021/22. Through this process, Directorate positions are consolidated, and investments and disinvestments prioritised to deliver the most effective allocation of resources. The prioritisation is influenced by the Scottish Government policy objectives and the recurring impact of Covid-19. The prioritisation process also reflects that the NHS in Scotland will operate under the direction of the Scottish Government at least until the end of June 2021.

Disinvestment requires the development of plans to release cash savings and productive opportunities. To support this SPRA process and outcomes, plans are in place to develop the capacity and capability of our Corporate Programme Management (PMO) arrangements to support service transformation.

The focus now is on remobilisation, recovery, and redesign of services; and to deliver a recurring balanced financial position over the medium term.

Elective activity was significantly impacted in 2020/21 due to the impact of the pandemic. Planned procedures were paused with the exception of urgent and urgent suspicion of cancer referrals, diagnosis, and treatment. All patients in these priority areas continued to be seen and treated in line with the existing clinical prioritisation process. The performance management of key waiting times indicators was also paused nationally in 2020/21 with the Remobilisation Plans detailing projected monthly activity rather than against the previous targets. This resulted in an increase in the number of patients waiting over 6 weeks for diagnostics and over 12 weeks for outpatients, inpatients, and day cases, however, this was monitored and tracked locally throughout the year.

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.

Waiting Times were significantly affected, not just in terms of a growth in waiting lists but in the number of patients now having to wait far in excess of the agreed LDP Standard time for first appointment or treatment. Discussions continue nationally with the Scottish Government to agree the appropriate recovery of this position and the additional funding that will be necessary to support this.

Performance against the 4-Hour Emergency Access Standard improved during the first half of 2020/21, as a consequence of patient attendance dropping by over 50%. During the latter months of 2020/21 and in particular during the winter period and the second wave of the pandemic, attendance increased, and performance reduced.

The percentage of patients who started Cancer treatment within 31 days of a decision to treat was maintained at a high level, however non-Covid-19 issues in specialties such as Urology and Breast continued to require focussed attention. As will be the case for all NHS Boards, the number of referrals is expected to increase significantly as we come out of lockdown, putting further pressure on service delivery.

Infection Control performance improved during 2020/21, despite the additional requirement to support Covid-19, and we expect to meet the improvement targets for SAB, C Diff and ECB by March 2022.

Other services impacted by Covid-19 during 2020/21 included Smoking Cessation and Alcohol Brief Interventions, where major operational changes were required to address social distancing.

Performance Analysis

The Scottish Government Health requires NHS Boards to meet three key financial targets:

- a Revenue resource limit – a resource budget for on-going operations.
- a Capital resource limit – a resource budget for net capital investment; and
- a Cash requirement.

Further details on non-core elements of expenditure, typically comprising items of a technical accounting nature, can be found in Note 2a – the Summary of Resource Outturn on page 54.

The following table highlights the Boards delivery against these targets for 2020/21:

Statutory Financial Targets	Limit as set by SGHSCD £000's	Actual Outturn £000's	Variance Under/(Over) £000's
Core Revenue Resource Limit	854,889	854,549	340
Non-Core Revenue Resource Limit	22,406	22,406	-
Total Revenue Resource Limits	877,295	876,955	340
Core Capital Resource Limit	17,315	17,313	2
Non-Core Capital Resource Limit	0	0	-
Total Capital Resource Limits	17,315	17,313	2
Cash Requirement	921,001	921,001	-
Memorandum for In Year Out-turn			£000
Core Revenue Resource Variance Surplus in 2020/21			280
Financial flexibility : funding banked with Scottish Government			60
Underlying Surplus against Core Revenue Resource Limit			340
Percentage of the Core Revenue Resource Limit			0.03%

Excluding provision of financial flexibility provided by Scottish Government, the Board's outturn would have been an underspend on RRL of £280k (equivalent to 0.03%). 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 2023/24. The financial flexibility provided is the Boards underspend from 2019/20 carried forward.

The Financial Plan presented to the Finance, Performance and Resources Committee in March highlighted the requirement for £20.015m cash efficiency savings to support financial balance in 2020/21. The AOP process for the 2020/21 financial year was paused in the early part of the year as Boards and Scottish Government prepared to respond to the Covid-19 pandemic. A revised AOP and financial plan (RMP1) was submitted in July which reflected both the mobilisation and the remobilisation high level impact on the financial position.

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 2020/21, the Board's initial core Revenue Resource Limit (RRL) was £701.537m, increasing to £854.889m by the year-end. This increase of £153m includes additional allocations granted throughout the year such as Covid-19 funding of £53.3m (£33.3m Health; and £20m passported to Social Care); Primary Medical Services (covering services provided by GP's) of £56.9m, Outcomes Framework of £4.2m (encompassing various outcomes-based initiatives), Access Support (waiting times) of £7.7m and New Medicines Fund of £5.4m. The additional allocations are spread throughout the year.

The NHS Board delivered an underspend of £0.340m for 2020/21 across the core revenue position. This position encompassed full funding of additional Covid-19 costs per the table below.

Covid-19 impact:	2020/21
	£'000
Gross Covid-19 additional costs - Health Board Retained	20,726
Gross Covid-19 additional costs - Health Delegated	10,322
Unachieved savings - Health Board Retained	8,296
Unachieved savings - Health Delegated	1,800
Offsetting cost reductions - Health Board Retained	-4,257
Offsetting cost reductions - Health Delegated	-3,603
Total Covid-19 Costs and Funding	33,284
Funding passported to Social Care, Fife Council	19,966
Overall Total	53,250

Additional Health Board expenditure incurred in relation to Covid-19 encompassed: additional hospital bed capacity; screening and testing for virus; contact tracing costs; and immunisation costs.

A cash transfer of £11.3m was actioned in March 2021 to Fife Council to enable the carry forward in an earmarked reserve of this sum for the Health & Social Care Partnership. This was recorded as spend within Board accounts and was made up of late allocations (£3.9m), unused Covid-19 funding (£2.4m); and underspends across service areas (£5m).

Moving into 2021/22, a formal and detailed assessment of resource levels and service costs is underway including a risk assessment of the deliverability of the required level of savings required to balance over a 3-year period. This will be challenging as we turn our focus to remobilisation, recovery, and redesign of services.

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 Endowment Fund.

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 2021 is £46.246m, a movement of £0.280m in year. More detail is provided in Note 13.

Capital Expenditure

During 2020/21 the Board recorded spend of £17.326m on a wide range of capital building projects, equipment, and technology (Note 7). The element charged to the Capital Resource Limit is £17.313m which is the Capital Expenditure net of receipts. The balance is offset against the Net Book Value (NBV) of equipment disposed of in 2020/21.

Major projects undertaken during the year include: £1.526m for the Steam Decentralisation scheme at Queen Margaret Hospital; MRI at Queen Margaret Hospital £1.461m; Surgical Robot for Victoria Hospital £2.154m; and £2.199m spent on construction works for the Elective Orthopaedic Centre. An additional £0.575m was also spent on a range of small building projects across the Board's estate.

Backlog Maintenance/Statutory Compliance projects undertaken during the year totalled £1.590m.

Digital and Information investment of £1.024m has also been made during the year, along with new and replacement Medical Equipment purchases of £6.797m.

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). Glenrothes Hospital, Stratheden Hospital, all EUV properties (Health Centres/Clinics) and all land and AHFS at the year end. This has resulted in overall downward revaluation movements. The year-end indexation factor from the Valuation Office created an impairment charge at the year-end across NHS Fife (Index factor 295.2).

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 £3.458m 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 £24.911m 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 £25.676m (St. Andrews Community Hospital) and £173.812m (Victoria Hospital, Kirkcaldy, Phase 3).

Provisions

As at 31 March 2021, the Board has provisions of £115.732m (2019/20 £145.671m) as detailed in the table below and in Note 13:

	2020/21 £m	2019/20 £m
Clinical and Medical Negligence Cases	60.654	90.695
Boards share of total NHS Scotland CNORIS liability	45.759	45.809
Pension Provisions	2.060	2.325
Injury Benefit Provisions	7.259	6.842
Total	115.732	145.671

There was a significant reduction in the Boards Clinical and Medical Negligence Cases provision during the year, with the settlement of a particular case, for significantly lower than it had originally been valued. These provisions include the element funded through Annually Managed Expenditure (AME) in 2020/21. The Board is also disclosing a contingent liability of £18.804m (2019/20 £17.123m) for other legal cases and a contingent asset of £17.853m (2019/20 £16.263m) 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 £246.131m (2019/20 £247.364m). Of this total, £165.417m relates to future amounts payable on the two PFI contracts (2019/20 £168.592m).

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 months and years to recover. The following paragraphs give a general overview of performance in FY 2020/21 compared to FY 2019/20, although this should clearly be read with the impact of the pandemic in mind.

In 2020/21, the performance of the Mental Health standards managed by the Health & Social Care Partnership (CAMHS and Psychological Therapies) was similar to that in 2019/20. Service re-design was required, particularly in relation to treatment activities where group sessions were no longer feasible, and this will be an ongoing initiative going forward. Waiting lists generally stabilised or dropped during the pandemic but are expected to rise in the longer term. The focus on urgent cases, which are mostly new referrals, has positively influenced performance, however it does not reflect the number of 'long waits' in the system.

NHS Fife continued to exceed the Standard for patients receiving Drugs or Alcohol treatment within 3 weeks of referral, despite having to re-design the service to meet social distancing requirements. Smoking Cessation was an area particularly impacted by social distancing requirements and lack of access to facilities including follow-up checks. The Scottish Government advised Health Boards to continue to try to facilitate support, however it was recognised that significantly less successful quits would be achieved during the 2020/21. Although we will not have formal figures until late autumn, local figures indicate that this has been the case.

In Acute Services, NHS Fife, like all other Health Boards, was severely affected by the pandemic with the cessation of elective services for a large part of the year resulting in an increase in the overall waiting lists but more specifically in the number of patients having to wait more than the standard 6/12 week period for diagnostics, inpatient/day case and outpatient treatment. On the positive side, while being mindful of the recovery challenge ahead, NHS Fife retained its position as one of the better-performing Health Boards across all three areas.

Cancer Services were less impacted than others, as Health Boards prioritised referrals for investigation and treatment. Nevertheless, performance against the 62-day RTT Standard was challenging, particularly in the Urology specialty.

As noted earlier, performance against the 4-Hour Emergency Access Standard was positively impacted during the first half of the FY, when attendances at the department reduced significantly. Although these have increased in the second half of the year, they were still below pre-pandemic levels. The Re-design of Urgent Care Programme is now being established in order to support improvements in patient flow for the longer-term.

The Infection Prevention and Control Team in NHS Fife have been heavily involved in the pandemic, but have continued to progress plans to reduce SAB, C Diff and ECB infections in a hospital setting. Most progress has been made on the first two of these, and a 10% drop compared to baseline by March 2022 is anticipated. For ECB further work will be required in FY 2021/22.

The following table summarises the position for key LDP Standards at the end of 2020/21. Performance is classed as either 'Achieved' or 'Not Achieved'. A column showing the performance trend in comparison to 2019/20 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.

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 2020/21.

	LDP Standard / Local Target	Status 2020-21	Target / Standard	Data		Direction of Travel	Data Published
				2019-20	2020-21		
H&SCP	Alcohol Brief Interventions ¹	N/A	80.0%	79.2%	N/A	N/A	Jun-21
	Antenatal Access		80.0%	89.0%			Nov-21
	CAMHS Waiting Times	Not Achieved	90.0%	71.6%	73.2%	↑	Jun-21
	Delayed Discharge (% Bed Days Lost)		5.0%	7.8%			Aug-21
	Dementia PDS - Referrals ²	Achieved	N/A	55.4%	60.9%	↑	Mar-21
	Dementia PDS - Support ²	Achieved	N/A	86.7%	93.7%	↑	Mar-21
	Drugs & Alcohol Waiting Times	Achieved	90.0%	95.2%	93.1%	↓	Jun-21
	Psychological Therapies Waiting Times	Not Achieved	90.0%	67.9%	77.2%	↑	Jun-21
	Smoking Cessation		100.0%	92.8%			Oct-21
ACUTE SERVICES & CORPORATE	18 Weeks RTT	Not Achieved	90.0%	81.4%	70.4%	↓	May-21
	4-Hour Emergency Access	Not Achieved	95.0%	92.6%	94.0%	↑	May-21
	C Diff (HAI/HCAI)	Not Achieved	6.7	9.8	8.5	↑	Jul-21
	Cancer 31-Day DTT	Achieved	95.0%	95.7%	98.2%	↑	Jun-21
	Cancer 62-Day RTT	Not Achieved	95.0%	85.3%	82.5%	↓	Jun-21
	Detect Cancer Early		29.0%	26.1%			Aug-21
	Diagnostics Waiting Times ³	Not Achieved	100.0%	97.9%	80.4%	↓	May-21
	ECB (HAI/HCAI)	Not Achieved	36.6	38.4	38.0	↑	Jul-21
	IVF Waiting Times	Achieved	90.0%	100.0%	100.0%	↔	May-21
	Outpatient Waiting Times ³	Not Achieved	95.0%	95.2%	52.6%	↓	May-21
	Patient TTG (Patients Waiting) ³	Not Achieved	100.0%	83.2%	51.7%	↓	May-21
	Patient TTG (Patients Treated)	Not Achieved	100.0%	81.6%	64.3%	↓	May-21
	SAB (HAI/HCAI)	Achieved	19.5	13.1	16.3	↓	Jul-21
	Sickness Absence	Not Achieved	4.00%	5.49%	4.77%	↑	Jun-21
1	No formal publication is available due to the COVID pandemic impact on service and data collection						
2	The comparison is between 2017/2018 and 2018/2019						
3	Position at end of last month of FY (i.e. 31st March)						

NHS Fife's Integrated Performance Report and Quality Report (IPQR) has remained the principle tool for providing the Board with the means to review performance at a strategic level. This ensures that key performance indicators in respect of financial and non-financial performance, as well as quality, safety and risk metrics are robustly scrutinised by the Board. The content is based on the suite of Scottish Government Standards.

Further detail is provided in the next table which summarises NHS Fife performance against targets in 2020/21. 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. It is important to note that whilst local data provides a more up-to-date position, all relevant data validation processes may not have been completed and this information may therefore be subject to change.

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	LDP Standard	Standard	Target 2020/21	Reporting Period	Year Previous		Previous		Current		Reporting Period	Fife	Scotland		
Clinical Governance	N/A	Major & Extreme Adverse Events	N/A	Month	Mar-20	24	Feb-21	20	Mar-21	40		N/A			
	N/A	HSMR	N/A	Year Ending	Dec-19	1.02	Sep-20	1.01	Dec-20	1.01	↔	YE Dec-20	1.01	●	1.00
	N/A	Inpatient Falls	5.97	Month	Mar-20	8.02	Feb-21	9.51	Mar-21	8.08	↑	N/A			
	N/A	Inpatient Falls with Harm	2.16	Month	Mar-20	1.37	Feb-21	1.95	Mar-21	1.87	↑	N/A			
	N/A	Pressure Ulcers	0.42	Month	Mar-20	1.06	Feb-21	1.49	Mar-21	1.22	↑	N/A			
	N/A	Caesarean Section SSI	2.5%	Quarter Ending	Dec-19	2.3%	Sep-20	2.2%	Dec-20	2.4%	↓	QE Dec-19	2.3%	●	0.9%
	N/A	SAB - HAI/HCAI	19.5	Quarter Ending	Mar-20	11.4	Feb-21	19.4	Mar-21	16.5	↓	QE Dec-20	20.6	●	18.8
	N/A	SAB - Community	N/A	Quarter Ending	Mar-20	6.5	Feb-21	10.9	Mar-21	13.0	↓	QE Dec-20	12.8	●	9.6
	N/A	C Diff - HAI/HCAI	6.7	Quarter Ending	Mar-20	8.0	Feb-21	5.2	Mar-21	10.2	↓	QE Dec-20	7.7	●	16.1
	N/A	C Diff - Community	N/A	Quarter Ending	Mar-20	1.1	Feb-21	5.4	Mar-21	7.6	↓	QE Dec-20	2.1	●	4.3
	N/A	ECB - HAI/HCAI	36.6	Quarter Ending	Mar-20	42.0	Feb-21	33.6	Mar-21	21.6	↑	QE Dec-20	50.3	●	40.9
	N/A	ECB - Community	N/A	Quarter Ending	Mar-20	28.0	Feb-21	29.3	Mar-21	33.7	↓	QE Dec-20	27.0	●	37.9
	N/A	Complaints (Stage 1 Closure Rate)	80%	Quarter Ending	Mar-20	72.3%	Feb-21	88.4%	Mar-21	86.7%	↓	2019/20	71.5%	●	79.9%
	N/A	Complaints (Stage 2 Closure Rate)	65%	Quarter Ending	Mar-20	33.3%	Feb-21	30.1%	Mar-21	25.0%	↓	2019/20	35.7%	●	51.8%
Operational Performance	90%	IVF Treatment Waiting Times	90%	Month	Mar-20	100.0%	Feb-21	100.0%	Mar-21	100.0%	↔	N/A			
	95%	4-Hour Emergency Access	95%	Month	Mar-20	91.8%	Feb-21	91.1%	Mar-21	90.8%	↓	Mar-21	90.8%	●	88.5%
	100%	Patient TTG (Ongoing Waits)	N/A	Month	Mar-20	83.1%	Feb-21	48.6%	Mar-21	49.7%	↑	Mar-21	51.7%	●	34.7%
	95%	New Outpatients Waiting Times	N/A	Month	Mar-20	95.2%	Feb-21	48.0%	Mar-21	53.4%	↑	Mar-21	52.6%	●	48.1%
	100%	Diagnostics Waiting Times	N/A	Month	Mar-20	97.8%	Feb-21	76.2%	Mar-21	80.6%	↑	Mar-21	80.7%	●	61.4%
	95%	Cancer 31-Day DTT	N/A	Month	Mar-20	97.6%	Feb-21	97.5%	Mar-21	100.0%	↑	QE Dec-20	99.0%	●	98.6%
	95%	Cancer 62-Day RTT	N/A	Month	Mar-20	85.9%	Feb-21	80.7%	Mar-21	80.3%	↓	QE Dec-20	84.5%	●	86.2%
	90%	18 Weeks RTT	N/A	Month	Mar-20	84.3%	Feb-21	73.6%	Mar-21	72.4%	↓	QE Mar-21	73.2%	●	75.9%
	29%	Detect Cancer Early	29%	Year Ending	Jun-19	27.2%	Mar-20	24.6%	Jun-20	23.5%	↓	2018, 2019	26.1%	●	25.6%
	N/A	Freedom of Information Requests	85%	Quarter Ending	Mar-20	72.1%	Feb-21	89.3%	Mar-21	95.1%	↑	N/A			
	N/A	Delayed Discharge (% Bed Days Lost)	5%	Month	Mar-20	9.6%	Feb-21	6.2%	Mar-21	5.9%	↑	QE Dec-20	5.5%	●	4.8%
	N/A	Delayed Discharge (# Standard Delays)	N/A	Month	Mar-20	58	Feb-21	54	Mar-21	48	↑	Mar-21	12.85	●	13.18
	80%	Antenatal Access	80%	Month	Feb-20	84.4%	Jan-21	87.2%	Feb-21	78.8%	↓	FY 2019/20	89.0%	●	88.3%
	473	Smoking Cessation	473	YTD	Feb-20	95.4%	Jan-21	82.1%	Feb-21	53.3%	↑	FY 2019/20	92.8%	●	97.2%
	90%	CAMHS Waiting Times	N/A	Month	Mar-20	83.1%	Feb-21	88.1%	Mar-21	73.0%	↓	QE Mar-21	76.0%	●	65.1%
	90%	Psychological Therapies Waiting Times	N/A	Month	Mar-20	78.4%	Feb-21	84.0%	Mar-21	84.3%	↑	QE Mar-21	82.0%	●	80.4%
	80%	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%
	90%	Drugs & Alcohol Treatment Waiting Times	90%	Month	Feb-20	96.2%	Jan-21	92.4%	Feb-21	93.9%	↑	QE Dec-20	94.3%	●	95.7%
N/A	Dementia Post-Diagnostic Support	N/A	Annual	2018/19	93.4%	2019/20	92.7%	2021/21	98.4%	↑	2018/19	93.7%	●	75.1%	
N/A	Dementia Referrals	N/A	Annual	2018/19	61.0%	2019/20	58.2%	2020/21	48.9%	↓	2018/19	60.9%	●	43.4%	
Finance	N/A	Revenue Expenditure	£0	Month	Mar-20	N/A	Feb-21	£4,200m	Mar-21	£0,340m	↓	N/A			
	N/A	Capital Expenditure	£17.315m	Month	Mar-20	N/A	Feb-21	£8,551m	Mar-21	£17,326m	↑	N/A			
Staff Governance	4.00%	Sickness Absence	4.39%	Month	Mar-20	5.46%	Feb-21	5.03%	Mar-21	4.43%	↑	YE Mar-21	4.77%	●	4.67%

For the second Remobilisation Plan (RMP2), NHS Fife was asked to provide activity projections to cover the remaining 6 months of 2020/21 as focus shifted away from waiting time performance against targets as the pandemic continued. The figures at that time did not reflect the impact of the second wave of Covid-19, which significantly impacted the Boards ability to achieve these projections. Unscheduled Care activity also did not return to pre Covid-19 levels, but activity was higher than previously experienced during first wave.

Higher than Projected | Lower than Projected

		Quarter End	Quarter End	Month End			Quarter End
		Sep-20	Dec-20	Jan-21	Feb-21	Mar-21	Mar-21
TTG Inpatient/Daycase Activity (Definitions as per Waiting Times Datamart)	Projected	2,040	3,044	1,071	1,063	1,086	3,220
	Actual	2,590	2,930	556	644	1,049	2,249
	Variance	550	-114	-515	-419	-37	-971
OP Referrals Accepted (Definitions as per Waiting Times Datamart)	Projected	14,042	22,565	7,261	7,303	7,342	21,906
	Actual	15,774	17,683	4,854	5,258	7,570	17,682
	Variance	1,732	-4,882	-2,407	-2,045	228	-4,224
New OP Activity (F2F, NearMe, Telephone, Virtual) (Definitions as per Waiting Times Datamart)	Projected	13,602	20,630	7,321	7,386	7,500	22,208
	Actual	11,852	15,566	4,332	4,137	5,719	14,188
	Variance	-1,750	-5,064	-2,989	-3,249	-1,781	-8,020
Elective Scope Activity (Definitions as per Diagnostic Monthly Management Information)	Projected	1,648	2,296	848	848	848	2,544
	Actual	1,110	1,258	410	360	545	1,315
	Variance	-538	-1,038	-438	-488	-303	-1,229
Elective Imaging Activity (Definitions as per Diagnostic Monthly Management Information)	Projected	10,074	11,450	3,450	3,700	3,700	10,850
	Actual	11,264	10,835	2,797	2,671	4,010	9,478
	Variance	1,190	-615	-653	-1,029	310	-1,372
A&E Attendance (Definitions as per Scottish Government Unscheduled Care Datamart)	Projected	21,495	21,705	7,230	6,990	7,590	21,810
	Actual	20,303	17,073	4,403	4,145	5,557	14,105
	Variance	-1,192	-4,632	-2,827	-2,845	-2,033	-7,705
Number of A&E 4-Hour Breaches (Definitions as per Scottish Government Unscheduled Care Datamart)	Projected	775	1,000	390	325	270	985
	Actual	815	1,310	440	369	509	1,318
	Variance	40	310	50	44	239	333
Emergency Admissions (Definitions as per Scottish Government Unscheduled Care Datamart)	Projected	9,225	10,100	3,450	3,220	3,300	9,970
	Actual	8,800	9,642	2,717	2,568	3,170	8,455
	Variance	-425	-458	-733	-652	-130	-1,515
Admissions via A&E (Definitions as per Scottish Government Unscheduled Care Datamart)	Projected	4,354	4,350	1,400	1,330	1,430	4,160
	Actual	4,467	4,227	1,329	1,232	1,559	4,120
	Variance	113	-123	-71	-98	129	-40
Urgent Suspicion of Cancer - Referrals Received (SG Management Information)	Projected	2,195	2,140	750	770	800	2,320
	Actual	2,097	2,481	742	776	1,058	2,576
	Variance	-98	341	-8	6	258	256
31 Day Cancer - First Treatment, Patients Treated (Definitions as per Published Statistics)	Projected	309	309	103	103	103	309
	Actual	275	281	95	81	90	266
	Variance	-34	-28	-8	-22	-13	-43
CAMHS - First Treatment, Patients Treated (Definitions as per Published Statistics)	Projected	325	356	104	105	86	295
	Actual	274	314	100	109	159	368
	Variance	-51	-42	-4	4	73	73
Psychological Therapies - First Treatment, Patients Treated (Definitions as per Published Statistics)	Projected	970	1,956	724	745	516	1,985
	Actual	1,233	1,498	468	437	613	1,518
	Variance	263	-458	-256	-308	97	-467

		Month End	Month End	Month End			Month End
		Sep-20	Dec-20	Jan-21	Feb-21	Mar-21	Mar-21
Delayed Discharges at Month End (Any Reason or Duration, per the Definition for Published Statistics) ¹	Projected	79	79	88	83	74	74
	Actual	75	51	65	91	94	94
	Variance	-4	-28	-23	8	20	20

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.

	2020/21	2019/20
Average Credit Taken	13 days	17 days
Paid within 30 days by Value	95%	93%
Paid within 30 days by Volume	92%	88%
Paid within 10 days by Value	90%	85%
Paid within 10 days by volume	83%	67%

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.

The programme of national patient exemption eligibility checking within the CFS Patient Claims Team (PCT) was suspended in April 2020 due to the Covid-19 pandemic. The PCT were redirected to support the NHS Scotland Test and Protect contact tracing programme. In addition to this, Dental and Ophthalmic services were severely disrupted and restricted for a large part of 2020/21. As a direct result of this interruption to service provision and combined with the lack of sampled exemption claim cases, there was insufficient information available to CFS to allow a robust and meaningful extrapolation calculation to be produced this year. The PCT resumed their programme of work in January 2021, and CFS anticipate that the production of the annual extrapolation calculation will resume in 2022.

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 was received in 2020/21 and used to supplement this with further equipment to support patient communication.

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 (emissions reduction Targets) (Scotland) Act 2019 amends the Climate Change (Scotland) Act 2009 and sets out targets adopted by the Scottish Government to reduce emissions in Scotland by at least 100% by 2045. Interim targets of 56% in 2020 and 75% lower in 2030 and 90% lower in 2040 have also been introduced. This includes annual targets of approximately 2% each year. In 2015, an Order was introduced requiring all designated Organisations (including NHS fife) to submit an annual report to the Sustainable Scotland Network (SSN) detailing compliance with the climate change duties imposed by the Act. 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:

[Climate Change Plan: third report on proposals and policies 2018-2032 \(RPP3\) - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-policies/climate-change/2018/2018-03-27-climate-change-plan-third-report-on-proposals-and-policies-2018-2032-rpp3/)

NHS Fife, in common with other Boards, 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 Sustainability and Energy Fora are overseen by the Executive Directors Group, the Sustainability Champion, and the NHS Fife Board. The Sustainability and Energy Fora are chaired by the Estates Officer for Sustainability who coordinates the work undertaken. They 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 representation in the Health and Wellbeing Group in order to coordinate efforts with other parts of the Board. During the Sustainability and Energy Fora meetings Managers report their progress within their respective areas towards meeting sustainable targets. The National Sustainability Assessment Tool is utilised as a benchmark to measure progress in other sustainability areas. A dedicated Waste Officer 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 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 has identified a range of potential energy saving revenue and capital projects.

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

Continued partnership working with Fife Council and other Boards is actively sought, where improvements in the general environment will result in benefits to the local population of Fife.

The Board is represented on the Fife Environmental Partnership Group, which meets quarterly. The Board participates in numerous sustainability campaigns throughout the year such as Bike Week, Liftshare Week, Cycle to Work and promotes these via intranet news items, web sites and staff newsletters.

Signature:.....*Carol Potter*..... Date: 28 September 2021

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 2020/21, 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 15.

- 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 26.

- 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 34.

Corporate Governance Report

Directors' Report

Date of Issue

Financial statements were approved by the Board and authorised for issue by the Accountable Officer on 28 September 2021.

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 2020 to 31 March 2021 were as follows:

Non-Executive Members

Tricia Marwick	Chairperson
Dr Les Bisset	Non-Executive Board Member / Vice Chairperson (until 31.03.21)
Martin Black	Non-Executive Board Member
Sinead Braiden	Non-Executive Board Member
Eugene Clarke	Non-Executive Board Member
Christina Cooper	Non-Executive Board Member
Rona Laing	Non-Executive Board Member
Katy Miller	Non-Executive Board Member & Whistleblowing Champion (until 30.11.20)
Alistair Morris	Non-Executive Board Member
Margaret Wells	Non-Executive Board Member
Wilma Brown	Stakeholder Member, Employee Director (Co-Chair, Area Partnership Forum)
Janette Owens	Stakeholder Member (Chairperson, Area Clinical Forum) (until 03.01.21)
Aileen Lawrie	Stakeholder Member (Chairperson, Area Clinical Forum) (from 01.03.21)
Councillor David Graham	Stakeholder Member (Fife Councillor)

Executive Members

Carol Potter	Chief Executive
Helen Buchanan	Director of Nursing (until 31.03.21)
Janette Owens	Director of Nursing (from 04.01.21)
Margo McGurk	Director of Finance & Strategy (interim until 31.12.20; appointed from 01.01.21)
Dr Chris McKenna	Medical Director
Dona Milne	Director of Public Health

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 2021 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for the NHS Scotland by Scottish Ministers.
- Make judgements and estimates on a reasonable basis.
- State where applicable accounting standards as set out in the Financial Reporting Manual have not been followed where the effect of the departure is material.

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

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

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

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.corporateservices@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 2020/21.

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/>

Personal data related incidents reported to the Information Commissioner

There were eleven potential personal data related incidents or data protection breaches reported to the Information Commissioner (ICO) during the financial year ended 31 March 2021, with no further action required for 10 of the incidents. The ICO is still to report on one incident reported in March 2021. This is a reduction from the 13 incidents reported to the ICO during the 2019/20 financial year.

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. Also, I am responsible for safeguarding the public funds and assets assigned to the organisation. These financial statements consolidate the Fife Health Board Endowment Fund, re-branded in the reporting year to 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 2020/21, changes were made to the format and timing of governance meetings as detailed in the *Covid-19 Pandemic – Governance Arrangements* section on page 24.

These include the following governance Committees:

- Clinical Governance;
- Audit & Risk;
- Staff Governance;
- Remuneration; and
- Finance, Performance & Resources.

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 Area Clinical Forum

- One Patient Representative

Chair:

Dr Les Bisset, Non-Executive Board Member (Until 31.03.21)

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 (as a Stakeholder member of the Board by virtue of holding the Chair of the Area Partnership Forum)
- Chief Executive
- Director of Nursing
- Staff Side Chairpersons of the Local Partnership Forums

Chair:

Margaret Wells, Non-Executive Board Member

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.

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.

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 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 improved in the current year, and a template for the respective sub-committees / groups that formally report into a Standing Committee has been created 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.

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 is presently being 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. Whilst national work aimed at developing the individual workstreams from the Blueprint was largely paused in 2020/21, due to the pressures of the pandemic, activity is expected to increase, with the Board due to take part in the roll-out of the Active Governance component from autumn 2021.

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. A progress update was considered by the Board in November 2019 and, following thereon, a further iteration presented in September 2020. A summary of the most recent self-assessment process, noting the largely positive evaluation of governance arrangements in place in NHS Fife, can be found at the link below: <https://nhsfife.org/media/35026/blueprintupdatesept20.pdf>

Each year, Board committees also undertake a detailed self-assessment exercise, via the format of an online questionnaire. Response rates frequently reach 100% of members and attendees, though participation in this reporting year was reduced due to the timing of the survey occurring within the second wave of the pandemic. 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 is updated 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 operated 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 2020/21, NHS Fife had a Whistleblowing policy in place. A dedicated Whistleblowing Champion, Katy Miller, took up position on the Board as a full Non-Executive Member in February 2020, though she resigned from that post, due to her work commitments, in November 2020. A national-led recruitment process for a successor has successfully concluded and Kirstie Macdonald has joined the Board in that role from 1 April 2021. The Board's Staff Governance Committee has undertaken review of the National Whistleblowing Standards that have been rolled out across all NHS Boards from April 2021 and is assured that adequate preparations are in place for their adoption. 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 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 hospitals and 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 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.

In relation to initial challenges faced by NHS Fife around its annual programme of Seasonal Flu Immunisation, the Board had initially recognised that the 2020/21 campaign was expected to be more challenging than previous years, due to the ongoing restrictions of the pandemic, and with a different model of delivery from the previous GP-led clinics. On the programme's launch in mid-September 2020, the increased demand for flu vaccinations quickly overwhelmed the

planned delivery model and communications hub, resulting in a less than satisfactory patient experience and reputational damage to the Board. An independent review into the seasonal flu programme was commissioned in October 2020 and a 'Lessons Learned' report considered in depth by Clinical Governance Committee and the Board at their meetings in November. The report made a number of important recommendations in the areas of governance, reporting routes and clarity of roles and responsibilities; dedicated planning and project management support; workforce; communications; and IT support. A related Action Plan was developed, and regular reporting on addressing these individual improvement actions has continued. In addition, an external review was commissioned to consider how the Board delivers immunisation programmes in general (noting the additional activity in this area due to Covid-19), and in particular clarifying the respective responsibilities for Public Health and colleagues in the Fife Health & Social Care Partnership. The recommendations of this review will be taken forward during 2021/22.

Robust action plans were developed following Health Improvement Scotland (HIS) external inspection visits to Glenrothes Hospital (on 7-8 July 2020) and to Adamson Hospital (28 October 2020).

The Glenrothes Hospital inspection report is available at:

http://www.healthcareimprovementscotland.org/our_work/inspecting_and_regulating_care/hosp_nhs_fife/glenrothes_hospital_sep_20.aspx) resulted in the identification of four areas of good practice (particularly in the areas of hospital cleanliness and infection control support) and five requirements for improvement (one concerning the condition of equipment and the remainder to improving documentation to ensure that patient health and wellbeing were being appropriately supported and safeguarded).

The Adamson Hospital inspection report is available at:

http://www.healthcareimprovementscotland.org/our_work/inspecting_and_regulating_care/hosp_nhs_fife/adamson_hospital_jan_21.aspx) highlighted three areas of good practice (including robust standards of hospital cleanliness and thorough completion of assessment such falls, oral care and pressure ulcers prevention) and eight requirements to be followed up. Six requirements related to improving documentation to ensure that patient health and wellbeing were being supported and safeguarded and two requirements were in relation to infection control practices helping support a safe environment for patients and staff. At their May 2021 meeting, the Clinical Governance Committee was pleased to note that the action plan in relation to the Glenrothes Hospital inspection had been fully completed, and that the Adamson Hospital action plan was well advanced towards full completion.

During 2020/21 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, and 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 2020/21 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 will continue to be developed during 2021/22 to ensure clarity and consistency of approach.

A joint 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). This review was paused due to the onset of the Covid-19 pandemic. Changes to the current Scheme were agreed by the March 2020 date; however, a number of areas (including the risk share arrangement) required further consideration. A proposal to vary the risk share arrangement was discussed and the matter was then submitted to both Chief Executives of NHS Fife and Fife for consideration. Until a revised Scheme is agreed, the extant Scheme remains in force. Due to the circumstances of the pandemic, Scottish Government has indicated they are content that a local review is concluded by the statutory deadline and an indicative timescale provided on when any additional outstanding issues will be formally concluded. A letter was sent to Scottish Government which confirmed the completion of the local review and provided a timescale of 30 June 2021 for the conclusion of arrangements for the risk share within the new Scheme.

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;
- Letters of Assurance from each Director;
- Reports from other inspection bodies;
- The work of the internal auditors, who submit to the Audit & Risk Committee regular reports, which include their independent and objective opinion on the effectiveness of risk management, control and governance processes, together with recommendations for improvement;
- Comments by the external auditors in their management letters and other reports;
- 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 and awareness of both Executive and Non-Executive Board members;
- The Board's agreed approach to Risk Management established within the Governance Committees;
- The work of the other assurance Committees and groups supporting the Board: Staff Governance Committee, Remuneration Committee, Finance, Performance & Resources Committee, and the Clinical Governance Committee (which also embraces Information Governance & Security);

For the year 2020/2021 the Service Audit Reports in relation to the NSI financial ledger services and IT services were unqualified. However, the report in relation to Practitioner and Counter Fraud Services is qualified as it was last year. The Audit and Risk Committee has considered the issues identified in the reports and concluded that they do not represent significant governance issues. The Board has received assurances from NSS that each point raised within the reports will be addressed as part of its continuous improvement programme of work. The Audit and Risk Committee has also considered a report on the local review process in place with regards to the payments of family health services practitioners as further assurance that all payment streams to Independent Contractors providing family health services are subject to regular and consistent review throughout the year, with no significant issues arising in 2020/2021.

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 (through the Information Governance & Security Steering Group) and validation processes and assurances on the quality of information provided from internal audit and other scrutiny bodies.

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. All risk registers are held on Datix, the Risk Management Information System. Training and support for all Datix modules, including risk registers, are provided by the Risk Management team according to the requirements of individuals, specialities, and teams.

During 2020/21, 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 as part of the Board Assurance Framework (BAF), to the governance committees on a bi-monthly basis, and thereafter to the Audit & Risk Committee and the Board.

Work is ongoing to review the Board's risk management arrangements, to ensure they continue to reflect good practice.

The Board agreed its risk appetite in November 2019. The risk appetite statement was due to be reviewed and updated by November 2020. This activity was delayed due to competing priorities arising from the pandemic. Further work is required to update and agree a risk appetite statement that states the type and level of risks to be eliminated, tolerated, or managed based on an assessment of the balance of risk versus reward. The review will take place in Q3 of 2020/21.

This will involve consideration of the risk appetite of the Board in relation to both operational delivery and performance and strategy.

Performance against Risk Management Key Performance Indicators (KPIs) were reported to the Audit & Risk Committee during 2020/21. The adverse event components of the KPIs are reported to the NHS Fife Adverse Events & Duty of Candour Group, which reports through the Board's Clinical Governance structures. Further consideration will be given to KPI reporting to the NHS Fife Clinical Governance Committee.

The areas for development identified above will all be captured in the updated Risk Management Framework.

During 2020/21, the Director of Nursing, as Executive Lead for Risk Management, reported on all of the above to the Audit & Risk Committee.

Strategy Development and Strategic Planning and Resource Allocation

During 2020/21 the Board introduced a new Strategic Planning and Resource Allocation (SPRA) process. This is an annual process that details how each directorate/programme supports the delivery of the overall organisational strategy. The new process informed the development of the Operational Plan (RMP3) for 2021/22. Through this process, Directorate positions were consolidated, and investments and disinvestments prioritised to deliver the most effective allocation of resources. The prioritisation was influenced by the Scottish Government policy objectives and the recurring impact of Covid-19. The prioritisation process also reflected that the NHS in Scotland will operate under the direction of the Scottish Government at least until the end of June 2021.

The SPRA process creates a planning and resource allocation framework to support the development of the organisational strategy for NHS Fife. This will inform the medium-term financial plan and long-term strategic plan for NHS Fife.

Information Governance and Security

The Internal Audit Annual Report 2019/20 highlighted that assurance on the effectiveness of the Board Information Governance arrangements could be improved in some areas. During 2020/21 there was a key focus on delivering improvements to this important area of governance. As a result of the work undertaken, there has been an improvement in the effectiveness of our governance arrangements including enhancing the necessary processes and controls to provide a baseline of consistent and reliable assurance. Additionally, reporting on compliance with the control's framework has been developed and will be embedded in practice during 2021/22. There were no material deteriorations in levels of compliance against controls during 2020/21; indeed, several areas noted improved performance, including a reduction in the number of potential personal data related incidents or data protection breaches reported to the Information Commissioner (ICO), as detailed on p.17. A number of areas require further work to ensure consistent improvement and a plan has been established to target improvements in compliance where that is required, this will be continuously monitored during 2021/22.

Covid-19 Pandemic – Governance Arrangements

The business of the Board during the year has been impacted greatly by the need for NHS Fife as a whole to address the ongoing challenges of the global pandemic. In recognition of the rapid mobilisation of services to tackle rising rates of Covid-19 infection, approval to revise governance arrangements across NHS Boards was given by the Scottish Government in a letter to Board Chairs on 25 March 2020 (the NHS in Scotland has remained on an Emergency Footing continually since that date). Individual NHS Boards were invited to submit their specific proposals for governance during the pandemic period to the Office of the Chief Executive; NHS Fife returned their own submission on 30 March 2020. At their April 2020 meeting, the Board approved a 'governance-lite' approach aimed at allowing NHS Fife to effectively respond to Covid-19 pressures, maximise the time available for management and operational staff to deal with the significant challenges of addressing demand within clinical services, and, at the same time, allow the Board to appropriately discharge its governance responsibilities.

Since the outbreak of the pandemic in mid-March 2020, the Board has continued to hold its bi-monthly meetings remotely, utilising videoconferencing via MS Teams, with a prioritised agenda in place for each Board meeting. 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.

Whilst the scheduled dates in May 2020 for the Board's governance committees were stood down due to the ongoing impact of the pandemic, a series of Covid-19 related briefing sessions were held for each Board Committee in June, tailored to each Committee's specific remit. As per the letter from Richard McCallum, Director of Health Finance and

Governance of 11 June 2020, prior notification of the intention to resume Committee meetings, and the rationale for that, was given by the Board to Scottish Government. Committee meetings largely resumed on their regular schedule from July 2020 onwards. Agendas for Committee meetings since that time 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 has been suspended or deferred. Each Committee's workplan was however reviewed to ensure that new items related to Covid-19 were covered appropriately and that the required assurances could be provided to the Board as part of the year-end process. Each Committee also actively considered a governance checklist, prepared initially by Internal Audit and recommended by the Audit & Risk Committee for adoption by all standing committees, to help enhance agenda planning and ensure that no areas of risk were overlooked.

During the height of the pandemic, in both the first and second waves of Covid-19 related 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.

During both the first and second waves 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. Initially, from late March 2020, meetings of Gold Command were scheduled daily. By the end of June this was reduced to weekly as a result of the reduction in Covid-19 related activity and reporting from its supporting Silver and Bronze groups. Routine meetings such as the weekly meeting of the Executive Team, and a formal Executive Directors' Group (EDG) meeting, were resumed in June. Gold Command - and its supporting structures below - stood up once again on a weekly basis, from September 2020 to the end of March 2021, to manage the second wave of the Covid-19 pandemic. The organisational structure utilised successfully in the first two phases of the pandemic will be re-introduced, should future circumstances require.

Disclosures

During the 2020/21 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 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					
Mrs Carol Potter, Chief Executive	115 - 120		115 - 120	97	210 - 215
Ms Dona Milne, Director of Public Health	100 - 105		100 - 105	23	125 - 130
Ms 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
Mrs Margo McGurk, Director of Finance & Strategy (3)	105 - 110		105 - 110	16	120 - 125
Ms Janette Owens, Director of Nursing (4) (6) (13)	85 - 90	3.3	85 - 90	24	110 - 115
Non-Executive Members					
Mrs Patricia Marwick, Chairperson	30 - 35		30 - 35		30 - 35
Dr Leslie Bisset, Vice Chairperson (14)	25 - 30		25 - 30		25 - 30
Ms Katy Miller (5) (13)	5 - 10		5 - 10		5 - 10
Mr Martin Black	15 - 20		15 - 20		15 - 20
Mrs Christina Cooper	10 - 15		10 - 15		10 - 15
Ms Catriona Laing	15 - 20		15 - 20		15 - 20
Mr Alistair Morris	5 - 10		5 - 10		5 - 10
Mr Eugene Clarke	10 - 15		10 - 15		10 - 15
Mrs Margaret Wells	15 - 20		15 - 20		15 - 20
Ms Sinead Braiden	5 - 10		5 - 10		5 - 10
Stakeholders					
Mrs Wilma Brown, Employee Director (6)	65 - 70		65 - 70	44	110 - 115
Councillor David Graham, Fife Council Representative	5 - 10		5 - 10		5 - 10
Ms Aileen Lawrie, Chairperson, Area Clinical Forum (6) & (7)	5 - 10		5 - 10	49	55-60
Other Senior Employees					
Mr James Crichton, Transformation Programme Director (8)	100 - 105		100 - 105		100 - 105
Ms Linda Douglas, Director of Workforce	100 - 105		100 - 105	25	125 - 130
Mr Scott Garden, Director of Pharmacy and Medicines	100 - 105		100 - 105	25	130 - 135
Mr Andrew Fairgrieve, Director of Estates, Facilities & Capital Services (9)	95 - 100		95 - 100	26	120 - 125
Ms Claire Dobson, Interim Director of Acute Services (10) (13)	50 - 55		50 - 55	73	120 - 125
Mr Neil McCormick, Director of Property and Asset Management (11) (13)	15 - 20		15 - 20	4	20 - 25

Notes

- Mr 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)
- Ms Helen Buchanan, Director of Nursing until 31/03/21
- Mrs 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.
- Ms Janette Owens, Chairperson, Area Clinical Forum until 03/01/21. Appointed Director of Nursing from 04/01/21
- Ms Katy Miller, until 30/11/20
- Includes non-Board remuneration of £65k-£70k for Ms Janette Owens, £65k - £70k for Mrs Wilma Brown and £5k - £10k for Ms Aileen Lawrie
- Ms Aileen Lawrie, Chairperson, Area Clinical Forum from 01/03/21
- Mr James Crichton, Seconded to H&SCP Senior Team to assist with Covid-19 from April 2020 until March 2021
- Mr Andrew Fairgrieve, Director of Estates, Facilities and Capital Services until 31/03/21
- Ms Claire Dobson, Interim Director of Acute Services from 22/09/20
- Mr Neil McCormick, DOC Director of Property and Asset Management from 01/02/21
- Mrs 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.
- The full year equivalent total earnings calculations in bands of £5,000 are as follows:
Ms Janette Owens, Director of Nursing (£80k - £85k), Ms Katy Miller (£5k - £10k),
Ms Claire Dobson, Interim Director of Acute Services (£95k - £100k), Mr 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

The following table provides details on the remuneration of the Executive Directors, Non-Executive Directors and Senior Employees for 2019/20.

	Gross Salary (Bands of £5,000)	Benefits in Kind £'000	Total Earnings in Year (Bands of £5,000)	Pension Benefits £'000	Total Remuneration (Bands of £5,000)
Executive Members					
Mr P Hawkins, Chief Executive (to 27 January 2020) ^{notes 2,3}	115 - 120	-	115 - 120	0	115 - 120
Mrs C Potter, Director of Finance (to 27 January 2020), Interim Chief Executive (from 28 January 2020) ^{note 6}	100 - 105	-	100 - 105	88	190 - 195
Ms H Buchanan, Director of Nursing	95 - 100	2.5	100 - 105	36	135 - 140
Ms D Milne, Director of Public Health	90 - 95	-	90 - 95	23	115 - 120
Dr C McKenna, Medical Director	150 - 155	-	150 - 155	39	190 - 195
Non-Executive Members					
Mrs P Marwick, Chairperson	30 - 35	-	30 - 35		30 - 35
Dr L Bisset, Vice Chairperson	20 - 25	-	20 - 25		20 - 25
Mr M Black	10 - 15	-	10 - 15		10 - 15
Mrs C Cooper	10 - 15	-	10 - 15		10 - 15
Ms C Laing	10 - 15	-	10 - 15		10 - 15
Mr E Clarke	5 - 10	-	5 - 10		5 - 10
Mrs M Wells	10 - 15	-	10 - 15		10 - 15
Ms S Braiden	5 - 10	-	5 - 10		5 - 10
Mr A Morris (from 1 August 2019) ^{note 3}	5 - 10	-	5 - 10		5 - 10
Ms K Miller (from 1 February 2020) ^{note 3}	0 - 5	-	0 - 5		0 - 5
Stakeholders					
Mrs W Brown, Employee Director ^{notes 2, 4}	60 - 65	-	60 - 65	0	60 - 65
Ms J Owens, Chairperson Area Clinical Forum ^{note 4}	80 - 85	3.9	85 - 90	14	100 - 105
Councillor D Graham ^{note 5}	5 - 10	-	5 - 10		5 - 10
Other Senior Employees					
Ms B A Nelson, Director of Workforce (until 31 December 2019) ^{note 3}	65 - 70	-	65 - 70	36	105 - 110
Mrs E Ryabov, Chief Operating Officer	80 - 85	-	80 - 85	13	90 - 95
Mr A Fairgrieve, Director of Estates, Facilities & Capital Services	95 - 100	-	95 - 100	24	115 - 120
Mr S Garden, Director of Pharmacy and Medicines (from 30 July 2019) ^{note 3}	65 - 70	-	65 - 70	22	90 - 95
Mr J Crichton, Transformation Programme Director (from 11 November 2019) ^{notes 3, 5}	35 - 40	-	35 - 40		35 - 40
Ms L Douglas, Director of Workforce (from 1 January 2020) ^{note 3}	20 - 25	-	20 - 25	6	30 - 35
Mrs M Olsen, Interim Chief Operating Officer (from 1 December 2019 to 31 March 2020) ^{notes 3, 5}	30 - 35	-	30 - 35		30 - 35

Notes

- There were no Performance related bonuses payable for 2019/20
- In accordance with the guidance issued in Employer Pension Notice (EPN) 380 pensions benefit calculations leading to a negative value have been expressed as zero in the remuneration report.
- The full year equivalent total earnings calculations in bands of £5,000 are as follows:
Mr P Hawkins, Chief Executive (140 - 145), Mr A Morris (5 - 10), Ms K Miller (5 - 10), Ms B A Nelson, Director of Workforce (90 - 95), Mr S Garden, Director of Pharmacy and Medicines (90 - 95), Mr J Crichton, Transformation Programme Director (100 - 105), Ms L Douglas, Director of Workforce (95 - 100)
- Includes non-Board remuneration of £50k - £55k for Mrs Wilma Brown and £70k-£75k for Ms Janette Owens.
- Appear in Remuneration Table only as no Pension Benefits held with NHS Fife
- Mrs C Potter was Interim Chief Executive from 28 January 2020 until 1 October 2020 when she was appointed Chief Executive.
- Mrs Margo McGurk was appointed (executive) Director of Finance from 1 April 2020 on a secondment basis. Prior to this she provided support during February and March at a cost of £11,787
- Mr M Kellet was Chief Officer for the Fife Integration Joint Board until 31 July 2019; his salary and pension information is disclosed in the remuneration report of the IJB Accounts. In this role, he is also classified as an 'Other Senior Employee' of NHS Fife. Mr Kellet is employed by NHS Fife with 50% of the costs being charged to Fife Council. NHS Fife is responsible for his pension liabilities.
- Mrs N Connor was appointed as Interim Chief Officer for the Fife Integration Joint Board from 1 August 2019 and then Chief Officer from 23 October 2019; 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. Mrs Connor is employed by NHS Fife with 50% of the costs being charged to Fife Council. NHS Fife is responsible for her pension liabilities.

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 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							
Mrs Carol Potter, Chief Executive	40 - 45	85 - 90	5.0 - 7.5	7.5 - 10	639	740	101
Ms Helen Buchanan, Director of Nursing	40 - 45	130 - 135	2.5 - 5.0	12.5 - 15	847	972	111
Ms 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
Mrs Margo McGurk, Director of Finance and Strategy	30 - 35	90 - 95	0 - 2.5	2.5 - 5	663	710	32
Ms Janette Owens, Director of Nursing	10 - 15	5 - 10	0 - 2.5	0 - 2.5	190	224	34
Stakeholders							
Mrs 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							
Mr Scott Garden, Director of Pharmacy and Medicines	0 - 5	0	0 - 2.5	0	17	36	19
Ms Linda Douglas, Director of Workforce	0 - 5	0	0 - 2.5	0	6	32	26
Mr 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 (7)	0 - 5	0	0 - 2.5	0	0	3	3

The following table shows the pension benefits of the Executive Directors, Non-Executive Directors and Senior Employees for 2019/20.

	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 2019 (£'000)	CETV at 31 March 2020 (£'000)	Real Increase in CETV in year (£'000)
Executive Members							
Mr P Hawkins, Chief Executive	50 - 55	155 - 160	-	-	1,157	1,164	7
Mrs C Potter, Interim Chief Executive	35 - 40	80 - 85	2.5 - 5	7.5 - 10	548	636	88
Ms H Buchanan, Director of Nursing	35 - 40	115 - 120	0 - 2.5	5 - 7.5	778	842	51
Ms D Milne, Director of Public Health	0 - 5	-	0 - 2.5	-	11	33	21
Dr C McKenna, Medical Director	10 - 15	-	2.5 - 5.0	-	84	115	31
Stakeholders							
Mrs W Brown, Employee Director	15 - 20	30 - 35	-	-	294	291	0
Ms J Owens, Chairperson Area Clinical Forum	10 - 15	5 - 10	0 - 2.5	-	169	190	21
Other Senior Employees							
Ms B A Nelson, Director of Workforce	45 - 50	135 - 140	0 - 2.5	5 - 7.5	1,014	1,085	62
Mrs E Ryabov, Chief Operating Officer (Acute Services Division)	0 - 5	-	0 - 2.5	-	5	19	14
Mr A Fairgrieve, Director of Estates, Facilities & Capital Services	15 - 20	-	0 - 2.5	-	236	271	34
Mr S Garden, Director of Pharmacy and Medicines	0 - 5	-	0 - 2.5	-	0	17	17
Ms L Douglas, Director of Workforce	0 - 5	-	0 - 2.5	-	0	6	6

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.

	2021	2020
Range of staff remuneration (£000s)	1-215	1-250
Highest earning Director's total remuneration (£000s)	160 - 165	150-155
Median total remuneration (£)	29,532	27,282
Ratio	5.50:1	5.59:1
Commentary The median total remuneration increased by 8.2% in 2020/21. This was a result of Covid-19 related wage pressures and the in-year pay award. The positive impact of these events have led to a reduction in the ratio from the 2019/20 level.		

Staff Report

Higher Paid Employees' Remuneration (*Audited Information*)

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

	2021	2020
	Number	Number
Employees whose remuneration fell within the following ranges:		
Clinicians		
£ 70,001 to £ 80,000	54	42
£ 80,001 to £ 90,000	38	33
£ 90,001 to £100,000	38	41
£100,001 to £110,000	46	47
£110,001 to £120,000	42	23
£120,001 to £130,000	34	34
£130,001 to £140,000	26	26
£140,001 to £150,000	19	18
£150,001 to £160,000	17	10
£160,001 to £170,000	10	9
£170,001 to £180,000	5	4
£180,001 to £190,000	4	3
£190,001 to £200,000	2	1
£200,001 and above	2	3
Other		
£ 70,001 to £ 80,000	11	12
£ 80,001 to £ 90,000	5	5
£ 90,001 to £100,000	7	4
£100,001 to £110,000	7	1
£110,001 to £120,000	1	0
£120,001 to £130,000	0	0
£130,001 to £140,000	0	0
£140,001 to £150,000	0	2
£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	1

Staff Numbers and Costs

Staff Costs

	Executive Board Members	Non-Executive Members	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	2021 TOTAL	2020 TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000
EMPLOYEE EXPENDITURE								
Salaries and wages	730	174	320,588			(547)	320,945	285,234
Taxation & Social security costs	94	11	29,746			(76)	29,775	28,075
NHS scheme employers' costs	123		55,417			(114)	55,426	51,091
Other employers' pension costs			95				95	0
Inward secondees				253			253	364
Agency and other directly engaged staff					12,525		12,525	14,718
	947	185	405,846	253	12,525	(737)	419,019	379,482
Compensation for loss of office/early retirement							0	
Pensions to former Board members							0	
Total	947	185	405,846	253	12,525	(737)	419,019	379,482
Included in the total employee expenditure above were costs of staff engaged directly on capital projects, charged to capital expenditure of:							166	
STAFF NUMBERS								
Whole time equivalent (WTE)	5	13	7,799	3	73	(7)	7,886	7,557
Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of:							3	
Included in the total staff numbers above were disabled staff of:							93	112
Included in the total staff numbers above were Special Advisers of:							0	
RECONCILIATION TO INCOME AND EXPENDITURE								
Total Employee Expenditure as above								419,019
Add Employee Income included in Note 4								737
Less Staff engaged on Capital Projects, charged to capital expenditure								(166)
Total Employee Expenditure disclosed in Note 3								<u>419,590</u>

Staff Composition

Staff composition - an analysis of the number of persons of each sex who were directors and employees										
	2021				2020					
	Male	Female	Prefer not to say	Total	Male	Female	Prefer not to say	Total		
Executive Directors	1	4		5	2	3	0	5		
Non-Executive Directors and Employee Director	4	9		13	4	9	0	13		
Senior Employees	177	191		368	166	153	0	319		
Other	1,633	9,353		10,986	1,408	8,554	0	9,962		
Total Headcount	1,815	9,557	0	11,372	1,580	8,719	0	10,299		

Sickness Absence Data

	2021	2020
Sickness Absence Rate	4.77%	5.49%

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, 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 2018/21 Equality Outcomes.

Exit packages

Exit packages – Current Year

Exit package cost band	At 31 March 2021			
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Cost of exit packages (£000)
<£10,000			0	
£10,000 - £25,000			0	
£25,000 - £50,000			0	
£50,000 - £100,000			0	
£100,000- £150,000			0	
£150,000- £200,000			0	
£200,000- £250,000			0	
>£250,000			0	0
Total number of exit packages by type	0	0	0	
Total resource cost (£000)				0

In 2020/21 there were no exit packages paid.

Exit Packages – Prior Year

Exit package cost band	At 31 March 2020			
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Cost of exit packages (£000)
<£10,000			0	
£10,000 - £25,000			0	
£25,000 - £50,000			0	
£50,000 - £100,000			0	
£100,000- £150,000		1	1	140,921
£150,000- £200,000		1	1	197,243
£200,000- £250,000			0	
>£250,000			0	(338,164)
Total number of exit packages by type	0	2	2	
Total resource cost (£000)				0

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 2020 to 31 March 2021	Full-time equivalent employee number
53	46

Percentage of time spent on facility time

Percentage of time	Number of representatives
0%	47
1 - 50%	5
51-99%	1
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	46,809
Total pay bill	379,337,561
Percentage of the total pay bill spent on facility time	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	84%
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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 £250k 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:

	2021		2020	
	Number of Cases	£'000	Number of cases	£'000
Losses	820	4,835	795	4,388

In 2020/21, the Board was required to pay out £2.454m in respect of 3 claims individually greater than £250,000 settled under the CNORIS scheme (2019/20: £2.583m, 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 2020/21 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: 28 September 2021

Carol Potter
Chief Executive and Accountable Officer
NHS Fife

INDEPENDENT AUDITORS REPORT TO MEMBERS OF NHS FIFE, THE AUDITOR GENERAL FOR SCOTLAND AND THE SCOTTISH PARLIMENT

Independent Auditor's Report

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 2021 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2020/21 Government Financial Reporting Manual (the 2020/21 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 2021 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 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 five 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 body's ability 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.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgement thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Chief Executive's Responsibilities, as the Accountable Officer, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Accountable Officer is responsible for assessing the ability of the board and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

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 economic 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 to detect material misstatements in the financial statements in respect of irregularities, 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 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.

Statutory other information

The Accountable Officer is responsible for the statutory other information in the annual report and accounts. The statutory 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 statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in 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 statutory 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 statutory 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 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

29 September 2021

NHS FIFE
CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2021

2020		2021
£000	Note	£000
380,082	Employee expenditure	419,590
	Other operating expenditure	
101,622	Independent Primary Care Services	107,513
130,936	Drugs and medical supplies	139,106
702,867	Other health care expenditure	680,087
1,315,507	Gross expenditure for the year	1,346,296
(493,113)	Less: operating income	(421,919)
0	Associates and joint ventures accounted for on an equity basis	(14,822)
822,394	Net expenditure for the year	909,555
OTHER COMPREHENSIVE NET EXPENDITURE		
2020		2021
£000		£000
(26,845)	Net (gain) / loss on revaluation of property, plant and equipment	4,427
706	Net (gain) / loss on revaluation of investments	(2,510)
(26,139)	Other comprehensive expenditure	1,917
796,255	Comprehensive net expenditure	911,472

**NHS FIFE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

Consolidated 2020 £000	Board 2020 £000		Note	Consolidated 2021 £000	Board 2021 £000
		Non-current Assets			
494,232	494,007	Property, plant and equipment	7c	488,367	488,136
325	325	Intangible assets	6a	207	207
		Financial assets:			
10,835	0	Investments	10	13,466	0
0	0	Investments in associates and joint ventures		14,822	0
50,251	50,251	Trade and other receivables	9	48,926	48,926
555,643	544,583	Total non-current assets		565,788	537,269
		Current Assets:			
5,551	5,551	Inventories	8	5,476	5,476
		Financial assets:			
56,049	55,525	Trade and other receivables	9	32,541	32,166
1,585	485	Cash and cash equivalents	11	2,423	434
1,575	1,575	Assets classified as held for sale	7b	1,623	1,623
64,760	63,136	Total current assets		42,063	39,699
620,403	607,719	Total assets		607,851	576,968
		Current liabilities			
(49,820)	(49,820)	Provisions	13a	(24,841)	(24,841)
		Financial liabilities:			
(81,970)	(81,947)	Trade and other payables	12	(86,610)	(86,591)
(131,790)	(131,767)	Total current liabilities		(111,451)	(111,432)
488,613	475,952	Non-current assets plus / less net current assets / liabilities		496,400	465,536
		Non-current liabilities			
(95,881)	(95,881)	Provisions	13a	(90,921)	(90,921)
		Financial liabilities:			
(165,417)	(165,417)	Trade and other payables	12	(162,005)	(162,005)
(261,298)	(261,298)	Total non-current liabilities		(252,926)	(252,926)
227,315	214,654	Assets less liabilities		243,474	212,610
		Taxpayers' Equity			
62,155	62,155	General fund	SoCTE	68,925	68,925
152,499	152,499	Revaluation reserve	SoCTE	143,685	143,685
0	0	Other reserves - associates and joint ventures	SoCTE	14,822	0
12,661	0	Fund held on Trust	SoCTE	16,042	0
227,315	214,654	Total taxpayers' equity		243,474	212,610

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 28 September 2021 and signed on their behalf by:

..... *Margo McGurk* Director of Finance 28 September 2021
..... *Carol Potter* Chief Executive 28 September 2021

**NHS FIFE
CONSOLIDATED STATEMENT OF CASHFLOWS
AS AT 31 MARCH 2021**

2020 £000		Note	2021 £000	2021 £000
	Cash flows from operating activities			
(822,394)	Net expenditure	SoCTE	(909,555)	
13,880	Adjustments for non-cash transactions	2b	10,577	
14,357	Add back: interest payable recognised in net operating expenditure	2b	13,946	
(421)	Investment income		(356)	
9,168	Movements in working capital	2b	(1,026)	
(785,410)	Net cash outflow from operating activities	26c		(886,414)
	Cash flows from investing activities			
(10,400)	Purchase of property, plant and equipment		(16,866)	
(11)	Purchase of intangible assets		(12)	
(12,870)	Investment additions	10	(2,528)	
999	Proceeds of disposal of property, plant and equipment		14	
13,752	Receipts from sale of investments		2,407	
421	Interest received		356	
(8,109)	Net cash outflow from investing activities	26c		(16,629)
	Cash flows from financing activities			
811,667	Funding	SoCTE	921,052	
(27)	Movement in general fund working capital	SoCTE	(51)	
811,640	Cash drawn down		921,001	
(2,954)	Capital element of payments in respect of finance leases and on-balance sheet PFI and Hub contracts	2b	(3,174)	
(418)	Interest paid		(227)	
(13,939)	Interest element of finance leases and on-balance sheet PFI / PPP and Hub contracts	2b	(13,719)	
794,329	Net Financing	26c		903,881
810	Net Increase / (decrease) in cash and cash equivalents in the period			838
775	Cash and cash equivalents at the beginning of the period			1,585
1,585	Cash and cash equivalents at the end of the period			2,423
	Reconciliation of net cash flow to movement in net debt/cash			
810	Increase / (decrease) in cash in year	11		838
775	Net debt / cash at 1 April			1,585
1,585	Net debt / cash at 31 March			2,423

**NHS FIFE
CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
AS AT 31 MARCH 2021**

		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 2020		62,155	152,499	0	12,661	227,315
Retrospective restatements for changes in accounting policy and material errors	<u>21</u>	0	0	0	0	0
Restated balance 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	<u>7a</u>	0	(4,427)		6	(4,421)
Net gain / (loss) on revaluation of investments	<u>10</u>		0		2,510	2,510
Impairment of property, plant, and equipment			(526)			(526)
Revaluation and impairments taken to operating costs	<u>2b</u>		520			520
Transfers between reserves		4,381	(4,381)			0
Other non-cash costs [please specify]		6,579		0		6,579
Net operating cost for the year	<u>CFS</u>	(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	<u>CFS</u>	921,001				921,001
Movement in General Fund (creditor) / debtor	<u>CFS</u>	51				51
Balance at 31 March 2021	<u>SoFP</u>	68,925	143,685	14,822	16,042	243,474

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 2019		69,084	129,579	0	13,248	211,911
Retrospective restatements for changes in accounting policy and material errors	<u>20</u>	0	0	0	0	0
At 1 April 2019		69,084	129,579	0	13,248	211,911
Changes in taxpayers' equity for 2019/20						
Net gain / (loss) on revaluation / indexation of property, plant, and equipment	<u>7a</u>	0	26,737		108	26,845
Net gain / (loss) on revaluation of investments	<u>10</u>		0		(706)	(706)
Impairment of property, plant, and equipment			3,505			3,505
Revaluation and impairments taken to operating costs	<u>2b</u>		(3,505)			(3,505)
Transfers between reserves		3,817	(3,817)			0
Other non-cash costs [please specify]		(8)		0		(8)
Net operating cost for the year	<u>CFS</u>	(822,405)		0	11	(822,394)
Total recognised income and expense for 2019/20		(818,596)	22,920	0	(587)	(796,263)
Funding:						
Drawn down	<u>CFS</u>	811,640				811,640
Movement in General Fund (creditor) / debtor	<u>CFS</u>	27				27
Balance at 31 March 2020	<u>SoFP</u>	62,155	152,499	0	12,661	227,315

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

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 2020/21

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

(b) Standards, amendments, and interpretation adopted early in 2020/21

There are no new standards, amendments or interpretations adopted early in 2020/21.

(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 2022 and on the Statement of Financial Position at that date. The figures below represent existing leases as at 31 March 2021.

The standard is expected to increase total expenditure in 2021/22 by £322k. Right-of-use assets totalling £6.9 million will be brought onto the Statement of Financial Position, with an associated lease liability of £6.3 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:

- the financial asset is held within a business model where the objective is to collect contractual cash flows; and
- 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:

- the financial asset is held within a business model where the objective is to collect contractual cash flows *and* sell the asset; and
- 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 includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position. Where the Government Banking Service is using 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.

Key Judgements

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 2021 which was performed in March 2021.

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 £105.274m net book value of land and buildings subject to valuation, £24.707.m (23.47%) relates to specialised assets valued on a depreciated replacement cost basis replaced.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

NOTE 2

NOTE 2A SUMMARY OF CORE REVENUE RESOURCE OUTTURN

	Note	2021	2021
	SoCNE	£000	£000
Net expenditure			909,555
Total non core expenditure (see below)			(22,406)
Family Health Services non-discretionary allocation			(48,287)
Endowment net expenditure			865
Associates and Joint Ventures accounted for on an equity basis			14, 822
Total core expenditure			854,549
Core Revenue Resource Limit			854,889
Saving/(excess) against Core Revenue Resource Limit			340
SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN			
Capital grants to / (from) other bodies			
Depreciation / amortisation		12,972	
Annually Managed Expenditure - impairments		525	
Annually Managed Expenditure - creation of provisions		(83)	
Annually Managed Expenditure - depreciation of donated assets		118	
IFRS PFI expenditure		8,874	
Total Non Core Expenditure			22,406
Non Core Revenue Resource Limit			22,406
Saving / (excess) against Non Core Revenue Resource Limit			0

	Resource	Expenditure	Saving / (Excess)
	£000	£000	£000
Core	854,889	854,549	340
Non Core	22,406	22,406	0
Total	877,295	876,955	340

NOTE 2B NOTES TO THE CASHFLOW STATEMENT

Consolidated adjustments for non-cash transactions

2020		2021
£000	Note	£000
Expenditure not paid in cash		
17,104	7a	18,052
172	6	130
117	7a	118
9		697
0		(6)
(3,514)		(171)
0		(14, 822)
(8)		6,579
13,880	CFS	10, 577

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

Interest payable recognised in operating expenditure

2020		2021	
£000		£000	
Interest payable			
13,939	PFI Finance lease charges allocated in the year	18b	13,719
418	Provisions - Unwinding of discount		227
14,357	Net interest payable	CFS	13,946

Consolidated movements in working capital

2020		2021			
Net movement		Note	Opening balances	Closing balances	Net movement
£000			£000	£000	£000
INVENTORIES					
(224)	Balance Sheet	8	5,551	5,476	
(224)	Net decrease / (increase)				75
TRADE AND OTHER RECEIVABLES					
(15,842)	Due within one year	9	56,049	32,541	
5,382	Due after more than one year	9	50,251	48,926	
(10,460)			106,300	81,467	
(10,460)	Net decrease / (increase)				24,833
TRADE AND OTHER PAYABLES					
5,102	Due within one year	12	81,970	86,610	
(3,174)	Due after more than one year	12	165,417	162,005	
1,154	Less: property, plant & equipment (capital) included in above		(1,496)	(1,944)	
27	Less: General Fund creditor included in above	12	(485)	(434)	
2,954	Less: lease and PFI creditors included in above	12	(168,591)	(165,417)	
			<u>76,815</u>	<u>80,820</u>	
6,063	Net decrease / (increase)				4,005
PROVISIONS					
13,789	Statement of Financial Position	13a	145,701	115,762	
13,789	Net decrease / (increase)				(29,939)
9,168	Net movement (decrease) / increase	CFS			(1,026)

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

NOTE 3. OPERATING EXPENSES

3a. Employee expenditure

2020		2021	2021
Total		Board	Consolidated
£000		£000	£000
80,758	Medical and Dental	86,497	86,497
171,808	Nursing	187,192	187,192
127,516	Other Staff	145,901	145,901
380,082	Total	SoCNE 419,590	419,590

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

3b. Other operating expenditure

2020		2021	2021
Total		Board	Consolidated
£000		£000	£000
	Note		
Independent Primary Care Services:			
55,033	General Medical Services	58,682	58,682
15,104	Pharmaceutical Services	18,387	18,387
24,026	General Dental Services	22,763	22,763
7,459	General Ophthalmic Services	7,681	7,681
101,622	Total	107,513	107,513
Drugs and medical supplies:			
71,901	Prescribed drugs Primary Care	72,913	72,913
32,224	Prescribed drugs Secondary Care	35,017	35,017
0	PPE and Testing Kits	7,549	7,549
26,811	Medical Supplies	23,627	23,627
130,936	Total	139,106	139,106
Other health care expenditure			
448,191	Contribution to Integration Joint Boards*	408,353	408,353
87,390	Goods and services from other NHS Scotland bodies	89,100	89,100
445	Goods and services from other UK NHS bodies	640	640
4,350	Goods and services from private providers	3,645	3,645
2,581	Goods and services from voluntary organisations	3,167	3,167
19,261	Resource Transfer	19,261	19,261
34	Loss on disposal of assets		
139,483	Other operating expenses	154,660	154,660
158	External Auditor's remuneration - statutory audit fee	161	161
0	External Auditor's remuneration - other services	0	0
974	Endowment Fund expenditure		1,100
702,867	Total	678,987	680,087
935,425	Total Other Operating Expenditure*	925,606	926,706

The Total transfers in 2020/21 to the Integration Joint Board (IJB) were £503.13m, this figure includes a resource transfer £19.261m, other payments of £64.208m (included in other operating expenses) and an ear-marked reserve carry forward of £11.308m (included in other operating expenses).

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

NOTE 4. OPERATING INCOME

2020 Total £000		Note	2021 Board £000	2021 Consolidated £000
612	Income from Scottish Government		310	310
25,380	Income from other NHS Scotland bodies		26,194	26,194
268	Income from NHS non-Scottish bodies		117	117
439,810	Income for services commissioned by Integration Joint Board*		408,353	408,353
4,823	Patient charges for primary care		594	594
0	Donations		1,233	1,233
154	Profit on disposal of assets		27	27
12,414	Contributions in respect of clinical and medical negligence claims		(25,468)	(25,468)
	Non-NHS:			
29	Overseas patients (non-reciprocal)		19	19
791	Non-patient care income generation schemes		836	836
985	Endowment Fund Income			1,965
7,847	Other		7,739	7,739
493,113	Total Income*	SoCNE	419,954	421,919

*2021 Income for services commissioned by Integration joint board excludes resource transfer and other payments

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 £000	Corporate £000	Community Service Divisions £000	FHS £000	Endowment £000	2021 £000
Net operating cost	222,414	227,727	278,142	190,643	(865)	918,061
PRIOR YEAR						
	Hospital Services £000	Corporate £000	Community Service Divisions £000	FHS £000	Endowment £000	2020 £000
Net operating cost	211,502	204,058	227,608	179,237	(11)	822,394

NOTE 6. INTANGIBLE ASSETS

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

		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) - BOARD

		Software Licences	Total
		£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

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

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

		Software Licences	Total
	Note	£000	£000
Cost or Valuation:			
At 1 April 2019		1,117	1,117
Additions		11	11
At 31 March 2020		1,128	1,128
Amortisation			
At 1 April 2019		631	631
Provided during the year		172	172
At 31 March 2020		803	803
Net book value at 1 April 2019		486	486
Net book value at 31 March 2020	<u>SoFP</u>	325	325

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

		Software Licences	Total
		£000	£000
Cost or Valuation:			
At 1 April 2019		1,117	1,117
Additions		11	11
At 31 March 2020		1,128	1,128
Amortisation			
At 1 April 2019		631	631
Provided during the year		172	172
At 31 March 2020		803	803
Net book value at 1 April 2019		486	486
Net book value at 31 March 2020	<u>SoFP</u>	325	325

NHS FIFE

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

NOTE 7A.

7a. PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED

	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
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	SoFP 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	SoFP 45,734	404,756	3,893	101	21,249	5,527	231	6,876	488,367

NHS FIFE

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

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 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
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	(1242)	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 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	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

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

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 2019	44,770	416,939	4,443	908	60,925	20,430	464	2,667	551,546
Additions - purchased	0	0	0	0	2,686	911	0	5,649	9,246
Additions - donated	0	0	0	0	0	0	0	0	0
Completions	0	3,151	17	0	0	0	0	(3,168)	0
Transfers between asset categories	0	599	0	0	(599)	0	0	0	0
Transfers (to) / from non-current assets held for sale	(108)	(235)	0	0	0	0	0	0	(343)
Revaluations	124	20,910	(38)	0	0	0	108	0	21,104
Impairment charges	0	(13)	0	0	0	0	0	0	(13)
Impairment reversals	0	3,341	0	0	0	0	0	0	3,341
Disposals - purchased	0	0	0	(72)	(1,092)	0	0	0	(1,164)
Disposals - donated	0	0	0	0	(20)	0	0	0	(20)
At 31 March 2020	44,786	444,692	4,422	836	61,900	21,341	572	5,148	583,697
Depreciation									
At 1 April 2019	0	19,227	240	794	44,899	13,806	347	0	79,313
Provided during the year - purchased	0	12,266	203	44	3,058	1,533	0	0	17,104
Provided during the year - donated	0	66	0	0	51	0	0	0	117
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	(5,617)	(124)	0	0	0	0	0	(5,741)
Impairment charges	0	(4)	0	0	0	0	0	0	(4)
Impairment reversals	0	(173)	0	0	0	0	0	0	(173)
Disposals - purchased	0	0	0	(72)	(1,059)	0	0	0	(1,131)
Disposals - donated	0	0	0	0	(20)	0	0	0	(20)
At 31 March 2020	0	25,765	319	766	46,929	15,339	347	0	89,465
Net book value at 1 April 2019	44,770	397,712	4,203	114	16,026	6,624	117	2,667	472,233
Net book value at 31 March 2020	SoFP 44,786	418,927	4,103	70	14,971	6,002	225	5,148	494,232
Open Market Value of Land in Land and Dwellings Included Above	0		0						
Asset financing:									
Owned - purchased	44,786	208,460	4,103	70	14,642	6,002	0	5,148	283,211
Owned - donated	0	1,795	0	0	244	0	225	0	2,264
Held on finance lease	0	0	0	0	0	0	0	0	0
On-balance sheet PFI contracts	0	208,672	0	0	85	0	0	0	208,757
Net book value at 31 March 2020	SoFP 44,786	418,927	4,103	70	14,971	6,002	225	5,148	494,232

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

7a. PROPERTY, PLANT AND EQUIPMENT - BOARD 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 2019	44,770	416,939	4,443	908	60,925	20,430	347	2,667	551,429
Additions - purchased	0	0	0	0	2,686	911	0	5,649	9,246
Additions - donated	0	0	0	0	0	0	0	0	0
Completions	0	3,151	17	0	0	0	0	(3,168)	0
Transfers between asset categories	0	599	0	0	(599)	0	0	0	0
Transfers (to) / from non-current assets held for sale	(108)	(235)	0	0	0	0	0	0	(343)
Revaluations	124	20,910	(38)	0	0	0	0	0	20,996
Impairment charges	0	(13)	0	0	0	0	0	0	(13)
Impairment reversals	0	3,341	0	0	0	0	0	0	3,341
Disposals - purchased	0	0	0	(72)	(1,092)	0	0	0	(1,164)
Disposals - donated	0	0	0	0	(20)	0	0	0	(20)
At 31 March 2020	44,786	444,692	4,422	836	61,900	21,341	347	5,148	583,472
Depreciation									
At 1 April 2019	0	19,227	239	795	44,899	13,806	347	0	79,313
Provided during the year - purchased	0	12,266	203	44	3,058	1,533	0	0	17,104
Provided during the year - donated	0	66	0	0	51	0	0	0	117
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	(5,617)	(124)	0	0	0	0	0	(5,741)
Impairment charges	0	(4)	0	0	0	0	0	0	(4)
Impairment reversals	0	(173)	0	0	0	0	0	0	(173)
Disposals - purchased	0	0	0	(72)	(1,059)	0	0	0	(1,131)
Disposals - donated	0	0	0	0	(20)	0	0	0	(20)
At 31 March 2020	0	25,765	318	767	46,929	15,339	347	0	89,465
Net book value at 1 April 2019	44,770	397,712	4,204	113	16,026	6,624	0	2,667	472,116
Net book value at 31 March 2020	44,786	418,927	4,104	69	14,971	6,002	0	5,148	494,007
Open Market Value of Land in Land and Dwellings Included Above	0		0						
Asset financing:									
Owned - purchased	44,786	208,460	4,104	69	14,642	6,002	0	5,148	283,211
Owned - donated	0	1,795	0	0	244	0	0	0	2,039
Held on finance lease	0	0	0	0	0	0	0	0	0
On-balance sheet PFI contracts	0	208,672	0	0	85	0	0	0	208,757
Net book value at 31 March 2020	44,786	418,927	4,104	69	14,971	6,002	0	5,148	494,007

At 31 March 2020, the Board held Forth Park Maternity Hospital, Lynebank Land (North Plot) and Fair Isle Clinic as assets held for sale. The Board currently follows a policy of ensuring all land and buildings are revalued at least once in every five-year period. The Board's intention is to continue with a five-year rolling programme for the revaluation of non-current assets. The Valuation Office Agency (VOA) provided its revaluation for 2018/19 and also supplied its indices to be used in the indexation of the buildings not revalued. In line with SGHSCD guidance, equipment has no indexation applied during 2018/19, the Board had 100% of land and 13.64% of buildings revalued by the VOA.

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

NOTE 7B. ASSETS HELD FOR SALE - 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 - 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

ASSETS HELD FOR SALE (PRIOR YEAR) - CONSOLIDATED

	Property, Plant & Equipment	Total
	£000	£000
At 1 April 2019	2,198	2,198
Transfers from property, plant and equipment	343	343
Disposals of non-current assets held for sale	(966)	(966)
At 31 March 2020	1,575	1,575

ASSETS HELD FOR SALE (PRIOR YEAR) - BOARD

	Property, Plant & Equipment	Total
	£000	£000
At 1 April 2019	2,198	2,198
Transfers from property, plant and equipment	343	343
Disposals of non-current assets held for sale	(966)	(966)
At 31 March 2020	1,575	1,575

NOTE 7C. PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated	Board		Consolidated	Board
2020	2020		2021	2021
£000	£000		£000	£000
		Net book value of property, plant and equipment at 31 March		
491,968	491,968	Purchased	486,250	486,250
2,264	2,039	Donated	2,117	1,886
494,232	494,007	Total	488,367	488,136
		Net book value related to buildings valued at open market value at 31 March		
1,743	1,743		1,678	1,678

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

		Total value of assets held under:		
208,757	208,757	PFI and PPP Contracts	199,489	199,489
208,757	208,757		199,489	199,489
		Total depreciation charged in respect of assets held under:		
4,833	4,833	PFI and PPP contracts	5,209	5,209
4,833	4,833		5,209	5,209

All land and 13.64% of buildings were revalued by an independent valuer, The Valuation Office Agency, as at 31/03/2021 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 £4.426m (2019/20: an increase of £26.736m) which was charged to the revaluation reserve. Impairment of £0.525m (2019/20 £3.595m) was charged to the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn

NOTE 7D ANALYSIS OF CAPITAL EXPENDITURE

Consolidated	Board		Consolidated	Board
2020	2020		2021	2021
£000	£000	Note	£000	£000
Expenditure				
11	11	Acquisition of intangible assets	12	12
9,246	9,246	Acquisition of property, plant and equipment	17,314	17,314
9,257	9,257	Gross Capital Expenditure	17,326	17,326
Income				
33	33	Net book value of disposal of property, plant and equipment	14	14
966	966	Value of disposal of non-current assets held for sale	0	0
999	999	Capital Income	14	14
8,258	8,258	Net Capital Expenditure	17,312	17,312
SUMMARY OF CAPITAL RESOURCE OUTTURN				
8,257	8,257	Core capital expenditure included above	17,313	17,313
8,259	8,259	Core Capital Resource Limit	17,315	17,315
2	2	Saving / (excess) against Core Capital Resource Limit	2	2
0	0	Saving / (excess) against Non Core Capital Resource Limit	0	0
8,257	8,257	Total capital expenditure	17,313	17,313
8,259	8,259	Total Capital Resource Limit	17,315	17,315
2	2	Saving / (excess) against Total Capital Resource Limit	2	2

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

NOTE 8. INVENTORIES

Consolidated	Board		Consolidated	Board
2020	2020		2021	2021
£000	£000	Note	£000	£000
5,551	5,551	Raw materials and consumables	5,476	5,476
5,551	5,551	Total inventories	5,476	5,476

NOTE 9. TRADE AND OTHER RECEIVABLES

Consolidated	Board		Consolidated	Board
2020	2020		2021	2021
£000	£000	Note	£000	£000
Receivables due within one year				
NHS Scotland				
2,350	2,350	Scottish Government Health & Social Care Directorate	1,390	1,390
1,406	1,406	Boards	<u>SFR 30.0</u>	1,986
3,756	3,756	Total NHS Scotland Receivables	3,376	3,376
65	65	NHS non-Scottish bodies	51	51
1,337	1,337	VAT recoverable	2,359	2,359
7,635	7,635	Prepayments	11,259	11,259
656	656	Accrued income	1,140	1,140
1,564	1,040	Other receivables	1,764	1,389
40,778	40,778	Reimbursement of provisions	12,422	12,422
258	258	Other public sector bodies	170	170
56,049	55,525	Total Receivables due within one year	<u>SoFP</u>	32,541
Receivables due after more than one year				
330	330	Prepayments	344	344
700	700	Accrued income	816	816
21	21	Other receivables	21	21
49,200	49,200	Reimbursement of provisions	47,745	47,745
50,251	50,251	Total Receivables due after more than one year	<u>SoFP</u>	48,926
106,300	105,776	TOTAL RECEIVABLES	81,467	81,092
325	325	The total receivables figure above includes a provision for impairments of :	348	348
WGA Classification				
1,406	1,406	NHS Scotland	<u>SFR 30.0</u>	1,986
3,687	3,687	Central Government bodies	3,749	3,749
258	258	Whole of Government bodies	170	170
65	65	Balances with NHS bodies in England and Wales	51	51
100,884	100,360	Balances with bodies external to Government	75,511	75,136
106,300	105,776	Total	81,467	81,092
2020	2020		2021	2021
£000	£000		£000	£000
Movements on the provision for impairment of receivables are as follows:				
317	317	At 1 April	325	325
23	23	Provision for impairment	28	28
(2)	(2)	Receivables written off during the year as uncollectable	0	0
(13)	(13)	Unused amounts reversed	(5)	(5)
325	325	At 31 March	348	348

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

As of 31 March 2021, receivables with a carrying value of £0.348m (2019/20: £0.325m) were impaired and provided for. The ageing of these receivables is as follows:

2020	2020		2021	2021
£000	£000		£000	£000
0	0	3 to 6 months past due	0	0
325	325	Over 6 months past due	348	348
325	325		348	348

The receivables assessed as individually impaired were mainly overseas patients, 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 2021, receivables with a carrying value of £1.313 million (2019/20: £0.521 million) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:

2020	2020		2021	2021
£000	£000		£000	£000
123	123	Up to 3 months past due	855	855
241	241	3 to 6 months past due	105	105
157	157	Over 6 months past due	353	353
521	521		1,313	1,313

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:

2020	2020		2021	2021
£000	£000		£000	£000
1,599	1,599	Existing customers with no defaults in the past	1,952	1,952
1,599	1,599	Total neither past due or impaired	1,952	1,952

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.

2020	2020		2021	2021
£000	£000		£000	£000
106,300	105,776	The carrying amount of receivables are denominated in the following currencies:	81,467	81,092
106,300	105,776	Pounds	81,467	81,092

All non-current receivables are due within 2 years (2019/20: 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 £0.344m (2019/20 £0.33m).

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

NOTE 10. INVESTMENTS

Consolidated 2020 £000	Board 2020 £000			Consolidated 2021 £000	Board 2021 £000
390		Government securities		345	
10,445		Other		13,121	
10,835	0	TOTAL	SoFP	13,466	0
12,423		At 1 April		10,835	0
12,870		Additions	CFS	2,528	
(13,752)		Disposals		(2,407)	
(706)		Revaluation surplus / (deficit) transferred to equity	SoCTE	2,510	
10,835	0	At 31 March		13,466	0
10,835	0	Non-current	SoFP	13,466	0
10,835	0	At 31 March		13,466	0

NOTE 11. CASH AND CASH EQUIVALENTS

	Note	2021 £000	2020 £000
Balance at 1 April		1,585	775
Net change in cash and cash equivalent balances	CFS	838	810
Balance at 31 March	SoFP	2,423	1,585
Total Cash - Cash Flow Statement		2,423	1,585
The following balances at 31 March were held at:			
Government Banking Service		384	420
Commercial banks and cash in hand		50	65
Endowment cash		1,989	1,100
Balance at 31 March		2,423	1,585

NOTE 12. TRADE AND OTHER PAYABLES

Consolidated 2020 £000	Board 2020 £000		Note	Consolidated 2021 £000	Board 2021 £000
Payables due within one year					
NHS Scotland					
229	229	Scottish Government Health & Social Care Directorate		169	169
9,714	9,714	Boards	SFR	10,216	10,216
9,943	9,943	Total NHS Scotland Payables	30.0	10,385	10,385
852	852	NHS Non-Scottish bodies		662	662
485	485	Amounts payable to General Fund		434	434
18,915	18,915	FHS practitioners		17,444	17,444

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

3,545	3,522	Trade payables		5,161	5,142
19,038	19,038	Accruals		25,465	25,465
240	240	Deferred income		697	697
2,007	2,007	Payments received on account		2,313	2,313
3,174	3,174	Net obligations under PPP / PFI Contracts	18b	3,412	3,412
6,913	6,913	Income tax and social security		7,781	7,781
6,140	6,140	Superannuation		7,061	7,061
1,549	1,549	Holiday pay accrual		5,203	5,203
9,169	9,169	Other public sector bodies		592	592
81,970	81,947	Total Payables due within one year	SoFP	86,610	86,591
Payables due after more than one year					
3,412	3,412	Net obligations under PPP / PFI contracts due within 2 years	18b	3,669	3,669
11,867	11,867	Net obligations under PPP / PFI contracts due after 2 years but within 5 years	18b	12,773	12,773
150,138	150,138	Net obligations under PPP / PFI contracts due after 5 years	18b	145,563	145,563
165,417	165,417	Total Payables due after more than one year	SoFP	162,005	162,005
247,387	247,364	TOTAL PAYABLES		248,615	248,596
WGA Classification					
9,714	9,714	NHS Scotland	SFR 30.0	10,216	10,216
13,282	13,282	Central Government bodies		14,712	14,712
9,170	9,170	Whole of Government bodies		592	592
852	852	Balances with NHS bodies in England and Wales		662	662
214,369	214,346	Balances with bodies external to Government		222,433	222,414
247,387	247,364	Total		248,615	248,596
£000	£000	Borrowings included above comprise:		£000	£000
168,591	168,591	PFI contracts		165,417	165,417
168,591	168,591			165,417	165,417
2020	2020	The carrying amount and fair value of the non-current borrowings are as follows		2021	2021
£000	£000	Carrying amount		£000	£000
165,417	165,417	PFI contracts		162,005	162,005
165,417	165,417			162,005	162,005
2020	2020	The carrying amount and fair value of the non-current borrowings are as follows		2021	2021
Fair value	Fair value	Fair value		Fair value	Fair value
£000	£000			£000	£000
165,417	165,417	PFI contracts		162,005	162,005
165,417	165,417			162,005	162,005
The carrying amount of short-term payables approximates their fair value.					
2020	2020	The carrying amount of payables are denominated in the following currencies:		2021	2021
£000	£000			£000	£000
247,446	247,364	Pounds		248,615	248,596
(59)	0	US Dollars		0	0
247,387	247,364			248,615	248,596

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

NOTE 13A. PROVISIONS CONSOLIDATED AND BOARD

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

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 2021

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

PRIOR YEAR

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2020 TOTAL
	£000	£000	£000	£000	£000
At 1 April 2019	9,200	82,251	40,431	30	131,912
Arising during the year	496	30,423	5,680		36,599
Utilised during the year	(715)	(4,229)	(302)		(5,246)
Unwinding of discount	418				418
Reversed unutilised	(232)	(17,750)			(17,982)
At 31 March 2020	9,167	90,695	45,809	30	145,701

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.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

Analysis of expected timing of discounted flows to 31 March 2020

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non- endowment)	2020 TOTAL
	£000	£000	£000	£000	£000
Payable in one year	712	41,320	7,788		49,820
Payable between 2 - 5 years	2,836	29,987	27,486		60,309
Payable between 6 - 10 years	2,911	3,015	2,290		8,216
Thereafter	2,708	16,373	8,245	30	27,356
At 31 March 2020	9,167	90,695	45,809	30	145,701

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 -0.95% 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.

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)

2020		Note	2021
£000			£000
90,695	Provision recognising individual claims against the NHS Board as at 31 March	<u>13a</u>	60,654
(89,978)	Associated CNORIS receivable at 31 March	<u>9</u>	(60,167)
45,809	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	<u>13a</u>	45,759
46,526	Net Total Provision relating to CNORIS at 31 March		46,246

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

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

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>

**NOTE 14
CONTINGENT LIABILITIES**

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

2020		2021
£000	Nature	£000
17,123	Clinical and medical compensation payments	18,804
17,123	TOTAL CONTINGENT LIABILITIES	18,804

CONTINGENT ASSETS

16,263	Clinical and medical compensation payments	17,853
16,263		17,853

NOTE 15. EVENTS AFTER THE END OF THE REPORTING YEAR

As of 27 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.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

NOTE 16 COMMITMENTS

2020		Property, plant, and equipment	2021
£000		£000	£000
	Contracted		
1,194	VHK MTHW	1,639	1,639
372	VHK Cradle	96	96
1,566	Total	1,735	1,735
	Authorised but not Contracted		
2,126	Equipment	2,030	2,030
2,661	Other Projects	2,388	2,388
1,041	Information Technology	1,041	1,041
0	Elective Orthopaedic Centre	18,447	18,447
0	HEPMA	1,100	1,100
5,828	Total	25,006	25,006

Other Financial Commitments

The Board has no other financial commitments

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:

2020		2021
£000		£000
	Land	
1	Not later than one year	1
1	Later than one year, not later than 2 years	1
2	Later than two year, not later than five years	2
5	Later than five years	5
	Buildings	
455	Not later than one year	317
411	Later than one year, not later than 2 years	413
1,012	Later than two year, not later than five years	796
600	Later than five years	604
	Other	
3,169	Not later than one year	3,273
2,849	Later than one year, not later than 2 years	352
460	Later than two year, not later than five years	265
10	Later than five years	10
	Amounts charged to Operating Costs in the year were:	
3,182	Hire of equipment (including vehicles)	2,845
453	Other operating leases	510
3,635	Total	3,355

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

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 IFRIC12 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:

2020	Gross Minimum Lease Payments		St Andrews	Victoria	2021 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
283,669	Due after 5 years		24,597	242,179	266,776
368,135	Total		33,382	317,860	351,242

2020	Less Interest Element		St Andrews	Victoria	2021 TOTAL
£000			£000	£000	£000
(13,719)	Rentals due within 1 year		(870)	(12,611)	(13,481)
(13,481)	Due within 1 to 2 years		(838)	(12,386)	(13,224)
(38,813)	Due within 2 to 5 years		(2,306)	(35,601)	(37,907)
(133,531)	Due after 5 years		(5,619)	(115,594)	(121,213)
(199,544)	Total		(9,633)	(176,192)	(185,825)

2020	Present value of minimum lease payments	Note	St Andrews	Victoria	2021 TOTAL
£000			£000	£000	£000
3,174	Rentals due within 1 year	<u>12</u>	887	2,525	3,412
3,412	Due within 1 to 2 years	<u>12</u>	919	2,750	3,669
11,867	Due within 2 to 5 years	<u>12</u>	2,965	9,808	12,773
150,138	Due after 5 years	<u>12</u>	18,978	126,585	145,563
168,591	Total		23,749	141,668	165,417

2020	Service elements due in future periods		St Andrews	Victoria	2021 TOTAL
£000			£000	£000	£000
5,887	Rentals due within 1 year		805	5,471	6,276
6,346	Due within 1 to 2 years		1,029	6,119	7,148
24,269	Due within 2 to 5 years		3,335	22,722	26,057
170,417	Due after 5 years		22,888	136,445	159,333
206,919	Total		28,057	170,757	198,814
375,510	Total commitments		51,806	312,425	364,231

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

2020			2021
Total	Amounts charged to the SOCNE	Note	Total
£000			£000
13,939	Interest charges	2	13,719
5,668	Service charges		5,887
5,127	Other charges		5,588
24,734	Total		25,194

2020		2021
£000		£000
5,127	Contingent rents (included in Other Charges)	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.

NOTE 19. PENSION COSTS

	2021	2020
	£000	£000
Pension cost charge for the year	55,521	51,091
Provisions / liabilities / prepayments included in the Statement of Financial Position	9,319	9,167

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% employees 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 2020 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

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

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 4.4% based on the proportion of employer contributions paid in 2019/20.

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.

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

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

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

NOTE 22 FINANCIAL INSTRUMENTS

NOTE 22A FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets CONSOLIDATED

	Note	Financial assets at fair value through OCI £000	Financial assets at fair value through profit/loss £000	Total £000
AS AT 31 MARCH 2021				
Assets per Statement of Financial Position				
Investments	<u>10</u>		13,466	13,466
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	<u>9</u>	3,962		3,962
Cash and cash equivalents	<u>11</u>	2,423		2,423
		6,385	13,466	19,851

BOARD

	Note	Financial assets at fair value through OCI £000	Financial assets at fair value through profit/loss £000	Total £000
AS AT 31 MARCH 2021				
Assets per Statement of Financial Position				
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	<u>9</u>	3,587		3,587
Cash and cash equivalents	<u>11</u>	434		434
		4,021	0	4,021

CONSOLIDATED (Prior Year)

	Note	Financial assets at fair value through OCI £000	Financial assets at fair value through profit/loss £000	Total £000
At 31 March 2020				
Assets per Statement of Financial Position				
Investments	<u>10</u>		10,835	10,835
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	<u>9</u>	3,264		3,264
Cash and cash equivalents	<u>11</u>	1,585		1,585
		4,849	10,835	15,684

BOARD (Prior Year)

	Note	Financial assets at fair value through OCI £000	Financial assets at fair value through profit/loss £000	Total £000
At 31 March 2020				
Assets per Statement of Financial Position				
Investments	<u>10</u>		0	0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	<u>9</u>	2,740		2,740
Cash and cash equivalents	<u>11</u>	485		485
		3,225	0	3,225

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

Financial Liabilities

CONSOLIDATED	Liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total	
	£000	£000	£000	Note
AS AT 31 MARCH 2021				
Liabilities per Statement of Financial Position				
PFI Liabilities		165,417	165,417	12
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation		57,274	57,274	12
	0	222,691	222,691	

BOARD

	Liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total	
	£000	£000	£000	Note
AS AT 31 MARCH 2021				
Liabilities per Statement of Financial Position				
PFI Liabilities		165,417	165,417	12
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation		57,255	57,255	12
	0	222,672	222,672	

CONSOLIDATED (Prior Year)

	Liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total	
	£000	£000	£000	Note
At 31 March 2020				
Liabilities per Statement of Financial Position				
PFI Liabilities		168,591	168,591	12
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation		55,560	55,560	12
	0	224,151	224,151	

BOARD (Prior Year)

	Liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total	
	£000	£000	£000	Note
At 31 March 2020				
Liabilities per Statement of Financial Position				
PFI Liabilities		168,591	168,591	12
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation		55,537	55,537	12
	0	224,128	224,128	

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.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

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.

Fife Health Board takes an overarching approach to risk management through its Executive lead and committee structure.

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 2021	£000	£000	£000	£000
PFI Liabilities	16,893	16,893	50,680	266,776
Trade and other payables excluding statutory liabilities	54,809			
Total	71,702	16,893	50,680	266,776

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 March 2020	£000	£000	£000	£000
PFI Liabilities	16,893	16,893	50,680	283,669
Trade and other payables excluding statutory liabilities	55,560			
Total	72,453	16,893	50,680	283,669

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.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

i) Cash Flow and Fair Value Interest Rate Risk

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

ii) Foreign Currency Risk

The NHS Fife Board is not exposed to foreign currency risk.

iii) Price Risk

The NHS Board is not exposed to equity security price risk.

d) Fair Value Estimation

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

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

Not required.

NOTE 24 RELATED PARTY TRANSACTIONS

The Board has had various material transactions with other government departments and other central government bodies. Most of these transactions have been with HMRC and Scottish Public Pension Agency. No Board Member, key manager or other related party 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. Consolidation will be applied for the 2020/21 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:

- Mr L Bisset
- Mrs W Brown
- Mr M Black
- Mr E Clarke
- Dr C McKenna
- Mrs H Buchanan
- Mrs C Cooper
- Mrs M Wells

The Integration Joint Board also has Councillor members who have no related party influence on Fife Health Board.

Fife Health Board had the following related party transactions in 2020/21:

Income £408.353m

Expenditure £408.353m

A 50% share of the year end reserve (£14.822m) is included in the consolidated accounts.

East Central Hub Territory

In addition to the above, NHS Fife has entered into a transaction with the Scottish Futures Trust in relation to the East Central Territory Hub.

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

NHS Fife Endowment Fund

The Board has endowment funds managed by Trustees who are also directors of the Board. In accordance with IRFS 10 - Consolidated Financial Statements, the Board incorporates the NHS Fife Endowment Fund within the Primary Statements and notes to the accounts.

Details of Endowment Fund figures included in the Group Accounts are available in Note 26.

NOTE 25 THIRD PARTY ASSETS

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

	2020	Gross Inflows	Gross Outflows	2021
	£000	£000	£000	£000
Monetary amounts such as bank balances and monies on deposit	463	253	(259)	458
Total Monetary Assets	463	253	(259)	<u>458</u>

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NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

NOTE 26A CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Group			Board	Endowment	Integration Joint Board (Joint Ventures)	Consolidated
2020			2021	2021	2021	2021
£000		Note	£000	£000	£000	£000
Total income and expenditure						
380,082	Employee expenditure	3	419,590			419,590
	Other operating expenditure	3				
101,622	Independent Primary Care Services		107,513			107,513
130,936	Drugs and medical supplies		139,106			139,106
702,867	Other health care expenditure		678,987	1,100		680,087
1,315,507	Gross expenditure for the year		1,345,196	1,100	0	1,346,296
(493,113)	Less: operating income	4	(419,954)	(1,965)		(421,919)
0	Associates and joint ventures accounted for on an equity basis				(14,822)	(14,822)
822,394	Net Expenditure		925,242	(865)	(14,822)	909,555

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

NOTE 26B CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated		Board	Endowment	Intra Group adjustment	Integration Joint Board (Joint Venture)	Consolidated
2020		2021	2021	2021	2021	2021
£000	Note	£000	£000	£000	£000	£000
	Non-current assets:					
494,232	Property, plant and equipment	SoFP 488,136	231			488,367
325	Intangible assets	SoFP 207	0			207
	Financial assets:					
10,835	Investments	SoFP 0	13,466			13,466
0	Investments in associates and joint ventures	26a 0	0	0	14,822	14,822
50,251	Trade and other receivables	SoFP 48,926	0			48,926
555,643	Total non-current assets	537,269	13,697	0	14,822	565,788
	Current Assets:					
5,551	Inventories	SoFP 5,476	0			5,476
0	Intangible assets	SoFP 0	0			0
	Financial assets:					
56,049	Trade and other receivables	SoFP 32,166	439	(64)		32,541
1,585	Cash and cash equivalents	SoFP 434	1,989			2,423
0	Investments	SoFP 0	0			0
0	Derivatives financial assets	SoFP 0	0			0
1,575	Assets classified as held for sale	SoFP 1,623	0			1,623
64,760	Total current assets	39,699	2,428	(64)	0	42,063
620,403	Total assets	576,968	16,125	(64)	14,822	607,851
	Current liabilities					
(49,820)	Provisions	SoFP (24,841)	0			(24,841)
	Financial liabilities:					
(81,970)	Trade and other payables	SoFP (86,591)	(83)	64		(86,610)
0	Derivatives financial liabilities	SoFP 0	0			0
(131,790)	Total current liabilities	(111,432)	(83)	64	0	(111,451)
488,613	Non-current assets plus / less net current assets/liabilities	465,536	16,042	0	14,822	496,400
	Non-current liabilities					
(95,881)	Provisions	SoFP (90,921)	0			(90,921)
	Financial liabilities:					
(165,417)	Trade and other payables	SoFP (162,005)	0			(162,005)
0	Liabilities in associates and joint ventures	26a 0	0			0
(261,298)	Total non-current liabilities	(252,926)	0	0	0	(252,926)
227,315	Assets less liabilities	212,610	16,042	0	14,822	243,474
	Taxpayers' Equity					
62,155	General fund	SoFP 68,925	0			68,925
152,499	Revaluation reserve	SoFP 143,685	0			143,685
0	Other reserves - joint venture	SoFP 0	0	0	14,822	14,822
12,661	Funds Held on Trust	SoFP 0	16,042			16,042
227,315	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 2021

NOTE 26B CONSOLIDATED STATEMENT OF FINANCIAL POSITION – PRIOR YEAR

Consolidated		Board	Endowment	Intra Group adjustment	Consolidated
2019		2020	2020	2020	2020
£000	Note	£000	£000	£000	£000
Non-current assets:					
472,233	Property, plant, and equipment	SoFP 494,007	225	-	494,232
486	Intangible assets	SoFP 325	0	-	325
Financial assets:					
12,423	Investments	SoFP 0	10,835		10,835
55,633	Trade and other receivables	SoFP 50,251	0		50,251
540,775	Total non-current assets	544,583	11,060	0	555,643
Current Assets:					
5,327	Inventories	SoFP 5,551	0		5,551
Financial assets:					
40,207	Trade and other receivables	SoFP 55,525	582	(58)	56,049
775	Cash and cash equivalents	SoFP 485	1,100		1,585
2,198	Assets classified as held for sale	SoFP 1,575	0		1,575
48,507	Total current assets	63,136	1,682	(58)	64,760
589,282	Total assets	607,719	12,742	(58)	620,403
Current liabilities					
(34,462)	Provisions	SoFP (49,820)	0		(49,820)
Financial liabilities:					
(76,868)	Trade and other payables	SoFP (81,947)	(81)	58	(81,970)
(111,330)	Total current liabilities	(131,767)	(81)	58	(131,790)
477,952	Non-current assets plus / less net current assets/liabilities	475,952	12,661	0	488,613
Non-current liabilities					
(97,450)	Provisions	SoFP (95,881)	0	-	(95,881)
Financial liabilities:					
(168,591)	Trade and other payables	SoFP (165,417)	0	-	(165,417)
(266,041)	Total non-current liabilities	(261,298)	0	0	(261,298)
211,911	Assets less liabilities	214,654	12,661	0	227,315
Taxpayers' Equity					
69,084	General fund	SoFP 62,155	0	0	62,155
129,579	Revaluation reserve	SoFP 152,499	0	0	152,499
13,248	Funds Held on Trust	SoFP 0	12,661	0	12,661
211,911	Total taxpayers' equity	214,654	12,661	0	227,315

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 £49k debtor with the Endowment Fund. The corresponding entries on the Endowment Fund incorporate a £49k creditor to the Board. The Fife Integration Joint Board (IJB) has been incorporated within the Group accounts, however as the IJB outturn position for the 2019.20 was breakeven, there is no requirement to disclose the Board's share of any surplus or deficit.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

NOTE 26C CONSOLIDATED STATEMENT OF CASH FLOW

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	0	(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)
0	Transfer of assets to/(from) other NHS bodies				0
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	0	356
(8,109)	Net cash outflow from investing activities	(16,864)	235	0	(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	0	0	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	0	0	903,881
810	Net Increase / (decrease) in cash and cash equivalents in the period	(51)	889	0	838
775	Cash and cash equivalents at the beginning of the period	485	1,100	0	1,585
1,585	Cash and cash equivalents at the end of the period	434	1,989	0	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	0	1,585
1,585	Net debt / cash at 31 March	434	1,989	0	2,423

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

NOTE 26C CONSOLIDATED STATEMENT OF CASH FLOW – PRIOR YEAR

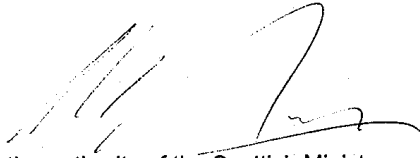
Consolidated		Board	Endowment	Consolidated
2019		2020	2020	2020
£000		£000	£000	£000
Cash flows from operating activities				
(768,447)	Net operating expenditure	(822,405)	11	(822,394)
17,993	Adjustments for non-cash transactions	13,880		13,880
13,993	Add back: interest payable recognised in net operating expenditure	14,357		14,357
(478)	Investment income	0	(421)	(421)
1,185	Movements in working capital	9,224	(56)	9,168
(735,754)	Net cash outflow from operating activities	(784,944)	(466)	(785,410)
Cash flows from investing activities				
(8,202)	Purchase of property, plant, and equipment	(10,400)	0	(10,400)
(277)	Purchase of intangible assets	(11)	0	(11)
(256)	Investment additions	0	(12,870)	(12,870)
498	Proceeds of disposal of property, plant, and equipment	999	0	999
500	Receipts from sale of investments	0	13,752	13,752
478	Investment Income	0	421	421
(7,259)	Net cash outflow from investing activities	(9,412)	1,303	(8,109)
Cash flows from financing activities				
759,685	Funding	811,667		811,667
(30)	Movement in general fund working capital	(27)		(27)
759,655	Cash drawn down	811,640	0	811,640
(2,751)	Capital element of payments in respect of finance leases and on-balance sheet PFI contracts	(2,954)		(2,954)
149	Interest paid	(418)		(418)
(14,142)	Interest element of finance leases and on-balance sheet PFI / PPP contracts	(13,939)		(13,939)
742,911	Net Financing	794,329	0	794,329
(102)	Net Increase / (decrease) in cash and cash equivalents in the period	(27)	837	810
877	Cash and cash equivalents at the beginning of the period	512	263	775
775	Cash and cash equivalents at the end of the period	485	1,100	1,585
Reconciliation of net cash flow to movement in net debt / cash				
(102)	Increase / (decrease) in cash in year	(27)	837	810
877	Net debt / cash at 1 April	512	263	775
775	Net debt / cash at 31 March	485	1,100	1,585



Fife Health Board

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of sections 86(1), (1B) and (3) of the National Health Services (Scotland) Act 1978, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. Subject to the foregoing requirements, the accounts shall also comply with any accounts format, disclosure and accounting requirements issued by the Scottish Ministers from time to time.
4. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
5. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 30 December 2002 is hereby revoked.


Signed by the authority of the Scottish Ministers

Dated 10/2/2006