



LANARKSHIRE NHS BOARD

LANARKSHIRE HEALTH BOARD

ANNUAL ACCOUNTS

FOR

THE YEAR ENDED 31 MARCH 2014

**LANARKSHIRE HEALTH BOARD
ANNUAL ACCOUNTS 2013/14**

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ANNUAL ACCOUNTS AND NOTES FOR YEAR ENDED 31 MARCH 2014

DIRECTORS' REPORT

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

1. Naming Convention

NHS Lanarkshire is the common name for Lanarkshire Health Board.

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

The information that fulfils the requirements of the business review, principal activities and future developments can be found in the Strategic Report, which is incorporated in this report by reference.

3. Date of Issue

Financial statements were approved and authorised for issue by the Board on 25 June 2014.

4. Accounting Convention

The Annual Accounts and Notes have been prepared under the historical cost convention as modified by the revaluation of property, plant and equipment, intangible assets, inventories, available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value through profit and loss.

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

5. Appointment of Auditors

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. The Auditor General appointed Scott-Moncrieff to undertake the audit of Lanarkshire 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.

6. Board Membership

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

The Health Board has collective responsibility for the performance of the local NHS system as a whole, and reflects the partnership approach, which is essential to improving health and health care.

Chair Mrs N Mahal

Executive Directors	Mr I A Ross	Chief Executive
	Mrs L Ace	Director of Finance
	Dr H S Kohli	Director of Public Health and Health Policy
	Mrs R Lyness	Director for Nurses, Midwives and the Allied Health Professions
	Mr C M Sloey	Director North Lanarkshire Community Health Partnership
	Dr I Wallace	Medical Director (From 1 st July 2013)

Non-Executive Directors	Councillor J McCabe	
	Councillor J Burns	
	Mrs L Macer	
	Mr D Clark	(To 28 th February 2014)
	Mr J A Anning	(To 28 th February 2014)
	Mrs A Armstrong	(To 30 April 2013)
	Mrs S Smith	
	Mr M Fuller	
	Dr A Docherty	(From 1 May 2013)
	Miss M Morris	(From 1 July 2013)
	Mr P Campbell	(From 1 July 2013)
	Dr A Osborne	(From 1 st March 2014)
	Mr T Steele	(From 1 st March 2014)

The board members' responsibilities in relation to the accounts are set out in a statement following this report.

7. Board Members' and Senior Managers' Interests

Dr H S Kohli	Non-Financial Interests	Member, UK Committee on the Safety of Blood, Tissues and Organs (SaBTO). Faculty of Public Health representative, Medical Council on Alcohol (MCA). Member, Scottish Intercollegiate Group on Alcohol (SIGA)
Dr I Wallace	Non-Financial Interests	Trustee, Dr Robert Mairs Charitable Trust.
Councillor J McCabe	Remuneration	Elected Member and Leader of North Lanarkshire Council.
Mrs L Macer	Remuneration	Employee of NHS Lanarkshire.
Mrs N Mahal	Non-Financial Interests	Spouse is General Medical Practitioner in North Locality of Lanarkshire and is employed part-time as Clinical Director in South Lanarkshire Community Health Partnership.
Mr D Clark	Remuneration	Chief Executive, Chest, Heart and Stroke Scotland which provides patient support services which are grant-aided by NHS Lanarkshire.
Mr J A Anning	Remuneration	"Call Down" contract with the Department for International Development.
	Non-Financial Interests	A member of the governing body of The Haven, Blantyre.
Mrs A Armstrong	Remuneration	Employed as Divisional Nurse Director, Community and Primary Care, with NHS Lanarkshire.
Mrs S Smith	Remuneration	Fees as Member of the Mental Health Tribunal Scotland. Fees as self-employed consultant to Housing Associations and Voluntary Organisations.
Dr A Docherty	Remuneration	Consultant Cardiologist with NHS Lanarkshire; ongoing cardiology private practice – self employed working with Ross Hall Hospital.

Miss M Morris	Remuneration	Payment as an Independent Adjudicator for ASN Tribunals – Ministerial appointment with a limited number of cases.
Councillor J Burns	Remuneration	Elected member and Depute Leader of South Lanarkshire Council. Civil Servant with the Department for Work and Pensions.
Mr P Campbell	Remuneration	Employed as Senior Operations Manager with ScotRail. Holds the post of Branch Secretary, Scottish National Party, in the Airdrie & Shotts constituency.
Mr M Fuller	Remuneration	Non Executive Director of NHS Health Improvement Scotland until 28 February 2014. Lay member of Employment Tribunal Scotland until 5 May 2014.

The other Directors have no interests to declare.

8. Directors Third Party Indemnity Provisions

No qualifying third party indemnity provision (whether made by the Board or otherwise) has been in place for one or more of the Directors at any time during the financial year.

9. Pension Liabilities

The accounting policy note for pensions is provided in Note 1 and disclosure of the costs is shown within note 24 and the remuneration report.

10. Remuneration for non-audit work

During the year £1,200 was paid to Scott-Moncrieff for non audit work.

11. Value of Land

The difference between the market value and the balance sheet value of land is not significant. Land is re-valued annually.

12. Public Services Reform (Scotland) Act 2010

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 impose new duties on the Scottish Government and listed public bodies to publish information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year. This information can be found on the Board's website under the following link.

<http://www.nhslanarkshire.org.uk/About/Pages/finance-reports.aspx>

Information specifying the number of individuals who received remuneration in excess of £150,000 can be found in note 2(b) of the accounts.

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

- In 2013/14 average credit taken was 9 days. (2012/13 12days)
- In 2013/14 the board paid 93.69% by value (2012/13 93.08%) and 93.37% by volume (2012/13 91.27%) within 30 days.
- In 2013/14 the board paid 83.96% by value (2012/13 83.23%) and 79.71% by volume (2012/13 74.70%) within 10 days.

14. Corporate Governance

The Board meets regularly during the year to progress the business of the Health Board. The Scottish Health Plan established that the following standard committees should exist at unified NHS Board level:

- Clinical Governance
- Audit
- Staff Governance
- Discipline (for primary care contractors)
- Public Patient Involvement

Clinical Governance Committee

The Clinical Governance Committee met 5 times in 2013/14. It has three key roles:

- **Systems assurance** – to ensure that clinical governance mechanisms are in place and effective throughout the local NHS System;
- **Public health governance** – to ensure that the principles and standards of clinical governance are applied to the health improvement activities of the NHS Board;
- **Information governance** – to ensure effective mechanisms are in place for the collection, storage, security, dissemination and use of information.

The membership of the Clinical Governance Committee comprises Non-Executive Directors from Lanarkshire NHS Board, and is chaired by a Non-Executive Director of Lanarkshire NHS Board.

Chairman Mr D Clark (Chairman to 23rd April 2013 & Member to 28th February 2014)
Mr M Fuller (From 1st July 2013)

Members Mrs A Armstrong (To 30th April 2013)
Mr J A Anning (To 28th February 2014)
Dr A Docherty (From 1st May 2013)
Cllr J Burns (From 1st July 2013)
Dr A Osborne (From 1st March 2014)
Mr T Steele (From 1st March 2014)
Miss M Morris (From 1st July 2013)

Audit Committee

The Audit Committee comprises Non-Executive Directors from the Lanarkshire NHS Board and is chaired by a Non-Executive Director of Lanarkshire NHS Board. The Committee met on 5 occasions during 2013/14. Its role is to:

- Receive assurance on the adequacy and effectiveness of the Board's system of internal control;
- Approve the Strategic Internal Audit Plan and Annual Audit Programme;
- Consider regular Status Reports on progress with scheduled and non-scheduled Audits;
- Oversee and monitor the action taken or proposed by Management in response to Audit recommendations;
- Oversee the operational effectiveness of the Internal Audit function.

Chairman Mrs S Smith

Members Mr J A Anning (To 28th February 2014)
Mrs L Macer
Mr M Fuller (To 26th June 2013)
Mr P Campbell (From 1st July 2013)
Mr T Steele (From 1st March 2014)
Miss M Morris (From 1st July 2013)

Staff Governance Committee

The Committee has an important role in ensuring consistency of policy and equity of treatment of staff across the local NHS system, including remuneration issues, where they are not already covered by existing arrangements at national level. The Staff Governance Committee is an essential element of the Governance Framework and ensures compliance with the national Staff Governance Standard. The Committee met 4 times in 2013/14.

Membership of the Staff Governance Committee consists of 5 Non-Executive Directors, one of which must be the Employee Director, and 4 Staff Side Chairs of Operating Divisions.

Chairman Mrs L Macer

Members Mrs N Mahal
Mrs S Smith
Mr P Campbell (From 1st March 2014)
Dr A Osborne (From 1st March 2014)
Mrs S Samson, Staff Side Chair, South Lanarkshire CHP
Mr D Boyd, Staff Side Chair, North Lanarkshire CHP
Mr D Spence, Staff Side Chair, Acute Services
Mr R Foubister, Staff Side Chair, PSSD and Corporate

Remuneration Sub-Committee

The Board's Remuneration Sub-Committee is chaired by the Board Chair and comprises the Employee Director and 3 other Non-Executive Directors. Its principal responsibility is for decisions on the appointment, remuneration and terms and conditions of service for Executive Directors and other staff on Executive and Senior Management pay arrangements. It also has responsibility for other pay issues such as Discretionary Points and pay issues not covered by Regulation. The Committee met 2 times in 2013-14.

Chairman Mrs N Mahal

Members Mr J A Anning (To 28th February 2014)
Mrs S Smith
Mrs L Macer
Mr M Fuller (From 1st March 2014)
Miss M Morris (From 1st March 2014)

Discipline (for Primary Care Contractors)

Disciplinary matters for primary care contractors would first be considered by an appropriately constituted Board reference committee. If that reference committee considers that a practitioner should be referred, in addition to notifying the practitioner, it will advise the Central Discipline Unit (CDU) and the Central Legal Office (CLO), both in National Services. CDU will undertake the administrative tasks so that a case can proceed while CLO will draw up the statement of case and represent the referring board at hearings.

Disciplinary cases will be considered by one of 2 groups of 7 NHS boards acting as consortia. An NHS board cannot refer a case for consideration by the consortium of which it is a member.

In 2013/14 no references committees were required to be convened by NHS Lanarkshire.

Patient Public Involvement

The Board approved its Patient Focus Public Involvement Strategy for 2012 – 2016 in March 2012 and will consider progress and actions for 2013/14 at its meeting of 26 June 2013. The Modernisation Board, chaired by the Chief Executive and including representatives from the PFPI fora, has been given the responsibility for overseeing the delivery of the PFPI strategy and links with a Stakeholder Engagement Group throughout the year. The Modernisation Board met 5 times during the year.

Additional Board Committees

The following committees were established as part of the single system working which applied from 1 April 2004.

Acute Operating Management Committee

The Acute Operating Management Committee comprises Non-Executive Directors of the Lanarkshire NHS Board and is chaired by a Non-Executive Director of the NHS Board. The Committee has a remit to monitor and review the provision of services by the Acute Operating Division, to ensure that services are provided as efficiently as possible, to meet all recognised standards, within available resources and that services increasingly are designed and operated to deliver an integrated patient service.

Chairman	Mrs N Mahal	(To 28 th February 2014)
	Mr P Campbell	(From 1 st March 2014)
Members	Mr D Clark	(To 28 th February 2014)
	Mr M Fuller	
	Dr A Osborne	(From 1 st March 2014)
	Mr T Steele	(From 1 st March 2014)

North Lanarkshire Community Health Partnership (NLCHP) Operating Management Committee

The North Lanarkshire Community Health Partnership Operating Management Committee comprises Non Executive members of the Lanarkshire NHS Board and is chaired by a Non- Executive Director of the NHS Board. The Committee has a remit to monitor and review the provision of services by the NLCHP, to ensure that services are provided as efficiently as possible, to meet all recognised standards, within available resources and that services, increasingly are designed and operated to deliver an integrated patient service.

Chairman	Mr J A Anning	(To 28 th February 2014)
	Miss M Morris	(From 1 st March 2014)
Members	Mr D Clark	(To 28 th February 2014)
	Mr M Fuller	(From 1 st March 2014)
	Dr A Osborne	(From 1 st March 2014)

South Lanarkshire Community Health Partnership (SLCHP) Operating Management Committee

The South Lanarkshire Community Health Partnership Operating Management Committee comprises Non Executive members of the Lanarkshire NHS Board and is chaired by a Non- Executive Director of the NHS Board. The Committee has a remit to monitor and review the provision of services by the SLCHP, to ensure that services are provided as efficiently as possible, to meet all recognised standards, within available resources and that services, increasingly are designed and operated to deliver an integrated patient service.

Chairman Mrs S Smith

Members Mr P Campbell (From 1st March 2014)
Mr T Steele (From 1st March 2014)
Mr M Fuller (To 28th February 2014)

Joint South Lanarkshire Community Health Partnership Operating Management Committee/Health and Care Partnership

The Joint South Lanarkshire Community Health Partnership Operating Management Committee/Health and Care Partnership was established by the Lanarkshire NHS Board and Greater Glasgow and Clyde NHS Board, in partnership with South Lanarkshire Council in May 2011. It will work within the framework of policies, strategies and priorities determined by the NHS Boards and their partners, both nationally and locally. The role of the Committee will be to monitor performance and hold to account the CHP and the Health and Care Partnership and its member localities against the goals and targets set out within:

- The Local Delivery Plan;
- The Joint Health Improvement Plan;
- Service Strategies for all Community Care Groups;
- Community Plans.

The Operating Management Committee is also responsible for monitoring the performance of hosted services.

Chairman Mrs S Smith

Members Mr P Campbell (From 1st March 2014)
Mr T Steele (From 1st March 2014)
Councillor M Devlin
Mr M Fuller (To 28th February 2014)

Health and Social Care Partnership Transition Integration Boards

The Public Bodies (Joint Working) (Scotland) Act 2014 signalled a move to the Integration of Adult Health and Social Care, with effect from April 2015. The Bill requires each Health Board and Local Authority to establish an 'Integration Authority' to deliver nationally agreed outcomes for Health and Social Care. As the legislation to enable the creation of an Integration Joint Board will not be in place until April 2015, transition and shadow arrangements need to be established. Accordingly, Transition Integration Boards have been established for South and for North Lanarkshire, with membership as follows:

South Lanarkshire Health and Social Care Transition Integration Board (Established on 23rd January 2014)

Chair Councillor J Burns, South Lanarkshire Council

Vice-Chair Mr P Campbell, Non-Executive Director, Lanarkshire NHS Board

Members Councillor M Devlin, South Lanarkshire Council
Councillor A Falconer, South Lanarkshire Council
Councillor L Hamilton, South Lanarkshire Council
Mr M Fuller, Non-Executive Director, Lanarkshire NHS Board
Mrs S Smith, Non-Executive Director, Lanarkshire NHS Board
Dr I Wallace, Medical Director, Lanarkshire NHS Board

***North Lanarkshire Health and Social Care Partnership Transition Integration Board
(Established on 15th April 2014)***

Chair Councillor J Smith, North Lanarkshire Council

Vice-Chair Dr A Osborne, Non-Executive Director, Lanarkshire NHS Board

Members Councillor G O'Rorke, North Lanarkshire Council
Councillor T Lunny, North Lanarkshire Council
Councillor W Shields, North Lanarkshire Council
Miss M Morris, Non-Executive Director, Lanarkshire NHS Board
Mr M Fuller, Non-Executive Director, Lanarkshire NHS Board
Dr H S Kohli, Director of Public Health and Health Policy Lanarkshire NHS Board

Pharmacy Practices Committee

The Pharmacy Practices Committee is a statutory committee and is responsible for the consideration of applications to establish community pharmacy premises within the defined geographical area of the Lanarkshire NHS Board.

Co-Chair Mr M Fuller
Miss M Morris (From 1st March 2014)
Mr J A Anning (To 28th February 2014)

Members Mrs C Prentice
Mrs M Caraher
Mrs L Robertson
Mr C J Sargent
Mr J Woods
Mrs L Wilson

15. Disclosure of Information to Auditors

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

16. Human Resources

NHS Lanarkshire works within a Staff Governance framework which ensures that all staff are treated fairly and consistently. Specific arrangements are in place to support the Staff Governance Standard. NHS Lanarkshire is also an equal opportunities employer.

Equality & Diversity

NHS Lanarkshire upholds the standards and provisions of UK equal opportunities legislation. We are committed to reflecting the diverse geographical population in the workforce by attracting and retaining a diverse staff group. In promoting equal opportunities, we are committed to ensuring that all staff are treated fairly and can give of their best.

NHS Lanarkshire welcomes applications for employment from all sections of society and will review working conditions and the working environment, where necessary, in order to help successful applicants take up post or for existing staff to remain in post, for example, to accommodate a disability.

Staff Governance

As stated above, NHS Lanarkshire is a partnership organisation which has structures and processes in place to achieve the national Staff Governance Standard.

NHS Lanarkshire has a formal Partnership Agreement which sets out these structures and processes. The Partnership Agreement sets out the structure as follows:

Area Partnership Forum

The principal vehicle for partnership working is the Area Partnership Forum, which reports to the Staff Governance Committee. The Area Partnership Forum ensures that staff, through their accredited representatives, are involved in strategic decision making.

The Area Partnership Forum is jointly chaired by the Chief Executive and Employee Director. Its membership includes the eleven Directors of NHS Lanarkshire, including the Chief Executive, and eleven staff side representatives, including the Employee Director. Staff side representatives must be accredited trade union/professional organisation representatives. Full-time officers may attend meetings on an ex officio basis.

The Forum met on a bi-monthly basis.

Human Resources Forum

A Human Resources Forum exists in NHS Lanarkshire to oversee the application of HR Policies, procedures and practice.

The Human Resources Forum exists to:-

- Ensure a working interface between management and staff side representatives on Human Resources issues.
Oversee the application and implementation of terms and conditions of service for staff covered by Agenda for Change.
- To monitor the achievement of the 4% sickness absence standard.
- The management and ratification of HR policies and procedures.

The HRF is jointly chaired by the Director of Human Resources and a Staff Side Representative and has the following membership:

- The Divisional HR Directors (2)
- A Manager nominated by the Divisional Director from the Divisional Partnership Forum (3)
- The Director of Occupational Health
- The Deputy Director of Organisational Development
- Nine Staff Side Representatives, including the Chair.

The Forum met on a quarterly basis.

The Human Resources Forum has a number of sub-groups as set out below and other sub groups are established as and when necessary to deal with specific projects.

Joint Policy Forum

A Joint Policy Forum exists in NHS Lanarkshire to ensure partnership working in the development of HR policies.

The Joint Policy Forum is jointly Chaired by a Divisional HR Director and a Staff side Representative, and will comprise:

- A Head of HR
- A representative from Occupational Health
- Three Management Representatives from the Divisions
- Six Staff Representatives, including the Chair.

Occupational Health and Safety Management Group

The Occupational Health and Safety Management Group reports directly to the Board and CMT. This is the group with overall responsibility for the management of Occupational Health and Safety across Lanarkshire.

The Occupational Health and Safety Management Group is chaired by the Director of Human Resources and comprises:

- Representatives from the six local Health and Safety committees
- the General Manager, Property and Support Services
- a number of Staff Representatives agreed by the Staff Side
- Specialist leads from the Occupational Health and Safety Service, Medical Physics, Patient Safety, Risk and Infection Control.
- A General Manager nominated by each of the Local Health and Safety Forums to enhance Health and Safety working at all levels of our organisation.

Other Groups

There are other groups throughout NHS Lanarkshire which operate on a partnership basis. These include:-

The Medical and Dental Negotiating Committee, which deals with medical and dental terms, conditions and related matters.

The Staff and Organisational Development Group which oversees all staff and organisational development, including implementation of the Knowledge and Skills Framework of Agenda for Change and oversight of development of the annual Workforce Plan.

17. Events after the end of the reporting period

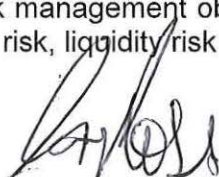
There are no important events affecting the Board since the year end.

18. Financial instruments

Information in respect of the financial risk management objectives and policies of the Board and the exposure of the Board to price risk, credit risk, liquidity risk and cash flow risk is disclosed in note 27.

By order of the Board

25 June 2014



.....**Chief Executive**

The Accounting Officer authorised these financial statements for issue on 25 June 2014.

ACKNOWLEDGEMENT

The Director of Finance and I are most grateful to the Board Members, Chief and Senior Officers and staff of all disciplines who contributed to the performance of the Board during the Financial Year.

STRATEGIC REPORT

1. PRINCIPAL ACTIVITIES AND REVIEW OF THE YEAR

Lanarkshire NHS Board – Role and Responsibilities

NHS Lanarkshire serves a population of 572,520 based on population estimates for 2012. To be fully coterminous with North and South Lanarkshire Councils, it plans for the community health needs of an additional 79,710 residents in Cambuslang, Rutherglen and the Northern Corridor. The legal entity is the Lanarkshire NHS Board. Within this, operational delivery is organised around an Acute Services Division and two Community Health Partnerships – one for North Lanarkshire and one for South Lanarkshire. The North Lanarkshire CHP has a North West Unit (Airdrie, Coatbridge and the Northern Corridor) and a North East Unit (Motherwell, Bellshill and Wishaw). The South Lanarkshire CHP has a South West Unit (East Kilbride, Rutherglen and Cambuslang) and a South East Unit (Hamilton and Clydesdale). The Mental Health and Learning Disability service is managed by the North Lanarkshire CHP.

In preparation for the integration of health and social care services which will replace the two CHPs with two Health and Social Care Partnerships, Transition Integration Board have been established for South Lanarkshire and North Lanarkshire. An interim Chief Officer has been appointed in South Lanarkshire. As from 1 April 2014 the full healthcare responsibility for 79,710 residents of Cambuslang, Rutherglen and the Northern Corridor will transfer to NHS Lanarkshire to facilitate joint planning with the local authorities.

The principle role of Lanarkshire NHS Board remains the protection and improvement of the health of the resident population, and the delivery of high-quality, patient-focused services. Specifically, the key functions of Lanarkshire NHS Board, for which it is accountable to the Scottish Government Health and Social Care Directorates, on behalf of the Cabinet Secretary for Health & Wellbeing are:

- To set the strategic direction of the organisation within the overall policies and priorities of the Scottish Government and the National Health Service in Scotland;
- To define its annual and longer term objectives and agree plans to achieve them;
- To oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary;
- To ensure effective financial stewardship through value for money, financial control, financial planning and strategy;
- To ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation;
- To ensure there is effective dialogue between Lanarkshire NHS Board, North and South Lanarkshire Councils and other agencies and communities on its plans and performance, and that these are responsive to the communities' assessed needs.

The main vehicle through which Lanarkshire NHS Board is expected to ensure the discharge of these responsibilities is the Local Delivery Plan which is constructed around the HEAT targets and issued to the service each year by the Scottish Government Health and Social Care Directorates. The HEAT targets encompass *Health Improvement*, *Efficiency*, *Access to Services* and *Treatment*. The Local Delivery Plan informs the development of a set of Corporate Objectives from which individual Directors' Personal Objectives are drawn. This process is cascaded down and across management layers so ensuring that the Local Delivery Plan and Corporate Objective processes are embedded. The Local Delivery Plan and Corporate Objectives are formally approved by Lanarkshire NHS Board. Progress in their delivery is a substantial focus within the overall Performance Management arrangements.

'A Healthier Future' is NHS Lanarkshire's framework for strategic health planning. It enables the organisation to gain a shared understanding of actions required to achieve the Scottish Government's 2020 Vision. It can be accessed at <http://www.nhslanarkshire.org.uk/About/Pages/healthier-future.aspx>

HSMR and Healthcare Improvement Scotland: Rapid Review of the Safety and Quality of Care for Acute Adult Patients in NHS Lanarkshire

A major leadership, management and improvement focus during the year was addressing NHS Lanarkshire's on-going high Hospital Standardised Mortality Ratio (HSMR) across the three acute hospitals and in particular Monklands Hospital. The Board's improvement activities were monitored by Healthcare Improvement Scotland (HIS).

In December 2012, NHS Lanarkshire had established the HSMR Improvement Programme, chaired by the Chief Executive, to provide a more focussed and intensive approach to implement the HSMR improvement plan. The HSMR Improvement Programme was focused on four priority workstreams assessed as having the biggest impact on mortality.

The workstreams (each of which was led by an Executive Director as sponsor) were:

- Deteriorating Patient and Sepsis;
- End of Life Care (including Anticipatory Care Plans);
- Information and Quality Reviews (real time indicators, coding, case note reviews and morbidity and mortality reviews);
- Clinical Change and Leadership.

In August 2013, triggered by the publication of mortality data for January to March 2013, the Cabinet Secretary for Health and Wellbeing commissioned HIS to undertake a Rapid Review of the Safety and Quality of Care for Acute Adult Patients in NHS Lanarkshire. The findings of the review were published on 17 December 2013 with 21 recommendations. Following the publication of the report, the Cabinet Secretary for Health and Wellbeing established a Governance and Improvement Support Team (GIST) to support NHS Lanarkshire to deliver the improvements required.

NHS Lanarkshire fully accepted the recommendations of the HIS review and developed a Rapid Review Action Plan which was submitted to the Scottish Government on 3 January 2014. During the period January to March 2014 and extensive range of work was undertaken to address the recommendations and this was reflected in a report provided to the Scottish Government on 31 March 2014. This report is available on NHS Lanarkshire public website and actions covered the following areas:

- Board Leadership and Engagement;
- Simplified management structures and operational effectiveness;
- Improvement in patient quality, safety and experience of care;
- Building workforce capacity and capability.

Working with Partner Agencies

NHS Lanarkshire continues to work closely with a range of partners to progress various strategies and integrated models of care, ensuring that a comprehensive range of supports and services is provided to the population of Lanarkshire. Some of this work is progressed through North and South Lanarkshire Health and Care Partnerships, through the Partnership Board in North Lanarkshire and through the Community Planning Partnership Board in South Lanarkshire. These groups have developed and refreshed joint priorities across the four care groups: Older People, Mental Health, Disability and Addictions.

NHS Lanarkshire continues to work closely with Community Planning Partners in the Statutory and Third Sectors in developing and implementing Single Outcome Agreements (SOAs) that set out our joint approach to health improvement and tackling inequalities.

Community Planning continues to be a major focus within NHS Lanarkshire and there are many examples of how the energies within the partnerships have been harnessed to improve outcomes for Lanarkshire residents. Our commitment to working together in the Early Years agenda can be evidenced by the continuing focus on Best Possible Start, Getting it Right for Every Child (GIRFEC), Family Nurse Partnership and the Early Years Collaborative. The aim of these programmes is to give the best possible start to children and so break the cycle of poverty, which is often multi-generational. Other good examples include Project Search, which has successfully placed a number of young people with a learning disability into work who otherwise would have been unlikely to succeed in the job market.

The Public Bodies (Joint Working) (Scotland) Act 2014 signalled a move to the Integration of Adult Health and Social Care, with effect from April 2015. The Bill requires each Health Board and Local Authority to establish an 'Integration Authority' to deliver nationally agreed outcomes for Health and Social Care. As the legislation to enable the creation of an Integration Joint Board will not be in place until April 2015, transition and shadow arrangements need to be established. Accordingly, Transition Integration Boards have been established for South and for North Lanarkshire

Capital & Revenue Property Investment

NHS Lanarkshire's Capital Programme continued in 2013/14 at a similar level to the previous year, with £17.2m (2012/13 £15.6m) being invested in:

- Continued works to improve the fabric of Monklands District General Hospital;
- Land Purchase and Investment in respect of the 3 new Community Health Centres at East Kilbride, Kilsyth and Wishaw;
- Medical, IM&T and other equipment;
- Statutory Maintenance for Primary Care Premises;
- West of Scotland Radiotherapy Satellite Centre.

The total investment in Monklands District General Hospital in 2013/14 was £7.2m. This builds on previous investment and is focused on improving the infrastructure of the hospital in the areas identified on the building's risk register. The 36-year-old hospital (the first patients were admitted in 1977) will continue to benefit from significant investment over the next three years. Much of the work involves improvement to site safety and addressing health and safety risks across the site including traffic management, the structural cladding, fire safety works, flat roof replacement and theatres. A major investment in the Theatres and Intensive Care Unit is currently being scoped with a view to advancing this development in 2014/15 and subsequent years.

Work on reconfiguring the laboratories continued in 2013/14 in line with the Board's laboratory strategy and work was commenced on the planning to deliver alterations to support the delivery of the Board's Adult Mental Health Strategy.

There was continued high levels of investment in Medical, IM&T and other equipment during 2013/14 totalling £6.327m. This included £3.695m on anaesthetic equipment, endoscopes imaging systems, theatre equipment, incubators and other medical equipment.

In 2013/14 a Capital Grant totalling £0.14m was given to North Lanarkshire Council to enhance Car Parking in the town centre in support of the development of the new Wishaw Community Health Centre.

Work continued on the building of the Maggie's Cancer Care Centre on the Monklands District General Hospital site with completion, on schedule, for delivery in summer 2014.

The development of community health centres in East Kilbride, Kilsyth and Wishaw continued under the Scottish Futures Trust Hubco leased model and the Full Business Case for the project was approved by the Scottish Government Health Directorate's Capital Investment Group at its September 2013 meeting. Financial Close for the project was achieved in December 2013 and work commenced on all three sites in January 2014.

Investment in the three new community health centres will be over £50 million with the work due to be completed by the end of 2015.

- This will replace the current Hunter Health Centre in East Kilbride with a five-storey, 6,300 sq.m. state-of-the-art community health centre on the land immediately adjacent to the existing Hunter Health Centre. The centre will house a wide range of NHS Lanarkshire services, including those which are currently based in the existing health centre as well as those which are located in the nearby Atholl House and the Red Deer Centre.
- This will provide a state-of-the-art community health centre in Kilsyth. This purpose-built, modern community health centre will provide a wide range of services including GP practice, mental health, podiatry, physiotherapy, speech and language therapy, NHS dentist practice and other local clinics. The development is located next to the swimming pool in Kilsyth town centre. It will be around double the size of the existing health centre at Burngreen Park.
- This will replace the current Wishaw Health Centre with a modern 8,000 sq.m. centre which as well as replacing the existing health centre, will incorporate the Council's library, First-Stop-Shop and Housing Department, relocating them all under one roof in the heart of the town centre. The new development is located opposite the existing health centre on Kenilworth Avenue, on the site of the existing library.

During 2013/14 plans for a West of Scotland Radiotherapy Satellite Centre were progressed with the Monklands Hospital Site being chosen as the preferred option. This development will support the increasing level of activity and relieve the current pressure in demand at the Beatson West of Scotland Cancer Centre. The Full Business Case for this development was approved by the Scottish Government Health Directorate's Capital Investment Group at its April 2014 meeting with work commencing on site in May 2014. This represents an investment of £22m. The first patients are scheduled for treatment in November 2015.

NHS Lanarkshire's Property Strategy aims are to ensure that the condition of the Board's estate is suitable for the delivery of patient care in a safe and functionally suitable environment. During the year to 31 March 2014, in addition to the £17.2m Capital Programme, £7.8m was spent in supporting these aims.

This included:

- Improving the external fabric of community hospitals and other primary care premises - £0.7m;
- Improving the internal fabric of community hospitals and other primary care premises including addressing Dementia friendly finishes in Care of the Elderly areas - £0.95m;
- Ligature reduction risks in District General Hospital Mental Health areas - £0.6m;
- Improving the patient environment including addressing infection control risks - £0.3m;
- Major painting programme in Community Health Centres across Lanarkshire - £0.325m;
- Fire Safety improvements in Community Premises and Health Centres - £0.8m;
- Legionella risk reduction in Community Premises - £0.1m;
- Addressing Traffic Management issues on Community Sites - £0.425m;
- Purchase of Equipment to support Patient care - £0.35m;
- Boiler replacement programme in community hospitals - £0.33m;
- Enabling works in connection with Laboratory Services Rationalisation across NHS Lanarkshire laboratories - £0.44m;
- Investment in energy saving schemes to reduce recurring utilities cost and Carbon footprint - £0.56m.

All of these projects will assist NHS Lanarkshire to deliver services locally and will assist in addressing the health improvement challenges within each of the localities.

Mental Health

NHS Lanarkshire continued its modernisation of mental health services in 2013 with the opening of the new 6 bedded Intensive Psychiatric Care Unit (IPCU) co-located with the acute adult in-patient mental health ward on the Wishaw General site. The new unit provides intensive treatment and support for patients with severe and enduring mental health needs in a specially designed environment. This approach contributes to improving patient's well-being and speeds up their return to either the general acute psychiatry ward or to return home. Having the new unit means patients with this level of need can receive intensive care in Lanarkshire and no longer need to be transferred to other board areas for this specialised care.

Reshaping Care for Older People

The principal goal of Reshaping Care for Older People (RCOP) is to optimise independence and wellbeing for older people at home or in a homely setting. This requires the development of innovative community-based services in partnership with the Councils, third and independent sectors. Due to the diverse range of initiatives benefiting from Change Funding, the evaluation is using a Contribution Analysis approach. This enables the influence of a variety of projects (and any interactions between them and existing services) on the agreed RCOP outcomes to be measured. Six monthly reports, or 'Contribution Stories' are produced and the detail shared with both the North and South Partnerships to ensure that the latest evaluation evidence is fed into planning processes.

The initial stages of evaluation during 2013 focused on individual projects, firstly to agree which outcomes they would influence, and then to maximise the robustness of the evidence demonstrating their achievement. The evidence base is now sufficiently robust to map many initiatives onto a spectrum of influence ranging from community capacity building through to hospital admission avoidance, on the assumption that investment at community level has a longer-term impact on maintaining the health and well-being of older people. Whilst directly avoiding hospital admission has benefits in the short-term, it is unlikely to affect the rising trend of need that is linked to demographic projections. The next phase of the contribution analysis will focus on both augmenting the evidence where it could be stronger, and statistical analysis of the different variables impacting on RCOP outcome achievement. Where possible, this will use linked health and social care data.

Nursing Workforce

During the year the Board completed a review of its acute hospital nursing workforce using nationally recognised tools. As part of a phased investment programme which started with a £0.802m investment in senior charge nurse time in 2012/13, £1.071m was approved in November 2013 to increase nurse numbers in A & E and the emergency care units. In March 2014 a further £3.150m was approved to boost staffing in the general wards.

All areas of the Nursing workforce will be reviewed and in 2014/15 there will be a particular focus on the impact of the Children and Young People (Scotland) Bill which was passed by Parliament on 19 February 2014.

Allied Health Professionals

The AHP National Delivery Plan (NDP) was launched in June 2012. Some of NHSL's current activities linked to the NDP are described below.

An AHP Workforce Modernisation project has been initiated to support the integration of health and social care. This project will:-

- Review the current demand and capacity of AHPs;
- Identify current patient pathways and opportunities to revise pathways and resource allocation;
- Align the AHP capacity within acute and community to match patient demand.

In the first instance, the project is focusing on the larger AHP groups of Physiotherapy and Occupational Therapy, and will initially centre on the Care of the Elderly / Medical care groups in order to support the demands of the changing elderly demographic and reshaping care agenda.

In South Lanarkshire there has been an alignment of the Community Physiotherapy and Occupational Therapy services in the East Kilbride and Hamilton Localities. The AHPs have also been involved in the Airdrie locality planning modelling exercise within North Lanarkshire. This exercise will provide a template for the rollout of the locality model across the remainder of North Lanarkshire. The community AHP services have also completed a capacity planning exercise which has helped to address waiting time issues.

Under the telehealth and telerehabilitation aspects of the NDP, small tests of change are being undertaken to assist in supporting patients in Physiotherapy and Speech and Language Therapy and in the newly formed Community Brain Injury Service.

In addition, the NDP highlights the need for a 70% shift in the delivery of care from Acute to Community. In NHS Lanarkshire however 70% of AHP services are already provided in the community. The Director for AHPs has therefore stretched this target to 80%. In certain services such as Radiography there will be a requirement for the service to remain in totality within an acute setting.

Health Inequalities

During 2013/14 self-assessments on health inequalities have been undertaken by North and South Lanarkshire Community Planning Partnerships. This was a requirement of the Audit Scotland report on Health Inequalities in Scotland published in December 2012. A multi-agency short life working group of the Health Improvement/Health Protection Service Improvement Board has developed the approach for tackling health inequalities in Lanarkshire. This was the subject of a Lanarkshire NHS Board Seminar in November 2013, and a paper on health inequalities to go to the Board is currently being prepared. This will take account of the Scottish Government's Equally Well Review and Health Scotland's Health Inequalities Impact Assessment document, both published in March 2013.

Regional Planning

During 2013/14 the Regional Planning Service Improvement Board (SIB) continued to have an overview of the financial reporting and governance arrangements relating to service level agreements (SLAs) with Scottish health boards and of expenditure on unplanned activity, out of area treatments and the independent sector.

The impact on NHS Lanarkshire of strategic change in other board areas, mainly NHS Greater Glasgow & Clyde and NHS Lothian, continues to be actively monitored to ensure that changes in cross boundary flow are managed and are reflected in the three year rolling average SLA funding mechanism.

As stated in the previous section on Capital & Revenue Property Investment, plans for a West of Scotland satellite radiotherapy unit at Monklands Hospital are progressing well. The revenue costs of the new facility will be shared by WoS NHS Boards.

A project to provide a wheelchair and seating service in NHS Lanarkshire, which will function as a satellite of the West of Scotland Mobility and Rehabilitation Centre, Southern General Hospital, Glasgow, is nearing completion. The project has been developed in partnership with North Lanarkshire Council who identified suitable property in Motherwell.

Healthcare Associated Infection

There is a national mandatory requirement for a Healthcare Associated Infection Control report to be presented to the Board on a bi-monthly basis utilising the nationally agreed reporting template. In NHS Lanarkshire in addition an exception report is submitted alternately where any exceptions are identified. Board members are updated on the current status/rates of healthcare associated infections and infection control measures, with particular reference to performance against HEAT targets and cleanliness monitoring. Information on the Board's performance for HEAT targets for control infection can be found in Section 3 of this report.

Cancer

The projected change in cancer incidence in Lanarkshire between 2008-11 and 2018-22 for all cancers is 19.3% as detailed in the NHS Lanarkshire Annual Report of the Director of Public Health 2010-11. This increase in incidence combined with prolonged survival requires robust financial planning for the right services to be delivered by the right teams in the right place. To ensure this happens, NHS Lanarkshire in collaboration with both North and South Lanarkshire Councils and the third sector produced a local Cancer Strategy in June 2013 reflecting the 3 quality ambitions as outlined in the NHS Scotland Quality Strategy (2012) - safe, person centred and effective. Also reflected in the Strategy is the need to integrate services which cover each stage of cancer care from improving public awareness and prevention through to diagnosis, treatment, follow-up care, rehabilitation and end of life care.

A series of engagement events with staff took place in autumn 2013 to identify target areas for improvement which resulted in five workstreams being identified. In addition patient and carer events were held in early 2014 to learn from their experiences of cancer services and support services, in order to shape current and future service delivery across Lanarkshire.

Waiting Times

NHS Lanarkshire performed well against the stage of treatment national waiting times guarantees during 2013/14. This includes 12 weeks for outpatients (with only 0.89% over 12 weeks), 9 weeks for inpatients and day cases, 6 weeks for key diagnostic tests and two cancer targets of 31 and 62 days. In addition NHS Lanarkshire has routinely delivered the national target of exceeding 90% of combined performance in respect of 18 week Referral to Treatment (RTT).

NHS Lanarkshire's performance against the Treatment Time Guarantee (TTG) has been excellent during 2013/14. There was only one instance where this was not met due to an administration error. Achieving this guarantee required significant additional funding to purchase treatments from other providers such as the Golden Jubilee National Hospital and the private sector. Sustainable, longer term solutions are being developed and implemented in a phased process.

Pressure on each of the 3 acute sites has meant NHS Lanarkshire has routinely been unable to deliver the target of 98% of A and E attendees waiting less than 4 hours. The NHS Board has worked with the Scottish Government's Quality and Efficiency Support Team to examine patient flows, coordination of activity and decision making. There has also been careful scrutiny of site capacity (including staffing and beds), utilisation and clinical leadership. From those detailed discussions, including clinicians and managers, robust and consistent site action plans have emerged, which are being implemented during 2012/13 and 2013/14. Those will be subject to close monitoring to ensure compliance with key actions and delivery of agreed outputs.

Business Continuity

NHS Lanarkshire has a responsibility, as a Category One Responder under the Civil Contingencies Act, to maintain business continuity plans to ensure that:

- The impact of any emergency on day to day activity is kept to a minimum;
- Vital services for the community can be maintained at an appropriate level.

To increase effectiveness and streamline processes for business continuity and emergency planning in NHS Lanarkshire, the Business Continuity Strategy Group and the Emergency Planning Coordination Groups have been merged. The new Resilience Group met for the first time in February 2013 and is chaired by Dr Harpreet Kohli, the Executive Director with lead responsibility for business continuity and emergency planning.

FHS Income Potential fraud/error rates

NHS Counter fraud services conduct a rolling programme of sample checks to determine if patients have wrongly been claiming to be exempt from dental or ophthalmic charges. Extrapolating the level of false claims they detect from this process indicates that, across the whole of NHS Lanarkshire, there may be as much as £854,160 of fraudulent or erroneous exemption claims in 2013/14. This estimated fraud rate is less than in 2012/13 (£892,921).

2 FINANCIAL PERFORMANCE AND POSITION

	Limit as set by SGHSCD £000	Actual Outturn £000	Variance (Over)/ Under £000
1 Core Revenue Resource Limit	948,631	945,087	3,544
Non-Core Revenue Resource Limit	31,951	31,951	0
2 Core Capital Resource Limit	16,344	16,344	0
Non-Core Capital Resource Limit	0	0	0
3 Cash Requirement	1,031,152	1,031,152	0
Memorandum For In Year Outturn			£000
Brought forward surplus from previous financial year			4,530
Saving against in year total Revenue Resource Limit			(986)

NHS Lanarkshire met all its financial targets in 2013/14 and continued to operate within a balanced financial position. This included the achievement of an £14.851m cash savings programme and £11.106m of productivity gains. During the 2012/13 financial year the Board identified the need to refurbish operating theatres in Monklands hospital and potential implementation costs of the adult mental health strategy and gained agreement from SGHSCD of carry forward £4.530m of accumulated funds into 2013/14 and 2014/15. In line with the agreement £0.986m of these funds were used in 2013/14 to carry out preliminary work to enhance the mental health accommodation, support the staffing reprofile associated with the opening of the IPCU, the move to more community care and boosting medical cover and to facilitate the initial scoping work on the theatre case. As a result the cumulative surplus reflected in the annual accounts decreased from £4.530m at the start of the year to £3.544m at 31 March 2014.

The Accounts have been prepared under a direction issued by Scottish Ministers which is included as an annex to the accounts.

NHS Lanarkshire has legal obligations in relation to medical and non medical claims. Details of these are contained in notes 17 and 19 of the accounts.

Provisions for impairment of receivables are contained in note 13 of the accounts.

Outstanding liabilities details can be found in note 16 of the accounts.

Significant remote contingent liabilities can be found in note 19 of the accounts.

Prior year adjustments can be found in notes 25 of the accounts.

Significant changes in Non Current Assets can be found in notes 10, 11, 13 and 14 of the accounts.

Private Finance Initiative/Public Private Partnerships details can be found in note 23 of the accounts.

Post-Balance Sheet items can be found in note 20 of the accounts.

Sickness absence data can be found in the sickness absence note at the back of the accounts.

Personal data related incidents – There were 97 personal data related incidents reported in the year.

3 PERFORMANCE AGAINST KEY NON FINANCIAL TARGETS

3.1 Local Delivery Plan and Heat Targets

The Local Delivery Plan (LDP) 2013-14 set out the key targets agreed for delivery between the Scottish Government Health Directorates and Lanarkshire NHS Board. The LDP reflects the four ministerial objectives of: **Health Improvement** for people in Scotland; **Efficiency/governance** improvements; **Access** more quickly to service; and **Treatment Appropriate for Patient (HEAT)**.

Performance against 2013/14 HEAT targets is summarised below.

NHS Scotland Objective 1:

Health Improvement for the people of Scotland – improving life expectancy and healthy life expectancy

Increase the proportion of people diagnosed and treated in the first stage of breast, colorectal and lung cancer by 25% by 2014/15.

Measure: *By December 2015, to achieve a 25% increase in those diagnosed in the first stage.*

There is as yet no national published data for this target but local information suggests that there has been an improvement in the % diagnosed at first stage.

At least 80% of pregnant women in each SIMD quintile will have booked for antenatal care by the 12th week of gestation by March 2015 so as to ensure improvements in breastfeeding rates and other important health behaviours.

Measure: *% of pregnant women in each SIMD quintile booked for antenatal care by 12th week of gestation.*

The latest data published by ISD is for the period to 30/09/12 and shows Lanarkshire at 74.5% against a plan for that period of 76%. We submit quarterly reports to Scottish Government on implementation of actions to underpin this target (Antenatal Access Booking Template) and local information suggests that we have improved the % since 30/09/12.

Reduce suicide rate between 2002 and 2013 by 20%.

Measure: *Three year centred moving average European age standardised suicide rate.*

There is no trajectory for this target and it is not reported at NHS Board level. NHS specific action that will contribute includes discharge planning, brief intervention, front line staff training, response to depression, crisis management. The programme of modernising mental health services in Lanarkshire embraces all these areas. We also continue to maintain above the 50% level of frontline staff trained in suicide prevention techniques.

To achieve 14,910 completed child healthy weight interventions (nationally) over the three years ending March 2014.

Measure: *Number of children aged 2-15 years completing Scottish Government approved healthy weight intervention programmes.*

1,859 against plan of 1,745 – achieved.

NHS Scotland to deliver universal smoking cessation services to achieve at least 80,000 successful quits (at one month post quit) including 48,000 in the 40% most deprived within-Board SIMD areas over the 3 years ending March 2014.

Measure: *Number of successful quits for people residing in the 40% most deprived datazones in the NHS Board (i.e., the most deprived quintiles).*

As at Q3 (latest data) we have achieved 8,366 against a full year target of 5,435, thus significantly exceeded the target.

At least 60% of three and four year old children in each SIMD quintile to receive at least two applications of fluoride varnish per year by March 2014.

Measure: *Percentage of children in age cohort and SIMD quintile having two varnishings per annum in line with national definitions.*

Latest published data is for Q2 and shows NHSL at 47.6% against a trajectory of 45% for this period, therefore on track.

NHS Scotland Objective 2:

Efficiency and Governance Improvements – continually improve the efficiency and effectiveness of the NHS

NHS Boards to operate within their agreed revenue resource limit; operate within their capital resource limit; meet their cash requirement.

Measure: *Monthly financial monitoring returns*

3,544 against plan of 3,538 – achieved.

NHS Boards to deliver a 3% efficiency saving to be reinvested in frontline services.

Measure: *Monthly financial monitoring returns*

25,956 against plan of 25,953 – achieved.

NHS Scotland to reduce energy-based carbon emissions and to continue a reduction in energy consumption to contribute to the greenhouse gas emissions targets set in the Climate Change (Scotland) Act 2009.

Measures: *Percentage change in baseline (2009/10) eMART data, represented by tonnes of CO₂ and climatically adjusted.*

Q3 data from HFS shows NHSL 8.6% off target. This is under investigation.

Percentage change on 2009/10 baseline climatically adjusted, represented by absolute energy values in GJ.

Q3 data from HFS shows NHSL 4% off target. This is under investigation.

NHS Scotland Objective 3:

Access to Services – recognising patients’ need for quicker and easier use of NHS services.

Deliver faster access to mental health services by delivering 26 weeks from referral to treatment for specialist CAMHS services from March 2013, reducing to 18 weeks by December 2014; and 18 weeks RTT for Psychological Therapies from December 2014.

Measure: *90% of patients referred for CAMHS are to start treatment within 18 weeks of referral. 90% of patients referred for psychological therapies are to start treatment within 18 weeks of referral.*

CAMHS - Q3 data shows NHSL at 83.5%, with a national target of 90% by December 2014. The Board is on track to reach 90% by December 2014.

Psychological therapies – Q3 data shows NHSL at 88.4%, with a national target of 90% by December 2014. The Board is on track to reach 90% by December 2014.

NHS Scotland Objective 4:

Treatment Appropriate to Individuals: ensure patients receive high quality services that meet their needs.

Reduce the rate of emergency inpatient bed days rates for people aged 75 and over per 1,000 population, by at least 12% between 2009/10 and 2014/15.

Measure: *Occupied emergency bed days rates in general acute specialities for patients aged 75+ per 1,000 population aged 75+.*

Latest data is Q3 and shows NHSL at 4,122 against a trajectory of 4,409 or less.

No people will wait more than 28 days to be discharged from hospital into a more appropriate care setting, once treatment is complete, from April 2013; followed by a 14 day maximum wait from April 2015.

Measure: *Quarterly census data on delayed discharges published by ISD.*

Latest data is April 2014 census and shows 62 delayed discharges against a trajectory for this period of 35. A range of work is underway, both short and longer term, to address this.

To support shifting the balance of care, NHS Boards will achieve agreed reductions in the rates of attendance at A&E, between 2009/10 and 2013/14.

Measure: *Number of new and unplanned attendances at A&E (i.e., follow-up or planned attendances are excluded) per 100,000 population per month.*

Q4 rate of 2,673 against trajectory of 2,584 or less. This has been the subject of national discussion in relation to definitions of inclusions / exclusions from the count both of the trajectory and the actual numbers attending, as there are currently anomalies which, if addressed, we believe would return us to a rate within target.

From September 2014, no patient will wait more than 4 hours from arrival to admission or discharge or transfer from A&E treatment.

Measure: *95% of patients will wait less than 4 hours from arrival to admission, discharge or transfer for A&E treatment by year ending September 2014.*

<p>As at Q4, we are achieving 91% against a trajectory for this period of 93.6%. This is the subject of ongoing liaison with Scottish Government and there are detailed monthly reports direct to Board setting out actions being taken towards achieving the target.</p>
<p>Further reduce healthcare associated infections so that by 2014/2015 NHS Boards' <i>staphylococcus aureus</i> bacteraemia (including MRSA) are 0.24 or less per 1,000 acute occupied bed days; and the rate of <i>Clostridium difficile</i> infections in patients aged 15 and over is 0.32 cases or less per 1,000 total occupied bed days.</p> <p>Measure: <i>SABs – rate per 1,000 acute occupied bed days</i> <i>C diff – rate per 1,000 total occupied bed days</i></p> <p>As at Q3, our SABs rate is 0.31 against a trajectory of 0.26. There is a range of work underway to address this and a full report goes direct to Board every second month.</p> <p>As at Q3, our C diff rate is 0.39 against a trajectory of 0.45 or less.</p>
<p>Deliver expected rates of dementia diagnosis by 2015/16, all people newly diagnosed with dementia will have a minimum of a year's worth of post-diagnostic support coordinated by a link worker, including the building of a person-centred support plan.</p> <p>Measure: <i>% of people newly diagnosed who receive a minimum of one year's post diagnostic support and who have a person centred plan in place at the end of that support period. Data and systems under development nationally and expected to be in place in 2014/15.</i></p> <p>Data and systems were not finalised in 2013/14 and are being developed for 2014/15.</p>
<p>Eligible patients will commence IVF treatment within 12 months by 31 March 2015.</p> <p>Measure: <i>Data under development nationally and expected to be in place during 2014/15.</i></p>

3.2 Single Outcome Agreements

The new Single Outcome Agreements (SOAs) for both North and South Lanarkshire partnerships set out the vision and identify the priorities and outcomes that the partners want to achieve. Implementation commenced in April 2013 and annual progress reports are provided both within the Partnership and to the NHS Board.

3.3 Performance Management Arrangements within Lanarkshire NHS Board

The Quarterly Corporate Performance Report to the Board was reviewed in autumn 2012 in light of a Best Value Audit of Performance Management (March 2012) and improvements were implemented. A further review is underway in light of the new format and contents of the Local Delivery Plan for 2014/15, and a review of governance arrangements within Lanarkshire NHS Board.

4. SUSTAINABILITY AND ENVIRONMENTAL REPORTING

As set out in CEL 2 (2012), A Policy on Sustainable Development for NHS Scotland:-

“All NHS Scotland bodies must have a clear and active approach to sustainable development, including a strategic Sustainable Development Policy Statement which commits to compliance with all sustainable development obligations and is consistent with, and supportive of, the Scottish Government’s Purpose.”

The Board regularly reviews its approach and the latest version of the policy was approved by the Board in January 2014. In October 2013 the Board considered the 2012/13 annual report on progress against the policy objectives.

For NHS Lanarkshire the greatest environmental impact arises from:

- Energy and water use in NHS Lanarkshire buildings;
- Waste arising from the provision of services;
- NHS Lanarkshire fleet vehicles and business travel in staff owned or private lease vehicles.

During the year the following improvements were realised;

CO2 emissions savings were generated by the closure of a number of sites in 2011/12 and 12/13 (Roadmeetings Hospital , Hartwoodhill, 257 Main St, Bellshill, Strathmore House, Torrance House and Strathclyde Hospital) and ongoing investment in energy efficiency measures. During 2013/14 over £0.525m of specific and £0.260m of backlog funding was allocated for energy efficiency and carbon reduction investment as follows:

- Installation of LED lighting with movement / daylight sensors at Kirklands HQ, Law House, Udston Hospital, Monklands Hospital, Newmains HC and Viewpark HC;
- Replacement of oil fired boiler at Beckford St and gas boiler at Glen Affric unit, at Coathill Hospital and Caird House;
- Installation of voltage optimisation equipment at Law House, Blantyre HC, Coathill Hospital and Udston Hospital and West of Scotland Laundry sites;
- Driver Efficiency training for over 100 staff.

The Sustainability and Environment Group meets quarterly and is responsible for delivery of CEL 2 (2012) and the Boards Sustainable Development Action Plan. During 2013/14 the Sustainability & Environment Group met on a quarterly basis to consider further carbon reduction projects to continually improve NHS Lanarkshire’s performance and to ensure that Sustainability is embedded within the organisation’s culture. A number of Energy Audits that were carried out in 2013/14 to ensure that NHS Lanarkshire are working towards sustainable reductions in energy usage and CO2 emissions in both the short and long term.

NHS Lanarkshire is working with Consultants, Stakeholders, Government Agencies, and PPF Representatives to ensure optimum design characteristics and full and inclusive service provision are considered when facilities are refurbished or replaced and this matter is fully recognised by the working groups taking forward the design and construction of the 3 new build Community Health Centres at East Kilbride, Kilsyth and Wishaw.

The Health Facilities Scotland (HFS) Energy & Climate Change team produce an Annual Emissions Report for NHS Scotland issued against hospital sites only and not the entire estate. In 2009/10 the reporting baseline was changed to reflect the requirements of the Climate Change Act (Scotland) 2009. This change of baseline has resulted in NHS Lanarkshire and other NHS Boards now finding difficulty in meeting the HEAT targets. A new reporting methodology is currently being developed by HFS in line with that currently used by NHS Lanarkshire and will commence nationally from April 2015.

From April 2011 it has been mandatory for all qualifying organisations to register with The Carbon Reduction Commitment – Energy Efficiency Scheme (CRC-EES). The scheme is aimed at improving energy efficiency and cutting carbon emissions in large public and private sector organisations. For NHS Lanarkshire the footprint report for 2010/11 which was the baseline year was 37,792 tonnes of CO₂. In 2012/13 which is the most recent reporting year the emissions purchased were 33,457 tonnes of CO₂ which was a reduction of 4,335 tonnes or 11.5% from the base year and 424 tonnes from the previous year.

Social, Community and Human Rights Policies

The Scottish Government has a single Purpose to ‘focus Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.’ There are five strategic objectives underpinning the Scottish Government’s Purpose to achieve a Scotland that is a Wealthier, Fairer, Smarter, Healthier, Safer and Stronger and Greener place to live in.

The sustainability group has adapted Good Corporate Citizenship Assessment Model for NHS Scotland around this Purpose, 5 Strategic Objectives and 15 National Outcomes, whilst still adhering to the five key principles of sustainable development outlined in the UK Sustainable Development Strategy – “Securing the Future”.

The model covers six key areas, as follows:

- Travel;
- Procurement;
- Community Engagement;
- Facilities Management;
- Buildings;
- Workforce.

The Sustainability Group is working through action plans in these areas.

NHS Lanarkshire has a long standing commitment to equalities, with a single equality scheme action plan and investment in the development of staff and processes within the organisation. An Equality and Diversity Steering Group oversees NHS Lanarkshire’s activities and performance in this regard. An Annual report for 2012/13 was considered by the Board in August 2013. The Board has sought to promote employment for young people with disabilities through participating in the Project Search initiative with North Lanarkshire Council.

In January 2013 NHS Lanarkshire introduced a new way of accessing face-face interpreting service, issuing guidance on the new policy to staff and patients. A revised Translation Policy was issued in March 2013.

An NHS Lanarkshire Forced Marriage and Human Trafficking Action Plan was devised during 2012 in response to new Forced Marriage Statutory Guidance (October 2011) and CEL 19 (June 2012), which provided guidance on detecting and responding to human trafficking. The routine enquiry of abuse programme is on-going and will support this work.

The NHS in Scotland Staff Governance standard embodies a commitment to fair and consistent treatment and the Staff Governance committee oversees the delivery of the standard.

The Board is aware of the importance of health in the community and its role as a large employer. It has a work experience and volunteering policy to encourage wider involvement and embedded consultation and engagement processes.

For the last 3 years NHS Lanarkshire has achieved and maintained the Healthy Living Award Plus, which is recognition of our efforts to encourage staff and patients to make healthy and sustainable food and nutrition choices. In NHS Lanarkshire non patient facilities all tea and coffee are Fair Trade products.

REMUNERATION REPORT

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

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

Determination of senior employees remuneration

Remuneration levels are determined by the Remuneration Committee.

Performance Management

The Executive Pay arrangements established by MEL(2000)25 are mandatory for all employing authorities in NHS Scotland. It is the responsibility of Health Boards and their Remuneration Committees, to oversee the local operation of these arrangements. The deliberations of Health Boards and the Remuneration Committee are subject to normal arrangements for internal and external audit.

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

There are four performance levels in accordance with the following definitions:

Superior

The individual regularly exceeds all short-term objectives, makes excellent progress towards long-term objectives and demonstrates high levels of the appropriate behavioural competencies in the achievement of objectives and day to day contact with others.

Fully Acceptable

The individual consistently meets and occasionally exceeds all short-term objectives, and makes satisfactory progress with all long-term objectives. They will have a clear understanding of the appropriate behavioural competencies and the application and development of these can be identified in the achievement of objectives and in day to day contact with others.

Incomplete

The individual meets short-term objectives and makes adequate progress with long-term objectives. May fall short of demonstrating application of the appropriate behavioural competencies but there is evidence of understanding the importance of these and commitment to personal development.

Unsatisfactory

The individual would fall short of the standard required for "incomplete". Active steps should be taken to address the poor performance associated with this rating.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION

**LANARKSHIRE HEALTH BOARD
REMUNERATION REPORT
FOR THE YEAR ENDED 31 MARCH 2014
(AUDITED INFORMATION)**

	Salary (Bands of £5,000) ****	Performance related bonus (Bands of £5,000)	Benefits in Kind	Total Earnings in Year (£000)	Pension Benefits (£000)	Total Remuneration (£000)	Real increase in pension at pensionable age (Bands of £2,500)	Total accrued pension at pensionable age at 31 March (Bands of £5,000)	(CETV) at 31 March 2013	(CETV) at 31 March 2014	Real increase in CETV in year
Remuneration of:									£'000	£'000	£'000
Executive Members			£								
Chief Executive: Mr I Ross	125-130	0-5	2,300	130-135	0	130-135	0	60-65 plus lump sum of 185-190	1,458	***	0
Director of Public Health and Health Policy: Dr H Kohli	150-155	0-0	0	150-155	36	185-190	0-2.5	50-55 plus lump sum of 165-170	1,098	1,205	52
Director of Finance: Mrs L Ace	90-95	0-5	0	90-95	7	100-105	0-2.5	25-30 plus lump sum of 75-80	403	435	14
Medical Director: Dr I Wallace (From 1.7.13)	120-125	0-0	0	120-125	47	165-170	2.5-5	60-65 plus lump sum of 180 -185	1,103	1,216	60
Medical Director: Dr J Burns (To 30.6.14)	40-45	0-0	0	40-45	***	40-45	***	***	***	***	***
Director for Nurses, Midwives and AHP's: Mrs R Lyness	90-95	0-5	0	90-95	18	110-115	0-2.5	35-40 plus lump sum of 105-110	694	754	27
Director CHP North: Mr C Sloey	100-105	0-5	1,500	105-110	27	135-140	2.5-5	45-50 plus lump sum of 140-145	849	925	34
Non Executive Members											
The Chair: Mrs N Mahal	30-35	0-0	0	30-35	0	30-35	0	0	0	0	0
Employee Director: Mrs L Macer*	45-50	0-0	0	45-50	13	55-60	0-2.5	10-15 plus lump sum of 30-35	178	199	13
Mr J McCabe	5-10	0-0	0	5-10	0	5-10	0	0	0	0	0
Mr J Burns	5-10	0-0	0	5-10	0	5-10	0	0	0	0	0
Mr D Clark (To 28.2.14)	5-10	0-0	0	5-10	0	5-10	0	0	0	0	0
Mr J Anning (To 28.2.14)	15-20	0-0	0	15-20	0	15-20	0	0	0	0	0
Mrs A Armstrong* (To 30.4.13)	5-10	0-0	0	5-10	***	5-10	***	***	***	***	***
Mrs S Smith	15-20	0-0	0	15-20	0	15-20	0	0	0	0	0
Mr M Fuller	5-10	0-0	0	5-10	0	5-10	0	0	0	0	0
Mrs M Morris (From 1.7.13)	5-10	0-0	0	5-10	0	5-10	0	0	0	0	0
Mr A Docherty* (From 1.5.13)	140-145	0-0	0	140-145	26	165-170	0-2.5	25-30 plus lump sum of 85-90	418	464	26
Mr P Campbell (From 1.7.13)	5-10	0-0	0	5-10	0	5-10	0	0	0	0	0
Dr A Osborne (From 1.3.14)	0-5	0-0	0	0-5	0	0-5	0	0	0	0	0
Mr T Steele (From 1.3.14)	0-5	0-0	0	0-5	0	0-5	0	0	0	0	0
Senior Managers											
Director of HR: Mr K Small	105-110	0-5	1,400	110-115	28	135-140	0-2.5	50-55 plus lump sum of 150-155	1,012	1,100	39
Director of Acute Services: Mr A Lawrie	105-110	0-5	0	105-110	24	130-135	0-2.5	40-45 plus lump sum of 120 -125	635	693	28
Total									7,848	6,991	293

* Mrs Macer's salary includes £37,000 in respect of non-board duties.
Mrs Armstrong's salary includes £7,000 in respect of non-board duties.
Mr A Docherty's salary includes £ 150,000 in respect of non-board duties.

*** Information not available.

As indicated in CEL , Pay and Conditions of Service: Executive and Senior Management Pay 2011/12 (or for the prior year table), there is no provision for non consolidated performance payments in respect of the performance year.
Salaries include any distinction awards/discretionary points awarded

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

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

**LANARKSHIRE HEALTH BOARD
REMUNERATION REPORT
FOR THE YEAR ENDED 31 MARCH 2013
(AUDITED INFORMATION)**

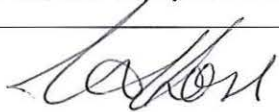
	Salary (Bands of £5,000) ****	Performance Related Bonus (Bands of £5,000) ****	Benefits in Kind	Total Earnings in Year (£000)	Pension Benefits (£000)	Total Remuneration (£000)	Real increase in pension at pensionable age(Bands of £2,500)	Total accrued pension at pensionable age at 31 March (Bands of £5,000)	(CETV) at 31 March 2012	(CETV) at 31 March 2013	Real increase in CETV in year
Remuneration of:			£						£000	£'000	£'000
Executive Members											
Chief Executive: Mr T Davison (To 26.4.12)	10-15	0-0	1,200	10-15	***	10-15	***	***	***	***	***
Chief Executive: Mr I Ross (From 27.4.12)	125-130	0-0	2,000	125-130	47	175-180	0-2.5	60-65 plus lump sum of 180-185	1,337	1,458	46
Director of Public Health and Health Policy: Dr H Kohli	145-150	0-0	2,800	150-155	0	150-155	0-2.5	50-55 plus lump sum of 150-155	1,032	1,098	3
Director of Finance: Mrs L Ace	90-95	0-0	0	90-95	23	115-120	0-2.5	25-30 plus lump sum of 75-80	360	403	19
Medical Director: Dr A Graham (To 24.3.13)	160-165	0-0	600	160-165	***	160-165	***	***	***	***	***
Director for Nurses, Midwives and AHPs: Mr P Wilson (left 6.8.12)	35-40	0-0	0	35-40	***	35-40	***	***	***	***	***
Director Acute Services (To 31.5.12) Director for Nurses, Midwives and AHP's (from 1.6.12) Mrs R Lyness	90-95	0-0	600	90-95	0	90-95	0-2.5	30-35 plus lump sum of 100-105	655	694	-2
Director CHP North: Mr C Sloey	100-105	0-0	2,300	105-110	4	105-110	2.5-5	45-50 plus lump sum of 130-135	784	826	81
Director CHP South (To 31.5.12) Director of Acute Services: Mr A Lawrie (From 1.6.12)	105-110	0-0	0	105-110	0	105-110	0-2.5	35-40 plus lump sum of 110-115	599	635	-1
Non Executive Members											
The Chair: Mr K Corsar (To 7.5.12)	0-5	0-0	0	0-5	0	0-5	0-0	0-0	0	0	0
The Chair (From 8.5.12) Non Executive Director (To 7.5.12): Mrs N Mahal	30-35	0-0	0	30-35	0	30-35	0-0	0-0	0	0	0
Employee Director: Mrs L Macer*	40-45	0-0	1,400	45-50	13	55-60	0-2.5	5-10 plus lump sum of 25-30	159	178	8
Mr J McCabe (To 30.4.12 Re-appointed 1.6.12)	5-10	0-0	0	5-10	0	5-10	0-0	0-0	0	0	0
Mr J Burns (From 1.6.12)	5-10	0-0	0	5-10	0	5-10	0-0	0-0	0	0	0
Mr E McAvoy (To 30.4.12)	0-5	0-0	0	0-5	0	0-5	0-0	0-0	0	0	0
Mr D Clark	5-10	0-0	0	5-10	0	5-10	0-0	0-0	0	0	0
Mr J Anning	15-20	0-0	0	15-20	0	15-20	0-0	0-0	0	0	0
Mrs A Armstrong* (To 30.4.13)	85-90	0-0	0	85-90	0	85-90	0-2.5	30-35 plus lump sum of 90-95	535	567	-1
Mrs S Smith	15-20	0-0	0	15-20	0	15-20	0-0	0-0	0	0	0
Mr M Fuller	5-10	0-0	0	5-10	0	5-10	0-0	0-0	0	0	0
Senior Managers											
Director of HR: Mr K Small	105-110	0-0	3,400	105-110	0	105-110	-(0-2.5)	45-50 plus lump sum of 145-150	985	1,013	-3
Acting Medical Director: Dr J Burns (From 25.3.13)	5-10	0-0	0	5-10	0	5-10	5-10	***	***	***	***
Total									6,446	6,872	150

* Mrs Macer's salary includes £36,000 in respect of non-board duties.
Mrs Armstrong's salary includes £97,000 in respect of non-board duties.

*** Information not available.

Medical Salaries include any distinction awards/discretionary points awarded.
Several directors held a number of positions during the year. The full remuneration is included against their name and details of any interim positions can be found on pages 1 and 2 of the Directors Report.
As from 30 April 2013 Mr Davison's salary costs were recharged to NHS Lothian.

2013-14		2012-13	
Highest Earning Director's Total Remuneration (£000s)	150-155	Highest Earning Director's Total Remuneration (£000s)	160-165
Median Total Remuneration	£27,180	Median Total Remuneration	£27,090
Ratio	5.61	Ratio	5.99
<p>Commentary The Highest Earning Director's Total and the Median Total Remuneration both exclude employer's pension contributions. There are also other employees within the Board who are higher paid than the Highest Earning Director.</p>			



Signed..... Date 25 June 2014

Chief Executive

LANARKSHIRE HEALTH BOARD

ANNUAL ACCOUNTS 2013/2014

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

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

This designation carries with it, responsibility for:

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

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

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

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as accountable officer as intimated in the Departmental Accountable Officers letter to me of the 27 April 2012.

Chief Executive



Date

25 June 2014

LANARKSHIRE HEALTH BOARD

ANNUAL ACCOUNTS 2013/2014

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

Under the National Health Service (Scotland) Act 1978, the Health Board is required to prepare accounts in accordance with the directions of the 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 2013 and of its operating costs for the year then ended.

In preparing these accounts the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for the NHS Scotland by Scottish Ministers
- Make judgements and estimates that are reasonable and prudent
- State where applicable, accounting standards, as set out in the Financial Reporting Manual, have not been followed where the effect of the departure is material
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Board will continue to operate.

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

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

Director of Finance 

Chairman 

Date **25 June 2014**

LANARKSHIRE HEALTH BOARD

ANNUAL ACCOUNTS 2013/14

GOVERNANCE STATEMENT

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with the organisation's policies and promotes achievement of the organisation's aims and objectives, including those set by Scottish Ministers. Also, I am responsible for safeguarding the public funds and assets assigned to the organisation.

Purpose of Internal Control

The system of internal control is based on an ongoing process designed to identify, prioritise and manage the 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

In April 2013 the Board published "A Healthier Future", a statement of values and a strategic vision of how health services should be developed. This was widely communicated and is available to the public and staff on the website <http://www.nhslanarkshire.org.uk/publications/Documents/Healthier-Future.pdf>. This document is consistent with the overarching strategic direction for the NHS in Scotland embodied in the "20:20 Vision" document produced by the Scottish Government Health and Social Care Department.

The Board's overall strategy and objectives are published at the start of the year in 4 key documents; the Local Delivery Plan which is agreed with the Scottish Government Health and Social Care Department, the corporate objectives which are approved by the Board and the Single Outcome Agreements with North and South Lanarkshire councils. Since February 2009 the Board has received a quarterly combined report showing progress against agreed objectives and key performance indicators. The Board's performance management arrangements were subject to a self-assessment and a best value review by our external auditors during 2011/12 and were found to be adequate. In accordance with good practice, the Board conducted a further review of its performance management arrangements taking into account the views of key users and the external audit review and endorsed a revised framework in November 2012.

In addition, the Board receives monthly reports on Access targets, Finance, Clinical Governance and Healthcare Associated Infection and from September 2010 this was supplemented by a Quality Dashboard report which includes information on quality measures on person centred, safety and clinically effective care.

This suite of indicators has been designed to highlight whether the Board is on track to deliver its objectives and expected quality of care and to provide early warning where these may be at risk. As a control this was effective in alerting the Board in February 2012 that one of the clinical governance indicators, the Hospital Standardised Mortality Ratio (HSMR) for Monklands Hospital sat outside the expected range. In line with governance expectations this triggered an internal investigation, an action plan and enhanced monitoring by the Board and Clinical Governance Committee. When an early improvement in the HSMR did not persist, the risk was escalated further and increased resources devoted to progressing actions, including working with Health Improvement Scotland (HIS) to find possible causes and solutions. This was still insufficient to pull the HSMR within the expected range and in August 2013, the Cabinet Secretary asked HIS to undertake an independent review. Apart from the late submission of coded clinical data, the review did not identify any direct causal factors behind the HSMR rates but did make 21 recommendations as to how the Board should develop its structures and processes to improve the safety and quality of patient care which the Board is giving high priority to addressing. Further detail is included in the disclosure section of this statement acknowledging that whilst the Board does have within its governance framework mechanisms to detect and respond to issues of concern, in this instance the pace and extent of action should have been greater.

The Board has well established stakeholder engagement mechanisms in place which are embodied within NHS Lanarkshire's Patient Focus and Public Involvement Strategy 2012-2016. Three dimensions are outlined within the strategy: Patient Focus; Public Involvement; and Corporate Governance of Participation. An annual improvement plan is developed in accordance with the Participation Standard to achieve continuous improvement in each dimension. The Board of NHS Lanarkshire receives progress on the action plan mid and end year.

During 2013/14, the Board's engagement activities with staff and patients were further enhanced. The methods of testing and acting on feedback from the experiences of patients, carers and families were expanded to include: ward welcome boards, full subscription to Patient Opinion, listening stations and executive review of random samples of complaints. Further engagement with staff was established through increased visibility of Board non-executive and executive directors, involvement of non-executive directors in patient safety walkrounds and the development of staff and HR forums,

Involving public and service users at the earliest opportunity in service change processes is established in line with the Scottish Government's guidance CEL 4 (2010) "Informing, Engaging and Consulting People in Developing Health and Community Care Services." There is public representation on operating management committees, modernisation board and stakeholder engagement group. Staff engagement continues to take place through the Staff Governance Committee, Area Partnership Forum and Area Clinical Forum, with further partnership working structures and protocols at local level.

The Scottish Health Council continues to conduct independent assessment of the adequacy of specific consultations. In 2013/14 they provided guidance on the Modernising of Mental Health Services and the TB service review along with Homoeopathy and Old Age Psychiatry reviews which are ongoing.

To oversee the system of internal control the Board has established sub-committees for Clinical Governance, Staff Governance and Audit, chaired by non executive directors. Further information on these committees is set out in the Directors report. Each has a remit specifying clearly its responsibilities, work plans are produced at the start of the year, minutes or verbal updates are reported at the public Board meeting and annual reports confirming they have fulfilled their role are considered by the Board at the end of the year. For 2013/14 each of these committees was able to confirm that there was an adequate and effective system of internal control in place in the areas within their remit, noting as appropriate the disclosed weakness with regards to the recommendations from the HIS review of Hospital Services.

In June 2013 the Board reviewed, updated and approved its Scheme of Delegation and in September 2013 approved updated Standing Financial Instructions. The Board reviewed and approved its procurement strategy in September 2013 and in November 2013 the Board's procurement capability was independently assessed by NHS National Procurement and found to be in the improved category.

A register of key legislation is maintained with the controls in place to ensure compliance is documented and periodically reviewed. Compliance with circulars is achieved through the Board Secretary providing links to circulars as they are issued and seeking confirmation that action has been taken. The Risk Management steering group receives reports on the status of internal policies and procedures so it can monitor compliance with the internal policy on keeping these up to date. Where progress is felt to be too slow this is escalated, as happened in early 2014, so corrective action can be taken.

NHS Lanarkshire is committed to learning from good practice and from incidents, complaints and other events that identify gaps in process and procedures and to take appropriate action to reduce the likelihood of similar events being experienced. Risk management guidance sets out how to report and learn from incidents. These are reported through clinical governance and risk management structures, the Clinical Governance Steering Group, the Risk Management Steering Group to the Audit Committee and the Board. NHS Lanarkshire Risk Management guidance was reviewed by a Short Life Working Group (which included clinical and operational leads) against the Healthcare Improvement Scotland's Learning from adverse events through reporting and review: A national framework for NHS Scotland, 2013. As part of this our existing guidance has been converted to be an Adverse Event/Incident Management Policy to strengthen arrangements. The policy was ratified by the Risk Management Steering Group on 14 April 2014, where it was agreed that there would be a managed launch to support embedding the policy during the period April 2014 to July 2014. As part of a rolling programme of reviews across Scotland, Healthcare Improvement Scotland undertook a review of NHS Lanarkshire's Adverse Event Management arrangements on 22 April 2014. This involved meetings with Executives, leads and other staff, a review of four significant adverse event reviews and visits to four clinical areas at Wishaw General Hospital.

NHS Lanarkshire has a Fraud Policy and Response Plan, and a designated Fraud Liaison Officer (FLO) operating in accordance with issued guidance and standards. The Fraud Liaison Officer reports through the Director of Finance to the Audit Committee and has direct access to the Chief Executive. The Audit Committee has received updates on key initiatives and issues from Counter Fraud Services, a national service established to provide expertise to NHS bodies in fraud investigations. The Board participates in the National Fraud Initiative where records across various public sector bodies are electronically cross matched and any anomalies indicating potential fraud are investigated. Recognising that tighter economic conditions may bring a greater risk of fraud, the Board conducted awareness events on NHS sites in 2012/13 and 2013/14. Through the Audit committee the Board has assessed the adequacy of its arrangements against the expectations set out in CEL 11 2013 – Strategy to Combat Financial Crime in NHS Scotland.

The Board has a staff policy on “safely raising concerns about risk, malpractice or wrong doing at work”. This was refreshed in 2012 and its “Being Open” policy in March 2013. To add to the range of mechanisms by which staff members can raise concerns the Board launched uMatter, a confidential electronic feedback service for staff to raise suggestions/concerns in January 2014.

During 2013/14 the Board undertook a self-assessment of its effectiveness using a questionnaire developed from the Board Diagnostic self-assessment toolkit in Appendix A of the Good Governance Standard for Public Services. Feedback from this assessment will be used in 2014 alongside an internal audit review of committee effectiveness and the action plan from the HIS review into hospital services in NHS Lanarkshire to enhance the Board arrangements and committee operations.

Development needs for non-executive directors are initially identified through national and local induction arrangements. Thereafter these are highlighted in discussion with the Chairman informally through the course of the year and as part of the annual appraisal. Similarly development needs for executive directors are identified initially through local induction arrangements and thereafter through the individual performance management process (with mid-year and annual review) where needs are identified in discussion with the Chief Executive and form part of each individual's Personal Development Plan. The performance of senior managers is reviewed independently by a remuneration committee composed of non-executive directors.

In addition whole Board development needs can arise for a number of reasons, for example, in response to new policies, working arrangements or changes to legislation. A series of Board seminars is in place to support shared development needs.

Individually and collectively all Board members have access to senior officers, including the Head of Organisational Development, who can help source appropriate development solutions for any needs identified. Typical provision would include national programmes, in house seminars or coaching approaches as appropriate.

During 2013/14 the Board considered arrangements for the future integration of Health and Social Care and, along with North and South Lanarkshire councils, agreed to proceed with the body corporate model. The full governance arrangements for integrated working will be developed and approved during 2014/15.

In accordance with IAS 27 – Consolidated and Separate Financial Statements, the Financial Statements consolidate the NHS Lanarkshire Board Endowment Fund. This statement includes any relevant disclosure in respect of these Endowment Accounts.'

Review of Adequacy and Effectiveness

As Accountable Officer, I am responsible for reviewing the adequacy and effectiveness of the system of internal control. My review is informed by:

- executive and senior managers who are responsible for developing, implementing and maintaining internal controls across their areas;
- the work of the internal auditors, who submit to the Audit Committee regular reports which include their independent and objective opinion on the effectiveness of risk management, control and governance processes, together with recommendations for improvement; and
- comments by the external auditors in their management letters and other reports.

The following processes have been established within the Board, to review the effectiveness of the system of internal control.

- Lanarkshire NHS Board, met ten times during 2013/14 to consider progress against strategic plans, to receive performance reports on key indicators, to receive reports from its statutory committees and to receive reports from managers on the actions they are taking to manage risks and ensure progress in specified areas of responsibility, including key projects and areas of potential risk.
- The work of the Board's Audit Committee (which encompasses an overall review of internal control and risk management), Clinical Governance Committee, Staff Governance Committee and other relevant committees is reviewed on an annual basis through the consideration of the committee annual reports. A process is also in place to review the work of the Governance Committees on an ongoing basis through the receipt of minutes and reports on key issues by the NHS Board at its monthly formal business meetings. The effectiveness of these processes were reviewed by internal audit, who noted some gaps in the monthly reporting in early 2013. The receipt of later reports compensated for these gaps but the process has been strengthened in 2014/15 to ensure reports from governance committees are always submitted on a timely basis.
- The Board recognises that the management of risk is a key factor in ensuring the delivery of high quality services, a fundamental objective of the organisation. A Risk Management Steering Group, chaired by the Chief Executive, provides a regular overview of corporate risks with its minutes reported to the Audit Committee and a biannual report to the Board. The Board received a report on the strategic risk register in March 2014. The Risk Management Steering Group and the Audit committee undertake an annual evidenced review against the expected features of good risk management.
- The Chief Internal Auditor, through an annual report, considers the extent to which Governance arrangements provide assurance that adequate internal control mechanisms are in place and, acknowledging the issues raised by the HIS into Hospital Services concluded that otherwise in 2013/14 adequate and effective arrangements were in place. In 2013/14 the Chief Internal Auditor undertook an additional review of the effectiveness of the Governance Committees and this was reported to the Board in April 2014 to aid a discussion on future improvements.

- Internal Audit deliver a programme of audits against an approved risk-based audit plan and the Audit Committee receives regular reports from Internal Audit on systems of internal control. No fundamental issues were identified and there were no audits in 2013/14 which gave limited assurance. Action plans to address any internal audit concerns have been agreed with Executive Directors and the internal audit function monitors the implementation of all agreed recommendations. This is considered by the Audit Committee at its quarterly meetings and the March 2014 report shows a high rate of adoption and implementation (94%).
- Built in to the workplans of the Audit, Staff Governance and Clinical Governance Committees is an annual self assessment of the committee effectiveness and this was carried out during the year.
- The Board regularly reviews monthly corporate financial reports highlighting any significant risks or variations from plan. Monthly returns on the Board's financial performance are submitted to the Scottish Government. The Operating Management Committees for the Acute Division and each of the two Community Health Partnerships also scrutinise the financial position at Divisional level in detail.
- Current initiatives and compliance with external requirements are monitored.
- During 2013/14 the Healthcare Environment Inspectorate and Healthcare Improvement Scotland continued their programme of inspections on Healthcare Environment and the care of older people in acute hospitals. The findings from the visits are reported to the Corporate Management Team and Board and action plans developed to make sure any recommendations are implemented.
- The Clinical Governance Committee is responsible for maintaining an overview of Information Governance arrangements and an annual report is presented to the Board. Individual incidents are recorded on the electronic incident recording system and reviewed through the risk management process.

Best Value

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

To obtain assurance on Best Value a structured framework has been implemented. The portfolio of evidence to support this is considered by the Audit Committee and made available to the accountable officer.

This is supplemented by a cyclical programme of in depth reviews using the Best Value Toolkits developed by Audit Scotland and validated by our external auditors. In 2013/14 the Board's people management arrangements were reviewed in this way. This concluded the Board had adequate arrangements in place, and in keeping with a culture of continuous improvement, suggested ways in which enhancements could be made.

Risk Assessment

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 a successful risk management strategy are set out in the SPFM.

NHS Lanarkshire has a Risk Management Strategy in place which forms a key part of NHS Lanarkshire's system of internal control. The strategy makes clear the Chief Executive's overall responsibility for risk management. Leadership and accountability across NHS Lanarkshire is clearly defined including the responsibilities of directors, local managers and individual staff in supporting the delivery of the strategy and in the identification and assessment of risk. The Board acknowledges that the strategy will continue to be subject to change, reflecting any organisational and structural changes. The strategy was approved by the Board in October 2012 and is scheduled for review in October 2014.

The Board considers an annual report on risk management, the 2012/13 report being considered in June 2013. The 2013/14 risk management annual report was considered by the Audit Committee in June 2014.

The Board further recognises that for risk management to be embedded at every level in the organisation it should become part of NHS Lanarkshire's culture with communication and training delivered through:

- A dedicated Risk Management webpage which is monitored to ensure it remains useful and accessible.
- An electronic risk management training module has been in place since May 2012.
- Inclusion of risk management within the weekly briefing process and articles in the staff magazine where required. Mandatory induction covers the key elements of risk management and assessment and introduces employees to the Incident Reporting procedures of NHS Lanarkshire.

To assist in the fulfilment of my responsibilities as Accountable Officer, I have been supported by the Medical Director who has delegated day to day responsibility for risk management, and by the Risk Management Steering Group (RMSG). Principal risks are identified against each corporate objective, focusing on both risks that would prevent NHS Lanarkshire from attaining the objective and the principal risks identified in implementing the objective. Risk assessments were conducted against each risk, using the National risk matrix, assisting the Board to recognise threats and prioritise risk action plans. Key controls and systems are identified and systems and processes are listed that currently help control the risks identified.

An electronic risk register and incident recording system (Datix) is in place throughout NHS Lanarkshire. Reports reviewed through the Risk Management Steering Group, Quarterly Board Report and a range of operational, service and governance groups. The key risks facing the organisation are recorded on a Strategic Risk register which is now received by the RMSG at every meeting and is subject to review following each formal CMT meeting. The register is available on the Board's website as part of the Board papers for March 2014.

At that date 2 risks had been classed as very high. The first is a risk that NHSL does not meet the 4 hour emergency care standard that 95% of patients will wait less than 4 hours from arrival to admission, discharge or transfer for accident and emergency treatment because of the increasing emergency admissions and acuity of unwell patients. The second is a risk that NHSL cannot deliver an adequate primary care Out of Hours service to meet the demand because of the national and local disengagement of salaried and sessional GP's from Out of Hours services. Both of these areas are the subject to monthly reports to the Board so the adequacy of action plans to control and reduce risk can be assessed.

There is no significant change of current assessed risk or control level for this reporting period. During the year it was recognised that integrating adult health and social care will bring a number of planning and implementation risks that will require to be well managed to ensure the policy objectives are delivered and this was added to the risk register.

The high dependency on IT systems for business and clinical needs is well recognised in NHS Lanarkshire. There are Secure Operating Procedures for all systems – these are intended to facilitate recovery when systems fail. There is a fully resilient network that maintains connectivity to our IT Systems in the event of single points of failure and business critical applications are typically hosted on hardware that includes multiple processors and ‘mirrored’ data storage to mitigate against the risk of component failure. An IT specific business continuity plan is in place and will be the subject of annual review– this work aligns with recovery plans for IT Systems with plans that departments and functions have in place to enable them to continue to operate during periods of systems failure. Disaster recovery facilities are in place identified key systems. All new developments are subjected to risk assessments identified key systems. During the year, in response to a system failure in another NHS Board, all Boards were asked to review their own systems. NHS Lanarkshire commissioned an independent review into IT resilience and the e-health strategy group agreed to a number of actions to enhance current arrangements.

Data on key NHS performance data, such as activity, waiting times, HSMR and HEAT targets, is validated and published nationally. Wherever feasible the Board seeks to use this data in its own consideration of risk, performance and progress against objectives. The Audit Committee receives assurance reports from the independent service auditor over the control environment for information systems managed on a national basis. Local data systems are subject to controls over development and access and most clinical and non-clinical operational systems include a range of features to validate data when captured and during extraction. Data extracted, and used for operational, performance management, and planning purposes, may be subject to national accreditation processes (e.g. SMR) and/or local operational data assurance monitoring (e.g. waiting times). Local information systems are included in the internal audit programme on a frequency dictated by their importance to the Board and their level of inherent risk.

Clinical governance and risk management structures are in place and operating. These are evaluated through the Clinical Governance and Risk Management Key Lines of Enquiry, Best Value Matrix, and the Strengthening Quality in Lanarkshire Annual Report. The draft annual report for 2013/14 was considered by the Clinical Governance Committee in April 2014 and the 2012/13 annual report was considered in July 2013 alongside the revised 2013/14 workplan. In 2013/14 the escalating importance of the HSMR improvement programme and the subsequent response to the HIS review meant the focus of the clinical governance committee was shifted more towards these priorities as was the balance of papers considered directly by the Board.

Disclosures

During the previous financial year, no significant control weaknesses or issues have arisen, and there have been no significant failures against the expected standards for good governance, risk management and control with the exception of the following.

In August 2013, in response to persistently high Hospital Standardised Mortality Ratio (HSMR) the Cabinet Secretary commissioned an independent review to try to identify potential contributory factors and to provide recommendations as to further actions. This review was undertaken by Health Improvement Scotland who published the findings from the “Rapid Review of the Safety and Quality of Care for Acute Adult Patients in NHS Lanarkshire” in December 2013. The report can be found at:

http://www.healthcareimprovementscotland.org/our_work/governance_and_assurance/programme_resources/nhs_lanarkshire_review.aspx

Apart from the impact of late submission of coded clinical data in inflating the figure, the review did not identify any direct causal factors behind the HSMR rates but did make 21 recommendations as to how the Board should develop its structures and processes to improve the safety and quality of patient care. The extent of these recommendations and required pace of remedial action indicates that the internal mechanisms controlling the Board’s response to the high HSMR since February 2012 had only been partially effective.

The Board fully accepted these recommendations and ensuring substantial progress was made by the end of March 2014 became the prime focus of the Board in the ensuing months. Actions included simplifying management structures reviewing and enhancing nurse staffing levels, enhancing the infrastructure to support the Scottish Patient safety programme and accelerating its diffusion, and making it easier for staff and patients to raise concerns or make comments. Oversight of the action plan was provided both by the Board and the Scottish Government appointed Governance Improvement Support Team.

The latest progress report “Transforming Patient Safety and Quality of Care in NHS Lanarkshire, Progress Report Three” was provided to the Scottish Government on 31 March 2014. This was presented in draft at the March Board meeting and the final report is available on the NHS Lanarkshire website as part of the March Board papers. A number of the action plans, such as a fuller review of governance structures and a review of the orthopaedic service will take longer to deliver. Further progress reports are expected at the end of June 2014 and September 2014.

In April 2014 the Cabinet Secretary confirmed that substantial progress had been made, acknowledging there was ongoing work on several fronts. The Board and its governance committees will continue to give very high priority to an ongoing improvement plan “Transforming Patient Safety and Quality of Care in NHS Lanarkshire”.

Independent auditors' report to the members of the Lanarkshire Health Board, the Auditor General for Scotland and the Scottish Parliament

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

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

Respective responsibilities of Accountable Officer and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on regularity

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

Opinion on other prescribed matters

In our opinion:

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.



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

25 June 2014

LANARKSHIRE HEALTH BOARD

STATEMENT OF CONSOLIDATED COMPREHENSIVE NET EXPENDITURE
AND SUMMARY OF RESOURCE OUTTURN

FOR THE YEAR ENDED 31 MARCH 2014

Restated 2012/13 £000		Note	2013/14 £000	2013/14 £000
	Clinical Services Costs			
794,529	Hospital and Community	<u>4</u>	829,758	
43,896	Less: Hospital and Community Income	<u>8</u>	<u>45,015</u>	
<u>750,633</u>				784,743
255,693	Family Health	<u>5</u>	258,332	
7,106	Less: Family Health Income	<u>8</u>	<u>7,376</u>	
<u>248,587</u>				<u>250,956</u>
<u>999,220</u>	Total Clinical Services Costs			<u>1,035,699</u>
8,338	Administration Costs	<u>6</u>	8,899	
0	Less: Administration Income	<u>8</u>	<u>0</u>	
<u>8,338</u>				8,899
33,739	Other Non Clinical Services	<u>7</u>	20,742	
41,590	Less: Other Operating Income	<u>8</u>	<u>26,307</u>	
<u>(7,851)</u>				<u>(5,565)</u>
<u>999,707</u>	Net Operating Costs			<u>1,039,033</u>

OTHER COMPREHENSIVE NET EXPENDITURE

2012/13 £000		2013/14 £000
(3,096)	Net (Gain)/Loss on Revaluation of Property Plant and Equipment	(9,624)
0	Net (Gain)/Loss on Revaluation of Intangibles	0
0	Net (Gain)/Loss on Revaluation of available for sale financial assets	0
<u>(3,096)</u>	Other Comprehensive Expenditure/(Income)	<u>(9,624)</u>
<u>996,611</u>	Total Comprehensive Expenditure	<u>1,029,409</u>

The Notes to the Accounts, numbered 1 to 33, form an integral part of these Accounts.

LANARKSHIRE HEALTH BOARD

STATEMENT OF COMPREHENSIVE NET EXPENDITURE AND SUMMARY OF RESOURCE OUTTURN (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

SUMMARY OF CORE REVENUE RESOURCE OUTTURN	Note	2013/14 £000
Net Operating Costs		1,039,033
Total Non Core Expenditure (see below)		(31,951)
FHS Non Discretionary Allocation	<u>SFR 1</u>	(62,172)
Donated Assets Income		0
Endowment Net Operating Costs		177
Total Core Expenditure		945,087
Core Revenue Resource Limit		948,631
Saving/(Excess) Against Core Revenue Resource Limit		3,544

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

Capital Grants to / (from) Other Bodies	140
Depreciation/Amortisation	13,600
Annually Managed Expenditure - Impairments	12,400
Annually Managed Expenditure - Creation of Provisions	1,229
Annually Managed Expenditure - Depreciation of Donated Assets	15
Additional SGHSCD non-core funding	0
AME Pension Valuation	0
IFRS PFI Expenditure	4,567
Total Non Core Expenditure	31,951
Non Core Revenue Resource Limit	31,951
Saving/(excess) against Non Core Revenue Resource Limit	0

SUMMARY RESOURCE OUTTURN	Resource £000	Expenditure £000	Saving/ (Excess) £000
Core	948,631	945,087	3,544
Non Core	31,951	31,951	0
Total	980,582	977,038	3,544

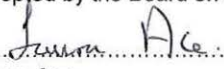
LANARKSHIRE HEALTH BOARD


BALANCE SHEET

AS AT 31 MARCH 2014

Consolidated 1 April 2012 £000	Board 1 April 2012 £000	Consolidated 1 April 2013 £000	Board 1 April 2013 £000		Note	Consolidated 31 March 2014 £000	Board 31 March 2014 £000
Non-Current Assets							
490,764	490,764	484,047	484,047	Property, Plant and Equipment	<u>11</u>	477,033	477,033
2,777	2,777	2,149	2,149	Intangible Assets	<u>10</u>	2,317	2,317
Financial Assets:							
3,411	0	3,924	0	Available for Sale Financial Assets	<u>14</u>	5,216	976
15,876	15,876	23,152	23,152	Trade and Other Receivables	<u>13</u>	12,774	12,774
512,828	509,417	513,272	509,348	Total Non-Current Assets		497,340	493,100
Current Assets							
5,348	5,347	5,277	5,277	Inventories	<u>12</u>	5,182	5,182
Financial Assets:							
29,200	29,176	28,391	28,377	Trade and Other Receivables	<u>13</u>	44,866	44,862
890	249	1,264	242	Cash and Cash Equivalents	<u>15</u>	2,842	1,960
0	0	0	0	Available for Sale Financial Assets	<u>14</u>	0	0
0	0	0	0	Derivatives Financial Assets	<u>28</u>	0	0
3,809	3,809	871	871	Assets Classified as Held for Sale	<u>11C</u>	2,121	2,121
39,247	38,581	35,803	34,767	Total Current Assets		55,011	54,125
552,075	547,998	549,075	544,115	Total Assets		552,351	547,225
Current Liabilities							
(12,767)	(12,767)	(12,678)	(12,678)	Provisions	<u>17</u>	(27,623)	(27,623)
Financial Liabilities:							
(137,098)	(137,005)	(112,352)	(112,297)	Trade and Other Payables	<u>16</u>	(116,743)	(116,699)
0	0	0	0	Derivatives Financial Liabilities	<u>28</u>	0	0
(149,865)	(149,772)	(125,030)	(124,975)	Total Current Liabilities		(144,366)	(144,322)
402,210	398,226	424,045	419,140	Non-Current Assets plus/less Net Current Assets/Liabilities		407,985	402,903
Non-Current Liabilities							
(25,446)	(25,446)	(33,848)	(33,848)	Provisions	<u>17</u>	(23,536)	(23,536)
Financial Liabilities:							
(164,612)	(164,612)	(159,599)	(159,599)	Trade and Other Payables	<u>16</u>	(153,826)	(153,826)
(190,058)	(190,058)	(193,447)	(193,447)	Total Non-Current Liabilities		(177,362)	(177,362)
212,152	208,168	230,598	225,693	Assets Less Liabilities		230,623	225,541
Taxpayers' Equity							
62,058	62,058	80,033	80,033	General Fund	<u>SOCTE</u>	73,888	73,888
146,110	146,110	145,660	145,660	Revaluation Reserve	<u>SOCTE</u>	151,653	151,653
0	0	0	0	Other Reserves	<u>SOCTE</u>	0	0
3,984	0	4,905	0	Funds held on Trust		5,082	0
212,152	208,168	230,598	225,693	Total Taxpayers' Equity		230,623	225,541

Adopted by the Board on 25 June 2014

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 Laura Ace Director of Finance

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 Ian Ross Chief Executive

The Statement of Comprehensive Net Expenditure and Summary of Resource Outturn, Balance Sheet, Cashflow Statement, Statement of Changes in Taxpayers' Equity and the Notes to the Accounts, numbered 1 to 33, form an integral part of these Accounts.

LANARKSHIRE HEALTH BOARD
STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2014

Restated 2012/13 £000		Note	2013/14 £000	2013/14 £000
Cash Flows from Operating Activities				
(999,707)	Net Operating cost		(1,039,033)	
24,824	Adjustments for Non-Cash Transactions		30,263	
18,339	Add Back: Interest Payable Recognised in Net Operating Cost		16,960	
0	Deduct: Interest Receivable Recognised in Net Operating Cost		0	
0	Investment Income		0	
(11,743)	(Increase) / Decrease in Trade and Other Receivables		(6,105)	
71	(Increase) / Decrease in Inventories		95	
(23,215)	Increase / (Decrease) in Trade and Other Payables		1,749	
8,313	Increase / (Decrease) in Provisions		4,633	
(983,118)	Net Cash Outflow from Operating Activities	<u>33</u>		<u>(991,438)</u>
Cash Flows from Investing Activities				
(17,060)	Purchase of Property, Plant and Equipment		(15,408)	
0	Purchase of Intangible Assets		(629)	
0	Investment Additions		(976)	
8,117	Proceeds of Disposal of Property, Plant and Equipment		780	
0	Proceeds of Disposal of Intangible Assets		0	
0	Receipts From Sale of Investments		0	
0	Interest Received		0	
(8,943)	Net Cash Outflow from Investing Activities	<u>33</u>		<u>(16,233)</u>
Cash Flows from Financing Activities				
1,015,057	Funding		1,029,434	
(7)	Movement in General Fund Working Capital		1,718	
1,015,050	Cash Drawn Down		1,031,152	
(4,276)	Capital Element of Payments in Respect of Finance Leases and On-Balance Sheet PFI Contracts		(4,943)	
(391)	Interest Paid		591	
(17,948)	Interest Element of Finance Leases and On-Balance Sheet PFI/PPP Contracts		(17,551)	
992,435	Net Financing	<u>33</u>		<u>1,009,249</u>
Net Increase / (Decrease) in Cash and Cash Equivalents in the Period				
374				1,578
890	Cash and Cash Equivalents at the Beginning of the Period			<u>1,264</u>
1,264	Cash and Cash Equivalents at the End of the Period			<u>2,842</u>
Reconciliation of Net Cash Flow to Movement in Net Debt/Cash				
374	Increase/(Decrease) in Cash in Year			1,578
890	Net Debt/Cash at 1 April			<u>1,264</u>
1,264	Net Debt/Cash at 31 March			<u>2,842</u>

The Statement of Comprehensive Net Expenditure and Summary of Resource Outturn, Balance Sheet, Cashflow Statement, Statement of Changes in Taxpayers' Equity and the Notes to the Accounts, numbered 1 to 33, form an integral part of these Accounts.

LANARKSHIRE HEALTH BOARD

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

FOR THE YEAR ENDED 31 MARCH 2014

	Note	General Fund £000	Revaluation Reserve £000	Other Reserve £000	Funds Held on Trust £000	Total Reserves £000
Balance at 31 March 2013		80,033	145,660	0	4,905	230,598
Prior Year Adjustments for Changes in Accounting Policy and Material Errors	<u>25</u>	0	0	0	0	0
Restated Balance at 1 April 2013		<u>80,033</u>	<u>145,660</u>	<u>0</u>	<u>4,905</u>	<u>230,598</u>
Changes in Taxpayers' Equity for 2013/14						
Net Gain/(Loss) on Revaluation/Indexation of Property, Plant and Equipment	<u>11</u>		27,195	0	0	27,195
Net Gain/(Loss) on Revaluation/Indexation of Intangible Assets	<u>10</u>	0	0	0	0	0
Net Gain/(Loss) on Revaluation of Available for Sale Financial Assets	<u>14</u>	0	0	0	105	105
Impairment of Property, Plant and Equipment	<u>11</u>	0	(29,975)	0	0	(29,975)
Impairment of Intangible Assets	<u>10</u>	0	0	0	0	0
Revaluation & Impairments Taken to Operating Costs	<u>3</u>	0	12,404	0	0	12,404
Release of Reserves to Statement of Comprehensive Net Expenditure	<u>11b</u>	0	0	0	0	0
Transfers Between Reserves		3,631	(3,631)	0	0	0
Transfer of Non Current Assets from Other Bodies		0	0	0	0	0
Pension Reserve Movements		0	0	0	0	0
Other Non Cash Costs		0	0	0	0	0
Net Operating Cost for the Year		<u>(1,039,210)</u>	<u>0</u>	<u>0</u>	<u>72</u>	<u>(1,039,138)</u>
Total Recognised Income and Expense for 2013/14		<u>(1,035,579)</u>	<u>5,993</u>	<u>0</u>	<u>177</u>	<u>(1,029,409)</u>
Funding:						
Drawn Down		1,031,152	0	0	0	1,031,152
Movement in General Fund (Creditor) / Debtor		<u>(1,718)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,718)</u>
Balance at 31 March 2014	<u>BS</u>	73,888	151,653	0	5,082	230,623

The Statement of Comprehensive Net Expenditure and Summary of Resource Outturn, Balance Sheet, Cash Flow Statement, Statement of Changes in Taxpayers' Equity and the Notes to the Accounts, numbered 1 to 33, form an integral part of these Accounts.

LANARKSHIRE HEALTH BOARD

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY - PRIOR YEAR

FOR THE YEAR ENDED 31 MARCH 2014

	Note	General Fund £000	Revaluation Reserve £000	Other Reserve £000	Funds Held on Trust £000	Total Reserves £000
Balance at 31 March 2012		62,058	146,110	0	0	208,168
Prior Year Adjustments for Changes in Accounting Policy and Material Errors	<u>25</u>	0	0	0	3,984	3,984
Restated Balance at 1 April 2012		62,058	146,110	0	3,984	212,152
Changes in Taxpayers' Equity for 2012/13						
Net Gain/(Loss) on Revaluation/Indexation of Property, Plant and Equipment	<u>11</u>	0	3,096	0	0	3,096
Net Gain/(Loss) on Revaluation/Indexation of Intangible Assets	<u>10</u>	0	0	0	0	0
Net Gain/(Loss) on Revaluation of Available for Sale Financial Assets	<u>14</u>	0	0	0	0	0
Impairment of Property, Plant and Equipment	<u>11</u>	0	(7,250)	0	0	(7,250)
Impairment of Intangible Assets	<u>10</u>	0	0	0	0	0
Revaluation & Impairments Taken to Operating Costs	<u>3</u>	0	7,250	0	0	7,250
Release of Reserves to Statement of Comprehensive Net Expenditure		0	0	0	0	0
Transfers Between Reserves		3,546	(3,546)	0	0	0
Transfer of Non Current Assets from Other Bodies		0	0	0	0	0
Pension Reserve Movements		0	0	0	0	0
Net Gain/(Loss) on Revaluation of Assets Held for Sale		0	0	0	0	0
Net Operating Cost for the Year		(1,000,628)	0	0	921	(999,707)
Total Recognised Income and Expense for 2012/13		(997,082)	(450)	0	921	(997,532)
Funding:						
Drawn Down		1,015,050	0	0		1,015,050
Movement in General Fund (Creditor) / Debtor		7	0	0		7
Balance at 31 March 2013	<u>BS</u>	80,033	145,660	0	4,905	230,598

The Statement of Comprehensive Net Expenditure and Summary of Resource Outturn, Balance Sheet, Cash Flow Statement, Statement of Changes in Taxpayers' Equity and the Notes to the Accounts, numbered 1 to 31, form an integral part of these Accounts.

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

1. Authority

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in section 31 below.

(a) Standards, amendments and interpretations effective in 2013/14

There are no new standards, amendments or interpretations effective for the first time in 2013/14.

(b) Standards, amendments and interpretations early adopted in 2013/14

There are no new standards, amendments or interpretations early adopted in 2013/14.

2. Basis of Consolidation

Consolidation

In accordance with IAS 27 – Consolidated and Separate Financial Statements, the Financial Statements consolidate the Lanarkshire 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 Lanarkshire 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 consolidation has required the restatement of prior year comparatives including consolidating the opening Balance Sheet as at 1 April 2012.

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

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

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

3. Prior Year Adjustments

There are no prior year adjustments that impact on Lanarkshire Health Board.

4. Going Concern

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

5. Accounting Convention

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

6. Funding

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

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

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

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

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

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

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

7. Property, plant and equipment

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

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

7.1 Recognition

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

All assets falling into the following categories are capitalised:

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

7.2 Measurement

Valuation

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

All assets are measured subsequently at fair value as follows:

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

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

Valuations of all land and building assets are reassessed by valuers under an annual programme of professional valuations. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Scottish Government.

Non specialised equipment, installations and fittings are valued at fair value. Lanarkshire Health Board values such assets using a depreciated historical cost basis as a proxy for fair value in respect of such assets which have short useful lives or low values.

Assets under construction are valued at current cost. This is calculated by the expenditure incurred to which an appropriate index is applied to arrive at current value. These are also subject to impairment review.

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

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

Subsequent Expenditure

Subsequent expenditure is capitalised into an asset's carrying value when it is probable the future economic benefits associated with the item will flow to the Board and the cost can be measured reliably. Where subsequent expenditure does not meet these criteria the expenditure is charged to the 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.

7.3 Depreciation

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

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

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

Depreciation is charged on a straight line basis.

The following asset lives have been used:

Asset Category/Component	Useful Life
Buildings Structure	75
Buildings Engineering	35
Buildings External Plant	30
Office, short life medical and IT	5
Vehicles and soft furnishings	7
Mainframe IT Installations	8
Furniture and medium life medical	10
Engineering plant and long life medical	15

8. Intangible Assets

8.1 Recognition

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

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

The main classes of intangible assets recognised are:

Internally generated intangible assets

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

Expenditure on research is not capitalised.

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

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

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

Software

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

Software licences

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

Carbon Emissions (Intangible Assets)

A cap and trade scheme gives rise to an asset for allowances held, a government grant and a liability for the obligation to deliver allowances equal to emissions that have been made.

Intangible Assets, such as EU Greenhouse Gas Emission Allowances intended to be held for use on a continuing basis whether allocated by government or purchased are classified as intangible assets. Allowances that are issued for less than their fair value are measured initially at their fair value.

When allowances are issued for less than their fair value, the difference between the amount paid and fair value is revaluation and charged to the government grant reserve. The government grant reserve is charged with the same proportion of the amount of the revaluation, which the amount of the grant bears to the acquisition cost of the asset.

A provision is recognised for the obligation to deliver allowances equal to emissions that have been made. It is measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. This will usually be the present market price of the number of allowances required to cover emissions made up to the balance sheet date.

This policy does not apply to Lanarkshire Health Board at the present as we do not currently hold such intangible assets. The policy did apply from 2005-06 to 2007-08. It is likely that the policy will apply in future years.

Websites

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

8.2 Measurement

Valuation

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

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

Revaluation and Impairment

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised in income.

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

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

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

8.3 Amortisation

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

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

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

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Asset Category/Component	Useful Life
Software Licences	5
Information Technology Software	5

9. Non-current assets held for sale

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

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

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

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

10. Donated Assets

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

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

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

12. Leasing

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Board, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. Assets held under finance leases are valued at their fair values and are depreciated over the remaining period of the lease in accordance with IFRS.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The minimum lease payments (annual rental less operating costs e.g. maintenance and contingent rental) are apportioned between the repayment of the outstanding liability and a finance charge. The annual finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability using either the implicit interest rate or another relevant basis of estimation such as the sum of the digits method. Finance charges are recorded as interest payable in the Statement of Comprehensive Net Expenditure. Contingent rental and operating costs are charged as expenses in the periods in which they are incurred.

Operating leases

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

Leases of land and buildings

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

NHS Lanarkshire does not lease any assets to third parties.

13. Impairment of non-financial assets

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

14. General Fund Receivables and Payables

Where the Health Board has a positive net cash book balance at the year end, a corresponding creditor is created and the general fund debited with the same amount to indicate that this cash is repayable to the SGHSCD. Where the Health Board has a net overdrawn cash position at the year end, a corresponding debtor is created and the general fund credited with the same amount to indicate that additional cash is to be drawn down from the SGHSCD.

15. Inventories

Inventories are valued at the lower of cost and net realisable value. Taking into account the high turnover of NHS inventories, the use of average purchase price is deemed to represent current cost. Work in progress is valued at the cost of the direct materials plus the conversion costs and other costs incurred to bring the goods up to their present location, condition and degree of completion.

16. Losses and Special Payments

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

17. Employee Benefits

Short-term Employee Benefits

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

Pension Costs

The Board participates in the NHS Superannuation Scheme for Scotland providing defined benefits based on final pensionable pay, where contributions are credited to the Exchequer and are deemed to be invested in a portfolio of Government Securities. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the 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 Exchequer. The pension cost is assessed every five years by the Government Actuary and determines the rate of contributions required. The most recent actuarial valuation took place in the year to 31 March 2008, details of which are published by the Scottish Public Pensions Agency.

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

18. Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to a threshold per claim. Costs above this limit 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 Lanarkshire provide for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement. Claims assessed as 'Category 3' are deemed most likely and provided for in full, those in 'Category 2' as 50% of the claim and those in 'category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and which will be recoverable from the Clinical Negligence and Other Risks Indemnity Scheme in the event of payment by an individual health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

19. Related Party Transactions

Material related party transactions are disclosed in the note 29 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 4.

20. Value Added Tax

Most of the activities of the Board are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

21. PFI/HUB/NPD Schemes

Transactions financed as revenue transactions through the Private Finance initiative or alternative initiatives such as HUB or Non Profit Distributing Model (NPD) are accounted for in accordance with the HM Treasury application of IFRIC 12, Service Concession Arrangements, outlined in the FReM.

Schemes which do not fall within the application of IFRIC 12 are deemed to be off-balance sheet. Where the Board has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract by charge to the Statement of Comprehensive Net Expenditure. Where, at the end of the PFI contract, a property reverts to the Board, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up on the balance sheet over the life of the contract by capitalising part of the unitary charge each year.

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.

22. Provisions

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

23. Contingencies

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

Contingent liabilities are not recognised, but are disclosed in note 19, 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.

24. 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.

25. Financial Instruments

Financial assets

Classification

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

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

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

(b) Loans and receivables

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

(c) Available-for-sale financial assets

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

Recognition and measurement

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

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

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

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the 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) Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the Board will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the loan and receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Net Expenditure. When a loan or receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the Statement of Comprehensive Net Expenditure.

(c) Available-for-sale financial assets

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

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

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

Financial Liabilities

Classification

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

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

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

(b) Other financial liabilities

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

Recognition and measurement

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

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

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

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

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

(b) Other financial liabilities

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

26. Segmental reporting

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

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

The segmental reporting within Note 30 reflects that reported to NHS Lanarkshire Board on a monthly basis. This reflects the financial position at each operating division level (Acute, North and South CHP and Corporate/PSSD) and incorporates additional activities relating to Primary Care wide functions and healthcare providers out with the Board area.

27. 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, balance held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Where the Government Banking Service is using Citi and Royal Bank of Scotland Group to provide the banking services, funds held in these accounts should not be classed as commercial bank balances.

28. Foreign exchange

The functional and presentation currencies of the Board are sterling.

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

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

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

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

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

29. 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 31 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

30. 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.

- Estimates: Assumptions regarding estimated impairment are applied in line with policy 13 above.
- Estimates: Assumptions underlying the likelihood and outcome of material provisions. The Pension provision is made to cover the future cost of pension payable to former employees of the Board. This is based on expected life tables and provides cover for annual pension payments. Other provisions consist of non-medical claims for damages and future development costs. The non-medical claims provision is based on risk categories assessed by the Central Legal Office (CLO). Settlement of these claims is dependent on legal factors and is normally more than one year after the claim is notified. Future development costs provision is mainly ring fenced funding which is project driven with agreed spend plans which are reflected within the provision. Clinical & Medical negligence claims are provided in line with policy 18 above.
- Estimates: Actuarial assumptions in respect of post-employment benefits are applied in line with policy 17 above.
- Judgement: Whether substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to other entities in line with policy 12 above.
- Property, Plant and equipment is valued at Fair value (market value or depreciated replacement cost where appropriate).
- Estimation of asset lives: The Board has reviewed its methodology for determining useful asset lives to more faithfully reflect the actual pattern of consumption of depreciated replacement cost assets. The methodology adopted takes account of the impact of regular maintenance expenditure to align the lives of certain elements with that of the overall building. This results in a smoother and more consistent depreciation charge over the life of the asset.

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

2. (a) STAFF NUMBERS AND COSTS

2012/13 £000		Executive	Non	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	Total 2013/14 £000
		Board Members 2013/14 £000	Executive Members 2013/14 £000					
STAFF COSTS								
351,536	Salaries and Wages	597	162	367,761	0	0	(1,945)	366,575
29,628	Social Security Costs	71	10	30,193	0	0	(159)	30,115
39,307	NHS Scheme Employers' Costs	61	5	43,270	0	0	(227)	43,109
0	Other Employers' Pension Costs	0	0	0	0	0		0
1,896	Inward Secondees	0	0	0	1,481	0		1,481
5,864	Agency Staff	0	0	0	0	6,491		6,491
428,231		729	177	441,224	1,481	6,491	(2,331)	447,771
0	Compensation for Loss of Office or Early Retirement	0	0	0	0	0	0	0
0	Pensions to Former Board Members	0	0	0	0	0	0	0
428,231	TOTAL	729	177	441,224	1,481	6,491	(2,331)	447,771

89 Included in the total staff Costs above were costs of staff engaged directly on capital projects,
charged to capital expenditure of: £119,000.

ANNUAL MEAN	STAFF NUMBERS (EMPLOYEES BY WHOLE TIME EQUIVALENT)	ANNUAL MEAN
266.9	Administration	176.8
9,931.4	Hospital and Community Services	10,240.4
207.4	Non Clinical Services	177.8
103.7	Other, Including Recharge Trading Accounts	104.4
19.5	Inward Secondees	16.1
67.8	Agency Staff	80.0
(60.3)	Outward Secondees	(54.8)
10,536.4	Board Total Average Staff	10,740.7
Restated		
29.6	Disabled Staff	28.6
2.1	The total number of staff engaged directly on capital projects, included in Staff Numbers above and charged to capital expenditure was:	2.6

Note: Staff pension benefits are provided through the NHS Superannuation Scheme for Scotland. Details of the scheme in note 24.

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

2. (b) HIGHER PAID EMPLOYEES REMUNERATION

2012/13 Number		2013/14 Number
	Other employees whose remuneration fell within the following ranges:	
	Clinicians	
62	£ 50,000 to £ 60,000	67
68	£ 60,001 to £ 70,000	58
55	£ 70,001 to £ 80,000	58
57	£ 80,001 to £ 90,000	62
53	£ 90,001 to £100,000	60
56	£100,001 to £110,000	64
59	£110,001 to £120,000	64
40	£120,001 to £130,000	41
20	£130,001 to £140,000	26
34	£140,001 to £150,000	24
24	£150,001 to £160,000	28
10	£160,001 to £170,000	15
7	£170,001 to £180,000	5
2	£180,001 to £190,000	2
1	£190,001 to £200,000	5
2	£200,001 and above	2
	Other	
125	£ 50,000 to £ 60,000	154
48	£ 60,001 to £ 70,000	49
13	£ 70,001 to £ 80,000	10
6	£ 80,001 to £ 90,000	13
2	£ 90,001 to £100,000	2
2	£100,001 to £110,000	0
1	£110,001 to £120,000	0
0	£120,001 to £130,000	0
1	£130,001 to £140,000	0
0	£140,001 to £150,000	0
0	£150,001 to £160,000	0
0	£160,001 to £170,000	0
0	£170,001 to £180,000	0
0	£180,001 to £190,000	0
0	£190,001 to £200,000	0
0	£200,001 and above	0

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

3. OTHER OPERATING COSTS

Restated 2012/13 £000		Note	2013/14 £000
	Expenditure Not Paid In Cash		
17,535	Depreciation	<u>11</u>	17,708
491	Amortisation	<u>10</u>	461
18	Depreciation Donated Assets	<u>11b</u>	15
7,250	Impairments on Property, Plant and Equipment Charged to SOCNE	<u>11</u>	12,404
0	Revaluation Loss on Property, Plant and Equipment Charged to SOCNE	<u>11</u>	0
0	Reversal of Impairments on Property, Plant and Equipment Charged to SOCNE	<u>11</u>	0
0	Revaluation Gains on Property, Plant and Equipment Charged to SOCNE	<u>11</u>	0
0	Impairments on Intangible Assets Charged to SOCNE	<u>10</u>	0
0	Revaluation Loss on Intangible Assets Charged to SOCNE	<u>10</u>	0
0	Reversal of Impairments on Intangible Assets Charged to SOCNE	<u>10</u>	0
0	Revaluation Gains on Intangible Assets Charged to SOCNE	<u>10</u>	0
0	Loss on Remeasurement of Non-current Assets Held for Sale	<u>29</u>	0
(54)	Funding of Donated Assets		0
0	Loss/(Profit) on Disposal of Intangible Fixed Assets		0
97	Loss/(Profit) on Disposal of Property, Plant and Equipment		(9)
0	Impairment on Available for Sale Financial Assets Charged to SOCNE	<u>14</u>	0
0	Loss/(Gain) on Remeasurement of Non-current Assets Held for Sale		0
25,337	Total Expenditure Not Paid In Cash	CFS	<u>30,579</u>
	Interest Payable		
0	Interest on Late Payment of Commercial debt		0
0	Bank and Other Interest Payable		0
17,948	PFI Finance Lease Charges Allocated in the Year	<u>23</u>	17,551
0	Other Finance Lease Charges Allocated in the Year		0
391	Provisions - Unwinding of Discount		<u>(591)</u>
18,339	Total		<u>16,960</u>
	Statutory Audit		
268	External Auditor's Remuneration and Expenses		<u>267</u>
	During the year the Board purchased the following non-audit services from its auditor.		
0			0
0			<u>0</u>
	Note		
	All amounts included in this note are included within the expenditure analysis on the face of the SOCNE and this note is for disclosure purposes only.		

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

4. HOSPITAL AND COMMUNITY HEALTH SERVICES

2012/13 £000	BY PROVIDER	2013/14 £000
643,940	Treatment in Board Area of NHS Scotland Patients	675,091
97,978	Other NHS Scotland Bodies	99,829
1,400	Health Bodies outside Scotland	1,309
877	Primary Care Bodies	1,479
7,748	Private Sector	7,607
	Community Care	
0	Support Finance	0
35,032	Resource Transfer	36,045
<u>7,305</u>	Contributions to Voluntary Bodies and Charities	<u>7,977</u>
794,280	Total NHS Scotland Patients	829,337
<u>249</u>	Treatment of UK Residents Based Outside Scotland	<u>421</u>
<u>794,529</u>	Total Hospital & Community Health Service	<u>829,758</u>
	<u>SOCNE</u>	

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

5. FAMILY HEALTH SERVICE EXPENDITURE

2012/13 £000		Note	Unified Budget 2013/14 £000	Non Disc 2013/14 £000	Total 2013/14 £000
67,737	Primary Medical Services	<u>SFR 9.0</u>	69,368	0	69,368
135,528	Pharmaceutical Services	<u>SFR 10</u>	117,981	19,434	137,415
41,289	General Dental Services	<u>SFR 11</u>	1,358	38,671	40,029
<u>11,139</u>	General Ophthalmic Services	<u>SFR 12</u>	<u>77</u>	<u>11,443</u>	<u>11,520</u>
<u>255,693</u>	Total	<u>SOCNE</u>	<u>188,784</u>	<u>69,548</u>	<u>258,332</u>

LANARKSHIRE HEALTH BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

6. ADMINISTRATION COSTS

2012/13		2013/14
£000		£000
936	Board Members' Remuneration	906
199	Administration of Board Meetings and Committees	246
537	Corporate Governance and Statutory Reporting	570
700	Health Planning, Commissioning and Performance Reporting	725
2,201	Treasury Management and Financial Planning	2,111
474	Public Relations	510
<u>3,291</u>	Other	<u>3,831</u>
<u>8,338</u>	Total Administration Costs	<u>SOCNE</u> <u>8,899</u>

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

7. OTHER NON CLINICAL SERVICES

Restated
2012/13
£000

2013/14
£000

3,528	Nurse Teaching	1,856
0	Closed Hospital Charges	0
15,919	Compensation payments - Clinical	4,166
1,387	Compensation payments - Other	953
1,012	Pension Enhancement & Redundancy	426
22	Patients' Travel Attending Hospitals	13
0	Patients' Travel Highlands and Islands Scheme	0
4,743	Health Promotion	5,010
1,492	Public Health	1,557
143	Public Health Medicine Trainees	83
33	Emergency Planning	34
1,411	Post Graduate Medical Education	1,548
0	Shared Services	0
97	Loss on Disposal of Non Current Assets	(29)
536	Endowment Expenditure	547
<u>3,416</u>	Other	<u>4,578</u>
<u>33,739</u>	Total Other Non Clinical Services	<u>SOCNE 20,742</u>

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

8. OPERATING INCOME

Restated 2012/13 £000		2013/14 £000
	HCH Income	
	NHS Scotland Bodies	
0	SGHSCD	0
38,236	Boards	38,902
387	NHS Non-Scottish Bodies	421
	Non NHS	
15	Private Patients	10
1,977	Compensation Income	2,319
<u>3,281</u>	Other HCH Income	<u>3,363</u>
<u>43,896</u>	Total HCH Income	<u>SOCNE 45,015</u>
	FHS Income	
0	Unified	<u>SFR 4 0</u>
	Non Discretionary	
7,106	General Dental Services	<u>SFR 4 7,376</u>
<u>0</u>	General Ophthalmic Services	<u>SFR 4 0</u>
<u>7,106</u>	Total FHS Income	<u>SOCNE 7,376</u>
<u>0</u>	Administration Income	<u>SOCNE 0</u>
	Other Operating Income	
8,828	NHS Scotland Bodies	7,153
4	NHS Non-Scottish Bodies	5
374	SGHD	456
16,056	Contributions in Respect of Clinical and Medical Negligence Claims	2,559
0	Profit on Disposal of Non Current Assets	0
54	Donated Assets Additions	0
0	Interest Received	<u>CFS 0</u>
0	Shared Services	0
1,457	Endowment Income	724
<u>14,817</u>	Other	<u>15,410</u>
<u>41,590</u>	Total Other Operating Income	<u>SOCNE 26,307</u>
<u>92,592</u>	Total Income	<u>78,698</u>
<u>47,064</u>	Of the above, the amount derived from NHS bodies is	<u>46,055</u>

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

9. ANALYSIS OF CAPITAL EXPENDITURE

2012/13 £000		Note	2013/14 £000
	EXPENDITURE		
0	Acquisition of Intangible Assets	<u>10</u>	629
14,799	Acquisition of Property, Plant and Equipment	<u>11</u>	15,510
54	Donated Asset Additions	<u>11b</u>	0
0	HUB Expenditure		976
<u>14,853</u>	Gross Capital Expenditure		<u>17,115</u>
	INCOME		
0	Net Book Value of Disposal of Intangible Assets	<u>10</u>	0
0	Net Book Value of Disposal of Property, Plant and Equipment	<u>11</u>	771
0	Net Book Value of Disposal of Donated Assets	<u>11b</u>	0
2,938	Value of Disposal of Non-current Assets Held for Sale	<u>11c</u>	0
54	Donated Asset Income		0
<u>2,992</u>	Capital Income		<u>771</u>
<u>11,861</u>	Net Capital Expenditure		<u>16,344</u>

SUMMARY OF CAPITAL RESOURCE OUTTURN

11,861	Core Capital Expenditure Included Above	16,344
<u>11,861</u>	Core Capital Resource Limit	<u>16,344</u>
<u>0</u>	Saving against Capital Resource Limit	<u>0</u>
0	Non Core Capital Expenditure Included Above	0
<u>0</u>	Non Core Capital Resource Limit	<u>0</u>
<u>0</u>	Saving/(excess) against Non Capital Resource Limit	<u>0</u>
11,861	Total Capital Expenditure	16,344
<u>11,861</u>	Total Capital Resource Limit	<u>16,344</u>
<u>0</u>	Saving against Total Capital Resource Limit	<u>0</u>

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

10. INTANGIBLE ASSETS - CONSOLIDATED

	Software Licences £000	Information technology - software £000	EC Carbon Emissions £000	Websites £000	Other Intangible £000	Assets Under Development £000	Total £000
Cost or Valuation:							
As at 1st April 2013	2,557	1,680	0	0	0	0	4,237
Additions	615	14	0	0	0	0	629
Donations	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Transfers (to)/from Non-current Assets Held for Sale	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0
At 31st March 2014	3,172	1,694	0	0	0	0	4,866
Amortisation							
As at 1st April 2013	1,424	664	0	0	0	0	2,088
Provided During the Year	238	223	0	0	0	0	461
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Transfers (to)/from Non-current Assets Held for Sale	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0
At 31st March 2014	1,662	887	0	0	0	0	2,549
Net Book Value at 1st April 2013	1,133	1,016	0	0	0	0	2,149
Net Book Value at 31 March 2014	1,510	807	0	0	0	0	2,317

Net Book Value
£000

Classification of Assets under development

Information Technology - Software
Websites0
0
0

10. INTANGIBLE ASSETS - BOARD

	Software Licences £000	Information technology - software £000	EC Carbon Emissions £000	Websites £000	Other Intangible £000	Assets Under Development £000	Total £000
Cost or Valuation:							
As at 1st April 2013	2,557	1,680	0	0	0	0	4,237
Additions	615	14	0	0	0	0	629
Donations	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Transfers (to)/from Non-current Assets Held for Sale	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0
At 31st March 2014	3,172	1,694	0	0	0	0	4,866
Amortisation							
As at 1st April 2013	1,424	664	0	0	0	0	2,088
Provided During the Year	238	223	0	0	0	0	461
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Transfers (to)/from Non-current Assets Held for Sale	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0
At 31st March 2014	1,662	887	0	0	0	0	2,549
Net Book Value at 1st April 2013	1,133	1,016	0	0	0	0	2,149
Net Book Value at 31 March 2014	1,510	807	0	0	0	0	2,317

Net Book Value
£000

Classification of Assets under development

Information Technology - Software
Websites0
0
0

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

10. INTANGIBLE ASSETS - CONSOLIDATED PRIOR YEAR

	Software Licences £000	Information technology - software £000	EC Carbon Emissions £000	Websites £000	Other Intangible £000	Assets Under Development £000	Total £000
Cost or Valuation:							
As at 1st April 2012	2,701	1,680	0	0	0	0	4,381
Additions	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0
Transfers	(144)	0	0	0	0	0	(144)
Disposals	0	0	0	0	0	0	0
Transfers (to)/from Non-current Assets Held for Sale	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0
At 31st March 2013	2,557	1,680	0	0	0	0	4,237
Amortisation							
As at 1st April 2012	1,169	435	0	0	0	0	1,604
Provided During the Year	262	229	0	0	0	0	491
Transfers	(7)	0	0	0	0	0	(7)
Disposals	0	0	0	0	0	0	0
Transfers (to)/from Non-current Assets Held for Sale	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0
At 31st March 2013	1,424	664	0	0	0	0	2,088
Net Book Value at 1st April 2012	1,532	1,245	0	0	0	0	2,777
Net Book Value at 31 March 2013	B S 1,133	1,016	0	0	0	0	2,149

Net Book Value
£000

Classification of Assets Under Development

Information Technology - Software
Websites0
0
0

10. INTANGIBLE ASSETS - BOARD PRIOR YEAR

	Software Licences £000	Information technology - software £000	EC Carbon Emissions £000	Websites £000	Other Intangible £000	Assets Under Development £000	Total £000
Cost or Valuation:							
As at 1st April 2012	2,701	1,680	0	0	0	0	4,381
Additions	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0
Transfers	(144)	0	0	0	0	0	(144)
Disposals	0	0	0	0	0	0	0
Transfers (to)/from Non-current Assets Held for Sale	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0
At 31st March 2013	2,557	1,680	0	0	0	0	4,237
Amortisation							
As at 1st April 2012	1,169	435	0	0	0	0	1,604
Provided During the Year	262	229	0	0	0	0	491
Transfers	(7)	0	0	0	0	0	(7)
Disposals	0	0	0	0	0	0	0
Transfers (to)/from Non-current Assets Held for Sale	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0
At 31st March 2013	1,424	664	0	0	0	0	2,088
Net Book Value at 1st April 2012	1,532	1,245	0	0	0	0	2,777
Net Book Value at 31 March 2013	B S 1,133	1,016	0	0	0	0	2,149

Net Book Value
£000

Classification of Assets Under Development

Information Technology - Software
Websites0
0
0

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

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

	Land (including under buildings) £000	Buildings (excluding dwellings) £000	Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Furniture & Fittings £000	Assets Under Construction £000	Total £000
Cost or Valuation									
At 1 April 2013	30,705	424,137	2,579	362	65,973	23,370	6,083	9,684	562,893
Additions	1,576	2,693	0	0	3,865	1,833	0	5,543	15,510
Completions	0	0	0	0	0	0	0	0	0
Transfers	0	7,165	0	0	0	0	0	(7,165)	0
Transfers (to)/from Non-current Assets Held for Sale	(1,250)	0	0	0	0	0	0	0	(1,250)
Revaluation	0	4,123	0	0	0	0	0	0	4,123
Impairment Charge	(332)	(17,239)	0	0	0	0	0	0	(17,571)
Impairment Reversal	0	0	0	0	0	0	0	0	0
Disposals	(5)	(9,061)	(2,579)	(64)	(5,715)	0	(21)	0	(17,445)
At 31 March 2014	30,694	411,818	0	298	64,123	25,203	6,062	8,062	546,260
Depreciation									
At 1 April 2013	0	10,152	2,535	353	41,767	18,637	5,473	0	78,917
Provided During the Year	0	10,679	22	9	4,962	1,953	83	0	17,708
Transfers	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
Revaluation	(4)	(23,068)	0	0	0	0	0	0	(23,072)
Impairment Charge	4	12,922	0	0	0	0	0	0	12,926
Impairment Reversal	0	(522)	0	0	0	0	0	0	(522)
Disposals	0	(9,061)	(2,557)	(64)	(4,971)	0	(21)	0	(16,674)
At 31 March 2014	0	1,102	0	298	41,758	20,590	5,535	0	69,283
Net Book Value at 1 April 2013	30,705	413,985	44	9	24,206	4,733	610	9,684	483,976
Net Book Value at 31 March 2014	B S 30,694	410,716	0	0	22,365	4,613	527	8,062	476,977
Open Market Value of Land in Land and Dwellings Included above	16,632	0	0						
Asset Financing									
Owned	25,693	194,774	0	0	22,365	4,613	527	8,062	256,034
Finance Leased	0	0	0	0	0	0	0	0	0
On-Balance Sheet PFI contracts	5,001	215,942	0	0	0	0	0	0	220,943
Net Book Value at 31 March 2014	30,694	410,716	0	0	22,365	4,613	527	8,062	476,977

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

	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 2013	30,705	424,137	2,579	362	65,973	23,370	6,083	9,684	562,893
Additions	1,576	2,693	0	0	3,865	1,833	0	5,543	15,510
Completions	0	0	0	0	0	0	0	0	0
Transfers	0	7,165	0	0	0	0	0	(7,165)	0
Transfers (to)/from Non-current Assets Held for Sale	(1,250)	0	0	0	0	0	0	0	(1,250)
Revaluation	0	4,123	0	0	0	0	0	0	4,123
Impairment Charge	(332)	(17,239)	0	0	0	0	0	0	(17,571)
Impairment Reversal	0	0	0	0	0	0	0	0	0
Disposals	(5)	(9,061)	(2,579)	(64)	(5,715)	0	(21)	0	(17,445)
At 31 March 2014	30,694	411,818	0	298	64,123	25,203	6,062	8,062	546,260
Depreciation									
At 1 April 2013	0	10,152	2,535	353	41,767	18,637	5,473	0	78,917
Provided During the Year	0	10,679	22	9	4,962	1,953	83	0	17,708
Transfers	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
Revaluation	(4)	(23,068)	0	0	0	0	0	0	(23,072)
Impairment Charge	4	12,922	0	0	0	0	0	0	12,926
Impairment Reversal	0	(522)	0	0	0	0	0	0	(522)
Disposals	0	(9,061)	(2,557)	(64)	(4,971)	0	(21)	0	(16,674)
At 31 March 2014	0	1,102	0	298	41,758	20,590	5,535	0	69,283
Net Book Value at 1 April 2013	30,705	413,985	44	9	24,206	4,733	610	9,684	483,976
Net Book Value at 31 March 2014	B S 30,694	410,716	0	0	22,365	4,613	527	8,062	476,977
Open Market Value of Land in Land and Dwellings Included above	16,632	0	0						
Asset Financing									
Owned	25,693	194,774	0	0	22,365	4,613	527	8,062	256,034
Finance Leased	0	0	0	0	0	0	0	0	0
On-Balance Sheet PFI contracts	5,001	215,942	0	0	0	0	0	0	220,943
Net Book Value at 31 March 2014	30,694	410,716	0	0	22,365	4,613	527	8,062	476,977

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

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

	Land (including under buildings) £000	Buildings (excluding dwellings) £000	Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Furniture & Fittings £000	Assets Under Construction £000	Total £000
Cost or Valuation									
At 1 April 2012	30,395	408,823	2,577	387	62,609	21,618	5,636	31,855	563,900
Additions	600	7,024	0	0	4,491	1,298	128	1,258	14,799
Completions	0	22,212	0	0	185	296	318	(23,011)	0
Transfers	(9)	427	0	(1)	(14)	158	1	(418)	144
Transfers (to)/from Non-current Assets Held for Sale	0	0	0	0	0	0	0	0	0
Revaluation	(281)	(14,349)	2	0	0	0	0	0	(14,628)
Impairment Charge	0	0	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	(24)	(1,298)	0	0	0	(1,322)
At 31 March 2013	30,705	424,137	2,579	362	65,973	23,370	6,083	9,684	562,893
Depreciation									
At 1 April 2012	0	10,152	2,535	359	39,052	16,089	4,984	0	73,171
Provided During the Year	0	10,472	2	18	4,149	2,405	489	0	17,535
Transfers	0	0	0	0	(136)	143	0	0	7
Transfers (to)/from Non-current Assets Held for Sale	0	0	0	0	0	0	0	0	0
Revaluation	0	(17,722)	(2)	0	0	0	0	0	(17,724)
Impairment Charge	0	7,250	0	0	0	0	0	0	7,250
Impairment Reversal	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	(24)	(1,298)	0	0	0	(1,322)
At 31 March 2013	0	10,152	2,535	353	41,767	18,637	5,473	0	78,917
Net book value at 1 April 2012	30,395	398,671	42	28	23,557	5,529	652	31,855	490,729
Net book value at 31 March 2013	B.S. 30,705	413,985	44	9	24,206	4,733	610	9,684	483,976
Open Market Value of Land in Land and Dwellings Included above	16,870	0	0						
Asset Financing									
Owned	25,704	197,692	44	9	24,206	4,733	610	9,684	262,682
Finance Leased	0	0	0	0	0	0	0	0	0
On-Balance Sheet PFI contracts	5,001	216,293	0	0	0	0	0	0	221,294
Net Book Value at 31 March 2013	30,705	413,985	44	9	24,206	4,733	610	9,684	483,976

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

	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 2012	30,395	408,823	2,577	387	62,609	21,618	5,636	31,855	563,900
Additions	600	7,024	0	0	4,491	1,298	128	1,258	14,799
Completions	0	22,212	0	0	185	296	318	(23,011)	0
Transfers	(9)	427	0	(1)	(14)	158	1	(418)	144
Transfers (to)/from Non-current Assets Held for Sale	0	0	0	0	0	0	0	0	0
Revaluation	(281)	(14,349)	2	0	0	0	0	0	(14,628)
Impairment Charge	0	0	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	(24)	(1,298)	0	0	0	(1,322)
At 31 March 2013	30,705	424,137	2,579	362	65,973	23,370	6,083	9,684	562,893
Depreciation									
At 1 April 2012	0	10,152	2,535	359	39,052	16,089	4,984	0	73,171
Provided During the Year	0	10,472	2	18	4,149	2,405	489	0	17,535
Transfers	0	0	0	0	(136)	143	0	0	7
Transfers (to)/from Non-current Assets Held for Sale	0	0	0	0	0	0	0	0	0
Revaluation	0	(17,722)	(2)	0	0	0	0	0	(17,724)
Impairment Charge	0	7,250	0	0	0	0	0	0	7,250
Impairment Reversal	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	(24)	(1,298)	0	0	0	(1,322)
At 31 March 2013	0	10,152	2,535	353	41,767	18,637	5,473	0	78,917
Net book value at 1 April 2012	30,395	398,671	42	28	23,557	5,529	652	31,855	490,729
Net book value at 31 March 2013	B.S. 30,705	413,985	44	9	24,206	4,733	610	9,684	483,976
Open Market Value of Land in Land and Dwellings Included above	16,870	0	0						
Asset Financing									
Owned	25,704	197,692	44	9	24,206	4,733	610	9,684	262,682
Finance Leased	0	0	0	0	0	0	0	0	0
On-Balance Sheet PFI contracts	5,001	216,293	0	0	0	0	0	0	221,294
Net Book Value at 31 March 2013	30,705	413,985	44	9	24,206	4,733	610	9,684	483,976

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

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

	Land (land holdings and land underlying buildings) £000	Buildings (excluding dwellings) £000	Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Furniture & Fittings £000	Assets Under Construction £000	Total £000
Cost or Valuation									
At 1 April 2013	0	0	0	0	320	0	0	0	320
Additions	0	0	0	0	0	0	0	0	0
Completions	0	0	0	0	0	0	0	0	0
Transfers	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
Revaluation	0	0	0	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 31 March 2014	0	0	0	0	320	0	0	0	320
Depreciation									
At 1 April 2013	0	0	0	0	249	0	0	0	249
Provided During the Year	0	0	0	0	15	0	0	0	15
Transfers	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
Revaluation	0	0	0	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 31 March 2014	0	0	0	0	264	0	0	0	264
Net book value at 1 April 2013	0	0	0	0	71	0	0	0	71
Net book value at 31 March 2014	BS 0	0	0	0	56	0	0	0	56
Open Market Value of Land in Land and Dwellings Included above	0	0	0						
Asset Financing									
Owned	0	0	0	0	56	0	0	0	56
Finance Leased	0	0	0	0	0	0	0	0	0
On-Balance Sheet PFI contracts	0	0	0	0	0	0	0	0	0
Net Book Value at 31 March 2014	0	0	0	0	56	0	0	0	56

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

	Land (land holdings and land underlying 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 2013	0	0	0	0	320	0	0	0	320
Additions	0	0	0	0	0	0	0	0	0
Completions	0	0	0	0	0	0	0	0	0
Transfers	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
Revaluation	0	0	0	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 31 March 2014	0	0	0	0	320	0	0	0	320
Depreciation									
At 1 April 2013	0	0	0	0	249	0	0	0	249
Provided During the Year	0	0	0	0	15	0	0	0	15
Transfers	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
Revaluation	0	0	0	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 31 March 2014	0	0	0	0	264	0	0	0	264
Net book value at 1 April 2013	0	0	0	0	71	0	0	0	71
Net book value at 31 March 2014	BS 0	0	0	0	56	0	0	0	56
Open Market Value of Land in Land and Dwellings Included above	0	0	0						
Asset Financing									
Owned	0	0	0	0	56	0	0	0	56
Finance Leased	0	0	0	0	0	0	0	0	0
On-Balance Sheet PFI contracts	0	0	0	0	0	0	0	0	0
Net Book Value at 31 March 2014	0	0	0	0	56	0	0	0	56

LANARKSHIRE HEALTH BOARD

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FOR THE YEAR ENDED 31 MARCH 2014

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

	Land (land holdings and land underlying buildings) £000	Buildings (excluding dwellings) £000	Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Furniture & Fittings £000	Assets Under Construction £000	Total £000
Cost or Valuation									
At 1 April 2012	0	0	0	0	266	0	0	0	266
Additions	0	0	0	0	54	0	0	0	54
Completions	0	0	0	0	0	0	0	0	0
Transfers	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
Revaluation	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 31 March 2013	0	0	0	0	320	0	0	0	320
Depreciation									
At 1 April 2012	0	0	0	0	231	0	0	0	231
Provided During the Year	0	0	0	0	18	0	0	0	18
Transfers	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
Revaluation	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 31 March 2013	0	0	0	0	249	0	0	0	249
Net Book Value at 1 April 2012	0	0	0	0	35	0	0	0	35
Net Book Value at 31 March 2013	BS 0	0	0	0	71	0	0	0	71
Open Market Value of Land in Land and Dwellings Included above	0	0	0						
Asset Financing									
Owned	0	0	0	0	35	0	0	0	71
Finance Leased	0	0	0	0	0	0	0	0	0
On-Balance Sheet PFI contracts	0	0	0	0	0	0	0	0	0
Net Book Value at 31 March 2013	0	0	0	0	35	0	0	0	71

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

	Land (land holdings and land underlying 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 2012	0	0	0	0	266	0	0	0	266
Additions	0	0	0	0	54	0	0	0	54
Completions	0	0	0	0	0	0	0	0	0
Transfers	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
Revaluation	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 31 March 2013	0	0	0	0	320	0	0	0	320
Depreciation									
At 1 April 2012	0	0	0	0	231	0	0	0	231
Provided During the Year	0	0	0	0	18	0	0	0	18
Transfers	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
Revaluation	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 31 March 2013	0	0	0	0	249	0	0	0	249
Net Book Value at 1 April 2012	0	0	0	0	35	0	0	0	35
Net Book Value at 31 March 2013	BS 0	0	0	0	71	0	0	0	71
Open Market Value of Land in Land and Dwellings Included above	0	0	0						
Asset Financing									
Owned	0	0	0	0	35	0	0	0	71
Finance Leased	0	0	0	0	0	0	0	0	0
On-Balance Sheet PFI contracts	0	0	0	0	0	0	0	0	0
Net Book Value at 31 March 2013	0	0	0	0	35	0	0	0	71

LANARKSHIRE HEALTH BOARD

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FOR THE YEAR ENDED 31 MARCH 2014

11 (c). ASSETS HELD FOR SALE

ASSETS HELD FOR SALE - CONSOLIDATED

The following assets related to surplus land at the former Uddingston MRU, Alexander Hospital and surplus land at Kirklands Hospital have been presented as held for sale following the approval for sale by NHS Lanarkshire Capital Investment Group. The completion date is expected to be in 2013/14.

		Property, Plant & Equipment £000	Intangible Assets £000	Total £000
At 1 April 2013		871	0	871
Transfers (to)/from Property, Plant and Equipment	<u>11a</u>	1,250	0	1,250
Transfers (to)/from Intangible Assets	<u>10</u>	0	0	0
Gains/Losses Recognised on Remeasurement of Non-current Assets Held for Sale		0	0	0
Disposals of Non-current Assets Held for Sale		0	0	0
As At 31 March 2014	<u>BS</u>	<u>2,121</u>	<u>0</u>	<u>2,121</u>

ASSETS HELD FOR SALE - BOARD

		Property, Plant & Equipment £000	Intangible Assets £000	Total £000
At 1 April 2013		871	0	871
Transfers (to)/from Property, Plant and Equipment	<u>11a</u>	1,250	0	1,250
Transfers (to)/from Intangible Assets	<u>10</u>	0	0	0
Gains/Losses Recognised on Remeasurement of Non-current Assets Held for Sale		0	0	0
Disposals of Non-current Assets Held for Sale		0	0	0
As At 31 March 2014	<u>BS</u>	<u>2,121</u>	<u>0</u>	<u>2,121</u>

ASSETS HELD FOR SALE (PRIOR YEAR) - CONSOLIDATED

		Property, Plant & Equipment £000	Intangible Assets £000	Total £000
At 1 April 2012		3,809	0	3,809
Transfers (to)/from Property, Plant and Equipment	<u>11a</u>	0	0	0
Transfers (to)/from Intangible Assets	<u>10</u>	0	0	0
Gains/Losses Recognised on Remeasurement of Non-current Assets Held for Sale		0	0	0
Disposals of Non-current Assets Held for Sale		(2,938)	0	(2,938)
As At 31 March 2013	<u>BS</u>	<u>871</u>	<u>0</u>	<u>871</u>

ASSETS HELD FOR SALE (PRIOR YEAR) - BOARD

		Property, Plant & Equipment £000	Intangible Assets £000	Total £000
At 1 April 2012		3,809	0	3,809
Transfers (to)/from Property, Plant and Equipment	<u>11a</u>	0	0	0
Transfers (to)/from Intangible Assets	<u>10</u>	0	0	0
Gains/Losses Recognised on Remeasurement of Non-current Assets Held for Sale			0	0
Disposals of Non-current Assets Held for Sale		(2,938)	0	(2,938)
As At 31 March 2013	<u>BS</u>	<u>871</u>	<u>0</u>	<u>871</u>

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

11. (d) PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated 31 March 2013 £000	Board 31 March 2013 £000		Consolidated 31 March 2014 £000	Board 31 March 2014 £000
		Net book value of Property, Plant and Equipment at 31 March		
483,976	483,976	Purchased	11a 476,977	476,977
71	71	Donated	11b 56	56
484,047	484,047	Total	B S 477,033	477,033
16,870	16,870	Net Book Value Related to Land Valued at Open Market Value at 31 March	16,632	16,632
0	0	Net Book Value Related to Buildings Valued at Open Market Value at 31 March	0	0
		Total Value of Assets Held Under:		
0	0	Finance Leases	0	0
0	0	Hire Purchase Contracts	0	0
221,294	221,294	PFI and PPP contracts	220,943	220,943
221,294	221,294		220,943	220,943
		Total Depreciation Charged in Respect of Assets Held Under:		
0	0	Finance Leases	0	0
0	0	Hire Purchase Contracts	0	0
4,490	4,490	PFI and PPP contracts	4,567	4,567
4,490	4,490		4,567	4,567

Property was fully revalued by an independent valuer, Gerald Eve at 31 March 2014 on the basis of fair value (market value or depreciated replacement cost 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 in value of £9.624m, (2012-13 increase of £3.096m) which was credited to the revaluation reserve. Impairment of £12.404m (2012-13 £7.250m) was charged to the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn.

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

12. INVENTORIES

Consolidated 1 April 2012 £000	Board 1 April 2012 £000	Consolidated 1 April 2013 £000	Board 1 April 2013 £000		Consolidated 31 March 2014 £000	Board 31 March 2014 £000
5,348	5,347	5,277	5,277	Raw Materials and Consumables	5,182	5,182
0	0	0	0	Work in Progress	0	0
0	0	0	0	Finished Goods	0	0
5,348	5,347	5,277	5,277	Total Inventories	5,182	5,182

B S

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

13. TRADE AND OTHER RECEIVABLES

Consolidated 1 April 2012 £000	Board 1 April 2012 £000	Consolidated 1 April 2013 £000	Board 1 April 2013 £000		Note	Consolidated 31 March 2014 £000	Board 31 March 2014 £000
Receivables Due Within One Year							
NHS Scotland							
23	23	85	85	- SGHSCD		79	79
2,612	2,612	1,837	1,837	- Boards	SFR 30	2,137	2,137
2,635	2,635	1,922	1,922	Total NHS Scotland Receivables		2,216	2,216
240	240	161	161	NHS Non-Scottish Bodies		221	221
0	0	0	0	General Fund Receivable		0	0
3,511	3,511	3,971	3,971	VAT Recoverable	SFR 30 1	3,131	3,131
9,705	9,705	8,802	8,802	Prepayments		8,072	8,068
2,254	2,230	2,344	2,330	Accrued Income		3,435	3,435
2,272	2,272	1,406	1,406	Other Receivables		2,909	2,909
8,583	8,583	9,785	9,785	Reimbursement of Provisions		24,882	24,882
0	0	0	0	Other Public Sector Bodies		0	0
29,200	29,176	28,391	28,377	Total Receivables Due Within One Year	B S	44,866	44,862
Receivables Due After More Than One Year							
NHS Scotland							
0	0	0	0	- SGHSCD		0	0
0	0	0	0	- Boards		0	0
0	0	0	0	Other Public Sector Bodies		0	0
546	546	485	485	Prepayments		458	458
0	0	0	0	Accrued Income		0	0
0	0	0	0	Other Receivables		0	0
15,330	15,330	22,667	22,667	Reimbursement of Provisions		12,316	12,316
15,876	15,876	23,152	23,152	Total Receivables Due After More Than One Year	B S	12,774	12,774
45,076	45,052	51,543	51,529	TOTAL RECEIVABLES		57,640	57,636
308	308	347	347	The total receivables figure above includes a provision for impairments of :		802	802
WGA Classification							
2,612	2,612	1,837	1,837	NHS Scotland		2,137	2,137
3,561	3,561	4,056	4,056	Central Government Bodies	SFR 30 1	3,375	3,375
480	480	482	482	Whole of Government Bodies	SFR 30 2	1,230	1,230
240	240	161	161	Balances with NHS Bodies in England and Wales		221	221
38,183	38,159	45,007	44,993	Balances with Bodies External to Government		50,677	50,673
45,076	45,052	51,543	51,529			57,640	57,636

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

13. TRADE AND OTHER RECEIVABLES CONTINUED

Consolidated 31 March 2013 £000	Board 31 March 2013 £000		Consolidated 31 March 2014 £000	Board 31 March 2014 £000
		Movements on the Provision for Impairment of Receivables are as follows:		
		At 1 April	347	347
		Provision for receivables impairment	468	468
		Receivables written off during the year as uncollectible	(13)	(13)
		Unused amounts reversed	0	0
		At 31 March	<u>802</u>	<u>802</u>
		As at 31 March 2014, receivables with a carrying value of £0.802m (2012-13 £0.347m) were impaired and provided for. The amount of the provision was £0.802m (2012-13 £0.347m). The aging of these receivables is as follows:		
			£000	£000
		3 to 6 months past due	300	300
		Over 6 months past due	502	502
			<u>802</u>	<u>802</u>
		The receivables assessed as individually impaired include companies, patients and staff, which are in unexpected difficult economic situations and it was assessed that not all of the receivable balance may be recovered.		
		Receivables are impaired only where there is evidence of impairment. As at 31 March 2014, receivables of carrying value of £4.608m (2012-13 £3.237m) were past their due date but not impaired. The ageing of receivables which are past due but not impaired are as follows:		
			£000	£000
		Up to 3 months past due	4,608	4,608
		3 to 6 months past due	0	0
		Over 6 months past due	0	0
			<u>4,608</u>	<u>4,608</u>
		The receivables assessed as past due but not impaired include companies, patients and staff and there is no history of default from these customers recently.		
		Concentration of credit risk is limited due to the customer base being large and unrelated and government bodies. Due to this, management believe that there is no future credit risk provision required in excess of the normal provision for doubtful receivables.		
		The credit quality of receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available. Where no external credit rating is available, historical information about counterparty default rates is used.		
		Receivables that are neither past due nor impaired are shown by their credit risk below;		
			31 March 2014 £000	31 March 2014 £000
		Counterparties with external credit ratings		
		A		
		BB		
		BBB		
		Counterparties with no external credit rating:		
		New customers		
		Existing customers with no defaults in the past		
		Existing customers with some defaults in the past	53,032	53,028
			<u>53,032</u>	<u>53,028</u>
		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.		
		The carrying amount of receivables are denominated in the following currencies:	£000	£000
		Pounds	57,640	57,636
		Euros	0	0
		US Dollars	0	0
		All non-current receivables are due within 20 years (2011-12 20 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 £23.152m (2011-12 £15.876m)		
		The effective interest rate on non-current other receivables is 2.2% (2011-12 2.2%)		

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

14. AVAILABLE FOR SALE FINANCIAL ASSETS

Consolidated 1 April 2011 £000	Board 1 April 2011 £000	Consolidated 1 April 2012 £000	Board 1 April 2012 £000		Consolidated 31 March 2014	Board 31 March 2014
0	0	0	0	Government Securities	0	0
3,382	0	3,411	0	Other	3,924	0
3,382	0	3,411	0	TOTAL	BS 3,924	0
£000	£000	£000	£000		£000	£000
3,382	0	3,411	0	At 1 April	3,924	0
128	0	135	0	Additions	1199	976
(10)	0	(10)	0	Disposals	(12)	0
0	0	0	0	Impairment Recognised in Operating Cost Statement	<u>3</u> 0	0
(89)	0	388	0	Revaluation Surplus/(Deficit) Transferred to Equity	105	0
3,411	0	3,924	0	At 31 March	5,216	976
0	0	0	0	Current	BS 0	0
3,411	0	3,924	0	Non-current	B.S 5,216	976
3,411	0	3,924	0	At 31 March	5,216	976

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

15. CASH AND CASH EQUIVALENTS

	Note	At 1 April 2013 £000	Cash Flow £000	At 31 March 2014 £000
Government Banking Service Account Balance		202	1,715	1,917
Cash at Bank and In Hand		40	3	43
Endowment Cash		1,022	(140)	882
Total Cash and Cash Equivalents - Balance Sheet	<u>B S</u>	1,264	1,578	2,842
Overdrafts	<u>16</u>	0	0	0
Total Cash - Cash Flow Statement		1,264	1,578	2,842
		<u>CFS</u>	<u>CFS</u>	

Prior Year	Note	At 1 April 2012 £000	Cash Flow £000	At 31 March 2013 £000
Government Banking Service Account Balance		210	(8)	202
Cash at Bank and In Hand		39	1	40
Endowment Cash		641	381	1,022
Total Cash and Cash Equivalents - Balance Sheet	<u>B S</u>	890	374	1,264
Overdrafts	<u>16</u>	0	0	0
Total Cash - Cash Flow Statement		890	374	1,264
		<u>CFS</u>	<u>CFS</u>	

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

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

16. TRADE AND OTHER PAYABLES

Consolidated 1 April 2013 £000	Board 1 April 2013 £000	Consolidated 1 April 2013 £000	Board 1 April 2013 £000		Note	Consolidated 31 March 2014 £000	Board 31 March 2014 £000
Payables Due Within One Year							
NHS Scotland							
0	0	0	0	0 - SGHSCD	SFR 30.1	0	0
6,907	6,907	4,709	4,709	- Boards	SFR 30	7,102	7,102
6,907	6,907	4,709	4,709	Total NHS Scotland Payables		7,102	7,102
328	328	293	293	NHS Non-Scottish Bodies		439	439
249	249	242	242	General Fund Payable		1,960	1,960
38,596	38,596	38,980	38,980	FHS Practitioners		37,112	37,112
20,478	20,478	6,815	6,815	Trade Payables		5,236	5,205
45,180	45,087	36,642	36,587	Accruals		38,523	38,503
3,879	3,879	1,932	1,932	Deferred income		1,786	1,786
0	0	0	0	Payments Received on Account		0	0
0	0	0	0	Interest Payable		0	0
0	0	0	0	Net Obligations Under Finance Leases	22	0	0
4,206	4,206	4,943	4,943	Net Obligations Under PPP/PFI Contracts	23	5,773	5,773
0	0	0	0	Bank Overdrafts	15	0	0
9,324	9,324	9,128	9,128	Income Tax and Social Security	SFR 30.1	9,187	9,187
5,056	5,056	5,423	5,423	Superannuation		6,159	6,159
2,217	2,217	2,577	2,577	Holiday Pay accrual		2,949	2,949
0	0	0	0	Clinical/Medical Negligence Claims		0	0
0	0	0	0	VAT	SFR 30.1	0	0
0	0	0	0	Other Public Sector Bodies		0	0
0	0	0	0	EC Carbon Emissions		0	0
678	678	668	668	Other Payables		517	524
137,098	137,005	112,352	112,297	Total Payables Due Within One Year	B.S.	116,743	116,699
Payables Due After More Than One Year							
NHS Scotland							
0	0	0	0	0 - SGHSCD	SFR 30.1	0	0
0	0	0	0	- Boards		0	0
0	0	0	0	Other Public Sector Bodies		0	0
Net obligations under Finance Leases due within 2 years							
0	0	0	0	Net obligations under Finance Leases due after 2 years but within 5 years	22	0	0
0	0	0	0	Net Obligations Under Finance Leases Due After 5 Years	22	0	0
4,943	4,943	5,773	5,773	Net obligations under PPP/PFI Contracts due within 2 years	23	6,707	6,707
20,243	20,243	23,424	23,424	Net obligations under PPP/PFI Contracts due after 2 years but within 5 years	23	27,012	27,012
139,426	139,426	130,402	130,402	Net Obligations Under PFI Contracts Due After 5 Years	23	120,107	120,107
0	0	0	0	EC Carbon Emissions Grant		0	0
0	0	0	0	Accruals		0	0
0	0	0	0	Deferred Income		0	0
0	0	0	0	Other		0	0
164,612	164,612	159,599	159,599	Total Payables due After More Than One Year	B.S.	153,826	153,826
301,710	301,617	271,951	271,896	TOTAL PAYABLES		270,569	270,525
WGA Classification							
6,907	6,907	4,709	4,709	NHS Scotland		7,102	7,102
14,380	14,380	14,551	14,551	Central Government Bodies	SFR 30.1	15,346	15,346
507	507	91	91	Whole of Government Bodies	SFR 30.2	2	2
328	328	293	293	Balances with NHS Bodies in England and Wales		439	439
279,588	279,495	252,307	252,252	Balances with Bodies External to Government		247,680	247,636
301,710	301,617	271,951	271,896			270,569	270,525

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

16. TRADE AND OTHER PAYABLES CONTINUED

Consolidated 31 March 2013 £000	Board 31 March 2013 £000		Consolidated 31 March 2014 £000	Board 31 March 2014 £000
		Borrowings Included Above Comprise:		
		Bank Overdrafts	0	0
		Finance Leases	0	0
164,542	164,542	PFI Contracts	159,599	159,599
164,542	164,542		159,599	159,599

The carrying amount and fair value of the non-current borrowings are as follows:

£000	£000	Carrying Amount	Carrying amount £000	Carrying amount £000
159,599	159,599	Finance Leases	0	0
		PFI Contracts	153,826	153,826
159,599	159,599		153,826	153,826

The carrying amount and fair value of the non-current borrowings are as follows:

£000	£000	Fair Value	Fair value £000	Fair value £000
0	0	Finance Leases	0	0
159,599	159,599	PFI Contracts	153,826	153,826
159,599	159,599		153,826	153,826

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

£000	£000	The carrying amount of payables are denominated in the following currencies:	£000	£000
271,951	271,896	Pounds	270,569	270,525
0	0	Euros	0	0
0	0	US Dollars	0	0
271,951	271,896		270,569	270,525

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

17. PROVISIONS - Consolidated and Board

	Pensions and Similar Obligations £000	Clinical & Medical £000	Other £000	Total £000	
At 1 April 2013	11,651	32,859	2,016	46,526	
Arising During the Year	1,344	6,651	442	8,437	
Utilised During the Year	(896)	(1,147)	(440)	(2,483)	
Unwinding of Discount	37	(592)	(36)	(591)	
Reversed Unutilised	(187)	(494)	(49)	(730)	
At 31 March 2014	11,949	37,277	1,933	51,159	B S

The amounts shown above are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 13.

Analysis of Expected Timing of Discounted Flows

	Pensions and Similar Obligations £000	Clinical & Medical £000	Other £000	Total £000
Payable in one year	1,034	24,656	1,933	27,623
Payable between 2 - 5 years	3,516	12,621	0	16,137
Payable between 6 - 10 years	3,802	0	0	3,802
Thereafter	3,597	0	0	3,597
At 31 March 2014	11,949	37,277	1,933	51,159

PRIOR YEAR

	Pensions and Similar Obligations £000	Clinical & Medical £000	Other £000	Total £000	
At 1 April 2012	10,571	24,794	2,848	38,213	
Arising During the Year	2,277	14,597	455	17,329	
Utilised During the Year	(950)	(2,830)	(997)	(4,777)	
Unwinding of Discount	46	344	1	391	
Reversed Unutilised	(293)	(4,046)	(291)	(4,630)	
At 31 March 2013	11,651	32,859	2,016	46,526	B S

Note:

In line with SGHSCD advice, the Board has used Office of National Statistics (ONS) interim life tables when calculating the pensions and similar obligations provision. In previous years the Board has used local life tables and the change accounts for an increase in the provision of £668,00 in 2012/13.

The amounts shown above are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 13.

Analysis of Expected Timing of Discounted Flows - 31 March 2013

	Pensions £000	Clinical & Medical £000	Other £000	Total £000
Payable in one year	899	9,763	2,016	12,678
Payable between 2 - 5 years	3,603	23,096	0	26,699
Payable between 6 - 10 years	3,627	0	0	3,627
Thereafter	3,522	0	0	3,522
At 31 March 2013	11,651	32,859	2,016	46,526

Analysis of Expected Timing of Discounted Flows - 31 March 2012

	Pensions and Similar Obligations £000	Clinical & Medical £000	Other £000	Total £000	
Payable in one year	765	9,178	2,824	12,767	
Payable between 2 - 5 years	2,857	15,616	24	18,497	
Payable between 6 - 10 years	3,063	0	0	3,063	
Thereafter	3,886	0	0	3,886	
At 31 March 2012	10,571	24,794	2,848	38,213	B S

	Pensions and Similar Obligations £000	Clinical & Medical £000	Other £000	Total £000	
Current	765	9,178	2,824	12,767	BS
Non-current	9,806	15,616	24	25,446	BS
At 31 March 2012	10,571	24,794	2,848	38,213	

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

17. PROVISIONS CONTINUED

Pensions

The Board meets the additional costs of benefits beyond the normal NHS Superannuation Scheme for Scotland benefits in respect of employees who retire early by paying the required amounts annually to the NHS Superannuation Scheme for Scotland over the period between early departure and normal retirement age. The Board provides for this in full when the early retirement programme becomes binding by establishing a provision for estimated payments discounted by the Treasury discount rate of 1.8% (2012-13 2.4%) in real terms. The expenditure is incurred over the period of time according to estimated life expectancy as advised by the Government Actuary.

Clinical & Medical

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

The discount rate used to assess the time value of money is -1.9% (2012-13(-1.8%))

Other

Provision is made to cover non medical claims for damages, such as accidents at work, third party claims and administrative failures.

The provision is based on risk categories assessed by the Central Legal Office (CLO).

Settlement of these claims is dependent on legal factors and is normally more than one year after the claim is notified.

Also included here are provisions for future development costs.

The discount rate used to assess the time value of money is -1.9% (2012-13(-1.8%))

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

18. MOVEMENT ON WORKING CAPITAL BALANCES

31 March 2013 Net Movement £000		Note	1 April 2013 Opening Balances £000	31 March 2014 Closing Balances £000	31 March 2014 Net Movement £000
INVENTORIES					
70	Balance Sheet	<u>12</u>	5,277	5,182	
<u>70</u>	Net Decrease/(Increase)				95
TRADE AND OTHER RECEIVABLES					
799	Due Within One Year	<u>13</u>	28,377	44,862	
(7,276)	Due After More Than One Year	<u>13</u>	23,152	12,774	
			<u>51,529</u>	<u>57,636</u>	
(5,276)	Less: Property, Plant & Equipment (Capital) Included in Above		0	0	
0	Less: Intangible Assets (Capital) Included in Above		0	0	
0	Less: General Fund Receivable Included in Above		0	0	
			<u>51,529</u>	<u>57,636</u>	
<u>(11,753)</u>	Net Decrease/(Increase)				(6,107)
TRADE AND OTHER PAYABLES					
(24,708)	Due Within One Year	<u>16</u>	112,297	116,699	
(5,013)	Due After More Than One Year	<u>16</u>	159,599	153,826	
2,261	Less: Property, Plant & Equipment (Capital) Included in Above		(2,798)	(2,900)	
0	Less: Intangible Assets (Capital) Included in Above	<u>16</u>	0	0	
0	Less: Bank Overdraft	<u>16</u>	0	0	
7	Less: General Fund Payable Included in Above	<u>16</u>	(242)	(1,960)	
4,276	Less: Lease and PFI Payables Included in Above		(164,542)	(159,599)	
0	Less : Interest Payable Included in Above		0	0	
			<u>104,314</u>	<u>106,066</u>	
<u>(23,177)</u>	Net (Decrease)/Increase				1,752
PROVISIONS					
8,313	Balance Sheet	<u>17</u>	46,526	51,159	
	Transfer from Provision to General Fund				
<u>8,313</u>	Net (Decrease)/Increase				4,633
<u>(26,547)</u>	NET MOVEMENT (Decrease)/Increase	<u>CFS</u>			373

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

19. CONTINGENT LIABILITIES

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

31 March 2013 Value £000	Nature	31 March 2014 Value £000
27,016	<p>Clinical and Medical Compensation Payments Contingent assets and liabilities arising from clinical medical compensation claims are recognised where uncertainties exist around one or more future events such as timing and cost</p>	29,140
0	Employer's Liability	0
0	Third Party Liability	0
0	Doubtful Debts	0
0	<p>Legal Claims for Equal Pay Disputes NHS Lanarkshire currently has 422 claims that have been lodged with the Employment Tribunal under the Equal pay Act 1970 mainly from women seeking compensation for past inequalities with male colleagues, under their pay arrangements. In the past year 390 claims have been withdrawn by claimants. The basis of claims is as follows: (i) The claimant's job has been rated as being of equivalent to that of their comparator using a valid Job Evaluation Study and/or is of equal value to that of their comparator. (ii) Their comparator is currently paid or has been paid more than them. (iii) They claim equal pay, back pay and interest. The current position and recent developments are summarised below. Claimant Information Work is ongoing to ensure that there is consistency in relation to data that is held on the CLO data and that held by the claimant's representatives and the Employment Tribunal. Until this exercise is concluded it is not possible to accurately advise the number of live claims. Comparator Information Named Comparators have still not been identified. Work is still ongoing by both claimants and respondents in this regard. In a significant number of cases the term/terms that is/are said to breach the equality clause has/have not been identified. Work is however being planned in order to capture the information necessary to progress claims once the terms have been identified. Period of Claim The period over which back pay for any established breach would have to be calculated is the period between dissolution of the employing Trust and 30 September 2004. For NHS Lanarkshire this means that the period of the claim is limited to 6 months. Summary The NHS Scotland Central Legal Office and Equal pay Unit are continuing to monitor the progress of all equal pay claims in NHS Scotland, as well as developments relating to NHS equal pay claims elsewhere that may further inform the position. They continue to advise that it is not possible to provide any financial quantification at this stage because of the lack of information available. On the basis of their view the appropriate accounting treatment is to disclose the claims as a contingent liability that is not possible to quantify.</p>	
<u>27,016</u>		<u>29,140</u>
	<p>The Board has not entered into any of the following unquantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort. None of these is a contingent liability within the meaning of IAS 37, since the possibility of a transfer of economic benefits in settlement is too remote. Guarantees None Indemnities None Letter of comfort None</p>	
	CONTINGENT ASSETS	
24,878	Clinical and Medical Compensation Payments	27,603
0	Employer's Liability	0
<u>24,878</u>		<u>27,603</u>

LANARKSHIRE HEALTH BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

20. EVENTS AFTER THE END OF THE REPORTING PERIOD

Events after the end of the reporting period having a material effect on the accounts are:

There are no events after the end of the reporting period having a material effect on the accounts.

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

21. COMMITMENTS

Capital Commitments

The Board has the following Capital Commitments which have not been included in the accounts.

**31 March
2013
£000**

Contracted

1,840 Monklands Business Continuity
0 Beatson at Monklands West of Scotland Radiotherapy Centre

1,840

Property Plant and Equipment	Intangible Assets	Total
31 March 2014 £000	31 March 2014 £000	31 March 2014 £000

624	0	624
15,780	0	15780

16,404	0	16,404
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Authorised but not Contracted

Significant commitments over £250,000 authorised by the Board are :

5,510 Monklands Business Continuity
0 Monklands - Pathology Centralisation
0 Monklands - Acute Mental Health
1,600 Land Purchase for Primary Care Investment
1,250 Subordinated Debt Investment in South West Hubco
350 Acute Mental Health

8,710

Total

4,000	0	4,000
2,600	0	2,600
2,040	0	2,040
0	0	0
0	0	0
0	0	0

8,640	0	8,640
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Other Financial Commitments

The Board has not entered into any significant non-cancellable contracts other than leases, capital commitments and PFI contracts.

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

22. COMMITMENTS UNDER LEASES

31 March 2013	Operating Leases	31 March 2014
£000	Total future minimum lease payments under operating leases are given in the table below for the each of the following periods.	£000
	Obligations Under Operating Leases Comprise:	
	Land	
0	Not Later Than One Year	0
0	Later than one year, not later than 2 years	0
1	Later Than Two Years, Not Later Than Five Years	1
4	Later Than Five Years	3
	Buildings	
1,156	Not Later Than One Year	1,323
1,101	Later than one year, not later than 2 years	1,194
2,905	Later Than Two Years, Not Later Than Five Years	3,230
4,959	Later Than Five Years	4,882
	Other	
3,384	Not Later Than One Year	3,002
1,789	Later than one year, not later than 2 years	1,755
1,860	Later Than Two Years, Not Later Than Five Years	1,970
825	Later Than Five Years	0
	Amounts Charged to Operating Costs in the Year Were:	
3,794	Hire of Equipment (Including Vehicles)	3,475
<u>2,024</u>	Other Operating Leases	<u>2,489</u>
<u>5,818</u>	Total	<u>5,964</u>
	Contingent Rents Recognised as an Expense in the Period Were:	
0	Contingent Rents	0
	Finance Leases	
£000	Total future minimum lease payments under finance leases are given in the table below for the each of the following periods.	£000
	Obligations Under Finance Leases Comprise:	
	Buildings	
0	Rentals Due Within One Year	<u>16</u> 0
0	Rentals due between one and two years (inclusive)	0
0	Rentals due between two and five years (inclusive)	<u>16</u> 0
<u>0</u>	Rentals Due After Five Years	<u>16</u> 0
0		0
<u>0</u>	Less Interest Element	<u>0</u>
<u>0</u>		<u>0</u>
	Other	
0	Rentals Due Within One Year	<u>16</u> 0
0	Rentals due between one and two years (inclusive)	0
0	Rentals due between two and five years (inclusive)	<u>16</u> 0
<u>0</u>	Rentals Due After Five Years	<u>16</u> 0
0		0
<u>0</u>	Less Interest Element	<u>0</u>
<u>0</u>		<u>0</u>
	This total net obligation under finance leases is analysed in Note 16 (Creditors)	
	Aggregate Rentals Receivable in the year	
<u>0</u>	Total of Finance & Operating Leases	<u>0</u>

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

23. COMMITMENTS UNDER PFI CONTRACTS - ON BALANCE SHEET

ON BALANCE SHEET

Hairmyres Hospital

The provision of a large general hospital. The period of contract is 26 March 2001 to 30 June 2031.

The estimated capital value is £69.917m. The hospital and services are provided under a contract between Lanarkshire Health Board and Prospect Healthcare (Hairmyres) Limited, with hard and soft facilities management services being supplied under a subcontract to ISS Mediclean Limited. The hospital building is provided by way of a capital rental which is non indexed linked and is profiled for the duration of the contract. Major maintenance, risk overhead and margin are set within the contracts financial framework but these increase on an annual basis in line with the retail price index. Hard facilities management services include the provision of estates services, information technology, window cleaning, pest control and energy services. These services are subject to increase in line with the retail price index. Soft facilities management services includes full provision of catering services for patients and staff, housekeeping/ward hostess, linen, portering, transport, security, switchboard and waste management. These services are subject to increase in line with the retail price index. The services provided are subject to a performance regime where reductions in the payments charged are recovered in line with the performance measurement regime. The services provided are subject to "market testing" every seven years.

Wishaw Hospital

The provision of a large general hospital. The period of contract is 28 May 2001 to 30 November 2028.

The estimated capital value is £141.970m. The hospital and services are provided under a contract between Lanarkshire Health Board and Summit Healthcare (Wishaw) Limited, with hard and soft facilities management services being supplied under a subcontract to SERCO Health Limited. A managed radiology service is provided by Siemens Ltd. and under this service all major radiology diagnostic equipment is provided, maintained and replaced in line with an investment programme. This sum is fixed within the contract and increased in line with the retail price index. The hospital building is provided by way of an Availability Payment which is largely non indexed linked and is profiled for the duration of the contract. Life cycle maintenance costs and insurance are set within the contracts financial framework but these increase on an annual basis in line with the retail price index. Hard facilities management services include the provision of estates and energy services. These services are subject to increase in line with the retail price index. Soft facilities management services include full provision of catering services for patients and staff, cleaning/domestics, linen, portering, security, switchboard and waste management. The services are set to increase in line with the retail price index. The services provided are subject to a Performance Regime where reductions in the payments charged are recovered in line with the performance measurement regime. The services provided are subject to "market testing" every seven years.

Stonehouse Hospital.

The provision of a small community hospital. The period of contract is 1 May 2004 to 30 April 2034.

The estimated capital value is £4.055m. The hospital is provided under a contract between Lanarkshire Health Board and Stonehouse Hospitals Limited, with the service arrangements provided internally by Lanarkshire Health Board.

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 contracts for the following periods comprises:

2011/12	2012/13		Hairmyres	Wishaw	Stonehouse	Total
£000	£000	Gross Minimum Lease Payments	2013/14	2013/14	2013/14	2013/14
			£000	£000	£000	£000
22,155	22,494	Rentals Due Within 1 Year	7,548	14,741	564	22,853
22,494	22,853	Due within 1 to 2 years	7,700	14,960	575	23,235
69,732	70,963	Due Within 2 to 5 Years	24,045	46,444	1,794	72,283
254,242	230,088	Due After 5 Years	14,132	180,167	11,235	205,534
368,623	346,398	Total	53,425	256,312	14,168	323,905
2011/12	2012/13		Hairmyres	Wishaw	Stonehouse	Total
£000	£000	Less Interest Element	2013/14	2013/14	2013/14	2013/14
			£000	£000	£000	£000
(17,949)	(17,551)	Rentals Due Within 1 Year	(3,459)	(13,029)	(592)	(17,080)
(17,551)	(17,080)	Due within 1 to 2 years	(3,094)	(12,838)	(596)	(16,528)
(49,489)	(47,539)	Due Within 2 to 5 Years	(6,601)	(36,869)	(1,801)	(45,271)
(114,816)	(99,686)	Due After 5 Years	(1,597)	(76,835)	(6,995)	(85,427)
(199,805)	(181,856)	Total	(14,751)	(139,571)	(9,984)	(164,306)
2011/12	2012/13		Hairmyres	Wishaw	Stonehouse	Total
£000	£000	Present Value of Minimum Lease Payments	2013/14	2013/14	2013/14	2013/14
			£000	£000	£000	£000
4,206	4,943	Rentals Due Within 1 Year	4,089	1,712	(28)	5,773
4,943	5,773	Due within 1 to 2 years	4,606	2,122	(21)	6,707
20,243	23,424	Due Within 2 to 5 Years	17,444	9,575	(7)	27,012
139,426	130,402	Due After 5 Years	12,535	103,332	4,240	120,107
168,818	164,542	Total	38,674	116,741	4,184	159,599
Total	Total		Total			
2011/12	2012/13		2013/14			
£000	£000		£000			
26,732	27,926	Service Charges	28,464			
18,282	17,948	Interest Charges	17,551			
0	0	Other Charges	0			
45,014	45,874	Total	46,015			
2011/12	2012/13		Total			
£000	£000		2013/14			
			£000			
339	424	Contingent Rents (included in other charges)	450			

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

24. PENSION COSTS

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

The National Health Service Superannuation Scheme for Scotland is an unfunded multi-employer scheme where the share of the assets and liabilities applicable to each employer is not identified. The NHS board will therefore account for its pension costs on a defined contribution basis as permitted by IAS 19. The scheme is an unfunded multi employer defined benefit scheme. It is accepted that the treatment can be as a defined contribution scheme as NHS Lanarkshire is unable to identify its share of underlying assets and liabilities of the scheme. An actuarial assessment was carried out at 31 March 2008. The results of the assessment were rolled forward to give a liability of £39.1 billion at 31 March 2013. As the scheme is unfunded there can be no surplus or shortfall. Pension contribution rates will be set by the scheme actuary at a level to meet the cost of pensions as they accrue. NHS Lanarkshire has no liability for other employers obligations to the multi employer scheme.

Financial assumptions at 31 March 2013

Rate of return (discount rate): 4.10%

Rate of return in excess of:

Earnings increases: 0.15%

Price increases 2.35%

An indication of the level of participation of NHS Lanarkshire in the scheme can be shown as follows.

Year to 31 March 2013

Total employer contributions to the scheme £595.6million.

NHS Lanarkshire employer contributions to the scheme £39.3 million.

For 2013-14, normal employer contributions of £43.109m were payable to the SPPA (prior year £39.307m) at the rate of 13.5% (13.5% in previous year) of total pensionable salaries. In addition, during the accounting period the NHS board incurred nil (prior year nil) arising from the early retirement of staff. The most recent actuarial valuation discloses a balance of £370.0m to be met by future contributions from employing authorities.

Provisions amounting to £11.949m are included in the Balance Sheet and reflect the difference between the amounts charged to the Operating Cost Statement and the amounts paid directly.

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

Pre 2008 scheme:

The scheme provides benefits on a "final salary" basis at a normal retirement age of 60. Annual benefits are normally based on 1/80th of the best of the last three years pensionable pay for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay tiered contribution rates ranging from 5% to 10.9% of pensionable earnings. Pensions are increased in line with the Consumer Price Index.

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

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

New 2008 arrangements:

The scheme provides benefits on a "final salary" basis at a normal retirement age of 65. Pension will have an accrual rate of 1/60th and be calculated on the basis of the average of the best consecutive three years pensionable pay in the ten years before retirement. There is an option to exchange part of Pension benefits for a cash lump sum at retirement, up to 25% of overall Pension Value. Members pay tiered contribution rates ranging from 5% to 10.9% of pensionable earnings. Pensions and allowances are index linked to protect their value.

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

	2013/14	2012/13
	£000	£000
Pension Cost Charge For the Year	43,109	39,307
Additional Costs Arising From Early Retirement	0	0
Provisions/Liabilities/Prepayments Included in the Balance Sheet	11,949	11,651

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

25. EXCEPTIONAL ITEMS AND PRIOR YEAR ADJUSTMENTS

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

Prior year adjustments reflect the consolidation of the Lanarkshire Health Board Endowment Funds with the Lanarkshire Health Board Accounts.

Adjustment 1	<u>Dr</u> <u>£000</u>	<u>Cr</u> <u>£000</u>
Note 7 Other Non Clinical Costs	536	
Note 8 Other Operating Income		1,457
SOCTE - Net Operating Cost	921	
Note 14 Available for Sale Financial assets	3,924	
Note 13 Trade and Other Receivables	14	
Note 15 Cash and cash equivalents	1022	
Note 16 Trade and other payables		55
Balance Sheet - Funds Held on Trust		4905
	<u>6,417</u>	<u>6,417</u>

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

26a. RESTATED SOCNE

	Previous Accounts £'000	Adjustment 1 £'000	These Accounts £'000
Clinical Services Costs			
Hospital and Community	794,529	0	794,529
Less: Hospital and Community Income	43,896	0	43,896
	750,633	0	750,633
Family Health Services	255,693	0	255,693
Less: Family Health Services Income	7,106	0	7,106
	248,587	0	248,587
Total Clinical Services Costs	999,220	0	999,220
Administration Costs	8,338	0	8,338
Less: Administration Income	0	0	0
	8,338	0	8,338
Other Non Clinical Services	33,203	536	33,739
Less: Other Operating Income	40,133	1,457	41,590
	(6,930)	(921)	(7,851)
Net Operating Costs	1,000,628	(921)	999,707

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

26b. RESTATED BALANCE SHEET

	Previous Accounts £'000	Adjustment 1 £'000	These Accounts £'000
Non-current assets			
Property, plant and equipment	484,047	0	484,047
Intangible assets	2,149	0	2,149
Financial assets:			
Available for sale financial assets	0	3,924	3,924
Trade and other receivables	23,152		23,152
	509,348	3,924	513,272
CURRENT ASSETS			
Inventories	5,277	0	5,277
Financial assets:			
Trade and other receivables	28,377	14	28,391
Cash and cash equivalents	242	1,022	1,264
Available for sale financial assets	0	0	0
Derivatives financial assets	0	0	0
Assets classified as held for sale	871	0	871
	34,767	1,036	35,803
TOTAL ASSETS	544,115	4,960	549,075
CURRENT LIABILITIES			
Provisions	(12,678)	0	(12,678)
Financial liabilities:			
Trade and other payables	(112,297)	(55)	(112,352)
Derivatives financial liabilities	0		0
TOTAL CURRENT LIABILITIES	(124,975)	(55)	(125,030)
NON-CURRENT ASSETS PLUS/LESS NET CURRENT ASSETS/LIABILITIES	419,140	4,905	424,045
Non-current liabilities			
Provisions	(33,848)	0	(33,848)
Financial liabilities:			
Trade and other payables	(159,599)	0	(159,599)
Total non-current liabilities	(193,447)	0	(193,447)
Assets less liabilities	225,693	4,905	230,598
TAXPAYERS' EQUITY			
General Fund	80,033	0	80,033
Revaluation Reserve	145,660	0	145,660
Other Reseves	0	0	0
Funds Held on Trust	0	4,905	4,905
Total taxpayers' equity	225,693	4,905	230,598

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

26c. RESTATED CASH FLOW STATEMENT

	Previous Accounts £'000	Adjustment 1 £'000	These Accounts £'000
Cash flows from operating activities			
Net operating cost	(1,000,628)	921	(999,707)
Adjustments for non-cash transactions	25,337	(513)	24,824
Add back: interest payable recognised in net operating cost	18,339	0	18,339
Deduct: interest receivable recognised in net operating cost	0	0	0
Investment Income	0	0	0
(Increase) / decrease in trade and other receivables	(11,753)	10	(11,743)
(Increase) / decrease in inventories	70	1	71
Increase / (decrease) in trade and other payables	(23,177)	(38)	(23,215)
Increase / (decrease) in provisions	8,313	0	8,313
Net cash outflow from operating activities	(983,499)	381	(983,118)
Cash flows from investing activities			
Purchase of property, plant and equipment	(17,060)	0	(17,060)
Purchase of intangible assets	0	0	0
Investment Additions	0	0	0
Proceeds of disposal of property, plant and equipment	8,117	0	8,117
Receipts From Sale of Investments	0	0	0
Proceeds of disposal of intangible assets	0	0	0
Interest received	0	0	0
Net cash outflow from investing activities	(8,943)	0	(8,943)
Cash flows from financing activities			
Funding	1,015,057	0	1,015,057
Movement in general fund working capital	(7)	0	(7)
Cash drawn down	1,015,050	0	1,015,050
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts	(4,276)	0	(4,276)
Interest paid	(391)	0	(391)
Interest element of finance leases and on-balance sheet PFI/PPP contracts	(17,948)	0	(17,948)
Net Financing	992,435	0	992,435
Net Increase / (decrease) in cash and cash equivalents in the period	(7)	381	374
Cash and cash equivalents at the beginning of the period	249	641	890
Cash and cash equivalents at the end of the period	242	1,022	1,264
Reconciliation of net cash flow to movement in net debt/cash			
Increase/(decrease) in cash in year	(7)	381	374
Net debt/cash at 1 April	249	641	890
Net debt/cash at 31 March	242	1,022	1,264

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

27. FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

CONSOLIDATED

AT 31 MARCH 2014

Assets Per Balance Sheet

	Note	Loans and Receivables £000	Assets at Fair Value through Profit and Loss £000	Available for Sale £000	Total £000
Investments	<u>14</u>	0	0	5,216	5,216
Derivative Financial Instruments	<u>28</u>	0	0	0	0
Trade and Other Receivables Excluding Prepayments, Reimbursements of Provisions and VAT Recoverable.	<u>13</u>	6,565	0	0	6,565
Cash and Cash Equivalents	<u>15</u>	2,842	0	0	2,842
		9,407	0	5,216	14,623

BOARD

AT 31 MARCH 2014

Assets Per Balance Sheet

	Note	Loans and Receivables £000	Assets at Fair Value through Profit and Loss £000	Available for Sale £000	Total £000
Investments	<u>14</u>	0	0	0	0
Derivative Financial Instruments	<u>28</u>	0	0	0	0
Trade and Other Receivables Excluding Prepayments, Reimbursements of Provisions and VAT Recoverable.	<u>13</u>	6,376	0	0	6,376
Cash and Cash Equivalents	<u>15</u>	1,960	0	0	1,960
		8,336	0	0	8,336

CONSOLIDATED (Prior Year)

AT 31 MARCH 2013

Assets Per Balance Sheet

	Note	Loans and Receivables £000	Assets at Fair Value through Profit and Loss £000	Available for Sale £000	Total £000
Investments	<u>14</u>	0	0	3,924	3,924
Derivative Financial Instruments	<u>28</u>	0	0	0	0
Trade and Other Receivables Excluding Prepayments, Reimbursements of Provisions and VAT Recoverable.	<u>13</u>	3,911	0	0	3,911
Cash and Cash Equivalents	<u>15</u>	1,264	0	0	1,264
		5,175	0	3,924	9,099

BOARD

AT 31 MARCH 2013

Assets Per Balance Sheet

	Note	Loans and Receivables £000	Assets at Fair Value through Profit and Loss £000	Available for Sale £000	Total £000
Investments	<u>14</u>	0	0	0	0
Derivative Financial Instruments	<u>28</u>	0	0	0	0
Trade and Other Receivables Excluding Prepayments, Reimbursements of Provisions and VAT Recoverable.	<u>13</u>	3,897	0	0	3,897
Cash and Cash Equivalents	<u>15</u>	242	0	0	242
		4,139	0	0	4,139

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

27. FINANCIAL INSTRUMENTS CONTINUED

Financial Liabilities

CONSOLIDATED

AT 31 MARCH 2014

Liabilities Per Balance Sheet

	Note	Liabilities at Fair Value through Profit and Loss £000	Other Financial Liabilities £000	Total £000
Finance Lease Liabilities	<u>16</u>	0	159,599	159,599
PFI Liabilities	<u>16</u>	0	0	0
Derivative Financial Instruments	<u>28</u>	0	0	0
Trade and Other Payables excluding Statutory Liabilities (VAT and Income Tax and Social Security) Deferred Income and Superannuation	<u>16</u>	0	86,736	86,736
		0	246,335	246,335

BOARD

AT 31 MARCH 2014

Liabilities Per Balance Sheet

	Note	Liabilities at Fair Value through Profit and Loss	Other Financial Liabilities	Total
Finance Lease Liabilities	<u>16</u>	0	0	0
PFI Liabilities	<u>16</u>	0	159,599	159,599
Derivative Financial Instruments	<u>28</u>	0	0	0
Trade and Other Payables excluding Statutory Liabilities (VAT and Income Tax and Social Security) Deferred Income and Superannuation	<u>16</u>	0	86,692	86,692
		0	246,291	246,291

CONSOLIDATED (Prior Year)

AT 31 MARCH 2013

Liabilities Per Balance Sheet

	Note	Liabilities at Fair Value through Profit and Loss £000	Other Financial Liabilities £000	Total £000
Finance Lease Liabilities	<u>16</u>	0	0	0
PFI Liabilities	<u>16</u>	0	164,542	164,542
Derivative Financial Instruments	<u>28</u>	0	0	0
Trade and Other Payables excluding Statutory Liabilities (VAT and Income Tax and Social Security) Deferred Income and Superannuation	<u>16</u>	0	86,217	86,217
		0	250,759	250,759

BOARD (Prior Year)

AT 31 MARCH 2013

Liabilities Per Balance Sheet

	Note	Liabilities at Fair Value through Profit and Loss £000	Other Financial Liabilities £000	Total £000
Finance Lease Liabilities	<u>16</u>	0	0	0
PFI Liabilities	<u>16</u>	0	164,542	164,542
Derivative Financial Instruments	<u>28</u>	0	0	0
Trade and Other Payables excluding Statutory Liabilities (VAT and Income Tax and Social Security) Deferred Income and Superannuation	<u>16</u>	0	86,162	86,162
		0	250,704	250,704

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

27. FINANCIAL INSTRUMENTS CONTINUED

b FINANCIAL RISK FACTORS

Exposure to Risk

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

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

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

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

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

Risk Management Policies

Lanarkshire Health Board has a Risk Management Strategy in place which forms a key part of Lanarkshire Health Board's system of internal control. The strategy makes clear the Chief Executive's overall responsibility for risk management with leadership and accountability across Lanarkshire Health Board clearly defined, to include the responsibilities of directors, local managers and individual staff in supporting the delivery of the strategy and the identification and assessment of risk. The Board also has written policies which are part of a dedicated Risk Management web-page covering for example, Risk Management Strategy, Risk Register Guidance, Incident Management Guidance, Critical Incident Review.

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.

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

27. FINANCIAL INSTRUMENTS CONTINUED

b) Liquidity Risk

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

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

	Less Than 1 Year £000	Between 1 and 2 Years £000	Between 2 and 5 Years £000	Over 5 Years £000
As at 31 March 2014				
PFI Liabilities	5,773	6,707	27,012	120,107
Finance Lease Liabilities	0	0	0	0
Derivative Financial Instruments	0	0	0	0
Trade and Other Payables Excluding Statutory Liabilities	0	0	0	0
Total	5,773	6,707	27,012	120,107

	Less Than 1 Year £000	Between 1 and 2 Years £000	Between 2 and 5 Years £000	Over 5 Years £000
As at 31 March 2013				
PFI Liabilities	4,943	5,773	23,424	130,402
Finance Lease Liabilities	0	0	0	0
Derivative Financial Instruments	0	0	0	0
Trade and Other Payables Excluding Statutory Liabilities	86,217	0	0	0
Total	91,160	5,773	23,424	130,402

c) Market Risk

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

i) Cash Flow and Fair Value Interest Rate Risk

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

ii) Foreign Currency Risk

The NHS Board is not exposed to foreign currency risk.

iii) Price Risk

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

d) Fair Value Estimation

Fair Value is not considered to be materially different to carrying value.

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

28. DERIVATIVE FINANCIAL INSTRUMENTS (CONSOLIDATED AND BOARD)

Note : Lanarkshire Health Board has not entered into any such transactions.

1 April 2012	1 April 2013		31 March 2014
£000	£000	Assets	£000
		Forward foreign currency contract	
0	0	Balance at 1 April	0
0	0	Additions	0
0	0	Repayments and Disposals	0
0	0	Revaluation	0
<u>0</u>	<u>0</u>	Balance at 31 March	<u>0</u>
		Liabilities	
£000	£000	Forward foreign currency contract	£000
0	0	Balance at 1 April	0
0	0	Additions	0
0	0	Repayments and Disposals	0
0	0	Revaluation	0
<u>0</u>	<u>0</u>	Balance at 31 March	<u>0</u>
£000	£000		£000
<u>0</u>	<u>0</u>	Gain / Loss Recognised in Operating Costs	<u>0</u>
<u>0</u>	<u>0</u>	The notional principle amounts of the outstanding forward exchange contracts at 31 March were:	<u>0</u>

LANARKSHIRE HEALTH BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

29. RELATED PARTY TRANSACTIONS

The Board had various material transactions with other government departments and other central government bodies.

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

The Council Representatives of North Lanarkshire Council and South Lanarkshire Council are non-executive directors of Lanarkshire Health Board.

Expenditure with the two Councils in 2013-14 was:

North Lanarkshire Council £26.805m (2012-13 £26.525m) and South Lanarkshire Council £21.916m (2012-13 £21.029m)

Income derived from the two Councils was:

North Lanarkshire Council £2.965m (2012-13 £2.892m) and South Lanarkshire Council £2.618m (2012-13 £2.584m)

Expenditure still due to the two Councils is :

North Lanarkshire Council £0.001m and South Lanarkshire Council £0.001m.

Income still due from the two Councils is:

North Lanarkshire Council £0.978m and South Lanarkshire Council £0.240m.

The Board Members are all Trustees of the Lanarkshire Health Board Endowment Fund.

The Endowment Fund Accounts are now consolidated with the Board Accounts.

One of the non-executive directors is also the Chief Executive of Chest, Heart and Stroke Scotland.

Expenditure with Chest, Heart and Stroke Scotland was £0.201m. (2012-13 £0.276m).

One of the non-executive directors is also a member of the governing body of The Haven, Blantyre.

Expenditure with The Haven, Blantyre was £0.063m. (2012-13 £0.097m).

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

30. SEGMENT INFORMATION

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

	Acute Operating Division £000	Corporate Functions £000	CHP North £000	CHP South £000	Primary Care Area Wide Services £000	Other Healthcare Providers NHSL Wide £000	Total 2014 £000
Net operating cost reported to Board at 31 March 2013	299,974	116,070	107,713	51,449	284,195	179,809	1,039,210
Net Operating Cost per Annual Accounts	299,974	116,070	107,713	51,449	284,195	179,809	1,039,210

The Board has been designated as the Chief Operating Decision Maker because it directs and controls the overall business of Lanarkshire Health Board. The reported segments have been chosen, as this is the basis for reporting operating and financial information to the Board.

SEGMENT INFORMATION - PRIOR YEAR

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

	Acute Operating Division £000	Corporate Functions £000	CHP North £000	CHP South £000	Primary Care Area Wide Services £000	Other Healthcare Providers NHSL Wide £000	Total 2013 £000
Net operating cost reported to Board at 31 March 2012	278,174	120,872	101,872	47,062	279,206	173,442	1,000,628
Net Operating Cost per Annual Accounts	278,174	120,872	101,872	47,062	279,206	173,442	1,000,628

The Board has been designated as the Chief Operating Decision Maker because it directs and controls the overall business of Lanarkshire Health Board. The reported segments have been chosen, as this is the basis for reporting operating and financial information to the Board.

LANARKSHIRE HEALTH BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

31. THIRD PARTY ASSETS

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

These are not departmental assets and are not included in the accounts. The assets held at the reporting period date to which it was practical to ascribe monetary values comprised monetary assets, such as bank balances and monies on deposit, and listed securities.

They are set out in the table immediately below.

	2013	Gross	Gross	2014
	£000	Inflows	Outflows	£000
		£000	£000	
Monetary Amounts Such as Bank Balances and Monies on Deposit -				
Patients Funds Accounts	937	530	(560)	907
Unclaimed Dividends and Unapplied Balances	0	0	0	0
Securities	0	0	0	0
Other Monetary Assets	0	0	0	0
Total Monetary Assets	937	530	(560)	907

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

32. EXIT PACKAGES

Exit Package Cost Band	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Cost Band
<£10,000	0	0	0
£10,000 - £25,000	0	0	0
£25,000 - £50,000	0	1	1
£50,000 - £100,000	0	0	0
£100,000- £150,000	0	0	0
£150,000- £200,000	0	0	0
>£200,000	0	0	0
Total Number Exit Packages By Type	0	1	1
Total Resource Cost (£'000)	0	50	50

EXIT PACKAGES - PRIOR YEAR

Exit Package Cost Band	Number of compulsory redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Cost Band
<£10,000	0	1	1
£10,000 - £25,000	0	1	1
£25,000 - £50,000	0	4	4
£50,000 - £100,000	0	2	2
£100,000- £150,000	0	2	2
£150,000- £200,000	0	0	0
>£200,000	0	0	0
Total Number Exit Packages By Type	0	10	10
Total Resource Cost (£'000)	0	499	499

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

33a. CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Group 2013 £'000		Board 2014 £'000	Endowments 2014 £'000	Intra Group Adjustment 2014 £'000	Consolidated 2014 £'000
	Clinical Services Costs				
794,529	Hospital and Community	829,758	0	0	829,758
43,896	Less: Hospital and Community Income	45,015	0	0	45,015
750,633		784,743	0	0	784,743
255,693	Family Health	258,332	0	0	258,332
7,106	Less: Family Health Income	7,376	0	0	7,376
248,587		250,956	0	0	250,956
999,220	Total Clinical Services Costs	1,035,699	0	0	1,035,699
8,338	Administration Costs	8,899	0	0	8,899
0	Less: Administration Income	0	0	0	0
8,338		8,899	0	0	8,899
33,739	Other Non Clinical Services	20,195	547	0	20,742
41,590	Less: Other Operating Income	25,583	724	0	26,307
(7,851)		(5,388)	(177)	0	(5,565)
999,707	Net Operating Costs	1,039,210	(177)	0	1,039,033

Brief details should be provided for each adjustment included in column E (Intra Group Adjustments) above:

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

33b. CONSOLIDATED GROUP BALANCE SHEET

Group 2013 £'000		Note	Board 2014 £'000	Endowment 2014 £'000	Intra Group adjustment 2014 £'000	Group 2014 £'000
Non-current assets:						
484,047	Property, plant and equipment	11	477,033	0	0	477,033
2,149	Intangible assets	10	2,317	0	0	2,317
Financial assets:						
3,924	Available for sale financial assets	14	976	4,240	0	5,216
23,152	Trade and other receivables	13	12,774	0	0	12,774
513,272	Total non-current assets		493,100	4,240	0	497,340
Current Assets:						
5,277	Inventories	12	5,182	0	0	5,182
Financial assets:						
28,391	Trade and other receivables	13	44,862	12	(8)	44,866
1,264	Cash and cash equivalents	15	1,960	882	0	2,842
0	Available for sale financial assets	14	0	0	0	0
0	Derivatives financial assets	28	0	0	0	0
871	Assets classified as held for sale	11c	2,121	0	0	2,121
35,803	Total current assets		54,125	894	(8)	55,011
549,075	Total assets		547,225	5,134	(8)	552,351
Current liabilities						
(12,678)	Provisions	17	(27,623)	0	0	(27,623)
Financial liabilities:						
(112,352)	Trade and other payables	16	(116,699)	(52)	8	(116,743)
0	Derivatives financial liabilities	28	0	0	0	0
(125,030)	Total current liabilities		(144,322)	(52)	8	(144,366)
424,045	Non-current assets plus/less net current assets/liabilities		402,903	5,082	0	407,985
Non-current liabilities						
(33,848)	Provisions	17	(23,536)	0	0	(23,536)
Financial liabilities:						
(159,599)	Trade and other payables	16	(153,826)	0	0	(153,826)
(193,447)	Total non-current liabilities		(177,362)	0	0	(177,362)
230,598	Assets less liabilities		225,541	5,082	0	230,623
Taxpayers' Equity						
80,033	General fund	SOCTE	73,888	0	0	73,888
145,660	Revaluation reserve	SOCTE	151,653	0	0	151,653
0	Other reserves	SOCTE	0	0	0	0
4,905	Funds Held on Trust	SOCTE	0	5,082	0	5,082
230,598	Total taxpayers' equity		225,541	5,082	0	230,623

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

33c. CONSOLIDATED STATEMENT OF CASHFLOWS

Board £'000	Endowment £'000	Group £'000		Board £'000	Endowment £'000	Group £'000
			Cash flows from operating activities			
(1,000,628)	921	(999,707)	Net operating cost	(1,039,210)	177	(1,039,033)
25,337	(513)	24,824	Adjustments for non-cash transactions	30,579	(316)	30,263
18,339	0	18,339	Add back: interest payable recognised in net operating cost	16,960	0	16,960
0	0	0	Deduct: interest receivable recognised in net operating cost	0	0	0
0	0	0	Investment Income	0	0	0
(11,753)	10	(11,743)	(Increase) / decrease in trade and other receivables	(6,107)	2	(6,105)
70	1	71	(Increase) / decrease in inventories	95	0	95
(23,177)	(38)	(23,215)	Increase / (decrease) in trade and other payables	1,752	(3)	1,749
8,313	0	8,313	Increase / (decrease) in provisions	4,633	0	4,633
(983,499)	381	(983,118)	Net cash outflow from operating activities	(991,298)	(140)	(991,438)
			Cash flows from investing activities			
(17,060)	0	(17,060)	Purchase of property, plant and equipment	(15,408)	0	(15,408)
0	0	0	Purchase of intangible assets	(629)	0	(629)
0	0	0	Investment Additions	(976)	0	(976)
8,117	0	8,117	Proceeds of disposal of property, plant and equipment	780	0	780
0	0	0	Proceeds of disposal of intangible assets	0	0	0
0	0	0	Receipts from sale of investments	0	0	0
0	0	0	Interest and dividends received	0	0	0
(8,943)	0	(8,943)	Net cash outflow from investing activities	(16,233)	0	(16,233)
			Cash flows from financing activities			
1,015,057	0	1,015,057	Funding	1,029,434	0	1,029,434
(7)	0	(7)	Movement in general fund working capital	1,718	0	1,718
1,015,050	0	1,015,050	Cash drawn down	1,031,152	0	1,031,152
(4,276)	0	(4,276)	Capital element of payments in respect of finance leases and on-balance sheet PFI contracts	(4,943)	0	(4,943)
(391)	0	(391)	Interest paid	591	0	591
(17,948)	0	(17,948)	Interest element of finance leases and on-balance sheet PFI/PPP contracts	(17,551)	0	(17,551)
992,435	0	992,435	Net Financing	1,009,249	0	1,009,249
(7)	381	374	Net Increase / (decrease) in cash and cash equivalents in the period	1,718	(140)	1,578
0	641	890	Cash and cash equivalents at the beginning of the period	242	1,022	1,264
(7)	1,022	1,264	Cash and cash equivalents at the end of the period	1,960	882	2,842
			Reconciliation of net cash flow to movement in net debt/cash			
(7)	381	374	Increase/(decrease) in cash in year	1,718	(140)	1,578
249	641	890	Net debt/cash at 1 April	242	1,022	1,264
242	1,022	1,264	Net debt/cash at 31 March	1,960	882	2,842

LANARKSHIRE HEALTH BOARD

ALLOCATIONS FROM SCOTTISH GOVERNMENT HEALTH DEPARTMENT

FOR THE YEAR ENDED 31 MARCH 2014

2012/13 £000		Note	2013/14 £000
ALLOCATIONS - UNIFIED BUDGET			
869,304	Core Revenue Resource Limit		948,631
71,886	Non Core Revenue Resource Limit		31,951
0	Other Revenue Allocations		0
941,190	Total Unified Budget		980,582
64,022	FHS Non Discretionary Allocation	<u>OCS</u>	62,172
1,005,212	Total Revenue Allocation		1,042,754
Less Non RRL Allocations			
(64,022)	FHS Non Discretionary Allocation	<u>OCS</u>	(62,172)
0	Other		0
941,190	Revenue Resource Limit	<u>OCS</u>	980,582
Of the above:			
869,304	Core Revenue Resource Limit		948,631
71,886	Non Core Revenue Resource Limit		31,951
£000			£000
CAPITAL RESOURCE ALLOCATIONS			
6,256	Projects Below £1 million		8,568
6,256			8,568
5,605	Projects Above £1 million		6,619
0	Ring-fenced Capital Projects		1,157
11,861	Total Capital Allocations	<u>9</u>	16,344

LANARKSHIRE HEALTH BOARD

FAMILY HEALTH SERVICE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

2012/13 £000		Note	2013/14 £000
	UNIFIED BUDGET INCOME		
	Medical Services		
0	Sums Withheld from Practitioners		0
0	Rents of Practitioners' Houses		0
0	NES Income		0
0	Other Income from GP Practices		0
0	IT Income		0
<u>0</u>	Total Medical Services		<u>0</u>
	Pharmaceutical Services		
0	Prescription Charges Retained		0
0	Sale of Pharmaceutical Certificates		0
0	Recovered Direct from Patients		0
0	New Pharmacy Contract		0
<u>0</u>	Total Pharmaceutical Services		<u>0</u>
<u>0</u>	Total Unified Budget Income	<u>8</u>	<u>0</u>
	NON DISCRETIONARY INCOME		
	General Dental Services		
7,106	Services provided by independent contractors		7,376
0	Salaried General Dental Services		0
<u>7,106</u>	Total General Dental Services	<u>8</u>	<u>7,376</u>
	General Ophthalmic Services		
0	Other Non Discretionary Income	<u>8</u>	0
<u>7,106</u>	Total Non Discretionary Income		<u>7,376</u>
<u>7,106</u>	TOTAL INCOME		<u>7,376</u>

LANARKSHIRE HEALTH BOARD

PRIMARY MEDICAL SERVICES

FOR THE YEAR ENDED 31 MARCH 2014

2012/13 £000		2013/14 £000
	Unified Budget Payments	
40,171	Global Sum	42,006
(2,280)	Deduction for Opt Outs (Out of Hours and Additional Services)	(2,312)
882	MPIG Correction Factor	898
38,773	Total Global Sum and MPIG	40,592
14,675	Quality	13,431
14,675	Total Quality	13,431
4,963	A. Directed Enhanced Services (Section A Below)	5,557
668	National Enhanced Services	655
919	Local Enhanced Services	1,122
6,550	Total Enhanced Services	7,334
2,432	PCO Administered (Section B Below)	2,610
3,355	Premises	3,721
958	IM&T	734
89	Scottish Quality Prescribing Initiative	72
905	Balance of PMS Expenditure	874
67,737	Total Primary Medical Services	69,368

5

SUPPLEMENTARY INFORMATION

	A. Directed Enhanced Services	
1,194	Childhood Vaccination and Immunisation Scheme	1,171
901	Influenza, Pneumococcal and Pertussis Immunisations	1,020
29	Services for Violent Patients	29
106	Minor Surgery	108
0	Non Des Item Pneumococcal Vaccine, Childhood Immunisation Main Programme	264
0	Non Des Item Pneumococcal Vaccine, Childhood Immunisation Catch Up Programme	0
1,075	Scottish Enhanced Services Programme (SESP)	1,391
1,433	Extended Hours GPs	1,462
0	Extended Hours Nursing Provision	0
183	Palliative Care	112
42	Osteoporosis	0
0	Ethnicity Monitoring	0
4,963	Total Directed Enhanced Services	5,557
	B. PCO Administered	
1,858	Seniority	1,795
42	Doctors Retainer Scheme Payments	38
1,900		1,833
	Locum Allowances:	
237	Adoptive, Paternity and Maternity	495
21	Sickness	43
0	Suspended Doctors	0
258		538
0	Prolonged Study Leave	0
92	Recruitment and Retention (including Golden Hello)	106
0	Associates	0
0	Ers Contributions for Supplementary Medical List	0
182	Other - GP ACT; Needles & Syringes	133
2,432	Total PCO Administered	2,610

LANARKSHIRE HEALTH BOARD
PHARMACEUTICAL SERVICES
FOR THE YEAR ENDED 31 MARCH 2014

2012/13 £000		2013/14 £000
	NON DISCRETIONARY PAYMENTS	
	PAYMENTS TO CHEM.CONT, APPL.SUPP & MED. PRAC.	
12,661	Remuneration & Other Fees	5,276
0	Model Schemes	0
1,601	Minor Ailment Service	1,621
1,311	Public Health Service	950
436	Infrastructure Support	218
152	Unscheduled Care	76
<u>16,161</u>		<u>8,141</u>
	NEW PHARMACY CONTRACT	
0	Transitional Reimbursement	6,853
0	Acute Medication Service	0
3,215	Chronic Medication Service	4,330
0	New Contract Preparation Payments	0
110	Supplementary and Independent Prescribing Clinics	110
<u>3,325</u>		<u>11,293</u>
<u>19,486</u>	Total non discretionary c/f to Note 5	<u>5</u> <u>19,434</u>
	UNIFIED BUDGET PAYMENTS	
	PAYMENTS TO CHEM.CONT, APPL.SUPP & MED.PRAC.	
113,424	Drugs and Appliances	115,388
1,021	Stoma Fees	1,058
9	Palliative Care Model Scheme	10
1,588	Local Contracts With Pharmacists	1,525
0	Grants for Personal Advice Areas	0
<u>116,042</u>	Total Unified Budget c/f to Note 5	<u>5</u> <u>117,981</u>
<u>135,528</u>		<u>137,415</u>

LANARKSHIRE HEALTH BOARD

GENERAL DENTAL SERVICES

FOR THE YEAR ENDED 31 MARCH 2014

2012/13 £000		2013/14 £000
	NON DISCRETIONARY	
	PAYMENTS TO INDEPENDENT DENTAL PRACTITIONERS	
27,693	Item of Service Fees	26,524
4,432	Capitation Payments	4,315
4,251	Continuing Care Payments	4,303
215	Seniority Payments	253
802	Commitment Payments	803
0	Dental Services in Remote Areas	0
0	Vocational Training Scheme	0
1,803	Superannuation - Board's Share	1,857
239	Reimbursement of business rates	226
196	Other Practice Allowances	381
<u>39,631</u>		<u>38,662</u>
	SALARIED GENERAL DENTAL SERVICES	
198	Dentists' Salaries	0
481	Chairside Assistants. & Receptionists	0
238	Non Pay Costs	0
<u>917</u>		<u>0</u>
	OTHER PAYMENTS	
12	Charges Refunded to Patients	9
0	Dentists' Retainer Scheme	0
<u>12</u>		<u>9</u>
<u>40,560</u>	Total non discretionary c/f to Note 5	<u>5</u> <u>38,671</u>
	UNIFIED BUDGET	
635	Dental Access Initiative Fund	329
94	Dental Services Improvements	114
0	Dental Practice Advisor	0
0	Salaried General Dental Services - Pay	678
0	Salaried General Dental Services - Non-Pay	237
<u>729</u>	Total unified budget c/f to Note 5	<u>5</u> <u>1,358</u>

LANARKSHIRE HEALTH BOARD
GENERAL OPHTHALMIC SERVICES
FOR THE YEAR ENDED 31 MARCH 2014

2012/13 £000		2013/14 £000
	PAYMENTS OF SIGHT TEST FEES	
42	Ophthalmic Medical Practitioners	50
7,497	Ophthalmic Opticians	7,765
<u>7,539</u>	Sub Total	<u>7,815</u>
	Domiciliary Visits:	
1	Ophthalmic Medical Practitioners	0
185	Ophthalmic Opticians	193
4	Refund to Patients	3
<u>190</u>	Sub Total	<u>196</u>
28	Grants for Pre-Reg. Students	29
<u>28</u>	Sub Total	<u>29</u>
	SPECTACLES VOUCHER SCHEME	
	New glasses - Vouchers Redeemed	
5	Small Frames Supplement	2
2,992	Cost of Redeeming Vouchers	3,044
(11)	Less: Patients' Contributions to Vouchers Credit	(12)
<u>2,986</u>	Sub Total	<u>3,034</u>
	Repair/Replacement - Vouchers Redeemed	
275	Children's Glasses	297
10	Adults' Glasses	13
<u>285</u>		<u>310</u>
54	Continuing Education and Training Allowance	59
<u>54</u>		<u>59</u>
<u>11,082</u>	Total non discretionary c/f to note 5	<u>5</u> <u>11,443</u>
	UNIFIED BUDGET	
57	Hospital Eye Service	77
<u>57</u>	Total Unified Budget c/f to note 5	<u>5</u> <u>77</u>

LANARKSHIRE HEALTH BOARD
SALARIES AND WAGES SUMMARY
FOR THE YEAR ENDED 31 MARCH 2014

2012/13		2013/14
£000		£000
93,903	Specialists, Medical and Dental	99,464
192,689	Nursing	202,774
51,518	AHP and Pharmacists	53,139
19,447	Other Technical	19,767
49,864	Administrative and Clerical	51,687
15,333	Other	15,518
422,754	Total	442,349

LANARKSHIRE HEALTH BOARD

SUMMARY OF LOSSES AND SPECIAL PAYMENTS

FOR THE YEAR ENDED 31 MARCH 2014

ITEM NO.		NO. OF CASES	TOTAL £
	Theft / Arson / Wilful Damage		
1	Cash	2	206
2	Stores/procurement	0	0
3	Equipment	0	0
4	Contracts	0	0
5	Payroll	0	0
6	Buildings & Fixtures	0	0
7	Other	0	0
	Fraud, Embezzlement & other irregularities (inc. attempted fraud-		
8	Cash	1	988
9	Stores/Procurement	0	0
10	Equipment	0	0
11	Contracts	0	0
12	Payroll	0	0
13	Other	0	0
14	Nugatory & Fruitless Payments	0	0
15	Claims Abandoned:		
	(a) Private Accommodation	0	0
	(b) Road Traffic Acts	0	0
	(c) Other	71	12,617
	Stores Losses:		
	Incidents of the Service		
16	- Fire	0	0
	- Flood	0	0
	- Accident	0	0
17	Deterioration in Store	0	0
18	Stocktaking Discrepancies	3	61,158
19	Other Causes	2	1,785
	Losses of Furniture & Equipment and Bedding & Linen in circulation:		
20	Incidents of the Service – Fire	0	0
	- Flood	0	0
	- Accident	147	28,168
21	Disclosed at Physical Check	0	0
22	Other Causes	14	74,676
	Compensation Payments - legal obligation		
23	Clinical	29	2,558,171
24	Non-clinical	19	339,567
	Ex-gratia payments:		
25	Extra-contractual Payments	0	0
26	Compensation Payments - ex-gratia - Clinical	0	0
27	Compensation Payments - ex-gratia - Non Clinical	0	0
28	Compensation Payments - ex-gratia - Financial Loss	69	10,923
29	Other Payments	0	0
	Damage to Buildings and Fixtures:		
30	Incidents of the Service – Fire		
	- Fire	0	0
	- Flood	0	0
	- Accident	0	0
	- Other Causes	0	0
31	Extra-Statutory & Extra-regulatory Payments	0	0
32	Gifts in cash or kind	0	0
33+	Other Losses	1	2,794
	Total	358	3,091,053

**LANARKSHIRE HEALTH BOARD
DETAILS OF DELEGATED AUTHORITY OF NHS BOARD
FOR LOSSES AND SPECIAL PAYMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

SFR 18.1 (a)

		Delegated Authority (per case) £		
		Category 1	Category 2	Category 3
		Board	Board	Board
Theft / Arson / Wilful Damage				
1	Cash	20,000	15,000	10,000
2	Stores/Procurement	40,000	30,000	20,000
3	Equipment	20,000	15,000	10,000
4	Contracts	20,000	15,000	10,000
5	Payroll	20,000	15,000	10,000
6	Buildings & Fixtures	40,000	30,000	20,000
7	Other	20,000	15,000	10,000
Fraud, Embezzlement and other irregularities (inc. attempted fraud)				
8	Cash	20,000	15,000	10,000
9	Stores/procurement	40,000	30,000	20,000
10	Equipment	20,000	15,000	10,000
11	Contracts	20,000	15,000	10,000
12	Payroll	20,000	15,000	10,000
13	Other	20,000	15,000	10,000
14	Nugatory & Fruitless Payments	20,000	15,000	10,000
15	Claims Abandoned			
	(a) Private Accommodation	20,000	15,000	10,000
	(b) Road Traffic Acts	40,000	30,000	20,000
	(c) Other	20,000	15,000	10,000
Stores Losses				
Incidents of the Service –				
16	- Fire	40,000	30,000	20,000
	- Flood	40,000	30,000	20,000
	- Accident	40,000	30,000	20,000
17	Deterioration in Store	40,000	30,000	20,000
18	Stocktaking Discrepancies	40,000	30,000	20,000
19	Other Causes	40,000	30,000	20,000
Losses of Furniture and Equipment and Bedding & Linen in circulation:				
20	Incidents of the Service - Fire	20,000	15,000	10,000
	- Flood	20,000	15,000	10,000
	- Accident	20,000	15,000	10,000
21	Disclosed at physical check	20,000	15,000	10,000
22	Other Causes	20,000	15,000	10,000
Compensation Payments - legal obligation				
23	Clinical *	250,000	250,000	250,000
24	Non-clinical *	100,000	100,000	100,000
Ex-gratia payments:				
25	Extra-contractual Payments	20,000	15,000	10,000
26	Compensation Payments - Ex-gratia - Clinical *	250,000	250,000	250,000
27	Compensation Payments - Ex-gratia - Non Clinical *	100,000	100,000	100,000
28	Compensation Payments - Ex-gratia - Financial Loss *	25,000	25,000	25,000
29	Other Payments	2,500	2,500	2,500
Damage to Buildings and Fixtures:				
30	Incidents of the Service			
	– Fire	40,000	30,000	20,000
	- Flood	40,000	30,000	20,000
	- Accident	40,000	30,000	20,000
	- Other Causes	40,000	30,000	20,000
31	Extra-Statutory & Extra-regulatory Payments	0	0	0
32	Gifts in cash or kind	20,000	15,000	10,000
33+	Other Losses	20,000	15,000	10,000

Category 1 Boards - NHS Greater Glasgow and Clyde and NHS Lothian

Category 2 Boards - Remaining Regional Boards, NSS and Scottish Ambulance Service

Category 3 Boards - Island Boards and Remaining Special Health Boards

All frauds and attempted frauds must be detailed on form SFR 18.1(c)

* This delegated limit was revised as at 1st August 2001 HDL (2001)65

+ those losses which do not broadly fall within the definitions of theft, arson, wilful damage, fraud, embezzlement and attempted fraud and would have fallen within the previous item 2 "Cash Losses - overpayments of salaries, wages and allowances" and the previous item 3 "Cash Losses

- other" should be included within this heading.

**LANARKSHIRE HEALTH BOARD
 DETAILS OF LOSSES AND SPECIAL PAYMENTS ABOVE
 DELEGATED AUTHORITY OF NHS BOARD
 FOR THE YEAR ENDED 31 MARCH 2014**

Item No.	Brief Description of Each Case	Value of Loss or Payment £000	Date of Authority by SGHSCD
22	Hairmyres Hospital Audiology Stock	17	
23	LB2/301/3 C McLaughlin Clinical claim settled July 2013	850	
23	LB2/309/158 J Good clinical claim interim settlement October 2013	400	

**LANARKSHIRE HEALTH BOARD
 DETAILS OF FRAUD, EMBEZZLEMENT AND OTHER
 IRREGULARITIES (INC. ATTEMPTED FRAUD)
 FOR THE YEAR END 31 MARCH 2014**

Case No.	Definition No. (see Notes page)	Loss Area No.(see Notes page)	Value of Loss/Potential Loss £	Sanctions/Actions Taken/Recoveries (Type/Outcome)
			45.63	Petty cash gone missing
			160.00	Deposit money stolen


LANARKSHIRE HEALTH BOARD
PATIENTS PRIVATE FUNDS
FOR THE YEAR ENDED 31 MARCH 2014

2012/13 £		2013/14 £
	RECEIPTS	
	Opening Balances:	
835,150	Cash in Bank	929,210
6,309	Cash on Hand	8,087
0	Other Funds	0
<u>841,459</u>		<u>937,297</u>
615,347	From or On Behalf of Patients	531,053
333	Interest on Patients' Fund Account	511
<u>1,457,139</u>	TOTAL RECEIPTS	<u>1,468,861</u>
	PAYMENTS	
519,842	To Or on Behalf of Patients	561,032
0	Extra Comforts etc.	0
	Closing Balances:	
929,211	Cash in Bank	903,808
8,086	Cash on Hand	4,021
0	Other Funds	0
<u>1,457,139</u>	TOTAL PAYMENTS	<u>1,468,861</u>
	Closing Balances Accounted for as:	
	Patients' Personal Accounts	
937,297	Credit Balances	907,829
0	Less: Debit Balances	0
<u>937,297</u>		<u>907,829</u>
0	Interest Received but Not Credited	0
<u>937,297</u>	TOTAL CLOSING BALANCE	<u>907,829</u>

I certify that the above abstract of Receipts and Payments is correct, and in accordance with the Books of Account and that the Register of Valuables has been inspected and checked with property held.

Director of Finance  25 June 2014


The abstract of Receipts and Payments was submitted at the NHS Board Meeting on 25 June 2014 and duly approved.

Chief Executive  25 June 2014

Auditors Certificate

We have audited the abstract of Receipts and Payments of Patients Private Funds in accordance with Auditing Standards.

In our opinion the statement presents fairly the state of the funds administered by the Health Board on behalf of its patients, as at 31 March 2014.


25/6/14

LANARKSHIRE HEALTH BOARD

BALANCES WITH OTHER NHSSCOTLAND BODIES

FOR THE YEAR ENDED 31 MARCH 2014

	NHS Scotland Body		Due to £000	Due from £000	Income From £000	Expenditure With £000
110	Ayrshire and Arran Health Board	HB 02	145	411	2,465	1,084
120	Borders Health Board	HB 03	43	190	419	252
130	Dumfries and Galloway Health Board	HB 04	13	204	1,175	690
140	Fife Health Board	HB 05	125	175	344	322
150	Forth Valley Health Board	HB 06	6	13	715	1,094
160	Grampian Health Board	HB 07	37	30	117	316
170	Greater Glasgow Health Board	HB 08	5,648	310	18,842	93,576
180	Highland Health Board	HB 09	0	9	138	149
190	Lanarkshire Health Board	HB 10	0	0	0	0
200	Lothian Health Board	HB 11	305	102	944	6,226
210	Orkney Health Board	HB 12	6	0	0	7
220	Shetland Health Board	HB 13	0	7	15	1
230	Tayside Health Board	HB 14	191	23	172	1,378
240	Western Isles Health Board	HB 15	1	0	27	2
250	NHS National Services Scotland	HB 16	473	14	154	3,508
260	Scottish Ambulance Service	HB 17	75	1	3	136
270	NHS Education for Scotland	HB 18	5	531	19,960	54
275	State Hospital	HB 19	12	114	297	145
300	NHS 24	HB 22	0	0	50	0
310	Mental Welfare Commission	MWC	0	0	0	0
320	NHS Health Scotland	SD004	0	0	153	2
325	Healthcare Improvement Scotland	HB 24	0	0	7	0
330	National Waiting Times Centre	HB 23	17	3	58	8,405
400	Total Boards and Special Health Boards		7,102	2,137	46,055	117,347
			<u>16</u>	<u>13</u>		

LANARKSHIRE HEALTH BOARD
PRIVATE PATIENTS AND AMENITY BEDS
FOR THE YEAR ENDED 31 MARCH 2014

2012/13 £000	Statistics 2013/14 £000	Charges & Costs 2013/14 £000
PRIVATE PATIENTS		
OCCUPIED BED DAYS		
0 Private In-Patients - Whole Cost	0	0
0 Part Cost	0	0
0 Overseas In-Patients	0	0
<hr/> 0 Total Occupied Bed Days	<hr/> 0	<hr/> 0
OUT-PATIENT ATTENDANCES		
0 Private Out-Patients	0	0
0 Overseas Out-Patients	0	0
<hr/> 0 Total Out-Patient Attendances	<hr/> 0	<hr/> 0
DAY-CASE ATTENDANCES		
0 Private Day Cases	0	0
0 Overseas Day Cases	0	0
<hr/> 0 Total Day Case Attendances	<hr/> 0	<hr/> 0
<hr/> 0 Private Patients Income		<hr/> 0
AMENITY BEDS		
OCCUPIED BED DAYS		
<hr/> 0 Patients' Charges		<hr/> 0
<hr/> 0 Total Income		<hr/> 0
2012/13 STATISTICS	2013/14	
0 Approved private in-patient beds	0	
0 Approved private emergency beds	0	
0 No of amenity beds	0	
0 No of available amenity bed-days	0	

LANARKSHIRE HEALTH BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

Analysis of Land, Buildings and Dwellings**Valuation at 31 March 2014**

Freehold
 Long leaseholds (+50yrs)
 Short Leasehold

	Land	Buildings (exc Dwellings)	Dwellings
	£000	£000	£000
Freehold	30,694	410,716	-
Long leaseholds (+50yrs)			
Short Leasehold			
	30,694	410,716	-

Assets Held Under Finance leases

Asset	Gross Amount	Accumulated Depn

Asset Held Under Hire purchase

Asset	Gross Amount	Accumulated Depn

Asset Held On Balance Sheet PFI contracts

Asset	Gross Amount	Accumulated Depn
Hairmyres Hospital	69,917	0
Wishaw Hospital	141,970	0
Stonehouse Hospital	4,055	0

LANARKSHIRE HEALTH BOARD
PAYMENT POLICY
FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
Average Number of Days Credit Taken	9	12
Contractual 30 Day Payment Policy		
Total Number of Invoices	151,181	152,943
Total Number of Invoices Paid Within 30 Days	141,159	139,598
% By Volume of Invoices Paid Within 30 Days	93.37	91.27
% By Value of Invoices Paid Within 30 Days	93.69	93.08
Aspirational 10 Day Target		
Total Number of Invoices	151,181	152,943
Total Number of Invoices Paid Within 10 Days	120,502	114,253
% By Volume of Invoices Paid Within 10 Days	79.71	74.70
% By Value of Invoices Paid Within 10 Days	83.96	83.23

LANARKSHIRE HEALTH BOARD
RESOURCE AND CASH OUTTURN
FOR THE YEAR ENDED 31 MARCH 2014

	Limit set by SGHD £000	Actual Outturn £000	Variance (over)/under £000
Revenue Resource Limit			
- Core	948,631	945,087	3,544
- Non Core	31,951	31,951	0
Capital Resource Limit			
- Core	16,344	16,344	0
- Non Core	0	0	0
Cash Requirement	1,031,152	1,031,152	0

LANARKSHIRE HEALTH BOARD
SICKNESS ABSENCE
FOR THE YEAR ENDED 31 MARCH 2014

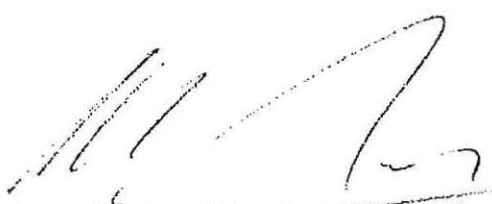
	2014	2013
	%	%
Sickness Absence Rate	4.7	4.8



Lanarkshire 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