

Annual report and consolidated accounts

For the year ended
31 March 2024



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Published Month Year

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CONTENTS

	PAGE
Performance Report	
Overview	1
Performance Analysis	5
Accountability Report	
Corporate Governance Report	14
Remuneration and Staff Report	30
Parliamentary Accountability Report	40
Independent Auditors Report	41
Financial Statements	
Consolidated Statement of Comprehensive Net Expenditure	45
Consolidated Statement of Financial Position	46
Consolidated Statement of Cashflows	47
Consolidated Statement of Changes in Taxpayers Equity	48
Notes to the Accounts	50
Direction by the Scottish Ministers	103

PERFORMANCE REPORT

Overview

The purpose of this overview is to provide a summary of the activities of NHS Fife and to highlight some of the key achievements during 2023/24. In addition, detail is provided on all aspects of financial and non-financial performance.

Chief Executive Statement

I am delighted to present the annual review for NHS Fife, highlighting our achievements and milestones in 2023/24. Despite the challenges posed by the post pandemic recovery, and financial pressures associated with increased demand for our services and the on-going cost of living crisis, we have remained steadfast in our commitment to delivering high-quality healthcare services to the people of Fife.

Our journey to recovery began in April 2023 with the publication of the new Population Health and Wellbeing Strategy, a blueprint for the evolution of healthcare services in Fife over the next five years.

This strategy underscores our dedication to meeting the evolving needs of our local population through innovative approaches to providing best value healthcare and empowering and supporting our communities to look after their own health and wellbeing.

2023 also marked the 75th anniversary of the NHS and NHS Fife commemorated this milestone and the founding values of the NHS with a special gathering at The Haven Garden, at Queen Margaret Hospital. To acknowledge the contributions of our volunteers and the continued evolution of the garden to provide a tranquil and reflective space for all patients, staff and visitors.

Clinical Innovations

In 2023/24 we also pioneered several clinical innovations with Queen Margaret Hospital, Dunfermline becoming the first in Scotland to offer the groundbreaking iTind procedure for treating lower urinary tract symptoms associated with an enlarged prostate. This pioneering treatment is helping to improve patient outcomes and drive down waiting times.

We also launched Fife's new Cancer Framework, focusing on effective cancer prevention, early diagnosis, and high-quality sustainable cancer services.

Furthermore, significant enhancements were made to the gynaecology unit at Victoria Hospital, providing a tailored and improved care experience for gynaecology patients in Fife.

In January 2024 a milestone was reached as the 500th patient in Fife was treated using pioneering robotic-assisted surgery (RAS). In just over two years since its introduction, RAS is improving outcomes for an increasing number of patients in Fife. In addition to reducing post-operative pain, shortening the average length of hospital stay, and speeding up recovery for the patients.

NHS Fife's operating theatres also became the first in Scotland to become officially accredited by the Association of Perioperative Practice (AfPP) for the quality of the surgical services they offer.

Digital Innovations

Throughout the year, we introduced a range of innovative solutions to enhance patient care. This included the launch of the Elsie Mobile App enhancing communication between patients awaiting orthopaedic procedures and their pre-assessment team, enabling them to complete pre-operative questionnaires from the comfort of their homes, reducing the need for outpatient appointments and helping to reduced waiting times.

To complement this in the autumn of 2023 we also launched Patient Hub - a new online portal which allows patients to manage their hospital appointments on their smartphone, tablet or computer. The online portal was initially rolled out for patients in pain management and vasectomy, with plans to extend this to other services in due course.

Investment In Our Future

A new £2m Procedure Unit was opened at Queen Margaret Hospital in September 2023. The new Unit now enables patients having procedures under local anaesthetic to be admitted straight into the theatre suite rather than the adjoining day surgery ward. This frees up beds within the ward for patients requiring general anaesthetic and will help increase overall theatre capacity as a result. In addition to increasing capacity, the reconfiguration of the area is intended to improve the patient experience by providing care in a more modern, purpose-built environment.

In 2023 NHS Fife was also chosen to manage the UK wide £5m Reducing Drug Deaths Innovation Challenge. The funding will enable 12 projects from across the UK take forward potentially ground-breaking new approaches to help reduce fatal drug overdoses. NHS Fife was selected by the Chief Scientist's Office and UK Office of Life Science following a competitive selection process involving several other Scottish Health Boards.

Our Greatest Asset

NHS Fife's greatest asset is our dedicated staff. This year colleagues from across Fife received well-deserved recognition for their exemplary contributions.

The children and young people's community nursing service was honoured at the RCN Scotland's Nurse of the Year Awards for their exceptional support to families facing complex health conditions.

Our pupil support nursing team won the 'Health and Wellbeing' award at the Children's Health Scotland Awards in recognition for their work with children and families in schools for children with complex additional support needs.

NHS Fife's Cardiac arrhythmia and Implantable Devices Unit team were named Cardiology Team of the Year at the Scottish Healthcare Awards.

NHS Fife doctors were also recognised at the Scottish Health Awards - Taking home the Doctor's Award was consultant in palliative medicine, Dr Jo Bowden, who was recognised for her work to reconfigure palliative and end-of-life care in Fife.

Dr Bowden was one of two Fife medics nominated for the award, with consultant haematologist, Dr Kerri Davidson, also nominated. Consultant ophthalmologist, Dr Andrew Blaikie, received the Global Citizenship Award for his work to improve eye health in Africa. Also nominated was Pierette Melville, a highly specialist physiotherapist who was a finalist in the Allied Health Professional category.

Our own NHS Fife Staff Awards were reinstated in September 2023 with teams and individuals from across the organisation recognised for their outstanding work and commitment. Hundreds of nominations were received from across the organisation, with winners in nine different categories, alongside the 'Chair's Award'.

Supporting Our Staff

A new permanent staff wellbeing hub opened at Whyteman's Brae Hospital, providing a dedicated space for colleagues to relax and take some time away from their work area. The hub, which was funded by Fife Health Charity, was the latest in a series of staff wellbeing hubs to open across Fife.

NHS Fife's new online prospectus "Learning for Life" another first for an NHS Scotland Board was launched offering a range of courses for nurses, midwives and allied health professionals. Created by NHS Fife's Practice and Professional Development team, the 'Learning for Life' prospectus showcases the range of training and development opportunities available to healthcare staff working in Fife.

Exciting Opportunities

The year ended with the establishment of a transformative partnership between the University of St Andrews and NHS Fife. This memorandum of understanding is the fruition of a numbers of years of collaboration to create a dynamic partnership that will be mutually beneficial to both organisations. The partnership will help to enhance medical education, research, and patient care in Fife, paving the way for improved services and outcomes and enhancing staff recruitment and retention in clinical and non-clinical professions.

The past year has been another challenging one for the NHS and as we look ahead to 2024/25, NHS Fife faces a significant underlying financial deficit. Whilst this reflects cost increases and financial pressures seen

across the wider public sector, we also recognise that we need to improve our performance in relation to legacy savings, which have not been delivered to the level required. We know that our wider successes and achievements have been testament to the resilience, dedication, and innovation of the entire NHS Fife team. As we look ahead, we are committed to ensuring these skills are harnessed more effectively to address our financial challenge. We remain steadfastly committed to ensuring safe, sustainable services that meet the needs of the diverse communities we serve, and we look forward to new opportunities to help re-form and transform our services to continue to deliver best value.

Thank you for your continued support and commitment to our shared vision of a healthier Fife.

Purpose and Activities of the Board

NHS Fife is the common name for Fife Health Board. Fife Health Board was established in 1974 under the National Health Service (Scotland) Act 1972 and is responsible for commissioning and delivering health care services for the residents of Fife, a total population of c.370,000.

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

The role of the NHS Board is to:

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

The functions of the NHS Board comprise:

- Strategy development
- Resource allocation
- Implementation of the Annual Delivery Plan; and
- Performance management.

Component Parts of NHS Fife

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

Acute Services Division

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

Health and Social Care Partnership (H&SCP)

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

Corporate Directorates

The following Directorates provide Fife-wide services:

- Public Health
- Medical Directorate (including Clinical Governance, Research, Development & Innovation, Digital & Information, and Primary Care Administration)
- Nursing (including Patient Experience and Legal Services)
- Pharmacy
- Workforce (including Learning & Development and Occupational Health)

- Finance (including Corporate Governance, Planning & Performance, Procurement, Communications and Risk Management)
- Property and Asset Management (including Health and Safety).

Integration Joint Board

The Public Bodies (Joint Working) (Scotland) Act 2014 was passed by the Scottish Parliament in February 2014 and received Royal assent in April 2015. It established the framework for the integration of health and social care in Scotland. The most recent iteration of the Fife Integration Scheme was approved by NHS Fife and Fife Council in March 2022.

The Parties have agreed to adopt the body corporate model of integration and have established an Integration Joint Board as provided for in Section 1(4)(a) of the Act. The Integration Joint Board is responsible for the operational oversight of Integrated Services and, through the Director of Health and Social Care, is responsible for the operational management of Integrated Services. The Director of Health and Social Care and the Director of Acute Services work closely together to ensure appropriate planning and delivery of the services they respectively plan for and manage.

The Integration Joint Board is responsible for setting the strategy for Integrated Services; however, NHS Fife remains responsible for the operational oversight of these services on a day-to-day basis and, as such, the Board seeks annually from the Integration Joint Board and its committees assurances that these services have been delivered appropriately and in line with their strategy, particularly in regard to clinical governance and quality and safety aspects being achieved. These assurances take the form of annual reports submitted to NHS Fife governance committees and via the sharing of year-end audit opinions on matters of finance and governance.

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

Key Issues and Risks During 2023/24

Service Access and Performance

The performance management framework reflects the national activity projections agreed in the Annual Delivery Plan 2023/24 (ADP) continuing the path in recovery and moves towards the renewal phase. This phase focuses on driving delivery at pace to improve capacity and sustainability and has 10 recovery drivers and clearly links actions and activities to the outcome that are expected. In addition to the ADP, a Medium Term Plan was submitted setting our annual plans in a medium context that is directly aligned to our 5 year Population Health and Wellbeing Strategy.

The legacy of the pandemic continues to significantly impact on NHS Fife elective activity resulting in higher waiting times. Urgent care and urgent suspicion of cancer referral patients however continued to be seen and treated as a priority. There was an increase in the number of patients waiting over 6 weeks for diagnostics and over 12 weeks for outpatients, inpatients, and day cases (TTG), however, this was monitored and tracked locally throughout the year. There continues to be significant risks nationally and locally around the delivery of the backlog of cases which has developed during the pandemic, with recovery plans being discussed with our Board and with the Scottish Government. Recovery against this backlog will require additional significant investment to deliver in full.

Unscheduled Care continues to be challenging with high number of A&E attendances leading to patients waiting more than 4 hours. During 2023/24, improvement actions were agreed with the aim of improving patient flow throughout the whole health and care system in Fife.

Workforce Capacity and Resilience

We continue to face significant workforce sustainability and resilience issues, resulting in recruitment and retention challenges across all areas of our workforce. During 2023/24 we took forward a number of mitigating actions to reduce our reliance on temporary staffing and increase our substantive medical and nursing staff levels. These included international recruitment, the development of the new assistant practitioner role, investment in additional consultant posts along with investment in more cost-effective ways including Gateway doctors to replace junior locum spend and create a future pool of substantive staff to recruit from. High sickness absence also added challenge to our workforce resilience and work continues to support staff and managers more effectively to reduce the rate of absence. Good progress is being made which will continue into 2024/25.

Performance Summary

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

Performance Analysis

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

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

The Revenue and Capital Resource Limits are further analysed into Core and Non-Core, where non-core expenditure, typically comprises items of a technical accounting nature, details of which can be found in Note 2a – the Summary of Core Revenue Resource Outturn on page 64. We have delivered on all three of our key financial targets.

The following table highlights the Boards delivery against these targets for 2023/24:

Statutory Financial Targets	Limit as set by SGHSCD	Actual Outturn	Variance Under/(Over)
	£000's	£000's	£000's
Core Revenue Resource Limit	987,722	987,722	0
Non-Core Revenue Resource Limit	31,048	31,048	0
Total Revenue Resource Limits	1,018,770	1,018,770	0
Core Capital Resource Limit	14,280	14,277	3
Non-Core Capital Resource Limit	1,180	1,180	0
Total Capital Resource Limits	15,460	15,457	3
Cash Requirement	1,078,382	1,078,382	0
Memorandum for In Year Out-turn			£000
Core Revenue Resource Variance Surplus in 2022/23			0
Financial flexibility: Funding banked with Scottish Government			(14,005)
Underlying Surplus against Core Revenue Resource Limit			(14,005)
Percentage of the Core Revenue Resource Limit			-1%

In March 2023, the NHS Fife Board approved the medium-term financial plan which confirmed an underlying deficit in 2023/24 of £25.9m which was to be partly mitigated by a £15m cost improvement plan, with a projected residual gap of £10.9m.

The year-end outturn against that residual gap was £14.005m prior to receiving repayable financial brokerage of £14.005m from Scottish Government resulting in a final breakeven outturn position.

The financial performance of the organisation was significantly challenged with high medical and nursing pay costs, material increases in volume and cost of drugs, funding allocation changes, increased costs associated with commissioning services from other NHS Boards and high levels of inflationary increases across non-pay costs. This was compounded by the level of challenge associated with delivering savings whilst managing the impact of increasing demand for our services alongside workforce challenges, an aging estate and the costs associated with implementing a number of nationally agreed programmes.

Our in-year cost improvement plan focussed on two key expenditure reduction schemes; to reduce spend on supplementary staffing and to reduce unfunded surge capacity. Whilst a number of actions were taken forward to reduce expenditure across the two focus areas, we were unable to drive out the cost improvements required and relied on other in-year schemes to deliver cost improvement. We delivered £8.14m across several programmes including £1.88m on medicines, and £0.9m, on infrastructure. We also secured cost reductions following the successful completion of the refinancing of the PFI contract for the Victoria Hospital. Other significant levels of savings came from grip and control measures and procurement savings.

High inflationary pressures continued in 2023/24 particularly across energy costs which have been partially mitigated by the positive impact of sustainability measures taken forward in the current and previous financial year. Despite a successful refinancing of the Victoria Hospital PFI contract, the contractual terms of our PFI

hospitals are linked to inflation meaning we continued to incur significant cost increases in our unitary charge payments in 2023/24.

NHS Fife provides access to other Scottish NHS healthcare providers for Fife residents and the costs of which are managed through Service Levels agreements. During 2023/24 costs under these arrangements increased significantly as a result of changes to cost modelling and reductions to related funding allocations. We also experienced high inflationary costs from other non-Scottish and independent healthcare providers.

The Integration Joint Board financial position was significantly challenging across both social care and health delegated budgets with an unexpected increase in the overspend position occurring very late in the financial year. Reserves required to be utilised to support in-year management however there was also a risk-share allocation of the remaining overspend to partners for which NHS Fife required to access additional, repayable brokerage from Scottish Government

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

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

Forward Look

The 2024/25 indicative funding settlement provided by the Scottish Government on 19 December 2023 confirmed a 0% baseline budget uplift. An additional allocation to reflect the impact of demographic changes on individual Boards (NRAC) was also confirmed. Our NRAC share increases to 6.88% in 2024/25, an increase of 0.03% on 2023/24, however, whilst NHS Fife will receive a level of NRAC parity funding for 2024/25, there remains an in-year shortfall of £4.7m and excludes the cumulative effect of prior year shortfalls which exceeds £100m of recurring funding. This has a significant impact on the Board's ability to deliver sustainable financial balance. Funding arrangements for pay uplifts following the outcome of the pay negotiations in the new financial year will be revisited by the Scottish Government; along with the financial impact of the AFC non-pay elements set out this year.

Our future financial improvement plan will be delivered through our Reform, Transform and Perform (RTP) Framework, working collaboratively across the system. Delivering Value and Sustainability is one of our 4 corporate objectives, to maximise the use of our scarce and valuable resources to the best effect for our patients. The RTP framework will support the Board to take forward a renewed and strategic approach to empower change across NHS Fife, to drive improvement in our clinical and corporate services, and to achieve greater efficiency and improved outcomes.

Legal Obligations

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

When a legal claim is made against an individual board, the board will assess whether a provision or contingent liability for that legal claim is required. If a provision is required, then the board will also create an associated receivable recognising reimbursement from the scheme if the legal claim settles.

As a result of participation in the scheme, boards should also recognise that they will be required to make contributions to the scheme in future years. Therefore, a further provision that recognises the board's share of the total CNORIS liability of NHS Scotland has been made.

The total net provision relating to CNORIS at 31 March 2024 is £52.969m, a movement of £1.223m in year. More detail is provided in Note 13.

Capital Expenditure

During the year we invested £11.474m across a wide range of capital projects including buildings, equipment, and technology (Note 7) to support the delivery of services. The element charged to the Capital Resource Limit (CRL) is £11.462 which is the Capital Expenditure net of receipts. The balance is offset against the Net Book Value (NBV) of equipment disposed of in 2023/24.

In September 2023 work was completed within the Day Surgery Unit at Queen Margaret Hospital to reconfigure underutilised space creating additional clinical and recovery space enabling a greater number of procedures to be carried out. Further expenditure was incurred across a number of sites within the NHS Fife estate to upgrade rooms, roofs, windows and other infrastructure improvements. Significant expenditure has been incurred to introduce LED lighting to help us move towards our commitments to “Net Zero Carbon” by 2040 and reduce expenditure on energy.

Investment in Digital and Information projects of £2.729m, included works taken forward to implement a new Laboratory Information Management System (LIMS) which went live in February 2024 and to begin the implementation of the Hospital Electronic Prescribing Medicines Administration (HEPMA) programme together with investment in servers and networks and telephony core infrastructure. The board invested £1.925m in new equipment, both clinical and non-clinical equipment, along with equipment to help us move closer to Net Zero Carbon.

The Board also received non core allocations of £1.18m for financial transactions, for 4 GP Practice loans totalling £1.061m and donated asset additions in year of £0.119m.

Significant Changes in Non-Current Assets

During the year, the Board has commissioned valuations on several properties from the Valuation Office Agency (VOA). Queen Margaret Hospital, Weston Day Hospital, Randolph Wemyss Hospital, Gordon Cottage, all EUV properties (Health Centres/Clinics) and all land and Assets Held For Sale at the year end. This has resulted in an overall £24.052m upward revaluation movement. The year-end indexation factor from the Valuation Office (index factor 351) created an impairment charge of £0.466m at the year-end.

The valuation report has been used to inform the transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value.

Public Private Partnerships

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

The Board entered into a contract with Projco (St Andrews Hospital) Limited for the provision of the Community Hospital and Health Centre in St Andrews. The contract is for a period of 30 years and commenced on 31 July 2009. The current Annual Service Payment value is £4.510m per annum.

The Board entered into a contract with Consort Healthcare for the provision of Phase 3 of the Victoria Hospital site in Kirkcaldy. The contract is for a period of 30 years and commenced on 28 October 2011. The current Annual Service Payment value is £32.492m per annum. With approval from NHS Fife Health Board, the shareholders of Consort Healthcare (Fife) limited completed a refinancing of the senior debt funding of the project on 1 December 2023. Through a combination of reduced interest margins, repayment over a longer term and improvement in other financing terms and covenants, a significant re-financing gain has been made. There will be a reduction in Unitary Charge for the remainder of the project term (£624k per year indexed from 2024/25) and an upfront lump sum receipt split over this financial year and next financial year. The calculation of the gain amount, its share, and how it translates to a unitary charge reduction is in line with the Project Agreement provisions and wider public sector PPP/PFI guidance.

Under IFRS Accounting Treatment, both the hospital and the healthcare facilities are recognised as a Non-Current Asset on the Board’s Statement of Financial Positions. Net Book Value included at the year-end are £29.863m (St. Andrews Community Hospital) and £194.471m (Victoria Hospital, Kirkcaldy, Phase 3).

Provisions

As at 31 March 2024, the Board has provisions of £81.524m (2022/23 £111.724m) as detailed in the table below and in Note 13:

	2023/24 £m	2022/23 £m
Clinical and Medical Negligence Cases	22.912	54.11
Boards share of total NHS Scotland CNORIS liability	52.592	51.357
Pension Provisions	1.288	1.462
Injury Benefit Provisions	4.702	4.765
WEE Regulations	0.03	0.03
Total	81.524	111.724

There was a decrease in the Boards Clinical and Medical Negligence Cases provision during the year, with a number of cases being revalued lower than the previous year. These provisions include the element funded through Annually Managed Expenditure (AME) in 2023/24. The Board is also disclosing a contingent liability of £15.729m (2022/23 £12.63m) for other legal cases and a contingent asset of £14.708m (2022/23 £11.937m) for income receivable for these. The Board has a small provision for Capital Waste Electronic and Electrical Equipment of £30,000.

Outstanding Liabilities

The Board has total outstanding liabilities of £294.743m (2022/23 £279.943m). Of this total, £193.76m relates to future amounts payable on the two PFI contracts (2022/23 £158.336m).

Integrated Performance and Quality Analysis

Performance against the 4-hour Emergency Access standard was highest between June and August 2023, exceeding 75% in each month, peaking at 79.0% in August. Lowest monthly performance was in December 2023, achieving 70.2%, with improvement to 72.5% by March 2024. Performance at Victoria Hospital Emergency Department also peaked in August 2023 (72.2%) and at lowest in December 2023. It should be noted that the number of attendances during 2023/24 generally exceeded corresponding months previous year especially during Q4 (January to March). Overall, there was over 4,000 more attendances in 2023/24 compared to 2022/23 with 2,664 more in Q4. Despite increase in activity, performance has generally been higher month on month in 2023/24 (74.0% for 12-month period) compared to year previous (70.8%). A performance trajectory for Victoria Hospital Emergency Department was agreed with Scottish Government to run from October 2023 to March 2024, with early signs promising, a mix of winter pressures and high attendance meant this was ultimately not achieved. Trajectory has been rebased for 2024/25.

The number of Bed Days Lost to Delayed Discharge (Standard and Complex delays, any setting) peaked in November 2023 at over 3,500 days from less than 2,500 in May 2023. There has been a reduction throughout Q4 (January to March 2024) but there are still over 100 patients per day in delay across NHS Fife. Most delays are in Community Hospitals followed by Mental Health setting. During 2023/24, on average per day, only 2.2 patients are in delay within Acute setting (Victoria Hospital), this compares to 70 in Community Hospitals and 25.5 in Mental Health setting. Current performance metric focusses on % Bed Days Lost to Standard Delays with target of 5%, this was achieved in 2023/24 Q1 (April to June) but not since. When comparing to previous year, April to November 2023 performance was better (lower percentage) but percentage higher between December 2023 to March 2024.

Acute waiting time focus remains on prioritising urgent and cancer cases. For inpatients and day cases, efforts have been made to move elective activity to Queen Margaret Hospital, where clinically appropriate, but performance against the National Standard has been below 50% since August 2023. The waiting list has increase to nearly 8,000 patients with nearly 5,000 waiting in excess of 12 weeks. Waits over 104 weeks have more than doubled since April 2023 with significant increases in waits over 26, 52 and 78 weeks.

New Outpatient waits follow a similar picture to inpatients and day cases with decreasing performance against National Standard and increasing waiting lists despite roll out of tools such as Active Clinical Referral Triage (ACRT) and Patient Initiated Return (PIR) to increase capacity. As of March 2024, nearly 20,000 patients are waiting over 12 weeks and near 13,000 over 26 weeks. The number over 52 weeks has more than trebled since April 2024, with re-emergence of 104 week waits from June 2023 for first time since August 2022.

Performance for key diagnostic tests has remained static throughout most of 2023/24 but evident improvement in Q4. Scope performance was below 50% for most of early 2023/24 but upward trend over latter months of the year is evident. Similarly, performance within Radiology averaged between 45 and 50% for much of 2023/24 but following low of 42.5% in December 2023 an upturn in performance has been experienced in subsequent months.

The National Standard of 95% of patients to start Cancer treatment within 31 days of a decision to treat was achieved in 2023/24 Q1 (April to June 2023) before dropping to 90.6% by August 2023. There was no sustained improvement until 2024 with 95.6% achieved in Q4. Across the duration of 2023/24, performance falls just short of achieving 95% Standard (94.4%). The significant challenge to achieve an improved performance against the 62-day referral to treatment standard continues with performance across 2023/24 below 75%. There has been significant monthly variability in performance since August 2023, exceeding 85% in October with below 65% in two separate months. The majority of breaches for both metrics related to Urological cancers specifically Prostate which accounted for 31% of 31-day breaches and 37% of 62-day breaches.

Performance against CAMHS 18 weeks Referral to treatment (RTT) has generally varied between 65 and 75% throughout 2023/24 with low of 60.8% in November and high of 76.8% in March. Despite not achieving the National Standard, last achieved in March 2023, there is only a very small number of patients that have experienced a wait of over 36 weeks. As at end of March 2024, 81.3% of children waiting for treatment were waiting less than 18 weeks.

Psychological Therapy performance against 18 weeks RTT Standard has been decreasing for much of the last two years, dropping below 65% by November 2023 however 72.3% was achieved in Q4. There are currently 2505 patients waiting (as of March 2024) with only 55.8% within 18 weeks with 254 patients waiting over one year.

NHS Fife's Integrated Performance Report and Quality Report (IPQR) provides the Board with the information required to review performance at a strategic level. This ensures that key performance indicators in respect of financial and non-financial performance, including quality, safety and risk are robustly scrutinised by the Board. The content is based on the suite of Scottish Government Standards as well as local priorities. Deliverables agreed through the SG commissioned Annual Delivery Plan (ADP) for 2023/24 were aligned to relevant performance metrics and reported through the IPQR.

The content and format of the IPQR is being refreshed taking into consideration following review of National Standards by Scottish Government. This review is aligned to Delivery Progress Framework that will be used by Scottish Government to monitor ADP for 2024/25.

The following table summarises the position for key Standards at the time period specified, data will be updated once available. The table provides RAG (Red, Amber and Green) status in relation to achievement of Standard/target, comparisons with previous time periods and benchmarking with other mainland NHS Boards. Following the review of IPQR, an additional indication of data "outliers" using SPC methodology was incorporated into the table below.

Section	Indicator	Annual Target 2023/24 2024/25	Reporting Period	Current Period	Current Performance	Vs Previous	Vs Year Previous	Benchmarking
Clinical Governance	Major/Extreme Adverse Events - Number Reported	N/A	Month	Mar-24	30	▲	▲	●
	Major/Extreme Adverse Events - % Actions Closed on Time	50%	Month	Jan-24	29.6%	▼	▲	●
	HSMR	N/A	Year Ending	Dec-23	0.96	—	—	●
	Inpatient Falls	6.95 (L)	Month	Mar-24	6.92	▼	▲	●
	Inpatient Falls with Harm	1.44 (L)	Month	Mar-24	1.43	▲	▲	●
	Pressure Ulcers	0.89 (L)	Month	Mar-24	0.95	▲	▲	●
	SAB - HAI/HCAI	18.80 (N)	Month	Mar-24	13.1	▼	▲	● QE Dec-23
	C Diff - HAI/HCAI	6.50 (N)	Month	Mar-24	0.0	▲	▲	● QE Dec-23
	ECB - HAI/HCAI	33.00 (N)	Month	Mar-24	41.7	▲	▼	● QE Dec-23
Operational Performance	S1 Complaints Closed in Month on Time	80%	Month	Mar-24	33.3%	▼	▼	● 2021/22
	S2 Complaints Closed in Month on Time	60%	Month	Mar-24	14.3%	▼	▲	● 2021/22
	4-Hour Emergency Access (A&E)	95% (N)	Month	Mar-24	72.5%	▲	▲	● Mar-24
	4-Hour Emergency Access (ED)	75% (L)	Month	Mar-24	65.8%	▲	▲	● Mar-24
	Delayed Discharges (Standard) Acute/Comm	39	Month	Mar-24	51	▼	▲	● Mar-24
	Delayed Discharges (Standard) MH/LD	10	Month	Mar-24	11	▲	▼	● Mar-24
	Antenatal Access	80%	Quarter	Mar-24	91.8%	▲	▲	● CY 2022
	Patient TTG % <= 12 Weeks	100%	Month	Mar-24	38.6%	▲	▲	● Dec-23
	New Outpatients % <= 12 Weeks	95%	Month	Mar-24	39.5%	▲	▼	● Dec-23
	Diagnostics % <= 6 Weeks	100%	Month	Mar-24	51.2%	▲	▼	● Dec-23
Staff Governance	Cancer 31-Day DTT	95%	Month	Mar-24	95.2%	▼	▲	● QE Dec-23
	Cancer 62-Day RTT	95%	Month	Mar-24	69.1%	▼	▼	● QE Dec-23
	Freedom of Information Requests	85%	Month	Mar-24	77.9%	▼	▲	●
	Sickness Absence	4.00%	Month	Mar-24	6.61%	▲	▲	● YE Dec-23
Public Health & Wellbeing	Personal Development Plan & Review (P DPR)	80% (L)	Month	Mar-24	40.9%	▼	▲	●
	Vacancies - Medical & Dental	N/A	Quarter	Dec-23	7.5%	▲	▼	●
	Vacancies - Nursing & Midwifery	N/A	Quarter	Dec-23	4.6%	▲	▼	●
	Vacancies - AHPs	N/A	Quarter	Dec-23	4.7%	▲	▲	●
	Smoking Cessation (2023/24)	473 (N)	YTD	Jan-24	205	—	—	● YT Jun-23
	Alcohol Brief Interventions (2023/24)	80%	Quarter	Mar-24	119.7%	—	—	●
	CAMHS Waiting Times	90%	Month	Mar-24	76.8%	▲	▼	● QE Dec-23
	Psychological Therapies Waiting Times	90%	Month	Mar-24	74.3%	▲	▲	● QE Dec-23
Public Health & Wellbeing	Drugs & Alcohol Waiting Times	90%	Quarter	Dec-23	84.5%	▲	▼	● QE Sep-23
	Immunisation: 6-in-1 at Age 12 Months	95%	Quarter	Mar-24	95.1%	▲	▲	● QE Mar-23
Immunisation: MMR2 at 5 Years	92%	Quarter	Mar-24	85.7%	▼	▼	● QE Mar-23	

<div style="display: inline-block; width: 15px; height: 15px; background-color: green; border: 1px solid black;"></div> on schedule to meet Standard/Delivery trajectory <div style="display: inline-block; width: 15px; height: 15px; background-color: yellow; border: 1px solid black;"></div> behind (but within 5% of) the Standard/Delivery trajectory <div style="display: inline-block; width: 15px; height: 15px; background-color: red; border: 1px solid black;"></div> more than 5% behind the Standard/Delivery trajectory	National Target (N) Local Target (L)	"Better" than comparator period No Change "Worse" than comparator period Not Applicable	<div style="display: inline-block; width: 15px; height: 15px; background-color: green; border: 1px solid black;"></div> Upper Quartile <div style="display: inline-block; width: 15px; height: 15px; background-color: yellow; border: 1px solid black;"></div> Mid Range <div style="display: inline-block; width: 15px; height: 15px; background-color: red; border: 1px solid black;"></div> Lower Quartile <div style="display: inline-block; width: 15px; height: 15px; background-color: grey; border: 1px solid black;"></div> Not Available
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Payment Policy

The Scottish Government is committed to supporting business in the current economic situation by paying bills more quickly. The intention is to achieve payment of all undisputed invoices within 10 working days, across all public bodies.

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

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

	2023/24	2022/23
Average Credit Taken	15 days	19 days
Paid within 30 days by Value	95%	93%
Paid within 30 days by Volume	92%	87%
Paid within 10 days by Value	89%	83%
Paid within 10 days by Volume	81%	61%

Pension Liabilities

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

Anti-fraud

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

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

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

Social Matters

NHS Fife is committed to leading and promoting Equality and Diversity, equal opportunities and supporting human rights in terms of the provision of health services for the community it serves and in its practice as an exemplar employer. NHS Fife provides a central budget for translation and interpreting provisions, which enables us to meet the communication needs of patients and staff who require additional support. In early 2024, NHS Fife introduced its first full-time British Sign Language (BSL) Interpreter, who can support Deaf BSL-using patients across all aspects of NHS Fife services, including those within primary and community care. This post has enabled NHS Fife to have a significant increase in the number of appointments with BSL interpretation support compared to previous years, and it also enables fewer delays in care and improved communication by continued support from the same interpreter. In addition, NHS Fife is exploring the means to improve our community spoken language interpretation support over the coming year. NHS Fife has also been expanding our understanding of the experiences of diverse ethnic staff in our workforce, to make necessary changes to improve their experience, reduce discrimination and microaggressions, and take active action against racism in all its forms.

Under its Equality Mainstreaming Plan 2021, NHS Fife is committed to:

- Improving the mental health outcomes for patients over 65;
- Improving the health of black and/or minority ethnic patients in our community;
- Making senior management equality focussed by improving and embedding knowledge and skills through learning, mentoring and leadership; and
- Improving the health and wellbeing of our black and minority ethnic staff.

New outcomes will be set later in 2024.

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

NHS Fife is committed to:

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

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

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

Sustainability and Environmental Reporting

- **Policy & Strategy**

In consultation with Health Boards, the Scottish Government and public sector stakeholders, a policy for Climate Emergency and Sustainable Development (DL (2021) 38) was published in 2021 which sets out aims and associated targets for NHS Scotland to work towards.

The purpose of the policy is to provide a framework for NHS Scotland to limit the effects of the global climate emergency and for the development of an environmentally and socially sustainable health service that is resilient to the impact of climate change. To play our part in tackling the climate crisis, NHS Scotland has also developed a 2022-2026 Climate Emergency and Sustainability Strategy.

In line with the policy for NHS Scotland on the Climate Emergency and Sustainable Development and the Climate Emergency Strategy, NHS Fife has developed an Environmental Management Policy in consultation with internal and external NHS Assure stakeholders, demonstrating our commitment to environmental sustainability.

- **Governance**

The local Sustainability Programme is overseen by the Executive Lead, the Board Champion and the NHS Fife Board through the Public Health and Wellbeing Committee.

A Head of Sustainability has been appointed to lead the organisation on the requirements of the NHS Scotland Climate Emergency Strategy and as a part of improving governance, we are in discussion now around the development of a Sustainability Programme Board to discuss and review our strategic sustainability priorities for escalation to the Public Health & Wellbeing Committee.

- **Progress & Reporting**

Boards are required to submit a Public Bodies Climate Change Report annually to the Sustainable Scotland Network <https://sustainablesotlandnetwork.org/reports> and one of the objectives of the new National Policy, is for all boards to submit an annual board report and to publish it on their public website. NHS Fife has published the report for 2022/2023 ([NHS Fife Annual Climate Emergency and Sustainability Report](#)).

Partnership working is essential if NHS Fife is to meet the demands of the strategy and NHS Fife has a partner Director on the Fife Coast and Countryside Trust Board.

Other partnership working includes ongoing work with Fife Council through active participation in the Addressing the Climate Emergency Board, the Fife Environmental Partnership and with other Boards through the East Region Climate Emergency and Sustainability Group.

- **Achievement Highlights**

As in previous years, energy saving measures are being pursued wherever practicable. A new hot water recovery unit in the laundry, which attracts a saving of over £100K per annum, has been installed, alongside building fabric upgrades and LED lighting across our Estate.

A comprehensive Greenspace Strategy has been developed ([NHS Fife Greenspace Strategy](#)) which will enable progression across many areas of the climate strategy, such as use of renewable energy, improvement in active travel and to promote the management of public assets in ways which improve public health, reduce health inequalities and help to address biodiversity loss. This strategy links directly to the Population Health & Wellbeing Strategy and was signed off by the Board in 2023.

Signature: *Carol Potter*

Date: 28 June 2024

Carol Potter
Chief Executive and Accountable Officer
NHS Fife

ACCOUNTABILITY REPORT

Overview

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

- Corporate Governance Report

This explains how NHS Fife has been governed during 2023/24, including membership and organisation of our governance structures and how they support the achievement of the objectives. The report includes the Directors' Report, the Statement of Accounting Officer's Responsibilities, and the Governance Statement. The Corporate Governance Report is set out from page 14.

- Remuneration and Staff Report

This sets out NHS Fife's remuneration policies for the Executive Directors and the Non-Executive Directors and how these policies have been implemented for the reporting period, including salary information and pension liabilities. It also provides further detail on remuneration and staff expenditure as a whole. The Remuneration and Staff Report is set out from page 30.

- Parliamentary Accountability and Audit Report

This brings together key information to support accountability to Parliament, including a summary of losses and special payment, fees and charges and any remote contingent liabilities. The Parliamentary Accountability and Audit Report is set out from page 40.

Corporate Governance Report

Directors' Report

Date of Issue

Financial statements were approved by the Board and authorised for issue by the Accountable Officer on 25 June 2024.

Appointment of Auditors

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. The Auditor General has appointed Chris Brown, Regional Managing Partner, Azets, to undertake the audit of Fife Health Board. The general duties of the auditors of health bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland, and approved by the Auditor General.

Board Membership

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

The NHS Fife Board has collective responsibility for the performance of the local NHS system as a whole, and reflects a partnership approach, which is essential to improving health and health care. NHS Board members are also Trustees of the Fife Health Board endowment funds held by the Fife Health Charity. The members of the NHS Fife Board who served during the year from 1 April 2023 to 31 March 2024 were as follows:

Non-Executive Members

Patricia Kilpatrick	Chairperson (from 01.02.2024)
Alistair Morris	Acting Chairperson (from 01.04.2023 to 31.01.2024) / Vice Chairperson (from 01.02.2024)
Sinead Braiden	Non-Executive Member
Alastair Grant	Non-Executive Member
Colin Grieve	Non-Executive Member
Anne Haston	Non-Executive Member
Dr John Kemp	Non-Executive Member
Kirstie MacDonald	Whistleblowing Champion & Non-Executive Member
Mansoor Mahmood	Non-Executive Member (to 31.12.2023)
Arlene Wood	Non-Executive Member
Wilma Brown	Stakeholder Member, Employee Director (Co-Chair, Area Partnership Forum) (to 30.09.2023)
Lynne Parsons	Stakeholder Member, Employee Director (Co-Chair, Area Partnership Forum) (from 01.10.23)
Aileen Lawrie	Stakeholder Member (Chairperson, Area Clinical Forum)
Councillor David Graham	Stakeholder Member (Fife Councillor) (to 28.08.2023)
Councillor Graham Downie	Stakeholder Member (Fife Councillor) (from 01.10.2023)

Executive Members

Carol Potter	Chief Executive
Janette Keenan	Director of Nursing
Margo McGurk	Director of Finance & Strategy / Deputy Chief Executive
Dr Chris McKenna	Medical Director
Dr Joy Tomlinson	Director of Public Health

Statement of Board Members' Responsibilities

Under the National Health Service (Scotland) Act 1978, the Health Board is required to prepare accounts in accordance with the directions of Scottish Ministers, which require that those accounts give a true and fair view

of the state of affairs of the Health Board as at 31 March 2024 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

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

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

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

Board Members and Senior Managers' Interests

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

A register of interests, which includes details of company directorships or other significant interests held by Board members that may conflict with their management responsibilities, is available by contacting the Corporate Governance Support Officer, Corporate Governance & Board Administration, Queen Margaret Hospital, Whitefield Road, Dunfermline KY12 0SU or via fife.boardadministration@nhs.scot. A copy is also published online at the following link: <https://www.nhsfife.org/about-us/nhs-fife-board/register-of-board-interests/>.

Directors' third-party indemnity provisions

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

Remuneration for non-audit work

No non-audit work has been carried out by Azets or the Fife Health Charity auditors, Thomson Cooper, during 2023/24.

Value of Land

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

Public Services (Scotland) Act 2010

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

NHS Fife publishes the required information on the NHS Fife website at the following link: <https://www.nhsfife.org/about-us/guide-to-information-available-through-the-model-publication-scheme/finance-guide-to-information/>.

Information Governance and Security Incidents reported to the Information Commissioner's Office

There were two outstanding personal data-related incidents / data protection breaches from Financial Year 2022/23 concluded in this reporting year. The Information Commissioner's Office (ICO) subsequently issued a Reprimand to the Board for an incident that occurred in February 2023, in which an unauthorised person gained access to a ward at St Andrews Community Hospital. Due to a lack of identification checks and formal processes, the non-staff member was handed a document containing the personal information of 14 people and assisted with administering care to one patient. The data was taken off site by the person and has not been recovered. Whilst the hospital had CCTV installed, the wall socket with the CCTV had been accidentally turned off by a member of staff prior to the incident. The police have not been able to identify the person or recover the lost data, hindered by the lack of CCTV footage. The ICO's investigation concluded that NHS Fife did not have appropriate security measures for personal information, as well as low staff training rates. Following this incident, NHS Fife has introduced new measures, such as a system for documents containing patient data to be signed in and out, as well as updated identification processes. An update on all actions undertaken by the Board in response to the Reprimand is due to be submitted to the ICO in June 2024.

A breach originally reported to the ICO in March 2023 related to a change in TrakCare referral vetting text, resulting in some rejected referrals never being communicated back to the Referrer, with the potential risk of a lack of follow-up actions and/or care. The ICO confirmed in June 2023 that they were taking no further action due to no harm to patients occurring and noted that technical system changes had been implemented to prevent this issue reoccurring.

For Financial Year 2023/24, there were a total of 12 breaches reported to the ICO and/or the Scottish Government (a reduction from the 14 reported in 2022/23). Of the 12 incidents, no further action was required for 8 of the breaches reported. One breach (pertaining to three GP Practices) was subsequently identified as not meeting the legislative requirement to report, as it fell under the Privacy & Electronic Communications Regulations 2003, as opposed to the Data Protection Act; this was unclear at the time of original reporting but this incident was subsequently categorised as 'Breach obligation did not apply'. The other 3 incidents were reported in August and September 2023, and, at the time of writing, we await a response from the ICO on these breaches.

Disclosure of Information to Auditors

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

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

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

This designation carries with it the responsibility for:

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

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

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

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

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers.

To the best of my knowledge and belief, I have properly discharged my responsibilities as accountable officer as intimated in the Departmental Accountable Officer's letter to me of 31 January 2020.

Governance Statement

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with the organisation's policies and promotes achievement of the organisation's aims and objectives, including those set by Scottish Ministers. I am also responsible for safeguarding the public funds and assets assigned to the organisation. These financial statements consolidate the Health Board's Endowment fund, the Fife Health Charity. This statement includes any relevant disclosure in respect of these Endowment funds.

Purpose of Internal Control

The system of internal control is based on an ongoing process designed to identify, prioritise, and manage the principal risks facing the organisation. The system aims to evaluate the nature and extent of risks, and manage risks efficiently, effectively, and economically.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's aims and objectives. As such, it can only provide reasonable and not absolute assurance.

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

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

Governance Framework

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

Members of Health Boards, as detailed on page 14, are selected on the basis of their position, or the particular expertise, which enables them to contribute to the decision-making process at a strategic level.

The Board meets every two months to progress its business and holds a Development Session in intervening months to discuss topical and strategic issues for NHS Fife. The Code of Corporate Governance, which is revised on an annual basis, identifies Committees and Sub-Committees that report to the Board to help it fulfil its duties. These include the following governance Committees:

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

Clinical Governance Committee

Principal Function:

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

Membership:

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

Chair:

Arlene Wood, Non-Executive Board Member

Frequency of Meetings:

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

Audit & Risk Committee**Principal Function:**

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

Membership:

- Five Non-Executive or Stakeholder Members of the Board

Chair:

Alastair Grant, Non-Executive Board Member

Frequency of Meetings:

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

Staff Governance Committee**Principal Function:**

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

Membership:

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

Chair:

Sinead Braiden, Non-Executive Board Member

Frequency of Meetings:

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

Remuneration Committee**Principal Function:**

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

Membership:

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

Chair:

Alistair Morris, Acting Chairperson (to 31.01.2024)
Patricia Kilpatrick, Chairperson (from 01.02.2024)

Frequency of Meetings:

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

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

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

Membership:

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

Chair:

Alistair Morris, Non-Executive Board Member

Frequency of Meetings:

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

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

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

Membership:

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

Chair:

Alistair Morris, Acting Chairperson (to 31.01.2024)
Patricia Kilpatrick, Chairperson (from 01.02.2024)

Frequency of Meetings:

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

Other Governance Arrangements

The conduct and proceedings of the NHS Board are set out in the Board's Standing Orders. These specify the matters which are solely reserved for the NHS Board to determine, the matters which are delegated under the

scheme of delegation and the matters which are remitted to a Standing Committee of the NHS Board. In April 2020, the Board adopted the new national Model Standing Orders for NHS Boards, created to support the implementation of the NHS Blueprint for Good Governance, and to improve consistency across NHS Boards using this 'Once for Scotland' approach. There have been no amendments to the Standing Orders in 2023/24.

A new Code of Conduct for Members of Fife NHS Board (<https://www.nhsfife.org/about-us/nhs-fife-board/code-of-conduct-for-board-members/>) was formally adopted in 2022, based on model guidance created for NHS Scotland and approved by the Standards Commission for Scotland. Board members have received national briefings on the revised Code's requirements and regular updates from the Standards Commission on related guidance, and updates have been made to the Board's internal Gifts & Hospitality and Registering and Declaration of Interests processes to capture the required information under the Code. Both the Standing Orders, Code of Conduct for Members and Scheme of Delegation are contained within the Board's Code of Corporate Governance, which also includes the Standing Financial Instructions. These documents are the focus of the NHS Board's annual review of governance arrangements. The annual review also covers updating the remits of the NHS Board's Standing Committees and a self-assessment of each Committee's effectiveness, along with a review of the Board's Financial Operating Procedures.

All committees of the Board are required to provide an Annual Statement of Assurance to the Audit & Risk Committee and Board, describing their membership, attendance, frequency of meetings, business addressed, outcomes and extent of assurances provided. Each Statement also provides detail on risk management arrangements and an assessment of how Best Value principles have been addressed and seek to demonstrate how each Committee have fully fulfilled their roles and remit during the reporting year. The format and content of these reports have been further expanded in the current year, taking on board past feedback, and a template for the respective sub-committees / groups that formally report into a Standing Committee has been followed to ensure consistency. Further guidance has also been provided to governance colleagues in the Fife Integration Joint Board in order to improve the content of assurances from their committees to the NHS Board.

All NHS Board Executive Directors undertake a review of development needs as part of the annual performance management and development process. Access to external and national programmes in line with development plans and career objectives is also available. During 2023/24, the Executive Directors continued their programme of team coaching to further develop strong collaborative leadership and to establish an approach to model and enact ways of working and behaviours that are integral to the vision of NHS Fife.

From November to December 2023, the Board has been engaged in a self-assessment of its governance against the terms of the second edition of the Blueprint for Good Governance, published in December 2022. The self-assessment involved all Board members and routine attendees undertaking a detailed survey measuring the Board's current operations against the Blueprint functions. This was subsequently followed by a dedicated in-person Board development session held in February 2024, facilitated by Board Development colleagues from NHS Education for Scotland, to agree the Board's actions, collating these in the format of an improvement plan.

The self-assessment exercise and resulting action plan is a key element of implementing the arrangements of the NHS Scotland Blueprint for Good Governance and the survey and plan format are provided to Boards by Scottish Government as part of a Once for Scotland approach common across all Health Boards. The second edition of the Blueprint builds on the original guidance issued by Scottish Government in 2019 and sets out the methodology for assessing the effectiveness of the healthcare governance system against the principles of good governance. The aim is for Boards to develop a programme of activity to drive continuous improvement in the delivery of good governance. In seeking to map the Board's arrangements for governance against the standards given in the national Blueprint, detailed consideration has been given as to whether the right systems are in place to provide appropriate levels of assurance and to identify areas where improvements can be made.

The Board's action plan (available at <https://www.nhsfife.org/media/xz1jg4n5/nhs-fife-blueprint-action-plan-march-24-1.pdf>) was formally approved in March 2023 and submitted to Scottish Government thereafter. A series of actions were identified, including renewal of the Board's risk appetite statement, finalising a stakeholder engagement strategy, increasing the benchmarking information available to the Board, and facilitating more opportunities for Board members to engage with staff and stakeholder groups. Monitoring the delivery of these actions will continue over the next 2024/25 reporting year, with external reporting to Scottish Government on progress thereon.

To support the Board-level governance review, each year every Board committee also undertakes a detailed self-assessment exercise, via the format of an online questionnaire surveying both members and attendees for their feedback. The regular review of Board committee effectiveness is an important tool in identifying areas

where improvements can be made, such as in enhancing training opportunities, and is a central part of the internal year-end assurance process.

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

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

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

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

NHS Fife has implemented the National Whistleblowing Standards, introduced to all Boards from 1 April 2021. A dedicated Whistleblowing Champion took up position on the Board as a full Non-Executive Member in April 2021. The Board's Staff Governance Committee has undertaken review of the National Whistleblowing Standards and have overseen their adoption locally, including the cycle of regular reporting on the number of cases raised under the Standards and also any anonymous concerns raised. A refreshed approach, realigning the responsibilities for implementation of the Standards outwith the Workforce Directorate, is anticipated to take effect in 2024/25. The Board is committed to achieving the highest possible standards of service and the highest possible ethical standards in public life in all of its practices. To achieve these ends, it encourages staff to use internal mechanisms for reporting any fraud, malpractice or illegal acts or omissions by its staff. The Board wishes to create a working environment which encourages staff to contribute their views on all aspects of patient care and patient services. All staff have a duty to protect the reputation of the service they work within. The Board does not tolerate any harassment or victimisation of staff using this policy, and treats this as a serious disciplinary offence, managed under the NHS Scotland Conduct Policy.

There is a well-established feedback and complaints system in place whereby members of the public can make a formal complaint to the Board regarding care or treatment provided by or through the NHS, or how services in their local area are organised if this has affected care or treatment. Information on our complaints procedures is available on the NHS Fife website at <https://www.nhsfife.org/get-involved/feedback-and-complaints/>.

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

An Integrated Performance & Quality Report (IPQR) was presented to each Clinical Governance Committee, Finance, Performance & Resources Committee, Staff Governance Committee, Public Health & Wellbeing Committee and Board meeting. This provides detailed monitoring information on a range of measures covering financial and clinical delivery. The enduring impact of the pandemic on performance against key metrics has been significant and the Board notes the challenges faced in recovering the position, particularly in relation to reducing waiting times and the number of referrals. The NHS Board also considers at each meeting the most up-to-date information available in relation to the financial position. A review of the IPQR's content and format is presently underway, to address actions from the Board's Blueprint Improvement Plan, improve benchmarking data, and to ensure it remains relevant and clear to Board members.

Any reports resulting from external regulatory inspections of, or visits to, NHS Fife healthcare sites are considered in detail at the Board's Clinical Governance Committee. The report of an unannounced Healthcare Improvement Scotland (HIS) inspection of Mental Health services at Queen Margaret and Whyteman's Brae hospitals (available online at www.healthcareimprovementscotland.scot/publications/queen-margaret-hospital-infection-prevention-and-control-in-mental-health-services-inspection-report-may-2023-pdf-376k/) focused on infection prevention and control and was considered by the Committee at its July 2023 meeting. This inspection resulted in the identification of three areas of good practice, seven requirements and two recommendations for the Board to implement. Members were able to take broad assurance from the positive feedback on the good practice identified therein and the robust action plan to address any outstanding requirements, detailing improvement actions necessary. A Safe Delivery of Care Inspection was undertaken by HIS in the Victoria Hospital between 31 July and 2 August 2023, and the report was published in October 2023 (available at www.healthcareimprovementscotland.scot/publications/victoria-hospital-safe-delivery-of-care-inspection-report-october-2023/). The inspection resulted in four areas of good practice, two recommendations and nine requirements to be addressed. At their September 2023 meeting, the Clinical Governance Committee considered the issues raised by the inspectors, particularly in relation to concerns around adequate estate environment and backlog maintenance in Ward 5, resulting in the decant of services and the priority refurbishment of the ward area. The Committee's consideration of the issue was also informed by a site visit to the ward by a number of the Board's Non-Executive members. The Board has taken assurance from the remedial work underway to address the areas of risk highlighted in the inspection, noting, however, some concern that internal controls had not operated to the required levels of efficiency to pick up the various estate-related issues outwith the inspection process. It was noted that the inspection had also highlighted issues about the oversight, communication and escalation processes in relation to the condition of the environment. An update on progress in meeting the action plan created to address the inspector's findings was considered at the Clinical Governance Committee's March 2024 meeting, with members taking assurance from the fact that the action plan had been fully accepted by HIS and the remedial refurbishment works to Ward 5 were on track for completion in March 2024. A follow-up visit to the ward was undertaken by Non-Executive members in April 2024, to view the refurbished space and to take assurance from the actions implemented.

During 2023/24 the Board, as the Corporate Trustee for the Fife Health Charity, kept under review the overall governance for charitable funds, including the approach to the management and oversight of funds.

Integration Joint Board (IJB)

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

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

The approach adopted for health and social care within Fife is the 'fully delegated' model, with the IJB responsible for governance and assurance of all operational activities for its delegated functions. During 2023/24 the NHS Board and supporting governance committees maintained an overarching assurance role in relation to both clinical and financial governance, and therefore oversight of the adequacy and effectiveness of controls for delegated functions. The operational and governance framework of the IJB continues to be developed, to ensure clarity and consistency of approach.

A revised Fife Integration Scheme, following joint review by the partners, received formal sign-off by the Scottish Government on 8 March 2022 and is next due for review in 2027. The format of the reviewed Scheme continues to follow the Model Integration Scheme introduced across Scotland. The Fife version clearly details:

- Information on the role of the Chief Officer in respect of operational direction and accountability to the IJB, in addition to their role overseeing clinical and care governance.
- Clarity around the responsibilities and accountabilities of NHS Fife and Fife Council for clinical and care governance and the professional roles held by the Executive Nurse Director, the Executive Medical Director, and the Chief Social Work Officer.
- Confirmation that the IJB will ensure mechanisms to discharge its statutory responsibilities for the delivery of integrated health and social care services, health and wellbeing outcomes, the quality aspects of

integrated functions for strategic planning and public involvement and delivery, monitoring and reporting on integration through Localities, Directions, and its Annual Performance Report.

- Details on the financial basis upon which the parties share the cost of overspends or underspends incurred by the IJB.

Review of Adequacy and Effectiveness

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

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

The Annual Internal Audit Report 2023/24 was provided to the Audit & Risk Committee concluding that the Board has adequate and effective controls in place, and that the 2023/24 internal audit plan has been delivered in line with public sector internal audit standards.

The Board took assurance during 2023/24 from the Service Audit reports provided by the third-party service providers. The Service Audit report in relation to the NSI Financial Ledger services was provided unqualified. Whilst the Service Audit reports for both the IT Services and the Practitioner and Counter Fraud Services were provided with minor qualifications, conformation was nevertheless provided that neither of these was an adverse opinion. In addition, a Type 1 Service Audit was also provided with regards to the Payroll Services, which, following the TUPE transfer in February 2023, is now carried out externally from NHS Fife.

Data Quality

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

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

Risk Management

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

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

NHS Fife is committed to maintaining and fully embracing an effective organisational risk culture. All of the key areas within the organisation maintain a risk register. The risk registers are held in Datix, the Risk Management Information System. The Risk Management team provide training and support in response to the needs of individuals and teams.

During 2023/24 several initiatives have been implemented to improve the effectiveness of the risk management framework within NHS Fife. These include details of key workstreams described below.

Risk Management Framework

An updated Risk Management Framework was approved by the Fife NHS Board in September 2023. The intention was to also subsequently update the related Risk Register / Risk Assessment Policy GP/R7. However, whilst redrafting the policy, it was recognised that there was considerable duplication with the Framework. Following consultation with key stakeholders, it was determined that a separate policy was not required as key elements of the policy not already covered will be added to the Framework. This approach was supported by the Risks & Opportunities Group on 5 December 2023 and endorsed by the Audit & Risk Committee at its meeting on 13 December 2023. The revised Framework and a Delivery Plan to support implementation are currently being finalised and will be submitted to the Audit & Risk Committee and the Board for approval in May 2024.

Risk Appetite

The Board's Risk Appetite was set in July 2022, and considered and maintained as part of the update to the Board's Risk Management Framework in September 2023. In recognition that risk appetite must be reviewed and adjusted where necessary to reflect changes in the internal and external environment, a Board Development Session on Risk Appetite was held on 8 April 2024. This has provided further opportunity to discuss and reflect on the extant appetite and consider if changes are required in terms of both the risk appetite descriptors, and the levels of risk the Board is prepared to tolerate or treat in the pursuit of its strategic priorities and delivery of the Population Health & Wellbeing Strategy. This is particularly relevant as we respond and adapt to the challenging financial outlook, and further develop and implement the Board's new 'Re-form, Transform, Perform' Framework, which sets out the approach the Board will take to enable change and work toward a financially and operationally sustainable future.

Risk reports to the governance committees, the Audit & Risk Committee and the Board make explicit reference to the status of the risks in relation to the related risk appetite.

Corporate Risk Register

The corporate risks collectively outline the organisational risks associated with the delivery of the Board's Population Health & Wellbeing Strategy. It is recognised that all risks on the corporate risk register are impacted by and are aligned to the Strategy. All corporate risks are reviewed regularly and reported bi-monthly to the governance committees and twice a year to the Board.

Committee feedback received on the Corporate Risk Register during 2023-2024, through its presentation by Executive risk owners and following discussion by the governance committees, has been carefully considered and acted upon to improve its content. This has included specific reviews of the following aspects associated with corporate risk reporting:

Assurance Levels

A review was carried out on the use of the "levels of assurance" detailed within the Committee Assurance Principles document routinely provided to committees with the Corporate Risk Register reports, including Deep Dive Reviews. Following agreement by the Executive Directors' Group and endorsement by the Audit & Risk Committee in June 2023, it was agreed to adopt the four-level assurance model, used by our Internal Auditors. The Assurance Principles document was updated to incorporate this assurance model, as was the Deep Dive Review template. The latter now requires the risk owner to provide a level of assurance to the Committee as part of the Deep Dive's creation or review of a previous deep dive.

These developments were implemented from July 2023 and have added consistency to our reporting. The use of the assurance levels continues to evolve, as we further seek to enhance the evidence to substantiate the level of assurance being offered.

Since November 2023, reports to the governance committees have also included a statement on the latest position in relation to the management of risks linked to the respective committees, and on the proposed "level" of assurance that members can take from the report, and that all actions, within the control of the organisation, are being taken to mitigate these risks as far as it is possible to do so.

Deep Dive Reviews

Corporate Risk Deep Dive reviews continue to form an important component of our risk assurance arrangements and provide a focus for in-depth discussion and scrutiny. As at 31 March 2024, 14 of the 18 corporate risks had undergone at least one deep dive. The instances in which this has not occurred include where committees have commissioned reviews of related non-corporate risks that are otherwise significant to their remit and, in one case, the addition of a new corporate risk.

An Audit & Risk Committee Development Session in October 2023 provided the opportunity to reflect on our experience and learning from deep dives undertaken over the last year. Recognising that a key characteristic of a risk deep dive review is that it should be carried out at specific points during the life-cycle of a risk, it was agreed to develop criteria for undertaking a deep dive review. The requirement for a deep dive will continue to be determined through routes including the Executive Directors' Group and the Risks & Opportunities Group. Decisions will be informed by consideration of specific trigger factors such as the creation of a new corporate risk, materially deteriorating risks, or the proposed de-escalation / closure of a corporate risk, as well as intelligence from within operational teams.

This approach was endorsed by the Audit & Risk Committee in December 2023 and shared with the other governance committees in January 2024.

Risk Rating Improvement Timescale

By their nature corporate risks are complex and carry an underlying level of inherent risk that can make effective risk management challenging. In some cases, the opportunity to conduct risk mitigation on the current risk level is limited or outwith the risk owner's ability to influence. Part of the complexity means the ability to mitigate corporate risk, in a short period of time, can be limited and so requires extended periods of time to plan, deliver and embed the risk mitigation actions.

Given this complexity, the levels of inherent risk associated with some of the risks and the confusion of changing current risk rating targets for the in-year target, it was agreed to remove the current in-year prediction and match the overarching risk target rating with a more meaningful and realistic timescale i.e. an expected date of achievement. This development was implemented from July 2023.

Corporate Risk Review Cycle

During the period under review, consideration was given to establishing a more balanced and efficient approach to providing reports to the governance committees that recognised the need for Committee assurance on both the regularity of risk review and meaningful risk updates. As the governance committees meet six times a year, there was an opportunity to rotate the corporate risk review frequency over these six meetings to provide assurance, while supporting the requirement for efficiency. It was agreed that while corporate risk owners can review and update their risks at any time, they would be required to review and update where necessary their total set of risks at least every four months. This approach was implemented from September 2023 and is working effectively.

During 2023- 2024, developments of note in relation to the corporate risks include the following :

Covid-19: The risk achieved and surpassed its risk target. In light of this and as the risk had been stable over several months, it was recommended to and agreed by the Clinical Governance Committee in January 2024, that the risk should close on the Corporate Risk Register with oversight transferred to the Public Health Assurance Committee.

Quality and Safety: Given the governance arrangements in place, and the number of completed mitigations, a risk review indicated the potential to reduce the risk level from high to moderate and so bring the risk within its risk appetite of Moderate. This was recommended to and agreed by the Clinical Governance Committee in March 2024.

Optimal Clinical Outcomes: This risk was subject to a dedicated Board Development session in October 2023, and a second deep dive review. It was agreed at the Clinical Governance Committee in March 2024.

that there should be further discussion through the Risks & Opportunities Group on whether it is appropriate to close the risk and develop a revised risk or risks.

Preparation for the Implementation of the Health and Care (Staffing) (Scotland) Act 2019: In November 2023, the Board approved the addition to the Corporate Risk Register of the above risk.

Potential New Corporate Risks

Pandemic Preparedness/Biological Threat: A report and an initial deep dive review are being prepared and progressed through the Public Health Assurance Committee and the Executive Directors' Group in March/April to consider if the new risk should be included on the Corporate Risk Register, and if so, to which committee it is best aligned before reporting to Committee in May 2024.

Capital Funding - Service Sustainability: A report and an initial deep dive review are being prepared and progressed through the Financial Capital Investment Group (FCIG) and the Executive Directors' Group during March/April 2024, to consider if the new risk should be included on the Corporate Risk Register, before reporting to the Finance, Performance & Resources Committee in May 2024.

The Corporate Risk Register and the associated assurance framework continues to evolve and in this way will be subject to ongoing refinement and development.

Strategic Risk Profile

The Strategic Risk Profile, as a dashboard set in the context of the Board's risk appetite, continues to be reported in the monthly Board Integrated Performance & Quality Report.

The full Profile is part of the introductory Corporate Risk Summary section. Extracts related to specific strategic priorities are contained within the Assessment section against the following areas of performance; clinical governance, operational, finance, staff governance and public health and wellbeing. A section on the corporate risks is now included in the introduction to the Annual Delivery Plan.

Risks & Opportunities Group

The Risks & Opportunities Group was established in September 2022 and supports and embeds an effective risk management framework and culture across the organisation. The Group meet bi-monthly to support the continued development of an effective and consistent approach to the management of Operational Risk as well as the ongoing consideration of enhancements to the Corporate Risk Management approach.

The Group has reviewed and updated its Terms of Reference, with the most recent iteration approved in August 2023. At each meeting the Risks & Opportunities Group reviews progress against its Annual Workplan, considers issues for escalation and receives reports on any other relevant business. The Risks & Opportunities Group has reported on its work to the Audit & Risk Committee in June, August and December 2023, and in March 2024.

During 2023-2024, the Group's work has included:

- Supporting the development and updates of the Risk Management Framework;
- Continuing to inform and support the developments and improvements mentioned above in relation to the Corporate Risk Register, recommendations on changes or additions to the corporate risks and the broader organisational risk profile, assurance levels and Deep Dive Reviews;
- Contributing to the development of a Risk Summary Dashboard and Guidance to support and enhance our operational risk management approach and maintain alignment to the principles outlined within the Risk Management Framework. The Guidance seeks to provide a working method and activities for individuals and teams to use when reviewing the Dashboard to manage their risks in a consistent and time effective manner. A plan to support Dashboard implementation will be taken forward through the remit of the Risks & Opportunities Group during 2024;
- Reviewing the Risk Assessment Matrix and considering the need for updates to descriptors and terminology. Similar considerations have taken place in other NHS Boards. At a national meeting facilitated by Healthcare Improvement Scotland in February 2024 in which the Board took part it was agreed to review the national matrix and expand and modernise the content. A short life working group is to be set up to take forward this work in which NHS Fife will seek to be involved.
- Considering the development of meaningful Key Performance Indicators which should be implemented to demonstrate active risk management;

- Identifying opportunities, particularly in relation to delivery of the Population Health and Wellbeing Strategy. Realistic Medicine principles have also been agreed as an area of focus for 2024/25.

The Group has undertaken a self-assessment of its own effectiveness, which has been considered at its meeting in April 2024 and thereafter reported to the Audit & Risk Committee in May 2024. The assessment covers elements including membership and group dynamics, role clarity and expectations, effectiveness of the scrutiny and challenge function, management of the agenda and impact of the Group in terms of outputs, as well as suggested actions to further improve the Group's effectiveness in respect of delivering its remit.

The Risks & Opportunities Group has developed a workplan for 2024/25 that will drive efforts to further develop a positive and proactive approach to risk management across the organisation.

During 2023/24, the Director of Finance & Strategy, as Executive Lead for Risk Management, reported on all of the above to the Audit & Risk Committee.

Population Health & Wellbeing Strategy – Year One

NHS Fife Board formally approved a new Population Health & Wellbeing Strategy at its meeting in March 2023. The new strategy sets out the strategic ambitions for NHS Fife for the next five years, focusing on our key strategic priorities and how we will take forward plans to deliver these. The strategy is intended to be dynamic and to allow NHS Fife to be agile to respond to future emergent pressures and changing priorities on an ongoing basis. It candidly acknowledges the legacy of the pandemic on our population, our staff and our services. We know that across our healthcare system, performance on a range of metrics (for example, waiting times) is not to the standard that we want it to be. Addressing this is a theme running throughout the strategy, in line with national policy.

Development of the strategy has been underpinned by a strategic framework that includes the overall vision Living Well, Working Well and Flourishing in Fife. This is supported by four strategic priorities: (i) improving health and wellbeing; (ii) improving the quality of health and care services; (iii) improving staff experience and wellbeing; and (iv) delivering value and sustainability. For each of the four priorities we have identified key ambitions, summarised what we were told through the engagement work, and given examples of what we plan to do to deliver against each. Each priority is supported with stories that emerged from our engagement work to make our work relatable to our public and our staff. The strategy is enabled by supporting workstreams in the distinct areas of digital and information, property and asset management, finance and workforce.

Board committees have received the first mid-year update on the strategy's implementation, covering the period April to September 2023, which has detailed the achievements delivered in the first six months of 2023/24 and the plans in place for the October 2023 to March 2024 period. An annual report outlining activities in support of delivery of the strategy has been considered by the Board in May 2024. Given the early stage of strategy implementation, it is not yet possible to show achievement of key outcomes, but the reporting seeks to provide assurance on the breadth of work underway at the present time. The annual report includes information on:

- activities undertaken between October 2023 and March 2024.
- a summary of the proposed suite of impact indicators with baselines and measurement plans.
- refreshed deliverables (the 'what we will do' section) for 2024/25, to ensure that our work remains aligned to the priorities of the organisation; and
- description of any changes in national policy that will affect NHS Fife and impact upon local priorities.

A range of opportunities and challenges are emerging as we consider longer term planning horizons, beyond the timescale of the current strategy, and these are being considered as we undertake our ongoing planning work.

'Re-form, Transform, Perform' Framework

In response to the Scottish Government's budget announcement in December 2023, which will impact on the future delivery of public services across Scotland, the Executive Directors' Group, supported by the System Leadership Team across services, have worked at pace to develop the Board's new Re-form, Transform, Perform (RTP) Framework. This has been in parallel with finalisation of the Board's Annual Delivery Plan and the Medium-Term Financial Plan for 2024/25 – 2026/27. All three documents received formal Board approval in March 2024, with subsequent submission to Scottish Government.

The Scottish Government advised on 4 April 2024 that given the projected financial position for 2024/25, after 3% efficiency savings, does not achieve a breakeven position, that the Board must work to reduce expenditure to move towards that position. There are a number of schemes being developed to bridge the remaining 4% target efficiency reduction which will be progressed at pace during April and May 2024. This will require NHS Fife to make cost savings at a level not previously delivered. We will need to ensure that these savings are achieved and delivered on a recurring basis to ensure long-term sustainability.

The Board's Population Health & Wellbeing Strategy remains the foundation of strategic intent and priorities for NHS Fife through to 2028, and the RTP will serve as a tactical plan to deliver these strategic aims, supported by our annual planning mechanisms. The new framework sets out our intention to implement a renewed strategic approach to creating the right conditions for us to evolve our services, empower our staff and to ensure a more sustainable future for NHS Fife, whilst meeting our statutory responsibility to contain spend within our allocated resources.

In developing the concept of RTP, several principles have been developed to describe the approach that will be taken by NHS Fife over the coming year:

Values Based Approach: Our values of care and compassion, dignity and respect, openness honesty and transparency, and quality and teamwork. These core values will guide decision-making, ensuring that all reforms and transformations explicitly consider our ethos and commitment to delivering quality care. This approach endeavours to foster a culture where staff feel valued and supported, promoting an environment conducive to innovation and excellence, and will offer opportunities to further embed our values in everything we do.

Staff Engagement: This approach will necessitate multi-professional input from clinical, managerial, corporate and all services in NHS Fife, to ensure we leverage the diverse expertise and experience of our teams to fully engage, influence and deliver change.

Systems Leadership: Collaboration across the system is vital for the success of the RTP approach. This approach will ensure we are collaborating closely with our partners, and across the totality of NHS Fife to ensure our efforts to deliver health and care are well coordinated. Systems leadership will be critical for driving the RTP agenda, leading beyond traditional boundaries and fostering collective responsibility across NHS Fife.

Pace of Delivery: To facilitate the pace, agility and urgency required to make rapid change, several approaches will be adopted. A weekly 'RTP' meeting of the Executive Directors' Group and associates will be convened to ensure rapid decision making and unlock of issues. An incident management mindset of 'what, so what, now what' will be core in understanding how delivery of initiatives remain on track and are moving at pace. Governance of RTP initiatives will be systems focussed to deliver strategic aims, as opposed to tasked focussed. To further support this work, it is proposed non-essential organisational governance activities are reviewed to release capacity to enable us all to prioritise RTP activities which deliver:

- cost reduction and/or
- improvement in performance and/or
- enhanced quality/safety.

Evidence Based: The RTP framework approach will triangulate data, analytics, and qualitative narrative to enhance health and care delivery. Intelligent use of these resources will enable informed and rapid decision making, and improve service efficiency, as well as delivery.

Relentlessly Focused on Delivering Value Based and Care: Ensuring that our RTP plans foster a culture of stewardship where health and care colleagues take responsibility for the resources they use, practise shared decision making, and tackle unwarranted variation to provide better value care will be essential. Ensuring an organisational focus on value-based health and care will enable teams to increase job satisfaction as well as delivering better outcomes.

Close Alignment of Enabling Functions, Infrastructure Services and Operational Delivery: Alignment of our enabling functions (e.g., planning, workforce, finance, communications), our infrastructure services (e.g., estates and facilities, digital, pharmacy and medicines) and our operational delivery teams (acute services and Fife HSCP) in the organisation will be essential. This will require our systems leaders to embrace matrix management approaches for delivery of key objectives.

NHS Fife is mobilising for "Re-form, Transform, Perform" through four primary workstreams: Medicines; Service Design and Delivery; Infrastructure; and Workforce, each under executive leadership. These workstreams are designed to be agile and fluid, enhancing delivery without altering individual roles or

accountabilities. Initial savings are allocated to these streams, enabling focused delivery, rapid progress, and effective monitoring, all under Executive oversight to align with strategic goals. Combined, these activities seek to deliver the required level of financial savings, to deliver a sustainable and recurring balanced financial position, whilst fostering new and innovative ways of addressing the healthcare challenges facing our local population.

IJB Financial Position – Increased Brokerage

NHS Fife advised the Scottish Government of an overspend against resources available of £11.013 million on 7 May 2024. A formal request for financial brokerage of £11.013 million to meet the Board's statutory obligation to deliver financial balance was approved by Scottish Government. The NHS Board endorsed the brokerage request at the Board meeting on 26 May 2024. Included in the outturn was an additional allocation made to Fife IJB of £0.466 million to support their year-end outturn.

At the end of March 2024, the reported draft IJB outturn increased to a £17 million overspend. The January reported position advised of a £7 million forecast deficit to be managed through the application of £7 million from reserves.

After the application of general reserves of £7 million there remained sufficient "ear marked" reserves to reduce the recently advised £17 million overspend to £0.775 million of which NHS Fife included an additional allocation amount of £0.466m in the year-end outturn. In the final week of May, the Chief Finance Officer of the Fife Integration Joint Board advised the final outturn had increased to £5.578 million with NHS Fife's share being £3.458 million (less the allocation we have already passed through of £0.466 million).

The reason for the very late change in position relates to a reduction in the level of reserves available to reduce the reported overspend. We were notified by the Chief Finance Officer of the Fife Integration Joint Board on 28 May that Scottish Government policy colleagues had confirmed that a number of the proposed ear marked reserves were not appropriate to be used to reduce the reported overspend.

Given the adverse movement in the IJB reported deficit an additional brokerage request of £2.992 million, taking our total brokerage requested in 2023/24 to £14.005 million was required to continue to meet the Board's statutory obligation to deliver financial balance.

The reported deficit was not acknowledged sooner in the financial year was due to several factors including final costs being more than projections prepared by the Integration Joint Board and issues with management information which led to understated costs in projections. The Integration Joint Board are conducting a lessons learned exercise which will be reported through IJB governance routes and the NHS Board and actioned during 2024-25.

Disclosures

During the 2023/24 Financial Year, there was one significant failure of internal control, related to a data breach / unauthorised release of patient-related information. The incident is described fully on page 16. The Information Commissioner's Office has issued a Reprimand to the Board for the incident, concluding that NHS Fife did not have appropriate security measures in place to secure personal information, as well as low staff training rates. Following this incident, the Board has introduced new measures to strengthen internal controls in the related areas. An update on all actions undertaken by the Board in response to the Reprimand is due to be submitted to the Information Commissioner in June 2024 and as such, at the time of writing, full assurance cannot be given that the Board's actions have fully addressed the original weaknesses in the control environment. Following the review and the action taken by the Information Commissioner's Office, the Board assessed the incident matched the requirements for disclosure.

Remuneration and Staff Report

Board Members' and Senior Employees Remuneration

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

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

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

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

Directors and Senior Employees Remuneration (*Audited Information*)

The following table provides details on the remuneration of the Executive Directors, Non-Executive Directors, and Senior Employees for 2023/24.

	Gross Salary (Bands of £5,000)	Benefit in Kind £'000	Total Earnings in Year (Bands of £5,000)	Pension Benefits (£'000)	Total Remunerati on (Bands of £5,000)
Executive Members					
Carol Potter, Chief Executive	140 – 145		140 - 145	18	155 – 160
Margo McGurk, Director of Finance, Strategy & Deputy Chief Executive	145 – 150		145 - 150	86	230 – 235
Dr Christopher McKenna, Medical Director	210 – 215		210 - 215		210 – 215
Janette Keenan, Director of Nursing	115 – 120	3	115 - 120	40	155 – 160
Dr Joy Tomlinson, Director of Public Health	140 – 145		140 - 145	33	170 -175
Non-Executive Members					
Patricia Kilpatrick, Chairperson (1)	5 – 10		5 - 10		5 – 10
Alistair Morris, Vice Chairperson (2)	30 – 35		30 - 35		30 – 35
Sinead Braiden	15 – 20		15 - 20		15 – 20
Alastair Grant	15 – 20		15 - 20		15 – 20
Colin Grieve	10 – 15		10 - 15		10 – 15
Anne Haston	5 – 10		5 - 10		5 – 10
John Kemp	10 – 15		10 - 15		10 – 15
Kirstie MacDonald	10 – 15		10 - 15		10 – 15
Mansoor Mahmood (3)	5 – 10		5 - 10		5 – 10
Arlene Wood	20 – 25		20 - 25		20 – 25
Stakeholders					
Wilma Brown, Employee Director (4 & 5)	40 – 45		40 – 45	20	60 – 65
Lynne Parsons, Employee Director (6 & 7)	30 – 35		30 – 35	7	35 – 40
Councillor David Graham, Fife Council Representative (8 & 10)	0 – 5		0 – 5		0 – 5
Councillor Graeme Downie, Fife Council Representative (9 & 10)	0 – 5		0 – 5		0 – 5
Aileen Lawrie, Chairperson, Area Clinical Forum (11)	120 – 125		120 – 125	97	215 – 220
Other Senior Employees					
Claire Dobson, Director of Acute Services	110 – 115		110 – 115	25	135 – 140
David Miller, Director of Workforce	115 – 120	1	115 – 120	64	180 – 185
Benjamin Hannan, Director of Pharmacy	115 – 120		115 – 120	31	145 – 150
Neil McCormick, Director of Property and Asset Management	110 – 115		110 – 115	9	120 – 125
Notes					
1. Patricia Kilpatrick, Chairperson from 01/02/24					
2. Alistair Morris, Acting Chairperson from 01/04/23 to 31/01/24, Vice Chairperson from 01/02/24					
3. Mansoor Mahmood, Non-Executive until 31/12/23					
4. Wilma Brown, Employee Director until 30/09/23					
5. Wilma Brown, earnings in respect of non-board duties (35 – 40)					
6. Lynne Parsons, Employee Director from 01/10/23					
7. Lynne Parsons, earnings in respect of non-board duties (25 - 30)					
8. Councillor Graham, Fife Council Representative until 28/08/23					
9. Councillor Downie, Fife Council Representative from 01/10/23					
10. Councillor David Graham and Councillor Graeme Downie appear in remuneration table only as no pension benefit held with NHS Fife					
11. Aileen Lawrie, earnings in respect of non-board duties (110 – 115)					
12. The full year equivalent total earnings calculations in bands of £5,000 are as follows: Patricia Kilpatrick, Non-Executive (30 - 35), Alistair Morris, Non-Executive, as Vice-Chair (15 - 20), Mansoor Mahmood, Non-Executive (5 - 10), Wilma Brown, Employee Director (80 - 85), Lynne Parsons, Employee Director (60 - 65), Councillor David Graham, Fife Council Representative (5 - 10), Councillor Graeme Downie, Fife Council Representative (5 - 10).					
13. Nicky Connor is the Chief Officer for the Fife Integration Joint Board, her salary and pension information is disclosed in the remuneration report of the IJB Accounts. In this role she is also classified as an 'Other Senior Employee' of NHS Fife.					
14. There were no bonus payments made in 2023/24					

The following table provides details on the remuneration of the Executive Directors, Non-Executive Directors, and Senior Employees for 2022/23.

	Gross Salary (Bands of £5,000)	Benefit in Kind £'000	Total Earnings in Year (Bands of £5,000)	Pension Benefits (£'000)	Total Remunerati on (Bands of £5,000)
Executive Members					
Carol Potter, Chief Executive	130 – 135		130 – 135	0	130 – 135
Margo McGurk, Director of Finance, Strategy & Deputy Chief Executive	120 – 125		120 – 125	0	120 – 125
Dr Christopher McKenna, Medical Director	180 – 185		180 – 185	41	220 – 225
Janette Keenan, Director of Nursing (1)	100 – 105	3	100 – 105	26	125 – 130
Dr Joy Tomlinson, Director of Public Health	130 – 135		130 – 135	69	200 – 205
Non-Executive Members					
Patricia Marwick, Chairperson (2)	30 – 35		30 – 35		30 – 35
Catriona Laing, vice Chairperson (3) & (13)	0 – 5		0 – 5		0 – 5
Martin Black (4) & (13)	10 – 15		10 – 15		10 – 15
Sinead Braiden	15 – 20		15 – 20		15 – 20
Christina Cooper (5) & (13)	10 – 15		10 – 15		10 – 15
Alistair Grant	10 – 15		10 – 15		10 – 15
Kirstie MacDonald	10 – 15		10 – 15		10 – 15
Mansoor Mahmood	5 – 10		5 – 10		5 – 10
Alistair Morris (6)	20 – 25		20 – 25		20 – 25
Arlene Wood	15 – 20		15 – 20		15 – 20
Colin Grieve (7) & (13)	0 – 5		0 – 5		0 – 5
Anne Haston (8) & (13)	5 – 10		5 – 10		5 – 10
John Kemp (9) & (13)	5 – 10		5 – 10		5 – 10
Stakeholders					
Wilma Brown, Employee Director	70 – 75		70 – 75	8	80 – 85
Councillor David Graham, Fife Council Representative (10)	5 – 10		5 – 10		5 – 10
Aileen Lawrie, Chairperson, Area Clinical Forum	90 – 95		90 – 95	0	90 – 95
Other Senior Employees					
Claire Dobson, Director of Acute Services	100 – 105		100 - 105	4	105 – 110
Linda Douglas, Director of Workforce (11)	85 – 90		85 - 90	25	110 – 115
David Miller, Director of Workforce (12)	25 – 30		25 - 30	6	30 – 35
Benjamin Hannan, Director of Pharmacy	105 – 110		105 - 110	41	150 – 155
Neil McCormick, Director of Property and Asset Management	105 – 110		105 – 110	30	135 – 140
Notes					
1. Janette Keenan, Director of Nursing, Janette Owens until 12/09/22					
2. Patricia Marwick, Chairperson until 31/03/23					
3. Catriona Laing, Vice Chairperson until 31/05/22					
4. Martin Black, Non-Executive until 30/11/22					
5. Christina Cooper, Non-Executive until 31/12/22					
6. Alistair Morris, Vice Chairperson from 01/06/22 & Chairperson from 01/04/23					
7. Colin Grieve, Non-Executive from 01/10/22					
8. Anne Haston, Non-Executive from 01/08/22					
9. John Kemp, Non-Executive from 01/10/22					
10. Councillor David Graham appears in remuneration table only as no pension benefit held with NHS Fife					
11. Linda Douglas, Director of Workforce until 03/01/23					
12. David Miller, Director of Workforce from 04/01/23					
13. The full year equivalent total earnings calculations in bands of £5,000 are as follows: Rona Laing, Non-Executive (25 - 30), Martin Black, Non-Executive (15 - 20), Christina Cooper, Non-Executive (15 - 20), Colin Grieve, Non-Executive (5 - 10), Anne Haston, Non-Executive (5 - 10), John Kemp, Non-Executive (10 - 15), Linda Douglas, Director of Workforce (110 - 115), David Miller, Director of Workforce (105 - 110).					
14. Nicky Connor is the Chief Officer for the Fife Integration Joint Board, her salary and pension information is disclosed in the remuneration report of the IJB Accounts. In this role she is also classified as an 'Other Senior Employee' of NHS Fife.					
15. There were no bonus payments made in 2022/23					

Directors and Senior Employees Pension Benefits (Audited Information)

The following table shows the pension benefits of the Executive Directors, Non-Executive Directors, and Senior Employees for 2023/24.

	Total accrued pension at pension age (Bands of £5,000)	Accrued Lump sum at pension age (Bands of £5,000)	Real increase in pension at pension age (Bands of £2,500)	Real increase in lump sum at pension age (Bands of £2,500)	CETV at 31 March 2023 (£'000)	CETV at 31 March 2024 (£'000)	Real Increase in CETV in year (£'000)
Executive Members							
Carol Potter, Chief Executive	50 – 55	140 – 145	0 – 2.5	0 – (2.5)	1,082	1,195	20
Margo McGurk, Director of Finance, Strategy & Deputy Chief Executive	45 – 50	120 – 125	5 – 7.5	5 – 7.5	959	1,125	81
Dr Christopher McKenna, Medical Director							
Janette Keenan, Director of Nursing	20 – 25	0	2.5 – 5	0	337	411	36
Dr Joy Tomlinson, Director of Public Health	45 – 50	115 – 120	2.5 – 5	0 – (2.5)	909	1,023	32
Stakeholders							
Wilma Brown, Employee Director	20 – 25	55 – 60	0 – 2.5	0 – 2.5	457	540	22
Lynne Parsons, Employee Director	25 – 30	65 – 70	0 – 2.5	0 – (2.5)	543	605	10
Aileen Lawrie, Chairperson, Area Clinical Forum	40 – 45	110 – 115	5 – 7.5	7.5 – 10	820	993	104
Other Senior Employees							
Claire Dobson, Director of Acute Services	40 – 45	105 – 110	0 – 2.5	0 – (2.5)	762	852	24
David Miller, Director of Workforce	25 – 30	0	2.5 – 5	0	346	433	48
Benjamin Hannan, Director of Pharmacy and Medicine	20 – 25	0	0 – 2.5	0	178	216	11
Neil McCormick, Director of Property and Asset Management	15 – 20	40 – 45	0 – 2.5	(2.5) – (5)	366	409	3

Note: C McKenna chose not to be covered by the pension arrangements during the reporting year.

The real increase in CETV reflects the increase that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee and uses common market valuation factors for the start and end of the period.

The following table shows the pension benefits of the Executive Directors, Non-Executive Directors and Senior Employees for 2022/23. Updated following June 2024 Scottish Government guidance.

	Total accrued pension at pension age (Bands of £5,000)	Accrued Lump sum at pension age (Bands of £5,000)	Real increase in pension at pension age (Bands of £2,500)	Real increase in lump sum at pension age (Bands of £2,500)	CETV at 31 March 2022 (£'000)	CETV at 31 March 2023 (£'000)	Real Increase in CETV in year (£'000)
Executive Members							
Carol Potter, Chief Executive	50 – 55	100 – 105	0 – 2.5	0	876	972	-12*
Margo McGurk, Director of Finance, Strategy & Deputy Chief Executive	35 – 40	105 – 110	0 – 2.5	0	819	902	-16*
Dr Christopher McKenna, Medical Director	20 – 25	0	2.5 – 5	0	188	244	17
Janette Keenan, Director of Nursing	15 – 20	10 – 15	0 – 2.5	0	284	353	26
Dr Joy Tomlinson, Director of Public Health	60 – 65	0	2.5 – 5	0	690	835	57
Stakeholders							
Wilma Brown, Employee Director	20 – 25	35 – 40	0 – 2.5	0 – (2.5)	377	431	9
Aileen Lawrie, Chairperson, Area Clinical Forum	30 – 35	95 – 100	0 – (2.5)	0	689	749	-20*
Other Senior Employees							
Claire Dobson, Director of Acute Services	35 – 40	70 – 75	0 – 2.5	0	569	644	4
Linda Douglas, Director of Workforce	5 – 10	0	0 – 2.5	0	63	97	9
David Miller, Director of Workforce	20 – 25	0	0 – 2.5	0	247	295	2
Benjamin Hannan, Director of Pharmacy and Medicine	15 – 20	0	2.5 – 5	0	101	136	9
Neil McCormick, Director of Property and Asset Management	0 – 5	0	0 – 2.5	0	324	364	-8*

* Note – Taking account of inflation, the CETV funded by the employer has decreased in real terms.

Fair Pay Disclosure (*Audited Information*)

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

	2024	2023	% Change
Range of staff remuneration	(5 – 10) – (240 – 245)	(5 – 10) – (220 – 225)	
Highest earning Director's total remuneration (£000s)	210 - 215	180 - 185	16.7
Median (<i>total pay & benefits</i>)	37,406	34,463	8.5
Median (<i>salary only</i>)	37,355	34,401	8.6
Ratio	5.68:1	5.29:1	7.4
25th Percentile (<i>total pay & benefits</i>)	28,542	26,317	8.5
25th Percentile (<i>salary only</i>)	28,531	26,312	8.4
Ratio	7.44:1	6.91:1	7.7
75th Percentile Pay (<i>total pay & benefits</i>)	48,378	44,592	8.5
75th Percentile Pay (<i>salary only</i>)	48,254	44,534	8.4
Ratio	4.4:1	4.08:1	7.8

Note the 2023 figures have been restated to align with Scottish Government guidance on the median calculation.

As of 21st March 2023, the Scottish Government confirmed the full settlement for pay and conditions for NHS staff covered by the Agenda for Change Agreement (Effective Date 01/04/23). Under the agreement, most staff received a consolidated uplift of 6.5% with a floor of £1,548 and a cap of £3,755. In addition, staff also received a one-off non-consolidated addition ranging between £387 and £939, depending on an individual's place on the Agenda for Change Pay matrix. These factors are the underlying reason for the increase in median pay and the differences in the percentiles. The Highest Earning Directors (Medical Director) salary increased at a higher rate than the overall average consolidated and non-consolidated uplifts and this has been the cause of the ratios increasing in year.

Staff Report
Higher Paid Employees' Remuneration (Audited Information)

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

	2024	2023
	Number	Number
Employees whose remuneration fell within the following ranges:		
Clinicians		
£ 70,001 to £ 80,000	100	65
£ 80,001 to £ 90,000	56	36
£ 90,001 to £100,000	43	43
£100,001 to £110,000	48	50
£110,001 to £120,000	48	38
£120,001 to £130,000	45	43
£130,001 to £140,000	26	29
£140,001 to £150,000	35	21
£150,001 to £160,000	22	23
£160,001 to £170,000	22	10
£170,001 to £180,000	9	9
£180,001 to £190,000	8	9
£190,001 to £200,000	5	2
£200,001 and above	9	2
Other		
£ 70,001 to £ 80,000	8	9
£ 80,001 to £ 90,000	11	7
£ 90,001 to £100,000	6	6
£100,001 to £110,000	0	5
£110,001 to £120,000	7	1
£120,001 to £130,000	0	1
£130,001 to £140,000	0	2
£140,001 to £150,000	3	0
£150,001 to £160,000	0	0
£160,001 to £170,000	0	0
£170,001 to £180,000	0	0
£180,001 to £190,000	0	0
£190,001 to £200,000	0	0
£200,001 and above	0	0

Staff Numbers and Costs (Audited Information)

Staff Costs

	Executive Board Members	Non-Executive Members	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	2024 TOTAL	2023 TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000
Employee Expenditure								
Salaries and wages	758	416	379,732			(165)	380,741	346,501
Taxation & Social security costs	102	42	39,768			(35)	39,877	36,401
NHS scheme employers' costs	114	49	71,462			(53)	71,572	64,530
Other employers' pension costs			129				129	135
Inward secondees				20,909			20,909	18,920
Agency and other directly engaged staff					30,346		30,346	30,302
	974	507	491,091	20,909	30,346	(253)	543,574	496,789
Compensation for loss of office/early retirement							0	0
Pensions to former Board members							0	0
Total	974	507	491,091	20,909	30,346	(253)	543,574	496,789
Included in the total employee expenditure above were costs of staff engaged directly on capital projects, charged to capital expenditure of:							1,760	1,105
Staff Numbers								
Whole time equivalent (WTE)	5	15	8,432	231	219	(3)	8,899	8,926
Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of:							34	40
Included in the total staff numbers above were disabled staff of:							269	245
Included in the total staff numbers above were Special Advisers of:								

Staff Composition

Staff composition - an analysis of the number of persons of each sex who were directors and employees									
	2024					2023			
	Male	Female	Prefer not to say	Total		Male	Female	Prefer not to say	Total
Executive Directors	1	4		5		1	4		5
Non-Executive Directors and Employee Director	7	8		15		7	9		16
Senior Employees (those earning over £70,000 p.a. & who don't fit into the above 2 rows)	222	282		504		188	216		404
Other	1,994	11,923		13,917		2,064	12,356		14,420
Total Headcount	2,224	12,217	0	14,441		2,260	12,585	0	14,845

Sickness Absence Data

	2024	2023
Sickness Absence Rate	6.7%	6.5%

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

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

The Board ensures engagement with staff through various routes. The deployment of virtual communication solutions introduced during the pandemic, such as Microsoft Teams, has allowed increased virtual engagement and is supported by regular communication through our website, StaffLink employee app, e-mail (including regular email newsletters from the Chief Executive and the Board), Facebook, Twitter and specific briefings by members of the Executive Directors' Group. The Board consults staff and/or their representatives so their views are considered in decisions affecting their interests through the Area Partnership Forum and the Local Partnership Forums, along with specific working groups that routinely include staff representatives within the membership.

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

NHS Fife was Awarded Disability Confident Leader status in 2024 and the Health Board demonstrates our commitment to maximising the talents and insights disabled people can bring to our workforce through the application of our robust employment policies and practices. Staff policies were applied during the financial year relating to the employment of disabled persons.

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

Exit Packages (Audited Information)

Exit Packages – Current Year

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Cost of exit packages (£000)
<£10,000		1	1	7
£10,000 - £25,000		1	1	17
£25,000 - £50,000				
£50,000 - £100,000				
£100,000- £150,000				
£150,000- £200,000				
£200,000- £250,000				
>£250,000				
Total number of exit packages by type	0	2	2	
Total resource cost (£000)		24		24

Exit Packages – Prior Year

In 2022/23 there were no exit packages paid.

Trade Union (Facility Time Publication Requirements) Regulation 2017

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

Relevant Union Officials

Number of employees who were relevant union officials during the period 1 April 2023 to 31 March 2024	Full-time equivalent employee number
60	52.25

Percentage of Time Spent on Facility Time

Percentage of time	Number of representatives
0%	45
1 - 50%	13
51-99%	2
100%	0

Percentage of Pay Bill Spent on Facility Time

Total cost of facility time	97,264
Total pay bill	489,399,921
Percentage of the total pay bill spent on facility time	0.02%

Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	12%
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Parliamentary Accountability Report (Subject to Audit)

Losses and Special Payments

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

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

	2024		2023	
	Number of cases	£'000	Number of Cases	£'000
Losses	661	1,006	676	142
Special Payments	88	3,114	91	4,245
Total	749	4,120	767	4,387

In 2023/24, NHS Fife was required to pay out £568k in respect of 1 claim greater than £300,000 settled under the CNORIS scheme (2022/23: £1.497m, 4 claims). Further details on the scheme can be found in Note 1 of the annual accounts.

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

Fees and Charges

As required in the fees and charges guidance in the Scottish Public Finance Manual, NHS Fife charges for services provided on a full cost basis, wherever applicable. The Board had no commercial trading activity during 2023/24 where the full annual cost exceeded £1 million.

Remote Contingent Liabilities

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

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

Signature: *Carol Potter*

Date: 28 June 2024

Carol Potter
Chief Executive and Accountable Officer
NHS Fife

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

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of NHS Fife and its group for the year ended 31 March 2024 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Consolidated Statement of Comprehensive Net Expenditure, the Consolidated Statement of Financial Position, the Consolidated Statement of Cashflows, the Consolidated Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Government Financial Reporting Manual (the 2023/24 FReM).

In our opinion the accompanying financial statements:

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

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the board and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

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

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

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

Risks of material misstatement

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

Responsibilities of the Accountable Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Reporting on regularity of expenditure and income

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.

Responsibilities for regularity

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

Reporting on other requirements

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

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

Other information

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

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

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

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

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

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or

- we have not received all the information and explanations we require for our audit; or
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

Chris Brown

Chris Brown, for and on behalf of Azets Audit Services

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

Date: 28 June 2024

NHS FIFE			
CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE			
FOR THE YEAR ENDED 31 MARCH 2024			
2023			2024
£000		Note	£000
496,409	Employee expenditure	3a	542,067
	Other operating expenditure	3b	
116,333	Independent Primary Care Services		123,956
152,853	Drugs and medical supplies		168,252
711,085	Other health care expenditure		763,598
1,476,680	Gross expenditure for the year		1,597,873
(508,556)	Less: operating income	4	(525,395)
20,793	Associates and joint ventures accounted for on an equity basis		16,698
988,917	Net expenditure for the year		1,089,176
OTHER COMPREHENSIVE NET EXPENDITURE			
2023			2024
£000			£000
(23,876)	Net loss / (gain) on revaluation of property, plant and equipment		(24,052)
1,241	Net loss / (gain) on revaluation of investments		(824)
(22,635)	Other comprehensive expenditure		(24,876)
966,282	Comprehensive net expenditure		1,064,300

NHS FIFE					
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
AS AT 31 MARCH 2024					
Consolidated	Board			Consolidated	Board
2023	2023			2024	2024
£000	£000		Note	£000	£000
		Non-Current Assets:			
554,485	554,254	Property, plant and equipment	7c	567,532	567,300
583	583	Intangible assets	6a	927	927
6,129	6,129	Right of Use assets	17a	7,606	7,606
		Financial assets:			
13,756	739	Investments	10	15,283	1,495
19,063		Investments in associates and joint ventures	26b	2,365	0
47,835	47,835	Trade and other receivables	9	16,146	16,146
641,851	609,540	Total non-current assets		609,859	593,474
		Current Assets:			
6,022	6,022	Inventories	8	6,965	6,965
		Financial assets:			
38,635	38,420	Trade and other receivables	9	31,511	31,559
1,095	479	Cash and cash equivalents	11	832	347
1,623	1,623	Assets classified as held for sale	7b	1,623	1,623
47,375	46,544	Total current assets		40,931	40,494
689,226	656,084	Total assets		650,790	633,968
		Current liabilities			
(21,586)	(20,810)	Provisions	13a	(22,274)	(21,616)
		Financial liabilities:			
(121,095)	(121,080)	Trade and other payables	12	(102,236)	(102,217)
(142,681)	(141,890)	Total current liabilities		(124,510)	(123,833)
546,545	514,194	Non-current assets plus / less net current assets / liabilities		526,280	510,135
		Non-current liabilities			
(90,914)	(90,914)	Provisions	13a	(59,908)	(59,908)
		Financial liabilities:			
(158,863)	(158,863)	Trade and other payables	12	(192,526)	(192,526)
(249,777)	(249,777)	Total non-current liabilities		(252,434)	(252,434)
296,768	264,417	Assets less liabilities		273,846	257,701
		Taxpayers' Equity			
81,349	81,349	General fund	SoCTE	56,796	56,796
183,068	183,068	Revaluation reserve	SoCTE	200,905	200,905
19,063		Other reserves - associates and joint ventures	SoCTE	2,365	0
13,288	0	Fund held on Trust	SoCTE	13,780	0
296,768	264,417	Total taxpayers' equity		273,846	257,701

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

The annual report and accounts were approved by the Board on 25 June 2024 and signed on their behalf by:

Margo McGurk

.....

Director of Finance

Carol Potter

.....

Chief Executive

28 June 2024

NHS FIFE				
CONSOLIDATED STATEMENT OF CASHFLOWS				
FOR THE YEAR ENDED 31 MARCH 2024				
2023			2024	2024
£000		Note	£000	£000
	Cash flows from operating activities			
(988,917)	Net expenditure	SoCTE	(1,089,176)	
49,306	Adjustments for non-cash transactions	2b	40,796	
11,552	Add back: interest payable recognised in net operating expenditure	2b	20,847	
(429)	Investment income		(409)	
(42,211)	Movements in working capital	2b	(15,344)	
(970,699)	Net cash outflow from operating activities	26c		(1,043,286)
	Cash flows from investing activities			
(25,075)	Purchase of property, plant and equipment		(10,531)	
(394)	Purchase of intangible assets		(13)	
(4,311)	Investment additions	10	(3,804)	
3,373	Receipts from sale of investments		2,796	
429	Interest received		409	
(25,978)	Net cash outflow from investing activities	26c		(11,143)
	Cash flows from financing activities			
1,011,717	Funding	SoCTE	1,078,514	
(94)	Movement in general fund working capital	SoCTE	(132)	
1,011,623	Cash drawn down		1,078,382	
(3,668)	Capital element of payments in respect of leases and on-balance sheet PFI and Hub contracts	2b	(3,369)	
(1,046)	IFRS 16 - 2022-23 cash lease payment		0	
1,726	Interest paid	2b	393	
(13,278)	Interest element of leases and on-balance sheet PFI / PPP and Hub contracts	2b	(21,240)	
995,357	Net Financing	26c		1,054,166
(1,320)	Net (decrease) in cash and cash equivalents in the period			(263)
2,415	Cash and cash equivalents at the beginning of the period			1,095
1,095	Cash and cash equivalents at the end of the period			832
	Reconciliation of net cash flow to movement in net debt/cash			
(1,320)	(Decrease) in cash in year	11		(263)
2,415	Cash at 1 April			1,095
1,095	Cash at 31 March			832

NHS FIFE						
CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY						
FOR THE YEAR ENDED 31 MARCH 2024						
		General Fund	Revaluation Reserve	Other reserve - associates and joint ventures	Funds Held on Trust	Total Reserves
	Note	£000	£000	£000	£000	£000
Balance at 31 March 2023		81,349	183,068	19,063	13,288	296,768
Retrospective restatements for changes in accounting policy and material errors	21					0
Restated balance at 1 April 2023		81,349	183,068	19,063	13,288	296,768
Changes in taxpayers' equity for 2023/24						
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a		24,052			24,052
Net Gain / (loss) on revaluation of investments	10				824	824
Net gain / (loss) on revaluation of right of use assets	17a		37			37
Impairment of property, plant and equipment			(466)			(466)
Revaluation and impairments taken to operating costs	2b		466			466
Transfers between reserves		6,252	(6,252)			0
Other Non-Cash Costs	2b	(37,173)				(37,173)
Net operating cost for the year	CFS	(1,072,146)		(16,698)	(332)	(1,089,176)
Total recognised income and expense for 2023/24		(1,103,067)	17,837	(16,698)	492	(1,101,436)
Funding						
Drawn down	CFS	1,078,382				1,078,382
Movement in General Fund (creditor) / debtor	CFS	132				132
Balance at 31 March 2024	SoFP	56,796	200,905	2,365	13,780	273,846

NHS FIFE						
CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY – PRIOR YEAR						
FOR THE YEAR ENDED 31 MARCH 2023						
		General Fund	Revaluation Reserve	Other reserve - associates and joint ventures	Funds Held on Trust	Total Reserves
	Note	£000	£000	£000	£000	£000
Balance at 31 March 2022		32,119	164,209	39,856	14,501	250,685
Retrospective restatements for changes in accounting policy and material errors	21					0
Restated balance at 1 April 2022		32,119	164,209	39,856	14,501	250,685
Changes in taxpayers' equity for 2022/23						
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a		23,876			23,876
Net gain / (loss) on revaluation of investments	10		0		(1,241)	(1,241)
Impairment of property, plant and equipment			(8,386)			(8,386)
Revaluation and impairments taken to operating costs	2b		8,386			8,386
Transfers between reserves		5,017	(5,017)			0
Peppercorn Lease on Transition	2b	648				648
Net operating cost for the year	CFS	(968,152)		(20,793)	28	(988,917)
Total recognised income and expense for 2022/23		(962,487)	18,859	(20,793)	(1,213)	(965,634)
Funding						
Drawn down	CFS	1,011,623				1,011,623
Movement in General Fund (creditor) / debtor	CFS	94				94
Balance at 31 March 2023	SoFP	81,349	183,068	19,063	13,288	296,768

NOTE 1. ACCOUNTING POLICIES

1. Authority

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in section 30 below.

Note: Where a new international accounting standard / amendment / interpretation has been issued but not yet implemented, Boards are required to disclose in their financial statements the nature of the standard, and if possible, an estimate of its likely effect on future financial statements. HM Treasury issue a paper that sets out standards issued not yet adopted. Boards should refer to this paper when preparing their disclosure.

(a) **Standards, amendments and interpretations effective in current year.** There are no new standards, amendments or interpretations effective in the year 2023-24. However the 2023-24 FReM mandates reporting indexation linked payments in PFI liabilities in accordance with IFRS16 from 2023-24.

(b) **Standards, amendments and interpretation early adopted this year** There are no new standards, amendments or interpretations early adopted in the 2023/24 financial year.

(c) **Standards, amendments and interpretation issued but not adopted this year.** The table below summarises recent standards, amendments and interpretations issued but not adopted in the 2023/24 financial year.

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

2. Basis of Consolidation

In accordance with IFRS 10 – Consolidated Financial Statements, the Financial Statements consolidate the Fife Health Charity.

NHS Endowment Funds were established by the NHS (Scotland) Act 1978. The legal framework under which charities operate in Scotland is the Charities and Trustee Investment (Scotland) Act 2005. Under the 1978 Act Endowment Trustees are also members of the NHS Board. The Board members (who are also Trustees) are appointed by Scottish Ministers.

The Fife Health Charity is a Registered Charity with the Office of the Charity Regulator of Scotland (OSCR) and is required to prepare and submit Audited Financial Statements to OSCR on an annual basis. The basis of consolidation used is Merger Accounting. Any intragroup transactions between the Board and the Endowment Fund have been eliminated on consolidation.

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

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

Note 26, provides further details on the consolidation of the Endowment Fund and IJBs within the Financial Statements.

No Consolidation

In accordance with IAS 27 – Consolidated and Separate Financial Statements, the board have considered the requirement to consolidate the financial statements of Fife Health Charity.

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.

Fife Health Charity 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. Transactions between the Board and Fife Health Charity are disclosed as related party transactions, where appropriate, in Note 24 to the financial statements.

3. Retrospective Restatements

Are only required in respect of any agreed retrospective restatements in respect of changes in accounting policy or correction of material errors in accordance with IAS 8.

When required the prior year comparative figures have been restated to reflect details as required to include an explanation of the nature, reason and quantification of the adjustment.

4. Going Concern

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

5. Accounting Convention

The Accounts are prepared on a historical cost basis, as modified by the revaluation of property, plant and equipment, intangible assets, inventories and financial assets and liabilities (including derivative instruments) at fair value as determined by the relevant accounting standards and the FReM.

6. Funding

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

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

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

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

Non-discretionary funding out with the RRL is allocated to match actual expenditure incurred for the provision of specific Family Health Services (comprised of General Pharmaceutical Services, General Medical Services, General Dental Services and General Ophthalmic Services as designated by the Scottish Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the RRL in the Statement of Resource Outturn.

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

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in the Statement of

Comprehensive Net Expenditure except where it results in the creation of a non-current asset such as property, plant and equipment.

7. Property, Plant and Equipment

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

- Property, plant and equipment assets which are capable of being used for a period which could exceed one year, and have a cost equal to or greater than £5,000.
- In cases where a new hospital would face an exceptional write off of items of equipment costing individually less than £5,000, the Board has the option to capitalise initial revenue equipment costs with a standard life of 10 years.
- Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total (including VAT where this is not recoverable), or where they are part of the initial costs of equipping a new development and total over £20,000 (including VAT where this is not recoverable).

7.2 Measurement

Valuation

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

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

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

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

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

- Specialised NHS Land, buildings, equipment, installations and fittings are stated at depreciated replacement cost, as a proxy for fair value as agreed by the District Valuer.
- Non-specialised land and buildings, such as offices, are stated at fair value.

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

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

Subsequent Expenditure

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

Revaluations and Impairment

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

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

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

7.3 Depreciation

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

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

- Freehold land is considered to have an infinite life and is not depreciated.
- Assets in the course of construction and residual interests in off- Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Board, respectively.
- Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.
- Buildings, installations and fittings are depreciated on current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.
- Equipment is depreciated over the estimated life of the asset.
- Leased Property, plant and equipment held under leases are depreciated over the shorter of the lease term and the estimated useful life. Unless there is reasonable certainty the Board will obtain ownership of the asset by the end of the lease term in which case it is depreciated over its useful life.

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

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

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 assets where expenditure of at least £5,000 is incurred.

Websites

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

8.2 Measurement

Valuation

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

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

asset is revalued, using indices or an alternative suitable model, to the lower of depreciated replacement cost and value in use where the asset is income generating. Where there is no value in use, the intangible asset is valued using depreciated replacement cost.

Revaluation and Impairment

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

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

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

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

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

8.3 Amortisation

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

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

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

Software Licences

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

Valuation

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

Revaluation and Impairment

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

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 Statement of Financial Position initially at the current full replacement cost of the asset. Donated assets are revalued, depreciated/amortised and subject to impairment in the same way as other non-current assets in accordance with the NHS Capital Accounting Manual.

11. Sale Of Property, Plant and Equipment, Intangible Assets and Non-Current Assets Held for Sale

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

12. Leases

Scope and Classification

Leases are contracts, or parts of a contract that convey the right to use an asset in exchange for consideration. The FReM expands the scope of IFRS 16 to include arrangements with nil consideration. The standard is also applied to accommodation sharing arrangements with other government departments.

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

The following are excluded:

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

Initial Recognition

At the commencement of a lease (or the IFRS 16 transition date, if later), a right-of-use asset and a lease liability are recognised. The lease liability is measured at the present value of the payments for the remaining lease term (as defined above), net of irrecoverable value added tax, discounted either by the rate implicit in

the lease, or, where this cannot be determined, the rate advised by HM Treasury for that calendar year. The liability includes payments that are fixed or in-substance fixed, excluding, for example, changes arising from future rent reviews or changes in an index. The right-of-use asset is measured at the value of the liability, adjusted for any payments made or amounts accrued before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease. However, for peppercorn or nil consideration leases, the asset is measured at its existing use value.

Subsequent Measurement

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

Lease Expenditure

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

The Board as a Lessor

Where a Health Board leases assets to others which are material they must disclose the accounting policy used for these leases.

For these arrangements, the Health Board assesses whether the leases are finance or operating leases. For finance leases, it derecognises the asset and recognises a receivable. Interest is accrued throughout the financial year and recognised in income. For operating leases, rental income is recognised on a systematic basis, usually straight-line, over the lease term.

Estimates and Judgements

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

13. Impairment of Non-Financial Assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment. Impairment losses charged to the 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. Any 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 entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following year.

Pension Costs

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

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

18. Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to a threshold per claim. Costs above this threshold are reimbursed to Boards from a central fund held as part of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) by the Scottish Government.

NHS Fife provide for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement. Claims assessed as 'Category 3' are deemed most likely and provided for in full, those in 'Category 2' as 50% of the claim and those in 'category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and which will be recoverable from CNORIS in the event of payment by an individual health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

NHS Fife also provides for its liability from participating in the scheme. The Participation in CNORIS provision recognises the Board's respective share of the total liability of NHS Scotland as advised by the Scottish Government and based on the information prepared by NHS Boards and Central Legal Office. The movement

in the provisions between financial years is matched by a corresponding adjustment in AME provision and is classified as non-core expenditure.

19. Related Party Transactions

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

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 (PFI) 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 total unitary payment is then divided into three: the service charge element, repayment of the capital element of the contract obligation and the interest expense on it (using the interest rate implicit in the contract)

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

An IFRS 16 approach requires the liability to be remeasured if there is a change in future lease payments resulting from a change in an index rate used to determine those payments. The liability does not include estimated future indexation linked increases. There are two elements required:

Initial Remeasurement

The future PFI liability were remeasured at 1 April 2023 to include the indexation linked changes to payments for the capital/infrastructure element which have taken effect in the cashflows since the PFI arrangement commenced. The FReM mandated a cumulative catch up approach, where the cumulative effect is recognised as an adjustment to the opening balance of the General Fund. Comparative information is not restated.

Subsequent Measurement

The timing of any subsequent remeasurement of the PFI liability for indexation linked changes will be whenever there is a change in the cash flows ie. when the adjustment to lease payments takes effect.

22. Provisions

The Board provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation.

Where the effect of the time value of money is significant, the estimated cash flows are discounted using the discount rate prescribed by HM Treasury.

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 14 where an inflow of economic benefits is probable.

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

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

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

Business Model

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

Classification

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

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

This is the default basis for financial assets.

(b) Financial assets held at amortised cost

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

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

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

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

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

- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

Impairment of Financial Assets

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

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

Recognition and Measurement

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

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

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

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

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

(b) Financial assets held at amortised cost

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

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

Financial Liabilities

Classification

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

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

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

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

(b) Financial liabilities held at amortised cost

Financial liabilities held at amortised cost are disclosed in current liabilities, except for maturities greater than 12 months after the Statement of Financial Position date. These are classified as non-current liabilities. The

NHS FIFE - NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2024

NHS Board's financial liabilities held at amortised cost comprise trade and other payables in the Statement of Financial Position.

Recognition and Measurement

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

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

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

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

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

(b) Amortised costs

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

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 Note 3.

27. Cash and Cash Equivalents

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

28. Foreign Exchange

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

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

30. Key Sources of Judgement and Estimation Uncertainty

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

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

Significant Estimates

Early Retirement and Injury Benefit Provisions

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

Clinical and Medical Negligence Claims

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

Key Assumptions

Fair Value of Property, Plant, and Equipment

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

NOTE 2.

NOTE 2A. SUMMARY OF CORE REVENUE RESOURCE OUTTURN

		2024	2024
2a. SUMMARY OF CORE REVENUE RESOURCE OUTTURN	Note	£000	£000
Net Expenditure	SoCNE		1,089,176
Total non core expenditure (see below)			(31,048)
Family Health Services non-discretionary allocation			(53,376)
Endowment net expenditure			(332)
Associates and joint ventures accounted for on an equity basis			(16,698)
Total core expenditure			987,722
Core Revenue Resource Limit			987,722
Saving/(excess) against Core Revenue Resource Limit			0
SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN			
Capital Grants to / (from) Other Bodies		(529)	
Depreciation / amortisation		16,549	
Annually Managed Expenditure - impairments		466	
Annually Managed Expenditure - provisions		820	
Annually Managed Expenditure - depreciation of donated assets		208	
Annually Managed Expenditure - fair value adjustments		304	
Donated assets income		(119)	
IFRS PFI expenditure		11,978	
Right of Use (RoU) Asset Depreciation		1,348	
Right of Use (RoU) Peppercorn Leases Depreciation		23	
Total Non Core Expenditure			31,048
Non Core Revenue Resource Limit			31,048
Saving / (excess) against Non Core Revenue Resource Limit			0
SUMMARY RESOURCE OUTTURN			
		Resource	Expenditure
		£000	£000
Core		987,722	987,722
Non Core		31,048	31,048
Total		1,018,770	1,018,770
			Saving / (Excess)
			£000
Core			0
Non Core			0
Total			0

NOTE 2B. NOTES TO THE CASHFLOW STATEMENT

Consolidated Adjustments for Non Cash Transactions

2023			2024
£000		Note	£000
	Expenditure not paid in cash		
19,674	Depreciation	7a	21,752
38	Amortisation	6	92
113	Depreciation of donated assets	7a	208
1,095	Depreciation of Right of Use (RoU) Assets	17b	1,371
0	Right of use (RoU) remeasurement (gain) / loss	17b	37
9,934	Impairments on PPE charged to SoCNE		2,920
(1,548)	Reversal of impairments on PPE charged to SoCNE		(2,454)
(1,242)	Funding Of donated assets	7a	(119)
55	Loss / (profit) on disposal of property, plant and equipment		16
321	GP Loans fair value adjustment	10	305
20,793	Associates and joint ventures accounted for on an equity basis	SoCNE	16,698
3	Rounding		0
70	Other non-cash transactions		(30)
49,306	Total expenditure not paid in cash	CFS	40,796

Interest payable recognised in operating expenditure			
2023			2024
£000		Note	£000
	Interest payable		
13,224	PFI lease charges allocated in the year	18b	21,138
54	Lease interest	17b	102
(1,726)	Provisions - Unwinding of discount		(393)
11,552	Net interest payable	CFS	20,847

NHS FIFE - NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2024

Consolidated movements in working capital					
2023					2024
Net		Note	Opening	Closing	Net
movement			balances	balances	movement
£000			£000	£000	£000
	INVENTORIES				
(165)	Balance Sheet	8	6,022	6,965	
(165)	Net decrease / (increase)				(943)
	TRADE AND OTHER RECEIVABLES				
1,105	Due within one year	9	38,635	31,511	
6,702	Due after more than one year	9	47,835	16,146	
7,807			86,470	47,657	
			86,470	47,657	
7,807	Net decrease / (increase)				38,813
	TRADE AND OTHER PAYABLES				
(22,370)	Due within one year	12	121,095	102,236	
528	Due after more than one year	12	158,863	192,526	
(5,239)	Less: property, plant & equipment (capital) included in above		2,468	1,537	
94	Less: General Fund creditor included in above	12	(479)	(347)	
(1,865)	Less: lease and PFI creditors included in above	12	(163,869)	(200,770)	
			118,078	95,182	
(28,852)	Net decrease / (increase)				(22,896)
	PROVISIONS				
(21,001)	Statement of Financial Position	13a	112,500	82,182	
			112,500	82,182	
(21,001)	Net decrease / (increase)				(30,318)
(42,211)	Net movement (decrease) / increase	CFS			(15,344)

Other General Fund non-cash costs shown on the face of SoCTE		
2023		2024
£000		£000
	Other non-cash costs	
3	Rounding	3
645	Peppercorn Lease on Transition	0
	LIMS Licence Transfer	276
	PFI / IFRS16 Opening Balance Adjustment to General Fund	(37,452)
	Total other non-cash costs	(37,173)

NOTE 3. OPERATING EXPENSES

3a. Employee Expenditure				
2023			2024	2024
Total			Board	Consolidated
£000			£000	£000
102,653	Medical and Dental		114,565	114,565
224,084	Nursing		245,566	245,566
169,672	Other Staff		181,936	181,936
496,409	Total	SoCNE	542,067	542,067

3b. Other Operating Expenditure				
2023			2024	2024
Total		Note	Board	Consolidated
£000			£000	£000
	Independent Primary Care Services			
62,476	General Medical Services		66,480	66,480
19,786	Pharmaceutical Services		22,624	22,624
26,446	General Dental Services		26,403	26,403
7,625	General Ophthalmic Services		8,449	8,449
116,333	Total		123,956	123,956
	Drugs and Medical Supplies			
76,337	Prescribed drugs Primary Care		84,581	84,581
44,713	Prescribed drugs Secondary Care		49,352	49,352
971	PPE and testing kits		542	542
30,832	Medical Supplies		33,777	33,777
152,853	Total		168,252	168,252
	Other Health Care Expenditure			
431,043	Contribution to Integration Joint Boards		486,569	486,569
104,608	Goods and services from other NHSScotland bodies		113,326	113,326
1,664	Goods and services from other UK NHS bodies		1,987	1,987
4,345	Goods and services from private providers		4,136	4,136
4,535	Goods and services from voluntary organisations		3,826	3,826
19,261	Resource transfer		19,261	19,261
55	Loss on disposal of assets		16	16
144,346	Other operating expenses		133,138	133,138
193	External Auditor's remuneration - statutory audit fee		229	229
0	External Auditor's remuneration - other services (<i>details provided below</i>)			
1,035	Endowment fund expenditure			1,110
711,085	Total		762,488	763,598
980,271	Total Other Operating Expenditure		1,054,696	1,055,806

The total transfers in 2023/24 to the Integration Joint Board were £538.914m, the figure includes a resource transfer of £19.261m, other payments of £33.084m (included in other operating expenses), plus an earmarked reserve carry forward of £0.9m (included in other operating expenses).

There were no other services provided by external auditor in year.

NOTE 4. OPERATING INCOME

2023			2024	2024
Total			Board	Consolidated
£000		Note	£000	£000
198	Income from Scottish Government		700	700
30,421	Income from other NHS Scotland bodies		33,998	33,998
201	Income from NHS non-Scottish bodies		226	226
431,043	Income for services commissioned by Integration Joint Board		486,569	486,569
3,760	Patient charges for primary care		4,295	4,295
1,241	Donations		119	119
53	Profit on disposal of assets		10	10
(18,656)	Contributions in respect of clinical and medical negligence claims		(28,481)	(28,481)
	Non NHS:			
31	Overseas patients (non-reciprocal)		57	57
622	Non-patient care income generation schemes		679	679
1,063	Endowment Fund Income			778
58,579	Other		26,445	26,445
508,556	Total Income	SoCNE	524,617	525,395

The 2023/24 income for services commissioned by the Integration Joint Board equals £486.569m as per the IJB accounts.

NOTE 5. SEGMENTAL INFORMATION

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

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

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

	Hospital Services	Corporate	Community Service Divisions	FHS	Endowment	2024
	£000	£000	£000	£000	£000	£000
Net operating cost	298,316	283,520	270,254	220,053	332	1,072,475

PRIOR YEAR	Hospital Services	Corporate	Community Service Divisions	FHS	Endowment	2023
	£000	£000	£000	£000	£000	£000
Net operating cost	269,313	268,073	228,794	201,880	(28)	968,032

NOTE 6. INTANGIBLE ASSETS

6a. INTANGIBLE ASSETS (NON-CURRENT) - CONSOLIDATED			
		Software Licences	Total
	Note	£000	£000
Cost or Valuation:			
At 1 April 2023		1,661	1,661
Additions		13	13
Asset Transfers (to)/from other SG consolidation entries		279	279
Transfers between asset categories		165	165
At 31 March 2024		2,118	2,118
Amortisation			
At 1 April 2023		1,078	1,078
Provided during the year		92	92
Transfers between asset categories		21	21
At 31 March 2024		1,191	1,191
Net book value at 1 April 2023		583	583
Net book value at 31 March 2024	SoFP	927	927

6a. INTANGIBLE ASSETS (NON-CURRENT) - BOARD			
		Software Licences	Total
		£000	£000
Cost or Valuation:			
At 1 April 2023		1,661	1,661
Additions		13	13
Asset Transfers (to)/from other SG consolidation entries		279	279
Transfers between asset categories		165	165
At 31 March 2024		2,118	2,118
Amortisation			
At 1 April 2023		1,078	1,078
Provided during the year		92	92
Transfers between asset categories		21	21
At 31 March 2024		1,191	1,191
Net book value at 1 April 2023		583	583
Net book value at 31 March 2024	SoFP	927	927

6a. INTANGIBLE ASSETS (NON-CURRENT) – CONSOLIDATED PRIOR YEAR			
		Software Licences	Total
	Note	£000	£000
Cost or Valuation:			
At 1 April 2022		1,267	1,267
Additions		394	394
At 31 March 2023		1,661	1,661
Amortisation			
At 1 April 2022		1,040	1,040
Provided during the year		38	38
At 31 March 2023		1,078	1,078
Net book value at 1 April 2022		227	227
Net book value at 31 March 2023	SoFP	583	583

6a. INTANGIBLE ASSETS (NON-CURRENT) – BOARD PRIOR YEAR			
		Software Licences	Total
		£000	£000
Cost or Valuation:			
At 1 April 2022		1,267	1,267
Additions		394	394
At 31 March 2023		1,661	1,661
Amortisation			
At 1 April 2022		1,040	1,040
Provided during the year		38	38
At 31 March 2023		1,078	1,078
Net book value at 1 April 2022		227	227
Net book value at 31 March 2023	SoFP	283	283

NHS FIFE - NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2024

NOTE 7A.

7a. PROPERTY, PLANT AND EQUIPMENT – CONSOLIDATED										
		Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation										
At 1 April 2023		44,351	487,566	4,704	773	81,377	26,780	578	8,588	654,717
Additions - purchased		0	0	0	0	1,657	699	0	9,106	11,462
Additions - donated		0	22	0	0	97	0	0	0	119
Completions		0	6,735	30	0	1	0	0	(6,766)	0
Asset Transfers (to) / from other SG Consolidation Entities		0	0	0	0	0	0	0	0	0
Transfers between asset categories		0	0	0	0	0	(165)	0	0	(165)
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0	0
Revaluations		(503)	16,146	30	0	0	0	0	0	15,673
Impairment charges		0	(4,743)	0	0	0	0	0	0	(4,743)
Impairment reversals		0	2,429	0	0	0	0	0	0	2,429
Disposals - purchased		0	0	0	(39)	(785)	0	(6)	0	(830)
Disposals - donated		0	0	0	0	(16)	0	0	0	(16)
At 31 March 2024		43,848	508,155	4,764	734	82,331	27,314	572	10,928	678,646
Depreciation										
At 1 April 2023		0	24,985	339	478	53,865	20,218	347	0	100,232
Provided during the year - purchased		0	15,202	232	72	4,415	1,831	0	0	21,752
Provided during the year - donated		0	103	0	0	105	0	0	0	208
Asset Transfers (to) / from other SG Consolidation Entities		0	0	0	0	0	0	0	0	0
Transfers between asset categories		0	0	0	0	0	(21)	0	0	(21)
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0	0
Revaluations		0	(8,059)	(320)	0	0	0	0	0	(8,379)
Impairment charges		0	(1,823)	0	0	0	0	0	0	(1,823)
Impairment reversals		0	(25)	0	0	0	0	0	0	(25)
Disposals - purchased		0	0	0	(39)	(769)	0	(6)	0	(814)
Disposals - donated		0	0	0	0	(16)	0	0	0	(16)
At 31 March 2024		0	30,383	251	511	57,600	22,028	341	0	111,114
Net book value at 1 April 2023		44,351	462,581	4,365	295	27,512	6,562	231	8,588	554,485
Net book value at 31 March 2024	SoFP	43,848	477,772	4,513	223	24,731	5,286	231	10,928	567,532
Open Market Value of Land in Land and Dwellings Included Above		0		1,903						
Asset financing:										
Owned - purchased		43,848	251,033	4,513	223	23,952	5,286	0	10,928	339,783
Owned - donated		0	2,406	0	0	779	0	231	0	3,416
On-balance sheet PFI contracts		0	224,333	0	0	0	0	0	0	224,333
Net book value at 31 March 2024	SoFP	43,848	477,772	4,513	223	24,731	5,286	231	10,928	567,532

NHS FIFE - NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2024

7a. PROPERTY, PLANT AND EQUIPMENT – BOARD										
		Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation										
At 1 April 2023		44,351	487,566	4,704	773	81,377	26,780	347	8,588	654,486
Additions - purchased		0	0	0	0	1,657	699	0	9,106	11,462
Additions - donated		0	22	0	0	97	0	0	0	119
Completions		0	6,735	30	0	0	0	0	(6,765)	0
Asset Transfers (to) / from other SG Consolidation Entities		0	0	0	0	0	0	0	0	0
Transfers between asset categories		0	0	0	0	0	(165)	0	0	(165)
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0	0
Revaluations		(503)	16,146	30	0	0	0	0	0	15,673
Impairment charges		0	(4,743)	0	0	0	0	0	0	(4,743)
Impairment reversals		0	2,429	0	0	0	0	0	0	2,429
Disposals - purchased		0	0	0	(40)	(785)	0	(6)	0	(831)
Disposals - donated		0	0	0	0	(16)	0	0	0	(16)
At 31 March 2024		43,848	508,155	4,764	733	82,330	27,314	341	10,929	678,414
Depreciation										
At 1 April 2023		0	24,985	339	478	53,865	20,218	347	0	100,232
Provided during the year - purchased		0	15,202	232	72	4,415	1,832	0	0	21,753
Provided during the year - donated		0	103	0	0	105	0	0	0	208
Asset Transfers (to) / from other SG Consolidation Entities		0	0	0	0	0	0	0	0	0
Transfers between asset categories		0	0	0	0	0	(21)	0	0	(21)
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0	0
Revaluations		0	(8,059)	(320)	0	0	0	0	0	(8,379)
Impairment charges		0	(1,823)	0	0	0	0	0	0	(1,823)
Impairment reversals		0	(25)	0	0	0	0	0	0	(25)
Disposals - purchased		0	0	0	(40)	(769)	0	(6)	0	(815)
Disposals - donated		0	0	0	0	(16)	0	0	0	(16)
At 31 March 2024		0	30,383	251	510	57,600	22,029	341	0	111,114
Net book value at 1 April 2023		44,351	462,581	4,365	295	27,512	6,562	0	8,588	554,254
Net book value at 31 March 2024	SoFP	43,848	477,772	4,513	223	24,730	5,285	0	10,929	567,300
Open Market Value of Land in Land and Dwellings Included Above		0		1,903						
Asset financing:										
Owned - purchased		43,848	251,033	4,513	223	23,951	5,285	0	10,929	339,782
Owned - donated		0	2,406	0	0	779	0	0	0	3,185
On-balance sheet PFI contracts		0	224,333	0	0	0	0	0	0	224,333
Net book value at 31 March 2024	SoFP	43,848	477,772	4,513	223	24,730	5,285	0	10,929	567,300

NHS FIFE - NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2024

7a. PROPERTY, PLANT AND EQUIPMENT – CONSOLIDATED PRIOR YEAR										
		Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation										
At 1 April 2022		45,572	440,263	4,592	869	75,668	24,122	578	25,537	617,201
Additions - purchased		0	0	0	75	4,738	2,532	0	22,969	30,314
Additions - donated		0	570	0	0	672	0	0	0	1,242
Completions		0	0	0	0	0	0	0	0	0
Asset Transfers (to) / from other SG Consolidation Entities		0	0	0	0	0	0	0	(70)	(70)
Transfers between asset categories		0	37,526	49	30	2,117	126	0	(39,848)	0
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0	0
Revaluations		(1,221)	17,995	63	0	0	0	0	0	16,837
Impairment charges		0	(10,172)	0	0	(487)	0	0	0	(10,659)
Impairment reversals		0	1,384	0	0	0	0	0	0	1,384
Disposals - purchased		0	0	0	(201)	(1,331)	0	0	0	(1,532)
Disposals - donated		0	0	0	0	0	0	0	0	0
At 31 March 2023		44,351	487,566	4,704	773	81,377	26,780	578	8,588	654,717
Depreciation										
At 1 April 2022		0	18,599	682	621	51,125	18,476	347	0	89,850
Provided during the year - purchased		0	13,363	225	58	4,286	1,742	0	0	19,674
Provided during the year - donated		0	77	0	0	36	0	0	0	113
Asset Transfers (to) / from other SG Consolidation Entities		0	0	0	0	0	0	0	0	0
Transfers between asset categories		0	0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0	0
Revaluations		0	(6,471)	(568)	0	0	0	0	0	(7,039)
Impairment charges		0	(419)	0	0	(306)	0	0	0	(725)
Impairment reversals		0	(164)	0	0	0	0	0	0	(164)
Disposals - purchased		0	0	0	(201)	(1,276)	0	0	0	(1,477)
Disposals - donated		0	0	0	0	0	0	0	0	0
At 31 March 2023		0	24,985	339	478	53,865	20,218	347	0	100,232
Net book value at 1 April 2022		45,572	421,664	3,909	249	24,543	5,646	231	25,537	527,351
Net book value at 31 March 2023	SoFP	44,351	462,581	4,364	296	27,512	6,562	231	8,588	554,485
Open Market Value of Land in Land and Dwellings Included Above		0		0						
Asset financing:										
Owned - purchased		44,351	242,516	4,364	296	26,725	6,562	0	8,588	333,402
Owned - donated		0	2,365	0	0	787	0	231	0	3,383
On-balance sheet PFI contracts		0	217,700	0	0	0	0	0	0	217,700
Net book value at 31 March 2023	SoFP	44,351	462,581	4,364	296	27,512	6,562	231	8,588	554,485

NHS FIFE - NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2024

7a. PROPERTY, PLANT AND EQUIPMENT – BOARD PRIOR YEAR										
		Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation										
At 1 April 2022		45,572	440,263	4,592	869	75,668	24,122	347	25,537	616,970
Additions - purchased		0	0	0	75	4,738	2,532	0	22,969	30,314
Additions - donated		0	570	0	0	672	0	0	0	1,242
Completions		0	0	0	0	0	0	0	0	0
Asset Transfers (to) / from other SG Consolidation Entities		0	0	0	0	0	0	0	(70)	(70)
Transfers between asset categories		0	37,526	49	30	2,117	126	0	(39,848)	0
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0	0
Revaluations		(1,221)	17,995	63	0	0	0	0	0	16,837
Impairment charges		0	(10,172)	0	0	(487)	0	0	0	(10,659)
Impairment reversals		0	1,384	0	0	0	0	0	0	1,384
Disposals - purchased		0	0	0	(201)	(1,331)	0	0	0	(1,532)
Disposals - donated		0	0	0	0	0	0	0	0	0
At 31 March 2023		44,351	487,566	4,704	773	81,377	26,780	347	8,588	654,486
Depreciation										
At 1 April 2022		0	18,599	682	621	51,125	18,476	347	0	89,850
Provided during the year - purchased		0	13,363	225	58	4,286	1,742	0	0	19,674
Provided during the year - donated		0	77	0	0	36	0	0	0	113
Asset Transfers (to) / from other SG Consolidation Entities		0	0	0	0	0	0	0	0	0
Transfers between asset categories		0	0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0	0
Revaluations		0	(6,471)	(568)	0	0	0	0	0	(7,039)
Impairment charges		0	(419)	0	0	(306)	0	0	0	(725)
Impairment reversals		0	(164)	0	0	0	0	0	0	(164)
Disposals - purchased		0	0	0	(201)	(1,276)	0	0	0	(1,477)
Disposals - donated		0	0	0	0	0	0	0	0	0
At 31 March 2023		0	24,985	339	478	53,865	20,218	347	0	100,232
Net book value at 1 April 2022		45,572	421,664	3,910	248	24,543	5,646	0	25,537	527,120
Net book value at 31 March 2023	SoFP	44,351	462,581	4,365	295	27,512	6,562	0	8,588	554,254
Open Market Value of Land in Land and Dwellings Included Above		0		0						
Asset financing:										
Owned - purchased		44,351	242,516	4,365	295	26,725	6,562	0	8,588	333,402
Owned - donated		0	2,365	0	0	787	0	0	0	3,152
On-balance sheet PFI contracts		0	217,700	0	0	0	0	0	0	217,700
Net book value at 31 March 2022	SoFP	44,351	462,581	4,365	295	27,512	6,562	0	8,588	554,254

NOTE 7B. ASSETS HELD FOR SALE – CONSOLIDATED

		Property, Plant & Equipment	Total
	Note	£000	£000
At 1 April 2023		1,623	1,623
Transfers from property, plant, and equipment		0	0
At 31 March 2024	SoFP	1,623	1,623
ASSETS HELD FOR SALE - BOARD			
		Property, Plant & Equipment	Total
		£000	£000
At 1 April 2023		1,623	1,623
Transfers from property, plant, and equipment		0	0
At 31 March 2024	SoFP	1,623	1,623
ASSETS HELD FOR SALE (PRIOR YEAR) - CONSOLIDATED			
		Property, Plant & Equipment	Total
		£000	£000
At 1 April 2022		1,623	1,623
Transfers from property, plant, and equipment		0	0
At 31 March 2023	SoFP	1,623	1,623
ASSETS HELD FOR SALE (PRIOR YEAR) - BOARD			
		Property, Plant & Equipment	Total
		£000	£000
At 1 April 2022		1,623	1,623
Transfers from property, plant, and equipment		0	0
At 31 March 2023	SoFP	1,623	1,623

NOTE 7C. PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated	Board			Consolidated	Board
2023	2023			2024	2024
£000	£000		Note	£000	£000
		Net book value of property, plant, and equipment at 31 March			
551,102	551,102	Purchased		564,116	564,115
3,383	3,152	Donated		3,416	3,185
554,485	554,254	Total	SoFP	567,532	567,300
1,759	1,759	Net book value related to buildings valued at open market value at 31 March		1,903	1,903
		Total value of assets held under:			
217,700	217,700	PFI and PPP Contracts		224,333	224,333
217,700	217,700			224,333	224,333
		Total depreciation charged in respect of assets held under:			
5,006	5,006	PFI and PPP contracts		5,295	5,295
5,006	5,006			5,295	5,295

All land and 21.26% of buildings were revalued by an independent valuer, The Valuation Office Agency as at 31.03.2024, on the basis of fair value (market value or depreciated replacement costs where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS.

The net impact was an increase of £24.052m (2022/23: an increase of £23.876m) which was credited to the revaluation reserve. Impairment of £0.466m (2022/23 £0.719m reversal) was charged to the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn

NOTE 7D. ANALYSIS OF CAPITAL EXPENDITURE

Consolidated	Board			Consolidated	Board
2023	2023			2024	2024
£000	£000		Note	£000	£000
		Expenditure			
394	394	Acquisition of intangible assets	6	13	13
30,314	30,314	Acquisition of property, plant and equipment	7a	11,462	11,462
1,242	1,242	Donated asset additions	7a	119	119
1,060	1,060	GP Loans advances	10	1,061	1,061
1,631	1,631	Right of Use (RoU) Additions	17a	2,818	2,818
34,641	34,641	Gross Capital Expenditure		15,473	15,473
		Income			
55	55	Net book value of disposal of property, plant and equipment	7a	16	16
55	55	Capital Income		16	16
34,586	34,586	Net Capital Expenditure		15,457	15,457
		SUMMARY OF CAPITAL RESOURCE OUTTURN			
32,284	32,284	Core capital expenditure included above		14,277	14,277
32,289	32,289	Core Capital Resource Limit		14,280	14,280
5	5	Saving / (excess) against Core Capital Resource Limit		3	3
2,302	2,302	Non core capital expenditure included above (including Financial Transactions)		1,180	1,180
2,302	2,302	Non core Capital Resource Limit (including Financial Transactions)		1,180	1,180
0	0	Saving / (excess) against Non Core Capital Resource Limit		0	0
34,586	34,586	Total capital expenditure		15,457	15,457
34,591	34,591	Total Capital Resource Limit		15,460	15,460
5	5	Saving / (excess) against Total Capital Resource Limit		3	3

NOTE 8. INVENTORIES

Consolidated	Board			Consolidated	Board
2023	2023			2024	2024
£000	£000		Note	£000	£000
6,022	6,022	Raw materials and consumables		6,965	6,965
6,022	6,022	Total inventories	SoFP	6,965	6,965

NOTE 9. TRADE AND OTHER RECEIVABLES

Consolidated	Board			Consolidated	Board
2023	2023			2024	2024
£000	£000		Note	£000	£000
		NHSScotland			
409	409	Scottish Government		604	604
4,633	4,633	Boards	SFR 30.0	1,942	1,942
5,042	5,042	Total NHSScotland Receivables		2,546	2,546
59	59	NHS non-Scottish bodies		86	86
2,305	2,305	VAT recoverable		2,034	2,034
12,477	12,477	Prepayments		13,610	13,610
743	743	Accrued income		13	13
1,328	1,113	Other receivables		2,222	2,270
7,156	7,156	Reimbursement of provisions		7,733	7,733
9,525	9,525	Other public sector bodies		3,267	3,267
38,635	38,420	Total Receivables due within one year	SoFP	31,511	31,559
		NHSScotland			
0	0	Scottish Government		0	0
0	0	Boards		0	0
0	0	Total NHSScotland Receivables		0	0
		Other Public Sector Bodies			
343	343	Prepayments		325	325
927	927	Accrued income		1,019	1,019
0	0	Other receivables		0	0
46,565	46,565	Reimbursement of provisions		14,802	14,802
47,835	47,835	Total Receivables due after more than one year	SoFP	16,146	16,146
86,470	86,255	TOTAL RECEIVABLES		47,657	47,705
400	400	The total receivables figure above includes a provision for impairments of :		415	415
		WGA Classification			
4,633	4,633	NHS Scotland	SFR 30.0	1,942	1,942
2,713	2,713	Central Government bodies		2,638	2,638
9,525	9,525	Whole of Government bodies		3,267	3,267
59	59	Balances with NHS bodies in England and Wales		86	86
69,540	69,325	Balances with bodies external to Government		39,724	39,772
86,470	86,255	Total		47,657	47,705
2023	2023			2024	2024
£000	£000	Movements on the provision for impairment of receivables are as follows:		£000	£000
381	381	At 1 April		400	400
70	70	Provision for impairment		60	60
(37)	(37)	Receivables written off during the year as uncollectable		(15)	(15)
(14)	(14)	Unused amounts reversed		(30)	(30)
400	400	At 31 March		415	415

NHS FIFE - NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2024

As of 31 March 2024, receivables with a carrying value of £415k (2022/23: £400k) were impaired and provided for. The ageing of these receivables is as follows:

2023	2023			2024	2024
£000	£000			£000	£000
0	0	3 to 6 months past due		0	0
400	400	Over 6 months past due		415	415
400	400			415	415

The receivables assessed as individually impaired were mainly CRU Income and private individuals and it was assessed that not all of the receivable balance may be recovered.

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2024, receivables with a carrying value of £0.947 million (2022/23: £1.543 million) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:

2023	2023			2024	2024
£000	£000			£000	£000
486	486	Up to 3 months past due		682	682
925	925	3 to 6 months past due		82	82
132	132	Over 6 months past due		183	183
1,543	1,543			947	947

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

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

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

2023	2023			2024	2024
£000	£000			£000	£000
7,630	7,630	Counterparties with external credit ratings		2,342	2,342
		Existing customers with no defaults in the past			
7,630	7,630	Total neither past due or impaired		2,342	2,342

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.

2023	2023			2024	2024
£000	£000	The carrying amount of receivables are denominated in the following currencies:		£000	£000
86,470	86,255	Pounds		47,657	47,705
86,470	86,255			47,657	47,705

All non-current receivables are due within two years (2022/23: two 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 £16.146m (2022/23 £47.835m).

NOTE 10. INVESTMENTS

Consolidated	Board			Consolidated	Board
2023	2023			2024	2024
£000	£000			£000	£000
1,008		Government securities		1,410	
12,009		Other		12,378	
13,017	0	TOTAL	SoFP	13,788	0
14,380	0	At 1 April		13,756	739
3,251		Additions	CFS	2,743	
1,060	1,060	GP Loans advances	CFS	1,061	1,061
(3,373)		Disposals		(2,796)	
(321)	(321)	GP Loans Fair Value Adjustment	2b	(305)	(305)
(1,241)		Revaluation surplus / (deficit) transferred to equity	SoCTE	824	
13,756	739	At 31 March		15,283	1,495
		Current	SoFP		
13,756	739	Non-current	SoFP	15,283	1,495
13,756	739	At 31 March		15,283	1,495

NOTE 11. CASH AND CASH EQUIVALENTS

		2024	2023
	Note	£000	£000
Balance at 1 April		1,095	2,415
Net change in cash and cash equivalent balances	CFS	(263)	(1,320)
Balance at 31 March	SoFP	832	1,095
Total Cash - Cash Flow Statement		832	1,095
The following balances at 31 March were held at:			
Government Banking Service		308	419
Commercial banks and cash in hand		39	60
Endowment cash		485	616
Balance at 31 March		832	1,095

NOTE 12. TRADE AND OTHER PAYABLES

Consolidated	Board			Consolidated	Board
2023	2023			2024	2024
£000	£000		Note	£000	£000
Payables Due Within One Year					
		NHSScotland			
195	195	Scottish Government		199	199
24,189	24,189	Boards	SFR 30.0	8,847	8,847
24,384	24,384	Total NHSScotland Payables		9,046	9,046
1,635	1,635	NHS Non-Scottish bodies		898	898
479	479	Amounts payable to General Fund		347	347
19,419	19,419	FHS practitioners		21,158	21,158
5,361	5,346	Trade payables		7,729	7,710
28,497	28,497	Accruals		20,523	20,523
1,527	1,527	Deferred income		829	829
2,429	2,429	Payments received on account		2,659	2,659
		Interest payable			
1,059	1,059	Net obligations under leases	17b	1,364	1,364
3,947	3,947	Net obligations under PPP / PFI Contracts	18b	6,880	6,880
9,068	9,068	Income tax and social security		10,094	10,094
7,750	7,750	Superannuation		8,903	8,903
6,033	6,033	Holiday pay accrual		6,245	6,245
9,507	9,507	Other public sector bodies		5,561	5,561
121,095	121,080	Total Payables due within one year	SoFP	102,236	102,217

Payables Due After More Than One Year					
		NHSScotland			
0	0	Scottish Government		0	0
		Boards	SFR 30.0		
0	0	Total NHSScotland Payables		0	0
1,386	1,386	Net obligations under leases due within 2 years	17b	951	951
854	854	Net obligations under leases due after 2 years but within 5 years	17b	2,480	2,480
2,234	2,234	Net obligations under leases due after 5 years	17b	2,215	2,215
4,249	4,249	Net obligations under PPP / PFI contracts due within 2 years	18b	7,193	7,193
14,819	14,819	Net obligations under PPP / PFI contracts due after 2 years but within 5 years	18b	23,706	23,706
135,321	135,321	Net obligations under PPP / PFI contracts due after 5 years	18b	155,981	155,981
158,863	158,863	Total Payables due after more than one year	SoFP	192,526	192,526
279,958	279,943	TOTAL PAYABLES		294,762	294,743

NHS FIFE - NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2024

		WGA Classification			
24,189	24,189	NHS Scotland	SFR 30.0	8,847	8,847
17,013	17,013	Central Government bodies		19,196	19,196
9,507	9,507	Whole of Government bodies		5,561	5,561
1,635	1,635	Balances with NHS bodies in England and Wales		898	898
227,614	227,599	Balances with bodies external to Government		260,260	260,241
279,958	279,943	Total		294,762	294,743
£000	£000	Borrowings included above comprise:		£000	£000
5,533	5,533	Leases		7,010	7,010
158,336	158,336	PFI contracts		193,760	193,760
163,869	163,869			200,770	200,770
2023	2023	The carrying amount and fair value of the non-current borrowings are as follows		2024	2024
£000	£000	Carrying amount		£000	£000
4,474	4,474	Leases		5,646	5,646
154,389	154,389	PFI contracts		186,880	186,880
158,863	158,863			192,526	192,526

2023	2023			2024	2024
£000	£000	The carrying amount of payables are denominated in the following currencies:		£000	£000
279,958	279,943	Pounds		294,762	294,743
279,958	279,943			294,762	294,743

NOTE 13A. PROVISIONS CONSOLIDATED AND BOARD

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2024 TOTAL	Charitable Endowment Funds - Provision of Liabilities	Charitable Endowment Funds - Total Funds Held on Trust	2024 Consolidated Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2023	6,227	54,110	51,357	30	111,724	776	776	112,500
Arising during the year	864	4101	3,984		8,949			8,949
Utilised during the year	(652)	(2,983)	(2,749)		(6,384)	(118)	(118)	(6,502)
Unwinding of discount	(393)				(393)			(393)
Reversed unutilised	(56)	(32,316)			(32,372)			(32,372)
At 31 March 2024	5,990	22,912	52,592	30	81,524	658	658	82,182

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

Analysis of expected timing of discounted flows to 31 March 2024

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2024 TOTAL	Charitable Endowment Funds - Provision of Liabilities	Charitable Endowment Funds - Total Funds Held on Trust	2024 Consolidated Total
	£000	£000	£000	£000	£000	£000	£000	£000
Payable in one year	564	7,904	13,148		21,616	658	658	22,274
Payable between 2 - 5 years	2,212	4,797	31,976		38,985			38,985
Payable between 6 - 10 years	1,883	2,334	2,735		6,952			6,952
Thereafter	1,331	7,877	4,733	30	13,971			13,971
At 31 March 2024	5,990	22,912	52,592	30	81,524	658	658	82,182

PRIOR YEAR

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2023 TOTAL	Charitable Endowment Funds - Provision of Liabilities	Charitable Endowment Funds - Total Funds Held on Trust	2023 Consolidated Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2022	8,545	76,281	46,516	30	131,372	2,129	2,129	133,501
Arising during the year	529	8,889	8,641		18,059			18,059
Utilised during the year	(650)	(4,064)	(3,800)		(8,514)	(1,353)	(1,353)	(9,867)
Unwinding of discount	(1,726)				(1,726)			(1,726)
Reversed unutilised	(471)	(26,996)			(27,467)			(27,467)
At 31 March 2023	6,227	54,110	51,357	30	111,724	776	776	112,500

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

NHS FIFE - NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2024

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2023 TOTAL	Charitable Endowment Funds - Provision of Liabilities	Charitable Endowment Funds - Total Funds Held on Trust	2023 Consolidated Total
	£000	£000	£000	£000	£000	£000	£000	£000
Payable in one year	556	7,433	12,821		20,810	776	776	21,586
Payable between 2 - 5 years	2,195	28,465	31,237		61,897			61,897
Payable between 6 - 10 years	1,959	3,602	2,658		8,219			8,219
Thereafter	1,517	14,610	4,641	30	20,798			20,798
At 31 March 2023	6,227	54,110	51,357	30	111,724	776	776	112,500

Pensions and Similar Obligations

The Board meet the additional costs of benefits beyond the normal National Health Service Superannuation Scheme for Scotland benefits in respect of employees who retire early by paying the required amounts annually to the Scottish Public Pension Agency. The Board pays the basic pension over the period between early departure and normal retirement date, then SPPA pay the basic and the Board pay the enhanced element for life. The Board provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of 1.55% in real terms. The Board expects expenditure to be charged to this provision for a period of up to 30 years.

Clinical & Medical Legal Claims against NHS Board

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

Participation in CNORIS

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

Other (non-endowment)

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

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

2023		Note	2024
£000			£000
54,110	Provision recognising individual claims against the NHS Board as at 31 March	13a	22,912
(53,721)	Associated CNORIS receivable at 31 March	9	(22,535)
51,357	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	13a	52,592
51,746	Net Total Provision relating to CNORIS at 31 March		52,969

The Clinical Negligence and Other Risks Scheme (CNORIS) has been in operation since 2000. Participation in the scheme is mandatory for all NHS boards in Scotland. The scheme allows for risk pooling of legal claims in relation to clinical negligence and other risks and works in a similar manner to an insurance scheme.

NHS FIFE - NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2024

CNORIS has an agreed threshold of £25k and any claims with a value less than this are met directly from within boards' own budgets. Participants e.g., NHS boards contribute to the CNORIS pool each financial year at a pre-agreed contribution rate based on the risks associated with their individual NHS board. If a claim is settled the board will be reimbursed by the scheme for the value of the settlement, less a £25k "excess" fee. The scheme allows for the risk associated with any large or late in the financial year legal claims to be managed and reduces the level of volatility that individual boards are exposed to.

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

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

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

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

NOTE 14. CONTINGENT LIABILITIES

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

2023		2024
£000		£000
12,630	Clinical and medical compensation payments	15,729
	A recent review of the Agenda for Change (AFC) system included a consistent Once for Scotland process for the delivery of a banding review for AFC Band 5 nursing staff to regrade to Band 6 (unquantified at this time).	
12,630	TOTAL CONTINGENT LIABILITIES	15,729

CONTINGENT ASSETS

11,937	Clinical and medical compensation payments	14,708
11,937	TOTAL CONTINGENT ASSETS	14,708

NOTE 15. EVENTS AFTER THE END OF THE REPORTING YEAR

None.

NOTE 16. COMMITMENTS

2023		Property, plant, and equipment	2023
£000		£000	£000
	Contracted		
1,113	QMH Theatre Reconfiguration		0
	Cameron Medical Education Works	162	162
	HEPMA	348	348
1,113	Total	510	510
	Authorised but not Contracted		
725	Equipment	1,074	1,074
1,592	Digital	2,273	2,273
4,334	Other Projects	4,930	4,930
6,651	Total	8,277	8,277

Other Financial Commitments

The Board has entered into non-cancellable (which are not leases or PFI contracts), for medical education works at Cameron Hospital and HEPMA project.

NOTE 17. COMMITMENTS UNDER LEASES

NOTE 17A. RIGHT OF USE ASSETS (RoU) – CONSOLIDATED

		Land (including under buildings)	Buildings (excluding dwellings)	Transport Equipment	Plant & Machinery	Information Technology	Total
		£000	£000	£000	£000	£000	£000
Cost or valuation							
At 1 April 2023		823	3,737	1,529	962	173	7,224
Additions (include new dilapidation provisions)		5		719	2,094		2,818
Revaluations – Peppercorn leases		37					37
Impairment charges – peppercorn leases		(7)					(7)
At 31 March 2024		858	3,737	2,248	3,056	173	10,072
Depreciation							
At 1 April 2023		29	265	467	276	58	1,095
Provided during the year - (include new dilapidation provisions)		8	266	652	365	58	1,349
Provided during the year - peppercorn leases		22					22
At 31 March 2024		59	531	1,119	641	116	2,466
Net book value							
Net book value at 1 April 2023		794	3,472	1,062	686	115	6,129
Net book value at 31 March 2024	SoFP	799	3,206	1,129	2,415	57	7,606
Open Market Value of Land in Land and Dwellings Included Above							
		639					

Right of Use Assets (RoU) - BOARD

		Land (including under buildings)	Buildings (excluding dwellings)	Transport Equipment	Plant & Machinery	Information Technology	Total
		£000	£000	£000	£000	£000	£000
Cost or valuation							
At 1 April 2023		823	3,737	1,840	652	173	7,225
Additions (include new dilapidation provisions)		5	0	719	2,094		2,818
Transfers between asset categories				(309)	309		0
Revaluations – peppercorn leases		37					37
Impairment charges – peppercorn leases		(7)					(7)
At 31 March 2024		858	3,737	2,250	3,055	173	10,073
Depreciation							
At 1 April 2023		30	266	498	244	58	1,096
Provided during the year		8	266	651	366	58	1,349
Provided during the year - peppercorn leases		22					22
Transfers between asset categories				(31)	31		0
At 31 March 2024		60	532	1,118	641	116	2,467
Net book value at 1 April 2023		793	3,471	1,342	408	115	6,129
Net book value at 31 March 2024	SoFP	798	3,205	1,132	2,414	57	7,606
Open Market Value of Land in Land and Dwellings Included Above		639					

NHS Fife has 2 significant leases relating to GP Premises. Lease 1- the lease commenced on 09.11.2021 for a term of 25 years for Auchtermuchty practice and is subject to rent review every 3 years. The ROU value of the asset as at 31.03.2024 is £2.08m. Lease 2 – the lease commenced on 01.11.2015 for a period of 17 years for the Cannon’s surgery and is subject to rent review every 5 years. The ROU value as at 31.03.2024 is £0.974m.

RIGHT OF USE ASSETS (RoU) – CONSOLIDATED PRIOR YEAR

		Land (including under buildings)	Buildings (excluding dwellings)	Transport Equipment	Plant & Machinery	Information Technology	Total
		£000	£000	£000	£000	£000	£000
Cost or valuation							
At 1 April 2022		823	3,737	519	341	173	5,593
Additions (include new dilapidation provisions)				1,010	621		1,631
At 31 March 2023		823	3,737	1,529	962	173	7,224
Depreciation							
At 1 April 2022							0
Provided during the year - (include new dilapidation provisions)		8	265	467	276	58	1,074
Provided during the year - peppercorn leases		21					21
At 31 March 2023		29	265	467	276	58	1,095
Net book value at 1 April 2022		823	3,737	519	341	173	5,593
Net book value at 31 March 2023	SoFP	794	3,472	1,062	686	115	6,129
Open Market Value of Land in Land and Dwellings Included Above		623					

Right of Use Assets (RoU) – BOARD PRIOR YEAR

		Land (including under buildings)	Buildings (excluding dwellings)	Transport Equipment	Plant & Machinery	Information Technology	Total
		£000	£000	£000	£000	£000	£000
Cost or valuation							
At 1 April 2022		823	3,737	520	341	173	5,594
Additions - (including new dilapidation provisions)				1,320	311		1,631
At 31 March 2023		823	3,737	1,840	652	173	7,225
Depreciation							
At 1 April 2022							0
Provided during the year		8	266	498	244	58	1,074
Provided during the year - peppercorn leases		22					22
At 31 March 2023		30	266	498	244	58	1,096
Net book value at 1 April 2022		823	3,737	520	341	173	5,594
Net book value at 31 March 2023	SoFP	793	3,471	1,342	408	115	6,129
Open Market Value of Land in Land and Dwellings Included Above		623					

NOTE 17B. LEASE LIABILITIES

	Land (including under buildings)	Buildings (excluding dwellings)	Transport Equipment	Plant & Machinery	Information Technology	Total
	£000	£000	£000	£000	£000	£000
Amounts falling due:						
Not later than one year	7	254	634	411	58	1,364
Later than one year, not later than 2 years	7	257	286	401		951
Later than two year, not later than five years	22	643	189	1,626	0	2,480
Later than five years	133	2,082	0	0	0	2,215
Less: Unaccrued interest	0	0	0	0	0	0
Balance at 31 March 2024	169	3,236	1,109	2,438	58	7,010
Current	7	254	634	411	58	1,364
Non Current	162	2,982	475	2,027		5,646
	169	3,236	1,109	2,438	58	7,010

LEASE LIABILITIES PRIOR YEAR

	Land (including under buildings)	Buildings (excluding dwellings)	Transport Equipment	Plant & Machinery	Information Technology	Total
	£000	£000	£000	£000	£000	£000
Amounts falling due:						
Not later than one year	7	252	542	200	58	1,059
Later than one year, not later than 2 years	14	511	525	278	58	1,386
Later than two year, not later than five years	21	643	3	187	0	854
Later than five years	129	2,082	0	23	0	2,234
Less: Unaccrued interest	0	0	0	0	0	0
Balance at 31 March 2023	171	3,488	1,070	688	116	5,533
Current	7	252	603	139	58	1,059
Non Current	164	3,236	746	270	58	4,474
	171	3,488	1,349	409	116	5,533

Low value and short term leases	2023-24	
	Consolidated	Board
	£000	£000
Within one year	36	36
Between two and five years (inclusive)	262	262
After five years	0	0
Total	298	298

Amounts recognised in the Statement of Comprehensive Net Expenditure	2023-24	
	Consolidated	Board
	£000	£000
Depreciation	1,371	1,371
Interest Expense	102	102
Non Recoverable VAT on lease payments	76	76
Low value and short term leases	298	298
Remeasurement of ROU assets - (gain)/loss charged to SOCNE	37	37
Total	1,884	1,884

NHS FIFE - NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2024

Amounts recognised in the Statement of Cash Flows		
	2023-24	
	Consolidated	Board
	£000	£000
Interest Expense	102	102
Repayments of Principal of leases	1,443	1,443
Total	1,545	1,545

17b. Lease Liabilities - Prior Year		
Low value and short term leases - Prior Year		
	2022-23	
	Consolidated	Board
	£000	£000
Within one year	0	0
Between two and five years (inclusive)	0	0
After five years	0	0
Total	0	0

Amounts recognised in the Statement of Comprehensive Net Expenditure – Prior Year		
	2022-23	
	Consolidated	Board
	£000	£000
Depreciation	1,095	1,095
Interest Expense	54	54
Non Recoverable VAT on lease payments	76	76
Low value and short term leases	414	414
Remeasurement of ROU assets - (gain)/loss charged to SOCNE	0	0
Total	1,639	1,639

Amounts recognised in the Statement of Cash Flows – Prior Year		
	2022-23	
	Consolidated	Board
	£000	£000
Interest Expense	54	54
Repayments of Principal of leases	1,122	1,122
Total	1,176	1,176

NOTE 18. COMMITMENTS UNDER PFI CONTRACTS - ON BALANCE SHEET

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

St Andrew's Community Hospital Contract started 31st July 2009. Contract ends 30th July 2039. In accordance with HM Treasury application of IFRS12 principles the property is a non-current asset of NHS Fife Board and that the liability to pay for the property is, in substance, a finance lease obligation. An IFRS16 approach has been applied from 2023/24 which requires the liability to be remeasured whenever there is a change in future lease payments resulting from a change in an index rate used to determine those payments.

Victoria Hospital Contract started 28th October 2011. Contract ends 27th October 2041. In accordance with HM Treasury application of IFRS 12 principles the property is a non-current asset of NHS Fife Board and that the liability to pay for the property is, in substance, a finance lease obligation. An IFRS16 approach has been applied from 2023/24 which requires the liability to be remeasured whenever there is a change in future lease payments resulting from a change in an index rate used to determine those payments.

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

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

2023 £000	Gross Minimum Lease Payments	St Andrews £000	Victoria £000	2024 TOTAL £000
16,893	Rentals due within 1 year	2,136	17,115	19,251
16,893	Due within 1 to 2 years	2,136	17,114	19,250
50,680	Due within 2 to 5 years	6,408	51,343	57,751
232,989	Due after 5 years	23,118	222,483	245,601
317,455	Total	33,798	308,055	341,853

2023 £000	Less Interest Element	St Andrews £000	Victoria £000	2024 TOTAL £000
(12,946)	Rentals due within 1 year	(737)	(11,634)	(12,371)
(12,644)	Due within 1 to 2 years	(705)	(11,352)	(12,057)
(35,861)	Due within 2 to 5 years	(1,915)	(32,130)	(34,045)
(97,668)	Due after 5 years	(4,021)	(85,599)	(89,620)
(159,119)	Total	(7,378)	(140,715)	(148,093)

2023 £000	Present value of minimum lease payments	Note	St Andrews £000	Victoria £000	2024 TOTAL £000
3,947	Rentals due within 1 year	12	1,399	5,481	6,880
4,249	Due within 1 to 2 years	12	1,431	5,762	7,193
14,819	Due within 2 to 5 years	12	4,493	19,213	23,706
135,321	Due after 5 years	12	19,097	136,884	155,981
158,336	Total		26,420	167,340	193,760

2023 £000	Service elements due in future periods	St Andrews £000	Victoria £000	2024 TOTAL £000
31,461	Rentals due within 1 year	3,489	28,990	32,479
32,045	Due within 1 to 2 years	3,571	29,520	33,091
99,600	Due within 2 to 5 years	11,217	91,714	102,931
488,160	Due after 5 years	44,037	424,290	468,327
651,266	Total	62,314	574,514	636,828
809,602	Total commitments	88,734	741,854	830,588

NHS FIFE - NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2024

2023			2024
Total	Amounts charged to the SOCNE	Note	Total
£000			£000
13,224	Interest charges	2	21,138
7,546	Service charges		9,281
3,669	Principle repayment		4,231
6,676	Other charges		0
31,115	Total		34,650

2023			2024
£000			£000
6,676	Contingent rents (included in Other Charges)		0

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

The buildings were built and financed by a concession company: Projco for St Andrews and Consort Healthcare for Victoria Hospital Phase 3. NHS Fife pays a fixed monthly Unitary Payment to the concession company who employ a service company to ensure the buildings are maintained to an agreed level of service specifications. This Unitary Payment is subject to annual inflation in line with the February level for the Retail Prices Index unless changes made to the contract. In the event that the standard of service falls below the agreed levels, the Board is entitled to make deductions from the Unitary Payment. The Board maintains the right to request the re-financing of these contracts. As at December 2023 the Board supported the SPV's proposal to refinance the contract for Victoria Hospital Ph3, which was re-financed within the term of the original contract duration.

NOTE 19. PENSION COSTS

	2024	2023
	£000	£000
Pension cost charge for the year	71,648	64,665
Provisions / liabilities / prepayments included in the Statement of Financial Position	5,990	6,227

NHS Fife participates in the NHS Pension Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a four-yearly funding valuation undertaken by the scheme actuary. The valuation carried out as at 31 March 2016 confirmed that an increase in the employer contribution rate from 14.9% to 20.9% was required from 1 April 2019 to 31 March 2023. The UK Government since confirmed that these employer rates would remain in place until 31 March 2024. In addition, member pension contributions over the period to 30 September 2023 have been paid within a range 5.2% to 14.7% and have been anticipated to deliver a yield of 9.6%.

The valuation carried out as at 31 March 2020 confirmed that an increase in the employer contribution rate from 20.9% to 22.5% will be required from 1 April 2024 to 31 March 2027. In addition, member pension contributions since 1 October 2023 have been paid within a range of 5.7% to 13.7% and have been anticipated to deliver a yield of 9.8%.

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

The employer contribution rate for the period from 1 April 2023 is 20.9% of pensionable pay. The employee rate applied is variable and is anticipated to provide yield of 9.6% of pensionable pay. While a valuation was carried out as at 31 March 2016, work on the cost cap valuation was suspended by the UK Government following the decision by the Court of Appeal (McCloud (Judiciary scheme)/ Sergeant (Firefighters' scheme) cases that the transitional protections provided as part of the 2015 reforms unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that current employer contribution rates would stay in force until 1 April 2024.

NHS Fife's level of participation in the scheme is 4.8% based on the proportion of employer contributions paid in 2022/23.

The new NHS Pension Scheme (Scotland) 2015

From 1 April 2015 the NHS Pension Scheme (Scotland) 2015 was introduced. This scheme is a Career Average Re-Valued Earnings (CARE) scheme. Members will accrue 1/54 of their pay as pension for each year they are a member of the scheme. The accrued pension is re-valued each year at an above inflation rate to maintain its buying power. This is currently 1.5% above increases to the Consumer Prices Index (CPI). This continues until the member leaves the scheme or retires. In 2023/24 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings. The normal pension age (NPA) is the same as the State Pension age. Members can take their benefits earlier but there will be a deduction for early payment.

The existing NHS Superannuation Scheme (Scotland)

This scheme closed to new joiners on 31 March 2015, but any benefits earned in either NHS 1995 or NHS 2008 sections are protected and will be paid at the sections normal pension age using final pensionable pay when members leave or retire. Some members who were close to retirement when the NHS 2015 scheme

launched continue to earn benefits in their current section. The affected members who were paying into the scheme on 1 April 2012 and were within 10 years of their normal retirement age. Some members who were close to retirement but did not qualify for full protection will remain in their current section beyond 1 April 2015 and join the 2015 scheme at a later date. All other members automatically joined the NHS 2015 scheme on 1 April 2015. Further information is available on the Scottish Public Pensions Agency (SPPA) web site at <https://pensions.gov.scot/nhs>.

National Employment Savings Trust (NEST)

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

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

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

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

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

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

NOTE 20 and 21 RETROSPECTIVE RESTATEMENTS

There were no prior year adjustments.

NOTE 22. FINANCIAL INSTRUMENTS

NOTE 22A. FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets					
CONSOLIDATED		Financial assets at fair value through OCI	Financial assets at amortised cost	Financial assets at fair value through profit/loss	Total
	Note	£000	£000	£000	£000
AS AT 31 MARCH 2024					
Assets per Statement of Financial Position					
Investments	10			13,788	13,788
Derivative financial instruments	23		0		0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	6,607			6,607
Cash and cash equivalents	11	832			832
		7,439	0	13,788	21,227
BOARD					
	Note	£000	£000	£000	£000
AS AT 31 MARCH 2024					
Assets per Statement of Financial Position					
Investments	10			0	0
Derivative financial instruments	23		0		0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	6,655			6,655
Cash and cash equivalents	11	347			347
		7,002	0	0	7,002
CONSOLIDATED (Prior Year)					
	Note	£000	£000	£000	£000
At 31 March 2023					
Assets per Statement of Financial Position					
Investments	10			13,017	13,017
Derivative financial instruments	23		0		0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	12,582			12,582
Cash and cash equivalents	11	1,095			1,095
		13,677	0	13,017	26,694
BOARD (Prior Year)					
	Note	£000	£000	£000	£000
At 31 March 2023					
Assets per Statement of Financial Position					
Investments	10			0	0
Derivative financial instruments	23		0		0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	12,367			12,367
Cash and cash equivalents	11	479			479
		12,846	0	0	12,846

NHS FIFE - NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2024

Financial Liabilities					
CONSOLIDATED			Liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
	Note		£000	£000	£000
AS AT 31 MARCH 2024					
Liabilities per Statement of Financial Position					
Lease liabilities	12			7,010	7,010
PFI Liabilities	12			193,760	193,760
Derivative financial instruments	23		0		
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12			65,120	65,120
			0	265,890	265,890
BOARD					
	Note		£000	£000	£000
AS AT 31 MARCH 2024					
Liabilities per Statement of Financial Position					
Lease liabilities	12			7,010	7,010
PFI Liabilities	12			193,760	193,760
Derivative financial instruments	23		0		
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12			65,101	65,101
			0	265,871	265,871
CONSOLIDATED (Prior Year)					
	Note		£000	£000	£000
At 31 March 2023					
Liabilities per Statement of Financial Position					
Lease liabilities	12			5,533	5,533
PFI Liabilities	12			158,336	158,336
Derivative financial instruments	23		0		
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	12			73,360	73,360
			0	237,229	237,229
BOARD (Prior Year)					
	Note		£000	£000	£000
At 31 March 2023					
Liabilities per Statement of Financial Position					
Lease liabilities	12			5,533	5,533
PFI Liabilities	12			158,336	158,336
Derivative financial instruments	23		0		
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	12			73,345	73,345
			0	237,214	237,214

NOTE 22B. FINANCIAL RISK FACTORS

Exposure to Risk

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

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

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

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

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

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

The Consolidated Group does have some exposure to foreign investments

a) Credit Risk

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

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

Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the NHS Board. An expected credit loss of £113k has been provided in the accounts relating to the outstanding recovery of a cash advance paid to community pharmacy contractors in January 2023. The expected credit loss represents 6.6% of the total outstanding receivable as advised by the Scottish Government.

The utilisation of credit limits is regularly monitored.

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

b) Liquidity Risk

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

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 March 2024	£000	£000	£000	£000
PFI Liabilities	19,251	19,250	57,751	245,601
Trade and other payables excluding statutory liabilities	66,484			
Total	85,735	19,250	57,751	245,601
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 March 2023	£000	£000	£000	£000
PFI Liabilities	16,893	16,893	50,680	232,989
Trade and other payables excluding statutory liabilities	74,419			
Total	91,312	16,893	50,680	232,989

c) Market Risk

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

i) Cash flow and fair value interest rate risk

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

ii) Foreign Currency Risk

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

iii) Price risk

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

d) Fair Value Estimation

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

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current HM Treasury interest rate that is available for similar financial instruments.

NOTE 23. DERIVATIVE FINANCIAL INSTRUMENTS

None.

NOTE 24. RELATED PARTY TRANSACTIONS

Government Bodies

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

Key Management

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

Fife Integration Joint Board

Under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 the Fife Integration Joint Board was legally established from Saturday 3rd October 2015 with official commencement being 1st April 2016. The IJB is a partnership between NHS Fife and Fife Council and is responsible for planning and overseeing the delivery of a full range of community health and social care services. Consolidation will be applied for the 2023-24 annual accounts according to the equity method of accounting under IAS 28 - Investments in Associates and Joint Ventures.

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

Dr Christopher McKenna, Janette Keenan, Sinead Braiden, Wilma Brown (until 30.09.2023), Alistair Grant, Colin Grieve (from 01.05.2023), John Kemp, Lynne Parsons (from 01.10.2023), Arlene Wood (chair).

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

NHS Fife had the following related party transactions in 2023/24:

Income £486.569m

Expenditure £486.569m

Fife Health Charity

The Fife Health Charity Funds are managed by Trustees who are members of the NHS Fife Board. The Fife Health Charity had a total fund balance of £13.8m as depicted in Note 26 as part of the Group Consolidated Accounts. There was a debtor balance at the end of 2023/24 of £161k.

NOTE 25. THIRD PARTY ASSETS

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

	2023	Gross Inflows	Gross Outflows	2024
	£000	£000	£000	£000
Monetary amounts such as bank balances and monies on deposit	236	249	(276)	209
Total Monetary Assets	236	249	(276)	209

NOTE 26A. CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Group			Board	Endowment	Integration Joint Board (Joint Ventures)	Consolidated
2023			2024	2024	2024	2024
£000		Note	£000	£000	£000	£000
	Total income and expenditure					
496,409	Employee expenditure	3	542,067			542,067
	Other operating expenditure	3				
116,333	Independent Primary Care Services		123,956			123,956
152,853	Drugs and medical supplies		168,252			168,252
711,085	Other health care expenditure		762,488	1,110		763,598
1,476,680	Gross expenditure for the year		1,596,763	1,110		1,597,873
(508,556)	Less: operating income	4	(524,617)	(778)		(525,395)
20,793	Associates and joint ventures accounted for on an equity basis				16,698	16,698
988,917	Net Expenditure		1,072,146	332	16,698	1,089,176

Note: Joint ventures accounted for on an equity basis discloses NHS Fife share of the IJB reserve movement.

NOTE 26B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated			Board	Endowment	Intra Group Adjustment	IJB	Consolidated
2023			2024	2024	2024	2024	2024
£000		Note	£000	£000	£000	£000	£000
	Non-current assets:						
554,485	Property, plant and equipment	SoFP	567,300	232			567,532
583	Intangible assets	SoFP	927				927
6129	Right of Use assets	SoFP	7,606				7,606
	Financial assets:						
13,756	Investments	SoFP	1,495	13,788			15,283
19,063	Investments in associates and joint ventures	26a				2,365	2,365
47,835	Trade and other receivables	SoFP	16,146				16,146
641,851	Total non-current assets		593,474	14,020	0	2,365	609,859
	Current Assets:						
6,022	Inventories	SoFP	6,965				6,965
	Financial assets:						
38,635	Trade and other receivables	SoFP	31,559	113	(161)		31,511
1,095	Cash and cash equivalents	SoFP	347	485			832
1,623	Assets classified as held for sale	SoFP	1,623				1,623
47,375	Total current assets		40,494	598	(161)		40,931
689,226	Total assets		633,968	14,618	(161)	2,365	650,790
	Current liabilities						
(21,586)	Provisions	SoFP	(21,616)	(658)			(22,274)
	Financial liabilities:						
(121,095)	Trade and other payables	SoFP	(102,217)	(180)	161		(102,236)
(142,681)	Total current liabilities		(123,833)	(838)	161		(124,510)
546,545	Non-current assets plus / less net current assets/liabilities		510,135	13,780	0	2,365	526,280
	Non-current liabilities						
(90,914)	Provisions	SoFP	(59,908)				(59,908)
	Financial liabilities:						
(158,863)	Trade and other payables	SoFP	(192,526)				(192,526)
(249,777)	Total non-current liabilities		(252,434)		0		(252,434)
296,768	Assets less liabilities		257,701	13,780	0	2,365	273,846
	Taxpayers' Equity						
81,349	General fund	SoFP	56,796				56,796
183,068	Revaluation reserve	SoFP	200,905				200,905
19,063	Other reserves - joint venture	SoFP				2,365	2,365
13,288	Funds Held on Trust	SoFP		13,780			13,780
296,768	Total taxpayers' equity		257,701	13,780	0	2,365	273,846

On consolidating the Board and Endowment Fund accounts adjustments have been required to remove the balances held with each other to ensure accurate representation of the Consolidated Statement of Financial Position. The Board accounts include a £161k debtor with the Endowment Fund. The corresponding entries on the Endowment Fund incorporate a £161k creditor to the Board. The Fife Integration Joint Board (IJB) has been incorporated within the Group accounts and a 50% share of the reserve (£2.365m) has been included.

NOTE 26B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION – PRIOR YEAR

Consolidated			Board	Endowment	Intra Group Adjustment	IJB	Consolidated
2022			2023	2023	2023	2023	2023
£000		Note	£000	£000	£000	£000	£000
	Non-current assets:						
527,351	Property, plant and equipment	SoFP	554,254	231			554,485
227	Intangible assets	SoFP	583				583
0	Right of Use assets	SoFP	6,129				6,129
	Financial assets:						
14,380	Investments	SoFP	739	13,017			13,756
39,856	Investments in associates and joint ventures	26a				19,063	19,063
54,537	Trade and other receivables	SoFP	47,835				47,835
636,351	Total non-current assets		609,540	13,248	0	19,063	641,851
	Current Assets:						
5,857	Inventories	SoFP	6,022				6,022
	Financial assets:						
39,740	Trade and other receivables	SoFP	38,419	393	(177)		38,635
2,415	Cash and cash equivalents	SoFP	479	616			1,095
1,623	Assets classified as held for sale	SoFP	1,623	0			1,623
49,635	Total current assets		46,543	1,009	(177)	0	47,375
685,986	Total assets		656,084	14,256	(177)	19,063	689,226
	Current liabilities						
(37,347)	Provisions	SoFP	(20,810)	(776)			(21,586)
	Financial liabilities:						
(143,465)	Trade and other payables	SoFP	(121,080)	(192)	177		(121,095)
(180,812)	Total current liabilities		(141,890)	(968)	177	0	(142,681)
505,174	Non-current assets plus / less net current assets/liabilities		514,194	13,288	0	19,063	546,545
	Non-current liabilities						
(96,154)	Provisions	SoFP	(90,914)				(90,914)
	Financial liabilities:						
(158,335)	Trade and other payables	SoFP	(158,863)				(158,863)
(254,489)	Total non-current liabilities		(249,777)	0	0	0	(249,777)
250,685	Assets less liabilities		264,417	13,288	0	19,063	296,768
	Taxpayers' Equity						
32,119	General fund	SoFP	81,349				81,349
164,209	Revaluation reserve	SoFP	183,068				183,068
39,856	Other reserves - joint venture	SoFP				19,063	19,063
14,501	Funds Held on Trust	SoFP		13,288			13,288
250,685	Total taxpayers' equity		264,417	13,288	0	19,063	296,768

On consolidating the Board and Endowment Fund accounts adjustments have been required to remove the balances held with each other to ensure accurate representation of the Consolidated Statement of Financial Position. The Board accounts include a £177k debtor with the Endowment Fund. The corresponding entries on the Endowment Fund incorporate a £177k creditor to the Board. The Fife Integration Joint Board (IJB) has been incorporated within the Group accounts and a 50% share of the reserve (£19.063m) has been included.

NOTE 26C. CONSOLIDATED STATEMENT OF CASH FLOW

Consolidated		Board	Endowment	Integration Joint Board (Joint Ventures)	Consolidated
2023		2024	2024	2024	2024
£000		£000	£000	£000	£000
	Cash flows from operating activities				
(988,917)	Net operating expenditure	(1,072,146)	(332)	(16,698)	(1,089,176)
49,306	Adjustments for non-cash transactions	24,098		16,698	40,796
11,552	Add back: interest payable recognised in net operating expenditure	20,847			20,847
(249)	Investment income	0	(409)		(409)
(24,211)	Movements in working capital	(15,491)	147		(15,344)
(970,699)	Net cash outflow from operating activities	(1,042,692)	(594)	0	(1,043,286)
	Cash flows from investing activities				
(25,075)	Purchase of property, plant and equipment	(10,531)	0		(10,531)
(394)	Purchase of intangible assets	(13)	0		(13)
(4,311)	Investment additions	(1,061)	(2,743)		(3,804)
3,373	Receipts from sale of investments		2,796		2,796
429	Interest received		409		409
(25,978)	Net cash outflow from investing activities	(11,605)	462	0	(11,143)
	Cash flows from financing activities				
1,011,717	Funding	1,078,514			1,078,514
(94)	Movement in general fund working capital	(132)			(132)
1,011,623	Cash drawn down	1,078,382			1,078,382
(3,668)	Capital element of payments in respect of leases and on-balance sheet PFI and Hub contracts	(3,369)			(3,369)
(1,046)	IFRS 16 - 2022-23 cash lease payment				
1,726	Interest paid	393			393
(13,278)	Interest element of leases and on-balance sheet PFI / PPP and Hub contracts	(21,240)			(21,240)
995,357	Net Financing	1,054,166	0	0	1,054,166
(1,320)	Net Increase / (decrease) in cash and cash equivalents in the period	(131)	(132)	0	(263)
2,415	Cash and cash equivalents at the beginning of the period	479	616	0	1,095
1,095	Cash and cash equivalents at the end of the period	348	484	0	832
	Reconciliation of net cash flow to movement in net debt / cash				
(1,320)	Increase / (decrease) in cash in year	(131)	(132)		(263)
2,415	Net debt / cash at 1 April	479	616	0	1,095
1,095	Net debt / cash at 31 March	348	484	0	832

NOTE 26C. CONSOLIDATED STATEMENT OF CASH FLOW – PRIOR YEAR

Consolidated		Board	Endowment	Integration Joint Board (Joint Ventures)	Consolidated
2022		2023	2023	2023	2023
£000		£000	£000	£000	£000
	Cash flows from operating activities				
(967,718)	Net operating expenditure	(968,152)	28	(20,793)	(988,917)
(6,849)	Adjustments for non-cash transactions	28,513		20,793	49,306
13,574	Add back: interest payable recognised in net operating expenditure	11,552			11,552
(410)	Investment income	0	(429)		(429)
55,244	Movements in working capital	(40,835)	(1,376)		(42,211)
(906,159)	Net cash outflow from operating activities	(968,922)	(1,777)	0	(970,699)
	Cash flows from investing activities				
(26,532)	Purchase of property, plant and equipment	(25,075)	0		(25,075)
(127)	Purchase of intangible assets	(394)	0		(394)
(2,019)	Investment additions	(1,060)	(3,251)		(4,311)
1,994	Receipts from sale of investments		3,373		3,373
410	Interest received		429		429
(26,274)	Net cash outflow from investing activities	(26,529)	551	0	(25,978)
	Cash flows from financing activities				
949,273	Funding	1,011,717			1,011,717
139	Movement in general fund working capital	(94)			(94)
949,412	Cash drawn down	1,011,623			1,011,623
(3,413)	Capital element of payments in respect of leases and on-balance sheet PFI and Hub contracts	(3,668)			(3,668)
	IFRS 16 - 2022-23 cash lease payment	(1,046)			(1,046)
(93)	Interest paid	1,726			1,726
(13,481)	Interest element of leases and on-balance sheet PFI / PPP and Hub contracts	(13,278)			(13,278)
932,425	Net Financing	995,357	0	0	995,357
(8)	Net Increase / (decrease) in cash and cash equivalents in the period	(94)	(1,226)	0	(1,320)
2,423	Cash and cash equivalents at the beginning of the period	573	1,842	0	2,415
2,415	Cash and cash equivalents at the end of the period	479	616	0	1,095
	Reconciliation of net cash flow to movement in net debt / cash				
(8)	Increase / (decrease) in cash in year	(94)	(1,226)		(1,320)
2,423	Net debt / cash at 1 April	573	1,842	0	2,415
2,415	Net debt / cash at 31 March	479	616	0	1,095

DIRECTIONS BY THE SCOTTISH MINISTERS

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

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

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

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

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

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

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

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

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

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

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



Signed by the authority of the Scottish Ministers

Dated 22 March 2022