NHS Tayside

NHS Tayside Annual Report and Accounts 2007-2008

INTRODUCTION

This document contains the information that NHS Tayside is required to formally report each year. It gives a financial overview of NHS Tayside for the period April 2007 to March 2008. The annual accounts were adopted and approved by the full meeting of the Tayside NHS Board on 26 June 2008.

This report is available to download from our website at

http://www.nhstayside.scot.nhs.uk

Alternatively a copy can be obtained by contacting NHS Tayside by any of the methods listed on the back page of this report.

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DIRECTORS' REPORT

1. Naming Convention

Tayside NHS Board is the common name for Tayside Health Board.

2. Date of issue

Financial statements were approved and authorised for issue by the Board on 26 June 2008.

3. Accounting Convention

The Annual Accounts and Notes have been prepared under the historical cost convention modified to reflect changes in the value of fixed assets and in accordance with the Financial Reporting Manual (FReM). The Accounts have been prepared under a direction issued by Scottish Ministers, which is reproduced as an annex to these Accounts.

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

The corresponding amounts in the Remuneration Report and in Notes 4, 5, 7, 8, 13 and 16 have been restated due to various changes made to the NHS Annual Accounts manual. These changes are presentational and do not impact on the outturn reported in the previous year.

4. Appointment of Auditors

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. The Auditor General appointed Mr David McConnell, Assistant Director of Audit (Health), Audit Scotland to undertake the audit of Tayside 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.

5. Board Membership

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

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

Board membership during the financial year to 31 March 2008 is detailed in the following tables:

POSITION	APPOINTEE	PERIOD OF OFFICE	
		FROM	TO
Chairperson	Mr Peter J. Bates OBE	31 August 2001	30 November 2007
	Mr Sandy Watson * OBE DL	3 December 2007	30 November 2011
Vice-Chairman	Mr Murray Petrie	1 April 2006	31 March 2012
Non Executive Members	Councillor Lorraine Caddell	1 October 2004 11 June 2007	30 April 2007 30 April 2011

	Mr Andrew Richmond	1 October 2005	30 September 2009
	Mr Peter Withers	1 December 2005	30 November 2009
	Councillor Glennis Middleton	1 October 2004	2 May 2007
	Mrs Margaret Harper	1 May 2006	30 April 2010
	Bailie Helen Wright	20 April 2003 11 June 2007	30 April 2007 30 April 2011
	Professor Keith Matthews	1 April 2007	31 March 2012
	Right Hon Ruth J Leslie Melville MBE	11 June 2007	30 April 2011
	Dr Alan Shepherd	1 June 2006	31 May 2010
	Dr David Dorward	16 February 2004	31 March 2012
	Mr Ian Wightman MBE	1 April 2004	31 March 2010
	Mrs Elizabeth Forsyth	1 April 2004	31 March 2012
	Mrs Betty Ward	1 April 2004	31 March 2012
	Mr John Angus	1 April 2004	31 March 2012
Executive members			
Chief Executive (ex officio)	Professor W J Wells	1 December 2002	**
Director of Finance	Mr David J Clark	31 August 2001	**
Director of Public Health	Dr Drew Walker	31 August 2001	**
Chief Operating Officer – Delivery Unit	Mr Gerry Marr	31 August 2001	**
Director of Strategic HR and Workforce Development	Mr Alan Boyter	1 October 2004	30 November 2007
Medical Director	Dr Bill Mutch	1 September 2005	**
Nurse Director	Professor Liz Wilson	30 January 2006	**

* Mr Sandy Watson was a Non Executive Member of the Board from 1 October 2005 to 2 December 2007. Mr Murray Petrie was a Non Executive Member of the Board from 31 August 2001 to 31 March 2006.

****** Appointed for the period that the Executive Member is in post.

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

6 Board Members' and Senior Managers' Interests

To avoid issues of conflict of interest, all Board Members are required annually to submit a signed statement with regard to relevant interests. "Nil Returns", where applicable are also required. The Board in open session, at its meetings held during 2007/08, noted the following interests of Members.

Mr John Angus Non Executive Member	Client Liaison Officer with Data Services Ltd (until 30 May 2007) Trustee Tayside NHS Board Endowment Fund Owns house adjacent to Perth Royal Infirmary Director and Vice Chair Churches Action for the Homeless
Mr Peter Bates Chairman (Retired 30 November 2007)	Trustee Tayside NHS Board Endowment Fund Member of Diocese of Dunkeld Group Child Protection Team Self Employed Management Consultant undertaking minimal paid consultancy with Local Government and the NHS Chair Stirling University Cancer Centre Committee Member of other (Scottish Government) Groups at request of Minister Retired Lay Member Her Majesty's Inspector of Education Member Association of Directors of Social Work Informal contacts with many voluntary organisations and provide unpaid advice when required Retired UNISON member Chair of the Scottish Paediatric Renal Urology Network
Mr Alan Boyter Executive Member (Resigned 30 November 2007)	Director of Strategic HR & Workforce Development, NHS Tayside Trustee Tayside NHS Board Endowment Fund Shares in Astra Zenica Advisor to NHS Western Isles Member Board Dundee College Member Institute of Healthcare Management Member Amicus Trade Union
Councillor Lorraine Caddell Non Executive Member	**Councillor, Perth & Kinross Council** Trustee Tayside NHS Board Endowment Fund Owner St. Johnstouns Nursing Home, Barossa Place, Perth Member – Soroptomists
Mr David Clark Executive Member	**Director of Finance, NHS Tayside** Trustee Tayside NHS Board Endowment Fund Wife and daughter are NHS Tayside employees Member Chartered Institute of Public Finance & Accountancy (CIPFA) Past Chair of CIPFA in Scotland (2003/04) Member – CIPFA Health Panel Member – Public Management & Policy Association (PMPA) Member – Healthcare Financial Management Association (HFMA) Chair – NHS Scotland Corporate Governance & Audit Group Member of NHS Scotland Shared Support Services Project Board Chair of NHS Scotland Shared Support Services Quality Assurance Sub Group Member of NHS Scotland Modernisation of Support Services Steering Group Member of NHS Scotland Scottish Workforce Information Standard System Project Board (SWISS) Member of NHS Scotland McLelland Implementation Steering Group Member – UNISON
Dr David Dorward Non Executive Member	**General Medical Practitioner** Trustee Tayside NHS Board Endowment Fund Partner Drs Dorward, Neville, Nicoll, Lowe & Austin, Westgate Health Centre, Dundee Medical Adviser to High School of Dundee Medical Adviser to DC Thomson Ltd Member BMA Fellow Royal College of General Practitioners Trustee Fowlis Easter Village Hall

Mrs Elizabeth Forsyth Non Executive Member	**Manager– Lippen Care** Director St Margaret's FMC Ltd Elder, The Glens & Kirriemuir Old Parish Church Trustee Tayside NHS Board Endowment Fund Member Tayside Council on Alcohol
Mrs Margaret Harper Non Executive Member	**Employee Director, NHS Tayside** Trustee Tayside NHS Board Endowment Fund Registered with Nursing & Midwifery Council Member Royal College of Nursing – Lead Rep for Ninewells Hospital Office Bearer of Dundee Branch of RCN
Provost Ruth Leslie Melville Non Executive Member	**Councillor, Angus Council** Trustee Tayside NHS Board Endowment Fund Reader in Church of Scotland – fee donated to charity Director – Brechin Arts Festival Director – Brechin Youth Project – The Attic Director – Hospitalfield Trust Director – Dalhousie Day Care Centre Member – Health, Caring and Safe Communities Partnership Member – Angus Community Care Charity Trust Ltd Member – Scottish Amateur Music Association Member – Scottish Local Government Forum against Poverty Member – Angus Digital Media Centre Ltd. Scotland Against Poverty Provosts' Association Friends of Brechin Townhouse Church of Scotland Chair – Friends of Stracathro Hospital
Mr Gerry Marr Executive Member	**Chief Operating Officer, Delivery Unit** Trustee Tayside NHS Board Endowment Fund Member Quality and Improvement Scotland Member of National Support Services Steering Group Chair of Nursing Workload Group Member of Management Steering Group Scotland Member Frontline Leadership and Development within NHS Scotland Member of National Steering Group on Shifting the Balance of Care Chair of Sub Group on Shifting the Balance of Resources Member of National Procurement Reform Board Member of UK Expert Panel on Productive Community Hospitals Project Member National Patient Safety Alliance Participates in National and International Forums on Patient Safety

Professor Keith Matthews Non Executive Member	**Professor of Psychiatry, University of Dundee** Honorary Consultant Psychiatrist, NHS Tayside Trustee, Tayside NHS Board Endowment Fund University Division holds research contracts with UK charities and grant-giving bodies (Wellcome Trust, Chief Scientist office) as well as healthcare industrial partners (Cyberonics Inc.) Receives honoraria and reimbursement of costs to participate in scientific and clinical meetings Member – British Association for Psychopharmacology Member – Royal College of Psychiatrists Member – Royal College of Psychiatrists Special Committee on ECT and Physical Treatments
Dr Bill Mutch Executive Member	**Medical Director, Tayside NHS Board** Member QIS Committees Honorary Senior Lecturer, University of Dundee Trustee Tayside NHS Board Endowment Fund Member British Geriatric Society Member Diabetes UK Member Executive Scottish Association of Medical Directors Member Royal College of Physicians Member British Medical Association
Councillor Glennis Middleton Non Executive Member (Term of office ended 2 May 2007)	**Councillor – Angus Council** Trustee Tayside NHS Board Endowment Fund Elected Member Angus Council Fellow, Royal Society of Arts, Manufacture & Science Trustee Angus Education Trust Member COSLA Social Work and Health Network Member Forfar Day Centre Management Committee Member Scottish Local Government Forum Against Poverty Member Tayside Joint Project Board Member Angus Children's Panel Advisory Committee Director Angus Community Care Charitable Trust Limited Trustee Doctor Andrew Kerr's Trust Member Forfarshire Society for the Blind Director Angus Care & Repair Advisory Committee Trustee Strangs Mortification Chairman Young Scot Project Management Group Member Forfarian Committee Chair Forfar Resource Store Director Angus Women's Aid Convener of Social Work and Health Angus Council Depute Chair Community Justice Authority
Mr Murray Petrie Non Executive Member Vice Chairman	**Retired** Trustee Tayside NHS Board Endowment Fund Committee Member Eradour Housing Association Deacon of the Bonnetmaker Craft of Dundee Chairman Sergeant Cancer Care for Children Christmas Carol Concert Committee, Dundee
Mr Andrew Richmond Non Executive Member	**Company Director** Trustee Tayside NHS Board Endowment Fund Non Executive Member Scottish Ambulance Service Board Associate of Society of Investment Professionals (ASIP) Member of Angus Conservative & Unionist Association Member of Carlton Club Member of National Childbirth Trust (NCT) Member of Church of Scotland Own 25% of the shares and is a director of Rushyglen Limited Own 50% of the shares and is a director of Laverock Properties Ltd Wife owns the remaining shares and is also a director Member of the Congregational Board of the Isla parishes (Church

	of Scotland) Wife sits on Angus Maternity Services Liaison Committee Wife sits on Integrated Women's Clinic/CMU Ninewells Project Group Wife sits on Dundee CMU Development Group
Dr Alan Shepherd Non Executive Member	**Consultant Physician/Chair Area Clinical Forum** Honorary Senior Lecturer, University of Dundee Medical Adviser, PSV Claims Royal Colleges Tutor Programme Director Medical Rotation NHS Tayside National Panelist for GIM Fellow Royal Colleges of Edinburgh and Glasgow Member of British Society of Gastroenterology Member Scottish Society of Gastroenterology Senior Member Scottish Society of Physicians Secretary and Vice Chair of Area Medical Committee Member of BMA Medical Adviser National Association of Crohn's and Colitis Small number of shares in GSK and AstraZeneca Trustee Tayside NHS Board Endowment Fund
Dr Drew Walker Executive Member	**Director of Public Health** Board member of the Research Unit on Families and Relationships, University of Edinburgh Trustee Tayside NHS Board Endowment Fund Honorary Senior Lecturer, University of Dundee Board Member, Rowett Institute, Aberdeen Board Member, Health Economics Research Unit (HERU)
Mrs Betty Ward Non Executive Member	**Administrative Assistant, Sidlaw Executive Travel (Scotland) Ltd** Trustee Tayside NHS Board Endowment Fund Member The Labour Party Member TGWU Convener Volunteer Centre Dundee
Mr Sandy Watson, OBE DL Chairman from 3 December 2007	**Retired Council Chief Executive** Trustee Tayside NHS Board Endowment Fund Director Practica Consultancy Ltd (public sector consultancy) Consultancy fees from : SOLACE Enterprises SOLACE (Scotland) Young Scot Chairman, Angus College Board of Management Member of Board of Add Knowledge Ltd Member of the Court of the University of Abertay Member – Scottish Further & Higher Education Funding Council Deputy Lieutenant for the County of Angus
Professor Tony Wells Executive Member	**Chief Executive, Tayside NHS Board** Trustee Tayside NHS Board Endowment Fund Director Translational Medicine Research Institute (TMRI) Director Tayside Council on Alcohol Chair North of Scotland Cancer Network (NOSCAN) Chair National Services Advisory Group, National Services Division Chair Delivering for Mental Health Implementation Board Member Chief Scientist Committee, SGHD Member eHealth Strategy Board, SGHD Member Scottish Cancer Group, SGHD Member Scottish Advisory Group on Alcohol Misuse Member Joint Futures Implementation Group Visiting Professor, University of Abertay Honorary Senior Lecturer, University of Dundee Member Marine Volunteer Service (Tayside)

	Member Scottish Medicines Consortium Wife is an Independent Consultant and works periodically with Local Authorities in Tayside.
Mr Ian Wightman MBE Non Executive Member	**(Retired) Economic Regeneration Consultant** Trustee Tayside NHS Board Endowment Fund Company Secretary & Director, St Margaret's FMC Ltd. Shares in BT and Scottish & Southern Energy Member, National Appeal Panel for Entry to Pharmaceutical Lists Chair, Tayside Healthcare Arts Trust
Professor Elizabeth Wilson Executive Member	**Nurse Director, Tayside NHS Board** Trustee Tayside NHS Board Endowment Fund Co Chair - Charity Board for the Corner, Dundee Trustee of Charity – M E Research UK Member – Royal College of Nursing Visiting Professor University of Abertay, Dundee
Mr Peter Withers Non Executive Member	**Retired Director of Prison Services, Scottish Prison Service** Trustee, Tayside NHS Board Endowment Fund Appointed by Minister of Justice to the Board of the Risk Management Authority Operational Adviser to Billy Wright Public Inquiry
Bailie Helen Wright Non Executive Member	**Councillor, Dundee City Council** Trustee, Tayside NHS Board Endowment Fund Dundee Drugs & Alcohol Action Team Convener of Health & Social Work Committee COSLA Social Work & Health Dundee Older People's Champion Justice Committee (Chair) Community Regeneration Forum Dundee Community Health Partnership Tayside Joint Fire & Rescue Board Tayside Joint Police Board Tayside Valuation Joint Board Tayside Contracts Joint Board Society of Antiquaries of Scotland Lions International Club and City of Dundee Lions Club The Scottish Labour Party Flemming Trust Supervisory Committee TGWU GMB DVA Chair of the COSLA Chairs of Community Justice Authorities Scotland Member of the Scottish Accident Prevention Council Member of Marship Training Board

7. Pension Liabilities

The accounting policy note for pensions is provided in Note 1 to the Accounts and disclosure of the costs is shown within Note 26 and the Remuneration Report.

8. Remuneration For Non Audit Work

There were no payments made to the Auditors during the year for any work other than the statutory audit.

9. Related Party Transactions

During the year Tayside Health Board entered into the following material transactions with related parties.

Related Party	Details of transactions	Amount paid £000s	Amounts written off £000s	Amount due at 31 March 2008 £000s
Westgate Health Centre	General Medical Services	1,266	0	0

Dr D. Dorward is a Non Executive Director of Tayside Health Board and also a General Practitioner within Westgate Health Centre.

10. Value of Land

Specialised NHS land is stated at its existing use value, other than surplus land which is stated at its open market value. There is no significant difference between the market value and the balance sheet value.

11. Payment Policy

The board endeavours to comply with the principles of The Better Payment Practice Code by processing suppliers' invoices for payment without unnecessary delay and by settling them in a timely manner. In 2007/08 the average credit taken was 39 days (2006/07 38 days) and the board paid 67.14% by value (2006/07 65.16%) and 70.58% by volume within 30 days (2006/07 61.58%).

12. Corporate Governance

Tayside NHS Board

The NHS Board met on nine occasions in the period 1 April 2007 to 31 March 2008. The Scottish Health Plan established that the following standing committees should exist at unified NHS Board level.

Audit Committee
Improvement & Quality Committee
Medical Research Ethics Committees A & B
Remuneration Sub Committee of the Staff Governance Committee
Staff Governance Committee
Discipline (for Primary Care Contractors)

The Board has also set up the following additional committees.

Delivery Unit Committee
Strategic Policy and Resources Committee
Improvement & Quality Sub Committee
Universities Strategic Liaison Committee
Angus CHP Committee
Dundee CHP Committee
Perth & Kinross CHP Committee

The Chairperson of NHS Tayside is ex officio a member of all standing committees except the Audit Committee, to which he has a right of attendance.

Information regarding the purpose and membership of all standing committees required by the Scottish Health Plan is provided below.

Audit Committee

The purpose of the Audit Committee is to assist NHS Tayside to deliver its responsibilities for the conduct of public business, and the stewardship of funds under their control. In particular, the Committee will seek to provide assurance to Tayside Health Board that an appropriate system of internal control is in place to ensure that: -

- Business is conducted in accordance with the law and proper standards;
- Public money is safeguarded and properly accounted for;
- Financial statements are prepared timeously, and give a true and fair view of the financial position of the Tayside Health Board for the period in question;
- Affairs are managed to secure economic, efficient and effective use of resources; and
- Reasonable steps are taken to prevent and detect fraud and other irregularities.

The membership of the Audit Committee during the financial year ended on 31 March 2008 has been as follows:

Chairperson – Mr John Angus, Non Executive Member, Tayside NHS Board (to July 2007), Mr Peter Withers, Non Executive Member, Tayside NHS Board (from September 2007)

Members

Mrs Elizabeth Forsyth, Non Executive Member, Tayside NHS Board
Mrs Margaret Harper, Non Executive Member, Tayside NHS Board
Mr Andrew Richmond, Non Executive Member, Tayside NHS Board
Dr Alan Shepherd, Non Executive Member, Tayside NHS Board
Mr Peter Withers, Non Executive Member, Tayside NHS Board
Mr Sandy Watson, Non Executive Member, Tayside NHS Board (October - November 2007)

Regular Attendees

Mr John Angus, Non Executive Member, Tayside NHS Board
Councillor Lorraine Caddell, Non Executive Member, Tayside NHS Board (to July 2007)
Mr David Clark, Director of Finance, NHS Tayside
Mrs Norma Craig, Area Clinical Forum representative (from Jan 2008)
Mr Ian McDonald, Associate Director of Finance, NHS Tayside
Mr Daniel McLaren, Assistant Chief Executive, NHS Tayside
Mr Colin Masson, Director of Finance, Delivery Unit
Ms Margaret Moulton, Board Secretary, Tayside NHS Board
Mrs Meg Park, Area Clinical Forum representative (to December 2007)
Mr Murray Petrie, Non Executive Member, Tayside NHS Board
Mrs Catriona Stout, Corporate Accountant, NHS Tayside
Professor Tony Wells, Chief Executive, NHS Tayside
Mr Ian Wightman MBE, Non Executive Member, Tayside NHS Board
Representative Audit Scotland
Representative FTF Audit & Management Services

The Audit Committee met on seven occasions during the period 1 April 2007 to 31 March 2008

Improvement & Quality Committee

The purpose of the Improvement & Quality Committee is to provide Tayside NHS Board with the assurance that:

- Mechanisms are in place and effective throughout NHS Tayside to support improvement
- The principles and standards of Partnership for Care 2003 are applied to the improvement activities of NHS Tayside
- Clinical/health governance mechanisms are in place and effective throughout the whole of NHS Tayside including social inclusion, public health and health improvement activities
- To ensure a strategic framework for patient and public involvement is in place including support for members of the Public Partnership (health) Groups PPGs and to monitor and evaluate this
- To ensure the governance arrangements for Equality and Diversity

The membership of the Improvement & Quality Committee during the financial year ended on 31 March 2008 has been as follows:

Chairperson – Mr Sandy Watson OBE DL, Non Executive Director, Tayside NHS Board (to November 2007), Mrs Elizabeth Forsyth from December 2007.

Members
Mr John Angus, Non-Executive Member, Tayside NHS Board
Mrs Margaret Harper, Employee Director, Tayside NHS Board
Mr Gerry Marr, Chief Operating Officer, Delivery Unit
Ms Heather Marr, Associate Dean of the School of Nursing and Midwifery, University of Dundee
Professor Andrew Morris, eHealth Director, Tayside NHS Board
Dr Bill Mutch, Medical Director, Tayside NHS Board
Mrs Sheila Nimmo, Chair, Perth & Kinross Public Partnership Group
Professor Martin J Pippard, Acting Dean of the Medical School, University of Dundee
Dr Alistair Robertson, Clinical Group Director, Clinical Support Services, Delivery Unit
Ms Caroline Selkirk, Director of Change and Innovation, Tayside NHS Board
Mrs Vanessa Shand, Area Partnership Representative
Dr Alan Shepherd, Chair, Area Clinical Forum
Dr Jan Sinclair, Clinical Director, Perth & Kinross CHP
Dr Drew Walker, Director of Public Health, Tayside NHS Board
Mr Ian Wightman MBE, Non-Executive Member, Tayside NHS Board
Professor Elizabeth Wilson, Nursing Director, Tayside NHS Board

Regular Attendees
Ms Allyson Angus, Public Involvement Manager, NHS Tayside
Mr Keith Balneaves, Angus Public Partnership Group
Dr Andrew Cowie, GP, Area Clinical Forum
Mrs Gillian Costello, Head of Managed Clinical Networks, NHS Tayside
Mrs Carrie Marr, Associate Director Change and Innovation, Tayside NHS Board
Ms Esther McKell, Dundee Public Partnership Group
Ms Margaret Moulton, Board Secretary, Tayside NHS Board
Mr Daniel McLaren, Assistant Chief Executive, Tayside NHS Board
Mrs Arlene Napier, Clinical Governance Coordinator, NHS Tayside
Mrs Pat O'Connor, Head of Safety, Quality and Risk, NHS Tayside
Mr Rae Taylor, Head of Information and Performance, NHS Tayside

The Improvement & Quality Committee met on five occasions during the period 1 April 2007 to 31 March 2008

Medical Research Ethics Committees

To provide assurance that:

- A mechanism is in place to undertake the ethical review of medical research.
- The dignity, rights and wellbeing of the participants of medical research are suitably protected
- Independent advice on medical research ethics is available to NHS Tayside when requested
- There is appropriate liaison between the Medical Research Ethics Committee and researchers, funders, sponsors and participants in medical research
- The interests, needs and safety of researchers are protected within medical research

The membership of Medical Research Ethics Committee (A) during the financial year ended on 31 March 2008 has been as follows:

Chairperson - Dr Fergus Daly, Chair and Statistician Member

Members
Mr Carlos Widerowitz, Vice Chair and Secondary Care Clinician Member

Ms Caroline Ackland, Nurse Member
Mr John Angus, Non Executive Member, Tayside NHS Board
Mrs Kay Butlin, Lay Member
Mrs Linda Gray, Lay Member
Dr Catherine Jackson, GP Member
Dr Richard A Lerski, Head of Medical Physics (resigned 18 July 2007)
Mr John Macleod, Lay Member
Mrs Shirley McLeod, Nurse Member
Mrs Caroline Neat, Lay Member
Dr Tom Pullar, Secondary Care Clinician
Mrs Sue Roff, Non Clinical Scientist Member
Dr Astrid Schloersheidt, Non Clinical Scientist Member
Mrs Sheila Walker, Lay Member
Dr Ian Zeally, Secondary Care Clinician

Deputies
Dr Jacob George for Secondary Care Clinician members
Dr Neil Merrylees for GP member

Medical Research Ethics Committee (A) met on eleven occasions during the period 1 April 2007 to 31 March 2008.

The membership of Medical Research Ethics Committee (B) during the financial year ended on 31 March 2008 has been as follows:

Chairperson – Dr Margaret A R Thomson, Chair and Secondary Care Clinician Member

Members
Mrs Sandra Forbes, Vice Chair and Nurse Member
Dr Wendy Stevenson, Alternate Vice Chair and Lay Member
Mrs Nanette Brown, Pharmacist Member (resigned 5 November 2007)
Dr Lloyd Carson, Professional Member
Dr Daniel Cuthbertson, Secondary Care Clinician (resigned 30 September 2007)
Mrs Carolyn Donnelly, Lay Member
Mrs Jacqueline Dunlop, Nurse Member
Professor David Levison, Professor of Pathology
Dr Carol Macmillan, Secondary Care Clinician
Mr Charles McMurray, Lay Member
Dr Robert W Y Martin, GP Member
Dr Michael Murphy, Secondary Care Clinician
Dr Simon Ogston, Clinician Member
Mrs Patricia Robb, Lay Member
Mrs Anne Simpson, Lay Member
Mr Peter Withers, Non Executive Member, Tayside NHS Board

Medical Research Ethics Committee (B) met on twelve occasions during the period 1 April 2007 to 31 March 2008.

Remuneration Sub-Committee

The Remuneration Sub Committee is a Sub Committee of the Staff Governance Committee. It discharges specific responsibilities on behalf of Tayside NHS Board as an employing organisation.

The membership of the Remuneration Sub-Committee during the period to 31 March 2008 has been:

Members
Mr Peter Bates, OBE Chair, NHS Tayside – Chair of Committee to November 2007
Mr Sandy Watson, OBE DL Non Executive Member, Tayside NHS Board appointed Chair of NHS Tayside 3 December 2007 and Chair of Remuneration Sub Committee
Mr M Petrie, Non Executive Member, Tayside NHS Board

Mr Ian Wightman MBE, Non Executive Member, Tayside NHS Board
Mr John Angus, Non Executive Member, Tayside NHS Board
Mrs Betty Ward, Non Executive Member, Tayside NHS Board

Regular Attendees
Mr A Boyter, Director of Strategic HR and Workforce Development, NHS Tayside (to November 2007)
Ms Margaret Moulton, Board Secretary, Tayside NHS Board
Mr George Doherty, Associate Director of HR

The Remuneration Sub-Committee met on six occasions during the period 1 April 2007 to 31 March 2008.

Staff Governance Committee

The Staff Governance Committee advises the Board on its responsibility, accountability and performance against the NHS Scotland Staff Governance Standard addressing the issues of policy, targets and organisational effectiveness.

The achievement and progress towards the Staff Governance Standard will be measured through:

- Scrutiny of performance against individual elements of the Staff Governance Standards
- Data collected during the self-assessment audit conducted under the auspices of the Area Partnership Forum
- The action plans submitted to, and approved by, the Staff Governance Committee
- Staff Survey results
- Data and information provided in statistical returns and reports to the Committee

The membership of the Staff Governance Committee during the financial year ended on 31 March 2008 has been as follows:

Chairperson – Mr Sandy Watson OBE DL, Non Executive Member, Tayside NHS Board (to 30 November 2007), Mr Peter Withers, Non Executive Member, Tayside NHS Board, (from 1 December 2007)

Members
Mr John Angus, Non Executive Member, Tayside NHS Board
Mrs Jenny Alexander, Partnership Forum representative
Mr Peter Bates OBE, Chairperson, NHS Tayside (ex-officio) (to 30 November 2007)
Mr Alan Boyter, Director of Strategic HR & Workforce Development (to 30 November 2007)
Mrs Elizabeth Forsyth, Non Executive Member, Tayside NHS Board
Mrs Margaret Harper, Non Executive Member, Tayside NHS Board
Mrs Sylvia Johnston, Staff Side Representative, NHS Tayside (retired October 2007)
Mr Gerry Marr, Chief Operating Officer, Tayside NHS Board
Mr Murray Petrie, Chair, Delivery Unit
Mrs Vanessa Shand, Partnership Forum representative
Mrs Betty Ward, Non Executive Member, Tayside NHS Board
Professor Tony Wells, Chief Executive, NHS Tayside
Mr Ian Wightman MBE, Non Executive Member, Tayside NHS Board

Regular Attendees
Mr George Doherty, Associate Director of HR
Ms Carol Hislop, External Auditor, Audit Scotland
Mrs Pat Millar, Head of Life Long Learning, NHS Tayside
Ms Margaret Moulton, Board Secretary, Tayside NHS Board
Mr Robert MacKinnon, Assistant Director of Finance, NHS Tayside
Mr Ian McDonald, Associate Finance Director
Mr Norman Pratt, Area Clinical Forum Representative
Ms Margaret Sherriff, Partnership Forum representative

Mrs Janice Torbet, Associate Director of HR
Mr John Young, HR Manager, NHS Tayside

The Staff Governance Committee met on five occasions during the period 1 April 2007 to 31 March 2008.

General

A summary of Board Members' attendance at meetings of the Board and its Standing Committees for the year ended 31 March 2008 is provided as an annex to this report.

13. Disclosure of information to Auditors

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

14 Human Resources

The Human Resources function in NHS Tayside, headed by the Director of Strategic HR and Workforce Development, provides strategic and operational HR support to all Board and Delivery Unit services.

Throughout 2007/08, work has continued on the implementation of the NHS Tayside's Strategic Workforce Development Plan. This plan aims to align the workforce to support the implementation of Better Health, Better Care, and ensure the deployment of a fit for purpose, quality workforce to meet healthcare need. In 2007/08 this has included approval of the development of Associate Practitioner linked to the development of other support worker roles and the commitment to an Employer Branding Project to support recruitment and retention.

Underpinning the Strategic Workforce Development Plan, a further Workforce Plan has been developed. This plan outlines our future staffing requirements to meet demands for patient care, and, in light of projections on workforce supply, the needs of NHS reflects Tayside's various service redesign initiatives. For the first time in March 2008 workforce planning requirements were included in the Local Delivery Plan and work continues to improve our workforce information systems to provide data to support the Workforce Planning process.

Work has continued to refine our Partnership arrangements as part of a wider on-going development of the NHS Tayside employee relations framework, including the recently established Delivery Unit Partnership Forum. Work in this area has also included the review and development in partnership of new and existing HR policies designed to ensure continuing legislative compliance and maintain a positive working environment for our employees.

The HR and Payroll Departments continue to work to conclude the implementation of Agenda for Change, a major strand of pay modernisation which affects all staff other than doctors, dentists and very senior managers. With nearly all staff assimilated, there is concentrated effort to pay the remaining arrears, undertake evaluation of posts which have not matched and progress reviews.

A robust implementation plan for the Knowledge and Skills Framework (KSF) has been developed and is well underway. As KSF is now identified as a key objective within the Local Delivery Plan progress on this major strand of Agenda for Change is being closely monitored. To support the KSF process NHS Tayside's policy has been developed in partnership and resources have been secured to support the work across the organisation.

A Best Value Review on training, learning and development resources within NHS Tayside has been commissioned in partnership with Internal Audit and Audit Scotland. This will provide a position statement on the current situation and make recommendations for future planning.

Leadership for the Equality and Diversity agenda is with the HR Department which supports the work being undertaken within departments in relation to employment and service delivery. During 2007/08, the Gender Equality Scheme was developed, and published, the Disability Equality Scheme has been reviewed in consultation with representatives from the community, and work has continued to deliver on the Race Equality agenda and in particular to improve our monitoring arrangements.

The Scottish Government supported project to train Diversity Champions to promote diversity in the workplace is underway and soon to be evaluated. In addition, NHS Tayside has also joined Stonewall's champions initiative to develop awareness and support of sexual orientation in the workplace. NHS Tayside continues to take an inclusive approach in relation to all the strands of diversity for those who work in the organisation or access our services.

OPERATING & FINANCIAL REVIEW

1. Principal Activities and Review of the year

Background

Tayside Health Board was established in April 1974 and is responsible for commissioning health care services for the residents in the geographical local government areas of Angus, Dundee and Perth and Kinross. The Board's boundaries are coterminous with these local government areas, which had a combined population of 391,600 based on mid year 2006 population estimates published by the General Register Office for Scotland

NHS Tayside forms a local health system, with a single governing board responsible for improving the health of the local population and delivering the healthcare it requires. The overall purpose of the unified board is to ensure 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 unified NHS Board is to:

- Improve and protect the health of the people of Tayside;
- Improve health services;
- Focus clearly on health outcomes and people's experience of the Tayside 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 Tayside NHS system.

The functions of the unified NHS Board comprise:

- Strategy development – to develop a Local Delivery Plan;
- Resource allocation – to address local priorities;
- Implementation of the Local Delivery Plan; and
- Performance management of the local NHS system.

Service Highlights

During 2007/08 NHS Tayside undertook and facilitated a very wide range of activities which included:

Public Health

The aim of the Best Value Review of Nutrition (BVRN) was to make better use of nutrition resources by co-ordinating a disparate range of initiatives, activities and expertise into targeted and multi-agency interventions. Following the conclusion of the BVRN, which included a multi-agency consensus exercise, 28 recommendations relating to key food and

nutrition priorities were approved that NHS Tayside and partner organisations must now address over the next 5 years.

Through 2007/08, the Directorate has contributed to the work of the Overseeing Group for the development of the Tayside-wide strategy for services for older people. The work previously done within the Directorate, to compile a report examining the future health needs of older people in Tayside, has been used to feed into the Information Portfolio, developed to support the strategy development process. This culminated in early 2008 in a series of three events, organised by the Commissioner for Older People's Services, at which the evidence, the priorities and the key actions for a Tayside-wide strategy were agreed by a broad based expert group, including public health. Work is ongoing to finalise the strategy, to agree the commissioning approach that will support its delivery, and the workforce and other implications.

Work to encourage people in Tayside to stop smoking has continued during 2007/08. Over 70 community pharmacies took an active role in providing smoking cessation services and recruited nearly 1,600 smokers, from a Tayside total of around 2,700 smokers wanting to quit. The Smoking in Pregnancy Incentive Scheme was implemented across all 3 Tayside localities with about 70 women registering with the scheme during the year; 16 babies were born to mothers who had given up smoking with the scheme. The smoking cessation e-referral system has begun to be implemented with the first smokers being referred to primary care smoking cessation services on their discharge from hospital. As part of the development of a health promoting hospital, a smoking cessation co-ordinator post was recruited to promote smoking initiatives in secondary care. Overall, Tayside achieved a 42% increase in the number of smokers coming forward to quit, compared to an 11% decrease in smoking cessation activity for Scotland as a whole.

Additional support continues to be offered to breastfeeding mothers living in the deprivation category areas 5, 6 & 7 of Dundee. The uptake of this additional service has increased with almost 43% of women living in these areas now accepting this further assistance. From those women who initiate breastfeeding, 55% are still breastfeeding at 6 weeks. This demonstrates the significant impact on breastfeeding duration achieved by providing positive experiences with breastfeeding and the contribution to social normalisation.

The Scotland's Health at Work (SHAW) Programme was replaced by the Healthy Working Lives Programme (HWL) on 1 April 2007. The National Launch of HWL took place in February 2007 with a Local Launch being held within The Space, Dundee College, in April 2007. The Local Launch was attended by over 100 individuals representing Local Authority, NHS, Private and Voluntary Sector worksites. Since the Local Launch, 102 worksites across Tayside have registered for participation in the HWL Programme. These registrations are from a variety of sectors which include Small to Medium Sized Enterprises (SMEs), Local Authority, NHS, Voluntary Organisations and larger businesses. The Programme is reaching over 28,000 employees across Tayside.

Acute Services

The Cardiac Catheter Laboratory was extensively refurbished and equipment purchased to support the repatriation of elective angioplasty to Tayside.

The new Medical High Dependency Unit opened in August 2007 providing level 1 care to patients who were previously treated in mainstream wards.

The Strathmore Diabetes Centre was officially opened by Mary Dowager Countess of Strathmore and provides a safe outpatient environment for the increasing numbers of patients with diabetes in Tayside.

During the year new beds were purchased and are now being installed in all hospitals around Tayside. Early recipients of these beds are reporting a significant difference to the comfort of patients and reduced risk of manual handling injuries to staff.

In Orthopaedics pre-assessment clinics have been established with input from Anaesthetists to ensure that patients are well prepared for surgery and any risks managed to ensure optimal outcomes for patients. Nurse led and Specialist Practitioner roles have developed and with more outpatient clinics capacity has increased to meet demand and provide patients with more choice in treatment. Clinical outcomes are audited and where appropriate steps taken to improve the patient experience.

The Tayside Cardiology Unmet Needs Project continues and by using strategies to identify people at risk more people are being offered specialist assessment in predominately non-healthcare and innovative mobile facilities closer to their home.

The development of an assessment service for patients referred or admitted as emergencies has resulted in rapid investigation and follow up and often there is discharge within 6 hours.

The Scottish Bowel Screening Programme commissioned by National Services Division for NHS Scotland is hosted by NHS Tayside. The national programme began rolling out for the whole of Scotland from June 2007 and currently offers bowel screening to residents in 6 NHS Boards.

Community Health Partnerships (CHPs)

Angus CHP

An Angus-wide directory of outpatient services went "live" electronically in May 2007. The directory gives desk–top up to date information regarding clinics in Angus, how to contact them, and current waiting times.

Social Care Officers within Angus have received training to prompt and administer medicines to elderly patients who are taking multiple medicines and an initial scheme to test the service commenced in Carnoustie. Guidelines and a training programme were further developed to roll out programme to Health Care Assistants. The pharmacy team won a prestigious national award from the Association of British Pharmaceutical Industries for this new way of working.

The Delivering for Mental Health, Leading Change programme selects progressive Mental Health Service teams from across Scotland and support change and development in services. The joint health and social work team have been selected as one of seven across Scotland. The change they are seeking to deliver is 'Developing Day Services that promote Social Inclusion' and is an important strand of the Angus Mental Health Strategy.

A blood levels monitoring service for patients on warfarin has been developed. This enables Angus patients to have local testing/results in their own surgeries, local Community Hospital or in their own homes when housebound.

The Angus Cancer and Palliative Care team is continuing to develop services closer to home, including consultant led fortnightly oncology clinics in Whitehills and Stracathro, an increased range of transfusions and IV therapies, including some forms of chemotherapy.

Angus CHP has scored well in relation to the national Long Term Conditions Self Assessment Toolkit reflecting the high level of demonstrable partnership working. Particular areas of strength being the organisation of long term condition management, interdisciplinary education and training and information and intelligence.

The Tayside Community Eating Disorders Service hosted by Angus CHP, began development in November 2007. This multi-disciplinary service is actively recruiting for its base at Constitution House, Dundee with clinics in Murray Royal Hospital, Perth and Whitehills Hospital, Forfar.

Dundee CHP

The Vocational Rehabilitation Programme provides an innovative service to support people working in Small and Medium Enterprises in Dundee who have no current access to

Occupational Health. A small multi-disciplinary team works in conjunction with local employers and NHS Tayside Healthy Working Lives team to tackle preventable absence from work or assistance to ensure a rapid response to the workplace. This is a unique opportunity to support the employability partnership in Dundee and tackle health improvement.

Dundee CHP is working within a new local partnership to deliver on the Closing the Opportunity Gap target to reduce worklessness in the city. Funding from Workforce Plus, Deprived Areas Funding and City Strategies has facilitated the development of a new team who are delivering Condition Management to people on Incapacity and other long-term benefits. This is being done in close collaboration with colleagues in Job Centre Plus and innovative new ways to engage with potential clients are being tested.

A new Community Health Services Centre opened at Kings Cross in March 2008 that incorporates the co-location of a range of services: these include adult and paediatric audiology, a new balance and vestibular service, Out Patient Physiotherapy and Community Rehabilitation, 10 NHS Dentistry chairs including provision for teaching and special needs.

Dundee Community Health Partnership has been successful in becoming one of five pilot areas in Scotland to receive Scottish Government funding to implement the Keep Well programme. The programme offers health checks to people who are in the age bracket 45-64 and living in the most disadvantaged postcode areas. There are approximately 19,000 people in Dundee who fall into this category. The target population are those who are most likely to be living with an undiagnosed or untreated long-term health condition and who are least likely to seek help.

Dundee CHP now hosts the Integrated Sexual Health Service for Tayside. There has been positive evaluation of the New Young Persons GUM Clinic in Ninewells, and it is an example of joint working and responsiveness the needs of vulnerable young people. The roll out of Chlamydia testing across Tayside continues with commitment from the whole service.

In August 2007 the NHS Community Loan Equipment Store, previously based at Wallacetown, was co-located with the Equipment Service of Dundee City Council Social Work and the Disability Living Centre at new purpose-adapted premises at Claverhouse Industrial Estate.

Dundee CHP commissioned a series of four generic self-management courses entitled ‘Challenging your condition’ from Arthritis Care. Accredited trainers living with a long-term condition lead the 6-week courses act as facilitators, as well as being role models for participants.

Perth & Kinross CHP

In March 2008 the new Pitlochry Community Hospital was opened. The purpose built, modern hospital is set to provide first class healthcare for the people of Pitlochry and North West Perthshire. It includes nine in-patient beds in the GP unit and seven in the Atholl unit where dementia patients are to be treated. There is also a minor injuries unit, out-patient clinics, social work department base and a facility for occupational therapy, physiotherapy and speech and language department. The community health facility will provide health services on a one stop shop basis involving NHS Tayside, GPs and Perth & Kinross Council. The Friends of Irvine Memorial Hospital donated a significant amount of money towards the development.

Intermediate care services in Perth & Kinross were improved and expanded to meet national, local and the individual's expectations for care in people's own homes. These improvements are: faster discharge and decreased delayed discharges, access to mainstream home care services for new and existing home care clients, integrated out of hours service for community alarm, nursing and home care services, and supporting discharge from hospitals.

The ICAN Early Talk project is a joint programme where Speech and Language Therapy (SLT) staff and Perth & Kinross Council Early Years staff deliver training to nurseries and work together to accredit the nurseries on their fitness to deliver a "supportive" level service to enable children to develop communication skills.

The Podiatry Service introduced educational sessions to promote the self-management of basic foot problems. Aptly named 'FOOTSTEP', patients assessed as not requiring podiatric intervention are invited to attend a self-management programme, where they receive guidance in managing basic foot care. The programme is also open to carers, or anyone the patient may wish to assist them in managing their foot care.

Service users who have severe and/or enduring mental health problems take part in group interventions, consisting of an Aim to Change group for service users with chronic anxiety and depression; Football Group; Women's Group; and a Winning Weigh group for service users who have both poor dietary intake and little or no exercise.

Family Health Services

The Scottish Enhances Services Programme has been implemented throughout Tayside with a good uptake by GP Practices in the three clinical areas of diabetes, alcohol and cancer. These services will ensure that patient needs will be treated as locally as possible.

NHS Tayside has reached NHS QIS Level 4 status, which means that the out of hours service has achieved full compliance with National Quality Standards

The new contract has allowed NHS Tayside to appoint a successor to Kinloch Rannoch Practice, which is a very remote and rural practice. A neighbouring practice has been appointed as successors to Kinloch Rannoch and thereby reduces the number of single-handed GPs in Tayside.

Counter Fraud Service Reports

In 2007/08, NHSScotland Counter Fraud Services performed work to give an indication of the possible level of Family Health Services income lost due to incorrect claims by patients for exemption from NHS charges. The level of FHS income not recovered and written off relating to Patient Exemption Checking included in Counter Fraud Services Reports covering 2007/08 was £6,938 (2006/07 £6,503).

2. Financial Performance and Position

The Scottish Government Health Directorates set three financial targets at Health Board level on an annual basis. These limits are:

- Revenue Resource Limit – a resource budget for ongoing operations;
- Capital Resource Limit – a resource budget for net capital investment; and
- Cash requirement – a financing requirement to fund the cash consequences of the ongoing operations and net capital investment.

Health boards are expected to contain their net expenditure within these limits, and will report on any variation from the limits as set.

The Board Chief Executive is the sole Accountable Officer for NHS Tayside. This statutory status carries responsibility direct to the Scottish Parliament for stewardship of the public funds and resources with which the Accountable Officer is entrusted.

Outturn - Tayside Health Board achieved the financial targets as follows: -

Financial Target	Limit as set by SGHD £'000	Actual Outturn £'000	Variance (Over)/Under £'000
Revenue Resource Limit	634,862	633,061	1,801
Capital Resource Limit	42,543	42,520	23
Cash Requirement	662,160	662,160	0

Memorandum for in-year outturn

	£'000
Brought forward surplus from previous financial year	3,080
Excess against in-year Revenue Resource Limit	(1,279)

Revenue Resource Limit – Carry forward to 2008/09

The Summary of Resource Outturn details the calculation of the saving against the Revenue Resource Limit. Subject to the approval of the Scottish Government Health Directorates, it is anticipated that the saving of £1.8 million will be carried forward to 2008/09 and will be used to meet expenditure commitments carried forward from 2007/08.

Highlights

Financial Plan

The main components of the saving of £1.8 million are detailed below:

	Excess/(Saving) £ million
Delivery Unit	0.6
Treatment provided outwith Tayside	3.1
Income from Other NHS Boards, NES etc	(3.3)
Capital charges	(0.3)
Corporate Services	(0.1)
Reserves and earmarks unspent	(1.8)
Total saving	**(1.8)**

The financial performance of the three Community Health Partnerships in Tayside is summarised in the following table: -

Community Health Partnership	Budget £ million	Actual £ million	Over/(Under) spend £ million
Dundee	132.1	132.1	0.0
Perth & Kinross	99.6	99.6	0.0
Angus	90.3	90.7	0.4

Earmarks
Earmarks held at 31 March 2008 and carried forward to 2008/09 for expending in that year total £25.9 million. These are related mainly to specific SGHD allocations and planned carry forwards. The 2007/08 Corporate Financial Plan anticipated slippage and carry forward of earmarks of £18.3 million.

Efficient Government
The NHSScotland Efficient Government 1% Efficiency Savings target for NHS Tayside was £5.472 million for 2007/08. Total savings achieved in respect of Efficient Government targets for 2007/08 amounted to £8.671 million. Additional savings amounting to £8.271 million were also achieved.

Operating Cost Statement

Hospital and Community Health Services
Total Hospital and Community expenditure net of income increased from £469.2 million in 2006/07 to £501.8 million in 2007/08, an increase of 6.9%.

Hospital and Community income
Income increased from £98.4 million in 2006/07 to £109.2 million in 2007/08, an increase of 11.0%. The increase was due to implementation of national tariffs, increased patient activity and additional funding from NHS Education for Scotland (NES).

Other NHS Scotland Bodies
Expenditure increased from £16.4 million in 2006/07 to £17.0 million in 2007/08, an increase of 3.7%.

Private Sector
Expenditure increased from £3.54 million in 2006/07 to £4.71 million in 2007/08 (33.1%) mainly as a result of an increased number of forensic and eating disorder high cost referrals.

Resource Transfer
Funding transferred to unitary authorities within Tayside, to support "Care in the Community", amounted to £19.4 million in 2007/08 (2006/07 £18.9 million).

Administration
In order to provide a meaningful grouping of administration expenditure, guidance has been taken from the Code of Practice for Best Value Accounting for Local Authorities. This guidance focuses on costs to be excluded from the total cost of service provision. This requires an apportionment of all support service costs and some overheads within this total cost. Costs not to be so apportioned will thus be described as administration and are made up of corporate core headquarters costs and central overheads that cannot be apportioned. This expenditure will include the costs associated with the Board's responsibilities for the planning and commissioning of health care for its resident population, but not those costs associated with the provision of health care and non-clinical services.

Total administration expenditure, net of income, increased from £4.93 million in 2006/07 to £5.29 million in 2007/08.

Non-Clinical Services
Non-clinical expenditure, net of income, increased from £9.9 million in 2006/07 to £13.1 million in 2007/08. The increase is mainly due to 1) a contribution to the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) of £1.4 million. (There was no contribution in 2006/07 due to balances carried forward from 2005/06) and 2) an increase in capital grant payments of £2.1 million.

Balance Sheet

Fixed Assets
The net book value of Intangible and Tangible Fixed Assets increased from £378.3 million in 2006/07 to £412.9 million in 2007/08, an increase of 9.1%. The main reasons for the increase were the purchase of new assets and an increase in the value of land & buildings of 4.9%.

Estate Revaluation
In accordance with Accounting Standards, land and buildings are required to be revalued every five years, but more frequent valuations are permissible. The value of fixed assets is the major determinant of charges against the Revenue Resource Limit in respect of capital charges (depreciation and the cost of capital).

Owing to the previous elimination of capital to revenue transfers and the introduction in 2007/08 of changes to the accounting for capital impairments, the identification of non added value expenditure on buildings continues to be a key factor requiring frequent advice and valuations from independent valuers. Independent valuers have continued to perform an annual revaluation of land and buildings, even though the revaluation requirement is quinquennial. The valuers are a consortium led by James Barr, Chartered Surveyors, who give advice as and when required and perform the annual revaluation work.

Debtors, Creditors and Provisions

Debtors
Outstanding debtors reduced from £29.2 million at 31 March 2007 to £26.6 million as at 31 March 2008.

The total debtors figure includes a provision for bad debts of £539k (2006/07 £606k).

Creditors
Outstanding creditors increased from £89.7 million at 31 March 2007 to £109.4 million at 31 March 2008.

An accrual of £21.7 million in respect of sums due to staff in respect of assimilation to Agenda for Change bandings is included within creditors (2006/07 £16.2 million). The accrual includes arrears due to staff at 31 March 2008 and a provision for the estimated cost of successful reviews.

Provision for Pensions
The provision for pensions which relates mainly to Injury Benefit payments reduced from £5.19 million at April 2007 to £4.91 million at March 2008.

Provision for Clinical and Medical Negligence
The Board carried forward a provision at 1 April 2007 of £7.96 million. Based on information provided by the Central Legal Office (CLO) this has been increased to £8.71 million. The provision for new claims arising during the year and increases to the provision for existing claims totalled £1.43 million. Utilisation of the provision during the year amounted to £0.18 million and provisions reversed unutilised to £0.50 million.

Other Provisions
The Board carried forward a provision of £1.43 million in respect of other items including Third Party Liabilities. Based on information provided by the Central Legal Office this has been reduced to £0.56 million. The reduction is due to the final settlement for two cases being significantly less than the provision at 31 March 2007.

Contingent Liabilities

Additionally, in Note 21 to the Accounts, gross quantifiable contingent liabilities are assessed at £2.88 million (2006/07 £3.21 million). This total is partly offset by contingent assets of £1.69 million (2006/07 1.47 million).

The risk factors applied to the CLO's estimated liability in determining the level of provision and contingent liability are summarised in the table below.

Clinical negligence and other claims risk assessment factors	Provision Note 17	Contingent Liability Note 21
Risk 3 - High	100%	0%
Risk 2 - Medium	35%	65%
Risk 1 - Low	10%	90%

Contingent liabilities which are unquantified are: -

Equal Pay - NHS Tayside has received 565 claims under the Equal Pay Act 1970 mainly from women seeking compensation for past inequalities with male colleagues, under the pay arrangements that preceded Agenda for Change.

The basis of claims is as follows:

- The claimant's job has been rated as being of equivalent value to that of their comparator using a valid Job Evaluation Study, and/or is of equal value to that of their comparator.

- Their comparator is currently paid or has been paid more than them.
- They claim equal pay, back pay and interest.
- Back pay is claimed for the statutory maximum of 5 years.

In addition, some cases are being pursued that comprise a challenge to Agenda for Change pay evaluation system on the basis that it perpetuates discrimination. This has slowed the progress of claims until the challenge has been determined.

Progress of all claims is not judged to be sufficiently advanced to determine the likelihood of their failure or success nor to estimate what their value could be. It is therefore not possible to make an estimate of any financial impact that may arise.

The Waste Electronic and Electrical Equipment Regulations 2006 came into force on 1 July 2007. Where waste arises from assets obtained prior to 13 August 2005, the Board will be responsible for the costs of collection, treatment, recovery and environmentally sound disposal after 1 July 2007, unless a direct replacement is purchased, when the costs fall on the suppliers. The Board's current accounting policy is to incur such costs as they fall due. It is not possible to quantify the potential additional costs that the Board might be exposed to in respect of disposal of equipment purchased prior to 13 August 2005, as there is no reliable disposal cost per item of equipment and it is unknown what items will be directly replaced.

Cash Book balance

The cash book balance at 31 March 2008 was £1.04 million (2006/07 overdraft of £1.79 million).

Commitments

The Board has the following capital commitments which have not been provided for in the accounts. Full details are provided in Note 23.

Contracted – total commitment £16.0 million (2006/07 £24.4 million).
Authorised but not contracted – total commitment £10.9 million (2006/07 £7.7 million).

Public Finance Initiative/Public Private Partnerships

The Board has entered into the following PFI contracts, both of which are off balance sheet.

Carseview Centre: The Carseview Centre is located on the Ninewells Hospital site in Dundee and provides in-patient facilities for Adult Psychiatry and Learning Disability. The estimated capital value of the scheme is £10.0 million. The contract start date was 11 June 2001 and the contract end date will be 11 June 2026. The PFI/PPP property is not an asset of the Board.

Whitehills Community Care Centre: Covering Forfar, Kirriemuir and the surrounding area in conjunction with the Council and Lippen Care. The estimated capital value of the scheme is £12.0 million. The contract start date was 21 March 2005 and the contract end date will be 21 March 2030. The PFI/PPP property is not an asset of the Board. However, at the end of the contract period, residual interests of £12.3 million will pass to the Board.

Post Balance Sheet items

There were no Post Balance Sheet events having a material effect on the Accounts.

Capital Expenditure

The following table provides a reconciliation of gross capital expenditure to net capital expenditure chargeable to the Capital Resource Limit. Expenditure included within the capital programme but which does not add value is chargeable to the Revenue Resource Limit. Revenue expenditure which is used to fund capital projects in other organisations e.g.

University of Dundee, Local Authorities, is classified as capital grants and is therefore chargeable against the Capital Resource Limit. Capital expenditure is reported in Note 9.

	£'000
Gross capital expenditure	39,620
Less non added value expenditure transferred to revenue	(3,601)
Less net book value of disposals	(197)
Add revenue expenditure chargeable to Capital Resource Limit – capital grants	6,698
Net capital expenditure	**42,520**
Underspend against Capital Resource Limit	23
Capital Resource Limit	**42,543**

The following table lists the most significant capital schemes included within expenditure reported above.

Description	**£'000**
Medical equipment	7,984
Third linear accelerator	4,277
Dundee Community Healthcare Centre	3,210
Re-provision of Armitstead child health centre	2,936
Contribution to Clinical Research Centre	2,750
Renal and oncology development	2,606

3. Performance against Key Targets

Local Delivery Plans (LDPs) set out a delivery agreement between the Scottish Government and each NHS Board based on key Ministerial targets. LDPs reflect the HEAT core set, the key objectives, targets and measures that reflect Ministers' priorities for the Health portfolio. The key objectives are as follows: -

- **H**ealth Improvement – improving life expectancy and health life expectancy
- **E**fficiency and Governance improvements – continually improve the efficiency and the effectiveness of the NHS
- **A**ccess to services – recognising patient need for quicker and easier use of NHS services
- **T**reatment appropriate to individuals – ensure patients receive high quality services that meet their needs.

The SGHD assesses NHS Tayside's performance through the Annual Review process, which consists of a meeting held in public at which key areas of performance are discussed. The outcome is summarised in a formal letter to the Board Chairman, which is then included in the Board's Annual Report published towards the end of 2008.

The following provides some information on NHS Tayside's performance against key targets.

Health Inequalities – Coronary Heart Disease
The cardiology unmet needs project and the Keep Well project are both targeted at addressing heart disease within areas of greatest deprivation. The HEAT target for the age standardised CHD mortality rate per 100,000 population aged under 75 years in the 15% most deprived datazone areas in Scotland showed significant improvement in the most recent year available, 2004/05, at 95.4%, better than trajectory of 103.5%

Numbers Smoking
NHS Tayside has taken a range of measures to improve the levels of smoking. The innovative smoking cessation in pregnancy incentive scheme has been particularly successful and has been used at a benchmark for the development of other innovative health improvement proposals. The HEAT target has shown significant improvement to 24.4% in 2006, the most recent year for which data is available, but remains above the trajectory level of 23%.

Childhood Vaccinations
The uptake of childhood immunisations has maintained a level over 94% just short of the 95% target. This is limited by the lower uptake of the MMR vaccine as all other vaccines exceed 97% uptake.

Suicide Rate
Although the rate increased in 2006, the most recent year for which data is available, to 18.4 per 100,000 which is above the corresponding trajectory value of 16.5, there is no reason to believe that this is anything other than random fluctuation. The long term trend still appears to be downward.

Young Teenage Pregnancies
Recently published figures show a significant deterioration in Tayside in the pregnancy rate for girls under 16 to 9.5 per 1000 population. This is the highest rate since 1999. The increase has been most noticeable in Dundee, which increased to 17.5 per 1000 population. The Tayside Sexual Health Strategy includes an action plan to address this issue. NHS Tayside remains on course to implement the plan according to the planned timescales.

Dental caries in Primary 1 (5 year old) children
The most recent figures available relate to 2005/06 and show that the 57.9% of P1 children are free from caries and that this percentage is steadily increasing towards the HEAT target of 60% by 2009/10.

Sickness Absence Rate
The overall sickness absence rate in Tayside fell to a level which was consistently under 5%. However, further reduction was then not achieved. The absence rate increased significantly at the beginning of 2008 due to flu-like symptoms, colds and nausea but has since returned to previous levels. The local target of achieving 4.5% by the end of 2007/08 appears not to have been achievable and achievement of the national target of 4% by March 2009 remains very challenging. A sickness absence Management Board has been established and an action plan is being drawn up from the results of the Stakeholder event held in February 2008 to promote further improvement.

Universal Utilisation of CHI
NHS Tayside introduced the Community Health Index (CHI) and has been using it consistently as the primary patient identifier across primary and secondary care for many years.

Primary Care Access
All practices in Tayside reported that their patients were able to access a GP, nurse or other health care professional within 48 hours in 2006/07. It is not expected that this will have changed for 2007/08.

Inpatient Waiting Times
In 2007/08 only 3 inpatients have exceeded the 18 week HEAT target for no patient to wait more than 18 weeks for inpatient or day case treatment. These were due to exceptional circumstances which were acknowledged by the Scottish Government to be reasonable reasons for breaching the guarantee.

Outpatient Waiting Times
NHS Tayside maintained the HEAT target for no patient to wait more than 18 weeks for an outpatient appointment by December 2007. This target has been sustained over the remainder of the year.

A&E Waiting Times
NHS Tayside has maintained at least 98% compliance with the HEAT target of a maximum of 4 hour wait from arrival to discharge or transfer from A&E.

Cataract Surgery
NHS Tayside met the HEAT target of not having any cataract patients waiting over 3 months for inpatient/day case treatment and has maintained this during 2008.

Hip Fracture Waiting Times
NHS Tayside has maintained 100% conformance to the HEAT target of ensuring that all hip fractures operated on within 24 hours.

Breast Cancer Waiting Times
There has been significant improvement in the proportion of waiting times within 31 days from referral to treatment for urgent cases. However, at 89% (in January 2008) this remains well below HEAT target of 98%.

Cancer Waiting Times
Conformance with the HEAT target for all urgent referrals to be treated within two months for all cancers has steadily increased and NHS Tayside has consistently achieved this target since November 2007.

Diagnostic Waiting Times
The waiting times for both CT and MRI scans have consistently achieved the HEAT target of 9 weeks despite large increases in the demand for these diagnostic services. The waiting times for endoscopies, colonoscopies and cystoscopies have also reduced drastically from well over 30 weeks in March 2004 to within the national HEAT target of 9 weeks.

Delayed Discharges
NHS Tayside achieved its targets for the April 2008 delayed discharges census achieving the target of having no patients delayed by over 6 weeks or within the short stay specialties. However, there remain issues regarding the sustainability of maintaining the achievement of these targets on an ongoing basis.

Emergency readmissions >65 years
The readmission rate for older people is largely stable at about 4000 per 100,000 and has not been showing the rate of decrease, of about 250 per year, required to meet the national HEAT target.

Cervical Screening
NHS Tayside has consistently exceeded the 80% HEAT target for the uptake of cervical screening achieving 82.8% in 2006/07

QIS Clinical Governance & Risk Management
The results of the NHS QIS audit against the standards for clinical governance and risk management concluded it was:

- Implementing its policies, strategies, systems and processes to control risk, continually monitor care and services , and work in partnership with staff, patients and members of the public
- Implementing its policies, strategies, processes and procedures to provide care and services that take into account individual needs preferences and choices.
- Monitoring the implementation of its policies, strategies, processes and procedures to promote public confidence about the safety and quality of the care and services it provides.

Antidepressant prescribing
The rate of increase (at about 1.25% at September quarter 2007) shows little sign of slowing to the HEAT target of zero by 2010.

Staphylococcus aureus Bacteraemias (including MRSA)
The position during 2007/08 has been generally stable, rather than improving, although there was an increase in the last quarter of 2007. This has now returned to the levels previously recorded.

4. Sustainability and Environmental Reporting

The Board has continued to undertake energy saving projects during the year. These have been funded by the Board and from the Governments Central Energy Efficiency Fund.

The heating and domestic hot water generating plants have been upgraded to more efficient plant where appropriate. The weather compensated energy consumption for the current year is again anticipated to show a saving in energy over previous years.

All new builds and refurbishment continue to use sustainable materials and methods of construction with efficient plant and systems being installed.

The Board are currently reviewing the Environment Strategy and associated Action Plan covering all aspects of energy consumption, transport, procurement, waste management and sustainability in design and use of buildings. The Board continues to work in partnership with local authorities and other local and national bodies to address sustainability and biodiversity issues. A recent development in this is to sign up to the 'Carbon Trusts' Carbon Management Project.

5. Bankers

The Board operates an account with the Office of HM Paymaster General.

6. Information Management and Technology

Delivering for Health and the recent Scottish Government's strategy "Better Health, Better Care" promotes a comprehensive health information system built around an Electronic Patient Record (EPR). In order to achieve this NHS Tayside recognises development and innovation in eHealth and health informatics as a key to delivering quality health care in the 21st century. The availability of dynamic, real-time clinical information management has the potential to put NHS Tayside at the forefront of efforts to enhance patient care and safety. NHS Tayside already has a significant track record in relation to eHealth developments; achievements include 100% use of the Community Health Number, widespread use of Central Vision which lies at the heart of an electronic patient record, a collaborative programme led by general practice colleagues which has migrated more than 80% of Tayside general practices to the same clinical system, and the development and hosting of several national systems, including Scottish Clinical Information – Diabetes Collaborative (SCI-DC) which now is used for the care of over 200,000 people with diabetes across Scotland. These are all key components of the established region wide strategy – the major emphasis is on the provision of appropriate clinical care information to the clinician with anonymised audit, research or management information obtained as a by-product of information collected for patient care.

NHS Tayside has created a resilient Tayside wide infrastructure with disaster recovery capability upon which we can rapidly deploy new applications for the benefit of patients and clinicians as well as meeting the business requirements of the organisation. Three key principles lie at the heart of this revised strategy:

Safety and security of clinical information: Information governance is of the highest priority, and a clinically-led programme of work is looking at safeguarding the use of clinical information, agreeing role based-access, audit and the use of anonymisation and privacy-enhancing technology.

Patient and clinical involvement: Solutions are being developed in a clinical research laboratory, where healthcare professionals, patients and software designers collaborate to create electronic health record technologies.

Enforcement of Standards: NHS Tayside works with colleagues nationally and internationally to use technical and clinical data standards to ensure the sustainability of developments in NHS Tayside.

This year has seen the successful roll out of the GP system (Vision 3) to over sixty practices in support of the move towards a single EPR in Tayside along with the implementation of a single Patient Management System (PMS) across the area to meet "New Ways" requirements. The implementation of the national Picture Archiving & Communications System has also begun which will replace the need for the use of films within the organisation.

The implementation of a further national system, the Scottish Standard Time System (SSTS) is also underway which will replace the use of pay sheets within the organisation as the system allows direct input of staff rotas and is interfaced electronically with the payroll system.

NHS Tayside Health Informatics Department (HID) was also successful in developing the clinical portal which allows clinicians to access systems with a single sign on using smart card technology. NHSScotland have accepted this as part of their national strategy and phase 2 of the project has been established for roll out across the country.

NHS Tayside continues to be heavily involved in the eCare initiative with local authorities with the development of a local shared IT infrastructure with Angus, Dundee City and Perth & Kinross Councils as well as the development of a Multi Access Store (MAS) for the sharing of patient information involved with the Single Shared Assessment (SSA) and Child Protection Messaging (CPM) projects.

During the year the IT Training & Implementation team for Tayside have provided implementation and training for the introduction of all business and clinical IT systems in Tayside with the major success in rolling out the vision 3 to GP practices in Tayside which was recognised nationally (UK wide) by a prestigious award from eHealth Insider/BT.

7. Forward Look

The NHS Tayside Local Delivery Plan (LDP) 2008/09, which was approved by the board on 21 February 2008 for submission to the Scottish Government Health Directorates, contains proposals to improve the health of the people of Tayside and modernise the care they receive. The Chief Executive, NHS Scotland signed off the LDP 2008/09 on 28 March 2008.

The LDPs are an integral part of the Health Department's approach to delivery and performance management.

The objectives from the LDP and those determined locally have been combined into NHS Tayside Corporate Objectives 2008/09. The Corporate Objectives have wide and major implications for the health of the people of Tayside and the care that they receive. The Corporate Objectives include all major ministerial targets for health improvement and health care, and the implementation of locally agreed strategies to improve services through redesign and targeted investment.

The investments agreed within the Corporate Objectives are included within the Board's Strategic Financial Plan, which was approved by the SGHD as part of the LDP process. The Board's Strategic Financial Plan for the five-year period 2008/09 to 2012/13 was approved by the Board on 20 March 2008.

REMUNERATION REPORT

1. BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION – CURRENT YEAR

(Audited information)

Remuneration of:	Salary (Bands of £5,000)	Real increase in pension at age 60 (Bands of £2,500)	Total accrued pension at age 60 at 31 March (Bands of £5,000)	Cash Equivalent Transfer Value (CETV) at 31 March 2007 £'000	Cash Equivalent Transfer Value (CETV) at 31 March 2008 £'000	Real increase in CETV in year £'000	Benefits in kind £'000
Executive Members							
Chief Executive: Professor W J Wells	155-160	5-7.5	65-70	1,047	1,191	87	0
Director of Public Health: Dr A D W Walker	170-175	0-2.5	40-45	618	694	31	0
Director of Finance: Mr D J Clark	110-115	2.5-5	45-50	715	815	55	0
Mr G Marr	145-150	5-7.5	50-55	799	945	102	0
Mr A Boyter (to 30 Nov 2007)	75-80	0-0	25-30	471	522	16	0
Dr W Mutch (note 1)	205-210	0-2.5	70-75	1,228	1,298	3	
Professor L Wilson	90-95	0-2.5	30-35	574	635	31	0
Non Exec Members							
Chair: (to 30 Nov 2007) Mr P J Bates OBE	20-25	0-0	0-0	0	0	0	0
Chair: (from 3 Dec 2007) Mr A B Watson OBE DL	15-20	0-0	0-0	0	0	0	0.9
Mr J Angus (note 3)	10-15	0-0	0-0	0	0	0	1.5
Councillor L Caddell (note 3)	5-10	0-0	0-0	0	0	0	0.1
Dr D Dorward	5-10	0-0	0-0	0	0	0	0
Mrs E Forsyth	5-10	0-0	0-0	0	0	0	1.2
Mrs M Harper (note 2)	30-35	0-0	0-0	0	0	0	0.5
Councillor G Middleton	0-5	0-0	0-0	0	0	0	0
Mr M Petrie (note 3)	15-20	0-0	0-0	0	0	0	0.4
Mr K A Richmond	5-10	0-0	0-0	0	0	0	0.4
Dr A Shepherd	5-10	0-0	0-0	0	0	0	0
Mrs B Ward (note 3)	15-20	0-0	0-0	0	0	0	0
Mr I Wightman MBE (note 3)	15-20	0-0	0-0	0	0	0	0.5
Mr P Withers	5-10	0-0	0-0	0	0	0	1.5
Bailie H Wright	5-10	0-0	0-0	0	0	0	0
Prof. K Matthews	5-10	0-0	0-0	0	0	0	0
Provost R L Melville	5-10	0-0	0-0	0	0	0	0
Other Snr Employees							
Mr D McLaren	125-130	2.5-5	45-50	797	855	52	4.3
Total				**6,249**	**6,955**	**377**	**11.3**

1. The Medical Director's salary includes an award payable under the terms of the national merit awards scheme and arrears of Medical Director's Allowance relating to previous financial years.

2. The Employee Director's salary includes £25k in respect of non-board duties.

3. In accordance with Scottish Government guidance, the Chairpersons of the Delivery Unit Committee and the three Community Health Partnership Committees are paid additional remuneration.

2. BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION – PRIOR YEAR

(Audited information)

Remuneration of:	Salary (Bands of £5,000)	Real increase in pension at age 60 (Bands of £2,500)	Total accrued pension at age 60 at 31 March (Bands of £5,000)	Cash Equivalent Transfer Value (CETV) at 31 March 2006 £'000	Cash Equivalent Transfer Value (CETV) at 31 March 2007 £'000	Real increase in CETV in year £'000	Benefits in kind £'000
Executive Members							
Chief Executive: Professor W J Wells	150-155	0-2.5	55-60	986	1,047	9	0
Director of Public Health: Dr A D W Walker	160-165	2.5-5	35-40	546	618	36	0
Director of Finance: Mr D J Clark	110-115	2.5-5	40-45	641	715	41	0
Mr G Marr	135-140	0-2.5	40-45	750	799	14	0
Mr A Boyter	120-125	0-2.5	30-35	423	471	19	0
Dr W Mutch (note 1)	190-195	2.5-5	65-70	1,122	1,228	51	0.8
Professor L Wilson	90-95	0-2.5	25-30	514	574	34	0
Non Exec Members							
Chair: Mr PJ Bates OBE	30-35	0-0	0-0	0	0	0	0
Mr J Angus	5-10	0-0	0-0	0	0	0	1.2
Councillor L Caddell (note 3)	15-20	0-0	0-0	0	0	0	0.5
Dr D Dorward	5-10	0-0	0-0	0	0	0	0
Mrs E Forsyth (note 3)	5-10	0-0	0-0	0	0	0	0.8
Mrs M Harper (note 2)	30-35	0-0	0-0	0	0	0	0
Councillor G Middleton	5-10	0-0	0-0	0	0	0	0
Mr M Petrie (note 3)	15-20	0-0	0-0	0	0	0	0.4
Mr K A Richmond	5-10	0-0	0-0	0	0	0	0.4
Dr R Rosbottom	0-5	0-0	0-0	0	0	0	0
Prof. D Rowley	5-10	0-0	0-0	0	0	0	0
Dr A Shepherd	5-10	0-0	0-0	0	0	0	0
Mr J Thomson	0-5	0-0	0-0	0	0	0	0
Mrs B Ward (note 3)	15-20	0-0	0-0	0	0	0	0.5
Mr A B Watson OBE DL	5-10	0-0	0-0	0	0	0	0.5
Mr I Wightman MBE (note 3)	15-20	0-0	0-0	0	0	0	0
Mr P Withers (note 2)	0-5	0-0	0-0	0	0	0	0.3
Bailie H Wright	5-10	0-0	0-0	0	0	0	0
Other Snr Employees							
Mr D McLaren	120-125	0-2.5	40-45	754	797	8	3.5
Total				**5,736**	**6,249**	**212**	**8.9**

1. The Medical Director's salary includes an award payable under the terms of the national merit awards scheme.

2. The Employee Director's salary includes £23k in respect of non-board duties.

3. In accordance with Scottish Government guidance, the Chairpersons of the Delivery Unit Committee and the three Community Health Partnership Committees are paid additional remuneration.

4. Salaries have been restated to include employers' superannuation contributions in accordance with revised guidance.

3. REMUNERATION ARRANGEMENTS

Details of the membership of the Remuneration Sub Committee can be found in Section 12 of the Directors' Report.

The remuneration arrangements and performance appraisal of Executive Directors and senior managers is governed by decisions of the NHS Tayside Remuneration Sub Committee. Such decisions have been strictly in accordance with the provision of HDL (2006)23 and HDL (2006)50 as amended by subsequent directives issued by the Scottish Government Health Directorates. The mandatory arrangements set out in the HDLs apply to all staff in posts formerly graded on Executive and Senior Manager pay grades.

The Directors' Report includes the foregoing Operating and Financial Review and the Remuneration Report.

Acknowledgement

Tayside NHS Board wishes to record its thanks to staff throughout NHS Tayside for their hard work and dedication in maintaining a high quality of patient care whilst also helping the Board achieve their financial targets and other service imperatives.

Professor Tony Wells

..... **Professor W J Wells**
Chief Executive
Tayside Health Board

26 June 2008

Annex - Board Members' attendance at meetings of the Board and its Standing Committees for the year ended 31 March 2008

	NHS Board		Audit		Strategic Policy & Resources		Universities Strategic Liaison		Delivery Unit		Staff Governance		Improvement & Quality		Angus CHP	
	Possible	Actual	Poss	Act	Poss	Act	Poss	Act	Poss	Act	Poss	Act	Poss	Act	Poss	Act
Chairman:																
Peter Bates (note 1)	5	4	5	3	7	4	1	1			3	1				
Sandy Watson (note 2)	9	9	3*	1*	4	4	1	1	5	2	5	4	5	4		
Vice Chairman:																
Murray Petrie	9	9	7*	2*	11	8			8	8	5	3				
Non Executive Members																
John Angus	9	8	7*	6*	11	8	2	0	8	6	5	3	5	3		
Lorraine Caddell	8	5	2*	1*	6	1			7	3						
Dr David Dorward	9	8			11	9			8	8						
Elizabeth Forsyth	9	8	7	7	11	8					5	5	5	4	6	5
Margaret Harper	9	7	7	5	11	9	2	2	8	2	5	4	5	2		
Professor Keith Matthews	9	2					2	0								
Ruth Leslie Melville	8	8														
Andrew Richmond	9	8	7	6	11	8			8	4						
Dr Alan Shepherd	9	6	7	3	11	8	2	2	8	6			5	2		
Betty Ward	9	9			11	10			8	7	5	3				
Ian Wightman	9	9	7*	5*	11	10			8	8	5	4	5	5	6	6
Peter Withers	9	9	7	6					8	8	5	4				
Bailie Helen Wright	8	7			9	6			7	3						
Executive Members																
Alan Boyter (note 3)	5	4			7*	4*	1*	1*			3	3				
David Clark	9	9	7*	5*	11*	11*	2*	1*								
Gerry Marr	9	8			11*	4*	2	1	8	8	5	1	5	2		
Dr Drew Walker	9	9											5	5		
Professor Tony Wells	9	9	7*	4*	11*	9*	2	1			5	1	5	2		
Dr Bill Mutch	9	8					2*	1*					5	5		
Professor Liz Wilson	9	7					2*	1*					5	4		

1. Retired 30 November 2007
2. Appointed Chairman 3 December 2007
3. Resigned 30 November 2007

* Board members who are in attendance but are not members of the Committee.

Annex - Board Members' attendance at meetings of the Board and its Standing Committees for the year ended 31 March 2008 (continued)

	Medical Research Ethics A		Medical Research Ethics B		Dundee CHP		Perth & Kinross CHP		Improvement & Quality Sub		Remuneration Sub	
	Poss	**Act**	**Poss**	**Act**	**Poss**	**Act**	**Poss**	**Act**	**Poss**	**Act**	**Poss**	**Act**
Chairman:												
Peter Bates (note 1)											3	2
Sandy Watson (note 2)											6	6
Vice Chairman:												
Murray Petrie											6	5
Non Executive Members												
John Angus	11	8					6	6	8	7	6	6
Lorraine Caddell												
Dr David Dorward												
Elizabeth Forsyth												
Margaret Harper									8*	3*		
Professor Keith Matthews												
Ruth Leslie Melville												
Andrew Richmond												
Dr Alan Shepherd									8	4		
Betty Ward					7	7					6	5
Ian Wightman									8	8	6	6
Peter Withers			10	5	4	3	3	2			6	2
Bailie Helen Wright					7	5						
Executive Members												
Alan Boyter (note 3)									4*	2*	3*	3*
David Clark												
Gerry Marr												
Dr Drew Walker									8*	8*		
Professor Tony Wells												
Dr Bill Mutch									8	6		
Professor Liz Wilson												

1. Retired 30 November 2007
2. Appointed Chairman 3 December 2007
3. Resigned 30 November 2007

* Board members who are in attendance but are not members of the Committee.

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

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

This designation carries with it, responsibility for:

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

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

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

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as accountable officer as intimated in the Departmental Accountable Officers letter to me of the 25 July 2000.

Professor Tony Wells

……. **Professor W J Wells**
Chief Executive
Tayside Health Board

26 June 2008

STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Under the National Health Service (Scotland) Act 1978, Tayside 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 2008 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 NHSScotland 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 Executive Health Department. They are also responsible for safeguarding the assets of the Board and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

David Clark

.....

Mr David J Clark
Director of Finance
Tayside Health Board

Sandy Watson

.....

Mr Sandy Watson OBE
Chairperson
Tayside Health Board

26 June 2008

STATEMENT ON INTERNAL CONTROL (SIC)

Scope of Responsibility

I, W.J. Wells, Chief Executive, as Accountable Officer for NHS Tayside, have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, set by Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

I have been supported in my role as Accountable Officer throughout the year, by a multi-disciplinary Executive Team, focussed on ensuring the delivery of strategic objectives in a prudent, economical, efficient and effective manner. To assist me in the fulfilment of my responsibilities, component elements of Executive Team meetings have included the NHS Tayside Strategic Risk/Health and Safety Management Group and Financial Planning Steering Group. The Strategic Risk Management Group maintains a record of identified risks facing the Board, and undertakes a regular review in order to control, transfer or reduce to an acceptable level, all risks that might adversely affect the principal functions of the Board.

The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance on the proper handling of public funds. It is mainly designed to ensure compliance with statutory and parliamentary requirements, promote best value and high standards of propriety, and secure effective accountability and good systems of internal control.

Purpose of the System of Internal Control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the principal risks to the achievement of the organisation's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. This process has been in place for the year up to the date of approval of the Directors' Report and accounts and accords with guidance from the Scottish Government.

Risk and Control Framework

All 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 the Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.

NHS Tayside has a rigorous approach to risk management through the electronic risk management system - SMART. The strategic and operational risks within this system are mapped to underpin the corporate objectives and these are reviewed and revised on a quarterly basis by the NHS Tayside Strategic Risk/Health and Safety Management Group, which provide assurance to the Board. A final phase of development is underway to provide an integrated approach to managing claims and complaints as a component of the risk portfolio of the organisation.

More generally, NHS Tayside is committed to a process of continuous development and improvement; developing systems in response to any relevant reviews and developments in best practice in this area. In particular, in the period covering the period to 31 March 2008 and up to the signing of the accounts NHS Tayside has undertaken the following:

NHS Tayside is now in the exemplar phase of the UK Safer Patient Initiative program sharing knowledge and teaching an additional 20 hospitals around the UK. The success of the program has attracted international attention enabling NHS Tayside to develop a reputation for patient safety improvements. The Scottish Patient Safety Programme of Measures was implemented within NHS

Tayside in January 2008. The Patient Safety Development Manager has been identified as the Project Lead and the Chief Operating Officer as Executive Lead.

A development event for Safety, Governance and Risk was held in May 2007 and key leads across NHS Tayside for each of the emerging themes were identified. Progress reports have been considered by NHS Tayside during 2007 and the new framework was implemented in December 2007. Priorities have been defined and measurable outcomes agreed and reviewed by the Delivery Unit Executive Team in December 2007. Further progress was considered in February 2008. The revised Strategy is currently in draft and is likely to be available for approval by the Board in August 2008.

Review of Effectiveness

As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control.

My review of the effectiveness of the system of internal control is informed by:

- The executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework.

- The work of the internal auditors, who submit to the organisation's Audit Committee regular reports which include their independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement.

- Comments made by the external auditors in their management letters and other reports.

The following processes have been applied in maintaining and reviewing the effectiveness of the system of internal control:

- NHS Tayside, the membership of which was appointed by Scottish Ministers, met regularly during 2007/08 to consider the plans and strategic direction of the Board, to allocate resources, to review the management of performance, and to receive minutes and reports from its Standing Committees.

- The Board has noted Annual Reports for 2007/08 for key Standing Committees in fulfilment of the requirements of the NHS Tayside Code of Corporate Governance.

- During the year a major review of the NHS Tayside Code of Corporate Governance was undertaken, and the Board approved the revised Code on 15 May 2008.

- Internal Audit delivered a service-based audit on an approved risk-based audit plan, and the Audit Committee received regular reports from the Internal Audit Service. These reports provided an independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement. The Audit Committee monitored the implementation of audit recommendations.

- A robust Audit Follow Up system in place with all action points monitored within one month of due date and regular reports to Audit Committee on progress.

- The Board in turn received periodic updates from the Chairperson of the Audit Committee with regard to internal control.

- The Board recognises that the management of risk is a key factor in ensuring the delivery of high quality services, a fundamental objective of the organisation. An assurance report has been submitted to the Audit Committee during 2007/08. Material resource issues arising from

risk management action plans have been referred to the Strategic Policy and Resources Committee.

- The Board's Strategic Policy & Resources Committee regularly reviews monthly corporate financial reports. Agenda items include pay modernisation and progress reports on Revenue Expenditure (Capital Report bi-monthly). As a result of work undertaken in 2007/08, the Strategic Policy & Resources Committee in their annual report concluded they had fulfilled their remit on the adequacy and effectiveness of arrangements for securing economy, efficiency and effectiveness in the use of resources. In addition the Board received a report on the overarching principles of Best Value and all Standing Committees have been requested to incorporate Best Value in their role and remit.

- During 2006/07, the Board established the Efficiency Review Group and this has continued throughout 2007/08 as well as the Capital Scrutiny Group which was formalised in 2007/08. These Groups have reported through the Executive Teams to Strategic Policy and Resources and Delivery Unit Committees.

- During the year, the Board has continued to utilise a prioritisation process to inform the allocation of resources.

- Further work has been undertaken during the year to implement HEAT targets in the Local Delivery Plan. Reporting mechanisms have been enhanced to ensure that a culture of continuous improvement continues to be promoted and progress is monitored through both the Chairman's Scrutiny Group and Chief Executives CITISTAT meetings.

- The Board has in place a procedure for identification and communication of legislation, NHS Circulars and other guidance documents. The Board maintains a central register of documents circulated to the appropriate staff for information and action and has a follow up mechanism to monitor compliance with regulations and procedures laid down by Scottish Ministers and the Scottish Government Health Department.

- A performance appraisal system is in place for senior staff with personal objectives and development plans designed to support the Board in the attainment of corporate objectives approved by the Board. In addition a Knowledge and Skills Framework (KSF) is in place with c72% of staff having undertaken awareness sessions.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, Audit Committee and NHS Tayside Strategic Risk/Health and Safety Management Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Disclosures

During 2007/08 there were no significant control weaknesses or failure to achieve the standards set out in the guidance on the Statement on Internal Control. Minor weaknesses were however identified in the following areas:

NHS Tayside rigorously follows the Capital Planning and Appraisals Policy, which clarifies the final stages required of capital projects and the essential nature of good project management skills and discipline. Post project evaluation should be undertaken for all Capital Projects with a Capital Value of >£100k as identified in the SFIs. During 2007/08 NHS Tayside intended undertaking PPE for all schemes with a Capital Value of >£1.5m so therefore there has been a breach of the SFIs in relation to PPE. Capital Projects have included a database of all completed projects in 2007/08 and have ascertained that the breach is in relation to one project.

A limited number of control weaknesses, including a number of service contracts that have been renewed or awarded without relevant waiver on formal tendering procedure, have been identified, some of which have featured in internal audit reports, and corrective actions and improvements have been taken to minimise these in 2008/09.

Professor Tony Wells

..... **Professor W J Wells**
Chief Executive
Tayside Health Board

26 June 2008

Independent auditor's report to the members of Tayside Health Board, the Auditor General for Scotland and the Scottish Parliament

I have audited the financial statements of Tayside Health Board for the year ended 31 March 2008 under the National Health Service (Scotland) Act 1978. These comprise the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

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 123 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the board, Accountable Officer and auditor

The board and Accountable Officer are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers. The Accountable Officer is also responsible for ensuring the regularity of expenditure and income. These responsibilities are set out in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Health Board.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers. I report to you whether, in my opinion, the management commentary which comprises the directors' report and that part of the operating and financial review which covers principal activities and financial performance and position, included in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

In addition, I report to you if, in my opinion, the body has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the board's compliance with the Scottish Government Health Directorates' guidance, and I report if, in my opinion, it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the body's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only those elements of the operating and financial review other than principal activities and financial performance and position and that part of the remuneration report which is not subject to audit. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and income included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the board and Accountable Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the body's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

Financial statements

In my opinion

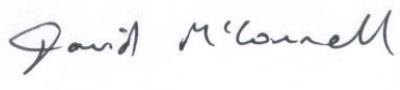
- the financial statements give a true and fair view, in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers, of the state of affairs of the board as at 31 March 2008 and of its net operating cost position, recognised gains and losses and cash flows for the year then ended;

- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers; and

- information which comprises the management commentary included with the Annual Report is consistent with the financial statements.

Regularity

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

Signature: 

Date: **30 June 2008**

David McConnell
Assistant Director of Audit (Health)
Audit Scotland
7th floor, Plaza Tower
EAST KILBRIDE

OPERATING COST STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 £'000	2007 £'000
Clinical Services Costs			
Hospital and Community	4	611,027	567,545
Less: Hospital and Community Income	8	109,202	98,353
		501,825	469,192
Family Health	5	166,426	159,154
Less: Family Health Income	8	8,268	7,991
		158,158	151,163
Total Clinical Services Costs		**659,983**	**620,355**
Administration Costs	6	5,576	5,234
Less: Administration Income	8	291	302
		5,285	4,932
Other Non Clinical Services	7	15,903	16,869
Less: Other Operating Income	8	2,772	6,953
		13,131	9,916
Net Operating Costs	19	**678,399**	**635,203**
SUMMARY OF RESOURCE OUTTURN			
Net Operating Costs (per above)		**678,399**	**635,203**
Less: Capital Grants (to)/from Public Bodies	9	(6,698)	(6,034)
Less: Profit / (Loss) on disposal of fixed assets		(91)	0
Less: Annually Managed Expenditure (Write Downs)		(5,608)	0
Less: FHS Non Discretionary Allocation		(32,941)	(29,679)
Less: Other Allocations`		0	0
Net Resource Outturn		**633,061**	**599,490**
Revenue Resource Limit		634,862	602,570
Saving/(excess) against Revenue Resource Limit		**1,801**	**3,080**

The Notes to the Accounts, numbered 1 to 27, form an integral part of these Accounts.

STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 £'000	2007 £'000
Net gain/(loss) on revaluation of tangible fixed assets	11	22,471	27,610
Net gain/(loss) on revaluation of intangible fixed assets	10	0	0
Movement in Donated Asset Reserve due to receipts	20	331	287
Total recognised gains and (losses) for the year		**22,802**	**27,897**

BALANCE SHEET AS AT 31 MARCH 2008

	Note	2008 £'000	2007 £'000
FIXED ASSETS			
Intangible Fixed Assets	10	380	179
Tangible Fixed Assets	11	412,561	378,096
Total Fixed Assets		**412,941**	**378,275**
Debtors falling due after more than one year	13	**418**	**122**
CURRENT ASSETS			
Stocks	12	4,223	4,567
Debtors	13	26,638	29,189
Investments	14	1	1
Cash at bank and in hand	15	1,036	36
		31,898	**33,793**
CURRENT LIABILITIES			
Creditors due within one year	16	(109,410)	(89,696)
Net current assets/(liabilities)		**(77,512)**	**(55,903)**
Total assets less current liabilities		**335,847**	**322,494**
CREDITORS DUE AFTER MORE THAN 1 YEAR	16	**0**	**0**
PROVISION FOR LIABILITIES AND CHARGES	17	**(14,175)**	**(14,586)**
		(14,175)	**(14,586)**
		321,672,	**307,908**
FINANCED BY:			
General Fund	19	151,572	160,153
Revaluation reserve	20	162,536	140,571
Donated Asset Reserve	20	7,564	7,184
		321,672	**307,908**

Adopted by the Board on 26 June 2008

David Clark

……David J Clark, Director of Finance

Professor Tony Wells

……Professor W J Wells, Chief Executive

The Notes to the Accounts, numbered 1 to 27, form an integral part of these accounts.

CASH FLOW STATEMENT FOR THE ENDED 31 MARCH 2008

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
NET OPERATING CASHFLOW					
Net cash outflow from operating activities			(623,514)		(610,687)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(36,019)		(13,847)	
Receipts from sale of fixed assets		197		4,243	
Net cash inflow/(outflow) for capital expenditure			(35,822)		(9,604)
Net cash inflow/(outflow) before Financing			(659,336)		(620,291)
FINANCING					
Funding	19	659,336		620,291	
Movement in general fund working capital	19	2,824		1,249	
Cash drawn down		662,160		621,540	
Capital element of finance lease and PFI payments		0		0	0
Net cash inflow from financing			662,160		621,540
Increase/(Decrease) in cash in year			**2,824**		**1,249**
NOTES					
1. Reconciliation of operating cost to operating cash flow					
Net Operating Cost for the year	OCS		(678,399)		(635,203)
Expenditure not involving payment of cash	3		33,983		24,718
Net movement on working capital	18		20,902		(202)
Operating Cash outflow			(623,514)		(610,687)
2. Reconciliation of net cash flow to movement in net debt/cash					
Increase/(decrease) in cash in year			2,824		1,249
Net debt/cash at 1 April	15		(1,788)		(3,037)
Net debt/cash at 31 March	15		**1,036**		**(1,788)**

TAYSIDE HEALTH BOARD

ACCOUNTING POLICIES

NOTE 1:

1. Authority

The Accounts have been prepared in accordance with the Financial Reporting Manual (FReM) issued by HM Treasury. The particular accounting policies adopted by the Health Board follow UK generally accepted accounting practice (UK GAAP), as applied to the public sector in the FReM to the extent that they are meaningful and appropriate and are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

2. Going Concern

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

Accounting Convention

The Accounts are prepared on a historical cost basis modified to reflect changes in the value of fixed assets at their value to the business by reference to their current costs.

3. Funding

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

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

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

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

4. Fixed Assets

The treatment of fixed 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

4.1 Capitalisation

All assets falling into the following categories are capitalised:

1) Tangible assets which are capable of being used for a period which could exceed one year, and have a cost equal to or greater than £5,000.

2) In cases where a new hospital would face an exceptional write off of items of equipment costing individually less than £5,000, the Board has the option to capitalise initial revenue equipment costs with a standard life of 10 years.

3) Intangible assets which can be valued, are capable of being used in a Board's activities for more than one year and have a replacement cost equal to or greater than £5,000.

4) Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total, or where they are part of the initial costs of equipping a new development and total over £20,000.

4.2 Valuation

Fixed assets are valued as follows:

Specialised NHS Land, buildings, installations and fittings are stated at their depreciated replacement cost, other than surplus land and buildings which are stated at their open market value. Non specialised land and buildings, such as offices, are stated at the lower of their replacement cost or recoverable amount.

Valuations of all land and building assets within Tayside Health Board have been reassessed as at 31 January 2008 by a consortium of independent professional valuers appointed by the Board. The valuers have stated that there will only be a nominal difference in valuation between 31 January 2008 and 31 March 2008. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Scottish Government Health Directorate.

Equipment is valued at the lower of its net replacement cost or recoverable amount. The net replacement cost is the replacement cost of the asset as new depreciated in respect of its remaining useful life. The recoverable amount will only be used when the decision has been made to dispose of the asset.

Assets in the course of 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.

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

Specialised operational assets have been valued on a modified replacement cost basis to take account of modern substitute building materials only;

No adjustment has been made to the cost figures of operational assets in respect of dilapidations; and

Additional alternative Open Market Value figures have only been supplied for specialised operational assets scheduled for imminent closure and subsequent disposal.

Impairment:

Losses in value reflected in valuations are accounted for in accordance with Financial Reporting Standard 11. The consumption of economic benefits is charged to the operating cost statement. Decreases in asset value that relate to fluctuations in market prices are first charged to the element of the revaluation reserve relating to the asset and that amount is recognised in the Statement of Recognised Gains and Losses. Further losses, beyond the level of the revaluation reserve relating to that asset, are

charged to the operating cost statement, except where it is anticipated that the reduction in value will reverse in the foreseeable future.

4.3. Depreciation

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

1) Freehold land and assets under construction are not depreciated.

2) Buildings, installations and fittings are depreciated on current value over the estimated remaining life of the asset, as advised by the appointed valuer, which is assessed in the context of the maximum useful lives for building elements.

3) Equipment is depreciated over the estimated life of the asset.

Depreciation is charged on a straight line basis.

The following asset lives have been used:

	Useful Life (Years)
Buildings	1-50
Medical Equipment	3-15
Catering Equipment	5-15
General Equipment	4-15
Furniture	8-12
Fire Prevention Equipment	12-18
Mainframe information technology installations	2-8
Medical furniture	7-15
Telecommunication system	3-8
Vehicles	4-17
Initial Revenue Miscellaneous Equipment	10
Landscaping	15-30
Services	10-31
Surfacing	5-15
Fixed Plant	10-25
Internal upgrade to fabric of building	12-25

Intangible assets are amortised over the estimated lives of the assets.

4.4 Intangible Assets

Intangible assets, such as software licenses, are capitalised when they are capable of being used in a Board's activities for more than one year, they can be valued and they have a cost of at least £5,000.

Intangible fixed assets held for operational use are valued at historical cost and are depreciated over the estimated life of the asset on a straight-line basis. The carrying value of intangible assets is reviewed for impairments at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred. They are amortised over the shorter term of the licence and their useful economic lives.

4.5. Donated Assets

Fixed assets that are donated or purchased using donated funds are included in the Balance Sheet initially at the full replacement cost of the asset. The value of donated assets is credited to the Donated Asset Reserve, and the accounting treatment, including the method of valuation, follows the rules in the NHS Capital Accounting Manual. Where a donation covers only part of the total cost of the asset concerned, only that part element is included in the Donated Asset Reserve.

4.6 Sale of Fixed Assets

Disposal of fixed assets is accounted for as a reduction to the value of fixed 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 Operating Cost Statement.

Where assets are scheduled for disposal and their net book value exceeds their open market value, accelerated depreciation is applied so that the asset reaches open market value at the point at which the asset is taken out of operational use.

4.7. Leasing

Assets held under finance leases are capitalised at the fair value of the asset with an equivalent liability categorised as appropriate under creditors due within or after more than one year. The asset is subject to indexation and revaluation and is depreciated on its current fair value over the shorter of the lease term and its useful economic life. Finance charges are allocated to accounting periods over the period of the lease so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period, or a reasonable approximation thereto.

Rentals under operating leases are charged on a straight-line basis.

The Board does not have any assets that are leased to other bodies that are material.

5. Research and Development

Expenditure on Research and Development is written off to revenue as it is incurred, except insofar as it relates to a clearly defined project, for which related expenditure is separately identifiable, the outcome of the project has been assessed with reasonable certainty as to its technical feasibility and affordability in the context of the Health Board's operations, and adequate resources exist, or are reasonably expected to be available, to enable the project to be completed and to provide any consequential increases in working capital, the benefits from which can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits and is amortised through the operating cost statement on a systematic basis over the period expected to benefit from the project.

6. General Fund Debtors and Creditors

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 SGHD. 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 SGHD.

7. Stocks

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

8. 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.

9. Pension Costs

The Board participates in the NHS Superannuation Scheme providing benefits based on final pensionable pay. The assets and liabilities of the scheme are held separately from those of the Board. The Board is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS17 'Retirement Benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the operating cost statement represents the contributions payable to the scheme in respect of the year.

10. Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to an annual limit. Costs above this limit are reimbursed to Boards from a central fund held by the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) on behalf of the Scottish Government Health Directorate. Clinical negligence costs may also be reimbursed in part by the SGHD.

11. Related Party Transactions

Material related party transactions are disclosed in the directors' report in line with the requirements of FRS 8. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 4.

12. 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 fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

13. PFI Schemes

The NHS follows HM Treasury's Technical Note 1 (Revised) 'How to Account for PFI Transactions' which provides practical guidance for the application of the FRS 5 amendment.

Where the balance of the risks and rewards of ownership of the PFI property are borne by the PFI operator, the PFI payments are recorded as an operating expense. 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 Operating Cost Statement. 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.

Where the balance of risks and rewards of ownership of the PFI property are borne by the Board, it is recognised as a fixed asset along with liability to pay for it which is accounted for as a finance lease. Contract payments are apportioned between an imputed finance lease and a service charge.

14. Provision

The Board provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the discounted rate prescribed by HM Treasury (currently 2.2%).

15. 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, FRS 28 'corresponding amounts' requires that they should be adjusted and the basis for the adjustment disclosed in a note to the financial statements.

NOTE 2(a): STAFF NUMBERS AND COSTS

	Executive Board Members	Non Executive Members	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	2008 Total	2007 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
STAFF COSTS								
Salaries and wages	877	175	335,615	0	0	(9,117)	327,550	307,478
Social security costs	98	13	26,117	0	0	0	26,228	25,099
NHS scheme employers' costs	116	0	40,102	0	0	0	40,218	37,676
Other employers' pension costs	0	0	0	0	0	0	0	0
Inward Secondees	0	0	0	7,169	0	0	7,169	6,158
Agency staff	0	0	0	0	3,674	(0)	3,674	4,246
Sub total	1,091	188	401,834	7,169	3,674	(9,117)	404,839	380,657
Compensation for loss of office	0	0	0	0	0	0	0	0
Pensions to former board members	0	0	0	0	0	0	0	0
TOTAL	**1,091**	**188**	**401,834**	**7,169**	**3,674**	**(9,117)**	**404,839**	**380,657**

STAFF NUMBERS
(EMPLOYEES BY WHOLE TIME EQUIVALENT)

	2008 Annual Mean	2007 Annual Mean
Administration Costs	87.5	89.7
Hospital and Community Services	11,296.8	11,076.7
Non Clinical Services	73.0	75.1
Other, including recharge Trading Accounts	12.1	10.2
Inward secondees	66.3	63.2
Outward Secondees	(240.6)	(231.3)
Board Total Average Staff	**11,295.1**	**11,083.6**
Disabled Staff	**54.0**	**34.0**

Note:
Staff pension benefits are provided through the NHS Superannuation Scheme for Scotland. Details of the scheme can be found in Note 26.

NOTE 2 (b) HIGHER PAID EMPLOYEES REMUNERATION

			2008 Number	2007 Number
Other employees whose remuneration fell within the following ranges:				
Clinicians				
£50,000	to	£60,000	116	110
£60,001	to	£70,000	72	67
£70,001	to	£80,000	52	59
£80,001	to	£90,000	31	35
£90,001	to	£100,000	46	44
£100,001	to	£110,000	69	86
£110,001	to	£120,000	45	45
£120,001	to	£130,000	52	34
£130,001	to	£140,000	19	19
£140,001	to	£150,000	14	12
£150,001	and above		31	18
Other				
£50,000	to	£60,000	78	53
£60,001	to	£70,000	39	16
£70,001	to	£80,000	10	6
£80,001	to	£90,000	7	6
£90,001	to	£100,000	3	2
£100,001	to	£110,000	0	0
£110,001	to	£120,000	0	0
£120,001	to	£130,000	0	0
£130,001	to	£140,000	0	0
£140,001	to	£150,000	0	0
£150,001	and above		0	0

Note: Remuneration paid to Other Higher Paid Employees in 2007/08 included arrears of pay relating to previous financial years.

NOTE 3. OTHER OPERATING COSTS

	Note	2008 £'000	2007 £'000
Expenditure Not Paid In Cash			
Depreciation	11	18,968	16,505
Cost of Capital	19	10,378	9,663
Impairments - Charge	11	4,220	0
Impairments - Reversal		0	0
Revaluation loss on fixed assets charged to OCS		326	254
Revaulation EC Carbon Emissions taken to Govt Grant		0	0
Loss/(Profit) on disposal of intangible fixed assets		0	0
Loss/(Profit) on disposal of purchased fixed assets		91	(1,704)
Other non cash costs		0	0
Total Expenditure Not Paid In Cash	CFS	**33,983**	**24,718**
Research and Development Written Off		**4,264**	**4,688**
Travel, Subsistence and Hospitality		**4,777**	**4,404**
Interest Payable			
Interest on late payment of commercial debt		0	0
Bank and other interest payable		0	0
Finance lease charges allocated in the year		0	0
Other Interest		0	0
Total		**0**	**0**
Operating Lease Rentals:			
Hire of equipment (including vehicles)		818	822
Other operating leases		2,110	2,029
Total		**2,928**	**2,851**
Aggregate Rentals Receivable in the year			
Total of finance & operating leases		**(1,917)**	**(1,631)**
Statutory Audit			
External auditor's remuneration and expenses		**275**	**282**
PFI/PPP and Similar Contracts			
Interest charge relating to on-balance-sheet PFI/PPP contracts		0	0
Other charges relating to on-balance-sheet PFI/PPP contracts		0	0
Service charge relating to off-balance-sheet PFI/PPP contracts		3,315	3,193
Total		**3,315**	**3,193**

NOTE 4. HOSPITAL AND COMMUNITY HEALTH SERVICES

	Note	2008 £'000	2007 £'000
BY PROVIDER			
Treatment in Board area of NHSScotland Patients		559,380	519,019
Other NHSScotland Bodies		17,034	16,413
Health Bodies outside Scotland		530	564
Primary care bodies		5,491	5,352
Private Sector		4,713	3,539
Community Care			
Support Finance		0	0
Resource Transfer		19,374	18,928
Other Healthcare, including Contributions to Voluntary Bodies and Charities		3,712	2,655
Total NHSScotland Patients		**610,234**	**566,470**
Treatments of UK residents based outside Scotland		793	1,075
Total Hospital & Community Health Service	OCS	**611,027**	**567,545**
BY SERVICES CATEGORY			
Acute services		325,313	301,432
Maternity services		22,608	20,931
Geriatric Assessment		22,374	20,706
Mental health services		88,257	79,835
Learning Disability		17,259	16,277
Geriatric Long Stay		20,076	20,344
Young Physically Disabled		545	372
Other community services		74,453	68,870
Other services		14,973	14,072
Total Care Expenditure		585,858	542,839
Other HCH Expenditure			
Additional Costs of Teaching		9,410	9,773
Research & Development		4,264	4,717
UK Residents based outside Scotland		793	1,075
Other		10,702	9,141
Total as Above		**611,027**	**567,545**

Note:
Payments made to voluntary sector organisations are included within 'Resource Transfer' and 'Other Healthcare, including Contributions to Voluntary Bodies and Charities'. The total for 2007/08 is £1,000k (2006/07 £991k).

NOTE 5. FAMILY HEALTH SERVICE EXPENDITURE

		Unified Budget £'000	Non-discretionary £'000	2008 Total £'000	2007 Total £'000
Primary Medical Services		54,972		54,972	51,872
Pharmaceutical Services		73,804	9,213	83,017	82,282
General Dental Services		515	21,525	22,040	19,943
General Ophthalmic Services		85	6,312	6,397	5,057
Total FHS expenditure	OCS	**129,376**	**37,050**	**166,426**	**159,154**

Note: Further analysis of these costs is available.

NOTE 6. ADMINISTRATION COSTS

		2008 £'000	2007 £'000
Board Members' remuneration	2 (a)	1,279	1,266
Administration of Board Meetings and Committees		179	174
Corporate Governance and Statutory Reporting		997	984
Health Planning, Commissioning and Performance Reporting		1,461	1,239
Treasury Management and Financial Planning		859	829
Public Relations		258	192
Other		543	550
Total administration costs	OCS	**5,576**	**5,234**

NOTE 7. OTHER NON CLINICAL SERVICES

		2008 £'000	2007 £'000
Nurse Teaching		134	82
Closed hospital charges		0	0
Compensation payments – Clinical		942	2,737
Compensation payments – Other		(352)	716
Pension enhancement & redundancy		140	1,961
Patients' Travel Attending Hospitals		256	258
Patients' Travel Highlands and Islands scheme		0	0
Health Promotion		2,283	2,094
Public Health		2,019	1,900
Public Health Medicine Trainees		188	160
Emergency Planning		112	323
Post Graduate Medical Education		0	0
Shared Services		1,212	1,057
Loss on disposal of fixed assets		91	0
Other		8,878	5,581
Total Other Non Clinical Services	OCS	**15,903**	**16,869**

NOTE 8. OPERATING INCOME

		2008 £'000	2007 £'000
HCH Income			
NHS Scotland Bodies			
- SGHD		842	375
- Boards		87,306	77,697
NHS Non-Scottish Bodies		793	1,075
Non NHS			
Private Patients		339	411
Compensation Income		592	608
Other HCH income		19,330	18,187
Total HCH Income	OCS	**109,202**	**98,353**
FHS Income			
Discretionary		4,159	3,979
Non Discretionary			
General Dental Services		4,103	4,006
General Ophthalmic Services		6	6
Total FHS Income	OCS	**8,268**	**7,991**
Administration Income	OCS	**291**	**302**
Other Operating Income			
NHS Scotland Bodies		189	164
NHS Non-Scottish Bodies		0	0
SGHD		0	0
Contributions in respect of Clinical/medical negligence claims		788	3,238
Profit on disposal of fixed assets		0	1,704
Transfer from Donated Asset Reserve in respect of Depreciation		353	451
Transfer from Donated Asset Reserve in respect of Disposals		0	0
Transfer from Donated Asset Reserve in respect of Impairment		0	0
Interest Received		0	0
Shared Services		1,212	1,057
Other		230	339
Total Other Operating Income	OCS	**2,772**	**6,953**
Total Income		**120,533**	**113,599**
Of the above, the amount derived from NHS bodies is		**88,933**	**78,902**

NOTE 9. ANALYSIS OF CAPITAL EXPENDITURE

	Note	2008 £'000	2007 £'000
EXPENDITURE			
Acquisition of Intangible Fixed Assets	10	277	16
Acquisition of Tangible Fixed Assets	11	35,742	13,831
Capital Grants to/(from) Public Bodies	OCS	6,698	6,034
(Profit) / Loss on disposal of fixed assets		91	0
Gross Capital Expenditure		**42,808**	**19,881**
INCOME			
Net book value of disposal of Intangible Fixed Assets	10	0	0
Net book value of disposal of Tangible Fixed Assets	11	288	2,539
Capital Income		**288**	**2,539**
Net Capital Expenditure		**42,520**	**17,342**
SUMMARY OF CAPITAL RESOURCE OUTTURN			
Net capital expenditure as above		42,520	17,342
Capital Resource Limit		42,543	21,419
Saving/(excess) against Capital Resource Limit		**23**	**4,077**

NOTE 10. INTANGIBLE FIXED ASSETS

	Software Licences £'000	EC Carbon Emissions £'000	Other Intangible £'000	Total £'000
Cost or Valuation				
As at 1 April	426	0	0	426
Additions	277	0	0	277
Donations	0	0	0	0
Transfers	0	0	0	0
Disposals	0	0	0	0
Revaluation	0	0	0	0
Impairment-Charge	0	0	0	0
Impairment-Reversal	0	0	0	0
At 31 March	**703**	**0**	**0**	**703**
Amortisation				
At 1 April	247	0	0	247
Provided during the year	76	0	0	76
Transfers	0	0	0	0
Disposals	0	0	0	0
Revaluation	0	0	0	0
Impairment-Charge	0	0	0	0
Impairment-Reversal	0	0	0	0
At 31 March	**323**	**0**	**0**	**323**
Net Book Value at 1 April	**179**	**0**	**0**	**179**
Net Book Value at 31 March	**380**	**0**	**0**	**380**

Note 11. (a) TANGIBLE FIXED ASSETS (Purchased Assets)

	Land & Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant and Machinery	Information Technology	Furniture and Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
at 1 April	361,276	4,182	3,887	66,218	4,789	989	6,280	447,621
Additions	12,367	0	452	11,057	1,399	40	10,427	35,742
Completions	3,030	0	0	1,103	18	0	(4,151)	0
Transfers	0	0	0	0	0	0		0
Revaluation	9,187	77	0	0	0	0	(259)	9,005
Impairment Charge	(4,220)	0	0	0	0	0	0	(4,220)
Impairment Reversal	0	0	0	0	0	0	0	0
Disposals	(281)	0	(402)	(181)	(38)	(37)	0	(939)
At 31 March	**381,359**	**4,259**	**3,937**	**78,197**	**6,168**	**992**	**12,297**	**487,209**
Depreciation								
at 1 April	20,559	12	2,570	49,700	3,049	818	0	76,708
Provided during the year	14,392	225	219	3,673	358	25	0	18,892
Transfers	0	0	0	0	0	0	0	0
Revaluation	(12,576)	(162)	0	0	0	0	0	(12,738)
Impairment Charge	0	0	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0	0	0
Disposals	(7)	0	(391)	(178)	(38)	(37)	0	(651)
At 31 March	**22,368**	**75**	**2,398**	**53,195**	**3,369**	**806**	**0**	**82,211**
Net Book Value at 1 April	**340,717**	**4,170**	**1,317**	**16,518**	**1,740**	**171**	**6,280**	**370,913**
Net Book Value at 31 March	**358,991**	**4,184**	**1,539**	**25,002**	**2,799**	**186**	**12,297**	**404,998**
Open Market Value of Land and Dwellings included above	**3,488**	**0**						

Note 11. (b) TANGIBLE FIXED ASSETS (Donated Assets)

	Land & Buildings (excluding dwellings) £'000	Dwellings £'000	Transport Equipment £'000	Plant and Machinery £'000	Information Technology £'000	Furniture and Fittings £'000	Assets Under Construction £'000	Total £'000
Cost or valuation								
At 1 April	6,719	137	124	2,047	0	38	0	9,065
Additions	36	0	0	295	0	0	0	331
Completions	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
Revaluation	226	0	0	0	0	0	0	226
Impairment	0	0	0	0	0	0	0	0
Disposals	0	0	(9)	(6)	0	0	0	(15)
At 31 March	**6,981**	**137**	**115**	**2,336**	**0**	**38**	**0**	**9,607**
Depreciation								
At 1 April	243	0	114	1,490	0	35	0	1,882
Provided during the year	173	4	3	169	0	3	0	352
Transfers	0	0	0	0	0	0	0	0
Revaluation	(176)	0	0	0	0	0	0	(176)
Impairment	0	0	0	0	0	0	0	0
Disposals	0	0	(9)	(5)	0	0	0	(14)
At 31 March	**240**	**4**	**108**	**1,654**	**0**	**38**	**0**	**2,044**
At start of year	**6,476**	**137**	**10**	**557**	**0**	**3**	**0**	**7,183**
At end of year	**6,741**	**133**	**7**	**682**	**0**	**0**	**0**	**7,563**
Open Market Value of Land and Dwellings included above	**0**	**0**						

NOTE 11. (c) FIXED ASSET DISCLOSURES

	2008 £'000	2007 £'000
Net book value of tangible fixed assets at 31 March		
Purchased	404,998	370,913
Donated	7,563	7,183
Total	**412,561**	**378,096**
Net book value related to land valued at open market value at 31 March	4,085	4,056
Net book value related to buildings valued at open market value at 31 March	831	1,042
Total value of assets held under:		
Finance Leases and Hire Purchase Contracts	0	0
PFI/PPP contracts	1,441	942
	1,441	942
Total depreciation charged in respect of assets held under:		
Finance leases and hire purchase contracts	0	0
PFI/PPP contracts	0	0
	0	0

Note:
Land and buildings were fully revalued by professional valuers (a consortium of Chartered Surveyors, led by James Barr Ltd) at 31 March 2008 on the basis of existing use or market value, where no longer in use. Other tangible fixed assets were revalued on the basis of indices at 31 March 2008. The net impact was an increase in value of £22.1m which was credited to the revaluation reserve.

NOTE 12. STOCK AS AT 31 MARCH 2008

		2008 £'000	2007 £'000
Raw Materials and Consumables		4,223	4,567
Work in Progress		0	0
Finished Goods		0	0
	BS	**4,223**	**4,567**

NOTE 13. DEBTORS AT 31 MARCH 2008

		2008 £'000	2007 £'000
Debtors due within one year			
NHSScotland			
- SGHD		463	323
- Boards		6,380	5,393
Total NHSScotland Debtors		**6,843**	**5,716**
NHS Non-scottish Bodies		605	1,244
General Fund Debtor		0	1,788
VAT recoverable		672	517
Prepayments and accrued income		5,481	3,609
Other Debtors		3,320	6,650
Reimbursement of provisions		8,055	8,113
Other Public Sector Bodies		1,662	1,552
Other Significant Debtors		0	0
Total Debtors due within one year	BS	**26,638**	**29,189**
Debtors due after more than one year			
NHSScotland			
- SGHD		0	0
- Boards		0	0
Other Public Sector Bodies		0	0
Prepayments and accrued income		0	0
Other Debtors		418	122
Reimbursement of Provisions		0	0
Total Debtors due after more than one year	BS	**418**	**122**
TOTAL DEBTORS		**27,056**	**29,311**
The total debtors figure above includes a provision for bad debts of:		539	606

NOTE 14. INVESTMENTS AT 31 MARCH

		2008 £'000	2007 £'000
Government securities		0	0
Bank Deposits		0	0
Other (see note below)		1	1
TOTAL	BS	**1**	**1**

Note:
NHS Tayside has subscribed to 1000 ordinary £1 shares in TMRI Ltd, a Scottish limited company formed by four of Scotland's universities and four NHS Boards in collaboration with Wyeth Pharmaceuticals. Any investment loss would be borne by TMRI Ltd.

NOTE 15. CASH AT BANK AND IN HAND

CURRENT YEAR	Note	At 01/04/07 £'000	Cash Flow £'000	At 31/03/08 £'000
PGO account balance		0	999	999
Cash at bank and in hand		36	1	37
Total cash – balance sheet	BS	**36**	**1,000**	**1,036**
Overdrafts	16	(1,824)	1,824	0
Total cash – cash flow statement		**(1,788)**	**2,824**	**1,036**

PRIOR YEAR	Note	At 01/04/06 £'000	Cash Flow £'000	At 31/03/07
PGO account balance		0	0	0
Cash at bank and in hand		34	2	36
Total cash – balance sheet	BS	**34**	**2**	**36**
Overdrafts	16	(3,071)	1,247	(1,824)
Total cash – cash flow statement		**(3,037)**	**1,249**	**(1,788)**

NOTE 16. CREDITORS AT 31 MARCH 2008

	Note	2008 £'000	2007 £'000
Creditors due within one year			
NHSScotland			
- SGHD		34	0
- Boards		2,926	4,811
Total NHSScotland Creditors		**2,960**	**4,811**
Non-Scottish Bodies		239	323
General Fund Creditor		1,036	0
FHS Practitioners		16,171	14,680
Trade Creditors		5,584	5,015
Accruals		32,319	22,860
Payments received on account		1,516	1,437
Interest payable		0	0
Net obligations under Finance Leases	24	0	0
Net obligations under PFI Contracts	25	0	0
Bank overdrafts	15	0	1,824
Income tax and social security		9,111	8,597
Superannuation		5,289	4,908
Clinical/Medical negligence claims		0	0
VAT		0	0
Other Public Sector Bodies		12,570	7,629
EC Carbon Emissions Grant		0	0
Other creditors		944	920
Other significant Creditors:			
Agenda for Change		21,671	16,692
Total Creditors due within one year	BS	**109,410**	**89,696**
Creditors due after more than one year			
NHSScotland			
- SGHD		0	0
- Boards		0	0
Other Public Sector Bodies		0	0
Net obligations under Finance Leases due within 5 years	24	0	0
Net obligations under Finance Leases due after 5 years	24	0	0
Net obligations under PFI Contracts due within 5 years	25	0	0
Net obligations under PFI Contracts due after 5 years	25	0	0
EC Carbon Emissions Grant		0	
Other		0	0
Total Creditors due after more than one year	BS	**0**	**0**
TOTAL CREDITORS		**109,410**	**89,696**

NOTE 17. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	2008 Total £'000	2007 Total £'000
At 1 April	5,192	7,964	0	1,430	14,586	11,256
Arising during the year	222	1,430	0	392	2,044	4,722
Utilised during the year	(508)	(177)	0	(313)	(998)	(786)
Reversed unutilised	0	(503)	0	(954)	(1,457)	(606)
At 31 March	**4,906**	**8,714**	**0**	**555**	**14,175**	**14,586**

Notes:

1. The amounts shown above are stated gross and the amounts of any expected reimbursements are separately disclosed as debtors in Note 13.

2. The Clinical & Medical and Other provisions recognise the potential liability which NHS Tayside may face in respect of legal claims notified to it prior to 31 March 2008. It is based upon the estimated value of each claim, together with an assessment of the likelihood of settlement. Where it is anticipated that there may be a contribution from central funding towards the settlement, this is disclosed within Debtors - Reimbursement of Provisions (Note 13).

3. The Injury Benefit Provision of £4,906,000 (2006/07 £5,003,000), which is included within Pensions, relates to the amount provided in respect of the NHS Tayside's liability to those employees who are receiving benefit under the Injury Benefits Compensation Scheme. It is calculated on the basis of the current capitalisation costs in respect of the benefits payable to each employee.

NOTE 18. MOVEMENT ON WORKING CAPITAL BALANCES

	Note	Opening Balances £'000	Closing Balances £'000	2008 Net Movement £'000	2007 Net Movement £'000
STOCK					
Balance Sheet	12	4,567	4,223		90
Net Decrease/(Increase)				**344**	**90**
DEBTORS					
Due within one year	13	29,189	26,638		**(7,657)**
Due after more than one year	13	122	418		**76**
		29,311	27,056		
Less: Capital included in above		(0)	(0)		**0**
Less: General Fund Debtor included in above		(1,788)	(0)		**(1,249)**
		27,523	27,056		
Net Decrease/(Increase)				**467**	**(8,830)**
CREDITORS					
Due within one year	16	89,696	109,410		**3,961**
Due after more than one year	16	0	0		**0**
Less: Capital included in above		(0)	(0)		**0**
Less: Bank Overdraft	16	(1,824)	(0)		**1,247**
Less: General Fund Creditor included in above	16	(0)	(1,036)		**0**
Less: Lease and PFI Creditors included in above	16	(0)	(0)		**0**
		87,872	108,374		
Net (Decrease)/Increase				**20,502**	**5,208**
PROVISIONS					
Balance Sheet	17	14,586	14,175		3,330
Net (Decrease)/Increase				**(411)**	**3,330**
NET MOVEMENT (Decrease)/Increase	CFS			**20,902**	**(202)**

NOTE 19. GENERAL FUND

	Note	2008 £'000	2007 £'000
General Fund at 1 April		**160,153**	**164,261**
Opening General Fund Creditor/(Debtor)		(1,788)	(3,037)
Add: Cash Drawn Down	CFS	662,160	621,540
(Less)/Add: Closing General Fund (Creditor)/Debtor		(1,036)	1,788
Net Funding	CFS	**659,336**	**620,291**
Net Operating Cost for the Year	OCS	(678,399)	(635,203)
Cost of Capital	3	10,378	9,663
Transfer of Realised Element of Revaluation Reserve	20	104	1,141
Proceeds of Sale of Donated Assets	20	0	0
Transfer of Fixed Assets from other bodies	11	0	0
Prior Year Adjustments		0	0
Other adjustments		0	0
Net increase/(decrease) in General Fund		**(8,581)**	**(4,108)**
General Fund at 31 March	BS	**151,572**	**160,153**

NOTE 20. MOVEMENTS ON RESERVES

	Note	2008 £'000	2007 £'000
Revaluation Reserve			
Balance at 1 April		140,571	114,522
Indexation/Revaluation of fixed assets	11	22,069	27,190
Transfer of realised element to general fund	19	(104)	(1,141)
Balance at 31 March	BS	**162,536**	**140,571**
Donated Asset Reserve			
Balance at 1 April		7,184	6,926
Indexation/Revaluation of fixed assets	11a	402	420
Additions of donated assets	11b	331	287
Release to the Operating Cost Statement		(353)	(449)
Transfer of realised element to general fund	19	(0)	(0)
Balance at 31 March	BS	**7,564**	**7,184**

NOTE 21. CONTINGENT LIABILITIES

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

Nature	2008 Value £'000	2007 Value £'000
Clinical and medical compensation payments: No. of cases – 79	2,575	2,928
Employers liability	0	0
Third Party liability: No. of cases - 30	300	279
Doubtful debts	0	0
Equal Pay		

NHS Tayside has received 565 claims under the Equal Pay Act 1970 mainly from women seeking compensation for past inequalities with male colleagues, under the pay arrangements that preceded Agenda for Change.

The basis of claims is as follows:

- The claimant's job has been rated as being of equivalent value to that of their comparator using a valid Job Evaluation Study, and/or is of equal value to that of their comparator.
- Their comparator is currently paid or has been paid more than them.
- They claim equal pay, back pay and interest.
- Back pay is claimed for the statutory maximum of 5 years.

In addition, some cases are being pursued that comprise a challenge to Agenda for Change pay evaluation system on the basis that it perpetuates discrimination. This has slowed the progress of claims until the challenge has been determined.

Progress of all claims is not judged to be sufficiently advanced to determine the likelihood of their failure or success nor to estimate what their value could be. It is therefore not possible to make an estimate of any financial impact that may arise.

Other	0	0

The Waste Electronic and Electrical Equipment Regulations 2006 came into force on 1 July 2007. Where waste arises from assets obtained prior to 13 August 2005, the Board will be responsible for the costs of collection, treatment, recovery and environmentally sound disposal after 1 July 2007, unless a direct replacement is purchased, when the costs fall on the suppliers. The Board's current accounting policy is to incur such costs as they fall due. It is not possible to quantify the potential additional costs that the Board might be exposed to in respect of disposal of equipment purchased prior to 13 August 2005, as there is no reliable disposal cost per item of equipment and it is unknown what items will be directly replaced.

TOTAL CONTINGENT LIABILITIES	**2,875**	**3,207**
CONTINGENT ASSETS		
No. of cases 49	1,689	1,472
TOTAL CONTINGENT ASSETS	**1,689**	**1,472**

NOTE 22. POST BALANCE SHEET EVENTS

There were no post Balance Sheet events having a material effect on the accounts.

NOTE 23. COMMITMENTS

Capital Commitments

	2008 £'000	2007 £'000
The Board has the following capital commitments which have not been provided for in the accounts		
Contracted		
Consulting Rooms, Perth Royal Infirmary	1,776	0
Kings Cross Redevelopment	0	2,758
Linear Accelerator	90	4,559
Armitstead	1,241	4,063
Women's Clinic, Community Midwifery Unit, Perth Royal Infirmary	3,521	2,794
Renal, Haematology, Oncology, Perth Royal Infirmary	1,346	3,425
Women's Clinic, Community Midwifery Unit, Ninewells Hospital	3,640	0
Bowel Screening	0	1,461
Other	4,349	5,343
Total	**15,963**	**24,403**
Authorised but not contracted		
Perth Palliative Care Unit	1,788	1,000
PET Scanner	840	840
University of Dundee – Contribution to Clinical Resource Centre	0	2,500
Ninewells Hospital Ward 11 – Disability Discrimination Act	0	995
Stracathro sewage plant replacement	1,650	0
Renal dialysis expansion	750	0
Dental decontamination, General Dental Services	900	0
Decant facility, Carseview	1,760	0
Other	3,187	2,319
Total	**10,875**	**7,654**

NOTE 24. COMMITMENTS UNDER LEASES

Operating Leases

		2008 £'000	2007 £'000
Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the leases expire.			
Obligations under operating leases comprise:			
Land and Buildings			
Within one year		48	32
Between two and five years (inclusive)		140	67
After five years		772	587
Other			
Within one year		455	283
Between two and five years (inclusive)		1,415	1,471
After five years		94	284

Finance Leases

Commitments under finance leases to pay rentals in years following the year of these accounts are given in the table below

Obligations under Finance lease comprise			
Land and Buildings			
Rentals due within one year	16	0	0
Rentals due between two and five years (inclusive)	16	0	0
Rentals due after five years	16	0	0
		0	0
Less interest element		0	0
		0	**0**
Obligations under Finance lease comprise			
Other			
Rentals due within one year	16	0	0
Rentals due between two and five years (inclusive)	16	0	0
Rentals due after five years	16	0	0
		0	0
Less interest element		0	0
		0	**0**

Note:
This total net obligation under finance leases is analysed in Note 16 (Creditors)

NOTE 25 a. COMMITMENTS UNDER PFI CONTRACTS

The Board has entered into the following PFI contracts.

OFF BALANCE SHEET

Project	Estimated Capital value £'000	Period of Contract	Reversionary Interest Value £'000
Carseview Centre	10,000	2001-2026	0
Whitehills Community Resource Centre	12,000	2005-2030	12,300
Total	**22,000**		**12,300**

The total amount charged in the outturn statement in respect of off balance sheet PFI/PPP deals is:

Project	2008 £'000	2007 £'000
Carseview Centre	2,050	1,978
Whitehills Community Resource Centre	1,259	1,215
Total	**3,309**	**3,193**

The payments that are committed during the next year, analysed between the periods in which the commitment expires, are:

Project	1-5 years	6-10 years	11-15 years	16-20 years	21-25 years	26+ years	Total 2008	Total 2007
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carseview centre				1,993			1,993	1,915
Whitehills Community Resource Centre					1,444		1,444	1,387
Total				**1,993**	**1,444**		**3,437**	**3,302**

NOTE 26. PENSION COSTS

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

The National Health Service Superannuation Scheme for Scotland is a multi-employer scheme where the share of the assets and liabilities applicable to each employer is not identified. The NHS Board will therefore account for its pension costs on a defined contribution basis as permitted by Financial Reporting Standard 17.

For 2007/08, normal employer contributions of £40,218,455 were payable to the SPPA (prior year £37,675,559) at the rate of 14% of total pensionable salaries. In 2006/07 additional costs of £988,667 were incurred by the NHS Board arising from the early retirement of staff. For the current year (2007/08) the NHS Board reported a credit of £54,856 due to a provision for early retirement made in 2006/07 being cancelled in 2007/08. The most recent actuarial valuation discloses a balance of £934 million to be met by future contributions from employing authorities.

Provisions/Pre-payments amounting to £3,900k included in the Balance Sheet and reflect the difference between the amounts charged to the Operating Cost Statement and the amounts paid directly.

The scheme provides benefits on a "final salary" basis at a normal retirement age of 60. Annual benefits are normally based on 1/80th of the best of the last three years pensionable pay for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 6% (5% for manual staff) of pensionable earnings. Pensions are increased in line with Retail Prices Index.

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

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

	2007/08 £'000	2006/07 £'000
Pension cost charge for the year	40,218	37,676
Additional Costs arising from early retirements	(55)	989
Provisions, pre-payments and accruals included in the Balance Sheet	3,900	4,132

NOTE 27. EXCEPTIONAL ITEMS AND PRIOR YEAR ADJUSTMENTS

There are no prior year adjustments recognised in these accounts.

Tayside Health Board

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of sections 86(1), (1B) and (3) of the National Health Services (Scotland) Act 1978, hereby give the following direction.

2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.

3. Subject to the foregoing requirements, the accounts shall also comply with any accounts format, disclosure and accounting requirements issued by the Scottish Ministers from time to time.

4. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.

5. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 30 December 2002 is hereby revoked.

Signed by the authority of the Scottish Ministers

Dated: 10/02/06

ANNUAL REVIEW
1 SEPTEMBER 2008

Deputy First Minister & Cabinet Secretary for
Health and Wellbeing
Nicola Sturgeon MSP

T: 0845 774 1741
E: scottish.ministers@scotland.gsi.gov.uk

The Scottish Government

Mr Alexander Watson OBE
Chair
NHS Tayside
King's Cross
Clepington Road
DUNDEE
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October 2008

NHS TAYSIDE ANNUAL REVIEW: 1 SEPTEMBER 2008

1. I am writing to summarise the main points and actions arising from the Annual Review and associated meetings in Ninewells Hospital on 1 September.

2. I want to thank you, your team and everyone else who was involved in making arrangements for the meetings and visit. I know how much hard work goes into the preparations and I am very grateful for that.

Meeting with Area Partnership Forum

3. This was a useful discussion. We covered some key matters in which the Forum has been closely involved. These include the good progress in reducing sickness absence – although there is still some way to go to meet the 4% target for next year. Compliance with Working Time Regulations is also moving forward, albeit with some challenges still to tackle in areas such as paediatrics. We spoke about staff governance, where we agreed that it will be important to act on any recommendations emerging from the ongoing audit of partnership working. There has been good work on embedding equality and diversity throughout the NHS Tayside organisation and I am encouraged that the Forum has been working with the Board on the new policy to ensure dignity at work. There is still more to do to complete implementation of Agenda for Change and in particular the Knowledge and Skills Framework. I look to the Forum to help complete that process. Finally, we spoke about the Healthcare Academy, the value of which was recently recognised by a National Health Services award for its work on recruitment and retention.

Meeting with Area Clinical Forum

4. There was some overlap between our discussion here and that with the Partnership Forum – for example we also covered Agenda for Change. The focus for the Clinical Forum was on its impact on specific groups such as Healthcare Scientists and Pharmacists. We spoke about Modernising Medical Careers and the challenges of the Working Times

Regulations. We noted the progress since last year on developing Nursing in the Community (NHS Tayside is one of the Boards piloting this). We also spoke about the ways in which the Clinical Forum is engaging with the Board in taking forward NHS Tayside's capital investment programme and its plans to shift the balance of care from hospital to primary and community care services. This engagement is very important and I look to the Board to continue to facilitate clinical input into the decision-making process.

Meeting with Patients and Patient Representatives

5. This meeting was extremely useful to me in hearing patients' views and concerns at first hand. The group asked me some pertinent questions about current matters affecting the NHS in Scotland – I hope I was able to answer them fully. They included our proposals for direct elections to NHS Boards, for continuing to tackle infection in hospitals and for promoting healthy lifestyles. On more specific service matters we spoke about arrangements for rehabilitation for cardiac and stroke patients and about local involvement in developing community hospitals in Angus. I am very grateful to all those who made the time to come and speak to me.

Visit to Alcohol Services in Ninewells Hospital

6. Tackling alcohol misuse is of course one of our top priorities for improving health in Scotland. It was therefore very helpful to see and hear information about the wide range of activity that NHS Tayside has in hand in this respect. I heard about the development of screening and brief interventions and about work on refining care and treatment pathways. It was also helpful to learn about the experiences of staff who have to deal with the consequences of alcohol misuse directly in the A & E Department. I want to thank everyone who helped to organise my visit and who took the time out to meet me.

7. I should also say how impressed I was with the imaginative poster displays you had arranged in Ninewells. The information about matters such as patient safety, hand hygiene and targeting hard to reach groups – for example taxi drivers - in promoting good cardiac health was all excellent.

ANNUAL REVIEW MEETING

Introduction

8. Your outline of progress against the action points arising from the 2007 Annual Review provided a helpful prelude to the meeting. Many involve ongoing work which we covered later in the meeting, but it was very useful to have your update on matters such as the Learning Disability resettlement programme (under which seven patients are still awaiting new accommodation), the roll out of good practice from the cardiac unmet needs project, and general progress in reducing waiting times and delayed discharges. You emphasised the role of partnership working in delivering effective services for the people of Tayside and the Board intends to build on and strengthen existing arrangements

Improving Health and Tackling Inequalities

9. I had already seen evidence of the good work the Board is doing to tackle **alcohol** misuse during my earlier visit in Ninewells. You told us that the Board welcomes the additional resources we are investing in this area. They are helping to support initiatives such as the establishment of brief interventions in primary care and piloting them in A & E. A key task for the Board is to identify gaps in service and to direct resources at filling them.

The emphasis here will be on prevention. On alcohol, as in other areas, **partnership working** is crucial and you paid tribute to the Tayside local authorities for the work they have done on the Concordat and on ensuring that the Single Outcome Agreement will have a central role to play.

10. The target for reducing **tobacco** consumption is challenging. You told us that the Board does not expect to meet it during the current financial year but is confident of doing so thereafter. Evaluation of the impact of incentives to stop smoking is important here, as is the input of community pharmacists – with whom you told us the Board has an excellent relationship which is helping to build their public health role. Prevention and access to cessation services are also important themes and the Board will continue to use media and web outlets to maximise publicity. It will also continue to focus on young people in its prevention effort, for example through Health Promoting Schools.

11. Provision of information is also vital in promoting good **sexual health**. This has had a high profile in Tayside in recent years, particularly in view of high rates of teenage pregnancy in Dundee. The "Cool to Talk" initiative is still playing an important part, as is the Board's sexual health website. Other Boards are now drawing on some of the methods that NHS Tayside is using as part of its sexual health strategy. You believe that all of this is having an impact and are confident that it will continue to do so. You also told us that early indications are that there is a high uptake under the **HPV immunisation programme.**

12. Targeting resources at those most in need is central to reducing **health inequalities** and it is encouraging to know that the Board is using the lessons it is learning from "Keep Well" to do this more effectively. You emphasised that different approaches are needed to tackle different problems and that that premise is central to the initiatives the Board and the CHPs are developing with partners. The Single Outcome Agreement will reflect this. The need for careful targeting to encourage uptake in the more deprived sections of the community will be particularly important in areas such as **colorectal screening** and the Board is using social marketing techniques to help with this. We will stay in close touch with the Board on all of this over the coming year.

Shifting the Balance of Care to Primary and Community Care

13. You told us that the Board has a long-established philosophy of shifting the balance of care. There are four main strands to its approach to doing this. These are: development of minor injuries and out of hours services in conjunction with primary care and the Scottish Ambulance Service (the pattern of service in Angus being a good example); development of community hospitals and similar facilities; management of acute and emergency admissions; and using the CHPs to work up proposals and priorities for further shifts. The Board is also improving support for carers and contributing to the National Long-Term Conditions Collaborative. On the latter, I was pleased to have your confirmation that the Board is sharing its IT recording system with other Boards.

14. You advised us that 650 staff are participating in the **Community Health Nursing** pilot. The immediate priority is to develop educational pathways to help staff to make the transition. Progress and benefits to the public will be evaluated next year. We had already covered the role of **community pharmacy** in smoking cessation and you outlined some of the other areas – for example, blood pressure monitoring and addiction services - in which pharmacists' contribution will increase.

15. We continue to give a high priority to **mental health** services and I was pleased to hear that the capital project at Murray Royal Hospital, including the regional medium secure

unit, and the associated developments in Dundee and Angus are proceeding on schedule. Bearing in mind that Tayside will retain 3 inpatient sites, I think it is very important that the Board keeps the balance between hospital and community-based services under review to ensure that the hospital service complements rather than deters community developments. We discussed arrangements for crisis intervention services, which operate from 8am until 3am daily, with NHS 24 covering the out of hours period. Child and Adolescent Mental Health Services have suffered from some capacity and waiting times problems, so the Board will be considering proposals for strengthening these services. We are also giving a high profile to services for people with dementia and their carers, so it was good to hear about the work the Board is doing in areas such as management of early stage dementia, care during progressive stages of the disease and support for people in care homes and in general hospitals. We will want to stay in close touch with the Board about all aspects of mental health care over the next year.

Access to Services, including Waiting Times

16. The Board did well to meet all the key **waiting times targets** last year, having recovered from some slippage on the inpatient/day case target. The focus now is on delivering the 18 week referral to treatment target by 2011. The Board aims to secure maximum 12 week waits for outpatient appointments and inpatient/day case treatment by March 2009 to make sure it sustains progress. Investment to support this will primarily be in increasing capacity and diagnostic services and improving referral arrangements through the new referral management centre. Staffing rather than equipment will be the key to increasing capacity. On **cancer waits** the Board is addressing pressure on colorectal and upper g.i. services through increased capacity and a fundamental redesign of patient pathways.

17. You told us that the Board is disappointed at the rate of uptake (31%) among GP practices opting to provide **extended surgery opening**. The Board is working with GPs to look at options for more flexible arrangements and intends to set a target for increasing uptake. I will be interested in due course to learn more about what you decide in this respect.

18. The new community dental facility at King's Cross in Dundee has now opened, thus improving access to **NHS dental services.** There has however been some slippage in providing the facility in Perth, due in part to the need to meet changes required for decontamination. The Board is investing in improved primary care access meantime to help bridge the gap. In reaching people in the more rural areas, the focus will be on the transport infrastructure to ensure that people can reach the main centres rather than on providing outreach services.

19. The Board and its partners did well to achieve the April 2008 target of reducing **delayed discharges** to zero, but there has since been some slippage. This relates to Dundee – there have been no problems in Angus or Perth & Kinross. The issue is primarily about the current availability of residential and nursing home places (part patient choice/part specialist EMI requirements) and the need to put in place more proactive arrangements to get all patients to where they need to be within a reasonable time. There are good working relationships between the Board and Dundee City Council in tackling delayed discharges and there are no funding problems. The Board and the Council have developed a plan to address the issues and have shared this with the Health Directorates. I look forward to seeing the plan delivering the required results.

Service Change and Redesign, Including Patient Focus and Public Involvement

20. You updated us on progress with the **Acute Balance of Care** project which covers developments at Ninewells, Stracathro and Perth Royal Infirmary (PRI) and which has been the subject of wide public consultation in recent years. Although there has been some slippage in the major investment programme at PRI, the hospital has benefitted from some successful new services such as those provided in the new renal, haematology and oncology unit. Stracathro continues to provide a range of important local services in addition to hosting the Regional Treatment Centre. Angioplasty has also been repatriated from NHS Lothian to Ninewells Hospital.

21. It is important to embed the principle of **Patient Focus and Public Involvement** in service planning and you took us through some of what the Board is doing in this respect as part of its commitment to a mutual NHS. The Board is looking to strengthen its Public Partnership Forum – which is at present a relatively small group – by including more young people and older people to represent interests in services for these groups. I would encourage you to look also at ways of involving other harder to reach groups. I look forward to learning how all this develops in the year ahead.

22. We have been covering progress in implementing **Carer Information Strategies** at all the Annual reviews this year. I am pleased that the NHS Tayside strategy is of a high standard and I wish you success in taking it forward.

Improving Treatment for Patients

23. The Board's work with the Safer Patients Initiative and the Scottish **Patient Safety** Alliance makes it a leader in this field. It is important that the Board uses the expertise it has gained to make sure that strategic leadership supports frontline staff to deliver benefits to patients. You told us about some of the work that your are doing in this respect, for example in taking safety issues directly into primary care (an area in which you are working with NHS Forth Valley). The overall aim is to engender a culture of safety throughout the organisation. That is highly commendable.

24. Reports from the **Scottish Public Services Ombudsman** are an extremely useful source of learning for all NHS Boards. I was therefore pleased to hear about the processes the Board has in place to encourage awareness. These include monthly publication of reports and their consideration by the Board's Executive Team. The Board's regular Newsletter to all staff also summarises the reports. You told us that the Board also uses its own complaints process to learn from experience and improve services. We agreed that it is important to identify any themes and patterns emerging from this and to take action to resolve potentially wider problems where appropriate. You gave us some examples – including communication and record keeping and Senior Charge Nurse roles – where individual concerns had led to a wider review of issues such as pressure care. The "Taystat" arrangements also continue to provide a clear focus for accountability and performance management on a wide range of service matters.

25. We discussed action on **NHS Quality Improvement Scotland (QIS) reports,** with the emphasis on that organisation's report on patient records at Strathmartine Hospital. Since we met, you will know that I have accepted the recommendations in the report in full. I was therefore pleased to hear that the Board now has protocols in place and individuals earmarked on each site to ensure that there is no repeat of the events at Strathmartine in any healthcare facility. It is absolutely vital that we all learn lessons from experiences such

as this – patients need to know that their right to confidentiality will be protected by the people who care for their health and I am determined to make sure that happens. We have already started work to take forward the recommendations in the report on a Scotland-wide basis.

26. **Infection Control** and tackling Healthcare Associated infections (HAIs) remains a high priority. We discussed several key aspects of this, including cleaning standards, hand hygiene and implementation of MRSA screening. We also covered the way in which the Board is addressing the issues arising from the recent reports on C.difficile. These highlighted the importance of effective surveillance systems and it was encouraging to hear your detailed report of what the Board is doing to strengthen these through the infection control teams. A central feature is a tiered process of reporting at different levels down to and including individual wards. I would encourage the Board to keep up its effort on this and all other aspects of infection control. Patients have a right to expect that we will do everything possible to eliminate the risk of infection in our hospitals and we will be keeping up the pressure to ensure that this principle applies is throughout the NHS system.

Finance, Efficiency and Workforce

27. The Board met all its key **financial targets** in 2007-08 and aims to do so throughout the period of its financial plan. We spent some time on your plans for securing efficiency savings. You reminded us that the Board had exceeded its most recent Efficient Government targets and outlined the arrangements for involving a broad range of people in the performance management process. They include CHP Chairs and NHS Board non-executive members. Risk assessment and management will also be key features of the forward financial plan. I am grateful for the work the Board has clearly put in to ensuring robust financial management – it will now be important to stay in close touch with our Finance Directorate as the plan moves forward.

28. Rates of **day case surgery** as a percentage of all elective surgery have recently been disappointingly low in Tayside. You told us that this has been at least in part because of the exclusion of some data and the change in treatment options for certain conditions. The Board intends to develop an action plan to address the issues on both fronts. We will want to keep in touch with you about all of this over the next year and to see progress in increasing the rate.

29. We had already covered most of the main **workforce** issues in the context of my earlier meetings with the Area Partnership and Area Clinical Forums. It is perhaps worth flagging up again here that the Board faces challenges in reaching the national targets for reducing sickness absences and in implementing the Knowledge and Skills Framework by the due dates, but intends to continue to work hard in this respect.

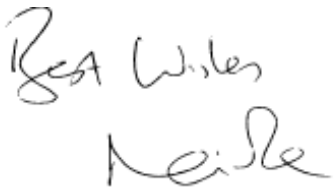
Public Questions and Answer Sessions

30. These sessions have been very useful to me at this year's Annual Reviews in hearing in a very immediate way what most concerns people who use NHS services. The Tayside session was no different in this respect. We covered a wide range of topics – C.difficile, public involvement, services for hearing impaired people, Agenda for Change and fuel costs. I think that between us we managed to address a fair number of the points that questioners made. Some were more detailed and required some written follow up. I hope the Board and the people who made the time to ask questions found the session as useful as I did.

Conclusion

31. My thanks once again to everyone who was involved before and during the day and to those who will have been working on follow up action since. Our discussions were fairly ambitious in terms of the range of topics we covered. That helped me to get a much clearer idea of the Board's main achievements and the challenges it still faces. From what I saw and heard I am sure that you and your team are well placed to tackle the difficult agenda that lies ahead. I look forward to working with you as you do so in the coming year.

32. I have listed the main action points arising from our discussion in the attached annex.



NICOLA STURGEON

ANNEX

ANNUAL REVIEW 2008

ACTION POINTS

- **Complete learning disability resettlement programme.**
- **Quantify resources targeted at specific health inequalities.**
- **Quantify further shifts in the balance of care to primary and community care, including shifts in mental health services.**
- **Set target for increases in GP surgeries offering extended hours.**
- **Continue to meet all waiting times targets and maintain progress towards 18 week referral to treatment target.**
- **Maintain access to NHS dental services in Perth & Kinross pending provision of new Perth community dental facility.**
- **Implement agreed programme with Dundee City Council to achieve standards for delayed discharges.**
- **Strengthen Public Partnership Forum by including younger and older people and explore ways of involving other harder to reach groups.**
- **Ensure that robust surveillance systems are in place for Healthcare Associated Infections.**
- **Resolve issues leading to low rate of day case surgery and secure increase.**
- **Maintain progress towards 4% target for sickness absence.**
- **Complete assimilation of Agenda for Change and implementation of Knowledge and Skills Framework.**

ACTIVITY
&
PERFORMANCE
DATA

Performance Against Targets

H01T Health Inequalities – CHD

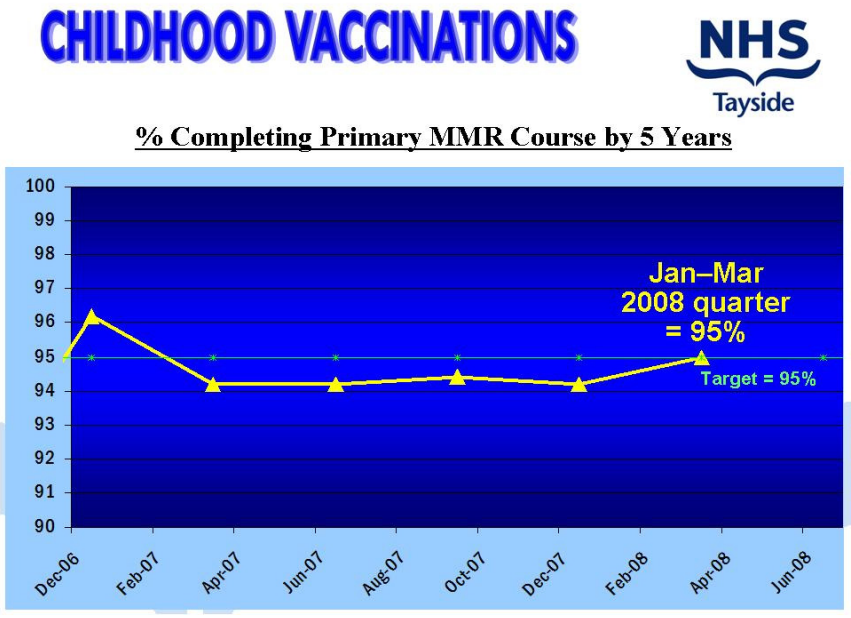
The cardiology unmet needs project and the Keep Well project are both targeted at addressing heart disease within areas of greatest deprivation. The HEAT target for the age standardised CHD mortality rate per 100,000 population aged under 75years in the 15% most deprived datazone areas in Scotland showed significant improvement in the most recent year available, 2004/05, at 95.4%, better than trajectory of 103.5%

H.02T Numbers Smoking

NHS Tayside has taken a range of measures to improve the levels of smoking. The innovative smoking cessation in pregnancy incentive scheme has been particularly successful. and has been used at a benchmark for the development of other innovative health improvement proposals. The HEAT target has shown significant improvement to 24.4% in 2006, the most recent year for which data is available, but remaining above trajectory level of 23%.

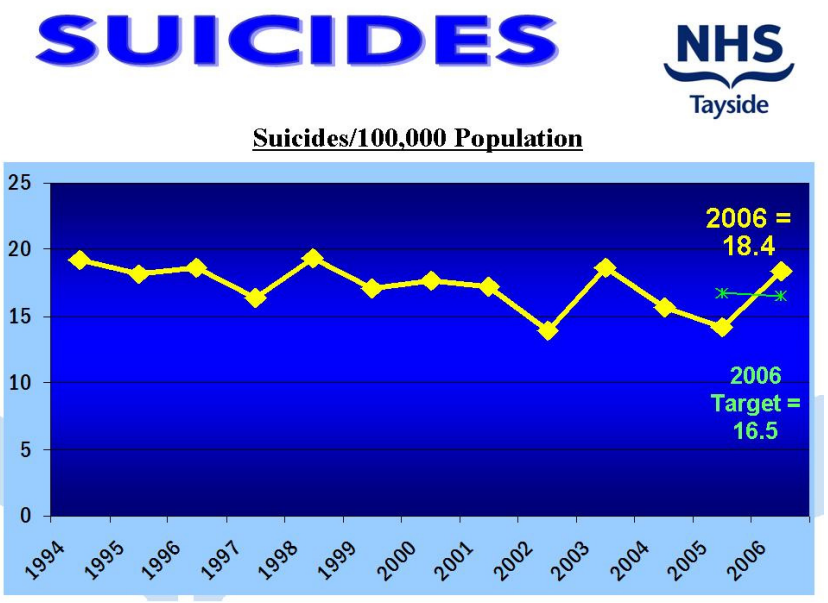
H.05T Childhood Vaccinations

The uptake of childhood immunisations achieved the target level of 95% for the final quarter of 2007/08 after being just short of the 95% target during the other 3 quarters. This is limited by the lower uptake of the MMR vaccine as all other vaccines exceed 97% uptake.



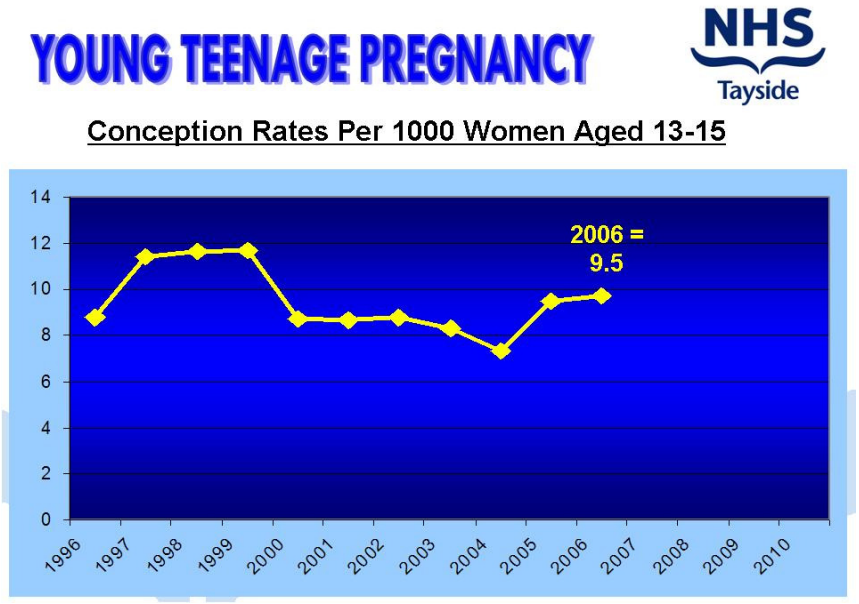
H.06T Suicide Rate

Although the rate increased in 2006, the most recent year for which data is available, to 18.4 per 100,000, above the corresponding trajectory value of 16.5, there is no reason to believe that this is anything other than random fluctuation. The long term trend still appears to be downward.



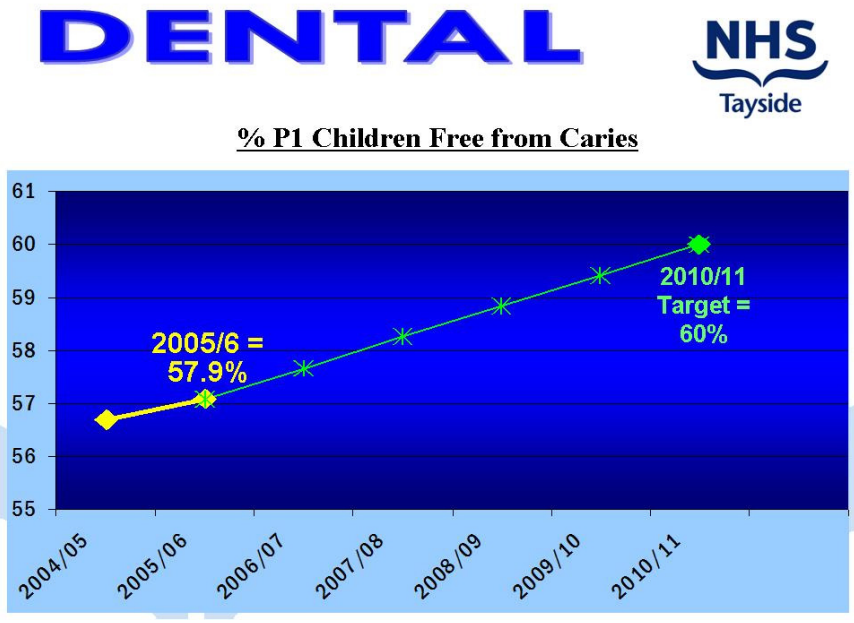
H.07T Young Teenage Pregnancies

Recently published figures show a significant deterioration in Tayside in the pregnancy rate for girls under 16 to 9.5 per 1000 population. This is the highest rate since 1999. The increase has been most noticeable in Dundee, which increased to 17.5 per 1000 population. The Tayside Sexual Health Strategy includes an action plan to address this issue. NHS Tayside remains on course to implement the plan according to the planned timescales.



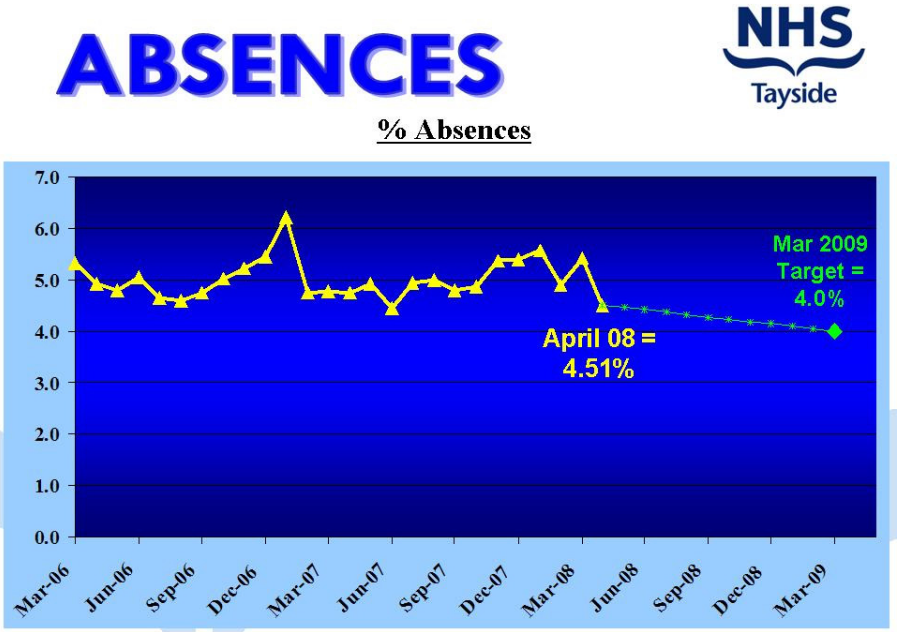
H.08T Dental caries in P1 (5 year old) children

The most recent figures available relate to 2005/06 and show that the 57.9% of P1 children are free from caries and that this percentage is steadily increasing towards the HEAT target of 60% by 2009/10.



E02T Sickness Absence Rate

The overall sickness absence rate in Tayside fell to a level which was consistently under 5%. However, further reduction was then not achieved. The absence rate increased significantly at the beginning of 2008 due to flu-like symptoms, colds and nausea but has since returned to previous levels. The local target of achieving 4.5% by the end of 2007/08 appears not to have been achievable and achievement of the national target of 4% by March 2009 remains very challenging. A sickness absence Management Board has been established and an action plan is being drawn up from the results of the Stakeholder event held in February 2008 to promote further improvement.



E04T Universal Utilisation of CHI

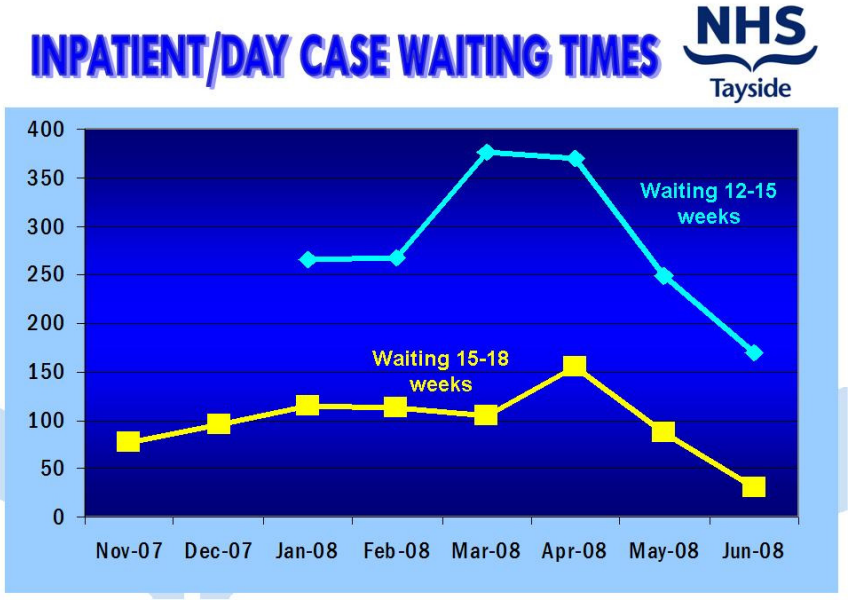
NHS Tayside introduced the Community Health Index (CHI) as has been using it consistently as the primary patient identifier across primary and secondary care for many years.

A.01T Primary Care Access

All practices in Tayside reported that their patients were able to access a GP, nurse of other health care professional within 48 hours in 2006/07. It is not expected that this will have changed for 2007/08.

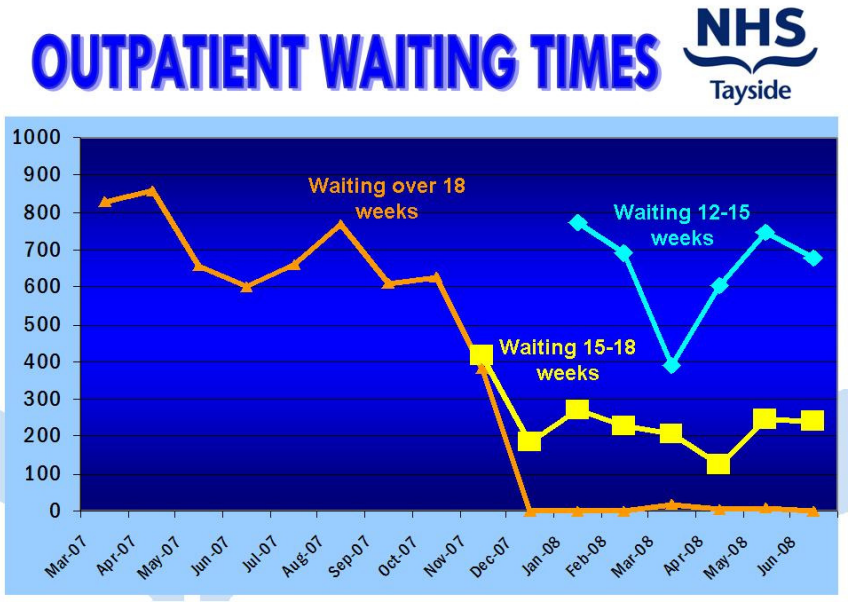
A.03T Inpatient Waiting Times

In 2007/08 only 3 inpatients have exceeded the 18 week HEAT target for no patient to wait more than 18 weeks for inpatient or day case treatment. These were due to exceptional circumstances which were acknowledged by the Scottish Government to be reasonable reasons for breaching the guarantee. Progress is now being made towards reducing waiting times still further.



A.04T Outpatient Waiting Times

NHS Tayside maintained the HEAT target for no patient to wait more than 18 weeks for an outpatient appointment by December 2007. This target has been sustained over the remainder of the year.



A.05T A&E Waiting Times

NHS Tayside has maintained at least 98% compliance with the HEAT target of a maximum of 4 hour wait from arrival to discharge or transfer from A&E.

A.06T Cataract Surgery

NHS Tayside met the HEAT target of not having any cataract patients waiting over 3 months for inpatient/day case treatment and has maintained this during 2008.

A.07T Hip Fracture Waiting Times

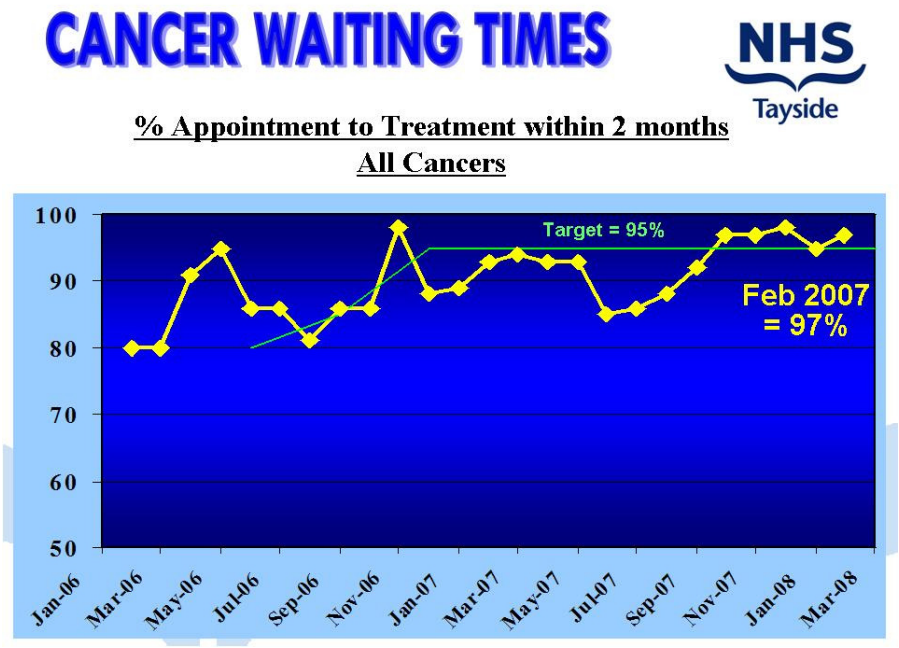
NHS Tayside has maintained 100% conformance to the HEAT target of ensuring that all hip fractures operated on within 24 hours.

A.08T Breast Cancer Waiting Times

There has been significant improvement in the proportion of waiting times within 31 days from referral to treatment for urgent cases. At 89% (in January 2008) this remains well below HEAT target of 98%. However, this is linked to appropriate staging of care, reflected in improved patient choice (especially relating to breast reconstruction surgery, and improved outcomes.

A.09T Cancer Waiting Times

Conformance with the HEAT target for all urgent referrals to be treated within two months for all cancers has steadily increased and NHS Tayside has consistently achieved this target since November 2007.

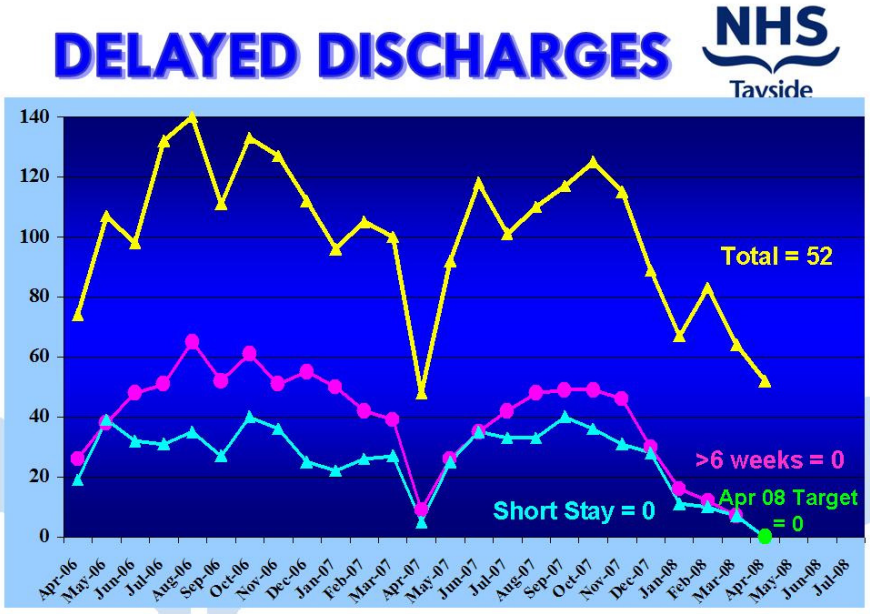


A.12T Diagnostic Waiting Times

The waiting times for both CT and MRI scans have consistently achieved the HEAT target of 9 weeks despite large increases in the demand for these diagnostic services. The waiting times for endoscopies, colonoscopies and cystoscopies have also reduced drastically from well over 30 weeks in March 2004 to within the national HEAT target of 9 weeks.

T.01T Delayed Discharges

NHS Tayside achieved its targets for the April 2008 delayed discharges census achieving the target of having no patients delayed by over 6 weeks or within the short stay specialties. However, there remain issues regarding the sustainability of maintaining the achievement of these targets on an ongoing basis.



T.02T Emergency readmissions >65 years

The readmission rate for older people is largely stable at about 4000 per 100,000 and has not been showing the rate of decrease, of about 250 per year, required to meet the national HEAT target.

T.03T Cervical Screening

NHS Tayside has consistently exceeded the 80% HEAT target for the uptake of cervical screening achieving 82.8% in 2006/07

T.04T QIS Clinical Governance & Risk Management

The results of the NHS QIS audit against the standards for clinical governance and risk management concluded it was:

- Implementing its policies, strategies, systems and processes to control risk, continually monitor care and services , and work in partnership with staff, patients and members of the public
- Implementing its policies, strategies, processes and procedures to provide care and services that take into account individual needs preferences and choices.
- Monitoring the implementation of its policies, strategies, processes and procedures to promote public confidence about the safety and quality6of the care and services it provides.

T.05T Antidepressant prescribing

The rate of increase (at about 1.25% at September quarter 2007) showing little sign of slowing to the HEAT target of zero by 2010.

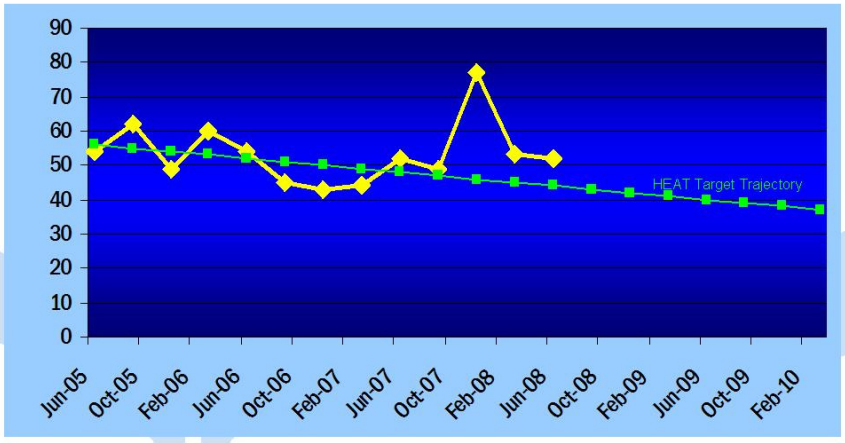
T.07T Staphylococcus aureus Bacteraemias (including MRSA)

The position during 2007/08 has been generally stable, rather than improving, although there were an increase in the last quarter of 2007. This has now returned to the levels previously recorded.

INFECTION CONTROL

NHS Tayside

Quarterly Number of Staphylococcus aureus Bacteraemias



ANNUAL COMPLAINTS REPORT

COMPLAINTS/LEGAL CLAIMS ANNUAL REPORT
ACTIVITY SUMMARY APRIL 2007-MARCH 2008

1. Introduction

This report provides a summary of complaints activity for NHS Tayside from April 2007 to March 2008.

The NHS is a complex organisation. Many structures, processes and communications are required to provide the highest quality of patient care. We accept things can and do go wrong. NHS Tayside actively seeks the views of patients and uses them to drive forward quality improvement. Listening to, understanding and acting upon the views and concerns of patients, their carers and families about the quality of service they receive is the simplest and most effective way of improving the quality of local services. This information can be used to help ensure that care and practices are appropriate to patients' needs and expectations. Success in achieving these aims will ensure that local health care systems become more responsive to the needs of the people they serve and focused on action to meet these needs.

NHS Tayside:

- encourages suggestions and comments as opportunities for change
- ensures that individuals are given the help they need to have their voice heard
- provides staff with the training and support to consistently display sensitivity and understanding to people who are at a vulnerable and stressful point in their life
- empowers staff to listen to and act upon the suggestions of the people they care for
- shares with people who use services the actions being taken to change a negative experience into one of empowerment
- forms a partnership between staff and patients that will improve the quality of care for everyone who uses that service.

2. Background

The revised NHS national complaints procedure "Can I help you?" (SEHD 2005)[1] was published on 1 April 2005 with the purpose of providing a simple, flexible, impartial and easily accessible system for the public as well as being fair to NHS practitioners and staff.

The NHS Tayside complaints procedure has been developed in relation to the national procedure and takes cognisance of a number of other recommendations including:

- "Organisation with a memory" (DOH 2000)[2] which focuses on learning lessons from complaints and adverse events.

- "Being open. Communicating safety with patients and their carers" (NPSA 2005)[3] which focuses on saying sorry to patients following an adverse event.

3. The Complaints Process

Within NHS Tayside, the Chief Operating Officer has overall responsibility for the handling of all formal complaints and responsibility for signing the response to the complainant. In his absence, a designated Executive Director will act as a deputy.

The Complaints & Advice Team manages the complaints process for all complaints that are not resolved at ward/department level. The team facilitates a full and open complaint review offering advice to patients, relatives, carers and staff in relation to the complaints procedure. Complaints are analysed by Clinical Group/CHP/Service and key issues identified are presented (see Appendix A).

Presently there are two stages within the complaints management process:

- **Early or local resolution.**

  The first point of contact for making a complaint can be the member of staff involved or their immediate senior at ward/departmental level. Although impossible to quantify, many complaints/concerns are quickly and efficiently dealt with in this way. In addition all formal complaints are referred to the complaints and advice team to co ordinate and respond to the complainant within 20 working days. The new NHS Complaints Procedure also encourages the complainant to contact Scottish Public Services Ombudsman should the organisation fail to respond fully to the complainant with 40 working days.

- **Scottish Public Service Ombudsman. (SPSO)**

  If a complainant is not satisfied with the outcome of local resolution they can go to the Scottish Public Service Ombudsman. The ombudsman considers if a complaint is within their jurisdiction. The complaint is investigated by collecting, examining and analysing the evidence in each case. They have the authority to interview staff, examine case records and organisational procedures. They seek to achieve resolution for the complainant. They report all investigations, including recommendations, to the complainant and the organisation to provide an opportunity to comment. These recommendations are followed up by the Ombudsman to ensure implementation. (see further details on page 4)

  Monthly Ombudsman reports are laid before Parliament and then published on the Ombudsman's website, www.spso.org.uk . The Scottish Government expect all Health Boards to learn from complaints raised, not only in the local area, but in other Board areas. NHS Tayside are currently revising the local process to strengthen our commitment to learn lessons from all the relevant issues raised within the public reports through the Safety Governance and Risk networks.

4. Independent Advice and Support Service (IASS)

All Health Boards in Scotland are responsible for ensuring that patients, carers and members of the public are supported when making a complaint/and or provided with the information and support they need to access and make better use of NHS services

(SHED 2006) [4]. NHS Tayside commissioned an Independent Advice and Support Service to be provided by the local Citizen's Advice Bureau.

5. Number of complaints received April 2007 to March 2008

Table 1

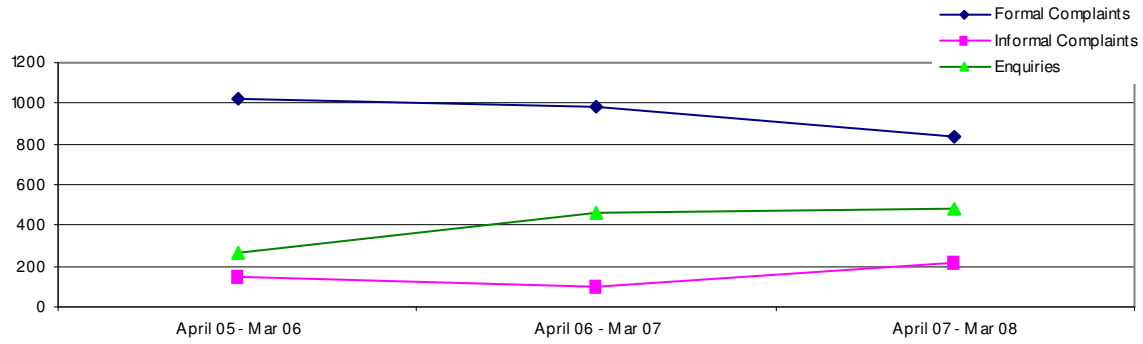
Formal complaints	**835**
Formal complaints that required second investigation (episode 2)	**56**
Informal complaints	**214**
Logged enquiries	**479**

Table 1 shows the number of cases received in 2007-08. **Graph 1** (below) shows how this compares with previous years since the Complaints and Advice Team's amalgamation into a single system in April 2005

As can been seen the number of formal complaints is falling. However, this data does not reflect the complexities of many complaints.

N.B. Complaints requiring further investigation (episode 2) have only been logged this past year.

Graph 1



6. Family Health Services

Table 2

Service Area	Number of complaints received
Primary Care Dental	**23**
Primary Care Medical	**55**
Primary Care Pharmaceutical	**<5**
Total	**79**

N.B. Family Health Services are independent contractors and manage most complaints locally. The above figures represent the number of complaints received by the

Complaints and Advice Team only and will not be indicative of the total number received by individual practices.

7. Scottish Public Services Ombudsman.

As a result of the new Complaints Procedure, 'Can I help you?' published on 1 April 2005, the process of Independent Review ceased for all complaints received after that date. This has led to a steep increase in complaints being investigated by the Ombudsman. Locally, this has resulted in an increase in workload for the NHS Tayside Complaints and Advice Team.

Since December 2005, the Ombudsman has published monthly reports, which are laid before Parliament, on complaints arising in all Health Boards in Scotland. Boards whose complaints are subject to these reports are obligated to inform the public of these reports and this is done in NHS Tayside through their internet site.

The Complaints and Advice Team highlight the learning points from both local and national reports and distribute in a memo to Clinical Groups and CHP Managers. A recent development has resulted in an appendix to this memo illustrating the service improvements from previous reports. This process is currently undergoing a small test of change. The Complaints and Advice Team continue to explore ways to improve this process to ensure that as an organisation we can demonstrate that service improvements are being made as a result of these reports.

Scottish Public Services Ombudsman published reports (which are laid before Parliament) involving NHS Tayside 2007/08

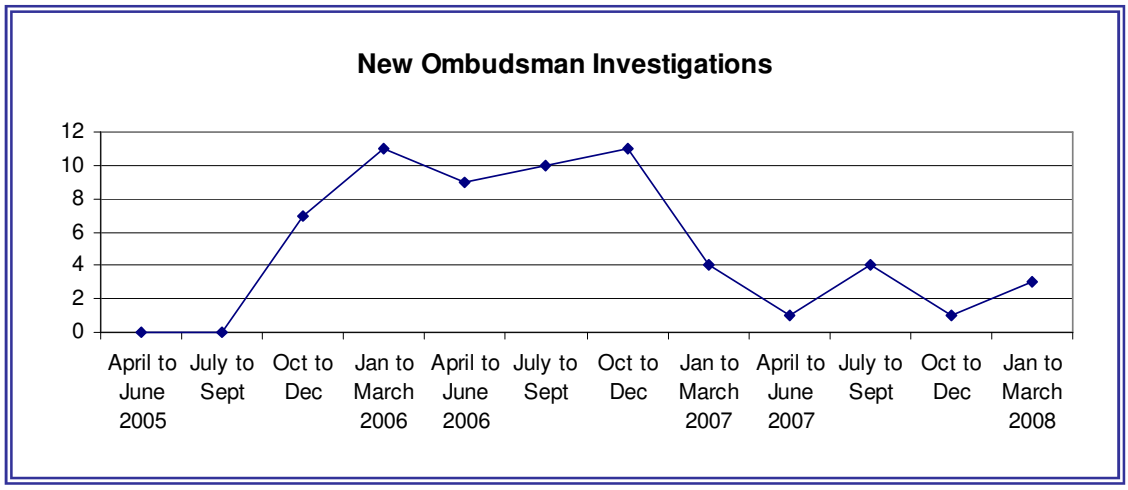
Table 3

Month	Issues	Outcome
July 2007	Clinical treatment, diagnosis	Upheld
July 2007	Clinical treatment, diagnosis, complaint handling	Upheld
July 2007	Clinical treatment, delays	Not upheld
Aug 2007	Diagnosis, record keeping	Upheld
Aug 2007	Clinical treatment, diagnosis, record keeping, delays	Upheld
Aug 2007	Care of the elderly: clinical treatment, nursing care	Upheld
Sept 2007	Clinical treatment	Not upheld
Oct 2007	Clinical treatment, communication	Upheld
Oct 2007	Diagnosis	Not upheld
Nov 2007	Hospital discharge	Upheld
Nov 2007	District nursing care, complaint handling	Upheld
Nov 2007	Clinical treatment	Upheld
Dec 2007	Diagnosis, clinical treatment, communication	Upheld
Dec 2007	Referrals, diagnosis, staff attitude	Not upheld
Feb 2008	Clinical treatment, nursing care	Upheld
Feb 2008	Clinical treatment, nursing care, record keeping, complaint handling	Upheld
Feb 2008	Nursing care	Upheld
Feb 2008	Clinical treatment	Not

		upheld
Mar 2008	Referral, clinical treatment	Not upheld

N.B. There were no NHS Tayside reports in April, May, June 2007 or Jan 2008.

Graph 2



The above figures relate to complaints raised on various dates and can often relate to complaints made up to two years previously.

Examination of Ombudsman reports involving NHS Tayside over the last year found that the length of time between the initial complaint received by the Board to the date of the final report from the Ombudsman varied between 17 and 44 months with an average of 27 months. The significance of these figures is the length of time, which has passed before a final report is published.

The reason for these delays include the time taken by NHS Tayside to investigate the initial complaint which may have involved numerous communications both written and verbal. This may have involved meetings between complainants and staff in an effort to try to resolve the issues raised. In addition complainants have up to 12 months to take their concerns to the Ombudsman. However, significant delays are caused by the increase in workload experienced by the Ombudsman's staff over the last three years. The Ombudsman team accepts that many delays are due to their high work load and this has resulted in a backlog of complaints being investigated.

2007 **Legal Claims**

The number of current legal claims currently being processed is 130, which includes medical negligence and personal injury claims. The number of legal claims settled in 2007/08 was 30.

Due to database problems it has not been possible to give the figure for the number of new legal claims for the period April 2007 – March 2008. This issue will be addressed through the development of the new complaints and claims data base.

2007 **Fatal Accident Inquiries**

NHS Tayside develops a local time bound action plan for all Fatal Accident Inquiries and all lessons necessary and actions for change are disseminated throughout the organisation through a number of networks, including senior management, professional forums, risk management and clinical governance groups. A group has recently been established to review all sudden or unexpected deaths, which are, reported the Procurator Fiscal. The aim of this group is to provide a robust framework to ensure that any lessons learned as a result of a sudden or unexpected death are acted on promptly and shared through out the organisation. Members of the Group include representatives from Safety Governance and Risk, nursing and medicine. The Group is in it's early development and currently testing a process on a recent death.

2007 **Reporting/monitoring**

The complaints and claims reporting strategy is currently under review as part of an ongoing developmental process to highlight the communication of information regarding the complaints process and the many routes in which the organisation has the opportunity to change practice as a result. (see Appendix B)

Over the past year, as well as the previous quarterly Executive Summary, each Clinical Group/CHP /Service now receives an individual report for their area. This development has been well received by Managers and adaptations have been made as a result of constructive feedback. There is a focus on issues raised and response times and key themes are highlighted. The individual Clinical Groups and CHP's populate a section on lessons learned/service improvement as a result of complaints. These reports also inform relevant sections in the individual annual Clinical Governance reporting framework.

To encourage improvement and provide Clinical Group/CHP/Service managers with robust data a monitoring mechanism is currently in place with information presented monthly to the Executive Team of the Delivery Unit and monthly to the Taystats Group. The focus of the information is the reduction of overdue cases (over 20 working days) and avoidable delays in the complaints process. The Executive Team are updated on overdue cases within individual Clinical Groups/CHPs/Services and reasons for delays. There are six identified reasons for delays, i.e. delays in receiving initial information from Clinical Groups/CHPs/Services, further information required, delays in obtaining medical records, awaiting signature, complexity of cases and delays within Complaints and Advice Team. Some delays are unavoidable and emphasis is on avoidable delays within the complaints process. Each Clinical Groups/CHP/Service Manager is also updated by the Complaints and Advice Team on all their current unclosed complaints on a regular basis two – four weekly depending on individual needs.

11. Response Times

The NHS Complaints procedure The national average for responding to complaints within 20 working days was **59%** in the year 2006/07 (latest information from Information Statistics Division). NHS Tayside response rate for the same year was 72**%**. The response rate for 2007/08 is **74%** showing a slight improvement. This is a result of a number of improvement measures and interventions have taken place within the Complaints and Advice service.

Chart 3

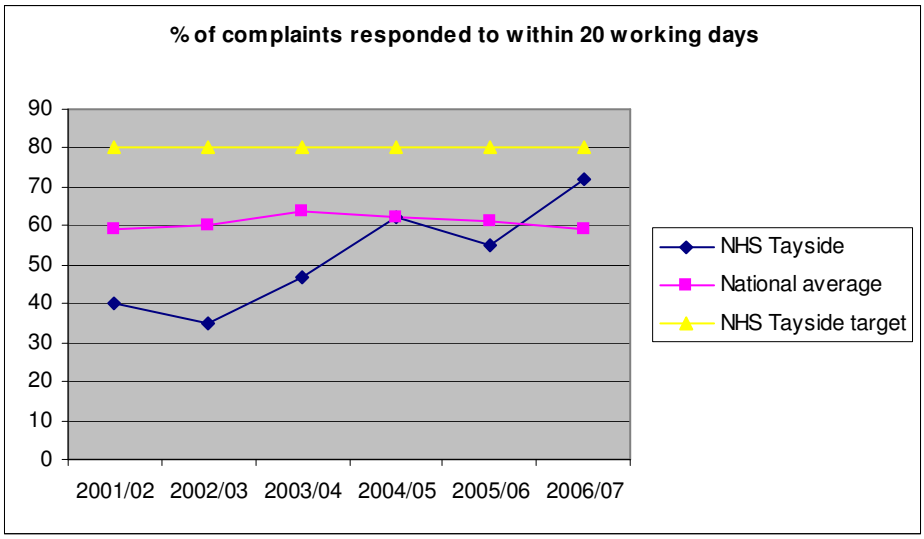


Chart 3 shows the improvements over the last six years in NHS Tayside response rates (ISD data)

12. Improving the Service

The Complaints and Advice Team is currently undergoing a process of redesign, supported by the Modernisation and Development Team and Assistant Director of Nursing. Various systems and processes are being reviewed using improvement methodology. The main thrust of the developments is to ensure that all issues are addressed in a prompt and comprehensive manner promoting a partnership approach in addressing concerns raised by the public and exploring what service improvements can be achieved.

It has been agreed that a Rapid Improvement Event will be held in November 2008 to speed up the redesign process.

The new complaints data base Complaints and Advice Management System (CAMS) will be operational by the end of September 2008. The newly developed system will provide a more integrated service where Managers can monitor their own complaint activity and enter information into the data base to assist in responding to complaints in a timely manner. The data base will also provide key data to inform and influence future service improvements e.g. monitoring key themes raised in complaints.

Testing of improvements regarding the top three themes raised in complaints is being discussed with service departments and is to be implemented by November 2008.

13. Summary

The changes previously put in place have resulted in significant and sustainable improvement in the overall time taken to respond to complaints. Focus is now on the quality of responses, learning lessons and the service improvement component of the complaints management process. Various approaches are being utilised to progress this i.e. sharing of information between Clinical Groups and CHP's, the distribution of summaries of Ombudsman reports and sharing of complaint data through groups and forums.

References:

1. SEHD (2005) Can I help you? Learning from Comments, Concerns and Complaints. Scottish Executive Health Department , Edinburgh

2. D.O.H. (2000), An Organisation with a Memory. Department of Health, The Stationary Office, London.

3. NPSA (2005) Being open. Communicating patient safety incidents with patients and their carers. National Patient Safety Agency, London

4. SHED (2006) HDL (2006) 13, Patient Focus and Public Involvement: Independent Advice and Support Service

APPENDIX A

COMPLAINTS ANALYSIS/KEY ISSUES IDENTIFIED (April 2007/March 2008)
(PLEASE NOTE THAT THE FIGURES NOTED IN THE TABLES BELOW ARE NOT RELATED)

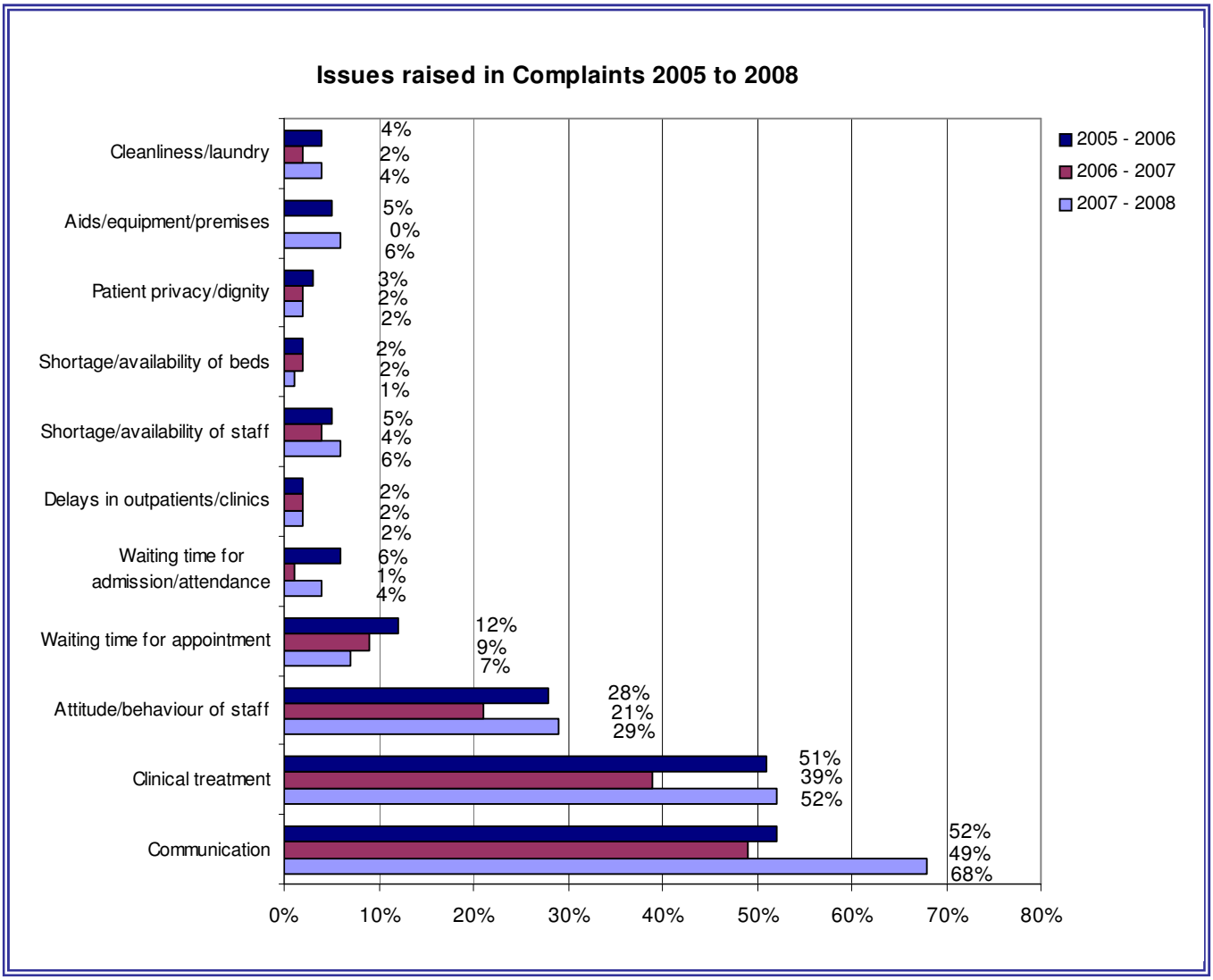
NHS Tayside Formal Complaints Received	
Directorate/Department	**Number of Complaints**
Specialist Services	96
Medicine and Cardiovascular	142
Musculoskeletal and A&E	84
Surgery and Oncology	99
Dundee Community Health Partnership	60
Women and Child Health	83
Operational Services	57
Angus Community Health Partnership	54
Perth & Kinross Community Health Partnership	44
Primary Care Medical	55
Out of Hours	28
Critical Care	16
Kings Cross – NHS Tayside Headquarters	14
Primary Care Pharmaceutical	<5
Primary Care Dental	23
Clinical Support Services	15
Pharmaceutical Ninewells	0
Primary Care Administration	<5
Finance and Information	13
Nursing and Patient Services	<5

Issues Raised in NHS Tayside Complaints	**Number**
Communication (written/oral)	607
Clinical Treatment (all aspects)	459
Attitude/behaviour of staff	260
Waiting Time for date of appointment	60
Waiting Time for date of admission/attendance	32
Aids and appliances, equipment, premises	55
Shortage/availability of staff	52
Policy and commercial decisions (of Trust)	42
Cleanliness/laundry	33
Patient privacy/dignity	20
Waiting Time for test results	7
Transport (including ambulance)	19
Waiting Time at Outpatient and other clinic	19
Waiting time for admission/transfer/discharge procedure	19
Patients property/expenses	14
Shortage of beds	12
Failure to follow agreed procedure	10
Catering	11
Personal records (inc medical, complaints)	16
Complaints handling	8
Detention Under Mental Health Act	2
Signposting	1

The following tables and graphs show the trends in issues raised in complaints over the time period 1 April 2005 to 31 March 2008.

Issues raised in Complaints	2005 – 2006 1053 Complaints	2006 – 2007 962 Complaints	2007 – 2008 891 Complaints
Communication	52%	49%	52%
Clinical treatment	51%	39%	52%
Attitude/ behaviour of staff	28%	21%	29%
Waiting time for appointment	12%	9%	7%
Waiting time for admission/attendance	6%	1%	4%
Delays in outpatients/clinics	2%	2%	2%
Shortage/availability of staff	5%	4%	6%
Shortage/availability of beds	2%	2%	1%
Patient privacy/ dignity	3%	2%	2%
Aids/equipment/ Premises	5%	0%	6%
Cleanliness/ laundry	4%	2%	4%

The above table demonstrates that the issues raised in complaints remains consistent. Future developments for this report will show what has been done organisationally to address this.


Issues raised in Complaints 2005 to 2008
Cleanliness/laundry
4%
2%
4%
Aids/equipment/premises
5%
0%
6%
Patient privacy/dignity
3%
2%
2%
Shortage/availability of beds
2%
2%
1%
Shortage/availability of staff
5%
4%
6%
Delays in outpatients/clinics
2%
2%
2%
Waiting time for admission/attendance
6%
1%
4%
Waiting time for appointment
12%
9%
7%
Attitude/behaviour of staff
28%
21%
29%
Clinical treatment
51%
39%
52%
Communication
52%
49%
68%
0%
10%
20%
30%
40%
50%
60%
70%
80%
2005 - 2006
2006 - 2007
2007 - 2008

REPORTING STRATEGY FOR COMPLAINT AND CLAIMS IN NHS TAYSIDE (revised) **APPENDIX B**

Group/Committee	Role	Content of Report	Frequency	Action	Lead Person
I&Q Committee NHS Tayside	To ensure a robust system of governance exists for complaints and advice in accordance with national policy.	System description to communications. Lessons learned. Improvement – overall goal.	Twice yearly	Request operational response regarding system change	Chair/Lead exec
NHS Tayside Improvement Panel	To ensure a robust system of governance exists that improves and learns from complaints	Detailed directorate responses and themes. Overall themes within organisation. Key communications to address changes.	Twice Yearly	Request Directorate system response and action closures	Chair/Lead exec
NHS Tayside Chairman's Scrutiny Panel	To ensure that performance targets are met	Key information relating to organisational performance relating to response times	Monthly	Request operational response regarding performance	Chair/Lead exec
Secondary Care I&CG Forum	To ensure a robust system of governance exists that improves and learns from complaints	Detailed directorate responses and themes. Overall themes within organisation. Key communications to address changes.	Quarterly	Request Directorate system response and action closures.	Chair/Lead exec
Risk Management and H&S Group	Raise key issues from complaints and identify local or organisational lead to address	Theme of complaint – local or overall response.	Bi-monthly	Identify individual action and lead person responsible.	Chair/Complaints/claims manager
Adverse Incident Management (AIM Group)	Share key issues from organisation. Feature key issues and lessons learned. Details action and share solutions.	Awareness and ownership	Six-weekly	Information spread	Chair/Members of group
Executive Team Single Delivery Unit	To manage the performance of complaints response time and with Directorates To identify lead officers to address particular issues	Response times and outstanding issues Individual complaints, responders, themes, communication escalation progress	Monthly Monthly (Lead officer weekly)	Information Support and advise. Identify lead personnel to action individual items	Chief Operating Officer Chief Operating Officer Executive Directors
Complaints and Advice Team	To manage the complaints, design and improve a single system response to complaints in accordance with the NHS Tayside Policy that delivers organisational learning as a result of preventative reoccurrence.	Directorate response times. SPC charts – improvement data. Themes – organisational/local Report to all above committees	Daily/weekly	Action notes from Risk Management Group and Executive Team to ensure all items are complete. Report outstanding to Risk Management Group	Complaints/claims manager

FORMAL ASSESSMENTS & INSPECTIONS

Peer Review Visits undertaken by NHS Quality Improvement Scotland:-

- Diabetes – 18 January 2007
- Clinical Governance and Risk Management – 13/14 March 2007
- Blood Transfusion – 18 January 2008
- Asthma Services for Children and Young People – 23/24 April 2008

In addition, NHS QIS undertook an Independent Sector visit to the Scottish Regional Treatment Centre at Stracathro Hospital (run by Netcare) on 2 October 2007 looking at the Anaesthesia Standards.

Reports on all the above visits can be accessed from the NHS QIS website – www.nhshealthquality.org

External accreditation bodies who audit services within secondary care in NHS Tayside.

BSI (British Standards Institution)
http://www.bsi-global.com/en/

Amtac Certification Services Ltd.
http://www.quality-register.co.uk/bodies/body83.htm

Public Sector Procurement Reform Board
http://openscotland.gov.uk/Topics/Government/Procurement/about/Review/reform-board

QNIC (Quality Network for Inpatient Child and adolescent mental health services)
http://www.rcpsych.ac.uk/researchtrainingunit/centreforqualityimprovement/qnic.aspx

Mental Welfare Commission for Scotland
http://www.mwcscot.org.uk/mwc_home/home.asp

This document can be made available in Urdu, Chinese, Hindi, Arabic, large print, Braille or audio tape. Information in other languages and formats can be made available on request.

Contact NHS Tayside Communications Department on 01382 424138.

بامكانك الحصول على هذا الكتيب بلغة الاردو , الصينية, الهندية, العربية, كتابة مكبرة, بريل, او مسجل على كاسيت صوتي. نقوم بتوفير المعلومات بهذه اللغات عند الطلب.
اتصل بقسم العلاقات في تيساید NHS على الرقم 01382 424138

یہ دستاویز اردو، چینی، ہندی، عربی اور ایسے افراد جن کی دیکھنے کی صلاحیت خاصی کم ہے اُن کے لیے موٹے حروف کی چھپائی، بریل یا آڈیو ٹیپ جیسی متبادل صورت میں فراہم کیا جاسکتا ہے۔ درخواست کرنے پر انفارمیشن دوسری زبانوں اور فارمیٹس میں بھی دستیاب ہے۔
NHS ٹے سائیڈ کمیونیکیشن ڈیپارٹمنٹ سے ٹیلی فون نمبر 01382 424138 پر رابطہ کریں۔

此份文件可以提供烏爾都語，漢語，印地語，阿拉伯語，大號字體，凸字譯本或錄音磁帶。其他語言和格式的資訊應需求可以提供。請致電 01382 424138, NHS Tayside Communications Department。

"यह प्रचार पत्र उर्दू, चाइनीज़, हिन्दी, अरबी, बड़े छापे के अक्षरों में, ब्रेल और ऑडीओ कैसेट में उपलब्ध किया जा सकता है। यदि आप मांगे तो अन्य भाषाओं और आकारों में भी सूचना उपलब्ध की जा सकती हैं।
इसके लिये NHS टेसाइड कम्यूनिकेशनस डिपार्टमेन्ट को फ़ोन करें : **01382 424138"**

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