Greater Glasgow and Clyde

NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2016

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The images shown on the front cover are of the Queen Elizabeth University Hospital and the Royal Hospital for Children.

Performance Report

Overview

Greater Glasgow Health Board was established in 1974, under the National Health Service (Scotland) Act 1972, with responsibility for providing health care services for the residents of Greater Glasgow. In 2006, the area covered by the Board was enlarged to include the Clyde area of the former Argyll and Clyde Health Board. NHS Greater Glasgow and Clyde serves a population of approximately 1.1m.

Any references in these accounts to NHS Greater Glasgow and Clyde (NHSGGC) are taken to mean Greater Glasgow Health Board.

The NHS Board is responsible for improving the health of its local population and delivering the healthcare it requires. The overall purpose of the NHS Board is to provide strategic leadership and direction, and ensure the efficient, effective and accountable governance of the local NHS system.

Specific roles of the NHS Board include:

- improving and protecting the health of the local people;
- providing an improved health service for local people;
- focusing clearly on health outcomes and people's experience of their local NHS system;
- promoting integrated health and community planning by working closely with other local organisations; and
- providing a single focus of accountability for the performance of the local NHS system.

The work of the NHS Board includes:

- strategy development - to develop a single Local Health Plan for the area;
- implementation of the Local Health Plan and Local Delivery Plan;
- resource allocation to address local priorities; and
- performance management of the local NHS system.

NHS Greater Glasgow and Clyde's structure comprises an Acute Division and six Health and Social Care Partnerships (HSCP), which are overseen by Integration Joint Boards. The HSCPs are joint organisations formed with local authority partners, responsible for managing jointly provided services.

These divisions and partnerships have responsibility for delivery of the Board's business objectives, and our performance against key targets is described later in this report. The main risks that we are addressing in the achievement of the business objectives include meeting waiting times targets, reducing the number of delayed discharges, reducing Accident and Emergency waiting times whilst ensuring financial balance is delivered.

Queen Elizabeth University Hospital and Royal Hospital for Children

Construction and fitting out the new Queen Elizabeth University Hospital (QEUH) and the new Royal Hospital for Children (RHC) was completed ahead of schedule and at a cost of £841m on 26 January 2015.

Over the period of the 201 week building contract, the project helped to regenerate the local area through local businesses and social enterprises securing contracts in the construction of the new buildings. Over 1,500 businesses were engaged with to promote sub-contracting opportunities, with 65% of available contracts being secured by small and medium enterprises.

The new hospitals deliver local, regional and national services in some of the most modern healthcare facilities in the world. The new hospitals are located next to a fully modernised maternity unit and so deliver the gold standard triple co-location of maternity, paediatric and adult acute care to a single campus.

The adult hospital features 1,109 patient rooms, each equipped to the highest of standards. Rooms within the general wards have an external window view. There is an outpatient self-check-in system to speed up patient flow.

The children's hospital features 244 paediatric beds with a further 12 neonatal beds in the maternity unit next door. The vast majority of the paediatric beds are in single rooms with space for overnight accommodation for parents.

Her Majesty Queen Elizabeth II officially opened The Queen Elizabeth University Hospital Glasgow, The Royal Hospital for Children Glasgow and The Queen Elizabeth Teaching and Learning Centre on 3 July 2015.

After the staff migration to the new QEUH, another phase of service moves affected staff in the west of the city. This saw staff previously based at the former Western Infirmary relocating, along with the Minor Injuries Unit and Outpatients Department services, to the former children's hospital site at Yorkhill.

With the opening of these two new world-class hospitals, the Western Infirmary, Victoria Infirmary including the Mansionhouse Unit, Southern General and the Children's services provided from the Royal Hospital for Sick Children Yorkhill have been closed. The vast majority of services from these hospitals have transferred to the new hospitals with the remainder moving to Glasgow Royal Infirmary and some services into Gartnavel General Hospital.

The completion of these moves to the new hospitals will enhance the existing NHS Greater Glasgow and Clyde acute hospitals – Glasgow Royal Infirmary, Inverclyde Royal Hospital, Royal Alexandra Hospital, Vale of Leven Hospital, Gartnavel General Hospital, New Victoria Hospital and New Stobhill Hospital – to create a comprehensive network of hospitals delivering the very best patient care.

Other proposed moves will see the transfer of older people's rehabilitation services from nearby Drumchapel Hospital into a newly created Centre of Excellence on the Gartnavel campus.

Capital Expenditure

In addition to the QEUH project and associated moves, 2015-16 also saw significant capital investment in NHSGGC across our acute and community services, with work continuing on the new Eastwood Health and Care Centre and the new Maryhill Health Centre. Our modernisation programme will continue next year with funding approved for a specialist dementia and mental health unit on the grounds of Inverclyde Royal Hospital in Greenock.

The Scottish Government HUB funded scheme will cost more than £6m and deliver a 42 bed continuing care facility offering 30 beds for older people and 12 for younger adults. This important new project will allow us to move existing continuing care services out of the outdated Dunrod Unit of Ravenscraig Hospital which is coming to the end of its useful life as an NHS facility.

Funding of £38m was also secured to deliver two new purpose-built health centres. This heralded the latest stage in a massive multi-million pound investment in modernising the health and social care programme.

For Clydebank, the centre will enable the new West Dunbartonshire Health and Social Care Partnership to provide one-stop access and improved accessibility for patients to an increased range of community services, and acute outreach. This includes intermediate care and on site rehabilitation, imaging, and children's services. There will also be pre and post-operative assessment clinics for ambulatory care hospital patients.

In Greenock, the new centre will provide a high-quality physical environment for patients and staff, and will tackle the causes of inequalities through wider financial inclusion services, hosting employability and third sector partners. Due to better co-location, GP practices will have a wider range of services available which will improve referral pathways, offering a more streamlined approach for the patient/client. It will also help to identify specific areas for speedier and enhanced roles in unscheduled and primary care to provide a whole system response.

Our commitment to community health and social care investment is a priority and our track record is one of which the Board is proud.

The Board also spent some £37.7m on a number of building refurbishment programmes across our estate, general medical equipment (including replacement of radiotherapy equipment) and HI&T equipment.

In addition, the Board's capital expenditure includes £5.6m of equipment investment at the new Lanarkshire Beatson which opened during the year at Monklands Hospital in Airdrie. The Lanarkshire Beatson is a satellite facility of the Beatson West of Scotland Cancer Centre and was jointly developed by five west of Scotland Health Boards; NHS Ayrshire and Arran, NHS Dumfries and Galloway, NHS Forth Valley, NHS Greater Glasgow and Clyde and NHS Lanarkshire.

The NHS Board has contracted commitments for capital expenditure, which have not been included in the accounts, amounting to £21.75m; details of these commitments are shown in Note 20 to the financial statements.

Integration

The Public Bodies (Joint Working) (Scotland) Bill was introduced in the Scottish Parliament in May 2013 and received Royal Assent on 1 April 2015. The Act requires territorial NHS Health Boards and Local Authorities to integrate strategic planning and service provision arrangements for Adult Health and Social Care Services (as the minimum required by law) within new Integration Joint Boards operating as Health and Social Care Partnerships (HSCPs).

The Act has created HSCPs as full partnerships between NHSGGC and each of the six local authorities within the Board's boundaries. HSCPs will be governed by Committees with membership drawn equally from non-executive directors of the Health Board and councillors

from Local Authorities. During 2015-16 the NHS Board has been working with the six councils to put in place arrangements to establish the HSCPs including making joint appointments to the posts of Chief Officer and Chief Finance Officer as required by the Act.

Integration schemes were prepared for all partnerships, and were formally approved by the Scottish Government. During 2015-16, functions were delegated to three HSCPs: – West Dunbartonshire, East Dunbartonshire and East Renfrewshire, which were fully established and went live during the year. The remaining three – Glasgow City, Renfrewshire and Inverclyde operated in shadow format during 2015-16 and functions were formally delegated to them on 1 April 2016.

Other developments

Our eHealth team won two Holyrood Connect ICT Awards during the year. Both awards were for excellent examples of how technology was able to transform the effectiveness of clinical teams on the ground and drive up efficiency and effectiveness.

The first initiative saw District Nurses equipped with tablet devices linking them to the Community Nursing Information System via a bespoke system developed by our own IT staff.

The second project was the creation and implementation of a web based clinical information system enabling multi-disciplinary teams to work more collaboratively to improve outcomes and reduce administration.

This work has delivered meaningful improvements to the work of many front line staff.

Huge progress was made by our specialist mental health services teams in delivering psychological therapies, also known as "talking" therapies. Through innovative and collaborative working by more than 100 teams involved in this important work almost 97 per cent of patients are now being assessed for treatment – well above the 90 per cent national target.

Patients across a wide range of mental health services including addictions, learning disabilities, child and adolescent mental health services, forensic and specialist services are now benefiting from the inspirational approach by these staff groups.

It is encouraging to hear of teams who have embraced change and service redesign to deliver efficiency and patient focussed service improvements.

Two examples, in particular, showcase the way we can deliver ground-breaking new ways of working :-

- the first is the team of senior ophthalmic nurses who put Glasgow in the vanguard of clinical development by introducing the first nurse-delivered intra-vitreal injection service (directly into the eye) and have now gone on to develop a degree course specifically for ophthalmic nurses to further expand their clinical roles; and
- the other is the on-going work of the teams within Glasgow Royal Infirmary (GRI)'s Intensive Care Unit. The anaesthesia team has introduced a quality improvement programme measuring sedation reduction, mobilisation, sepsis management and medicines reconciliation; and their colleagues in Intensive Care Recovery have introduced a recovery programme for patients known as InS:PIRE (Supporting and Promoting Independence and Return to Employment).

Both these GRI initiatives were short-listed for this year's prestigious British Medical Journal Awards which were held in London, with The InSPIRE team winning the Innovation into Practice Team of the Year category.

This type of locally driven change benefits the efficiency of the NHS and the care delivered to patients is welcomed.

Staff survey

The national NHS Staff Survey launched across Scotland in July 2015.

The opinions of staff help shape policy and change to reflect the issues raised. This is a survey that the Scottish Government places great importance on as it can highlight where things are good and also where things could be better.

Initially there are several positives that can be taken from the 2015 Survey in Greater Glasgow and Clyde – not least the increased response rate which helps gather a more representative survey of our staff across all areas and disciplines. Almost 12,000 staff took part an increase of nearly 2,000 from last year.

We are continuing to process the information we have in order that we can respond to the challenges and build on the positives that have been expressed. We have set up a staff survey sub group of the Area Partnership Forum (APF) to discuss the outcomes and prepare an action plan. Working with the APF and individual staff teams through Facing the Future Together (FTFT) there will be many opportunities to influence change and on-going improvement across all the areas raised by our staff in this survey.

Modern apprentice scheme

A graduation ceremony was held for our Modern Apprentices who successfully completed their apprenticeships in the Queen Elizabeth Teaching and Learning Centre.

Since the launch of our Modern Apprenticeship Programme in August 2013 we have appointed more than 90 local young people into health service jobs including roles in nursing, engineering, plumbing, life sciences, business and administration and procurement. During the year, we reached an important milestone, as many of this first cohort completed their apprenticeships and moved into substantive posts.

Phase two of the scheme was launched, and moving forward a further 50 new apprentices will be recruited to the scheme.

Senior staff changes

Mark White and Margaret McGuire joined the NHSGGC Board as Director of Finance and Nurse Director respectively. Margaret took over the leadership role for Scotland's largest nursing workforce following the retiral of Rosslyn Crocket from the post at the end of September 2015. Rosslyn contributed hugely to the progression of nursing quality and patient care standards during her 13 years in post. Linda de Caestecker, Director of Public Health left the NHSGGC Board on the 31 August 2015 to take up a secondment out with the board. Emilia Crighton took up the post as Interim Director of Public Health.

On 1 December 2015, John Brown, an NHSGGC board member, was appointed by the Cabinet Secretary as the Board's new Chairman. He took over from Andrew Robertson who stood down on 30 November 2015, having served as our chairman for the past eight years. He guided the board through years of tremendous challenge and achievement and worked tirelessly to recognise staff dedication and encourage staff to showcase all that is good in the NHS throughout Greater Glasgow and Clyde.

Patient feedback

We have recognised the importance of listening to patient feedback and using it to improve the patient experience. The Board's Nurse Director is leading this important work but its success lies with staff in every part of our hospitals and in community services.

Such feedback is often about clinical care but may also be about the patient experience – whether it be about how staff address them or how welcoming our healthcare facilities are.

New systems for gathering feedback have been developed and are now in place giving us unprecedented levels of rich and useful real-time patient experiences – and importantly the views of carers and the relatives of patients too.

Learning from complaints, comments and compliments in a systematic way will ensure we truly are a listening and learning organisation focused on person centred care.

After many months of consulting on catering with patients and testing out new style menus we launched a new approach to menu selections with healthier options, lighter choices as well as higher energy choices. Patient food tasting sessions with patients and the public across the Board area in recent months has delivered significant approval to the new choices and quality of food on offer.

Key issues as we move forward

As we enter the 2016-17 financial year, the need for us to continue to review and change the way we deliver care to patients continues apace. In many respects this, in itself, is business as usual, and some of the changes we have seen during last year have been really significant and on an unprecedented scale.

During the year ahead we will need to continue to work together to deliver more service re-design and more efficient ways of using our staff and financial resources to deliver services in the most effective way to our patients.

Performance Analysis

Financial performance

The Scottish Government Health and Social Care Directorates set 3 financial targets at NHS Board level on an annual basis. These targets are:

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

NHS Boards are expected to contain their net expenditure within these limits and to report on any variation from the limits as set. The Board's performance against these financial targets is as follows:

	Target £'000	Actual Outturn £'000	Variance (Over)/Under £'000
Core Revenue Resource Limit	2,197,562	2,197,322	240
Non-core Revenue Resource Limit	113,572	113,572	-
Core Capital Resource Limit	68,096	68,070	26
Non-core Capital Resource Limit	13,274	13,274	-
Cash Requirement	2,466,499	2,466,499	-

The table below shows what the Board's financial position would have been if no surplus had been brought forward from the previous year. It should also be noted that Boards are permitted only to carry forward a surplus on core activities to the following financial year.

Memorandum for in-year outturn	£'000
Revenue Resource Limit surplus	240
Less: brought forward core surplus from previous financial year	(1,233)
(Deficit) against in year Revenue Resource Limit	(993)

The surplus brought forward is shown above as £1.233m. The Board recorded a surplus in 2013-14 of £10.234m against core revenue resource limit. The Scottish Government agreed to reprovide the remaining £10m revenue surplus in future years to cover the transitional costs related to the opening of the Queen Elizabeth University Hospital (QEUH) and Royal Hospital for Children (RHC). This was received and used to fund the transition in 2015-16.

The Board had identified the significant financial challenge faced into 2015-16. The initial Financial Plan identified £41m of recurring savings to achieve financial balance. The Board agreed the Financial Plan in June 2015, including £7m of non-recurring cash to manage the business in-year towards financial balance at 31 March 2016.

The re-organisation of the Acute Division, including the closure of the Victoria Infirmary, Western Infirmary and the Royal Hospital for Sick Children, and the opening of the QEUH and the RHC, represented the largest single hospital move project in the UK. The Board had "banked" £10m in 2014-15, to be used in 2015-16, to cover transitional costs related to the opening of the QEUH. The move was largely successful and completed within the financial envelope anticipated.

However, despite the Board achieving the 3 key financial targets in-year, this has been achieved through the increasing use of circa £20m of non-recurring funds. Whilst the Corporate and Partnerships part of the business have managed to achieve operational financial balance, the Acute Division has recorded an £9.9m overspend. This has been almost wholly attributable to pay cost pressures. The main overspend rests in medical pay where significant expenditure on agency and locum cover has been incurred to support activity levels. Actual non-elective and elective inpatient activity continues to increase significantly for the year to date, together with long-term vacancies, difficulties recruiting and the requirement for waiting list initiatives to achieve Treatment Time Guarantee (TTG) targets. Overspends in nursing pay costs are again driven by increasing levels of demand, accentuated by high levels of sickness absence.

The Board faces even more significant financial challenge into 2016-17.

The Acute Division enters 2016-17 with a detailed Cost Containment Plan to address the overspend. This is supplemented by a range of reviews around various Acute Services, including unscheduled care, taking stock of the first 12 months of the new QEUH and any lessons learned.

The Financial Plan identifies a requirement for £69m of recurring savings to achieve financial balance. Directors, management and HSCP colleagues are continuing to work to identify savings schemes and during the year ahead we will need to continue to work together to deliver more service re-design and more efficient ways of using our staff and financial resources to deliver services in the most effective way to all our patients.

Whilst the Board at this point continues to work toward a balanced budget for 2016-17, it is apparent that again in 2016-17 the Board will be reliant on non-recurring sources of funding to achieve in-year balance. This position is clearly not sustainable. It is critical the Board devise a 3-5 year Strategic Plan, drafted in conjunction with Health and Social Care Partnerships, to ensure a model of affordable service delivery and quality patient care up to, and beyond, 2020.

As a result of changes to timings in starting some capital projects, the Board was required to realign its capital allocation for 2015-16 to more accurately match the associated expenditure profiles. The CRL outturn for the year was achieved after brokerage was agreed with Scottish Government Health and Social Care Directorates, whereby we returned £20.2m to them in 2015-16, and which they will add to our 2016-17 capital allocation.

The provision for bad and doubtful debts reduced from £2.674m as at 1 April 2015, to £1.504m as at 31 March 2016; these figures are included under trade and other receivables in Note 13.

As at the year end the Board had legal obligations arising from clinical and medical negligence claims and also other non-medical claims; details are provided in Note 17.

Details of PFI/PPP projects are provided in Note 22.

Endowment Funds

The accounts of the NHS Greater Glasgow and Clyde Endowments funds are consolidated with the NHSGGC financial statements. Endowments are money or properties donated to the health board, and are held in trust for purposes relating to services provided under the National Health Service (Scotland) Act 1978. The Endowment Funds have reported an excess of expenditure over income for the year of £5.215m (2014-15 - £2.141m).

Following the EU Referendum of 23 June 2016 there has been volatility in global markets. This impacts on the value of endowments' equity investments, however no adjustment is required to the Balance Sheet as at 31 March 2016.

Health and Social Care Partnership Accounts

The accounts of three HSCPs (East Dunbartonshire, East Renfrewshire and West Dunbartonshire) are consolidated with the NHSGGC financial statements as they became operational during 2015-16. On the basis that no single party controls the arrangement on its own and that any one of the parties can prevent any of the other parties from controlling the arrangement, the accounting situation for HSCPs is defined in IFRS 11 *Joint Arrangements*. Joint control is defined as "the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control". IFRS 11 notes that a joint venture shall recognise its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 *Investments in Associates and Joint Ventures.*

Performance against key non-financial targets

Since our major service redesign in May 2015, our performance during the winter months showed a marked improvement over the same period during the previous year.

Realistically, however, we have some way to go before we are able to consistently meet the 95% four hour A&E waiting time target and this is a challenge made all the more difficult by increasing patient demand. Performance, in respect of elective and diagnostic targets has been good and maintained throughout the year.

There remain times when elements of our service are put under considerable strain giving rise to patient experience not being what we aspire to. Whilst there is a need for the Board to continue developing and adapting its services, the considerable and commendable efforts of staff should be recognised as they deliver continued progress.

The Board and its staff have worked harder and have delivered more; the changes that have made have been the right ones and we are on a steady trajectory for continued improvement.

In our three main acute unscheduled receiving sites we have introduced new models of patient pathway; our Minor Injuries Units are performing well and dealing with patients swiftly.

At the Glasgow Royal Infirmary, the Acute Receiving Unit and the new teams and staff resources have settled in well and early results are showing positive signs of making a difference.

At the Royal Alexandra Hospital the opening of ward 18 as an expanded Acute Receiving Unit is also delivering positive changes.

At the Queen Elizabeth University Hospital the Immediate Assessment Unit is steadily improving performance.

Work continues with the clinical teams and, while recognising the challenges faced in unscheduled care, we should not disregard an overall position of improved effectiveness across planned and unscheduled patient care.

A great many staff across acute and community services worked hard to prepare resilience and extra capacity to ensure we coped with the extra pressures over the winter months. Great challenges were faced and huge efforts were made to pull these plans together in the face of on-going increased demands.

Winter is an exceptionally busy time for the NHS, and hospitals across Scotland are seeing a higher number of more seriously ill patients compared to previous years. Our challenge was to admit all of these patients quickly and at the same time, maintain our busy programme of planned surgery.

While much of the focus every winter is on the ability of our hospitals to cope with this rise in activity, the whole system has to gear up to ensure that we continue to deliver high-quality patient care throughout the busy winter period. We invested £8 million this year to help tackle winter and, for the first time in NHSGGC, this included specific plans from each of our community NHS and social care partnerships showing how they would respond to peaks in demand over winter and the festive period to help avoid unnecessary hospital admissions.

Local Delivery Plan Standards

NHS Greater Glasgow and Clyde is required to meet Local Delivery Plan Standards with specific targets set out by NHS Scotland and the Scottish Government's Health and Social Care Directorates, to ensure our services are constantly monitored and improved.

NHS Greater Glasgow and Clyde has developed a performance management framework to monitor performance against all key Local Delivery Plan Standards. These Standards have been embedded within the Board's Integrated Performance Report and are considered at each meeting of the NHS Board. A separate integrated performance report in respect of Acute Services is considered at each meeting of the Acute Services Committee. For those measures highlighting an adverse variance of greater than 5% an accompanying exception report is also considered by the NHS Board providing commentary on current performance and detailing the improvement actions to bring performance back on target. Further information on performance targets can be found on the NHSGGC website at www.nhsggc.org.uk.

During 2015-16, performance against Local Delivery Plan Standards was as follows *(all data shown are the latest available at the time of this report)*:

- ✓ NHSGGC remained in financial balance and met the cash efficiency target at the end of March 2016, whilst at the same time delivering on a range of major service developments and improvements.
- ✓ The C.Difficile Infections (cases per 1,000 annual occupied bed days for 15 years+) target was met for the rolling year quarter ending December 2015 with NHSGGC reporting 0.31 cases per 1,000 AOCB for 15 years+ against a target of 0.32.

- ✗ However, NHSGGC failed to achieve the MRSA/MSSA Bacteraemia target reporting 0.33 cases per 1,000 Occupied Bed Days against a target of 0.24 for the rolling year quarter ending December 2015.
- ✗ As at March 2016, 86.6% of patients referred urgently with a suspicion of cancer began treatment within 62 days of receipt of referral and 93.4% of our patients diagnosed with cancer began treatment within 31 days; performance for both measures was below the 95% target.
- ✗ For the quarter ending December 2015, 26.6% of patients were diagnosed at first stage of cancer below the trajectory of 28.5%.
- ✓ As at March 2016, 91.5% of our patients were treated within 18 weeks, exceeding the 90% target for Referral To Treatment.
- ✓ NHSGGC continued to exceed the 91.5% drug and alcohol waiting times target, with 97.9% of patients referred within 3 weeks during the period October - December 2015.
- ✓ As at March 2016, 100% of patients referred to Child and Adolescent Mental Health Services started treatment within the 18 week referral target.
- ✓ For the quarter January - March 2016, 92.4% of all patients referred for a psychological therapy started treatment within 18 weeks of referral, exceeding the target of 90%.
- ✓ During 2015-16 we delivered a total of 15,980 alcohol brief interventions exceeding the planned number of 13,086 interventions.
- ✗ As at March 2016, our performance in relation to the accident and emergency 4 hour time target remained challenging with 90.6% of patients waiting 4 hours or less, lower than the target of 95%.
- ✗ As at March 2016, 96.1% of our new outpatients waited less than 12 weeks from referral to a first new outpatient appointment. Current performance is below the target of 99.9%.
- ✓ As at March 2016, 100% of eligible patients were screened for IVF treatment within 12 months exceeding the target of 90%.
- ✗ As at March 2016, there were 38 patients waiting more than 14 days to be discharged from hospital.
- ✓ For the period from April to December 2015 a total of 1,223 successful Smoking Cessation attempts at 12 weeks post quit in our 40% most deprived areas exceeding our trajectory of 996 successful quits.
- ✓ Our overall performance in relation to the percentage of mothers booking an antenatal care appointment at 12 weeks gestation was 85.4% for the period from October to December 2015, above the target of 80%. Based on the Scottish Index of Multiple Deprivation (SIMD), the lowest performing quintile was SIMD 1 with 83.6% of mothers booking an antenatal appointment.
- ✗ For the rolling year ending March 2016, our rate of sickness absence across NHSGGC was 6.1% against a 4% target.

Sustainability and Environmental Reporting 2016

NHS Greater Glasgow and Clyde has a clear commitment to sustainable practices. The Sustainability Planning and Implementation Group (SPIG) is chaired by the Director of Facilities and includes representation from across the whole organisation. It has oversight of the Board's efforts to deliver its sustainability targets.

The Board's Sustainability Framework is measured and addressed through the 'Sustainability Development Action Plan (SDAP)' which covers the six categories set out in the 'Good Corporate Citizenship Self-Assessment Model (GCCAM)' national strategy: These are as follows:

- Facilities Management
- Workforce
- Transport & Travel
- Procurement
- Buildings
- Community Engagement

Actions to improve sustainability across these six categories are an integral part of the Board's performance framework and is monitored on a continual basis and reported annually to the Scottish Government. The Board exceeds minimum national requirements in all six categories.

There is now a mandatory requirement from 2016-17 onwards to annually report the Board's Sustainability performance utilising the 'Public Bodies Mandatory Climate Change Reporting Template'. This covers the following metrics:

- Governance, Management and Strategy
- Corporate Emissions, Targets and Projects Data
- Adaptation
- Procurement
- Validation and verification

The Board is also committed to inter agency working to improve the general environment in which its population lives and works. This is demonstrated by its sustainable procurement activities and participation in the Glasgow City Council's climate change strategy and the Sustainable Glasgow Project.

The Board has a comprehensive approach to raising awareness on environmental and sustainability issues, through the "Ecosmart" awareness campaign which promotes sustainability and carbon related issues at work and for the home. This involves regular features in Staff News, Core Brief, and dedicated pages on Staffnet, as well as major campaigns during Climate Week and NHS Sustainability Day.

Progress towards meeting the revised Energy & Carbon reduction is reviewed at each SPIG meeting, and regularly reported to the Acute Services Committee (ASC).

Overall performance on the Board's Carbon Management Plan is updated annually and performance on total carbon emissions and costs under the Carbon Reduction Commitment (CRC) scheme is reported to both SPIG and the ASC.

The Board, by nature of its size, has specific environmental issues relating to 'Pollution Prevention Control (PPC)' and, as such, two sites within the estates now fall into this legislative category - Glasgow Royal Infirmary and the Queen Elizabeth University Hospital Campus. This brings significant challenges and opportunities which ensure the sustainable and environmental performance of these two major acute sites are of the highest calibre.

NHSGGC is also part of a national group which is exploring mechanisms to address shortfalls in performance by seeking increased investment, and will participate in any pilots as they develop.

R Calderwood
Chief Executive & Accountable Officer
28 June 2016

Accountability Report

Corporate Governance Report

Directors' Report

Date of Issue

The Accountable Officer authorised the financial statements for issue on 28 June 2016. The financial statements were approved by the NHS Board on 28 June 2016.

Appointment of auditors

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. The Auditor General has appointed Gillian Woolman, Assistant Director, Audit Services Group, Audit Scotland to undertake the audit of NHS Greater Glasgow and Clyde. The general duties of the auditors of health bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

Board membership

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

The NHS Board has collective responsibility for the performance of the local NHS system as a whole, and reflects a partnership approach, which is essential to improving health and health care. NHS Board Members are also Trustees of the Endowment Funds. The members of the NHS Board who served during the year from 1 April 2015 to 31 March 2016 were as follows:

Non-Executive Members

Mr J Brown CBE	Chairman *(from 1 December 2015)* Non-Executive Director *(until 30 November 2015)*
Mr A O Robertson OBE	Chairman *(until 30 November 2015)*
Ms S Brimelow OBE	Non-Executive Director *(from 1 April 2015)*
Ms M Brown	Non-Executive Director
Dr H Cameron	Non-Executive Director
Mr S Carr	Non-Executive Director *(from 1 September 2015)*
Cllr G Casey	Non-Executive Director; Councillor, West Dunbartonshire Council *(from 1 October 2015, left 31 March 2016)*
Cllr M Cunning	Non-Executive Director; Councillor, Glasgow City Council *(until 30 October 2015)*
Ms M Devlin	Non-Executive Director; Councillor, South Lanarkshire Council
Prof A Dominiczak OBE	Non-Executive Director
Mr R Finnie	Non-Executive Director

Mr I Fraser	Non-Executive Director
Cllr M Kerr	Non-Executive Director; Councillor, Glasgow City Council *(from 1 November 2015)*
Cllr A Lafferty	Non-Executive Director; Councillor, East Renfrewshire Council
Mr I Lee	Non-Executive Director
Dr D Lyons	Non-Executive Director
Mr A Macleod	Non-Executive Director *(from 1 April 2015)*
Cllr M Macmillan	Non-Executive Director; Councillor, Renfrewshire Council
Ms T McAuley OBE	Non-Executive Director
Cllr J McIlwee	Non-Executive Director; Councillor, Inverclyde Council
Ms R Micklem	Non-Executive Director
Cllr M O'Donnell	Non-Executive Director; Councillor, East Dunbartonshire Council
Dr R Reid	Non-Executive Director
Cllr M Rooney	Non-Executive Director; Councillor, West Dunbartonshire Council *(until 30 September 2015)*
Rev Dr N Shanks	Non-Executive Director
Mr D Sime	Employee Director
Mr K Winter	Non-Executive Director *(until 31 August 2015)*

Executive Members

Mr R Calderwood	Chief Executive
Dr J Armstrong	Medical Director
Dr L de Caestecker	Director of Public Health *(until 31 August 2015)*
Ms R Crocket MBE	Nurse Director *(until 30 September 2015)*
Dr M McGuire	Nurse Director *(from 1 October 2015)*
Mr M White	Director of Finance *(from 1 April 2015)*

The Board members' responsibilities in relation to these financial statements are set out in the Statement of Health Board Members' Responsibilities in Respect of the Accounts on page 20.

Board members' and senior managers' interests

Details of any interests of Board members, senior managers and other senior staff in contracts or potential contractors with the NHS Board as required by IAS 24 are disclosed in Note 25.

A register of interests, which includes details of company directorships or other significant interests held by Board members that may conflict with their management responsibilities, is available by contacting the Head of Board Administration, NHS Board Headquarters, JB Russell House, Gartnavel Royal Hospital, 1055 Great Western Road, Glasgow, G12 0XH or can be found on the Board's website at www.nhsggc.org.uk.

Directors' third party indemnity provisions

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

Pension Liabilities

The accounting policy note for pensions is provided in Note 1, and disclosure of the costs is shown within Note 23 and the Remuneration and Staff report.

Remuneration for non-audit work

During the year 2015-16 our auditors, Audit Scotland, received no fees in relation to non-audit work.

Public Services Reform (Scotland) Act 2010

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

The required information is published on the Board's website www.nhsggc.org.uk .

Personal data related incidents

During the year there were a number of incidents reported relating to the confidentiality and security of personal data.

Nineteen incidents related to the loss or theft of IT equipment, including laptops and memory sticks. We reported four incidents relating to breaches of confidentiality to the Information Commissioner's Office which, after investigation, took no further action against the Board. In addition, the Information Commissioner's Office investigated four incidents where individuals had raised concerns about how we dealt with their request for personal data. Apologies were provided for two of these incidents and the remaining two were not upheld.

There were twenty-nine incidents of alleged inappropriate access to clinical records. In nineteen cases it was confirmed that no inappropriate access had taken place, five cases were still under investigation and five cases concluded that inappropriate access had taken place resulting in disciplinary action being taken in all cases.

Payment policy

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

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

The payment statistics (calculated by reference to invoice receipt date and relating only to non-NHS suppliers) were as follows:-

	2015-16	2014-15
Average period of credit taken	**26 days**	28 days
Percentage of invoices by volume paid within 30 days	**95 %**	94%
Percentage of invoices by value paid within 30 days	**96 %**	95%
Percentage of invoices by volume paid within 10 days	**89 %**	86%
Percentage of invoices by value paid within 10 days	**87 %**	88%

Disclosure of Information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as each of them is aware, there is no relevant audit information of which the Board's auditors have not been made aware. Each director has taken all steps that they ought reasonably to have taken as a director to make themselves aware of any relevant audit information and to establish that the Board's auditors have been made aware of that information.

Events after the end of the reporting period

The Board has no significant post balance sheet events to report.

Financial instruments

Information in respect of the financial risk management objectives and policies of the Board and the exposure of the Board to price risk, credit risk, liquidity risk and cash flow risk is disclosed in Note 24.

Statement of the Accountable Officer's responsibilities

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

This designation carries with it, responsibility for:

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

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

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

- 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 Officer's letter to me of 23 March 2009.

Statement of Health Board Members' responsibilities

Under the National Health Service (Scotland) Act 1978, the Health Board is required to prepare accounts in accordance with the directions of Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the Health Board as at 31 March 2016 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Board will continue to operate.

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

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

Governance Statement

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with the organisation's policies and promotes achievement of the organisation's aims and objectives, including those set by Scottish Ministers. Also, I am responsible for safeguarding the public funds and assets assigned to NHSGGC. I have been supported in my role as Accountable Officer throughout the year by a multi-disciplinary management team, focused on ensuring the delivery of strategic objectives in a prudent, economical, efficient and effective manner.

Purpose of Internal Control

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

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

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

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

NHS Endowments

In accordance with IAS 27 – Consolidated and Separate Financial Statements, the Financial Statements consolidate the NHS Greater Glasgow and Clyde Endowment Funds. This statement includes any relevant disclosure in respect of these Endowment Accounts.

HSCP Accounts

In accordance with IFRS11 Joint Arrangements and other relevant standards, the Financial Statements consolidate the HSCP Accounts of East Dunbartonshire, East Renfrewshire and West Dunbartonshire. This statement includes any relevant disclosure in respect of these HSCP Accounts.

The other three HSCPs, Glasgow, Renfrewshire, and Inverclyde did not "go live" in year and hence their accounts have not been consolidated. However, there were a number of costs paid for equally by the two host organisations (NHSGGC and Glasgow City Council; NHSGGC and Renfrewshire Council; NHSGGC and Inverclyde Council), mainly relating to senior staff costs.

Governance Framework

Under the terms of the Scottish Health Plan, the NHS Board is a board of governance. Its purpose is to ensure the efficient, effective and accountable governance of the local NHS system and to provide strategic leadership and direction for the system as a whole, focusing on agreed outcomes.

At 31 March 2016 the NHS Board comprises the Chair, twenty-two non-executive and four executive board members; of the non-executive members, seven are Council Members nominated by their respective councils. Board members are appointed by Scottish Ministers and are selected on the basis of their stakeholder position or the particular expertise which enables them to contribute to the decision making process at a strategic level.

The Board and its Standing Committees have clearly defined and documented roles and responsibilities, and the purpose of each committee is set out below. The non-executive members of the Standing Committees have the opportunity to scrutinise and challenge the Board's executive management. The NHS Board met seven times during the year to progress the business of NHS Greater Glasgow and Clyde.

The NHS Board has an integrated approach to governance across clinical areas, performance management, staff and involving and engaging people in its services and developments. The NHS Board, therefore, has the following standing committees to support it, and which are directly accountable to it:

- Quality and Performance Committee (to 30 June 2015)
- Acute Services Committee (from 30 June 2015)
- Staff Governance Committee
- Audit Committee
- Area Clinical Forum
- Disciplinary Committees (for primary care contractors)
- Pharmacy Practices Committee
- Endowments Management Committee (a committee of the Endowment Trustees)

Acute Services Committee

During the year, as a result of the reorganisation within the Board, the Acute Services Committee (ASC) was formed from 30 June 2015. The Quality and Performance Committee (Q&PC) ceased to function from 30 June 2015. The scope of the Acute Services Committee mirrors, in respect of Acute Services, the role and function of Integrated Joint Boards for health and social care services, The committee provides scrutiny, clinical governance and strategic direction for Acute Services; covering the functions below -

- The quality function of services delivered to patients;
- Effective patient safety and governance systems;
- Delivery of Corporate Objectives, including those set out in the Local Development Plan as agreed with Scottish Government Health and Social Care Directorates;
- Financial Planning and Management;
- Staff and patient focused public involvement;
- Ensuring that learning from performance issues drives improvement.

The areas of clinical governance, patient safety, quality and finance have been integrated in reporting terms and there is a focus on organisational change and capability for improvement.

The ASC met five times during the year, and prior to that the Q&PC met once. The members of the ASC were Mr I Lee (Convener), Ms M Brown, Dr H Cameron, Cllr G Casey, Cllr M Cunning, Professor A Dominiczak OBE, Mr R Finnie, Mr I Fraser, Cllr M Kerr, Cllr A Lafferty, Dr D Lyons, Mr A Macleod, Cllr M Macmillan, Cllr McIlwee, Ms R Micklem, Cllr M O'Donnell, Cllr M Rooney and Mr D Sime.

In addition to the members of the Committee, meetings were attended by other NHS Board members, directors, chief officers and senior managers.

Staff Governance Committee

The NHS Board has in place statutory staff governance arrangements. It is the role of the Staff Governance Committee to ensure its staff are well informed, involved in decisions, appropriately trained, treated fairly and consistently with dignity and respect and provided with a continuously improving and safe environment where the health and wellbeing of staff and patients is promoted. During 2015-16 the committee met on four occasions and was jointly chaired by Mr D Sime and Ms M Brown. The other members were Mr J Brown OBE, Cllr M Devlin, Mr I Fraser, Cllr A Lafferty, Cllr M Macmillan, Mrs T McAuley, Cllr J McIlwee, Cllr M O'Donnell, Mr A Robertson OBE and Rev Dr N Shanks.

The Staff Governance Committee also has a sub-committee which is responsible for the application and implementation of fair and equitable systems for pay and for performance management. The main role of the Remuneration Sub-committee is to ensure the application and implementation of fair and equitable systems for pay and for performance management on behalf of the Board as determined by Scottish Ministers and the Scottish Government Health and Social Care Directorates.

Whilst pay arrangements for NHS staff are determined under national arrangements, the pay arrangements for the NHS Board's senior managers whose posts are part of the Executive and Senior Management Cohorts are subject to Scottish Government Health and Social Care Directorates guidance. The Remuneration Sub-committee met three times during 2015-16, chaired by Mr A O Robertson OBE and Mr J Brown CBE. The other members of the committee were Rev N Shanks, Mr I Lee, Mr I Fraser, Cllr M Devlin, Mr K Winter and Mr D Sime. In accordance with Scottish Government Health and Social Care Directorates guidance, it determined and reviewed the pay arrangements for the NHS Board's senior managers whose posts are part of the Executive and Senior Management Cohorts, and ensured that a fair, equitable and effective system of performance management for these groups was in operation.

Audit Committee

The purpose of the Audit Committee is to assist the NHS Board and the Accountable Officer deliver their responsibilities for the conduct of business, including the stewardship of funds under their control. In particular, the Committee seeks to provide assurance to the NHS Board and the Accountable Officer that an appropriate system of internal control had been in place throughout the year. The Audit Committee met five times during 2015-16, and its members were Mr R Finnie (Chair), Mr S Carr, Mr I Lee, Mr A Macleod, Cllr M O'Donnell, Dr R Reid, Cllr M Rooney and Mr D Sime. In fulfilling its remit, the Audit Committee was supported by the Audit Committee Executive Group, which met four times during the year.

Area Clinical Forum

The role of the Area Clinical Forum is to represent the multi-professional views of the advisory structures for medical, dental, nursing and midwifery, pharmaceutical, optometric

and allied health professions and healthcare scientists to NHS Greater Glasgow and Clyde, ensuring the involvement of all professions across the local NHS system. The forum met six times during 2015-16 and was chaired by Dr H Cameron; none of the other members of the forum was a member of the NHS Board.

Disciplinary Committees (for Primary Care Contractors)

NHS Greater Glasgow and Clyde is the lead board for the West of Scotland Disciplinary Consortium which also comprises members from Ayrshire and Arran, Dumfries and Galloway, Forth Valley, Highland, Lanarkshire, and Western Isles Health Boards. There are four committees, with one for each contractor group, which meet, on an ad hoc basis as required, to consider disciplinary issues referred to it by NHS Boards out with the Consortium. There were no referrals received during the year, and therefore the Committee was not required to meet.

Pharmacy Practices Committee

The role of the Committee is to carry out the functions of NHS Greater Glasgow and Clyde in terms of the National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009 (as amended), i.e. to prepare "the pharmaceutical list" – the list of those eligible to provide pharmaceutical services within the Board area.

The Committee is also empowered by NHS Greater Glasgow and Clyde, to exercise other functions as delegated to it under the National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009 (as amended) to the extent that those functions are not delegated to an officer of the Board under the Scheme of Delegation. NHS Board members who sat on the Pharmacy Practices Committee were Mr R Finnie (Chair), Mrs S Brimelow OBE and Mr I Fraser, none of the other members of the committee is a member of the NHS Board. The committee met on 3 occasions during 2015-16.

Endowments Management Committee

Responsibility for NHS Board's Endowment Funds lies with the Trustees, who are all members of the NHS Board. The Trustees have delegated to the Endowments Management Committee the role of reviewing proposals and making recommendations to the Trustees with respect to policies on expenditure and donations, investment strategy and any other matters that may assist the Trustees in discharging their duties.

The committee receives regular reports from the investment managers, and reviews the performance of the portfolio against relevant benchmarks and investment objectives. It also reviews reports on fund income and expenditure and the list of all the funds under stewardship. During the year to 31 March 2016, the membership of the Endowments Management Committee comprised Dr R Reid, Mr S Carr, Cllr M Devlin, Mr R Finnie, Mr I Lee, Cllr M MacMillan, Cllr M O'Donnell, Mr A O Robertson OBE, Rev Dr N Shanks, Mr D Sime and Mr M White. The committee met five times during the year and was chaired by Dr Reid.

Clinical Governance

The Acute Services Committee monitors clinical governance arrangements and developments. The Convener of the Committee and the Medical Director, as designated Executive Lead for Clinical Governance, have joint responsibility for maintaining a sound system that supports the achievement of the aims and objectives of clinical governance. The Board Clinical Governance Forum supports the Executive Lead for Clinical Governance in the discharge of this responsibility. In relation to Health and Social Care Partnerships, the Acute Services Committee oversees the overall quality of care and seeks to ensure that all reasonable steps are in place to prevent, detect and rectify irregularities or deficiencies in the quality of care provided.

Financial Governance

The oversight of financial planning and financial monitoring forms part of the role of both the NHS Board and the Acute Services Committee, whilst the Audit Committee forms a view on the systems of financial control within NHSGGC.

Information Governance

Information Governance officers continue to ensure staff are aware of their obligations to protect patient and staff data by continued participation in training programmes, including the Acute Mandatory Training Programme and the Foundation Management Programme. To ensure privacy implications are considered when new projects/systems are being planned, a Privacy Impact Assessment template is made available to staff.

During the year we reported four incidents relating to breaches of confidentiality to the Information Commissioner's Office which, after investigation, took no further action against the Board.

The Information Commissioner's Office conducted an audit of certain systems within NHSGGC commencing in April 2016. The resultant report will be used as a basis to draft an Information Governance programme through 2016-17 to ensure continuous improvement.

Other governance arrangements

The conduct and proceedings of the NHS Board are set out in its Standing Orders; the document specifies the matters which are solely reserved for the NHS Board to determine, the matters which are delegated under the Scheme of Delegation and the matters which are remitted to a Standing Committee of the NHS Board.

The Standing Orders also include the Code of Conduct that Board members must comply with, and, along with the Standing Financial Instructions, these documents are the focus of the NHS Board's Annual Review of Governance Arrangements. The annual review also covers the remits of the NHS Board's Standing Committees.

In addition to the Code of Conduct for Members, the NHS Board has in place a Code of Conduct for Staff. This includes the arrangements for the disclosure internally or externally by staff who have concerns about patient safety, malpractice, misconduct, wrongdoing or serious risk (Whistleblowing Policy). There is also in place a well-established complaints

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

All NHS Board executive directors undertake a review of their development needs as part of the annual performance management and development process. A leadership development framework is in place which offers a range of development activities to meet needs identified, with additional support from the Human Resources department when required. Access to external and national programmes in line with their development plans and career objectives is also available. During the year, board members completed a diagnostic self-assessment tool-kit, to measure the Board's efficiency. The Chief Executive is accountable to the NHS Board through the Chair of the Board. The Remuneration Sub-committee agrees the Chief Executive's annual objectives in line with the Board's strategic and corporate plans.

Non-executive directors have a supported orientation and induction to the organisation as well as a series of in depth development sessions. Opportunities for development also exist, at a national level, for some specific non-executive roles such as Chairman and Area Clinical Forum Chairs.

To ensure that the NHS Board complies with relevant legislation, regulations, guidance and policies, the Corporate Planning, Policy and Performance Team produces a monthly policy update which highlights recent publications and developments in health policy. This includes information regarding Scottish Government consultations and legislation, reports from "think tanks" and health policy organisations and UK wide developments. Internal policies are created in line with the Board's Policy Development Framework. This ensures that there is a consistent and clear approach to policy development, consultation and approval, and to dissemination, communication, access to and review of documents. It also ensures that NHSGGC complies with relevant legislation, governance, audit and controls assurance requirements. All policies, strategies or procedures are reviewed every three years as a minimum, or sooner if there is a specific legislative or service requirement or change in guidance, law or practice.

NHSGGC has a whistleblowing policy in place. The Board is committed to achieving the highest possible standards of service and the highest possible ethical standards in public life in all of its practices. To achieve these ends, it encourages staff to use internal mechanisms for reporting any malpractice or illegal acts or omissions by its staff. The Board wishes to create a working environment which encourages staff to contribute their views on all aspects of patient care and patient services. All staff have a duty to protect the reputation of the service they work within. The Board does not tolerate any harassment or victimisation of staff using this Policy, and treats this as a serious disciplinary offence, which will be dealt with under the Board's Disciplinary Policy and Procedure.

NHS Greater Glasgow and Clyde strives to consult with all of its key stakeholders. We do this in a variety of ways. How we inform, engage and consult with patients and the public in transforming hospitals and services is an important part of how we plan for the future. To fulfill our responsibilities for public involvement, we routinely communicate with, and involve, the people and communities we serve, to inform them about our plans and performance.

Public Partnership Forums provide a mechanism for promoting the routine involvement of local people in the design and delivery of the health services they use. This process of involvement is required before we can decide to begin consultation on a proposed service change.

We held our formal Annual Review where we were held to account in public in respect of our performance against targets.

We also strive to engage with staff; we have well established methods of communication (Staff Newsletter, Core Briefs and Team Briefs), and also the "Facing the Future Together" initiative and i-Matters which allows greater engagement with staff, and encourages more staff to be involved in contributing to decision making in the areas in which they work.

NHS Greater Glasgow and Clyde is committed to working in partnership with its staff, other public sector agencies and voluntary sector bodies. There are regular meetings of the Area Partnership Forum (APF). The NHS Board, in conjunction with the Health and Social Care Partnerships, has well developed community planning processes to enable it to work effectively with local authorities and the voluntary sector to implement a whole system approach to providing patient care. This work is reported to, and monitored by, the NHS Board through the HSCP committee structure.

Review of Adequacy and Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control and the quality of data used throughout the organisation. My review is informed by:

- the executive managers within the organisation who have responsibility for developing, implementing and maintaining internal controls across their areas;
- 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; and
- 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:-

- the NHS Board, along with its Acute Services Committee, met regularly during 2015-16 to consider its plans and strategic direction, to allocate resources, to review the management of performance and to receive minutes and reports from its Standing Committees;
- within the Acute Division, the Chief Officer (Acute) chairs monthly meetings of the Operational Management Group and the Strategic Management Group. Service directors, Medical, Nurse, Finance, Planning and HR Directors attend the two groups;
- whole system Directors' meetings are held quarterly, and are chaired by the Chief Executive. In attendance are HSCP Chief Officers, Acute Chief Officer and Directors comprising Finance, Medical, Nursing, Public Health, Planning, HR, HI&T. In addition, the Board Corporate Directors meet regularly. This is chaired by the Chief Executive and is

attended by the Chief Officer Acute Services and the Corporate Directors, with a focus on developing and aligning the financial and strategic planning processes;

- the Audit Committee provides assurance that an appropriate system of internal control is in place. The Committee met throughout the year, reviewing the system of internal control;
- internal Audit delivered their service on an approved risk-based audit plan and is compliant with Public Sector Internal Audit Standards;
- external Audit has also considered the adequacy of the processes put in place by the Chief Executive as Accountable Officer, as well as providing external assurance on the work of Internal Audit in 2015-16;
- work has continued during the year to achieve the targets set out in the Local Delivery Plan. Reporting mechanisms have been further developed to ensure a culture of continuous improvement continues to be promoted;
- staff objectives and development plans include where appropriate maintenance and review of internal controls;
- 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. Other staff are performance assessed under the Knowledge and Skills Framework;
- an on-line Register of Staff Interests system is maintained. It ensures effective management control of the information held on the staff register of interests and identifies potential conflicts of interest; and
- in accordance with the principles of Best Value, the board aims to foster a culture of continuous improvement. The NHS Board's processes focus strongly on Best Value and is committed to ensuring that resources are used efficiently, effectively and economically, taking into consideration equal opportunities and sustainable development requirements.

Risk Assessment

During the year, NHS Greater Glasgow and Clyde revised and updated its Risk Management Strategy, which accords with the SPFM, and also revised and issued an updated Risk Register Policy and Guidance document and expanded the membership of the Risk Management Steering Group. Work continues to roll out an organisation wide electronic risk register process.

The Risk Management Strategy describes how we aim provide high quality and safe services to the public it serves, in an environment which is safe for the staff it employs or contracts with, to provide services.

In fulfilling this aim, NHSGGC has established a robust and effective framework for the management of risk. The framework will be proactive in identifying and understanding risk, build upon existing good practice and integral to strategic and service planning, decision making, performance reporting and health care service delivery. The strategy is based on the belief that Risk Management is:

- a key activity to ensure the health and well-being of patients, visitors and staff;

- an inclusive and an integral part of our health care services and set against guiding risk management principles;
- implemented with good practice acknowledged and built upon; and
- a major corporate responsibility requiring strong leadership commitment and regular review.

We believe that the provision of high standards of health, safety and welfare within a risk management framework is fundamental to the provision of high standards of health care. The following principles underpin our approach to risk management in NHSGGC:

- a consistent and standard approach to risk management;
- integral to strategic and service planning and informs performance review;
- involvement of clinicians and key stakeholders to support effective prioritisation and to inform decision-making;
- comprehensive and systematically integrated into all processes;
- responsibility for management, escalation, monitoring and communication of key risks is clearly defined;
- risk is managed at the operational level closest to the risk supported by clear escalation processes;
- all types of risks are considered including NHSGGC's strategic risks; and
- provides assurance that effective systems are in place to manage risks.

All of the key areas within the organisation maintain a risk register; the high level risks that the Board needs to ensure are being managed are then consolidated into the Corporate Risk Register. The Corporate Risk Register summarises the main risks identified within each of the organisational areas, and the processes by which these risks are being managed, and is presented to the Audit Committee for approval on a six monthly basis. No new significant risks were identified during the year.

As recorded in the Corporate Risk Register, the following are the four highest rated risks together with the recorded mitigation actions:

Description of Risk	Mitigating Actions
Increased delays in discharging patients from hospital and increased bed days due to pressures on local authority funding	Regular monitoring of position and mechanisms for dialogue with all local authorities through the Acute Services Division organisational structure and HSCPs. Regular reporting to HSCPs, Acute Strategic Management Group (SMG), directorate management teams and the NHS Board. Regular liaison between NHS Board Chief Executive, HSCP Chief Officers and local authority Chief Executives. Additional funding has been allocated to assist in reducing delays in discharging patients.

Failure to achieve waiting time targets	Compliance with Treatment Time Guarantee - regular reports to be provided to Board Acute Services Committee, Directors Access Group/SMG. Weekly monitoring against milestones and action plans Continuous cancer tracking and weekly review of cancer tracking reports Flexible working practice of clinicians Pooled pan-Glasgow waiting lists Routine reporting to Acute Division SMG and Acute Services Committee
The reduction in numbers of specialty trainees as part of the Government's Reshaping the Medical Workforce policy could make some rotas in acute specialties difficult to staff. When added to the risks of failure to recruit enough adequately qualified medical staff, increasing numbers of trainee staff involved in out of hours work, less than full time work and maternity and paternity leave, this could lead to a reduction in available doctors for direct patient care.	Continue to review with the Deanery the implications of junior doctor vacancies. Work with Medical Staffing to monitor high risk rotas. Report to Head of Medical Staffing Regional Workforce Director and SGHD on high risk rotas if necessary. Service Managers will identify mitigation measures and take appropriate action. Identify replacement staffing either temporary or permanent to fill the gaps.
Expenditure does not match available funds within context of Board's financial plan and threatens achievement of Board's key financial objectives and ability to achieve recurrent savings.	Monthly reporting and monitoring of all Division and Directorate budgets. NHS Board and ASC review financial monitoring reports. Areas of increased expenditure identified and constrained by Directors, special areas of concern include drugs expenditure e.g. in response to national advice and meeting public and political expectation of access and costs associated with waiting times achievement. Areas of cost reduction identified and progressed by Directors with monitoring links through the Divisions Operational and Strategic Management Groups. Performance reviews with each Directorate. Overall monitoring links into Board through performance management and finance reporting arrangements.

In respect of clinical governance and risk management arrangements we continue to have

- clearly embedded risk management structures throughout the organisation;
- a strong commitment to clinical effectiveness and quality improvement across the organisation;

- a sound cycle of annual clinical governance reporting arrangements for operational entities with devolved responsibilities; and
- a robust performance management framework that provides the context to support statistics with a high level of qualitative information.

There are training programmes, available to all staff, which includes training on risk assessment, hazardous substances, general awareness of safety and display screen equipment risks. Practical training sessions provided by the organisation include a range of moving and handling training for staff primarily involved in patient handling, and also training for staff who may be exposed to violence and aggression. Both moving and handling and violence and aggression training courses are based on a robust training needs analysis and the concept of risk assessment is a fundamental component of the training.

Integration

The Board has worked in partnership with the six councils to establish agreed principles for financial management including budget management, virement and establishing terms of reference for HSCP Audit Committees. Work has also been carried out to establish governance arrangements, including internal audit, which will give assurance to the Board that each HSCP is performing in line with its strategic plan.

Significant Issues

NHSGGC undertook a restructuring exercise during 2014-15, with a change from a service-based model to a sector based one. In order to inform the Board's review of clinical governance arrangements for the new model, internal audit were invited to review existing clinical governance arrangements, with recommendations made as to how these arrangements should change under the new structure. The findings of that review were reported in May 2015.

They concluded that whilst there were no individual risks above a medium risk rating, there had been an increase in the overall risk rating from medium to high. In respect of the previous recommendations, they reported that progress was being made to implement improvements, but in each case the actions had taken longer to progress than was originally planned and therefore the risks identified remained open.

As the overall context in which clinical governance functions becomes clearer management anticipate the progress made during 2015-16 and moving forward into 2016-17 will lead to an overall reduction in the risk rating. The Medical Director will monitor the progress against the agreed actions and ensure this is visible through the Board's Clinical Governance Forum.

The internal auditors also raised a high risk finding during their review of business continuity planning arrangements; they found that there were significant variations in the business continuity planning template used across the organisation, that business continuity plans had not been updated timeously, that business continuity plans did not demonstrate collaboration with key suppliers in relation to requirements/expectations during a live crisis incident and that there was a lack of identification of maximum tolerances for service disruptions or associated recovery time objectives. Management has now established a control over the number of business continuity plans in place across the organisation. All

departments are expected to have completed business continuity plans completed and in place by the end of June 2016. Testing exercises have also commenced and are now expected to be completed by September 2016.

During the year, Audit Scotland carried out a review of Agency Staff, Nurse Bank Staff and Sickness Absence. This audit was set against the backdrop that NHSGGC, in common with the NHS in Scotland, faces challenges recruiting medical staff in certain specialties and locations. As such, the audit identified that contrary to the Board's policy, medical agency locums are being used to provide long term cover in some posts in some specialties. This may not represent value for money and places a strain on the board's resources. The audit also identified that invoice checking procedures for agency payments are not sufficiently robust and rely largely on the assumption that correct information is provided from suppliers. The report also identified that increased nurse bank and nurse agency costs have been incurred as a consequence of rising sickness absence and increased activity. Audit Scotland highlighted that nurse bank and agency staff were being used to cover long term sickness which is again contrary to board policy. In addition, they considered there was scope for improving the reporting of sickness absence in order to provide management with better information to monitor sickness rates and take effective action.

The Board acknowledges the issues around the use of long terms locums. Unfortunately, as outlined above, similar to the NHS across the UK, we are experiencing difficulties in recruiting to both some specialist services and some of our geographical locations. We have, however, implemented a comprehensive action plan in response to the risks identified by Audit Scotland. We do not propose to amend the Board's policy as it remains our objective to minimise agency and locum spend. We will continue to employ agency locums where it is required to maintain and deliver safe services.

Other measures in place within the NHS Board which will help address the findings in Audit Scotland's report include:

- the establishment of an NHSGGC Agency Locum Steering Group, with a wide ranging role including engaging internally and externally around the provision of a managed service for the booking and management of locums, and to improving the purchase to pay process to address invoicing issues and enable more robust management information;
- an internal review of unscheduled care; and
- a revised staffing structure proposal has been developed which will provide more robust management of the Medical Locum Bank.

Audit Scotland also carried out a review of NHSGGC's system of accounting for property. A number of areas for improvement were identified which would strengthen the control environment. In addition a number of other matters were raised as part of the financial statements audit. We intend to undertake a review of the processes and procedures for accounting for property, plant and equipment.

As referred to in the Financial Performance pages we continue to face new pressures and as we enter the new financial year, the need for us to continue to review and change the way we deliver care to patients continues apace. In order to meet our challenging financial targets during the year ahead, we will need to continue to work together to deliver more service re-

design and more efficient ways of using our staff and financial resources to deliver services in the most effective way to our patients.

As outlined above our performance against our Local Delivery Plan is highlighted. There are elements of our service which are put under considerable strain resulting in significant challenges in meeting key targets particularly around accident and emergency waiting time targets and treatment time guarantees. Whilst we have struggled to consistently achieve the 95% 4 hour Accident and Emergency target, we have achieved the 18 week Referral to Treatment (RTT) target. We continue to focus on meeting all waiting times targets although financial constraints, staffing shortages and increasing demand present an ever difficult landscape.

Disclosures

With the exception of the matters noted above, no other significant control weaknesses or issues have arisen during the year, and no significant failures have arisen in the expected standards for good governance, risk management and control. Therefore, I have no other disclosures to report.

Remuneration and Staff Report

Information about the Remuneration Sub-committee, its membership and role are shown in the Governance Statement on Page 20.

The Directors' Remuneration report, which is shown on the following pages, details Board Members' and Senior Employees' remuneration, in bandings of £5,000. These bandings include any backdated salary payments made, and Board contributions made in respect of national insurance and pension.

As at 31st March 2016 (31st March 2015), the salaries of executive board members were as follows:-

R Calderwood £171,405 (£163,930); Dr J Armstrong £143,890 (£138,841); Dr L de Caestecker £55,659 (left on secondment 31 August 2015) (£155,960); R Crocket £71,768 (left 30 September 2015) (£129,142); Dr M McGuire £60,426 (from 1 September 2015), M White £121,390 (from 1 April 2015).

The tables shown on pages 35 – 37 and page 40 have been subject to audit.

REMUNERATION REPORT (continued)

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION - CURRENT YEAR (AUDITED INFORMATION)

	Taxable Salary (Bands of £5,000)	Performance Related Bonus (Bands of £5,000)	Benefits in Kind - to nearest £100	Total Earnings in Year (bands of £5,000)	Pension Benefits	Total Remuneration (bands of £5,000)	Total accrued pension at age 60 at 31 March (bands of £5,000)	Real increase in pension at age 60 (Bands of £2,500)	Total accrued lump sum at age 60 at 31 March (bands of £5,000)	Real increase in lump sum at age 60 at 31 March (bands of £2,500)	Cash Equivalent Transfer Value (CETV) at 31 March 2016	Cash Equivalent Transfer Value (CETV) at 31 March 2015	Real increase in CETV in year
Remuneration of:					£'000						£'000	£'000	£'000
Executive Members													
Chief Executive : R Calderwood (Note 2)	170 - 175	-	-	170 - 175	-	170 - 175	80 - 85	(0) - (2.5)	250 - 255	(2.5) - (5.0)	1,860	1,914	(54)
Director of Public Health : L de Caestecker (left on secondment 31.08.15) (Note 4)	55 - 60	-	1.5	55 - 60	8	60 - 65	45 - 50	0 - 2.5	140 - 145	0 - 2.5	1,103	1,071	25
Medical Director : J Armstrong	140 - 145	-	-	140 - 145	22	165 - 170	10 - 15	2.5 - 5.0	NA	0 - 2.5	146	110	14
Nurse Director : R Crocket (left 30.09.15) (Note 5)	70 - 75	-	-	70 - 75	11	80 - 85	NA	0 - 2.5	NA	0 - 2.5	-	1,085	-
Nurse Director : M McGuire (from 01.10.15) (Note 6)	60 - 65	-	-	60 - 65	9	65 - 70	10 - 15	2.5 - 5.0	NA	0 - 2.5	164	-	-
Director of Finance : M White (from 01.04.15) (Note 3)	120 - 125	-	-	120 - 125	-	120 - 125	NA	NA	NA	NA	NA	NA	NA
Non Executive Members													
The Chair : A O Robertson (retired 30.11.15)	25 - 30	-	-	25 - 30	-	25 - 30	-	-	-	-	-	-	-
The Chair : J Brown (from 01.12.15)	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
S Brimelow (from 01.04.15)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
M Brown	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
H Cameron	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
S Carr (from 01.06.15)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
G Casey (from 01.10.15) (left 31.03.15)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
M Cunning (left 30.11.15)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
M Devlin	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Dominiczak	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
R Finnie	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
I Fraser	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
M Kerr (from 01.12.15)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
A Lafferty	10 - 15	-	-	10 - 15	-	10 - 15	-	-	-	-	-	-	-
I Lee	20 - 25	-	-	20 - 25	-	20 - 25	-	-	-	-	-	-	-
D Lyons	10 - 15	-	-	10 - 15	-	10 - 15	-	-	-	-	-	-	-
A MacLeod (from 01.04.15)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
M MacMillan	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
T McAuley	10 - 15	-	-	10 - 15	-	10 - 15	-	-	-	-	-	-	-
J McIlwee	10 - 15	-	-	10 - 15	-	10 - 15	-	-	-	-	-	-	-
R Micklem	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
M O'Donnell	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
R Reid	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
M Rooney (left 30.09.15)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
N Shanks	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
D Sime (Employee Director - this post is full time and the salary shown relates to the substantive post held and non-executive allowance)	60 - 65	-	-	60 - 65	8	70 - 75	25 - 30	0 - 2.5	85 - 90	0 - 2.5	698	678	13
K Winter (retired 30.08.15)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
Other Senior Employees													
Chief Operating Officer, Acute Division : G Archibald	130 - 135	-	-	130 - 135	21	150 - 155	15 - 20	0 - 2.5	50 - 55	5.0 - 7.5	342	288	34
Interim Director of Public Health : E Crichton	135 - 140	-	1.1	135 - 140	18	150 - 155	15 - 20	2.5 - 5.0	50 - 55	7.5 - 10.0	322	-	-
											4,635	**5,146**	**32**

Note

1. CETV figures are notional calculations based on actuarial tables.

Prior Year CETV values have been adjusted due to factors provided by the Government's Actuary Department to the following:-

Chief Executive : R Calderwood	1,930	to	1,914
Director of Public Health : L de Caestecker (left on secondment 31.08.15)	949	to	1,071
Medical Director : J Armstrong	82	to	110
Nurse Director : R Crocket (left 30.09.15)	1,070	to	1,085
Director of Finance : P James (left 27.07.14)	35	to	-
Employee Director : D Sime	671	to	678
Chief Operating Officer, Acute Division : G Archibald	277	to	288
	5,014		5,146

2. The Chief Executive stopped paying contributions to the pension scheme on the 31st March 2012 and the figures shown above are in line with this change.

3. The Director of Finance is not a member of the pension scheme.

4. Director of Public Health : L de Caestecker Full Year Effect (FYE) salary £159,152.

5. Nurse Director : R Crocket FYE salary £132,277.

6. Nurse Director : M McGuire FYE salary £114,000.

REMUNERATION REPORT (continued)

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION - PRIOR YEAR (AUDITED INFORMATION)

	Taxable Salary (Bands of £5,000)	Performance Related Bonus (Bands of £5,000)	Benefits in Kind - to nearest £100	Total Earnings in Year (bands of £5,000)	Pension Benefits	Total Remuneration (bands of £5,000)	Total accrued pension at age 60 at 31 March (bands of £5,000)	Real increase in pension at age 60 (Bands of £2,500)	Total accrued lump sum at age 60 at 31 March (bands of £5,000)	Real increase in lump sum at age 60 at 31 March (bands of £2,500)	Cash Equivalent Transfer Value (CETV) at 31 March 2015	Cash Equivalent Transfer Value (CETV) at 31 March 2014	Real increase in CETV in year
Remuneration of:					£'000						£'000	£'000	£'000
Executive Members													
Chief Executive : R Calderwood	160 - 165	-	-	160 - 165	-	160 - 165	80 - 85	(0) - (2.5)	250 - 255	(2.5) - (5.0)	1,930	1,986	(57)
Director of Public Health : L de Caestecker	155 - 160	-	0.2	155 - 160	16	170 - 175	40 - 45	0 - 2.5	125 - 130	2.5 - 5.0	949	887	41
Medical Director : J Armstrong	135 - 140	-	-	135 - 140	25	160 - 165	5 - 10	0 - 2.5	NA	NA	82	54	8
Nurse Director : R Crocket	125 - 130	-	-	125 - 130	6	135 - 140	45 - 50	0 - 2.5	135 - 140	2.5 - 5.0	1,070	1,015	37
Director of Finance : P James (left 27.07.14)	40 - 45	-	-	40 - 45	-	40 - 45	0 - 5	(2.5) - (5.0)	NA	NA	35	96	(66)
Non Executive Members													
The Chair : A O Robertson	40 - 45	-	-	40 - 45	-	40 - 45	-	-	-	-	-	-	-
C Benton (retired 31.03.15)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
J Brown (from 01.12.14)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
M Brown	25 - 30	-	-	25 - 30	-	25 - 30	-	-	-	-	-	-	-
H Cameron	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
G Carson (retired 30.11.14)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
M Cunning	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
P Daniels (retired 31.03.15)	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
M Devlin	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Dominiczak	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
R Finnie	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
I Fraser	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
M Kapasi (retired 30.06.14)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
A Lafferty	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
I Lee	20 - 25	-	-	20 - 25	-	20 - 25	-	-	-	-	-	-	-
D Lyons (from 01.07.14)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
M MacMillan	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
T McAuley (from 01.07.14)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
J McIlwee	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
R Micklem	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
M O'Donnell	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
R Reid	10 - 15	-	-	10 - 15	-	10 - 15	-	-	-	-	-	-	-
M Rooney	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
N Shanks	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
D Sime (Employee Director - this post is full time and the salary shown relates to the substantive post held and non-executive allowance)	60 - 65	-	-	60 - 65	14	75 - 80	25 - 30	0 - 2.5	85 - 90	2.5 - 5.0	671	631	33
B Williamson (retired 30.06.14)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
K Winter	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
Other Senior Employees													
Chief Operating Officer, Acute Division : G Archibald (from 01.10.14, previously Acting Chief Operating Officer, Acute Division)	125 - 130	-	-	125 - 130	33	155 - 160	10 - 15	0 - 2.5	40 - 45	5.0 - 7.5	277	228	30
											5,014	**4,897**	**26**

Note

1. CETV figures are notional calculations based on actuarial tables.

Prior Year CETV values have been adjusted due to factors provided by the Government's Actuary Department to the following:-

Chief Executive : R Calderwood	1,972	to	1,986
Director of Public Health : L de Caestecker	876	to	887
Medical Director : J Armstrong	59	to	54
Nurse Director : R Crocket	1,003	to	1,015
Director of Finance : P James	94	to	96
Employee Director : D Sime	624	to	631
Chief Operating Officer, Acute Division : G Archibald	-	to	228
	4,628		4,897

2. The Chief Executive stopped paying contributions to the pension scheme on the 31st March 2012 and the figures shown above are in line with this change.

Fair Pay Disclosure

	2015-16	2014-15
Highest earning Director's total remuneration (£'000)	**170 - 175**	160 - 165
Median total remuneration (£)	**27,326**	26,280
Ratio	**6.27**	6.24

The banded remuneration of the highest paid director in NHS Greater Glasgow and Clyde Health Board in the financial year 2015-16 was £171,405 (2014-15, £163,930). This was 6.27 times (2014-15, 6.24) the median remuneration of the workforce which was £27,326 (2014-15, £26,280).

The highest paid director in 2015-16 was the Chief Executive of the Health Board. The earnings figures provided above for the highest earning Director includes total salary, non-consolidated performance related pay and any benefits in kind where appropriate.

In 2015-16, 98 (2014-15, 122) employees received remuneration in excess of the highest paid director. Remuneration ranged from £173,540 to £263,917.

Number of Senior Staff by Band

Bands	2016 Number of Staff Clinical	2016 Number of Staff Non-Clinical	2015 Number of Staff Clinical	2015 Number of Staff Non-Clinical
£ 50,000 to £ 60,000	**345**	**564**	326	617
£ 60,001 to £ 70,000	**207**	**180**	219	196
£ 70,001 to £ 80,000	**197**	**54**	172	49
£ 80,001 to £ 90,000	**184**	**29**	173	30
£ 90,001 to £100,000	**144**	**8**	146	18
£100,001 to £110,000	**174**	**13**	188	8
£110,001 to £120,000	**169**		187	
£120,001 to £130,000	**161**		154	1
£130,001 to £140,000	**143**	**1**	149	1
£140,001 to £150,000	**122**		129	
£150,001 to £160,000	**107**		77	
£160,001 to £170,000	**81**		67	
£170,001 to £180,000	**32**		40	
£180,001 to £190,000	**27**		17	
£190,001 to £200,000	**25**		13	
£200,001 and over	22		15	

Staff Numbers (Whole Time Equivalent)

	WTE 2016 Annual Mean	WTE 2015 Annual Mean	Headcount 2016 Annual Mean	Headcount 2015 Annual Mean
Administration Costs	**46.3**	52.9	**47**	55
Hospital and Community Services	**35,743.1**	35,395.7	**40,517**	42,649
Non Clinical Services	**36.8**	107.6	**40**	115
Board Total Average Staff	**35,826.2**	35,556.2	**40,604**	42,819
Permanent Staff	**33,430.0**	32,497.5	**36,993**	38,842
Staff with Short Term Contract	**2,396.1**	3,058.4	**3,611**	3,977
Other including Recharge				
Inward secondees	**242.3**	345.3		
Agency Staff	**609.7**	295.2		
Outward Secondees	(314.0)	(341.3)		
Board Total Average Staff	**36,364.1**	**35,855.1**	**40,604**	**42,819**
Disabled staff	**174.0**	177.0	**174**	177
Special Advisers	-	-	-	-
Capital Projects	-	-	-	-

Headcount does not include Agency Staff, and Inward Secondees and Outward Secondees as this level of data cannot be separately identified by the finance and HR information systems.

Staff Composition (Headcount – Annual Mean)

	2016 Headcount			2015 Headcount		
	Male	**Female**	**Total**	Male	Female	Total
Executive	**2**	**5**	**7**	1	3	4
Non Executive	**18**	**7**	**25**	20	7	23
Senior Employee	**80**	**83**	**163**	76	88	164
Other	**9,260**	**31,149**	**40,409**	9,244	33,380	42,624
Grand Total	**9,360**	**31,244**	**40,604**	9,341	33,478	42,819

Sickness Absence Data

	2016	2015
Sickness Absence Rate	**6.1%**	5.1%

Employment of Staff with Disabilities

NHS Greater Glasgow and Clyde is strongly committed to equal opportunities as an employer to ensure that the talents and resources of employees are utilised to their full extent and that all applicants or employees are treated fairly and equally.

Policies specifically relating to employment of individuals with disabilities are set out within the following:

- NHS Greater Glasgow and Clyde Recruitment Process Guidance;
- NHS Greater Glasgow and Clyde Workforce Change Policy and Procedure; and
- NHS Greater Glasgow and Clyde Equality, Diversity and Human Rights Policy

Expenditure on Consultancy

Consultancy Services are defined in the Scottish Government guidance document "Use of Consultancy Procedures (Professional Services) 2013". Expenditure incurred for 2015-16 and 2014-15:-

	2016	2015
External Consultancy	**467,514**	682,882

Details on previous years consultancy spend are published as part of the Public Services Reform Act 2010 data on the Board public website at the following link:-

http://www.nhsggc.org.uk/about-us/nhs-board/finances-publications-reports/annual-disclosures/

Off Payroll Engagements

Off payroll engagements refer to those individuals who are engaged to provide services for public sector bodies but who are not on payroll.

Following a Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, NHS Boards are required to publish information on their highly paid/senior off payroll engagements. In line with the background and the purpose of this disclosure, such engagements are defined in these accounts as individuals who would, if employed directly, come within the scope of Senior Employees in the Remuneration Report. This note excludes individuals on a secondment or agency basis.

There were no off payroll arrangements for senior employees in 2015-16.

Exit Packages

Current Year

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Cost of exit packages £000
<£10,000		11	11	62
£10,000 - £25,000		8	8	167
£25,000 - £50,000		10	10	361
£50,000 - £100,000		6	6	391
£100,000- £150,000				
£150,000- £200,000				
£200,000- £250,000				
>£250,000				
Total number exit packages by type	-	**35**	**35**	**980**
Total resource cost (£'000)	-	**980**	**980**	

Prior Year

<£10,000				
£10,000 - £25,000		2	2	42
£25,000 - £50,000		5	5	187
£50,000 - £100,000		4	4	239
£100,000- £150,000				
£150,000- £200,000				
£200,000- £250,000				
>£250,000				
Total number exit packages by type	-	11	11	468
Total resource cost (£'000)	-	468	468	

R Calderwood
Chief Executive & Accountable Officer
28 June 2016

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

I have audited the financial statements of Greater Glasgow Health Board and its group for the year ended 31 March 2016 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Consolidated Comprehensive Net Expenditure, the Consolidated Balance Sheet, the Statement of Consolidated Cash Flows, the Statement of Consolidated Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2015/16 Government Financial Reporting Manual (the 2015/16 FReM).

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

Respective responsibilities of Accountable Officer and auditor

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

Scope of the audit of the financial statements

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

Opinion on 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 and its group as at 31 March 2016 and of their net operating cost for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2015/16 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Opinion on regularity

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

Opinion on other prescribed matters

In my opinion:

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

Matters on which I am required to report by exception

I am required to report to you if, in my opinion:

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

I have nothing to report in respect of these matters.

Gillian Woolman MA FCA CPFA

Assistant Director of Audit

Audit Scotland

4th Floor, 102 West Port

Edinburgh, EH3 9DN

30 June 2016

Statement of Consolidated Comprehensive Net Expenditure and Summary of Resource Outturn

	Note	2016 £'000	2015 £'000
Clinical Services Costs			
Hospital and Community	4	**2,623,517**	2,387,081
Less: Hospital and Community Income	8	**736,962**	547,828
		1,886,555	1,839,253
Family Health	5	**565,777**	552,729
Less: Family Health Income	8	**15,753**	14,886
		550,024	537,843
Total Clinical Services Costs		**2,436,579**	2,377,096
Administration Costs	6	**9,591**	8,870
Less: Administration Income	8	**206**	8
		9,385	8,862
Other Non Clinical Services	7	**62,833**	77,538
Less: Other Operating Income	8	**53,256**	65,692
		9,577	11,846
Joint Ventures accounted for on an equity basis	28a	**(1,504)**	-
Net Operating Costs		**2,454,037**	2,397,804

	2016 £'000	2015 £'000
OTHER COMPREHENSIVE NET EXPENDITURE/(INCOME)		
Net (gain)/loss on revaluation of property, plant and equipment	**7,867**	(21,103)
Net (gain)/loss on revaluation of available for sale financial assets	**1,468**	(2,855)
Other Comprehensive Net Expenditure/(Income)	**9,335**	(23,958)
Total Comprehensive Expenditure	**2,463,372**	2,373,846

	2016 £'000
SUMMARY OF CORE REVENUE RESOURCE OUTTURN	
Net Operating Costs	2,454,037
Total Non Core Expenditure (see below)	(113,572)
FHS Non Discretionary Allocation	(143,471)
Donated Assets Income	4,009
Endowment Net Operating Costs	(5,185)
Associates and Joint Ventures accounted for on an equity basis	1,504
Total Core Expenditure	2,197,322
Core Revenue Resource Limit	2,197,562
Saving against Core Revenue Resource Limit	240

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN	
Capital Grants to Other Bodies	658
Depreciation/Amortisation	87,357
Annually Managed Expenditure - Impairments	5,906
Annually Managed Expenditure - Creation of Provisions	10,594
Annually Managed Expenditure - Depreciation of Donated Assets	1,523
Additional SGHSCD non-core funding	2,700
IFRS PFI Expenditure	4,834
Total Non Core Expenditure	113,572
Non Core Revenue Resource Limit	113,572
Saving against Non Core Revenue Resource Limit	-

SUMMARY RESOURCE OUTTURN	
Core Expenditure	2,197,322
Non Core Expenditure	113,572
Total Net Expenditure	2,310,894
Core Revenue Resource Limit	2,197,562
Non Core Revenue Resource Limit	113,572
Total Revenue Resource Limit	2,311,134
Saving against Total Revenue Resource Limit	240

Consolidated Balance Sheet

Consolidated 2015 £'000	Board 2015 £'000		Note	Consolidated 2016 £'000	Board 2016 £'000
		NON CURRENT ASSETS			
2,136,256	2,136,103	Property, plant and equipment	11	**2,119,412**	**2,119,272**
177	177	Intangible assets	10	**338**	**338**
		Financial assets:			
89,643	462	Available for sale financial assets	14	**85,205**	**462**
-	-	Investment in joint ventures	28b	**1,504**	**-**
65,348	65,348	Trade and other receivables	13	**63,348**	**63,348**
2,291,424	2,202,090	**Total Non Current Assets**		**2,269,807**	**2,183,420**
		CURRENT ASSETS			
22,321	22,321	Inventories	12	**22,206**	**22,206**
292	292	Intangible assets	10	**547**	**547**
		Financial assets:			
97,713	96,670	Trade and other receivables	13	**83,497**	**83,861**
1,599	311	Cash and cash equivalents	15	**381**	**381**
14,924	14,924	Assets classified as held for sale	11	**6,525**	**6,525**
136,849	134,518			**113,156**	**113,520**
		CURRENT LIABILITIES			
(80,281)	(80,281)	Provisions	17	**(58,052)**	**(58,052)**
		Financial liabilities:			
(351,724)	(349,965)	Trade and other payables	16	**(318,498)**	**(317,232)**
(432,005)	(430,246)			**(376,550)**	**(375,284)**
1,996,268	1,906,362	**Total assets less current liabilities**		**2,006,413**	**1,921,656**
		NON CURRENT LIABILITIES			
(122,557)	(122,557)	Provisions	17	**(153,266)**	**(153,266)**
		Financial liabilities:			
(280,295)	(280,295)	Trade and other payables	16	**(259,785)**	**(259,785)**
(402,852)	(402,852)			**(413,051)**	**(413,051)**
1,593,416	1,503,510			**1,593,362**	**1,508,605**
		TAXPAYERS' EQUITY			
1,199,783	1,199,783	General Fund		**1,231,633**	**1,231,633**
303,727	303,727	Revaluation Reserve		**276,972**	**276,972**
-	-	Other reserves - joint ventures		**1,504**	**-**
89,906	-	Funds held on Trust		**83,253**	**-**
1,593,416	1,503,510			**1,593,362**	**1,508,605**

Adopted by the Board on 28 June 2016

M White
Director of Finance

R Calderwood
Chief Executive

The Notes to the Accounts, numbered 1 to 28, form an integral part of these Accounts.

Statement of Consolidated Cashflows

	Note	2016 £'000	2015 £'000
NET OPERATING CASHFLOW			
Net operating cost		**(2,454,037)**	(2,397,804)
Exclude Joint ventures accounted for on an equity basis		**1,504**	-
Revised Net Operating Cost		**(2,455,541)**	(2,397,804)
Adjustments for non cash transactions		**95,642**	120,057
Interest payable		**18,688**	18,431
Investment Income		**(1,815)**	(2,171)
Net movement on working capital		**(34,844)**	(23,689)
Net cash outflow from operating activities	28	**(2,377,870)**	(2,285,176)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(82,168)**	(167,588)
Purchase of intangible assets		**(475)**	(363)
Investment Additions		**(14,530)**	(20,631)
Transfer of assets to/(from) other NHS bodies		**(163)**	-
Proceeds of disposal of property, plant and equipment		**10,385**	2,161
Receipts from sale of investments		**13,734**	34,229
Interest received		**1,835**	2,473
Net cash outflow from Investing Activities	28	**(71,382)**	(149,719)
FINANCING			
Funding		**2,466,429**	2,470,231
Movement in general fund working capital		**70**	(4)
Cash drawn down		**2,466,499**	2,470,227
Capital element of payments in respect of finance leases and on balance sheet PFI Contracts		**(3,622)**	(3,353)
Interest paid		**4**	530
Interest element of finance leases and on balance sheet PFI Contracts		**(18,692)**	(18,961)
Net cash inflow from financing	28	**2,444,189**	2,448,443
(Decrease)/Increase in cash in year		**(5,063)**	13,548
Net cash at 1 April		**40,485**	26,937
Net cash at 31 March		**35,422**	40,485

The net cash balances above differ from those disclosed in Note 15 to these accounts due to the treatment of investment cash within endowments. This balance is included within Available For Sale Financial Assets in the balance sheet, and for current year was £35,153k (prior year £38,886k).

Statement of Consolidated Changes in Taxpayers' Equity

	Note	General Fund £'000	Revaluation Reserve £'000	Other Reserves - Joint Ventures £'000	Funds Held on Trust £'000	Total Reserves £'000
Balance at 31 March 2015		**1,199,783**	**303,727**	**-**	**89,906**	**1,593,416**
Changes in taxpayers' equity for 2015-16						
Net loss on revaluation/indexation of property, plant and equipment	11	-	(7,867)	-	-	**(7,867)**
Net loss on revaluation of available for sale financial assets	14	-	-	-	(1,468)	**(1,468)**
Impairment of property, plant and equipment	11	-	(8,854)	-	-	**(8,854)**
Revaluation & impairments taken to operating costs	3	-	5,906	-	-	**5,906**
Transfers between reserves		15,940	(15,940)	-	-	**-**
Transfer of non current assets from other bodies		(163)	-	-	-	**(163)**
Net operating cost for the year		(2,450,356)	-	1,504	(5,185)	**(2,454,037)**
Total recognised income and expense for 2015-16		**(2,434,579)**	**(26,755)**	**1,504**	**(6,653)**	**(2,466,483)**
Funding:						
Drawn down		2,466,499	-	-	-	**2,466,499**
Movement in General Fund Creditor	cfs	(70)	-	-	-	**(70)**
Balance at 31 March 2016	BS	**1,231,633**	**276,972**	**1,504**	**83,253**	**1,593,362**

PRIOR YEAR

	Note	General Fund £'000	Revaluation Reserve £'000	Other Reserves - Joint Ventures £'000	Funds Held on Trust £'000	Total Reserves £'000
Balance at 31 March 2014		**1,118,923**	**256,909**	**-**	**88,662**	**1,464,494**
Changes in taxpayers' equity for 2014-15						
Net gain on revaluation/indexation of property, plant and equipment	11	-	21,103	-	-	**21,103**
Net gain on revaluation of available for sale financial assets	14	-	-	-	2,855	**2,855**
Impairment of property, plant and equipment	11	-	(6,146)	-	-	**(6,146)**
Revaluation & impairments taken to operating costs	3	-	42,587	-	-	**42,587**
Transfers between reserves		10,726	(10,726)	-	-	**-**
Transfer of non current assets from other bodies		(3,904)	-	-	-	**(3,904)**
Net operating cost for the year		(2,396,193)	-	-	(1,611)	**(2,397,804)**
Total recognised income and expense for 2014-15		**(2,389,371)**	**46,818**	**-**	**1,244**	**(2,341,309)**
Funding:						
Drawn down		2,470,227	-	-	-	**2,470,227**
Movement in General Fund (Creditor) / Debtor	cfs	4	-	-	-	**4**
Balance at 31 March 2015		**1,199,783**	**303,727**	**-**	**89,906**	**1,593,416**

1. ACCOUNTING POLICIES

1) Authority

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in section (29) below.

a) Disclosure of new accounting standards

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* requires disclosure of information on the expected impact of new accounting standards that have been issued but not yet in effect. The following standards (amendments) which are expected to be relevant to the consolidated entity, have been issued but are not yet effective.

- IAS 1 Disclosure Initiative (amendment).
- IAS 7 Disclosure Initiative (amendment).
- IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortisation (amendment).
- IAS 27 Equity Method in Separate Financial Statements (amendment).
- IAS 34 Interim Financial Reporting: Disclosure of information elsewhere in the interim financial report (amendment).
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Change in methods of disposal (amendment).
- IFRS 7 Financial Instruments: Disclosures (amendment).
- IFRS 9 Financial Instruments (IAS 39 Financial Instruments: Recognition and Measurement - replacement). (New).
- IFRS 10, IFRS 12, IAS 28 Investment entities: applying the Consolidation Exception (amendment).
- IFRS 11 Accounting for acquisitions of interests in joint operations (amendment).
- IFRS 15 Revenue from Contracts with Customers (IAS 18 Revenue – replacement). (New).
- IFRS 16 Leases (IAS 17 - replacement). (New).

It is not anticipated that the amendments to standards noted above will have any material effect on the accounts of the Board or consolidated entity.

b) Standards, amendments and interpretations early adopted this year

There are no new standards, amendments or interpretations early adopted this year.

2) Basis of Consolidation

In accordance with IAS 27 – Separate Financial Statements, the financial statements consolidate the NHS Greater Glasgow & Clyde Endowment Fund.

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

The NHS Greater Glasgow & Clyde Endowment Fund is a charity registered with the Office of the Scottish Charity Regulator (OSCR) and is required to prepare and submit audited financial statements to OSCR on an annual basis.

The basis of consolidation is merger accounting. Any intra group transactions or balances between the Board and the Endowment Fund have been eliminated on consolidation.

Effective from 2015-16 the Board has also disclosed its interest in the three operational Integration Joint Boards (IJBs); East Dunbartonshire, West Dunbartonshire and East Renfrewshire. In accordance with IFRS 11 - Joint Arrangements, and other relevant standards, the financial statements have disclosed the Board's interest in IJBs as a Joint Venture.

Note 28 to the Annual Accounts details how these consolidated financial statements have been prepared.

3) Prior Year Adjustments

There have been no prior year adjustments included in the accounts.

4) Going Concern

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

5) Accounting Convention

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

6) Funding

NHS Greater Glasgow & Clyde Board:

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

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

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

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

Non-discretionary funding 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 operating costs charged against the RRL in the Summary of Resource Outturn.

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

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

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

NHS Greater Glasgow & Clyde Endowment Funds:

All incoming resources are recognised when the Endowment Fund has received its entitlement to the resources, it is certain that that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

Donations and legacies are credited to revenue on a receivable basis. Legacies are accounted for on receipt of correspondence from the personal representative indicating that payment of the legacy will be made.

All expenditure including grants is accounted for on an accruals basis and is only incurred where this will further the charitable objects of the NHS Greater Glasgow & Clyde Endowment Funds. Expenditure is recognized when there is a legal or constructive obligation committing the fund to the expenditure.

7) Property, plant and equipment

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

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

7.1) Recognition

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

All assets falling into the following categories are capitalised:

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

7.2) Measurement

Valuation:

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

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

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

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

Valuations of all land and building assets are reassessed by valuers under a 5-year rolling programme of professional valuations, with the aim of assessing approximately 20% each year. Building Cost Information Service (BCIS) indices are used in the intervening years to take account

of movements in prices since the latest valuation. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Scottish Government.

Non specialised equipment, installations and fittings are valued at fair value. Boards value such assets using the most appropriate valuation methodology available (for example, appropriate indices). A depreciated historical cost is used as a proxy for fair value in respect of such assets which have short useful lives or low values (or both).

Assets under construction are held at cost until operational. Thereafter they are valued as above in accordance with all other assets in the same category. These assets are also subject to impairment review.

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

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

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

Subsequent expenditure:

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

Revaluations and Impairment:

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

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

7.3) Depreciation

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

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

- Freehold land is considered to have an infinite life and is not depreciated.
- Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to the Board, respectively.
- Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.

- Buildings, installations and fittings are depreciated on current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.
- Equipment is depreciated over the estimated life of the asset.
- Property, plant and equipment held under finance leases are depreciated over the shorter of the lease term and the estimated useful life.

The following asset lives have been used:

Asset Category	Asset Lives
Medical Equipment	5 – 15 years
Engineering Equipment	5 - 15 years
Catering Equipment	5 - 15 years
Vehicles	7 years
Information Technology	5 – 10 years
Other Office Equipment	5 years
Buildings - Structure	1 – 90 years
Buildings – External Works	1 – 90 years

8) Intangible Assets

8.1) Recognition

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

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

The main classes of intangible assets recognised are:

Internally generated intangible assets:

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

Expenditure on research is not capitalised.

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

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

- the Board can measure reliably the expenses attributable to the asset during development.

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

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

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

Carbon Emissions (Intangible Assets):
A cap and trade scheme gives rise to an asset for allowances held and a liability for the obligation to deliver allowances equal to emissions that have been made.

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

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

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

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

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

Subsequently intangible assets that are not held for their service potential (i.e. assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured at fair value. Where an active (homogeneous) market exists, intangible assets are carried at fair value. Where no active market exists, the intangible asset is revalued, using indices or some suitable model, to the lower of depreciated replacement cost and value in use where the asset is income generating. Where there is no value in use, the intangible asset is valued using depreciated replacement cost. These measures are a proxy for fair value.

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

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

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

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

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

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

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

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

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Asset Category	Asset Lives
Intangible Assets – Software Licences	1 – 5 years
Intangible Assets – EU ETS Allowances	1 – 5 years

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

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e:
    - management are committed to a plan to sell the asset;

- an active programme has begun to find a buyer and complete the sale;
- the asset is being actively marketed at a reasonable price;
- the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

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

10) Donated Assets

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

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

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

12) Leasing

Finance leases

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

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

Operating leases

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

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

In circumstances where the Board leases to others such transactions are accounted for in accordance with IFRS requirements. These leases are treated in a similar manner to the treatment noted above for Finance and Operating leases although in this case the Board is the lessor.

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

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

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

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

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

Pension Costs
The Board participates in the NHS Superannuation Scheme for Scotland providing defined benefits based on final pensionable pay, where contributions are credited to the Exchequer and are deemed to be invested in a portfolio of Government Securities. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and

therefore accounts for the scheme as if it were a defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the Statement of Comprehensive Net Expenditure represents the Board's employer contributions payable to the scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to Exchequer. The pension cost is assessed every five years by the Government Actuary and determines the rate of contributions required. The most recent actuarial valuation is published by the Scottish Public Pensions Agency and is available on their website.

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

18) Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to a threshold per claim. Costs above this threshold are reimbursed to Boards from a central fund held as part of the CNORIS scheme by the Scottish Government.

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

NHS Greater Glasgow and Clyde also provides for its liability from participating in the scheme. The Participation in CNORIS provision recognises the Board's respective share of the total liability of NHSScotland as advised by the Scottish Government and based on information prepared by NHS Boards and the Central Legal Office. The movement in the provisions between financial years is matched by a corresponding adjustment in AME provision and is classified as non-core expenditure.

19) Related Party Transactions

Material related party transactions are disclosed in the note 25 in line with the requirements of IAS 27. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 4.

20) Value Added Tax

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

21) PFI Schemes/HUB/NPD Schemes

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

Schemes which do not fall within the application of IFRIC 12 are deemed to be off-balance sheet. Where the Board has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract by charge to the Statement of Comprehensive Net

Expenditure. Where, at the end of the PFI contract, a property reverts to the Board, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up on the balance sheet over the life of the contract by capitalising part of the unitary charge each year.

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

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

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

22) Provisions

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

23) Contingencies

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

Contingent liabilities are not recognised, but are disclosed in note 19, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

24) Corresponding Amounts

Corresponding amounts are shown for the primary statements and notes to the financial statements. Where the corresponding amounts are not directly comparable with the amount to be shown in respect of the current financial year, IAS 1 'Presentation of Financial Statements', requires that they should be adjusted and the basis for adjustment disclosed in a note to the financial statements.

25) Financial Instruments

Financial Assets

Classification

The Board classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for

which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

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

(b) Loans and receivables

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

(c) Available-for-sale financial assets

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

Recognition and measurement

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

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

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

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

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

(b) Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the NHS Board will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 150 days overdue) are considered indicators that the loan and receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Net Expenditure. When a loan or receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the Statement of Comprehensive Net Expenditure.

(c) Available-for-sale financial assets

Available-for-sale financial assets are initially recognised and subsequently carried at fair value. Changes in the fair value of financial assets classified as available for sale are recognised in equity in other reserves. When financial assets classified as available for sale are sold or impaired, the

accumulated fair value adjustments recognised in equity are included in the Statement of Comprehensive Net Expenditure. Dividends on available-for-sale equity instruments are recognised in the Statement of Comprehensive Net Expenditure when the Board's right to receive payments is established.

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

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

Financial Liabilities

Classification

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

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

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

(b) Other financial liabilities

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

Recognition and measurement

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

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

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

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

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

(b) Other financial liabilities

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

26) Segmental reporting Operating segments are reported in a manner consistent with the internal reporting requirements of the Board. The Chief Executive Officer and the executive team are responsible for allocating resources and assessing performance of the operating segments.

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

27) Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

28) Third party assets
Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Board has no beneficial interest in them.
However, they are disclosed in Note 27 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

29) Key sources of judgement and estimation uncertainty
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

- Provisions - Pensions and Similar Obligations. The Board has provided for estimated costs relating to pensions and similar obligations and reliance has been placed on details provided by the Scottish Public Pensions Agency in order to quantify the amounts provided.
- Provisions - Clinical and Medical negligence claims. The Board has provided for estimated costs relating to clinical and medical negligence and reliance has been placed on details provided by the NHS Scotland Central Legal Office in order to quantify amounts provided.

2. (a) STAFF NUMBERS AND COSTS

	Executive Board Members	Non Executive Members	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
STAFF COSTS								
Salaries and wages	636	339	1,253,097	-	-	(10,727)	**1,243,345**	1,215,572
Social security costs	82	20	106,228	-	-	(1,059)	**105,271**	103,709
NHS pension scheme employers' costs	28	8	158,665	-	-	(1,457)	**157,244**	141,267
Inward secondees	-	-	-	15,250	-	-	**15,250**	19,135
Agency staff	-	-	-	-	30,841	-	**30,841**	22,605
	746	367	1,517,990	15,250	30,841	(13,243)	**1,551,951**	1,502,288
Compensation for loss of office	-	-	980	-	-	-	**980**	468
TOTAL	**746**	**367**	**1,518,970**	**15,250**	**30,841**	**(13,243)**	**1,552,931**	1,502,756

2. (b) HIGHER PAID EMPLOYEES REMUNERATION

	2016 Number	2015 Number
The number of employees whose remuneration fell within the following ranges is:		
Clinicians		
£ 50,001 to £ 60,000	**345**	326
£ 60,001 to £ 70,000	**207**	219
£ 70,001 to £ 80,000	**197**	172
£ 80,001 to £ 90,000	**184**	173
£ 90,001 to £100,000	**144**	146
£100,001 to £110,000	**174**	188
£110,001 to £120,000	**169**	187
£120,001 to £130,000	**161**	154
£130,001 to £140,000	**143**	149
£140,001 to £150,000	**122**	129
£150,001 to £160,000	**107**	77
£160,001 to £170,000	**81**	67
£170,001 to £180,000	**32**	40
£180,001 to £190,000	**27**	17
£190,001 to £200,000	**25**	13
£200,001 and above	**22**	15
Other		
£ 50,001 to £ 60,000	**564**	617
£ 60,001 to £ 70,000	**180**	196
£ 70,001 to £ 80,000	**54**	49
£ 80,001 to £ 90,000	**29**	30
£ 90,001 to £100,000	**8**	18
£100,001 to £110,000	**13**	8
£110,001 to £120,000	**0**	0
£120,001 to £130,000	**0**	1
£130,001 to £140,000	**1**	1

Note
1. Figures included above for higher paid employees do not include those senior officers who are shown on the remuneration report.

3. OTHER OPERATING COSTS

	Note	2016 £'000	2015 £'000
Expenditure Not Paid In Cash			
Depreciation	11a	**92,132**	79,384
Amortisation	10	**59**	62
Depreciation Donated Assets	11b	**1,523**	1,128
Impairments on PPE charged to the Statement of Comprehensive Net Expenditure	11	**9,498**	42,587
Reversal of impairments on PPE charged to SOCNE	11	**(3,592)**	-
Funding Of Donated Assets	11b	**(4,009)**	(3,104)
Loss on disposal of property, plant and equipment		**31**	-
Other non cash costs		**(13)**	-
Total Expenditure Not Paid In Cash	CFS	**95,629**	120,057
Interest Payable			
PFI Finance lease charges allocated in the year	22	**18,692**	18,961
Provisions - Unwinding of discount		**(4)**	(274)
Long Term Debtor - Unwinding of discount		**-**	(256)
Total		**18,688**	18,431
Statutory Audit			
External auditor's remuneration and expenses		**560**	575

4. HOSPITAL AND COMMUNITY HEALTH SERVICES

	2016 £'000	2015 £'000
BY PROVIDER		
Treatment in Board area of NHSScotland patients	**2,253,766**	2,192,443
Other NHSScotland bodies	**37,107**	35,152
Health bodies outside Scotland	**1,465**	1,418
Primary care bodies	**118**	103
Private sector	**17,146**	12,494
Community Care		
Support Finance	**307**	182
Resource Transfer	**121,584**	119,950
Contribution of Health Board to Integration Joint Board	**166,859**	-
Contributions to Voluntary Bodies and Charities	**21,978**	21,990
Total NHS Scotland Patients	**2,620,330**	2,383,732
Treatment of UK residents based outside Scotland	**3,187**	3,349
Total Hospital & Community Health Service	**2,623,517**	2,387,081

5. FAMILY HEALTH SERVICE EXPENDITURE

	Unified Budget £'000	Non Discretionary £'000	2016 £'000	2015 £'000
Primary Medical Services	164,891	-	**164,891**	163,372
Pharmaceutical Services	236,027	42,790	**278,817**	269,255
General Dental Services	5,341	91,575	**96,916**	95,800
General Ophthalmic Services	389	24,764	**25,153**	24,302
Total Family Health Services Expenditure	**406,648**	**159,129**	**565,777**	552,729

6. ADMINISTRATION COSTS

	2016 £'000	2015 £'000
Board Members' Remuneration	**1,113**	1,126
Administration of Board Meetings and Committees	**508**	497
Corporate Governance and Statutory Reporting	**1,669**	1,718
Health Planning, Commissioning and Performance Reporting	**4,806**	4,138
Treasury Management and Financial Planning	**334**	299
Public Relations	**832**	803
Other	**329**	289
Total Administration Costs	**9,591**	8,870

7. OTHER NON CLINICAL SERVICES

	2016 £'000	2015 £'000
Compensation payments - Clinical	**6,765**	15,875
Compensation payments - Other	**2,181**	1,493
Pension enhancement & redundancy	**1,709**	6,514
Patients' Travel Attending Hospitals	**407**	583
Health Promotion	**15,629**	17,028
Public Health	**863**	767
Public Health Medicine Trainees	**220**	236
Emergency Planning	**148**	134
Loss on disposal of Non Current Assets	**116**	478
Endowment Expenditure	**11,950**	10,150
Other	**22,845**	24,280
Total Other Non Clinical Services	**62,833**	77,538

8. OPERATING INCOME

	2016 £'000	2015 £'000
HCH Income		
NHSScotland Bodies		
Boards	**531,515**	509,449
Non NHS		
Private Patients	**546**	935
Compensation Income	**4,354**	4,447
Other HCH income	**33,868**	32,997
Income for services commissioned by Integration Joint Board	**166,679**	-
Total HCH Income	**736,962**	547,828
FHS Income		
Discretionary	**95**	100
Non Discretionary		
General Dental Services	**15,658**	14,786
General Ophthalmic Services	**-**	-
Total FHS Income	**15,753**	14,886
Administration Income	**206**	8
Other Operating Income		
NHSScotland Bodies	**237**	665
SGHSCD	**-**	139
Contributions in respect of Clinical/ medical negligence claims	**4,659**	16,861
Profit on disposal of Non Current Assets	**85**	9
Donated Asset Additions	**4,009**	3,104
Shared Services	**267**	283
Endowment Income	**6,765**	8,539
Other	**37,234**	36,092
Total Other Operating Income	**53,256**	65,692
Total Income	**806,177**	628,414
Of the above, the amount derived from NHS bodies is	**531,752**	510,253

9. ANALYSIS OF CAPITAL EXPENDITURE

	Note	2016 £'000	2015 £'000
EXPENDITURE			
Acquisition of Intangible Assets	10	**220**	71
Acquisition of Property, Plant and Equipment	11a	**82,049**	163,329
Donated Asset Additions	11b	**4,009**	3,104
HUB Expenditure		**-**	461
Gross Capital Expenditure		**86,278**	166,965
INCOME			
Net book value of disposal of Property, plant and equipment	11a	**242**	4,521
Net book value of disposal of Donated Assets	11b	**84**	3
Value of disposal of Non Current Assets held for sale	11c	**599**	-
Donated Asset Income		**4,009**	3,104
Capital Income		**4,934**	7,628
Net Capital Expenditure		**81,344**	159,337
Summary of Capital Resource Outturn			
Core Capital Expenditure included above		**68,070**	154,852
Core Capital Resource Limit		**68,096**	154,872
Saving against Core Capital Resource Limit		**26**	20
Non Core Capital Expenditure included above		**13,274**	4,485
Non Core Capital Resource Limit		**13,274**	4,485
Saving against Non Core Capital Resource Limit		**-**	-
Total Capital Expenditure		**81,344**	159,337
Total Capital Resource Limit		**81,370**	159,357
Saving against Total Capital Resource Limit		**26**	20

10. (a) INTANGIBLE ASSETS (NON CURRENT) - CONSOLIDATED AND BOARD

	Software Licences £'000	EC Carbon Emissions £'000	Total £'000
Cost or Valuation:			
At 1 April 2015	788	-	788
Additions	44	176	220
At 31 March 2016	**832**	**176**	**1,008**
Amortisation			
At 1 April 2015	611	-	611
Provided during the year	59	-	59
At 31 March 2016	**670**	**-**	**670**
Net book value at 1 April 2015	177	-	177
Net book value at 31 March 2016	**162**	**176**	**338**

10. (a) INTANGIBLE ASSETS (NON CURRENT), cont. - CONSOLIDATED AND BOARD PRIOR YEAR

	Software Licences £'000	EC Carbon Emissions £'000	Total £'000
Cost or Valuation:			
At 1 April 2014	717	-	717
Additions	71	-	71
At 31 March 2015	**788**	**-**	**788**
Amortisation			
At 1 April 2014	549	-	549
Provided during the year	62	-	62
At 31 March 2015	**611**	**-**	**611**
Net book value at 1 April 2014	168	-	168
Net book value at 31 March 2015	**177**	**-**	**177**

10. (b) INTANGIBLE ASSETS (CURRENT)

Consolidated 2015 £'000	Board 2015 £'000		Consolidated 2016 £'000	Board 2016 £'000
292	292	Carbon Reduction Commitment Allowances	547	547
292	292		547	547

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

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2015	105,390	1,845,143	462	1,365	281,237	92,742	5,197	124,276	2,455,812
Additions	-	-	-	-	1,186	-	-	80,863	82,049
Completions	65	54,136	-	167	47,081	15,416	6,760	(123,625)	-
Transfers (to) / from non-current assets held for sale	7,800	-	-	-	-	-	-	-	7,800
Revaluation	(1,650)	(36,766)	-	-	-	-	-	-	(38,416)
Impairment Charge	-	(15,964)	-	(80)	(12,665)	(13)	(411)	-	(29,133)
Impairment Reversal	-	2,677	-	-	-	-	-	-	2,677
Disposals	(13)	-	-	(43)	(28,755)	-	(451)	-	(29,262)
At 31 March 2016	**111,592**	**1,849,226**	**462**	**1,409**	**288,084**	**108,145**	**11,095**	**81,514**	**2,451,527**
Depreciation									
At 1 April 2015	-	57,138	-	1,219	193,598	75,952	3,818	-	331,725
Provided during the year	-	55,338	-	56	25,687	9,228	1,823	-	92,132
Revaluation	-	(30,665)	-	-	-	-	-	-	(30,665)
Impairment Charge	-	(4,461)	-	(80)	(11,802)	(13)	(411)	-	(16,767)
Impairment Reversal	-	(682)	-	-	-	-	-	-	(682)
Disposals	-	-	-	(43)	(28,526)	-	(451)	-	(29,020)
At 31 March 2016	**-**	**76,668**	**-**	**1,152**	**178,957**	**85,167**	**4,779**	**-**	**346,723**
Net book value at 1 April 2015	105,390	1,788,005	462	146	87,639	16,790	1,379	124,276	2,124,087
Net book value at 31 March 2016	**111,592**	**1,772,558**	**462**	**257**	**109,127**	**22,978**	**6,316**	**81,514**	**2,104,804**
Open Market Value of Land in Land and Dwellings included Above	**21,177**	**-**	**-**						
Asset financing:									
Owned	111,592	1,523,299	462	257	109,127	22,978	6,316	81,514	1,855,545
On-balance sheet PFI contracts	-	249,259	-	-	-	-	-	-	249,259
Net book value at 31 March 2016	**111,592**	**1,772,558**	**462**	**257**	**109,127**	**22,978**	**6,316**	**81,514**	**2,104,804**

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

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2015	105,237	1,845,143	462	1,365	281,237	92,742	5,197	124,276	2,455,659
Additions	-	-	-	-	1,186	-	-	80,863	82,049
Completions	65	54,136	-	167	47,081	15,416	6,760	(123,625)	-
Transfers (to) / from non-current assets held for sale	7,800	-	-	-	-	-	-	-	7,800
Revaluation	(1,650)	(36,766)	-	-	-	-	-	-	(38,416)
Impairment Charge	-	(15,964)	-	(80)	(12,665)	(13)	(411)	-	(29,133)
Impairment Reversal	-	2,677	-	-	-	-	-	-	2,677
Disposals	-	-	-	(43)	(28,755)	-	(451)	-	(29,249)
At 31 March 2016	**111,452**	**1,849,226**	**462**	**1,409**	**288,084**	**108,145**	**11,095**	**81,514**	**2,451,387**
Depreciation									
At 1 April 2015	-	57,138	-	1,219	193,598	75,952	3,818	-	331,725
Provided during the year	-	55,338	-	56	25,687	9,228	1,823	-	92,132
Revaluation	-	(30,665)	-	-	-	-	-	-	(30,665)
Impairment Charge	-	(4,461)	-	(80)	(11,802)	(13)	(411)	-	(16,767)
Impairment Reversal	-	(682)	-	-	-	-	-	-	(682)
Disposals	-	-	-	(43)	(28,526)	-	(451)	-	(29,020)
At 31 March 2016	**-**	**76,668**	**-**	**1,152**	**178,957**	**85,167**	**4,779**	**-**	**346,723**
Net book value at 1 April 2015	105,237	1,788,005	462	146	87,639	16,790	1,379	124,276	2,123,934
Net book value at 31 March 2016	**111,452**	**1,772,558**	**462**	**257**	**109,127**	**22,978**	**6,316**	**81,514**	**2,104,664**
Open Market Value of Land in Land and Dwellings included Above	**21,177**	**-**	**-**						
Asset financing:									
Owned	111,452	1,523,299	462	257	109,127	22,978	6,316	81,514	1,855,405
On-balance sheet PFI contracts	-	249,259	-	-	-	-	-	-	249,259
Net book value at 31 March 2016	**111,452**	**1,772,558**	**462**	**257**	**109,127**	**22,978**	**6,316**	**81,514**	**2,104,664**

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

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2014	110,431	1,167,402	462	1,537	317,050	89,325	10,232	668,603	2,365,042
Additions	1,238	127	-	-	2,019	-	6	159,939	163,329
Completions	-	680,654	-	69	13,038	6,149	401	(700,311)	-
Transfers (to) / from non-current assets held for sale	(2,175)	(474)	-	-	-	-	-	-	(2,649)
Revaluation	(3,300)	24,728	-	-	-	-	-	(3,912)	17,516
Impairment Charge	-	(24,237)	-	-	-	-	-	-	(24,237)
Disposals	(804)	(3,057)	-	(241)	(50,870)	(2,732)	(5,442)	(43)	(63,189)
At 31 March 2015	**105,390**	**1,845,143**	**462**	**1,365**	**281,237**	**92,742**	**5,197**	**124,276**	**2,455,812**
Depreciation									
At 1 April 2014	-	32,185	-	1,409	220,530	69,734	8,548	-	332,406
Provided during the year	-	46,350	-	50	23,338	8,950	696	-	79,384
Transfers (to) / from non-current assets held for sale	-	(25)	-	-	-	-	-	-	(25)
Revaluation	-	(3,275)	-	-	-	-	-	-	(3,275)
Impairment Charge	-	(18,097)	-	-	-	-	-	-	(18,097)
Disposals	-	-	-	(240)	(50,270)	(2,732)	(5,426)	-	(58,668)
At 31 March 2015	**-**	**57,138**	**-**	**1,219**	**193,598**	**75,952**	**3,818**	**-**	**331,725**
Net book value at 1 April 2014	110,431	1,135,217	462	128	96,520	19,591	1,684	668,603	2,032,636
Net book value at 31 March 2015	**105,390**	**1,788,005**	**462**	**146**	**87,639**	**16,790**	**1,379**	**124,276**	**2,124,087**
Open Market Value of Land in Land and Dwellings included Above	**11,890**	**-**	**-**						
Asset financing:									
Owned	105,390	1,538,855	462	146	87,639	16,790	1,379	124,276	1,874,937
On-balance sheet PFI contracts	-	249,150	-	-	-	-	-	-	249,150
Net book value at 31 March 2015	**105,390**	**1,788,005**	**462**	**146**	**87,639**	**16,790**	**1,379**	**124,276**	**2,124,087**

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

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2014	110,278	1,167,402	462	1,537	317,050	89,325	10,232	668,603	2,364,889
Additions	1,238	127	-	-	2,019	-	6	159,939	163,329
Completions	-	680,654	-	69	13,038	6,149	401	(700,311)	-
Transfers (to) / from non-current assets held for sale	(2,175)	(474)	-	-	-	-	-	-	(2,649)
Revaluation	(3,300)	24,728	-	-	-	-	-	(3,912)	17,516
Impairment Charge	-	(24,237)	-	-	-	-	-	-	(24,237)
Impairment Reversal	-	-	-	-	-	-	-	-	-
Disposals	(804)	(3,057)	-	(241)	(50,870)	(2,732)	(5,442)	(43)	(63,189)
At 31 March 2015	**105,237**	**1,845,143**	**462**	**1,365**	**281,237**	**92,742**	**5,197**	**124,276**	**2,455,659**
Depreciation									
At 1 April 2014	-	32,185	-	1,409	220,530	69,734	8,548	-	332,406
Provided during the year	-	46,350	-	50	23,338	8,950	696	-	79,384
Transfers (to) / from non-current assets held for sale	-	(25)	-	-	-	-	-	-	(25)
Revaluation	-	(3,275)	-	-	-	-	-	-	(3,275)
Impairment Charge	-	(18,097)	-	-	-	-	-	-	(18,097)
Disposals	-	-	-	(240)	(50,270)	(2,732)	(5,426)	-	(58,668)
At 31 March 2015	**-**	**57,138**	**-**	**1,219**	**193,598**	**75,952**	**3,818**	**-**	**331,725**
Net book value at 1 April 2014	110,278	1,135,217	462	128	96,520	19,591	1,684	668,603	2,032,483
Net book value at 31 March 2015	**105,237**	**1,788,005**	**462**	**146**	**87,639**	**16,790**	**1,379**	**124,276**	**2,123,934**
Open Market Value of Land in Land and Dwellings included Above	**11,890**	**-**	**-**						
Asset financing:									
Owned	105,237	1,538,855	462	146	87,639	16,790	1,379	124,276	1,874,784
On-balance sheet PFI contracts	-	249,150	-	-	-	-	-	-	249,150
Net book value at 31 March 2015	**105,237**	**1,788,005**	**462**	**146**	**87,639**	**16,790**	**1,379**	**124,276**	**2,123,934**

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

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2015	169	6,843	-	89	11,114	36	-	1,204	19,455
Additions	-	-	-	-	3,239	-	-	770	4,009
Completions	-	-	-	-	398	-	1,271	(1,669)	-
Revaluation	-	(312)	-	-	-	-	-	-	(312)
Impairment Charge	-	(83)	-	(14)	(232)	-	-	-	(329)
Disposals	-	-	-	-	(2,088)	-	-	-	(2,088)
At 31 March 2016	**169**	**6,448**	**-**	**75**	**12,431**	**36**	**1,271**	**305**	**20,735**
Depreciation									
At 1 April 2015	-	442	-	48	6,760	36	-	-	7,286
Provided during the year	-	302	-	7	960	-	254	-	1,523
Revaluation	-	(196)	-	-	-	-	-	-	(196)
Impairment Charge	-	(10)	-	(14)	(225)	-	-	-	(249)
Impairment Reversal	-	(233)	-	-	-	-	-	-	(233)
Disposals	-	-	-	-	(2,004)	-	-	-	(2,004)
At 31 March 2016	**-**	**305**	**-**	**41**	**5,491**	**36**	**254**	**-**	**6,127**
Net book value at 1 April 2015	169	6,401	-	41	4,354	-	-	1,204	12,169
Net book value at 31 March 2016	**169**	**6,143**	**-**	**34**	**6,940**	**-**	**1,017**	**305**	**14,608**
Open Market Value of Land in Land and Dwellings included Above	-	-	-						
Asset financing:									
Owned	169	6,143	-	34	6,940	-	1,017	305	14,608
Net book value at 31 March 2016	**169**	**6,143**	**-**	**34**	**6,940**	**-**	**1,017**	**305**	**14,608**

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

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
Net book value at 1 April 2014	169	5,521	-	41	12,862	36	20	591	19,240
Additions	-	-	-	-	1,114	-	-	1,990	3,104
Completions	-	1,018	-	48	311	-	-	(1,377)	-
Revaluation	-	321	-	-	-	-	-	-	321
Impairment Charge	-	(17)	-	-	-	-	-	-	(17)
Disposals	-	-	-	-	(3,173)	-	(20)	-	(3,193)
Net book value at 31 March 2015	**169**	**6,843**	**-**	**89**	**11,114**	**36**	**-**	**1,204**	**19,455**
Depreciation									
Net book value at 1 April 2014	-	155	-	41	9,098	36	20	-	9,350
Provided during the year	-	289	-	7	832	-	-	-	1,128
Revaluation	-	9	-	-	-	-	-	-	9
Impairment Charge	-	(11)	-	-	-	-	-	-	(11)
Disposals	-	-	-	-	(3,170)	-	(20)	-	(3,190)
Net book value at 31 March 2015	**-**	**442**	**-**	**48**	**6,760**	**36**	**-**	**-**	**7,286**
Net book value at 1 April 2014	169	5,366	-	-	3,764	-	-	591	9,890
Net book value at 31 March 2015	**169**	**6,401**	**-**	**41**	**4,354**	**-**	**-**	**1,204**	**12,169**
Open Market Value of Land in Land and Dwellings included Above	-	-	-						
Asset financing:									
Owned	169	6,401	-	41	4,354	-	-	1,204	12,169
Net book value at 31 March 2015	**169**	**6,401**	**-**	**41**	**4,354**	**-**	**-**	**1,204**	**12,169**

11. (c) ASSETS HELD FOR SALE

The Board's Property Committee has approved the following to be presented as held for sale; land at the former Merchiston and the Mansionhouse Hospitals. During the course of the year it was decided to transfer Broomhill Hospital, Cowglen, Elizabeth Martin Clinic and Lenzie back to Property, Plant & Equipment as they currently do not fulfil the IFRS 5 criteria pertaining to assets held for sale.

ASSETS HELD FOR SALE - CONSOLIDATED AND BOARD

	Note	Property, Plant & Equipment £'000	Total £'000
At 1 April 2015		14,924	14,924
Transfers (to) / from property, plant and equipment	11a	(7,800)	(7,800)
Disposals of non-current assets held for sale		(599)	(599)
At 31 March 2016		**6,525**	**6,525**

ASSETS HELD FOR SALE (PRIOR YEAR) - CONSOLIDATED AND BOARD

	Note	Property, Plant & Equipment £'000	Total £'000
At 1 April 2014		12,300	12,300
Transfers (to) / from property, plant and equipment	11a	2,624	2,624
At 31 March 2015		**14,924**	**14,924**

11. (d) PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated 2015 £'000	Board 2015 £'000		Consolidated 2016 £'000	Board 2016 £'000
		Net book value of property, plant and equipment at 31 March		
2,124,087	2,123,934	Purchased	**2,104,804**	**2,104,664**
12,169	12,169	Donated	**14,608**	**14,608**
2,136,256	2,136,103	**Total**	**2,119,412**	**2,119,272**
11,890	11,890	Net book value related to land valued at open market value at 31 March	**21,177**	**21,177**
		Total value of assets held under:		
-	-	Finance Leases	-	-
249,150	249,150	PFI and PPP Contracts	**249,259**	**249,259**
249,150	249,150	**Total**	**249,259**	**249,259**
		Total depreciation charged in respect of assets held under:		
4,616	4,616	PFI and PPP contracts	**4,834**	**4,834**
4,616	4,616	**Total**	**4,834**	**4,834**

Land and buildings were fully revalued by the Valuation Office Agency at 31 March 2014 on the basis of fair value (market value or depreciated replacement cost where appropriate). These values have been updated in the intervening period using indices and various specific property revaluations supplied by the Valuation Office Agency. The valuer was RICS registered.

In the year 2015-16 the net impact was a reduction in value of £7,751k for Purchased Assets and £116k for Donated Assets. In 2014-15 the value of Purchased Assets increased by £20,791k and the value of Donated Assets by £312k.

12. INVENTORIES

Consolidated 2015 £'000	Board 2015 £'000		Consolidated 2016 £'000	Board 2016 £'000
22,321	22,321	Raw Materials and Consumables	22,206	22,206
22,321	22,321	**Total Inventories**	22,206	22,206

13. TRADE AND OTHER RECEIVABLES

Consolidated 2015 £'000	Board 2015 £'000		Consolidated 2016 £'000	Board 2016 £'000
		Receivables due within one year		
		NHSScotland		
466	466	SGHSCD	460	460
33,409	33,409	Boards	29,843	29,843
33,875	33,875	**Total NHSScotland Debtors**	30,303	30,303
1,481	1,481	NHS Non-Scottish Bodies	1,279	1,279
3,573	3,573	VAT recoverable	3,710	3,710
9,080	9,080	Prepayments	14,652	14,652
928	928	Accrued income	1,563	1,563
25,409	24,366	Other Receivables	11,137	11,501
17,625	17,625	Reimbursement of provisions	15,937	15,937
5,742	5,742	Other Public Sector Bodies	4,916	4,916
97,713	96,670	**Total Receivables due within one year**	83,497	83,861
		Receivables due after more than one year		
		NHSScotland		
562	562	Other Receivables	194	194
64,786	64,786	Reimbursement of Provisions	63,154	63,154
65,348	65,348	**Total Receivables due after more than one year**	63,348	63,348
163,061	162,018	**Total Receivables**	146,845	147,209
2,674	2,674	The total receivables figure above includes a provision for impairments	1,504	1,504

13. TRADE AND OTHER RECEIVABLES (cont)

Consolidated 2015 £'000	Board 2015 £'000		Consolidated 2016 £'000	Board 2016 £'000
		Movements on the provision for impairment of receivables are as follows:		
2,077	2,077	At 1 April	**2,674**	**2,674**
2,266	2,266	Provision for impairment	**1,233**	**1,233**
(469)	(469)	Receivables written off during the year as uncollectible	**(425)**	**(425)**
(1,200)	(1,200)	Unused amounts reversed	**(1,978)**	**(1,978)**
2,674	2,674	At 31 March	**1,504**	**1,504**

As of 31 March 2016, receivables with a carrying value of £1,504k (2015: £2,674k) were impaired and provided for. The amount of the provision was £1,504k (2015: £2,674k). The ageing of these receivables is as follows:

£'000	£'000		£'000	£'000
913	913	3 to 6 months past due	**213**	**213**
1,761	1,761	Over 6 months past due	**1,291**	**1,291**
2,674	2,674		**1,504**	**1,504**

The receivables assessed as individually impaired were mainly English, Welsh and Irish NHS Trusts, CCG's, Health Authorities, other Health Bodies, Scottish Local Authorities, overseas patient charges, research companies and private individuals and it was assessed that not all of the receivable balance may be recovered.

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2016, receivables with a carrying value of £3,145k (2015: £4,979k) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:

£'000	£'000		£'000	£'000
2,905	2,905	Up to 3 months past due	**2,233**	**2,233**
1,125	1,125	3 to 6 months past due	**282**	**282**
949	949	Over 6 months past due	**630**	**630**
4,979	4,979		**3,145**	**3,145**

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

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

The credit quality of receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available. Where no external credit rating is available, historical information about counterparty default rates is used.

Receivables that are neither past due nor impaired are shown by their credit risk below;

£'000	£'000	Counterparties with external credit ratings	£'000	£'000
155,408	154,365	Existing customers with no defaults in the past	**142,133**	**142,133**
155,408	154,365	Total neither past due or impaired	**142,133**	**142,133**

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

£'000	£'000	The carrying amount of receivables are denominated in the following currencies:	£'000	£'000
163,061	162,018	Pounds	**146,845**	**147,209**
163,061	162,018		**146,845**	**147,209**

All non-current receivables are due within 6 years (2014-15: 6 years) from the balance sheet date.

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

The fair value of long term other receivables is £194k (2014-15: £562).

14. AVAILABLE FOR SALE FINANCIAL ASSETS

Consolidated 2015 £'000	Board 2015 £'000		Consolidated 2016 £'000	Board 2016 £'000
89,643	462	Other	**85,205**	**462**
89,643	462	**Total Available For Sale Financial Assets**	**85,205**	**462**
85,706	1	At 1 April	**89,643**	**462**
35,311	461	Additions	**14,531**	**-**
(34,229)	-	Disposals	**(17,501)**	**-**
2,855	-	Revaluation surplus/(deficit) transfered to equity	**(1,468)**	**-**
89,643	462	**At 31 March**	**85,205**	**462**
89,643	462	Non-current	**85,205**	**462**
89,643	462	**At 31 March**	**85,205**	**462**

Board other investments include the investment in TMRI Ltd £1k, an unlisted investment denominated in UK pounds as well as an investment of £461k in subordinated debt in relation to the Maryhill and Eastwood Health Centres (HUB Schemes). There is no active market for the equity investment in TMRI Ltd. The carrying value of investments is less any material impairment. The consolidated investment also includes endowment invested funds.

15. CASH AND CASH EQUIVALENTS	At 1 April 2015 £'000	At 31 March 2016 £'000	Cash Flow 2016 £'000	Cash Flow 2015 £'000
Government Banking Service account balance	2	34	32	(157)
Cash at bank and in hand	309	347	38	154
Endowment Cash	1,288	-	(1,288)	(1,171)
Total Cash - Balance Sheet	1,599	381	(1,218)	(1,174)
Overdrafts	-	(112)	(112)	-
Total Cash - Cash Flow Statement	1,599	269	(1,330)	(1,174)

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

16. TRADE AND OTHER PAYABLES

Consolidated 2015 £'000	Board 2015 £'000		Consolidated 2016 £'000	Board 2016 £'000
		Payables due within one year		
		NHSScotland		
266	266	SGHSCD	**252**	**252**
5,649	5,649	Boards	**7,837**	**7,837**
5,915	5,915	**Total NHSScotland Payables**	**8,089**	**8,089**
1,484	1,484	NHS Non-Scottish Bodies	**893**	**893**
311	311	Amounts Payable to General Fund	**381**	**381**
54,512	54,512	FHS Practitioners	**52,495**	**52,495**
28,287	28,287	Trade Payables	**8,687**	**8,687**
142,648	142,648	Accruals	**123,967**	**123,967**
19,547	19,547	Deferred income	**18,157**	**18,157**
558	558	Payments received on account	**141**	**141**
3,623	3,623	Net obligations under PPP/PFI Contracts	**3,912**	**3,912**
-	-	Bank overdrafts	**112**	**-**
30,588	30,588	Income tax and social security	**30,194**	**30,194**
20,197	20,197	Superannuation	**21,502**	**21,502**
25,237	25,237	Holiday Pay Accrual	**21,685**	**21,685**
11,625	11,625	Other Public Sector Bodies	**7,467**	**7,467**
7,192	5,433	Other payables	**20,816**	**19,662**
351,724	349,965	**Total Payables due within one year**	**318,498**	**317,232**
		Payables due after more than one year		
		NHSScotland		
3,912	3,912	Net obligations under PPP/PFI Contracts due within 2 years	**4,226**	**4,226**
13,720	13,720	Net obligations under PPP/PFI Contracts due after 2 years but within 5 years	**14,821**	**14,821**
209,746	209,746	Net obligations under PPP/PFI Contracts due after 5 years	**204,420**	**204,420**
2,795	2,795	Deferred income	**2,787**	**2,787**
15,336	15,336	Capital Retention	**377**	**377**
34,786	34,786	CNORIS Structured Settlements	**33,154**	**33,154**
280,295	280,295	**Total Payables due after more than one year**	**259,785**	**259,785**
632,019	630,260	**Total Payables**	**578,283**	**577,017**

16. TRADE AND OTHER PAYABLES (cont)

Consolidated 2015 £'000	Board 2015 £'000		Consolidated 2016 £'000	Board 2016 £'000
		Borrowings included above comprise:		
-	-	Bank overdrafts	112	-
231,001	231,001	PFI Contracts	227,379	227,379
231,001	231,001		227,491	227,379
		The carrying amount and fair value of the non-current borrowings are as follows		
		Carrying amount		
227,378	227,378	PFI Contracts	223,467	223,467
227,378	227,378		223,467	223,467
		Fair value		
227,378	227,378	PFI Contracts	223,467	223,467
227,378	227,378		223,467	223,467
		The carrying amount of short term payables approximates their fair value.		
		The carrying amount of payables are denominated in the following currencies:		
632,019	630,260	Pounds	578,283	577,017
632,019	630,260		578,283	577,017

17. (a) PROVISIONS - CONSOLIDATED AND BOARD

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other	Total at 31 March 2016	Total at 31 March 2015
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2015	55,678	45,836	96,250	5,074	**202,838**	209,117
Arising during the year	2,478	21,389	30,349	946	**55,162**	21,717
Utilised during the year	(3,943)	(5,696)	(9,522)	(2,284)	**(21,445)**	(13,950)
Unwinding of discount	181	-	(185)	-	**(4)**	(274)
Reversed unutilised	(1,840)	(7,603)	(14,407)	(1,383)	**(25,233)**	(13,772)
At 31 March 2016	**52,554**	**53,926**	**102,485**	**2,353**	**211,318**	202,838

The amounts shown above in relation to Clinical & Medical Legal Claims against NHS Board are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 13.

Analysis of expected timing of discounted flows to 31 March 2016

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other	Total at 31 March 2016	Total at 31 March 2015
	£'000	£'000	£'000	£'000	£'000	£'000
Payable in one year	3,729	23,926	29,647	750	**58,052**	80,281
Payable between 2 - 5 years	12,966	30,000	40,391	1,603	**84,960**	84,076
Payable between 6 - 10 years	15,275	-	3,792	-	**19,067**	15,887
Thereafter	20,584	-	28,655	-	**49,239**	22,594
At 31 March 2016	**52,554**	**53,926**	**102,485**	**2,353**	**211,318**	202,838

Pensions and similar obligations

The Board meets the additional costs of benefits beyond the normal National Health Service Superannuation Scheme for Scotland benefits in respect of employees who retire early by paying the required amounts annually to the National Health Service Superannuation Scheme for Scotland over the period between early departure and normal retirement date. The Board provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of 1.37% in real terms. The Board expects expenditure to be charged to this provision for a period of up to 39 years.

Clinical & Medical Legal Claims against NHS Board

The Board holds a provision to meet costs of all outstanding and potential clinical and medical negligence claims. All legal claims notified to the Board are processed by the Scottish NHS Central Legal Office who will decide upon risk liability and likely outcome of each case. The provision contains sums for settlement awards, legal expenses and third party costs. Clinical and medical negligence cases lodged can be extremely complex. It is expected that expenditure will be charged to this provision for a period of up to 5 years. The amounts disclosed are stated gross and the amount of any expected reimbursements are shown separately as debtors in the notes to the accounts.

Participation in CNORIS

The Boards holds a provision for Participation in the CNORIS scheme which recognises that CNORIS is a shared risk scheme for NHS Scotland bodies. This provision recognises the liability for future payments that it is probable that the Board will incur based on their share of the overall CNORIS scheme liability for NHS Scotland.

Other (non-endowment)

The Board retains provisions in respect of other long term liabilities including all non medical claims notified through the Scottish NHS Central Legal Office. It is expected that these provisions may take up to 5 years to be fully utilised.

17. (b) CLINICAL NEGLIGENCE AND OTHER RISKS INDEMNITY SCHEME

2015 £'000		2016 £'000
49,061	Provision recognising individual claims against the NHS Board as at 31 March	**56,279**
(82,411)	Associated CNORIS receivable at 31 March	**(79,091)**
96,250	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	**102,485**
62,900	**Net Total Provision relating to CNORIS at 31 March**	**79,673**

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

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

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

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

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

18. MOVEMENT ON WORKING CAPITAL BALANCES

	Note	Opening Balances £'000	Closing Balances £'000	Net Movement 2016 £'000	2015 £'000
INVENTORIES					
Balance Sheet	12	22,321	22,206		
Net Decrease/(Increase)				**115**	(1,237)
TRADE AND OTHER RECEIVABLES					
Due within one year	13	96,670	83,861		
Due after more than one year	13	65,348	63,348		
Less: Capital included in above		(9,650)	(159)		
		152,368	147,050		
Net Decrease/(Increase)				**5,318**	(11,751)
TRADE AND OTHER PAYABLES					
Due within one year	16	349,965	317,232		
Due after more than one year	16	280,295	259,785		
Less: Property, Plant & Equipment (Capital) included in above		(59,602)	(59,483)		
Less: General Fund Creditor included in above	16	(311)	(381)		
Less: Lease and PFI Creditors included in above	16	(231,001)	(227,379)		
		339,346	289,774		
Net Decrease				**(49,572)**	(5,223)
PROVISIONS					
Balance Sheet	17	202,838	211,318		
Net (Decrease)/Increase				**8,480**	(6,279)
Net Decrease				**(35,659)**	(24,490)

19. CONTINGENT LIABILITIES/ASSETS

CONTINGENT LIABILITIES

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

(i) Negligence Claims

	Clinical & Medical Negligence	Employer's Liability	Total
	£'000	£'000	£'000
At 1 April 2015	59,267	2,283	**61,550**
Increase in value of claims	7,602	227	**7,829**
New claims arising during the year	6,555	718	**7,273**
Crystallised liabilities	(406)	(259)	**(665)**
Expired obligations	(10,833)	(1,469)	**(12,302)**
At 31 March 2016	**62,185**	**1,500**	**63,685**

(ii) Waste Electronic and Electrical Equipment Regulations

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 cost of collection, treatment recovery and environmentally sound disposal after 1 July 2007. If however a direct replacement is purchased then the cost of disposal will fall directly on the supplier. 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.

CONTINGENT ASSETS

The following contingent assets have not been provided for in the Accounts:	**2016**	2015
	£'000	£'000
Reimbursement of Contingent Liability re Negligence Claims (from CNORIS scheme) as follows:		
Clinical & Medical Negligence	**59,748**	52,120
Employer's Liability	**539**	1,013
Woodilee Land Sale - Ransom Strip	**-**	2,956
Total	**60,287**	56,089

20. COMMITMENTS

Capital Commitments

The Board has the following Capital Commitments which have not been provided for in the accounts

	2016	2015
	£'000	£'000
Contracted		
Acute Services Projects	**6,955**	3,272
New South Glasgow Hospitals	**11,644**	17,679
Primary Care Projects	**612**	984
Radiotherapy	**2,540**	8,407
Total	**21,751**	30,342
Authorised but not Contracted		
Acute Services Projects	**4,869**	4,556
New South Glasgow Hospitals	**11,513**	27,604
Investment in Hub Projects	**-**	369
Radiotherapy Equipment Replacement	**242**	-
Primary Care Projects	**5,104**	-
Total	**21,728**	32,529

21. COMMITMENTS UNDER LEASES

Operating Leases

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

Obligations under operating leases comprise:	2016	2015
	£'000	£'000
Buildings		
Not later than one year	**986**	918
Later than one year, not later than 2 years	**139**	-
Later than two year, not later than five years	**2,017**	2,323
Later than five years	**2,339**	1,731
Other		
Not later than one year	**1,016**	1,222
Later than one year, not later than 2 years	**1,054**	732
Later than two year, not later than five years	**855**	1,292
Amounts charged to Operating Costs in the year were:		
Hire of equipment (including vehicles)	**2,925**	3,246
Other operating leases	**5,481**	4,972
Total	**8,406**	8,218
Aggregate Rentals Receivable in the year		
Total of Operating Leases	**2,900**	2,904

22. COMMITMENTS UNDER PFI CONTRACTS - On balance Sheet

The Board has the following PFI contracts.

1. Larkfield Unit - Day Hospital Elderly Care Facility. PFI contract commenced with Quayle Munro Ltd on 1 November 2000 for a period of 25 years. Estimated capital value at commencement £9.1M.

2. Southern General Hospital - Elderly Bed Facility (210 Beds). PFI contract commenced with Carillion Private Finance on 1 April 2001 for a period of 28 years. Estimated capital value at commencement £11.1M.

3. Gartnavel Royal Hospital - Mental Health Facility (117 Beds). PFI contract commenced with Robertson Capital Projects Ltd on 1 October 2007 for a period of 30 years. Estimated capital value at commencement £17.7M.

4. Stobhill Rowanbank Clinic - Mental Health Secure Care Centre (74 Beds). PFI contract commenced with Quayle Munro Ltd on 1 May 2007 for a period of 35 years. Estimated capital value at commencement £19M.

5. Stobhill Hospital - Ambulatory Care and Diagnostic Treatment Centre. PFI contract commenced with Glasgow Healthcare Facilities Ltd on 1 April 2009 for a period of 30 years. Estimated capital value at commencement £78.7M.

6. Victoria Hospital - Ambulatory Care and Diagnostic Treatment Centre. PFI contract commenced with Glasgow Healthcare Facilities Ltd on 1 April 2009 for a period of 30 years. Estimated capital value at commencement £99.3M.

7. Stobhill Hospital - Ambulatory Care and Diagnostic Treatment Centre 60 Bed extension. PFI contract commenced with Glasgow Healthcare Facilities Ltd on 25 February 2011 for a period of 30 years. Estimated capital value at commencement £15.8M.

22. COMMITMENTS UNDER PFI CONTRACTS - On balance Sheet (cont)

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

Gross Minimum Lease Payments	**Larkfield**	**SGH Eld Bed**	**Gart Royal**	**Stb Rwbnk**	**Stb ACAD**	**Vic ACAD**	**Stb ACAD 60 Bed Ext**	**2016 Totals**	**2015 Totals**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	790	1,064	1,455	1,549	6,972	8,813	1,672	**22,315**	22,315
Due within 1 to 2 years	790	1,064	1,455	1,549	6,972	8,813	1,672	**22,315**	22,315
Due within 2 to 5 years	2,370	3,192	4,364	4,646	20,916	26,439	5,015	**66,942**	66,942
Due after 5 years	3,950	8,512	24,729	34,074	132,465	167,450	31,759	**402,939**	425,255
Balance at 31 March 2016	**7,900**	**13,832**	**32,003**	**41,818**	**167,325**	**211,515**	**40,118**	**514,511**	536,827

Less Interest Element	**Larkfield**	**SGH Eld Bed**	**Gart Royal**	**Stb Rwbnk**	**Stb ACAD**	**Vic ACAD**	**Stb ACAD 60 Bed Ext**	**Totals**	Totals
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	(395)	(699)	(1,145)	(1,333)	(5,889)	(7,444)	(1,498)	**(18,403)**	(18,692)
Due within 1 to 2 years	(366)	(667)	(1,122)	(1,317)	(5,801)	(7,335)	(1,481)	**(18,089)**	(18,403)
Due within 2 to 5 years	(908)	(1,786)	(3,214)	(3,839)	(16,807)	(21,245)	(4,322)	**(52,121)**	(53,222)
Due after 5 years	(725)	(2,527)	(10,798)	(17,726)	(65,836)	(83,222)	(17,685)	**(198,519)**	(215,509)
Balance at 31 March 2016	**(2,394)**	**(5,679)**	**(16,279)**	**(24,215)**	**(94,333)**	**(119,246)**	**(24,986)**	**(287,132)**	(305,826)

Present value of minimum lease payments	**Larkfield**	**SGH Eld Bed**	**Gart Royal**	**Stb Rwbnk**	**Stb ACAD**	**Vic ACAD**	**Stb ACAD 60 Bed Ext**	**Totals**	Totals
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	395	365	310	216	1,083	1,369	174	**3,912**	3,623
Due within 1 to 2 years	424	397	333	232	1,171	1,478	191	**4,226**	3,912
Due within 2 to 5 years	1,462	1,406	1,150	807	4,109	5,194	693	**14,821**	13,720
Due after 5 years	3,225	5,985	13,931	16,348	66,629	84,228	14,074	**204,420**	209,746
Balance at 31 March 2016	**5,506**	**8,153**	**15,724**	**17,603**	**72,992**	**92,269**	**15,132**	**227,379**	231,001

Amount charged to the Operating Cost Statement in respect of on balance sheet PFI transactions comprises;

	2016	2015
	£'000	£'000
Service charges	5,608	5,565
Interest charges	18,692	18,961
Other charges	5,390	5,186
Total	**29,690**	**29,712**

Contingent rents recognised as an expense in the period were;

	2016	2015
	£'000	£'000
Contingent rents (included in Other charges)	**5,390**	**5,186**

23. PENSION COSTS

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

The National Health Service Superannuation Scheme for Scotland is 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 IAS 19.

For the current year, normal employer contributions of £157.2m were payable to the SPPA (prior year £141.3m) at the rate of 14.9% (prior year: 13.5%) of total pensionable salaries. In addition, during the accounting period the NHS board incurred additional costs of £980K (prior year £468K) arising from the early retirement of staff. The most recent actuarial valuation discloses a balance of £1.4 billion to be met by future contributions from employing authorities.

Provisions amounting to £52.6m are included in the Balance Sheet and reflect the difference between the amounts charged to the Statement of Comprehensive Net Expenditure and the amounts paid directly.

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

Existing scheme:

The scheme provides benefits on a "final salary" basis at a normal retirement age of 60. Annual benefits are normally based on 1/80th of the best of the last three years pensionable pay for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings. Pensions are increased in line with the Consumer Price Index.

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

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

Arrangements from 2008:

The scheme provides benefits on a "final salary" basis at a normal retirement age of 65. Pension will have an accrual rate of 1/60th and be calculated on the basis of the average of the best consecutive three years pensionable pay in the ten years before retirement. There is an option to exchange part of Pension benefits for a cash lump sum at retirement, up to 25% of overall Pension Value. Members pay tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings. Pensions and allowances are index linked to protect their value.

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

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

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

The new NHS Pension Scheme (Scotland) 2015

From 1 April 2015 the NHS Pension Scheme (Scotland) 2015 was introduced. This scheme is a Career Average Re-valued Earnings (CARE) scheme. Members will accrue 1/54 of their pay as pension for each year they are a member of the scheme. The accrued pension is re-valued each year at an above inflation rate to maintain its buying power. This is currentiy 1.5% above increases to the Consumer Prices Index (CPI). This continues until the member leaves the scheme or retires. In 2015-16 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings. The normal retirement age is the same as the State Pension age. Members can take their benefits earlier but there will be a deduction for early payment.

	2016	2015
	£'000	£'000
Pension cost charge for the year	**157,244**	141,267
Additional Costs arising from early retirement	**980**	468
Provisions / Liabilities / Pre-payments included in the Balance Sheet	**52,554**	55,678

24. (a) FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

CONSOLIDATED	Note	Loans and Receivables	Assets at Fair Value through Profit and Loss	Available for Sale	Total at 31 March 2016	Total at 31 March 2015
		£'000	£'000	£'000	£'000	£'000
Investments	14	-	-	85,205	**85,205**	89,643
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	13	19,089	-	-	**19,089**	34,122
Cash and cash equivalents	15	381	-	-	**381**	1,599
At 31 March 2016		**19,470**	**-**	**85,205**	**104,675**	125,364

BOARD	Note	Loans and Receivables	Assets at Fair Value through Profit and Loss	Available for Sale	Total at 31 March 2016	Total at 31 March 2015
		£'000	£'000	£'000	£'000	£'000
Investments	14	-	-	462	**462**	462
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	13	19,453	-	-	**19,453**	33,079
Cash and cash equivalents	15	381	-	-	**381**	311
At 31 March 2016		**19,834**	**-**	**462**	**20,296**	33,852

Financial Liabilities

CONSOLIDATED	Note	Liabilities at at Fair Value through Profit and Loss	Other Financial Liabilities	Total at 31 March 2016	Total at 31 March 2015
		£'000	£'000	£'000	£'000
PFI Liabilities	16	-	227,379	**227,379**	231,001
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	16	-	270,175	**270,175**	321,976
At 31 March 2016		**-**	**497,554**	**497,554**	552,977

BOARD	Note	Liabilities at at Fair Value through Profit and Loss	Other Financial Liabilities	Total at 31 March 2016	Total at 31 March 2015
		£'000	£'000	£'000	£'000
PFI Liabilities	16	-	227,379	**227,379**	231,001
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	16	-	268,909	**268,909**	320,217
At 31 March 2016		**-**	**496,288**	**496,288**	551,218

24. (b) FINANCIAL RISK FACTORS

Exposure to Risk

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

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

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

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

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

a) Credit Risk

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

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

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

The utilisation of credit limits is regularly monitored.

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

b) Liquidity Risk

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

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

	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years
	£'000	£'000	£'000	£'000
At 31 March 2016				
PFI Liabilities	3,912	4,226	14,821	204,420
Finance lease liabilities	-	-	-	-
Trade and other payables excluding statutory liabilities	236,644	1,609	3,698	28,224
Totals	**240,556**	**5,835**	**18,519**	**232,644**

	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years
	£'000	£'000	£'000	£'000
At 31 March 2015				
PFI Liabilities	3,623	3,912	13,720	209,746
Trade and other payables excluding statutory liabilities	271,854	16,571	3,669	29,882
Totals	**275,477**	**20,483**	**17,389**	**239,628**

c) Market Risk

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

i) Cash flow and fair value interest rate risk

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

ii) Foreign Currency Risk

The NHS Board is not exposed to foreign currency risk. The consolidated group does have some exposure to foreign investments.

24. (c) FAIR VALUE ESTIMATION

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

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

25. RELATED PARTY TRANSACTIONS

The Board had various material transactions with other government departments and other central government bodies. Most of these transactions have been with HM Revenue and Customs.

The Board also had the following Related Party Transactions during the year:-

Related Party	Details of Related Party Transaction	Details of Related Party
Alzheimer Scotland Action on Dementia	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £20,000, expenditure £411,642. Year end balances - creditor £22,492.	Mr D Lyons , Non-Executive Director, was also a Member of Alzheimer Scotland Action on Dementia.
British Heart Foundation	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £144,185, expenditure £446.	Prof A Dominiczak, Non-Executive Director, was also a Trustee since October 2014 of the British Heart Foundation.
CIPFA	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - expenditure £2,368.	Mr M White, Executive Director, was also a Junior Vice Chair of CIPFA.
COSLA	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - expenditure £479.	Mr M Rooney, Non-Executive Director, was also a Member of COSLA.
Downs Syndrome Scotland	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - expenditure £25.	Mr I Fraser, Non-Executive Director, was also a Chair of Board of Downs Syndrome Scotland.
East Dunbartonshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £705,802, expenditure £13,372,998. Year end balances - debtor £65,752, creditor £998,592.	Mr M O'Donnell, Non-Executive Director, was also an Elected Member of East Dunbartonshire Council.
East Renfrewshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £6,811,012, expenditure £9,968,213. Year end balances - debtor £1,519,521, creditor £1,859,787.	Mr A Lafferty, Non-Executive Director, was also a Councillor and Convener of Social Work at East Renfrewshire Council.
Erskine Hospital	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £26,091, expenditure £72,272.	Mr A O Robertson OBE, former Chairman, Ms R Crocket, Executive Director, and Mr I Lee, Non-Executive Director, were Trustees of Erskine Hospital and Mr A O Robertson OBE was Chairman of Erskine Hospital.
Glasgow Association For Mental Health	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - expenditure £173,165.	Ms M Brown, Non-Executive Director, was also a Board Member of Glasgow Association for Mental Health.
Glasgow Caledonian University	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £222,392, expenditure £459,978. Year end balances - debtor £134,251, creditor £15,975.	Ms R Crocket, Executive Director, was also Honorary Professor of Glasgow Caledonian University.
Glasgow City Council	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £6,679,847, expenditure £110,206,865. Year end balances - debtor £1,401,060, creditor £2,109,289.	Mr M Cunning, Non-Executive Director, was also a Councillor of Glasgow City Council. Mr M Kerr, Non-Executive Director, was also a Councillor of Glasgow City Council.
Glasgow Simon Community	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - expenditure £2,384.	Ms L De Caestecker, Executive Director, was also a Board Member of Glasgow Simon Community.
Institute of Healthcare Management	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - expenditure £3,311.	Mr R Calderwood, Executive Director, was also a Chair of the Scottish Division of the Institute of Healthcare Management.
Inverclyde Council	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £1,158,063, expenditure £14,488,640. Year end balances - debtor £269,220.	Mr J McIlwee, Non-Executive Director, was also a Councillor of Inverclyde Council.
NHS National Services Scotland	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £95,258,239, expenditure £68,839,000. Year end balances - debtor £1,134,952, creditor £2,227,346.	Mr R Calderwood, Executive Director, was also a Non Executive Director of NHS National Services Division.

25. RELATED PARTY TRANSACTIONS (cont)

Related Party	Details of Related Party Transaction	Details of Related Party
Renfrewshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £1,949,055, expenditure £24,609,561. Year end balances - debtor £716,058, creditor £2,859,776.	Mr M MacMillan, Non-Executive Director, was also a Councillor and Leader of Renfrewshire Council.
Royal College of Physicians and Surgeons	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £17,699, expenditure £6,960. Year end balances - debtor £4,613, creditor £100.	Ms L De Caestecker, Executive Director, was also a Board Member of the Royal College of Physicians and Surgeons.
SEPA	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - expenditure £82,072.	Ms T McAuley, Non-Executive Director, was also a Non-Executive Board Member of SEPA.
South Lanarkshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £31,124, expenditure £60,348. Year end balances - debtor £218, creditor £60,000.	Ms M Devlin, Non-Executive Director, was also a Deputy Chair of Social Work at South Lanarkshire Council.
The British Pain Society	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - expenditure £2,455.	Ms H Cameron, Non-Executive Director, was also a Non Remunerated Director of The British Pain Society.
University of Glasgow	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £8,538,106, expenditure £4,302,906. Year end balances - debtor £393,670, creditor £217,859.	Mr R Calderwood, Executive Director, was also Honorary Professor of the Adam Smith Business School, University of Glasgow. Ms L De Caestecker, Non-Executive Director, was also Honorary Professor of the University of Glasgow. Prof A Dominiczak was also Vice Principal and Head of College of Medical, Veterinary and Life Sciences of University of Glasgow.
Volunteer Glasgow	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - expenditure £49,485. Year end balances - creditor £3,196.	Ms S Brimelow, Non-Executive Director, was also a Trustee on Board of Directors of Volunteer Glasgow.
West Dunbartonshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £1,557,389, expenditure £13,802,831. Year end balances - debtor £923,672, creditor £270,428.	Mr M Rooney, Non-Executive Director, was also a Leader of West Dunbartonshire Council. Ms G Casey, Non-Executive Director, was also a Councillor of West Dunbartonshire Council.
NHS Greater Glasgow and Clyde Endowment Funds	NHS Greater Glasgow and Clyde Endowment Funds had total fund balances of £83,252,000 in 2015-16 and a year end debtor balance of £730,000.	NHS Greater Glasgow and Clyde Endowment Funds are managed by Trustees who are the members of the Board.
East Dunbartonshire Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £52,290,000, expenditure £52,283,000. Year end balances - creditor £7,000.	Mr I Fraser, Non-Executive Director, was also a Vice Chair of East Dunbartonshire Integration Joint Board. Mr M O'Donnell, Mr R Finnie and Ms T McAuley, Non-Executive Directors, were also members of East Dunbartonshire Integration Joint Board.
East Renfrewshire Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £41,023,000, expenditure £40,850,000. Year end balances - creditor £173,000.	Mr I Lee, Non-Executive Director, was also Chair of East Renfrewshire Integration Joint Board. Mr A Lafferty, Non-Executive Director, was also Vice Chair of East Renfrewshire Integration Joint Board. Ms M Brown, Ms S Brimelow and Rev N Shanks, Non-Executive Directors were also members of East Renfrewshire Integration Joint Board.
West Dunbartonshire Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2015-16 - income £73,546,000, expenditure £73,546,000.	Ms G Casey, Non-Executive Director, was also Chair of West Dunbartonshire Integration Joint Board. Ms H Cameron, Mr A MacLeod, and Mr M Rooney, Non-Executive Directors, were also members of West Dunbartonshire Integration Joint Board.

26. SEGMENT INFORMATION

	ACUTE	NHS COMMUNITY PARTNERSHIPS	CORPORATE	UNALLOCATED	FUNDS HELD ON TRUST	IJBs	Total at 31 March 2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost	951,764	1,081,752	416,840	-	5,185	(1,504)	**2,454,037**
Total assets	-	-	-	2,296,940	85,689	-	**2,382,629**
Total liabilities	-	-	-	788,335	2,436	-	**790,771**
Total segment revenue	495,603	72,468	61,283	-	6,765	-	**636,119**
Impairment losses recognised in the Statement of Comprehensive Net Expenditure	-	-	-	9,498	-	-	**9,498**
Impairment reversals recognised in SOCNE	-	-	-	3,592	-	-	**3,592**
Depreciation and amortisation	84,043	9,560	111	-	-	-	**93,714**
Non-current assets held for sale	-	-	-	6,525	-	-	**6,525**
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	-	-	-	81,344	-	-	**81,344**

26. SEGMENT INFORMATION - PRIOR YEAR

	ACUTE	NHS COMMUNITY PARTNERSHIPS	CORPORATE	UNALLOCATED	FUNDS HELD ON TRUST	IJBs	Total at 31 March 2015
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost	1,099,338	1,066,230	230,625	-	1,611	-	**2,397,804**
Total assets	-	-	-	2,336,608	91,665	-	**2,428,273**
Total liabilities	-	-	-	833,098	1,759	-	**834,857**
Total segment revenue	494,917	73,740	51,218	-	8,539	-	**628,414**
Impairment losses recognised in the Statement of Comprehensive Net Expenditure	-	-	-	42,587	-	-	**42,587**
Depreciation and amortisation	71,173	9,321	81	-	-	-	**80,575**
Non-current assets held for sale	-	-	-	14,924	-	-	**14,924**
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	-	-		159,337	-	-	**159,337**

27. THIRD PARTY ASSETS

	At 1 April 2015 £'000	Gross Inflows £'000	Gross Outflows £'000	At 31 March 2016 £'000
Monetary amounts such as bank balances and monies on deposit	3,698	2,196	(2,003)	3,891
Total Third Party Assets	**3,698**	**2,196**	**(2,003)**	**3,891**

Third Party Assets managed by the Board consist of balances on Patients' Private Funds Accounts.
The figures included above for Patients Private Funds Accounts have not yet been audited. Draft figures are included at this stage.

28. (a) CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

	Board 2016 £'000	Endowment 2016 £'000	Intra Group adjustment 2016 £'000	E Dunb IJB 2016 £'000	W Dunb IJB 2016 £'000	E Ren IJB 2016 £'000	Group 2016 £'000	Group 2015 £'000
Clinical Services Costs								
Hospital and Community	2,623,517	-	-	-	-	-	2,623,517	2,387,031
Less: Hospital and Community Income	736,962	-	-	-	-	-	736,962	547,828
	1,886,555	-	-	-	-	-	1,886,555	1,839,253
Family Health	565,777	-	-	-	-	-	565,777	552,729
Less: Family Health Income	15,753	-	-	-	-	-	15,753	14,886
	550,024	-	-	-	-	-	550,024	537,843
Total Clinical Services Costs	**2,436,579**	-	-	-	-	-	**2,436,579**	**2,377,096**
Administration Costs	9,591	-	-	-	-	-	9,591	8,870
Less: Administration Income	206	-	-	-	-	-	206	8
	9,385	-	-	-	-	-	9,385	8,862
Other Non Clinical Services	50,883	13,600	(1,650)	-	-	-	62,833	77,538
Less: Other Operating Income	46,491	8,415	(1,650)	-	-	-	53,256	65,692
	4,392	5,185	-	-	-	-	9,577	11,846
Joint Ventures accounted for on an equity basis	-	-	-	(687)	(246)	(571)	(1,504)	-
Net Operating Costs	2,450,356	5,185	-	(687)	(246)	(571)	2,454,037	2,397,804

1. Other Non Clinical Services Costs - £1,650k. Represents income transferred by the Board to Endowments in 2015-16. This is shown as expenditure in the Board's financial statements.
2. Other Operating Income - £1,650k. Represents the value of R&D income transferred to Endowments by the Board in 2015-16. This is shown as income in the Endowment accounts.
3. Realised gains from endowment investments of £29k have been recognised in the Endowment Other Operating Income line.
4. Joint Ventures accounted for on an equity basis discloses the Board's share of any current year surplus or deficit for each Integration Joint Board.

28. (b) CONSOLIDATED GROUP BALANCE SHEET

	Board	Endowment	Intra Group adjustment	E Dunb IJB	W Dunb IJB	E Ren IJB	Group	Group
	2016	2016	2016	2016	2016	2016	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets:								
Property, plant and equipment	2,119,272	140	-	-	-	-	2,119,412	2,136,256
Intangible assets	338	-	-	-	-	-	338	177
Financial assets:								
Available for sale financial assets	462	84,743	-	-	-	-	85,205	89,643
Investment in joint ventures	-	-	-	687	246	571	1,504	-
Trade and other receivables	63,348	-	-	-	-	-	63,348	65,348
Total non-current assets	2,183,420	84,883	-	687	246	571	**2,269,807**	**2,291,424**
Current Assets:								
Inventories	22,206	-	-	-	-	-	22,206	22,321
Intangible assets	547	-	-	-	-	-	547	292
Financial assets:								
Trade and other receivables	83,861	806	(1,170)	-	-	-	83,497	97,713
Cash and cash equivalents	381	-	-	-	-	-	381	1,599
Assets classified as held for sale	6,525	-	-	-	-	-	6,525	14,924
Total current assets	113,520	806	(1,170)	-	-	-	**113,156**	**136,849**
Total assets	**2,296,940**	**85,689**	**(1,170)**	**687**	**246**	**571**	**2,382,963**	**2,428,273**
Current liabilities:								
Provisions	(58,052)	-	-	-	-	-	(58,052)	(80,281)
Financial liabilities:								
Trade and other payables	(317,232)	(2,436)	1,170	-	-	-	(318,498)	(351,724)
Total current liabilities	**(375,284)**	**(2,436)**	**1,170**	**-**	**-**	**-**	**(376,550)**	**(432,005)**
Non-current assets plus/less net current assets/liabilities	**1,921,656**	**83,253**	**-**	**687**	**246**	**571**	**2,006,413**	**1,996,268**
Non-current liabilities								
Provisions	(153,266)	-	-	-	-	-	(153,266)	(122,557)
Financial liabilities:								
Trade and other payables	(259,785)	-	-	-	-	-	(259,785)	(280,295)
Total non-current liabilities	**(413,051)**	**-**	**-**	**-**	**-**	**-**	**(413,051)**	**(402,852)**
Assets less liabilities	**1,508,605**	**83,253**	**-**	**687**	**246**	**571**	**1,593,362**	**1,593,416**
TAXPAYERS' EQUITY								
General fund	1,231,633	-	-	-	-	-	1,231,633	1,199,783
Revaluation reserve	276,972	-	-	-	-	-	276,972	303,727
Funds Held on Trust	-	83,253	-	-	-	-	83,253	89,906
Other reserves - Joint ventures	-	-	-	687	246	571	1,504	-
	1,508,605	**83,253**	**-**	**687**	**246**	**571**	**1,593,362**	**1,593,416**

The intra group adjustments above relate to amounts owed to Endowments by the Board as at the financial year end.

28. (c) CONSOLIDATED STATEMENT OF CASHFLOWS

Board 2015 £'000	Endowment 2015 £'000	Group 2015 £'000		Board 2016 £'000	Endowment 2016 £'000	Group 2016 £'000
			NET OPERATING CASHFLOW			
(2,396,193)	(1,611)	(2,397,804)	Net operating cost	(2,450,356)	(5,185)	(2,455,541)
120,057	-	120,057	Adjustments for non cash transactions	95,629	13	95,642
18,431	-	18,431	Interest payable	18,688	-	18,688
-	(2,171)	(2,171)	Investment Income	-	(1,815)	(1,815)
(24,490)	801	(23,689)	Net movement on working capital	(35,659)	815	(34,844)
(2,282,195)	**(2,981)**	**(2,285,176)**	**Net cash outflow from operating activities**	**(2,371,698)**	**(6,172)**	**(2,377,870)**
			INVESTING ACTIVITIES			
(167,588)	-	(167,588)	Purchase of property, plant and equipment	(82,168)	-	(82,168)
-	-	-	Transfer of assets (to)/from other NHS bodies	(163)	-	(163)
(363)	-	(363)	Purchase of intangible assets	(475)	-	(475)
(461)	(20,170)	(20,631)	Investment Additions	-	(14,530)	(14,530)
2,161	-	2,161	Proceeds of disposal of property, plant and equipment	10,385	-	10,385
-	34,229	34,229	Receipts from sale of investments	-	13,734	13,734
-	2,473	2,473	Interest received	-	1,835	1,835
(166,251)	**16,532**	**(149,719)**	Net cash outflow from Investing Activities	**(72,421)**	**1,039**	**(71,382)**
			FINANCING			
2,470,231	-	2,470,231	Funding	2,466,429	-	2,466,429
(4)	-	(4)	Movement in general fund working capital	70	-	70
2,470,227	-	2,470,227	Cash drawn down	2,466,499	-	2,466,499
(3,353)	-	(3,353)	Capital element of payments in respect of finance leases and on balance sheet PFI Contracts	(3,622)	-	(3,622)
530	-	530	Interest paid	4	-	4
(18,961)	-	(18,961)	Interest element of finance leases and on balance sheet PFI Contracts	(18,692)	-	(18,692)
2,448,443	**-**	**2,448,443**	Net cash inflow from financing	**2,444,189**	**-**	**2,444,189**
(3)	**13,551**	**13,548**	**Increase in cash in year**	**70**	**(5,133)**	**(5,063)**
314	26,623	26,937	Net cash at 1 April	311	40,174	40,485
311	**40,174**	**40,485**	**Net cash at 31 March**	**381**	**35,041**	**35,422**

Greater Glasgow 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 8 February 2006