Greater Glasgow and Clyde

NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2017

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

Performance Report

This Performance Report part of the Annual Accounts is designed to provide information on NHS Greater Glasgow and Clyde, particularly its main objectives, strategies and principal risks. The purpose of the Overview section is to provide the reader with a short summary of sufficient information to understand NHSGGC, our purpose, the key risks to the achievement of our objectives and our main performance during the year.

Overview

Greater Glasgow Health Board ("the Board") was established on 1 April 1974, under the National Health Service (Scotland) Act 1972, with responsibility for providing health care services for the residents of Greater Glasgow. On 1 April 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 1.14m. The Board also provides a wide range of regional West of Scotland Services and National services.

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

The Board is responsible for improving the health of its local population and delivering the healthcare it requires. The overall purpose of the 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 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 Board includes:

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

The Board remains the largest employer in Scotland with a total of 39,286 staff, including 17,058 nurses and 3,785 medical and dental staff. The Board has a revenue budget of £3,337m and a capital budget of £76.4m, and contracts with 242 Primary Care practices covering 790 GPs.

NHSGGC's structure comprises an Acute Division and a shared interest with local authority partners in 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.

The Acute Division and HSCPs have responsibility for delivery of the Board's business objectives, and our performance against key targets is described later in this report. The Board provides services through 6000 beds across:

- 9 acute inpatient sites;
- The Beatson West of Scotland Cancer Centre;
- 61 health centres and clinics;
- 10 Mental Health Inpatient sites; and
- 6 Mental health long stay rehab sites.

The Board delivers (per annum) circa 170,000 emergency medical and 62,000 emergency surgical episodes and 165,000 day cases. We continue to operate one of the busiest A&E/minor injuries units in the U.K with 455,000 attendances, and deliver 400,000 new outpatient attendances.

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 patient safety, quality of care and financial balance are delivered.

Performance in the Year

A more detailed assessment of performance is provided later in this report. In terms of our financial performance, the Board achieved its 3 financial targets, recording a small surplus of £1.154m. However, despite successfully reducing the rate of operational overspend within the Acute Division, the Board required significant non-recurring funds to achieve year-end balance.

The Board faces an unprecedented financial challenge into 2017/18, with a record level of recurring savings required. Achieving sustainable, recurring financial balance at current levels of service provision remains the key risk to the Board.

In terms of our waiting times performance significant increasing pressures in the system were apparent throughout 2016/17. For inpatients and day cases, the pressures have mainly been in the specialties of orthopaedics and trauma, urology and general surgery. In outpatients, the pressures are in orthopaedics and trauma, general surgery, gastroenterology and ophthalmology. We have undertaken considerable work locally to stabilise, improve and maintain performance and continue to work closely with the Scottish Government's Access Support Team, with a particular emphasis on outpatient waiting times performance.

The Board continues to work hard to improve our performance around Cancer Waiting Times (both 31-day and 62-day cancer standards) and this remains a key area of focus. Pressures in particular specialities, such as urology, have contributed to the more challenging position on 62-day performance. New staff appointments and ways of working (e.g. robotic surgery) should help as part of the Board's redesign programme for cancer services to sustainably improve performance and as reflected in the Board's updated Cancer Plan.

The Board continues to struggle with performance on the 4-hour A&E waiting time standard, particularly in the city with the A&E Departments at Queen Elizabeth University Hospital (QUEH) and Glasgow Royal Infirmary (GRI). A considerable amount of work has been undertaken over the last year, supported by the Government's National Unscheduled Care Team - to understand/evaluate the problems and develop actions that will stabilise and

improve performance. This includes a comprehensive "root and branch review" of unscheduled care by our Lead Director for Acute Medical Services. The findings include the identification of practical projects that will tackle bottlenecks and deliver improvements. The review brings together examples of best practice and learning that has enabled our clinical teams to introduce new ways of working to improve the quality of care we provide and make our processes more effective.

The Board has made progress in tackling delayed discharges, in part attributable to the introduction of nearly 100 intermediate care beds across the Board area and a discharge to assess scheme under the Glasgow City Partnership. Whilst there were upward trends across certain HSCPs towards the year end, the Board met with the Leads of these HSCPs and robust plans are in place to support recovery.

Transformational change is imperative for all Boards and their planning partners to ensure that patients continue to benefit from high quality, safe and sustainable services, in line with national policies and priorities. The Board has a number of proposals underway and is currently developing a wider transformational agenda, in line with the national Clinical Strategy and Delivery Plan, to be taken forward under the guidance of the new Chief Executive. This change will be developed in line with our West of Scotland regional partner Boards and HSCPs, as we continue to design a regional model of patient care and services.

Capital Expenditure

During 2016-17, significant capital investment in NHSGGC has continued to be made across our acute and community services, which saw the opening of the new Eastwood Health and Care Centre and the new Maryhill Health and Care Centre. Additionally, construction work commenced on a new specialist dementia and mental health unit on the grounds of Inverclyde Royal Hospital in Greenock. The Scottish Government HUB funded scheme will deliver a 42 bed continuing care facility offering 30 beds for older people and 12 for younger adults, and 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.

Final approval was received towards the end of 2016-17 to progress with the construction of both the Woodside Health and Care Centre and the Gorbals Health and Care Centre which are both scheduled for completion in Autumn 2018.

Work has also continued on the initial development of plans for a further two new purpose-built health centres, one in Clydebank and the other in Greenock. This represents the latest stage in a massive multi-million pound investment in modernising health and social care.

For Clydebank, the centre will enable the new West Dunbartonshire HSCP 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.

Following the successful migration of services to the new QEUH and Royal Hospital for Children during 2015, capital investment at the site has continued with the demolition of the redundant former hospital buildings and also final landscaping works. Further investment at the QEUH Campus in 2016-17 has resulted in the development of four new state-of-the-art theatres to be utilised by the department of neurosurgery and oral maxillofacial surgery.

The Board also spent some £76.4m on a number of building refurbishment programmes across our estate, general medical equipment (including replacement of radiotherapy equipment) and e-Health equipment.

The Board has a programme of estates rationalisation. During 2016/17, a number of sites were vacated including Boglestone Clinic, Clarkston Clinic and Maryhill Health Centre. Sales were concluded in respect of sites previously vacated, including the Victoria Infirmary and Merchiston Hospital. The estates rationalisation programme will continue into 2017/18.

The Board has contracted commitments for capital expenditure, which have not been included in the accounts, amounting to £21.9m; details of these commitments are shown in Note 20 to the financial statements.

Integration

The 2014 Public Bodies (Joint Working) (Scotland) 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 Integration Joint Boards operating as HSCPs.

The HSCPs, which are HSCPs between NHSGGC and each of the six local authorities within the Board's boundaries, are:

- East Dunbartonshire HSCP;
- East Renfrewshire HSCP;
- Glasgow City HSCP;
- Inverclyde HSCP;
- Renfrewshire HSCP; and
- West Dunbartonshire HSCP.

The HSCPs are governed by Integrated Joint Boards with membership drawn equally from non-executive directors of the Health Board and councillors from the respective Local Authorities. East Dunbartonshire HSCP, East Renfrewshire HSCP and West Dunbartonshire HSCP were fully established during 2015/16. The remaining three Glasgow City HSCP, Inverclyde HSCP and Renfrewshire HSCP had functions formally delegated to them on 1 April 2016.

During the year there have been a number of leadership changes within HSCPs. Karen Murray retired as Chief Officer of East Dunbartonshire HSCP on 30 September 2016 and was replaced by Susan Manion who took up her post on 8 December 2016. Brian Moore retired as Chief Officer of the Inverclyde HSCP on 30 April 2017 and his successor Louise Long took up her post with effect from 1 May 2017. In addition, during the year new appointments to Chief Finance Officer posts were made for Inverclyde HSCP, East Dunbartonshire HSCP and West Dunbartonshire HSCP. A number of HSCP Board Member changes have also taken place

due to new appointments of non-executive Board Members, and more recently as a result of the council elections.

Within the Board area the HSCPs have worked in partnership with each other and with acute services to develop commissioning intentions for unscheduled care services with the aim to increase service provision in a community setting. Much of this work has focused on reducing delayed discharges which have continued to fall across the area as intermediate care models have been developed to improve the community infrastructure. Work has also been undertaken to continue to roll out the universal health visitor pathway as part of Getting It Right For Every Child (GIRFEC) and to implement the recommendations of the local and national reviews of the District Nursing service. All HSCPS are continuing to work to improve access to community mental health services and to better understand the requirements of local populations including the Black and Ethnic Minority (BEM) populations. There have been a number of innovative projects and one of particular note is the establishment of a Community Respiratory Team in North West Glasgow which enables patients with Chronic Pulmonary Obstructive Disease (CPOD) to manage their condition in a community setting avoiding unnecessary admissions to acute hospitals. This results not only in better outcomes for the patients but avoids costs and frees up acute capacity. HSCPs have also been working with GPs and the wider primary care community to develop GP clusters to improve quality and develop integrated working within primary care services.

Other developments

Staff at the Royal Hospital for Children have pioneered a hugely successful "mother's milk bank" network over the past two years which is being held up as a leading example for others around the world to emulate. Delegations of healthcare professionals have travelled from around the world to come to Glasgow to learn how our dedicated teams have gone about this impressive work.

The Board continued the progress it had made in recent years to tackle inequalities in delivering a Fairer NHS for the patients and communities we serve. We published our third “Fairer NHSGGC” report setting out what we have already achieved and how we plan to drive forward this priority agenda over the next four years through till 2020. Our track record is good and our intentions going forward are ambitious. Our in-house interpreting service is the largest in the UK providing communication support to 450 patients a day. In the past year we have trained 13,597 of our staff on aspects of inequality.

The Board is fully committed to providing the highest quality services which are transparently fair and equitable for everyone and to continue to make NHSGGC fairer in everything that we do. A report from the Royal College of Paediatrics and Child Health identified poverty being at the root of many child health problems. It highlighted the stark inequalities in child health and that despite huge improvements over the past 100 years that progress has slowed over the past decade. The link between poverty and child health has been the key reason that we in NHSGGC have put so much into developing our Healthier, Wealthier Children programme. The initiative was showcased as one of the best examples in the UK by commentators when the Royal College report was published.

Following significant service development and major investment, NHSGGC launched the new Glasgow Psychological Trauma Service. The new service is designed with trauma survivors in mind – delivering welcoming, safe and accessible professional support to people who have gone through complex traumatic experiences such as childhood abuse, domestic violence,

war, torture, trafficking and major incidents. By bringing the expertise of more than 25 staff into this new single site service we are able to further demonstrate our commitment to providing quality specialist mental health services. It is expected more than 600 patients a year will benefit from this new service.

Three developments covering care of the elderly, neurosurgery advancements and a Scottish first in cancer pain treatment reflect the continued investment and advancement in patient care:

- NHSGGC's partnership with the University of Glasgow and Glasgow City Council saw the official opening of the world leading Imaging Centre of Excellence (ICE). As referred to in the Capital Expenditure section above, this will provide the opportunity to develop four state-of-the art theatres which will be used by the Department of Neurosurgery and Oral Maxillofacial Surgery. The new facility will also provide the most advanced imaging facilities in the world on the QEUH campus;
- The new £7.3m Inverclyde Adult and Older Peoples Continuing Care Hospital, Orchard View, on the Inverclyde Royal Hospital grounds took a significant step toward opening in summer 2017, when the Minister for Mental Health, performed the Topping Out Ceremony; and
- Thirdly a consultant led surgical team at the Beatson West of Scotland Cancer Centre have developed the skills to be able to deliver the cordotomy procedure in Scotland for the very first time – this is a complex and high-tech use of radio frequency to 'burn' targeted very fine spinal nerves to alleviate overwhelming pain suffered by patients undergoing treatment for, in the main, asbestos related cancer.

These three developments highlight the skills of our staff and the ongoing commitment to improve services to patients.

Senior staff changes

Robert Calderwood, the Board's Chief Executive for the last 8 years, retired at the end of March 2017, following 45 years' service with the NHS in Scotland, which included significant management posts within the former Argyll & Clyde Health Board and latterly within NHSGGC. Jane Grant was appointed as the new Chief Executive of NHSGGC, and took up post on 1st April 2017.

The Board's Employee Director, Donald Sime, retired from NHSGGC after a 44 year career with the NHS in Glasgow. He was succeeded as Employee Director by Dorothy McErlean.

Following a year's secondment outwith the Board, Linda de Caestecker, Director of Public Health returned to her post in August 2016.

Patient feedback

The Board created various new channels to capture experiences of hospital and community healthcare including face-to-face interviews with patients, questionnaire cards in wards and other settings and a bespoke online Patient Feedback system on the NHSGGC website. All this information is complemented by the comments from patients made on the national Care Opinion website which refers to NHSGGC's services and is analysed to highlight any recurring themes and specific areas of where patients say service is working very well and where there are suggestions of how things should be changed.

Some examples of how feedback has resulted in change include:

- some visitors told us how they were concerned about their elderly relatives not eating their food at meal times while in our care. By removing restrictions on visiting times those relatives are now able to be with the patients at meal times if they wish;
- more generally people told us that visiting times did not suit some of them and so we have now adopted a far more relaxed open visiting regime right across our hospitals;
- patients told us they felt vulnerable and unable to easily return to normal life after a prolonged period in an intensive care unit. We subsequently developed a five week rehabilitation and support initiative for both the patient and their families; and
- patients told us our food and menu selection could be improved; our catering staff created new menus following patients and visitors "tasting sessions" and meals now include "lighter" options.

Endowment Funds

The Board's Endowment fund had total net assets of £86.8m as at 31 March 2017. Expenditure from endowment funds amounted to £11.2m in the year and this included significant spend on research, equipment and patient/staff amenities as well as other specific projects approved by the Endowments Management Committee.

During the year a re-tender exercise for the investment manager was completed. This resulted in the appointment of Newton Investment Management as manager of the fund with effect from 1 April 2017.

Key issues as we move forward

The Board faces a significant financial challenge into 2017/18. The Financial Plan identifies a requirement for £122.4m of recurring savings to achieve financial balance. Further detail is provided below. Directors, management and HSCP colleagues are continuing to work to identify savings schemes and during the year ahead we will 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.

Performance Analysis

Financial performance

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

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

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 Under £'000
Core Revenue Resource Limit	**2,274,903**	**2,273,749**	**1,154**
Non-core Revenue Resource Limit	**221,238**	**221,238**	**-**
Core Capital Resource Limit	**65,667**	**65,658**	**9**
Non-core Capital Resource Limit	**10,730**	**10,730**	**-**
Cash Requirement	**2,560,428**	**2,560,428**	**-**

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	**1,154**
Less: brought forward core surplus from previous financial year	(240)
Surplus against in year Revenue Resource Limit	**914**

The Board had identified the significant financial challenge anticipated for 2016/17. The initial Financial Plan for the year indicated that £69m of recurring savings would be required to achieve financial balance. The approved 2016/17 Financial Plan highlighted a requirement to deliver savings and efficiency schemes to address the £69m shortfall between the funds allocated (including the year on year uplift) and the forecast increase in expenditure due to rising costs, increased demand and delays in introducing planned efficiencies.

The Financial Plan was approved with an unallocated financial gap of £10m. Based on consultation with the Scottish Government, it was expected this gap would be bridged through the outcome of a number of national work streams involving Chief Executives, Directors of Finance and the Scottish Government. However these work streams failed to deliver the anticipated savings in 2016/17.

Due to the timing of the Board's 2016/17 planning process, the achievement of savings and efficiency schemes was always heavily loaded into the last quarter of the financial year. Directors and Chief Officers have experienced difficulties in implementing savings across all areas of the Board. This includes implementing some of the "red rated" or high risk schemes described in the Financial Plan and the uncertainty around the outcome of the engagement and consultation on the proposed service changes in the Local Delivery Plan.

As a result, and to enable it to achieve the three key financial in-year targets, the Board was required to use £50m of non recurring funding to achieve a breakeven out-turn for 2016/17. The Board, consequently, has entered 2017/18 with unachieved savings of £29.6m and with minimal usable reserves remaining.

Whilst the corporate directorates and the HSCPs have managed to achieve operational financial balance, the Acute Division has recorded a £7.2m overspend. This has been, in the main, attributable to pay cost pressures. The main overspends during the year were in medical pay where significant expenditure on agency and locum cover has been incurred to support activity levels. Both elective and non-elective inpatient activity continued to increase significantly during the year, together with long-term vacancies, difficulties recruiting and the requirement for waiting list initiatives to achieve treatment time guarantee targets. Overspends in nursing pay costs were again driven by increasing levels of demand, accentuated by higher than expected levels of sickness absence. However, in the final few months of the year the Division's cost containment measures began to take effect and in the final months of the year the Division was reporting a breakeven position month on month.

The Board faces even more significant financial challenge into 2017/18. The following is a summary of the key cost pressures facing the Board in 2017/18:

Key Cost Drivers	**£'m**
Pay Cost Growth	(20.0)
Costs for Other Boards Services	(6.0)
Prescribing Cost Growth	(29.5)
Rates Revaluation	(11.0)
Apprenticeships Levy	(8.0)
Cost Inflation and Contractual Uplifts	(6.0)

The Board has made the usual provisions for pay centring on the annual 1.0% pay uplift, additional discretionary points and incremental pay progression under Agenda for Change. Prescribing cost growth represents the biggest single cost pressure in year, almost 10%. The provision includes amounts for growth in new and existing drug treatments within the Acute Sector, including new drugs approved by the Scottish Medicines Consortium (SMC), and makes a realistic level of provision for likely growth in volume / prices, based on current trends, related to drug treatments prescribed within Primary Care.

Two additional "in-year" pressures in 2017/18 relate to the 5-yearly rates revaluation, which results in a particular increase in new buildings (QEUH), and the apprenticeships levy, the first year of the UK Government Initiative, which is levied at 0.5% of gross pay costs.

The Financial Plan identifies a requirement for £122.4m of recurring savings to achieve financial balance. IJBs were given an indicative budget settlement in line with the Scottish Government instruction - "NHS contributions must be maintained at least at 2016/17 levels". This offer was made formally in January 2017 and the HSCP's share of the savings total amounted to £23.7m. The remaining financial gap was allocated across the remaining parts of

the Board based on brought forward pressures and proportionate shares of in-year pressures; Corporate (£37m) an Acute Division (£61.7m).

The 2017/18 Financial Planning process began midway through 2016/17. The Corporate and Acute Directors continue to identify and quantify savings schemes, and the Board is fully engaged in national initiatives. At the end of June 2017, a significant number of savings initiatives have been identified. However, there remains a financial gap and the Board is currently unable to predict break-even for 2017/18.

The Board is continuing to work to identify additional savings schemes, sources of income and cost containment measures. The Board are also in continuing dialogue with the Scottish Government around our financial position.

Whilst the Board, at this point, continues the work outlined above, it is apparent that again the Board will be reliant on non-recurring sources of funding to achieve in-year balance. This position is clearly not sustainable as sources of non-recurring funding have almost all been applied to achieve financial balance in 2016/17. It is critical the Board devises a 3-5 year Strategic Plan, drafted in conjunction with HSCPs, to develop a model of affordable service delivery and quality patient care up to, and beyond, 2020.

With regard to capital projects, as a result of changes to timings in starting some of the projects, the Board was required to realign its capital allocation for 2016/17 to more accurately match the associated expenditure profiles. The Capital Resource Limit (CRL) outturn for the year was achieved after we returned £14.7m to the Scottish Government Health and Social Care Directorates and which they will add to our 2017/18 capital allocation.

The provision for bad and doubtful debts reduced from £1.504m as at 1 April 2016, to £1.464m as at 31 March 2017; 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/HUB projects are provided in Note 22.

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:-

	2016/17	2015/16
Average period of credit taken	**25 days**	26 days
Percentage of invoices by volume paid within 30 days	**95 %**	95 %
Percentage of invoices by value paid within 30 days	**95 %**	96 %
Percentage of invoices by volume paid within 10 days	**87 %**	89 %
Percentage of invoices by value paid within 10 days	**87 %**	87 %

Endowment Funds

The accounts of the NHSGGC 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 a deficit of expenditure over income for the year of £3.178m (2015-16, deficit £5.215m).

IJB Accounts

The accounts of the HSCPs are consolidated with the NHSGGC financial statements. 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 IJBs 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

The Board continues to face challenges in its ability 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. Our cancer target performance also requires improvement, however our RTT performance has been above target.

A summary of performance against all our key targets is detailed below.

Local Delivery Plan Standards

NHSGGC 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.

NHSGGC has developed a performance management framework to monitor performance against all key Local Delivery Plan Standards. These Standards have been embedded within the Board and Acute Services Committee Integrated Performance Report and considered at each Board and Acute Services Committee meeting. For those measures highlighting an adverse variance of greater than 5% an accompanying exception report is also considered by the 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 2016-17, performance against those of the 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 2017, 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 2016 with NHSGGC

	reporting 0.28 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 0.31 cases per 1,000 Occupied Bed Days against a target of 0.24 for the rolling year quarter ending December 2015. The Board is undertaking a number of actions to address this performance, including guidance and education, review of cases by the Antimicrobial Management Team and audit of SAB surveillance data. Work continues on an ongoing basis and every effort will continue to be made to maintain and improve where possible.
✗	As at March 2017, 83.7% of patients referred urgently with a suspicion of cancer began treatment within 62 days of receipt of referral and 94.2% of our patients diagnosed with cancer began treatment within 31 days; performance for both measures was below the 95% target. Measures are being undertaken to ensure quicker access to treatment for these patients.
✓	As at March 2017, 89.7% of our patients were treated within 18 weeks, against the 90% target for Referral To Treatment.
✓	NHSGGC continued to exceed the 91.5% drug and alcohol waiting times target, with 96.7% of patients referred within 3 weeks during the period October - December 2016.
✓	As at March 2017, 98.8% of patients referred to Child and Adolescent Mental Health Services started treatment within the 18 week referral target.
✓	For the quarter Jan- Mar 2017, 94.7% of all patients referred for a psychological therapy started treatment within 18 weeks of referral, exceeding the target of 90%. It should be noted that the data in relation to access to psychological therapies is estimated to be between 20-30% complete which means no conclusions can be drawn at this point. The reason for low data is that the service is migrating to a new patient management system and this is having an impact on data completeness. Given that NHSGGC has consistently exceeded target year on year during the past 3 years there is no reason to believe this will not continue.
✓	For the period Apr – March 2017, we delivered a total of 15,379 alcohol brief interventions exceeding the planned number of 13,086 interventions.
✗	As at March 2017, our performance in relation to the accident and emergency 4 hour time target remained challenging with 90.7% of patients waiting 4 hours or less, lower than the target of 95%. The Board continues to struggle with performance on the 4-hour A&E waiting time standard, particularly within the A&E Departments at QEUH and GRI. A considerable amount of work has been undertaken over the last year, supported by the Government's National Unscheduled Care Team - to understand/evaluate

	the problems and develop actions that will stabilise and improve performance. This includes a comprehensive "root and branch review" of unscheduled care by our Lead Director for Acute Medical Services. The findings include the identification of practical projects that will tackle bottlenecks and deliver improvements. The review brings together examples of best practice and learning that has enabled our clinical teams to introduce new ways of working to improve the quality of care we provide and make our processes more effective. The Board has made significant progress in tackling delayed discharge, in part attributable to the introduction of nearly 100 intermediate care beds and a discharge to assess scheme under the City Partnership. Whilst there were upward trends across certain HSCPs towards the year end, the Board met with the HSCP Leads and robust plans are in place to support recovery.
✗	As at March 2017, 83.7% 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%. In addressing the pressures on the delivery of scheduled care, a comprehensive review of capacity pressures and productive opportunities is currently underway to identify the level of performance that can be achieved. Also in response the Scottish Government's Modernising Outpatient programme, we have set up a Modern Outpatient Programme Board with the aim of reducing outpatient activity and providing practical examples of change, which if adopted, could have a significant impact in addressing pressures on outpatient services and improved productivity.
✓	As at March 2017, 100% of eligible patients were screened for IVF treatment within 12 months exceeding the target of 90%.
✗	For the period from April to December 2016 a total of 241 successful quit attempts at 12 weeks post quit in our 40% most deprived areas below our trajectory of 503 successful quits. Following the range of review activity during 2015-16 a number of service improvement actions have been agreed and encouraged across the HSCP specialist teams including: • A focus on engagement with primary care to generate quit attempt activity; • A focus on developing joint working models with Smokefree Pharmacy; • A move towards establishing a cluster based approach to service delivery; and • Replicating the successful Possil model with agreed joint working proposals between Pharmacy and Community Services in Bridgeton, Castlemilk, Govan and Pollok. During January - March 2017 we implemented a new social media campaign with an enhanced level of targeting at the data-zones that support the LDP standard. Alongside this we have funded a number of static advertising sites in close proximity to local pharmacies with the intention of driving activity to the universal pharmacy service. Local HSCP based specialist teams are working alongside Smokefree Pharmacy to either:

	• Support improved outcomes for pharmacy patients via joint working or, • Develop service models which extract pharmacy patients into a local specialist service.
✓	Our overall performance in relation to the percentage of mothers booking an antenatal care appointment at 12 weeks gestation was 87.1% for the period from January to March 2017, exceeding the target of 80%. Based on the Scottish Index of Multiple Deprivation (SIMD), the lowest performing quintile was SIMD 1 with 83.5% of mothers booking an antenatal appointment.
✗	The Board's overall sickness absence rate for the year from April 2016 to March 2017 was 5.49%. against a 4% target. This remains an ongoing priority for the Board and will be subject to continued performance monitoring and evaluation of work to ensure activity is targeted to absence hot spots. The Director of Human Resources and Organisational Development is directing a work programme to improve performance management Board wide. An absence monitoring tool has been developed which at a glance provides Human resource staff with reports which detail staff who are absent from work and where there is no recorded Human Resources intervention. This process allows an informed dialogue between service managers and Human Resource staff on the actions taken to manage staff who are absent and who are not in a formal process.

Sustainability and Environmental Reporting

NHSGGC has a clear commitment to sustainable practices and environmental compliance. There are delegated responsibilities assigned to the General Manager (Estates) around sustainable and environmental compliance. To support the actions around this, the Board's Sustainability Manager leads on all environmental compliance related matters.

During 2016/17, NHSGGC renewed its environmental policy and targets key high risk areas of compliance as highlighted in the Board's Legal Register. The register is a key component of NHSGGC's Environmental Management System, 'Greencode'.

The Board's Sustainability Planning and Implantation Group (SPIG) reviews progress towards meeting the revised Energy & Carbon reduction performance targets. This is also regularly reported to the Acute Services Committee (ASC). The SPIG is the highest level of approval of corporate governance for the board where all proposed sustainability projects and compliance issues are raised and discussed.

NHSGGC is represented at the Health Facilities Scotland (HFS) Sustainability Steering Group, the NHS national group which explores mechanisms to address shortfalls in environmental performance by seeking increased investment and improved practices, and will participate in any pilots as they develop.

Various projects were carried out during the year to ensure compliance with the Legal Register. Substantial work was carried out around statutory licence works at GRI to comply with Pollution Prevention Control Permitting (PPC). These projects were as follows:

- PPC Permits

  There is a requirement for two PPC Permits within NHSGGC. There is one already in place at the QEUH with the second being required at the GRI. The QEUH PPC Permit has now been in place for four years, and is settling into a monitoring and reporting phase with the Scottish Environmental Protection Agency (SEPA).

  GRI is currently in the process of submitting its permit application to SEPA. Extensive baseline surveys for soil, ground water, air emissions and modelling and structural tank surveys have already been carried out in support of the application. It is expected that the permit for GRI will be granted during the third quarter of 2017/18.

- Oil Tank Compliance Works

  NHSGGC has carried out approximately £0.45m worth of oil tank compliance and renewal work during 2016/17. The work has varied from basic remedial work, to new oil storage facilities. Compliant bulk oil storage is also a critical element of the PPC Permitting regime. The board is now in full Compliance with the Water Environment (Oil Storage Scotland) Regulations 2006.

- Ozone Depleting Gases used within Air Conditioning Systems - Review

  Due to changes in statute there is now a 'non-compliance' issue regarding ozone depleting gases used within air conditioning systems across all of the Board's estate. A project is currently under way, in conjunction with procurement to produce a specification to carry out compliance inspections on air conditioning and chiller systems.

- Waste Segregation

  Waste Scotland Regulations 2012 require all large organisations to segregate waste streams at source. NHSGGC is partially non-compliant with the legislation as the waste generated within the Board is segregated at an off-site Multi Recycling Facility by a specialised contractor. There is currently an initiative in place to implement 'at source' segregation of domestic waste in offices and staff areas. Clinical waste segregation trials are also taking place at GRI and Stobhill Hospital as reducing waste tonnage from the clinical waste stream has been identified as a potentially significant revenue saving.

The Sustainability Development Action Plan (SDAP) by which the Board measures itself against the sustainability framework was reviewed and updated accordingly and submitted in August 2016 to the SG. A national working group is reviewing the SDAP reporting model which is currently based on Corporate Citizenship Assessment Model (GCCAM). This will affect the manner in which the Board reports during 2017/18.

The Board also reported its sustainability performance for 2016/17 utilising the 'Public Bodies Mandatory Climate Change Reporting Template'. This is now an annual mandatory requirement for all public bodies in Scotland and covers the following topics:

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

The Board's Environmental Policy has been revised and the environmental aspect register format has been updated to help facilitate the estates and facilities departments use of the

document. A new environmental awareness e-learning module is in the process of being developed for key personnel on all acute sites and bi-monthly local meetings are held with facilities and estates teams.

Climate Change and Adaptation

The Board is committed to inter agency working to improve the general environment in which its population lives and works. This is demonstrated by its participation in the Glasgow City Council's 'Sustainable Glasgow' group meetings and 'Climate Resilient Glasgow' programme.

The Board is also part of a wider stakeholder group in the form of 'Climate Ready Clyde'. This group is funded via government and local stakeholder participation and looks to tackle key climate change issues via collaborative working between group members from public and private sectors.

Communications, Awareness and Training

- EcoSmart: 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.
- E-Learning Package: an interactive Sustainability and Environmental Awareness Package is currently being formulated. This e-learning module is aimed at new and current employees and it will be a mandatory learning item in the future. The purpose of this module is to raise awareness to the environmental and sustainability challenges the board faces and to highlight the need for staff awareness and participation in future campaigns and process changes.

J Grant
Chief Executive & Accountable Officer
27 June 2017

Accountability Report

Corporate Governance Report

Directors' Report

Date of Issue

The financial statements were approved and authorised for issue by the Board on 27 June 2017.

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 David McConnell, Assistant Director, Audit Services Group, Audit Scotland to undertake the audit of NHSGGC. 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 Board is a board of governance whose membership will be conditioned by the functions of the Board. Members of the 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 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. Board Members are also Trustees of the Endowment Funds. The members of the Board who served during the year from 1 April 2016 to 31 March 2017 were as follows:

Non-Executive Members

Mr J Brown CBE	Chair
Mr R Finnie	Non-Executive Director Vice-Chair *(from 1 July 2016)*
Ms S Brimelow OBE	Non-Executive Director
Ms M Brown	Non-Executive Director
Dr H Cameron	Non-Executive Director
Mr S Carr	Non-Executive Director
Cllr G Casey	Non-Executive Director; Councillor, West Dunbartonshire Council *(from 1 June 2016)*
Cllr J Clocherty	Non-Executive Director; Councillor, Inverclyde Council *(from 29 September 2016)*
Mr A Cowan	Non-Executive Director *(from 1 July 2016)*
Cllr M Devlin	Non-Executive Director; Councillor, South Lanarkshire Council
Prof Dame Anna Dominiczak	Non-Executive Director
Ms J Donnelly	Non-Executive Director *(from 1 July 2016)*
Ms J Forbes	Non-Executive Director *(from 1 July 2016)*
Mr I Fraser	Non-Executive Director
Cllr M Kerr	Non-Executive Director; Councillor, Glasgow City Council
Cllr A Lafferty	Non-Executive Director; Councillor, East Renfrewshire Council

Mr I Lee	Non-Executive Director Vice-Chair *(until 30 June 2016)*
Mr J Legg	Non-Executive Director *(from 1 July 2016)*
Dr D Lyons	Non-Executive Director
Mr A Macleod	Non-Executive Director
Cllr M Macmillan	Non-Executive Director; Councillor, Renfrewshire Council
Mr J Matthews OBE	Non-Executive Director *(from 1 July 2016)*
Ms T McAuley OBE	Non-Executive Director
Ms D McErlean	Employee Director *(from 1 October 2016)*
Cllr J McIlwee	Non-Executive Director; Councillor, Inverclyde Council *(until 8 August 2016)*
Ms R Micklem	Non-Executive Director*(until 31 May 2016)*
Ms A-M Monaghan	Non-Executive Director *(from 1 July 2016)*
Cllr M O'Donnell	Non-Executive Director; Councillor, East Dunbartonshire Council
Dr R Reid	Non-Executive Director *(until 31 March 2017)*
Mr I Ritchie	Non-Executive Director *(from 1 July 2016)*
Rev Dr N Shanks	Non-Executive Director *(until 31 July 2016)*
Ms R Sweeney	Non-Executive Director *(from 1 July 2016)*
Mr D Sime	Employee Director *(until 30 September 2016)*

Executive Members

Mr R Calderwood	Chief Executive *(until 31 March 2017)*
Dr J Armstrong	Medical Director
Dr L de Caestecker	Director of Public Health *(from 1 August 2016)*
Dr M McGuire	Nurse Director
Mr M White	Director of Finance

Following Mr Calderwood's retiral on 31 March 2017, Ms Grant was appointed to the Board as Chief Executive with effect from 1 April 2017.

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 22.

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 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 Administration, Board Headquarters, JB Russell House, Gartnavel Royal Hospital, 1055 Great Western Road, Glasgow or can be found on the Board's website at www.nhsggc.org.uk.

Directors' third party indemnity provisions

Individual members of the Board or the Board as a group are covered by the 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 report.

Remuneration for non-audit work

During the year 2016/17 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 will be 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. All incidents were investigated and appropriate action taken. All security thefts and breaches are reported quarterly to the Information Governance Steering Group.

Thirteen incidents related to the loss or theft of IT equipment including laptops and memory sticks, all of which were encrypted.

During the year the Information Governance Department reported three incidents relating to a breach of confidentiality to the Information Commissioner's Office (ICO).No further action was taken by the ICO for two of the incidents and the third incident is still currently under investigation. The ICO received two complaints regarding the Board's response to requests for personal data. Both incidents were investigated and no action was taken against the Board.

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 1st April 2017.

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 2017 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 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 ongoing process designed to identify, prioritise and manage the principal risks facing the organisation. The system aims to evaluate the nature and extent of risks, and manage risks efficiently, effectively and economically.

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

The process within the organisation accords with guidance from Scottish Ministers in the Scottish Public Finance Manual (SPFM) and supplementary NHS guidance, and has been in place for the 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 NHSGGC Endowment Funds. This statement includes any relevant disclosure in respect of these Endowment Accounts.

IJB Accounts

In accordance with IFRS 11 – Joint Arrangements, the Financial Statements consolidate the IJB Accounts of Glasgow, Inverclyde, Renfrewshire, East Dunbartonshire, East Renfrewshire and West Dunbartonshire. This statement includes any relevant disclosure in respect of these IJB Accounts.

Governance Framework

Under the terms of the Scottish Health Plan, the 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. During the year from 1 April 2016 to 31 March 2017, the Board met on six occasions.

At 31 March 2017 the Board comprised the Chair, twenty-six non-executive and five executive board members; of the non-executive members, seven are Council Members nominated by their respective councils. In advance of the Scottish Council Elections on 4 May 2017, the terms of office the Councillors serving on the board of NHSGGC ended on 30 April 2017. The new Councils have formed their new administrations and made nominations to the Board.

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 Board has an integrated approach to governance across clinical areas, performance management, staff and involving and engaging people in its services and developments. These are defined through the standing committees outlined below. These committees are charged with assessing performance of the Board and regularly receive relevant performance data for each of their respective areas. The Board itself receives at each meeting an Integrated Performance Report, which outlines performance over a period of time, with relevant actions to improve where relevant – presented by the responsible Director.

Examples include performance around cancer waiting times, where improvement actions have been presented (Cancer Plan) and discussed by the Director of Regional Services.

The Board, therefore, has the following standing committees to support it, and which are directly accountable to it:

- Acute Services Committee;
- Area Clinical Forum;
- Audit and Risk Committee;
- Clinical and Care Governance Committee;
- Endowments Management Committee (a committee of the Endowment Trustees);
- Finance and Planning Committee;
- Pharmacy Practices Committee;
- Public Health Committee; and
- Staff Governance Committee (including Remuneration Sub-committee).

Acute Services Committee

The scope of the Acute Services Committee shall encompass the functions of scrutiny, 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; and
- 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 Acute Services Committee met six times during the year. Members of the committee during the year were Mr R Finnie (Chair, from 1 July 2016), Mr I Lee (Chair, until 30 June 2016), Ms S Brimelow, Ms M Brown, Dr H Cameron, Mr S Carr, Cllr G Casey, Cllr J Clocherty, Professor Dame Anna Dominiczak, Mr I Fraser, Cllr M Kerr, Cllr A Lafferty, Dr D Lyons, Mr A Macleod, Ms D McErlean, Cllr McIlwee, Ms R Micklem, Ms A-M Monaghan, Cllr M O'Donnell, Mr I Ritchie and Mr D Sime.

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

Area Clinical Forum

The role of the Area Clinical Forum is to represent the multi-professional view of the advisory structures for medical, dental, nursing and midwifery, pharmaceutical, optometric, professionals allied to medicine, healthcare scientists, psychology and community health partnerships to NHSGGC ensuring the involvement of all the professions across the local NHS system in the decision-making process.

NHSGGC has six fully functioning statutory Professional Advisory Committees. Their relationships with IJBs and how they provide advice will be reviewed. The statutorily established Professional Advisory Committees (some of which have sub-committee structures) are:

- Area Medical Committee;
- Area Nursing and Midwifery Committee;
- Area Dental Committee;
- Area Pharmaceutical Committee;
- Area Allied Health Professions and Healthcare Scientists Committee; and
- Area Optometric Committee.

Membership of the Area Clinical Forum comprises the Chair and Vice-Chair of each Professional Advisory Committee. The Area Clinical Forum also includes as members the Chair and Vice Chair of the Area Psychology Committee. The forum met six times during 2016/17, and was chaired by Dr H Cameron.

Audit and Risk Committee

The purpose of the Audit and Risk Committee is to assist the 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 Board and the Accountable Officer that an appropriate system of internal control had been in place throughout the year. The Audit and Risk Committee met four times during 2016/17, and its members were Mr A Macleod (Chair), Mr S Carr, Mr R Finnie, Ms J Forbes, Dr D Lyons,

Ms D McErlean, Ms A-M Monaghan, Cllr M O'Donnell, Dr R Reid, and Mr D Sime. In fulfilling its remit, the Audit and Risk Committee was supported by the Audit and Risk Committee Executive Group, which met four times during the year.

Clinical and Care Governance Committee

Arising from a desire to strengthen Non-executive oversight of clinical governance arrangements across NHSGGC, the Board established the Clinical Care and Governance Committee in June 2016. Its functions are to:

- ensure clinical care and services provided by NHSGGC, including those provided in partnership with other organisations, is of an appropriate quality;
- ensure the clinical and care governance arrangements are effective, including interactions with other organisational arrangements, in improving and monitoring the quality of clinical care;
- provide assurance to the Board that NHSGGC is meetings its statutory and mandatory obligations relating the NHS Duty of Quality; and
- provide advice and assurance to the Board that clinical service proposals are consistent with the continued provision of safe and effective care.

The committee met twice during 2016/17, and its members were Ms S Brimelow (Chair), Dr H Cameron, Mr A Cowan, Professor Dame Anna Dominiczak, Mr I Fraser, Cllr G Casey, Dr D Lyons, Ms D McErlean, Cllr M O'Donnell and Mr I Ritchie.

Endowments Management Committee

Responsibility for Board's Endowment Funds lies with the Trustees, who are all members of the 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 31st March 2017, the membership of the Endowments Management Committee comprised Dr R Reid, Mr S Carr, Cllr M Devlin, Mr R Finnie, Ms J Forbes, Cllr A Lafferty, Mr I Lee, Mr A MacLeod, Cllr M MacMillan, Ms D McErlean, Cllr M O'Donnell, Mr I Ritchie, Rev Dr N Shanks, Mr D Sime and Mr M White. The committee met three times during the year and was chaired by Dr Reid.

Finance and Planning Committee (FPC)

Previously, there was no single forum for Board members to have an oversight of the process of financial and strategic planning and for the Board to collectively influence how IJBs develop in terms of strategic and financial planning. The Finance and Planning Committee was, therefore, established by the Board in June 2016.

The remit of the FPC comprises three core elements:

- Finance and Planning;

- Property and Asset Management; and
- Strategic/Capital Projects.

The committee considers the Board's Strategic and Integrated Business Planning activities, ensuring that strategic planning objectives are aligned with the Board's overall objectives, strategic vision and direction. It also ensures that the Property & Asset Management Strategy is aligned with the Clinical Strategy, and is supported by affordable and deliverable Business Cases and reviews overall development of major schemes including capital investment business cases.

The members of the FPC were Mr J Brown (Chair), Ms S Brimelow, Ms M Brown, Mr S Carr, Professor Dame Anna Dominiczak, Mr R Finnie, Ms J Forbes, Mr I Fraser, Cllr M Kerr, Dr D Lyons, Mr A MacLeod, Mr J Matthews, Ms T McAuley, Cllr M Macmillan, Ms D McErlean and Ms R Sweeney. The committee met three times during 2016/17.

Pharmacy Practices Committee

The role of the Committee is to carry out the functions of NHSGGC 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 NHSGGC, 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. Board members who sat on the Pharmacy Practices Committee were Mr R Finnie, Ms S Brimelow Mr A Cowan and Mr I Fraser. In addition there are four professional advisers and three lay members. The committee met on seven occasions during 2016/17.

Public Health Committee

At its meeting in December 2016, the Board agreed the establishment of the Public Health Committee. Its remit is to promote public health and oversee population health activities and to develop a long term vision and strategy for public health.

The membership of the committee during 2016/17 was Mr J Matthews (Chair), Ms M Brown, Mr A Cowan, Mr J Legg and Dr D Lyons. In addition there are eight professional advisors who are members of the committee. Whilst being constituted during 2016/17, the first meeting of the committee was not held until April 2017.

Staff Governance Committee

The purpose of the Staff Governance Committee is to provide assurance to the Board that NHSGGC meets its obligations in relation to staff governance under the National Health Service Reform (Scotland) Act 2004 and the Staff Governance Standard. The Staff Governance Committee is a Committee of the Board. In particular, the Committee will seek to ensure that staff governance mechanisms are in place that take responsibility for performance against the Staff Governance Standard and are accountable for progress towards achievement of the Standard.

During 2016-17 the committee met on four occasions and was jointly chaired by Mr D Sime (until September 2016), Ms D McErlean (from October 2016) and Ms M Brown. The other members were Cllr M Devlin, Mrs J Donnelly, Cllr A Lafferty, Mr J Legg, Cllr M Macmillan, Mrs T McAuley, Cllr J McIlwee, Cllr M O'Donnell 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 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 twice during 2016/17, and, in accordance with Scottish Government Health and Social Care Directorates guidance, it determined and reviewed the pay arrangements for the 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.

Clinical Governance

The Clinical and Care Governance Committee (and prior to that, the Acute Services Committee) monitors clinical governance arrangements and developments. The Chair 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.

Financial Governance

The oversight of financial planning and financial monitoring forms part of the role of both the Board and the Acute Services Committee, whilst the Audit and Risk Committee forms a view on the systems of financial control with NHSGGC. In addition, during the year, the Finance and Planning Committee was established. As described above, its role is to monitor three core elements - Finance and Planning, Property and Asset Management and Strategic/Capital Projects.

Information Governance

The last twelve months have continued to see progress in Information Governance.

The Information Commissioner's Office (ICO) carried out an audit on the Board's compliance with data protection in May 2016 and reviewed three areas: Governance, Security and Subject Access Requests. A number of recommendations were made with good progress being achieved in progressing these. A follow up audit took place in March 2017 and the ICO was satisfied with our progress and did not require any further audit updates.

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.

Two new information governance and IT security policies were introduced and eight policies were reviewed and updated, together with a number of communications delivered to staff.

Other governance arrangements

The conduct and proceedings of the Board are set out in its Standing Orders; the document specifies the matters which are solely reserved for the 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 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 Board's Annual Review of Governance Arrangements. The annual review also covers the remits of the Board's Standing Committees.

In addition to the Code of Conduct for Members, the Board has in place a Code of Conduct for Staff. This includes reference to the disclosure internally or externally by staff who have concerns about patient safety, malpractice, misconduct, wrongdoing or serious risk. 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 of the Board's 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 to offer 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 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 identified during the year. 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 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, which ensures that there is a consistent and clear approach to policy development, consultation, approval, dissemination/communication, access to documents and review, and 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.

NHSGGC 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 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.

NHSGGC 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 Board, in conjunction with the HSCPs, 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 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 directors and 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 and Risk 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 Board, along with its Standing Committees, met regularly during 2016/17 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. The whole system Directors meetings are held quarterly chaired by the Chief Executive and in attendance are the IJB Chief Officers, Acute division representatives and other 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, at which all Directors and Chief Officers come together as a whole system, are held quarterly.
- The Audit and Risk 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.
- The Internal Auditors delivered their service based on an approved risk-based audit plan and is compliant with Public Sector Internal Audit Standards.
- The External Auditors 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 2016/17.
- 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 on-line 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.
- In accordance with the principles of best value, the board aims to foster a culture of continuous improvement. The 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

NHSGGC has a Risk Management Strategy in place. It describes how we aim to 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 and Risk Committee for approval on a six monthly basis. No new significant risks were identified during the year.

Notwithstanding there is a strong application of risk management practices across the Board, particularly in clinical services, the Board is constantly reviewing Risk Management processes, under the guidance of the Risk Management Steering Group. Within the year, this review has also taken cognisance of comments at the Audit and Risk Committee, and in a review by the Board's Internal Auditors.

The areas identified for improvement relate to the structure and content of the Corporate Risk Register, the resources allocated to the management of the Corporate Risk Register, and the Datix roll-out programme.

Executive management are currently drafting a term of reference to engage external support to:

- Build on the current use of risk registers by rolling-out further across the organisation the electronic risk register module Datix (including training);
- Ensure the RMSG has a more active role in ensuring a coherent and high quality description of risks and the associated controls; and
- To ensure the underlying risk management processes are more capably reflected in the Corporate Risk Register.

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

Risk	**Mitigating Actions**
The Board faces an unprecedented financial challenge in 2017/18, with an overall savings challenge within the main Board of £97.8m. Savings have been identified, but there remains a significant gap. In addition the savings identified contain significant risk and many are due to crystallise later in the financial year.	The Board are continuing to work to; Identify additional savings schemes (both locally and nationally). Bring savings schemes forward into the earlier part of the financial year. Focus on the delivery of currently identified schemes and reduce the risk rating. Identify additional sources of income and balance sheet management. Manage our capital allocation to ensure an optimal out-turn for the Board. Identify options and propositions to negotiate the budget settlement with IJBs.
The use of non-recurring funds and reserves and the underachievement of savings throughout 2015-16 and 2016-17 has created a significant risk to the sustainability of the Board. Due to the scale of the financial challenge and underlying recurring financial imbalance, a transformational programme will be required to deliver a step change in the size and scale of recurring savings and efficiencies needed in 2017/18 and beyond.	The Board is currently devising a 3-5 year Strategic Plan to ensure a model of affordable service delivery and quality patient care up to, and beyond, 2020. This will draw together all the Board's existing plans and strategies and also take cognisance of the regional agenda.
Reduction in Capital funding and pressure	Implementation of Division wide

on revenue resources impacts on backlog maintenance and Health and Safety obligation leading to the possibility of non compliance with applicable Health and Safety legislation and SGHD policies and guidance.	property management approach including assessment of premises compliance with standard consistent methodologies. Regular reports to SMG / OMG on deployment of capital resources and investment priorities. Property asset management strategy in place.
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 Board. Regular liaison between the Board Chief Executive, HSCP Chief Officers and local authority Chief Executives. Additional funding 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 ASC.
Managing emergency patient flows; Managing unscheduled care and the impact on downstream bed management.	Regular performance reports to SMG / OMG on a weekly basis; bi-monthly reports to Acute Services Committee (ASC) and the Board. Local Unscheduled care groups looking at performance on a site by site basis.

	LEAN methodology adopted on three acute sites to look at specific elements of emergency patient flow. Board established a Programme Board, undertaking a root and branch review of Unscheduled Care.
The Acute Division fails to achieve the current cost containment measures in place and continue to overspend in-year. This is particularly relevant to the major cost pressure areas around medical locum spend and nurse bank spend.	On-going projects in particular areas such as VAT recovery on locums, provision of a managed locum booking service and an external rostering review. Regular reporting to the SMG, OMG and ASC. Actions and accountabilities arising from the Performance Review Groups. Establishment of the new FPC.

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 include 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.

Health and Safety

The Health and Safety Executive (HSE) undertook an inspection programme in February and March 2017, and they submitted a formal report in April 2017. The report has indicated that there will be no Improvement Notices served on NHSGGC. The HSE has, however, indicated that they are serving a Notification of Contravention letter which details a number of statutory breaches related to the areas of inspection. There are also breaches of legislation, but whilst these are not deemed at a level where an Improvement Notice is warranted, they will require significant activity within the Board to resolve. The HSE has indicated that there are breaches related to management of falls, management of sharps and management of skin health. Each of these breaches will require a specific action in order to comply with the relevant legislation. A work plan has been agreed, with leads identified for each contravention, and a short life working group has been established to progress the actions. A

governance group, chaired by the Director of Human Resources and Organisational Development, will also be established to monitor the implementation of the agreed plan.

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 IJB Audit and Risk Committees. Work has also been carried out to establish governance arrangements, including internal audit, which will give assurance to the Board that each IJB is performing in line with its strategic plan.

Developments

The organisation continues its commitment to a process of ongoing development and improvement: developing systems in response to any relevant reviews and developments in best practice. In particular, in the period covering the year to 31 March 2017 and up to the signing of the accounts the organisation has continued to monitor, review and enhance its governance arrangements to support the organisational structure.

Significant Issues

During the course of their work, the internal auditors identified a number of weaknesses in the Board's internal control systems.

The internal auditors raised a high risk finding during 2015/16 during their review of business continuity planning arrangements. They carried out follow-up work during 2016/17 and found that while some work has been undertaken by management, none of the four findings in the original report had been fully completed and that there remained action required to address the original actions to improve the Board's business continuity management. We have now, under the direction of the Director of Public Health, set up a short-life working group to address this matter. A Business Continuity Planning lead for each part of the organisation has now been identified and tasked with identifying the critical services in each of their areas, following which, a newly developed template will be completed for each critical service. This exercise is scheduled to be completed by December 2017.

In December 2016, the internal auditors reported on the Board's arrangements for waiting times management and reporting. They highlighted that NHSGGC works proactively and has very detailed, timely and granular information which is available to those who make the operational and management decisions to manage waiting and treatment times. However, they identified a weakness, which they rated as high rated risk, in respect of recovery plans which are required to address waiting list issues. The Board has since taken steps to address the report findings; performance is monitored at Board, Acute and Sector/Directorate level through the Board's performance monitoring framework. The Board and ASC receive detailed Performance reports outlining performance against a range of agreed metrics. Any exceptions to the performance targets are highlighted in a detailed report to ensure all improvement actions are identified and monitored. Sector/Directorate Performance Review Groups (PRG) meet quarterly and identify improvement actions based on exceptions to the performance scorecard. A robust monitoring process is applied to ensure actions are implemented. Following each PRG, an action plan is circulated detailing action required, lead and timescales for implementation. Action plans are reviewed at each subsequent PRG. Acute Division Directors discuss any issues that arise, on a weekly basis.

Reporting and monitoring arrangements of efficiency savings was also identified by the internal auditors as an area of high risk. Their review sought to determine the extent to which the projected savings were managed, monitored and reported throughout the year. Whilst they found that effective monitoring systems were in place with accurate information available on a regular basis to enable key stakeholders to monitor current performance, the level of unplanned savings still to be obtained in the fourth quarter of the 2016/17 financial year was significant. It increased the risk that the outstanding cash releasing efficiency savings (CRES) target of would not be obtained. Without effective and complete plans in place it increased the risk of NHSGGC being unable to meet CRES targets. There was a lack of transparency of the extent of unallocated plans in reporting to the FPC and the Board. The unallocated plans were last reported to the FPC in November. There was a lack of evidence of these unallocated plans being escalated to the Board to drive action. A number of actions were agreed to mitigate the finding. A deadline will be put in place to ensure that all CRES plans fully identify savings removing the need for having unallocated elements within their plans. Monthly financial reporting of progress towards the CRES target at department or service level will headline the total amount of savings for which there are no plans in place (unallocated savings). The level of unallocated savings within the savings plans should be reported to the Deputy and Director of Finance on a monthly basis. The Director of Finance will report to the FPC on the level of unallocated savings still be identified across NHSGGC throughout the financial year, with escalation to the Board as necessary to ensure timely action is taken.

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.

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 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.

Cyber attack

On Friday the 12th May 2017 there was an International Cyber Attack.

Within the NHSGGC area, eleven GP practices were identified as being impacted. All affected GP Practices were directly connected via the Scottish Wide Area Network (SWAN). There was no infection to any systems within the NHSGGC private network.

During initial awareness of International Cyber Attack the Scottish Government's eHealth Critical Incident Team were active. The Incident team worked with NHS Scotland Health Boards & Scottish Government to evaluate impact, where necessary invoke pro-active & re-active plans to reduce and mitigate impact to Patient care and eHealth Services.

Clinical services across NHSGGC continued to provide patient care, and there was no loss of any data nor impact to operational services as a result of the downtime.

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 Report and Staff Report

Remuneration Report

Information about the Remuneration Sub-committee, its membership and role are shown in the Governance Statement on Page 22.

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 2017 (31st March 2016), the salaries of executive board members were as follows:-

R Calderwood £173,182 (£171,405); Dr J Armstrong £145,328 (£143,890); Dr L de Caestecker £165,600 (£159,152); Dr M McGuire £119,438 (£115,710) M White £126,709 (£121,800).

The tables shown on pages 40 - 45 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 2017	Cash Equivalent Transfer Value (CETV) at 31 March 2016	Real increase in CETV in year
Remuneration of:					£'000						£'000	£'000	£'000
Executive Members													
Chief Executive : R Calderwood (left 31.03.17) (Note	170 - 175	-	-	170 - 175	-	170 - 175	-	-	-	-	-	1,934	-
Director of Public Health : L de Caestecker (from 01.08.16) (Note 4)	85 - 90	-	-	85 - 90	15	100 - 105	45 - 50	0 - 2.5	140 - 145	5.0 - 7.5	1,132	1,085	32
Medical Director : J Armstrong	145 - 150	-	-	145 - 150	22	165 - 170	25 - 30	5.0 - 7.5	-	-	328	243	63
Nurse Director : M McGuire	115 - 120	-	-	115 - 120	18	135 - 140	10 - 15	0 - 2.5	-	-	194	154	22
Director of Finance : M White (Note 3)	125 - 130	-	-	125 - 130	-	125 - 130	-	-	-	-	-	-	-
Non Executive Members													
The Chair : J Brown	45 - 50	-	-	45 - 50	-	45 - 50	-	-	-	-	-	-	-
S Brimelow	10 - 15	-	-	10 - 15	-	10 - 15	-	-	-	-	-	-	-
M Brown	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
H Cameron	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
S Carr	10 - 15	-	-	10 - 15	-	10 - 15	-	-	-	-	-	-	-
G Casey (from 01.06.16)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
J Cloherty (from 29.09.16)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
A Cowan (from 01.07.16)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
M Devlin	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Dominiczak	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
J Donnelly (from 01.07.16)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
R Finnie	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
J Forbes (from 01.07.16)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
I Fraser	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
M Kerr	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Lafferty	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
I Lee (left 30.06.16)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
J Legg (from 01.07.16)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
D Lyons	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
D McErlean (from 01.10.16) (Employee Director - this post is full time and the salary shown relates to the substantive post held and non-executive allowance)	30 - 35	-	-	30 - 35	4	35 - 40	5 - 10	2.5 -5.0	25 - 30	-	184	119	62
A Macleod	10 - 15	-	-	10 - 15	-	10 - 15	-	-	-	-	-	-	-
M Macmillan	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
J Matthews (from 01.07.16)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
T McAuley	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
J McIlwee (left 08.08.16)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
R Micklem (left 31.05.16)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
A Monaghan (from 01.07.16)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
M O'Donnell	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
R Reid (left 31.03.17)	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
I Ritchie (from 01.07.16)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
N Shanks (left 31.07.16)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
D Sime (left 30.09.16) (Employee Director - this post is full time and the salary shown relates to the substantive post held and non-executive allowance)	30 - 35	-	-	30 - 35	4	35 - 40	-	-	-	-	-	697	-
R Sweeney (from 01.07.16)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
Other Senior Employees													
Chief Operating Officer, Acute Division : G Archibald	105 - 110	-	-	105 - 110	21	130 - 135	15 - 20	0 - 2.5	55 - 60	5.0 - 7.5	412	351	44
Interim Director of Public Health : E Crichton (left 31.07.16)	130 - 135	-	1.1	130 - 135	18	150 - 155	-	-	-	-	-	333	-
											2,250	**4,916**	**223**

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	1,860	to	1,934
Director of Public Health : L de Caestecker (from 01.08.16)	1,103	to	1,085
Medical Director : J Armstrong	146	to	243
Nurse Director : M McGuire	164	to	154
Employee Director : D McErlean	-	to	119
Employee Director : D Sime	698	to	697
Chief Operating Officer, Acute Division : G Archibald	342	to	351
Interim Director of Public Health : E Crichton (left 31.07.16)	322	to	333
	4,635		4,916

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 £165,600.

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 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.

Fair Pay Disclosure

	2017	2016
	£'000	£'000
Range of Staff Remuneration	10-240	10-265
Highest earning Director's total remuneration	170-175	170-175
Median total remuneration	27.359	27.326
Ratio	6.33	6.27

The banded remuneration of the highest paid director in NHSGGC Health Board in the financial year 2016/17 was £173,182 (2015/16 £171,405). This was 6.33 times (2015/16 6.27) the median remuneration of the workforce which was £27,359 (2015/16 £27,326).

The highest paid director in 2016/17 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 2016/17 69 (2015/16 98) employees received remuneration in excess of the highest paid director. Remuneration ranged from £173,236 to £238,681.

Staff Report

a) Number of Senior Staff by Band

Bands	2017 Number of Staff Clinical	2017 Number of Staff Non – Clinical	2016 Number of Staff Clinical	2016 Number of Staff Non – Clinical
£ 50,000 to £ 60,000	325	575	345	564
£ 60,001 to £ 70,000	269	188	207	180
£ 70,001 to £ 80,000	182	64	197	54
£ 80,001 to £ 90,000	207	33	184	29
£ 90,001 to £100,000	150	7	144	8
£100,001 to £110,000	163	14	174	13
£110,001 to £120,000	186	2	169	
£120,001 to £130,000	161	1	161	
£130,001 to £140,000	171		143	1
£140,001 to £150,000	133		122	
£150,001 to £160,000	124		107	
£160,001 to £170,000	67		81	
£170,001 to £180,000	40		32	
£180,001 to £190,000	19		27	
£190,001 to £200,000	9		25	
£200,001 and over	16		22	

b) Staff Numbers and Costs

	Executive Board Members £000	Non Executive Members £000	Permanent Staff £000	Inward Secondees £000	Other Staff £000	Outward Secondees £000	2017 Total £000	2016 Total £000
Staff Costs								
Salaries and wages	661	385	1,292,879	0	0	(8,897)	**1,285,028**	1,243,345
Social security costs	90	23	133,156	0	0	(879)	**132,390**	105,271
NHS scheme employers' costs	55	8	163,540	0	0	(1,208)	**162,395**	157,244
Other employers' pension costs	0	0	0	0	0		**0**	0
Inward secondees	0	0	0	12,093	0		**12,093**	15,250
Agency staff	0	0	0	0	28,836		**28,836**	30,841
	806	416	1,589,575	12,093	28,836	(10,984)	**1,620,742**	**1,551,951**
Compensation for loss of office/early retirement	0	0	1,306				**1,306**	980
Pensions to former Board members							0	0
Total	**806**	**416**	**1,590,881**	**12,093**	**28,836**	**(10,984)**	1,622,048	1,552,931
Included in the total staff costs above were costs of staff engaged directly on capital projects, charged to capital expenditure of:							0	0
Staff Numbers								
Whole time equivalent (WTE)	5	27	33,077	162	640	(257)	**33,654**	36,364
Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of:							0	0
Included in the total staff numbers above were disabled staff of:							174	174
Included in the total staff numbers above were Special Advisers of:							0	0

c) Staff Composition – an analysis of the number of persons of each gender who were directors and employees

	2017 Headcount			2016 Headcount		
	M	F	Total	M	F	Total
Executive	2	3	5	2	5	7
Non Executive	16	12	28	18	7	25
Senior Employee	48	50	98	80	83	163
Other	7,939	28,038	35,978	9,260	31,149	40,409
Grand Total	8,005	28,103	36,108	9,360	31,244	40,604

d) Sickness Absence Data

	2017	2016
Sickness Absence Rate	5.5%	6.1%

e) Employment of Staff with Disabilities

NHSGGC 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:

- NHSGGC Recruitment Process Guidance
- NHSGGC Workforce Change Policy and Procedure

- NHSGGC Equality, Diversity and Human Rights Policy

f) Expenditure on Consultancy

Consultancy Services are defined in the Scottish Government guidance document "Use of Consultancy Procedures (Professional Services) 2013". Expenditure incurred for 2016/17 and 2015/16:-

	2017	2016
External Consultancy	2,953,219	2,470,775

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/

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
<£10,000	-	3	3
£10,000 - £25,000	-	13	13
£25,000 - £50,000	-	16	16
£50,000 - £100,000	-	7	7
£100,000- £150,000	-	-	-
£150,000- £200,000	-	-	-
>£200,000	-	-	-
Total number exit packages by type	**-**	**39**	**39**
Total resource cost (£'000)	**-**	**1,306**	**1,306**

Exit Packages – Prior Year

<£10,000	-	11	11
£10,000 - £25,000	-	8	8
£25,000 - £50,000	-	10	10
£50,000 - £100,000	-	6	6
£100,000- £150,000	-	-	-
£150,000- £200,000	-	-	-
>£200,000	-	-	-
Total number exit packages by type	**-**	**35**	**35**
Total resource cost (£'000)	**-**	**980**	**980**

Parliamentary Accountability Report

Losses and Special Payments

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

	No Of Cases	£'000
Losses	**572**	**8,167**

In the year to 31 March 2017 there were no losses in excess of £250,000 written off.

Fees and Charges

The Board had no commercial trading activity during 2016/17 where the full annual cost exceeded £1 million (2015/16 nil).

Remote Contingent Liabilities

Contingent liabilities are disclosed in note 19 and contractual obligations are disclosed in note 20.

Long Term Expenditure Trends

NHSGGC receives funding from the Scottish Government to meet expenditure plans:

Funding received from the Scottish Government over the five years to 31 March 2017 was:

	2016/17 £'000	2015/16 £'000	2014/15 £'000	2013/14 £'000	2012/13 £'000
Resource Funding	2,496,141	2,311,134	2,258,960	2,341,544	2,261,142
Capital Funding	76,397	81,370	159,357	280,041	320,169
Total Funding	2,572,538	2,392,504	2,418,317	2,621,585	2,581,311

J Grant

Chief Executive & Accountable Officer
27 June 2017

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

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice 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.

Report on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Greater Glasgow Health Board and its group for the year ended 31 March 2017 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Consolidated Comprehensive Net Expenditure and Summary of Resource Outturn, the Consolidated Balance Sheet, the Statement of Consolidated Cashflows, the Consolidated Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2016/17 Government Financial Reporting Manual (the 2016/17 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of affairs of the board and its group as at 31 March 2017 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016/17 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the board and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standards for Auditors, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accountable Officer, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary

to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors. 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.

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

Other information in the annual report and accounts

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with my audit of the financial statements in accordance with ISAs (UK&I), my responsibility is to read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Report on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements

Opinions on other prescribed matters

I am required by the Auditor General for Scotland to express an opinion on the following matters.

In my opinion, the auditable part of the Remuneration and Staff Report has been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

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

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

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the auditable part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

David McConnell

Assistant Director (Audit Services)

Audit Scotland

4th Floor, South Suite , The Athenaeum Building

8 Nelson Mandela Place

Glasgow, G2 1BT

June 2017

Statement of Consolidated Comprehensive Net Expenditure and Summary of Resource Outturn

	Note	**2017** **£'000**	2016 £'000
Clinical Services Costs			
Hospital and Community	4	**3,890,530**	2,623,517
Less: Hospital and Community Income	8	**1,875,156**	736,962
		2,015,374	1,886,555
Family Health	5	**582,671**	565,777
Less: Family Health Income	8	**15,684**	15,753
		566,987	550,024
Total Clinical Services Costs		**2,582,361**	2,436,579
Administration Costs	6	**8,992**	9,591
Less: Administration Income	8	**42**	206
		8,950	9,385
Other Non Clinical Services	7	**137,594**	62,833
Less: Other Operating Income	8	**86,849**	53,256
		50,745	9,577
Joint Ventures accounted for on an equity basis	28a	**(17,589)**	(1,504)
Net Operating Costs		**2,624,467**	2,454,037

	2017 **£'000**	2016 £'000
OTHER COMPREHENSIVE NET EXPENDITURE/(INCOME)		
Net (gain)/loss on revaluation of property, plant and equipment	**(12,716)**	7,867
Net gain on revaluation of intangibles	**(6)**	-
Net (gain)/loss on revaluation of available for sale financial assets	**(5,298)**	1,468
Other Comprehensive Net Expenditure/(Income)	**(18,020)**	9,335
Total Comprehensive Expenditure	**2,606,447**	2,463,372

	2017 £'000
SUMMARY OF CORE REVENUE RESOURCE OUTTURN	
Net Operating Costs	**2,624,467**
Total Non Core Expenditure (see below)	**(221,238)**
FHS Non Discretionary Allocation	**(146,477)**
Donated Assets Income	**1,138**
Endowment Net Operating Costs	**(1,730)**
Associates and Joint Ventures accounted for on an equity basis	**17,589**
Total Core Expenditure	**2,273,749**
Core Revenue Resource Limit	**2,274,903**
Saving against Core Revenue Resource Limit	**1,154**

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN	
Capital Grants to Other Bodies	**161**
Depreciation/Amortisation	**80,183**
Annually Managed Expenditure - Impairments	**9,943**
Annually Managed Expenditure - Creation of Provisions	**110,680**
Annually Managed Expenditure - Depreciation of Donated Assets	**1,550**
Additional SGHSCD non-core funding	**11,701**
IFRS PFI Expenditure	**7,020**
Total Non Core Expenditure	**221,238**
Non Core Revenue Resource Limit	**221,238**
Saving against Non Core Revenue Resource Limit	**-**

SUMMARY RESOURCE OUTTURN	
Core Expenditure	**2,273,749**
Non Core Expenditure	**221,238**
Total Net Expenditure	**2,494,987**
Core Revenue Resource Limit	**2,274,903**
Non Core Revenue Resource Limit	**221,238**
Total Revenue Resource Limit	**2,496,141**
Saving against Total Revenue Resource Limit	**1,154**

Consolidated Balance Sheet

Consolidated 2016 £'000	Board 2016 £'000		Note	**Consolidated 2017 £'000**	**Board 2017 £'000**
		NON CURRENT ASSETS			
2,119,412	2,119,272	Property, plant and equipment	11	**2,098,018**	**2,097,878**
338	338	Intangible assets	10	**272**	**272**
		Financial assets:			
85,205	462	Available for sale financial assets	14	**82,711**	**863**
1,504	-	Investment in joint ventures	28b	**19,093**	**-**
63,348	63,348	Trade and other receivables	13	**111,305**	**111,305**
2,269,807	2,183,420	**Total Non Current Assets**		**2,311,399**	**2,210,318**
		CURRENT ASSETS			
22,206	22,206	Inventories	12	**22,175**	**22,175**
547	547	Intangible assets	10	**797**	**797**
		Financial assets:			
83,497	83,861	Trade and other receivables	13	**98,090**	**97,806**
381	381	Cash and cash equivalents	15	**6,689**	**434**
6,525	6,525	Assets classified as held for sale	11	**14,222**	**14,222**
113,156	113,520			**141,973**	**135,434**
		CURRENT LIABILITIES			
(58,052)	(58,052)	Provisions	17	**(67,263)**	**(67,263)**
		Financial liabilities:			
(318,498)	(317,232)	Trade and other payables	16	**(304,921)**	**(303,230)**
(376,550)	(375,284)			**(372,184)**	**(370,493)**
2,006,413	1,921,656	**Total assets less current liabilities**		**2,081,188**	**1,975,259**
		NON CURRENT LIABILITIES			
(153,266)	(153,266)	Provisions	17	**(257,443)**	**(257,443)**
		Financial liabilities:			
(259,785)	(259,785)	Trade and other payables	16	**(281,351)**	**(281,351)**
(413,051)	(413,051)			**(538,794)**	**(538,794)**
1,593,362	1,508,605			**1,542,394**	**1,436,465**
		TAXPAYERS' EQUITY			
1,231,633	1,231,633	General Fund		**1,182,707**	**1,182,707**
276,972	276,972	Revaluation Reserve		**253,758**	**253,758**
1,504	-	Other reserves - joint ventures		**19,093**	**-**
83,253	-	Funds held on Trust		**86,836**	**-**
1,593,362	1,508,605			**1,542,394**	**1,436,465**

Adopted by the Board on 27 June 2017

M White
Director of Finance

J Grant
Chief Executive

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

	Note	**2017 £'000**	2016 £'000
NET OPERATING CASHFLOW			
Net operating cost		**(2,624,467)**	(2,454,037)
Exclude Joint ventures accounted for on an equity basis		**17,589**	1,504
Revised Net Operating Cost		**(2,642,056)**	(2,455,541)
Adjustments for non cash transactions		**73,778**	95,642
Interest payable		**26,248**	18,688
Investment Income		**(1,612)**	(1,815)
Net movement on working capital		**74,380**	(34,844)
Net cash outflow from operating activities	28	**(2,469,262)**	(2,377,870)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(105,377)**	(82,168)
Purchase of intangible assets		**(250)**	(475)
Investment Additions		**(12,428)**	(14,530)
Transfer of assets from other NHS bodies		**-**	(163)
Proceeds of disposal of property, plant and equipment		**20,028**	10,385
Proceeds of disposal of intangible assets		**13**	-
Receipts from sale of investments		**17,825**	13,734
Interest received		**1,902**	1,835
Net cash outflow from Investing Activities	28	**(78,287)**	(71,382)
FINANCING			
Funding		**2,560,375**	2,466,429
Movement in general fund working capital		**53**	70
Cash drawn down		**2,560,428**	2,466,499
Capital element of payments in respect of finance leases and on balance sheet PFI Contracts		**17,398**	(3,622)
Interest paid		**(6,472)**	4
Interest element of finance leases and on balance sheet PFI Contracts		**(19,776)**	(18,692)
Net cash inflow from financing	28	**2,551,578**	2,444,189
(Decrease)/Increase in cash in year		**4,029**	(5,063)
Net cash at 1 April		**35,422**	40,485
Net cash at 31 March		**39,451**	35,422

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 £32,762k (prior year £35,153k).

	Note	General Fund £'000	Revaluation Reserve £'000	Other Reserves - Joint Ventures £'000	Funds Held on Trust £'000	Total Reserves £'000
Balance at 31 March 2016		**1,231,633**	**276,972**	**1,504**	**83,253**	**1,593,362**
Changes in taxpayers' equity for 2016-17						
Net gain on revaluation/indexation of property, plant and equipment	11	-	12,716	-	-	**12,716**
Net gain on revaluation of intangible assets	10	-	6	-	-	**6**
Net gain on revaluation of available for sale financial assets	14	-	-	-	5,313	**5,313**
Impairment of property, plant and equipment	11	-	(16,676)	-	-	**(16,676)**
Revaluation & impairments taken to operating costs	3	-	11,761	-	-	**11,761**
Transfers between reserves		31,025	(31,025)	-	-	**-**
Transfer of non current assets from other bodies		-	4	-	-	**4**
Net operating cost for the year		(2,640,326)	-	17,589	(1,730)	**(2,624,467)**
Total recognised income and expense for 2016-17		**(2,609,301)**	**(23,214)**	**17,589**	**3,583**	**(2,611,343)**
Funding:						
Drawn down		2,560,428	-	-	-	**2,560,428**
Movement in General Fund Creditor	cfs	(53)	-	-	-	**(53)**
Balance at 31 March 2017	BS	**1,182,707**	**253,758**	**19,093**	**86,836**	**1,542,394**

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 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		**1,231,633**	**276,972**	**1,504**	**83,253**	**1,593,362**

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 7 Statement of Cash Flows (amendment).
- IAS 28 Investments in Associates and Joint Ventures (amendment).
- IFRS 12 Disclosure of interests in other entities (amendment).
- IFRS 9 Financial Instruments (IAS 39 Financial Instruments: Recognition and Measurement - replacement). (New).
- IFRS 15 Revenue from Contracts with Customers (IAS 18 Revenue – replacement). (New).
- IFRS 16 Leases (IAS 17 Leases - 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 NHSGGC 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 NHSGGC 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.

The Board has also disclosed its interest in six Integration Joint Boards (IJBs); East Dunbartonshire, West Dunbartonshire, Glasgow City, Inverclyde, East Renfrewshire and Renfrewshire. In accordance with IFRS 11 - Joint Arrangements, and other relevant standards, the financial statements have disclosed the Board's interest in the 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
NHSGGC:

Most of the expenditure of the 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.

NHSGGC 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 NHSGGC Endowment Funds.

Expenditure is recognised 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 (SOCNE). 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 SOCNE, 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 SOCNE. Any related balance on the revaluation reserve is transferred to the General Fund. Gains and losses on revaluation are reported in the SOCNE.

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 Fcapitalised 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 SOCNE, in which case they are recognised in income.

Permanent decreases in asset values and impairments are charged gross to the SOCNE. 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 SOCNE.

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 SOCNE 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 SOCNE. 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 SOCNE. 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 SOCNE 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 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 SOCNE 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 SOCNE 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 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 4.

20) Value Added Tax

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

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 SOCNE.

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 SOCNE.

(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 SOCNE. 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 SOCNE.

(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 SOCNE. Dividends on available-for-sale equity instruments are recognised in the SOCNE 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 SOCNE. Impairment losses recognised in the SOCNE 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 SOCNE.

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 SOCNE.

(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. STAFF COSTS

Total staff costs for the year to 31 March 2017 were £1,662,048k (2016: £1,552,931k). Further detail and analysis of staff costs can be found in the Remuneration and Staff Report, forming part of the Accountability Report.

3. OTHER OPERATING COSTS

	Note	2017 £'000	2016 £'000
Expenditure Not Paid In Cash			
Depreciation	11a	**85,325**	92,132
Amortisation	10	**59**	59
Depreciation Donated Assets	11b	**1,550**	1,523
Impairments on PPE charged to SOCNE	11	**11,761**	9,498
Reversal of impairments on PPE charged to SOCNE	11	**-**	(3,592)
Funding Of Donated Assets	10	**(1,138)**	(4,009)
Loss/(Profit) on disposal of property, plant and equipment		**(23,784)**	31
Other non cash costs		**5**	(13)
Total Expenditure Not Paid In Cash	CFS	**73,778**	95,629
Interest Payable			
PFI Finance lease charges allocated in the year	22	**19,776**	18,692
Provisions - Unwinding of discount		**6,472**	(4)
Total		**26,248**	18,688
Statutory Audit			
External auditor's remuneration and expenses		**412**	560

4. HOSPITAL AND COMMUNITY HEALTH SERVICES

	2017	2016
	£'000	£'000
BY PROVIDER		
Treatment in Board area of NHS Scotland patients	**2,337,910**	2,253,766
Other NHS Scotland bodies	**39,316**	37,107
Health bodies outside Scotland	**1,888**	1,465
Primary care bodies	**121**	118
Private sector	**20,433**	17,146
Community Care		
Support Finance	**272**	307
Resource Transfer	**182,561**	121,584
Contribution of Health Board to Integration Joint Board	**1,282,339**	166,859
Contributions to Voluntary Bodies and Charities	**22,477**	21,978
Total NHS Scotland Patients	**3,887,317**	2,620,330
Treatment of UK residents based outside Scotland	**3,213**	3,187
Total Hospital & Community Health Service	**3,890,530**	2,623,517

5. FAMILY HEALTH SERVICE EXPENDITURE

	Unified Budget	Non Discretionary	2017	2016
	£'000	£'000	£'000	£'000
Primary Medical Services	**168,725**	**-**	**168,725**	164,891
Pharmaceutical Services	**246,382**	**43,794**	**290,176**	278,817
General Dental Services	**5,113**	**93,173**	**98,286**	96,916
General Ophthalmic Services	**392**	**25,092**	**25,484**	25,153
Total Family Health Services Expenditure	**420,612**	**162,059**	**582,671**	565,777

6. ADMINISTRATION COSTS

	2017	2016
	£'000	£'000
Board Members' Remuneration	**1,222**	1,113
Administration of Board Meetings and Committees	**563**	508
Corporate Governance and Statutory Reporting	**1,318**	1,669
Health Planning, Commissioning and Performance Reporting	**4,200**	4,806
Treasury Management and Financial Planning	**355**	334
Public Relations	**852**	832
Other	**482**	329
Total Administration Costs	**8,992**	9,591

7. OTHER NON CLINICAL SERVICES

	2017	2016
	£'000	£'000
Compensation payments - Clinical	**16,134**	6,765
Compensation payments - Other	**1,806**	2,181
Pension enhancement & redundancy	**8,334**	1,709
Patients' Travel Attending Hospitals	**431**	407
Health Promotion	**16,117**	15,629
Public Health	**954**	863
Public Health Medicine Trainees	**226**	220
Emergency Planning	**109**	148
Loss on disposal of Non Current Assets	**950**	116
Endowment Expenditure	**10,250**	11,950
Other	**82,283**	22,845
Total Other Non Clinical Services	**137,594**	62,833

8. OPERATING INCOME

	2017	2016
	£'000	£'000
HCH Income		
NHS Scotland Bodies		
Boards	**553,540**	531,515
Non NHS		
Private Patients	**678**	546
Compensation Income	**4,123**	4,354
Other HCH income	**34,490**	33,868
Income for services commissioned by Integration Joint Board	**1,282,325**	166,679
Total HCH Income	**1,875,156**	736,962
FHS Income		
Discretionary	**102**	95
Non Discretionary		
General Dental Services	**15,582**	15,658
Total FHS Income	**15,684**	15,753
Administration Income	**42**	206
Other Operating Income		
NHS Scotland Bodies	**246**	237
Contributions in respect of Clinical/ medical negligence claims	**19,419**	4,659
Profit on disposal of Non Current Assets	**24,734**	85
Donated Asset Additions	**1,138**	4,009
Shared Services	**275**	267
Endowment Income	**8,520**	6,765
Other	**32,517**	37,234
Total Other Operating Income	**86,849**	53,256
Total Income	**1,977,731**	806,177
Of the above, the amount derived from NHS bodies is	**553,786**	531,752

9. ANALYSIS OF CAPITAL EXPENDITURE

	Note	2017 £'000	2016 £'000
EXPENDITURE			
Acquisition of Intangible Assets	10	**-**	220
Acquisition of Property, Plant and Equipment	11a	**89,266**	82,049
Donated Asset Additions	11b	**1,138**	4,009
HUB Expenditure		**404**	-
Gross Capital Expenditure		**90,808**	86,278
INCOME			
Net book value of disposal of Intangible Assets	10	**13**	
Net book value of disposal of Property, plant and equipment	11a	**6,741**	242
Net book value of disposal of Donated Assets	11b	**-**	84
Value of disposal of Non Current Assets held for sale	11c	**6,525**	599
HUB - Repayment of investment		**3**	-
Donated Asset Income		**1,138**	4,009
Capital Income		**14,420**	4,934
Net Capital Expenditure		**76,388**	81,344
Summary of Capital Resource Outturn			
Core Capital Expenditure included above		**65,658**	68,070
Core Capital Resource Limit		**65,667**	68,096
Saving against Core Capital Resource Limit		**9**	26
Non Core Capital Expenditure included above		**10,730**	13,274
Non Core Capital Resource Limit		**10,730**	13,274
Saving against Non Core Capital Resource Limit		**-**	-
Total Capital Expenditure		**76,388**	81,344
Total Capital Resource Limit		**76,397**	81,370
Saving against Total Capital Resource Limit		**9**	26

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

	Software Licences £'000	EC Carbon Emissions £'000	Total £'000
Cost or Valuation:			
At 1 April 2016	832	176	1,008
Disposals	-	(13)	(13)
Revaluation	-	6	6
At 31 March 2017	**832**	**169**	**1,001**
Amortisation			
At 1 April 2016	670	-	670
Provided during the year	59	-	59
At 31 March 2017	**729**	**-**	**729**
Net book value at 1 April 2016	162	176	338
Net book value at 31 March 2017	**103**	**169**	**272**

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 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. (b) INTANGIBLE ASSETS (CURRENT)

Consolidated 2016 £'000	Board 2016 £'000		Consolidated 2017 £'000	Board 2017 £'000
547	547	Carbon Reduction Commitment Allowances	797	797
547	547		**797**	**797**

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 2016	111,592	1,849,226	462	1,409	288,084	108,145	11,095	81,514	2,451,527
Additions	-	21,553	-	-	2,920	-	-	64,793	89,266
Completions	1,049	43,094	-	105	13,363	4,671	118	(62,400)	-
Transfers	-	-	-	29	(38)	-	9	-	-
Transfers to non-current assets held for sale	(14,222)	-	-	-	-	-	-	-	(14,222)
Revaluation	(211)	(18,478)	-	-	-	-	-	-	(18,689)
Impairment Charge	(50)	(18,124)	(462)	-	-	-	-	(450)	(19,086)
Disposals	(6,100)	(744)	-	(63)	(10,226)	(22)	(116)	-	(17,271)
At 31 March 2017	**92,058**	**1,876,527**	**-**	**1,480**	**294,103**	**112,794**	**11,106**	**83,457**	**2,471,525**
Depreciation									
At 1 April 2016	-	76,668	-	1,152	178,957	85,167	4,779	-	346,723
Provided during the year	-	51,017	-	68	24,366	8,115	1,759	-	85,325
Transfers	-	-	-	26	(29)	-	3	-	-
Revaluation	-	(31,332)	-	-	-	-	-	-	(31,332)
Impairment Charge	-	(2,410)	-	-	-	-	-	-	(2,410)
Disposals	-	(371)	-	(63)	(9,958)	(22)	(116)	-	(10,530)
At 31 March 2017	**-**	**93,572**	**-**	**1,183**	**193,336**	**93,260**	**6,425**	**-**	**387,776**
Net book value at 1 April 2016	111,592	1,772,558	462	257	109,127	22,978	6,316	81,514	2,104,804
Net book value at 31 March 2017	**92,058**	**1,782,955**	**-**	**297**	**100,767**	**19,534**	**4,681**	**83,457**	**2,083,749**
Open Market Value of Land in Land and Dwellings Included Above	**2,255**	**-**	**-**						
Asset financing:									
Owned	92,058	1,516,637	-	297	100,767	19,534	4,681	83,457	1,817,431
On-balance sheet PFI contracts	-	266,318	-	-	-	-	-	-	266,318
Net book value at 31 March 2017	**92,058**	**1,782,955**	**-**	**297**	**100,767**	**19,534**	**4,681**	**83,457**	**2,083,749**

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 2016	111,452	1,849,226	462	1,409	288,084	108,145	11,095	81,514	2,451,387
Additions	-	21,553	-	-	2,920	-	-	64,793	89,266
Completions	1,049	43,094	-	105	13,363	4,671	118	(62,400)	-
Transfers	-	-	-	29	(38)	-	9	-	-
Transfers to non-current assets held for sale	(14,222)	-	-	-	-	-	-	-	(14,222)
Revaluation	(211)	(18,478)	-	-	-	-	-	-	(18,689)
Impairment Charge	(50)	(18,124)	(462)	-	-	-	-	(450)	(19,086)
Disposals	(6,100)	(744)	-	(63)	(10,226)	(22)	(116)	-	(17,271)
At 31 March 2017	**91,918**	**1,876,527**	**-**	**1,480**	**294,103**	**112,794**	**11,106**	**83,457**	**2,471,385**
Depreciation									
At 1 April 2016	-	76,668	-	1,152	178,957	85,167	4,779	-	346,723
Provided during the year	-	51,017	-	68	24,366	8,115	1,759	-	85,325
Transfers	-	-	-	26	(29)	-	3	-	-
Revaluation	-	(31,332)	-	-	-	-	-	-	(31,332)
Impairment Charge	-	(2,410)	-	-	-	-	-	-	(2,410)
Disposals	-	(371)	-	(63)	(9,958)	(22)	(116)	-	(10,530)
At 31 March 2017	**-**	**93,572**	**-**	**1,183**	**193,336**	**93,260**	**6,425**	**-**	**387,776**
Net book value at 1 April 2016	111,452	1,772,558	462	257	109,127	22,978	6,316	81,514	2,104,664
Net book value at 31 March 2017	**91,918**	**1,782,955**	**-**	**297**	**100,767**	**19,534**	**4,681**	**83,457**	**2,083,609**
Open Market Value of Land in Land and Dwellings Included Above	**2,255**	**-**	**-**						
Asset financing:									
Owned	91,918	1,516,637	-	297	100,767	19,534	4,681	83,457	1,817,291
On-balance sheet PFI contracts	-	266,318	-	-	-	-	-	-	266,318
Net book value at 31 March 2017	**91,918**	**1,782,955**	**-**	**297**	**100,767**	**19,534**	**4,681**	**83,457**	**2,083,609**

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 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 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
	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) - 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 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 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. (b) PROPERTY, PLANT AND EQUIPMENT (Donated Assets) - CONSOLIDATED AND 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 2016	169	6,448	-	75	12,431	36	1,271	305	20,735
Additions	-	17	-	26	946	-	-	149	1,138
Completions	-	-	-	-	88	-	-	(88)	-
Revaluation	-	(2)	-	-	-	-	-	-	(2)
Disposals	-	-	-	-	(985)	-	-	-	(985)
At 31 March 2017	**169**	**6,463**	-	**101**	**12,480**	**36**	**1,271**	**366**	**20,886**
Depreciation									
At 1 April 2016	-	305	-	41	5,491	36	254	-	6,127
Provided during the year	-	261	-	8	1,027	-	254	-	1,550
Revaluation	-	(75)	-	-	-	-	-	-	(75)
Disposals	-	-	-	-	(985)	-	-	-	(985)
At 31 March 2017	**-**	**491**	-	**49**	**5,533**	**36**	**508**	**-**	**6,617**
Net book value at 1 April 2016	169	6,143	-	34	6,940	-	1,017	305	14,608
Net book value at 31 March 2017	**169**	**5,972**	-	**52**	**6,947**	**-**	**763**	**366**	**14,269**
Open Market Value of Land in Land and Dwellings Included Above	**-**	**-**	**-**						
Asset financing:									
Owned	169	5,972	-	52	6,947	-	763	366	14,269
Net book value at 31 March 2017	**169**	**5,972**	**-**	**52**	**6,947**	**-**	**763**	**366**	**14,269**

11. (b) PROPERTY, PLANT AND EQUIPMENT (Donated Assets) - PRIOR YEAR CONSOLIDATED AND 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									
Net book value 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)
Net book value at 31 March 2016	**169**	**6,448**	-	**75**	**12,431**	**36**	**1,271**	**305**	**20,735**
Depreciation									
Net book value 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)
Net book value 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. (c) ASSETS HELD FOR SALE

The Board's Property Committee has approved the following to be presented as held for sale; land at Acorn St Day Hospital, Broomhill Hospital, Clarkston Clinic, Drumchapel Hospital, Gateside Laundry, Johnstone Hospital, Lenzie Hospital, Maryhill Health Centre, Glenfarg Health Centre, Ruchill, Stoneyetts and Lennox Castle Hospital.

ASSETS HELD FOR SALE - CONSOLIDATED AND BOARD

	Note	Property, Plant & Equipment	Total
		£'000	£'000
At 1 April 2016		6,525	6,525
Transfers from property, plant and equipment	11a	14,222	14,222
Disposals of non-current assets held for sale		(6,525)	(6,525)
At 31 March 2017		**14,222**	**14,222**

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

	Note	Property, Plant & Equipment	Total
		£'000	£'000
At 1 April 2015		14,924	14,924
Transfers to 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**

11. (d) PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated 2016 £'000	Board 2016 £'000		**Consolidated 2017 £'000**	**Board 2017 £'000**
		Net book value of property, plant and equipment at 31 March		
2,104,804	2,104,664	Purchased	**2,083,749**	**2,083,609**
14,608	14,608	Donated	**14,269**	**14,269**
2,119,412	2,119,272	**Total**	**2,098,018**	**2,097,878**
21,177	21,177	Net book value related to land valued at open market value at 31 March	**2,255**	**2,255**
		Total value of assets held under:		
249,259	249,259	PFI and PPP Contracts	**266,318**	**266,318**
249,259	249,259	**Total**	**266,318**	**266,318**
		Total depreciation charged in respect of assets held under:		
4,834	4,834	PFI and PPP contracts	**5,201**	**5,201**
4,834	4,834	**Total**	**5,201**	**5,201**

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 2016-17 the net impact was an increase in value of £12,649k for Purchased Assets and £73k for Donated Assets. In 2015-16 the value of Purchased Assets decreased by £7,751k and the value of Donated Assets by £116k.

12. INVENTORIES

Consolidated 2016 £'000	Board 2016 £'000		Consolidated 2017 £'000	Board 2017 £'000
22,206	22,206	Raw Materials and Consumables	**22,175**	**22,175**
22,206	22,206	**Total Inventories**	**22,175**	**22,175**

13. TRADE AND OTHER RECEIVABLES

Consolidated 2016 £'000	Board 2016 £'000		Consolidated 2017 £'000	Board 2017 £'000
		Receivables due within one year		
		NHS Scotland		
460	460	SGHSCD	**409**	**409**
29,843	29,843	Boards	**26,371**	**26,371**
30,303	30,303	**Total NHS Scotland Debtors**	**26,780**	**26,780**
1,279	1,279	NHS Non-Scottish Bodies	**1,315**	**1,315**
3,710	3,710	VAT recoverable	**3,638**	**3,638**
14,652	14,652	Prepayments	**16,102**	**16,102**
1,563	1,563	Accrued income	**1,792**	**1,792**
11,137	11,501	Other Receivables	**15,806**	**15,522**
15,937	15,937	Reimbursement of provisions	**26,921**	**26,921**
4,916	4,916	Other Public Sector Bodies	**5,736**	**5,736**
83,497	83,861	**Total Receivables due within one year**	**98,090**	**97,806**
		Receivables due after more than one year		
		NHS Scotland		
194	194	Other Receivables	**14,056**	**14,056**
63,154	63,154	Reimbursement of Provisions	**97,249**	**97,249**
63,348	63,348	**Total Receivables due after more than one year**	**111,305**	**111,305**
146,845	147,209	**Total Receivables**	**209,395**	**209,111**
1,504	1,504	The total receivables figure above includes a provision for impairments	**1,464**	**1,464**

13. TRADE AND OTHER RECEIVABLES (cont)

Consolidated 2016 £'000	Board 2016 £'000		Consolidated 2017 £'000	Board 2017 £'000
		Movements on the provision for impairment of receivables are as follows:		
2,674	2,674	At 1 April	**1,504**	**1,504**
1,233	1,233	Provision for impairment	**1,170**	**1,170**
(425)	(425)	Receivables written off during the year as uncollectible	**(38)**	**(38)**
(1,978)	(1,978)	Unused amounts reversed	**(1,172)**	**(1,172)**
1,504	1,504	At 31 March	**1,464**	**1,464**

As of 31 March 2017, receivables with a carrying value of £1,464k (2016: £1,504k) were impaired and provided for. The amount of the provision was £1,464k (2016: £1,504k). The ageing of these receivables is as follows:

£'000	£'000		£'000	£'000
213	213	3 to 6 months past due	**359**	**359**
1,291	1,291	Over 6 months past due	**1,105**	**1,105**
1,504	1,504		**1,464**	**1,464**

The receivables assessed as individually impaired were mainly English, Welsh and Irish NHS Trusts/Health Authorities, CCGs and other Health Bodies, overseas patients, 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 2017, receivables with a carrying value of £4,792k (2016: £3,145k) 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
2,233	2,233	Up to 3 months past due	**2,806**	**2,806**
282	282	3 to 6 months past due	**1,138**	**1,138**
630	630	Over 6 months past due	**848**	**848**
3,145	3,145		**4,792**	**4,792**

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
142,133	142,133	Existing customers with no defaults in the past	**202,855**	**202,855**
142,133	142,133	Total neither past due or impaired	**202,855**	**202,855**

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

£'000	£'000	The carrying amount of receivables are denominated in the following currencies:	£'000	£'000
146,845	147,209	Pounds	**209,395**	**209,111**
146,845	147,209		**209,395**	**209,111**

All non-current receivables are due within 6 years (2015-16: 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 £14,056k (2015-16: £194k).

14. AVAILABLE FOR SALE FINANCIAL ASSETS

Consolidated 2016 £'000	Board 2016 £'000		**Consolidated 2017 £'000**	**Board 2017 £'000**
85,205	462	Other	**82,711**	**863**
85,205	462	**Total Available For Sale Financial Assets**	**82,711**	**863**
89,643	462	At 1 April	**85,205**	**462**
14,531	-	Additions	**12,428**	**405**
(17,501)	-	Disposals	**(20,220)**	**(4)**
(1,468)	-	Revaluation surplus/(deficit) transfered to equity	**5,298**	**-**
85,205	462	**At 31 March**	**82,711**	**863**
85,205	462	Non-current	**82,711**	**863**
85,205	462	**At 31 March**	**82,711**	**863**

In the year the Board disposed of its investment in TMRI Ltd £1k due to the winding up of the company. The Board invested £404k in subordinated debt for the Inverclyde, Gorbals and Woodside HUB schemes. A repayment of £3k was received in relation to subordinated debt for the Eastwood and Maryhill HUB schemes. The carrying value of investments is less any material impairment. The consolidated investment also includes endowment invested funds £81.8M of which £63.3M relates to restricted funds.

15. CASH AND CASH EQUIVALENTS	**At 1 April 2016 £'000**	**At 31 March 2017 £'000**	**Cash Flow 2017 £'000**	**2016 £'000**
Government Banking Service	34	**21**	**(13)**	32
Commercial banks and cash in hand	347	**413**	**66**	38
Short term investments	-	**-**	**-**	-
Endowment cash	-	**6,255**	**6,255**	(1,288)
Total Cash - Balance Sheet	381	**6,689**	**6,308**	(1,218)
Overdrafts	(112)	**-**	**112**	(112)
Total Cash - Cash Flow Statement	269	**6,689**	**6,420**	(1,330)

Notes:
Cash at bank is with major UK banks, regulated by UK authorities. The credit risk assocated with cash at bank is considered to be low.

16. TRADE AND OTHER PAYABLES

Consolidated 2016 £'000	Board 2016 £'000		Consolidated 2017 £'000	Board 2017 £'000
		Payables due within one year		
		NHS Scotland		
252	252	SGHSCD	**1,371**	**1,371**
7,837	7,837	Boards	**7,856**	**7,856**
8,089	8,089	**Total NHS Scotland Payables**	**9,227**	**9,227**
893	893	NHS Non-Scottish Bodies	**1,061**	**1,061**
381	381	Amounts Payable to General Fund	**434**	**434**
52,495	52,495	FHS Practitioners	**48,518**	**48,518**
8,687	8,687	Trade Payables	**9,184**	**9,184**
123,967	123,967	Accruals	**125,125**	**125,125**
18,157	18,157	Deferred income	**24,812**	**24,812**
141	141	Payments received on account	**125**	**125**
3,912	3,912	Net obligations under PFI/HUB Contracts	**4,501**	**4,501**
112	-	Bank overdrafts	**-**	**-**
30,194	30,194	Income tax and social security	**33,330**	**33,330**
21,502	21,502	Superannuation	**21,950**	**21,950**
21,685	21,685	Holiday Pay Accrual	**7,860**	**7,860**
7,467	7,467	Other Public Sector Bodies	**13,271**	**13,271**
20,816	19,662	Other payables	**5,523**	**3,832**
318,498	317,232	**Total Payables due within one year**	**304,921**	**303,230**
		Payables due after more than one year		
		NHS Scotland		
4,226	4,226	Net obligations under PFI/HUB Contracts due within 2 years	**4,863**	**4,863**
14,821	14,821	Net obligations under PFI/HUB Contracts due after 2 years but within 5 years	**17,066**	**17,066**
204,420	204,420	Net obligations under PFI/HUB Contracts due after 5 years	**218,347**	**218,347**
2,787	2,787	Deferred income	**2,635**	**2,635**
377	377	Capital Retention	**1,191**	**1,191**
33,154	33,154	CNORIS Structured Settlements	**37,249**	**37,249**
259,785	259,785	**Total Payables due after more than one year**	**281,351**	**281,351**
578,283	577,017	**Total Payables**	**586,272**	**584,581**

16. TRADE AND OTHER PAYABLES (cont)

Consolidated 2016 £'000	Board 2016 £'000		**Consolidated 2017 £'000**	**Board 2017 £'000**
		Borrowings included above comprise:		
112	-	Bank overdrafts	**-**	**-**
227,379	227,379	PFI/HUB Contracts	**244,777**	**244,777**
227,491	227,379		**244,777**	**244,777**
		The carrying amount and fair value of the non-current borrowings are as follows		
		Carrying amount		
223,467	223,467	PFI/HUB Contracts	**240,276**	**240,276**
223,467	223,467		**240,276**	**240,276**
		Fair value		
223,467	223,467	PFI/HUB Contracts	**240,276**	**240,276**
223,467	223,467		**240,276**	**240,276**
		The carrying amount of short term payables approximates their fair value.		
		The carrying amount of payables are denominated in the following currencies:		
578,283	577,017	Pounds	**586,272**	**584,581**
578,283	577,017		**586,272**	**584,581**

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 2017	Total at 31 March 2016
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2016	52,554	53,926	102,485	2,353	**211,318**	202,838
Arising during the year	9,094	53,982	89,772	1,373	**154,221**	55,162
Utilised during the year	(10,141)	(1,777)	(5,804)	(1,144)	**(18,866)**	(21,445)
Unwinding of discount	6,558	-	(86)	-	**6,472**	(4)
Reversed unutilised	(2,234)	(11,306)	(14,265)	(634)	**(28,439)**	(25,233)
At 31 March 2017	**55,831**	**94,825**	**172,102**	**1,948**	**324,706**	211,318

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 2017

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other	Total at 31 March 2017	Total at 31 March 2016
	£'000	£'000	£'000	£'000	£'000	£'000
Payable in one year	3,556	24,825	37,882	1,000	**67,263**	58,052
Payable between 2 - 5 years	13,805	70,000	81,897	948	**166,650**	84,960
Payable between 6 - 10 years	16,077	-	3,918	-	**19,995**	19,067
Thereafter	22,393	-	48,405	-	**70,798**	49,239
At 31 March 2017	**55,831**	**94,825**	**172,102**	**1,948**	**324,706**	211,318

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 0.24% 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 the Board

The Board holds a provision to meet costs of all outstanding and potential cliical 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

2016 £'000		**2017 £'000**
56,279	Provision recognising individual claims against the NHS Board as at 31 March	**96,773**
(79,091)	Associated CNORIS receivable at 31 March	**(124,170)**
102,485	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	**172,102**
79,673	**Net Total Provision relating to CNORIS at 31 March**	**144,705**

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

When a legal claim is made against an individual board, the board will assess whether a provision or contingent liability for that legal claim is required. If a provision is required then the board will also create an associated receivable recognising reimbursement from the scheme if the legal claim settles. 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 2017 £'000	2016 £'000
INVENTORIES					
Balance Sheet	12	22,206	22,175		
Net Decrease				**31**	115
TRADE AND OTHER RECEIVABLES					
Due within one year	13	83,861	97,806		
Due after more than one year	13	63,348	111,305		
Less: Capital included in above		(159)	(17,184)		
		147,050	191,927		
Net Decrease/(Increase)				**(44,877)**	5,318
TRADE AND OTHER PAYABLES					
Due within one year	16	317,232	303,230		
Due after more than one year	16	259,785	281,351		
Less: Property, Plant & Equipment (Capital) included in above		(59,483)	(43,372)		
Less: General Fund Creditor included in above	16	(381)	(434)		
Less: Lease and PFI Creditors included in above	16	(227,379)	(244,777)		
		289,774	295,998		
Net Decrease/(Increase)				**6,224**	(49,572)
PROVISIONS					
Balance Sheet	17	211,318	324,706		
Net Increase				**113,388**	8,480
Net (Decrease)/Increase				**74,766**	(35,659)

19. CONTINGENT LIABILITIES/ASSETS

CONTINGENT LIABILITIES

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

(i) Negligence Claims

	Clinical & Medical Negligence £'000	Employer's Liability £'000	Total £'000
At 1 April 2016	62,185	1,500	**63,685**
Increase in value of claims	34,008	53	**34,061**
New claims arising during the year	17,477	1,253	**18,730**
Crystallised liabilities	(157)	(129)	**(286)**
Expired obligations	(5,705)	(1,091)	**(6,796)**
At 31 March 2017	**107,808**	**1,586**	**109,394**

(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:	**2017**	2016
	£'000	£'000
Reimbursement of Contingent Liability re Negligence Claims (from CNORIS scheme) as follows:		
Clinical & Medical Negligence	**105,495**	59,748
Employer's Liability	**760**	539
Total	**106,255**	60,287

20. COMMITMENTS

Capital Commitments

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

	2017	2016
	£'000	£'000
Contracted		
Acute Services Projects	**15,313**	6,955
New South Glasgow Hospitals	**-**	11,644
Primary Care Projects	**3,674**	612
Radiotherapy	**2,895**	2,540
Total	**21,882**	21,751
Authorised but not Contracted		
Acute Services Projects	**12,252**	4,869
New South Glasgow Hospitals	**-**	11,513
Radiotherapy Equipment Replacement	**-**	242
Primary Care Projects	**-**	5,104
Total	**12,252**	21,728

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:	**2017**	2016
	£'000	£'000
Buildings		
Not later than one year	**847**	986
Later than one year, not later than 2 years	**1,837**	139
Later than two year, not later than five years	**552**	2,017
Later than five years	**1,969**	2,339
Other		
Not later than one year	**1,004**	1,016
Later than one year, not later than 2 years	**699**	1,054
Later than two year, not later than five years	**1,094**	855
Amounts charged to Operating Costs in the year were:		
Hire of equipment (including vehicles)	**2,796**	2,925
Other operating leases	**5,206**	5,481
Total	**8,002**	8,406
Aggregate Rentals Receivable in the year		
Total of Operating Leases	**3,162**	2,900

22. COMMITMENTS UNDER PFI/HUB CONTRACTS - On balance Sheet

The Board has the following PFI/HUB 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.

8. Eastwood Health and Care Centre. HUB contract commenced with HUB West Scotland Project Co. on 3 June 2016 for a period of 25 years. Estimated capital value at commencement £9.1M.

9. Maryhill Health and Care Centre. HUB contract commenced with HUB West Scotland Project Co. on 15 July 2016 for a period of 25 years. Estimated capital value at commencement £12.4M.

22. COMMITMENTS UNDER PFI/HUB 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**	**Eastwood**	**Maryhill**	**2017 Totals**	**2016 Totals**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	790	1,064	1,455	1,549	6,972	8,812	1,672	882	1,180	**24,376**	22,315
Due within 1 to 2 years	790	1,064	1,455	1,549	6,972	8,813	1,672	882	1,180	**24,377**	22,315
Due within 2 to 5 years	2,370	3,192	4,364	4,646	20,916	26,439	5,015	2,646	3,540	**73,128**	66,942
Due after 5 years	3,160	7,448	23,275	32,525	125,493	158,637	30,088	17,640	23,600	**421,866**	402,939
Balance at 31 March 2017	**7,110**	**12,768**	**30,549**	**40,269**	**160,353**	**202,701**	**38,447**	**22,050**	**29,500**	**543,747**	514,511

Less Interest Element	**Larkfield**	**SGH Eld Bed**	**Gart Royal**	**Stb Rwbnk**	**Stb ACAD**	**Vic ACAD**	**Stb ACAD 60 Bed Ext**	**Eastwood**	**Maryhill**	**Totals**	Totals
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	(366)	(667)	(1,122)	(1,317)	(5,801)	(7,335)	(1,481)	(767)	(1,019)	**(19,875)**	(18,403)
Due within 1 to 2 years	(336)	(633)	(1,098)	(1,299)	(5,707)	(7,215)	(1,462)	(758)	(1,006)	**(19,514)**	(18,089)
Due within 2 to 5 years	(803)	(1,665)	(3,130)	(3,778)	(16,475)	(20,827)	(4,253)	(2,206)	(2,925)	**(56,062)**	(52,121)
Due after 5 years	(494)	(2,014)	(9,784)	(16,488)	(60,460)	(76,429)	(16,292)	(9,295)	(12,263)	**(203,519)**	(198,519)
Balance at 31 March 2017	**(1,999)**	**(4,979)**	**(15,134)**	**(22,882)**	**(88,443)**	**(111,806)**	**(23,488)**	**(13,026)**	**(17,213)**	**(298,970)**	(287,132)

Present value of minimum lease payments	**Larkfield**	**SGH Eld Bed**	**Gart Royal**	**Stb Rwbnk**	**Stb ACAD**	**Vic ACAD**	**Stb ACAD 60 Bed Ext**	**Eastwood**	**Maryhill**	**Totals**	Totals
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	424	397	333	232	1,171	1,477	191	115	161	**4,501**	3,912
Due within 1 to 2 years	454	431	357	250	1,265	1,598	210	124	174	**4,863**	4,226
Due within 2 to 5 years	1,567	1,527	1,234	868	4,441	5,612	762	440	615	**17,066**	14,821
Due after 5 years	2,666	5,434	13,491	16,037	65,033	82,208	13,796	8,345	11,337	**218,347**	204,420
Balance at 31 March 2017	**5,111**	**7,789**	**15,415**	**17,387**	**71,910**	**90,895**	**14,959**	**9,024**	**12,287**	**244,777**	227,379

Service elements due in future periods	**Larkfield**	**SGH Eld Bed**	**Gart Royal**	**Stb Rwbnk**	**Stb ACAD**	**Vic ACAD**	**Stb ACAD 60 Bed Ext**	**Eastwood**	**Maryhill**	**Totals**	Totals
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	318	290	716	513	1,584	2,002	356	103	80	**5,962**	5,638
Due within 1 to 2 years	326	298	734	526	1,623	2,052	365	106	82	**6,112**	5,779
Due within 2 to 5 years	1,028	938	2,314	1,658	5,117	6,469	1,150	333	259	**19,266**	18,219
Due after 5 years	1,495	2,480	15,703	15,776	40,111	50,704	9,011	2,977	2,312	**140,569**	141,661
Balance at 31 March 2017	**3,167**	**4,006**	**19,467**	**18,473**	**48,435**	**61,227**	**10,882**	**3,519**	**2,733**	**171,909**	171,297
Total Commitments	**8,278**	**11,795**	**34,882**	**35,860**	**120,345**	**152,122**	**25,841**	**12,543**	**15,020**	**416,686**	398,676

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

	2017	2016
	£'000	£'000
Interest charges	19,776	18,692
Other charges	5,527	5,390
Total	**25,303**	**24,082**

Contingent rents recognised as an expense in the period were;

	2017	2016
	£'000	£'000
Contingent rents (included in Other charges)	**5,527**	**5,390**

23. PENSION COSTS

(a) The Board participates in the NHS Superannuation Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2012. The next valuation will be as at 31 March 2016 and this will set contribution rates from 1 April 2019.

(b) The Board has no liability for other employers obligations to the multi-employer scheme.

(c) As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

(d) (i) The scheme is an unfunded multi-employer defined benefit scheme.

(ii) It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the (name of body) is unable to identify its share of the underlying assets and liabilities of the scheme.

(iii) The employer contribution rate for the year 2016-17 was 14.9% of pensionable pay. While the employee rate applied is a variable it will provide an actuarial yield of 9.8% of pensionable pay.

(iv) At the last valuation a shortfall of £1.4 billion was identified in the notional fund which will be repaid by a supplementary rate of 2.6% of employers pension contributions for fifteen years from 1 April 2015. This contribution is included in the 14.9% employers contribution rate

(v) The total employer contributions received for the NHS Scotland scheme in the year to 31 March 2016 were £739.2 million (see note 3 in the scheme accounts). Contributions collected in the year to 31 March 2017 will be published in November 2017.)

The new NHS Pension Scheme (Scotland) 2015

From 1 April 2015 the NHS Pension Scheme (Scotland) 2015 was introduced. This scheme is a Career Average Re-valued Earnings (CARE) scheme. Members will accrue 1/54 of their pay as pension for each year they are a member of the scheme. The accrued pension is re-valued each year at an above inflation rate to maintain its buying power. This is currently 1.5% above increases to the Consumer Prices Index (CPI). This continues until the member leaves the scheme or retires. In 2016-17 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.

The existing NHS Superannuation Scheme (Scotland)

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

Further information is available on the Scottish Public Pensions Agency (SPPA) web site at www.sppa.gov.uk

	2017	2016
	£'000	£'000
Pension cost charge for the year	**162,395**	157,244
Additional Costs arising from early retirement	**1,306**	980
Provisions / Liabilities / Pre-payments included in the Balance Sheet	**55,831**	52,554

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 2017	Total at 31 March 2016
		£'000	£'000	£'000	£'000	£'000
Investments	14	-	-	82,711	**82,711**	85,205
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	13	38,705	-	-	**38,705**	19,089
Cash and cash equivalents	15	6,689	-	-	**6,689**	381
At 31 March 2017		**45,394**	**-**	**82,711**	**128,105**	104,675

BOARD	Note	Loans and Receivables	Assets at Fair Value through Profit and Loss	Available for Sale	Total at 31 March 2017	Total at 31 March 2016
		£'000	£'000	£'000	£'000	£'000
Investments	14	-	-	863	**863**	462
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	13	38,421	-	-	**38,421**	19,453
Cash and cash equivalents	15	434	-	-	**434**	381
At 31 March 2017		**38,855**	**-**	**863**	**39,718**	20,296

Financial Liabilities

CONSOLIDATED	Note	Liabilities at at Fair Value through Profit and Loss	Other Financial Liabilites	Total at 31 March 2017	Total at 31 March 2016
		£'000	£'000	£'000	£'000
PFI/HUB Liabilities	16	-	244,777	**244,777**	227,379
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	16	-	249,541	**249,541**	270,175
At 31 March 2017		**-**	**494,318**	**494,318**	497,554

BOARD	Note	Liabilities at at Fair Value through Profit and Loss	Other Financial Liabilites	Total at 31 March 2017	Total at 31 March 2016
		£'000	£'000	£'000	£'000
PFI/HUB Liabilities	16	-	244,777	**244,777**	227,379
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	16	-	247,850	**247,850**	268,909
At 31 March 2017		**-**	**492,627**	**492,627**	496,288

24. (b) FINANCIAL RISK FACTORS

b FINANCIAL RISK FACTORS

Exposure to Risk

The 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 2017				
PFI/HUB Liabilities	4,501	4,863	17,066	218,347
Trade and other payables excluding statutory liabilities	211,101	2,626	4,304	31,510
Totals	**215,602**	**7,489**	**21,370**	**249,857**

	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/HUB Liabilities	3,912	4,226	14,821	204,420
Trade and other payables excluding statutory liabilities	236,644	1,609	3,698	28,224
Totals	**240,556**	**5,835**	**18,519**	**232,644**

c) Market Risk

The 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 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 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 2016-17 - income £20,000, expenditure £50. Year end balances - creditor £12,500.	Dr 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 2016-17 - income £121,254, expenditure £438,018.	Prof A Dominiczak, Non-Executive Director was also a Trustee and Vice Chair of the British Heart Foundation.
East Dunbartonshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - income £856,000, expenditure £20,145,518. Year end balances - debtor £545,000, creditor £3,229,518.	Councillor M O'Donnell, Non-Executive Director was also the Convener of Social Work at East Dunbartonshire Council.
East Renfrewshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - income £1,935,000, expenditure £18,101,712. Year end balances - debtor £1,514,000, creditor £1,185,712.	Councillor A Lafferty, Non-Executive Director was also the Convener of Social Work and Health at East Renfrewshire Council.
Glasgow City Council	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - income £8,482,000, expenditure £18,570,912. Year end balances - debtor £1,726,000, creditor £1,654,912.	Councillor M Kerr, Non-Executive Director was also an elected member of Glasgow City Council.
Inverclyde Council	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - income £886,000, expenditure £17,232,800. Year end balances - debtor £247,000, creditor £316,800.	Councillor J Clocherty, Non-Executive Director was also an elected member of Inverclyde Council.
NHS National Services Scotland	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - income £98,140,117, expenditure £58,347,000. Year end balances - debtor £647,070, creditor £1,957,378.	Mr R Calderwood, Executive Director was also a Non Executive Board Member at NHS National Services Division.
Renfrewshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - income £2,342,000, expenditure £21,788,230. Year end balances - debtor £431,000, creditor £4,872,230.	Councillor M Macmillan, Non-Executive Director was also the Council Leader at Renfrewshire Council.
South Lanarkshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - income £30,000, expenditure £60,000.	Councillor M Devlin, Non-Executive Director was also the Deputy Chair of Social Work at South Lanarkshire Council.
University of Glasgow	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - income £7,146,451, expenditure £17,948,565. Year end balances - debtor £1,183,869, creditor £252,379.	Mr R Calderwood, Executive Director is an Honorary Professor at the University of Glasgow . Prof A Dominiczak, non-executive director, is Vice Principal of Glasgow University and Head of Medical, Veterinary and Life Sciences.
Volunteer Glasgow	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - expenditure £186,969.	Ms S Brimelow OBE, Non-Executive Director, was a Board Member at Volunteer Glasgow.
West Dunbartonshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - income £1,508,000, expenditure £18,310,454. Year end balances - debtor £1,246,000, creditor £1,394,454.	Councillor G Casey, Non-Executive Director was also an elected member of West Dunbartonshire Council.
NHS Greater Glasgow and Clyde Endowment Funds	NHS Greater Glasgow and Clyde Endowment Funds had total fund balances of £86,836,000 in 2016-17 and a year end debtor balance of £175,000.	NHS Greater Glasgow and Clyde Endowment Funds are managed by Trustees who are the members of the Board.
East Dunbartonshire IJB	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - income £96,797,000, expenditure £96,797,000.	Mr I Fraser, Non-Executive Director, was also a Vice Chair of East Dunbartonshire Integration Joint Board. Mr J Legg, Mr I Ritchie and Mr M O'Donnell, 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 2016-17 - income £80,738,000, expenditure £80,738,000.	Cllr A Lafferty, Non-Executive Director, was also Vice Chair of East Renfrewshire Integration Joint Board. Ms S Brimelow OBE, Ms M Brown, Mr J Matthews, and Ms A-M Monaghan, Non-Executive Directors were also members of East Renfrewshire Integration Joint Board.
Glasgow City Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - income £736,160,000, expenditure £736,174,000. Year end balances - creditor £14,000.	Mr S Carr, Mr R Finnie, Ms J Forbes, Mr I Fraser, Mr J Matthews, Ms T McAuley OBE, Dr R Reid and Ms R Sweeney, Non-Executive Directors, were also members of Glasgow City Integration Joint Board.
Inverclyde Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - income £101,602,000, expenditure £101,602,000.	Mr R Finnie, Non-Executive Director, was also a Vice Chair of Inverclyde Integration Joint Board. Mr S Carr, Mr A Cowan, Dr D Lyons and Ms D McErlean, Non-Executive Directors, were also members of Inverclyde Integration Joint Board.
Renfrewshire Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - income £167,063,000, expenditure £167,063,000.	Ms M Brown, Mr J Legg, Dr D Lyons and Ms D McErlean, Non-Executive Directors, were also members of Renfrewshire Integration Joint Board.
West Dunbartonshire Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2016-17 - income £99,965,000, expenditure £99,965,000.	Cllr G Casey, Ms H Cameron, Mr A Macleod, and Ms R Sweeney, 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 2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost	908,674	1,131,631	600,021	-	1,730	(17,589)	**2,624,467**
Total assets	-	-	-	2,345,752	88,702	19,093	**2,453,547**
Total liabilities	-	-	-	909,287	1,866	-	**911,153**
Total segment revenue	527,846	60,097	98,943	-	8,520	1,282,325	**1,977,731**
Impairment losses recognised in the Statement of Comprehensive Net Expenditure	-	-	-	11,761	-	-	**11,761**
Depreciation and amortisation	38	4	89,892	-	-	-	**89,934**
Non-current assets held for sale	-	-	-	14,222	-	-	**14,222**
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	-	-	-	76,388	-	-	**76,388**

26. SEGMENT INFORMATION - PRIOR YEAR

	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**

27. THIRD PARTY ASSETS

	At 1 April 2016 £'000	Gross Inflows £'000	Gross Outflows £'000	At 31 March 2017 £'000
Monetary amounts such as bank balances and monies on deposit	3,894	2,382	(2,777)	**3,499**
Total Third Party Assets	**3,894**	**2,382**	**(2,777)**	**3,499**

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	Endowment	Intra Group adjustment	E Dunb IJB	W Dunb IJB	E Ren IJB	Ren IJB	Glasgow City IJB	Inverclyde IJB	Group	Group
	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Clinical Services Costs											
Hospital and Community	3,890,530	-	-	-	-	-	-	-	-	3,890,530	2,623,517
Less: Hospital and Community Income	1,875,156	-	-	-	-	-	-	-	-	1,875,156	736,962
	2,015,374	-	-	-	-	-	-	-	-	2,015,374	1,886,555
Family Health	582,671	-	-	-	-	-	-	-	-	582,671	565,777
Less: Family Health Income	15,684	-	-	-	-	-	-	-	-	15,684	15,753
	566,987	-	-	-	-	-	-	-	-	566,987	550,024
Total Clinical Services Costs	**2,582,361**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,582,361**	**2,436,579**
Administration Costs	8,992	-	-	-	-	-	-	-	-	8,992	9,591
Less: Administration Income	42	-	-	-	-	-	-	-	-	42	206
	8,950	-	-	-	-	-	-	-	-	8,950	9,385
Other Non Clinical Services	127,344	11,181	(931)	-	-	-	-	-	-	137,594	62,833
Less: Other Operating Income	78,329	9,451	(931)	-	-	-	-	-	-	86,849	53,256
	49,015	1,730	-	-	-	-	-	-	-	50,745	9,577
Joint Ventures accounted for on an equity basis	-	-	-	(1,338)	(1,978)	(811)	(2,747)	(9,655)	(1,060)	(17,589)	(1,504)
Net Expenditure	2,640,326	1,730	-	(1,338)	(1,978)	(811)	(2,747)	(9,655)	(1,060)	2,624,467	2,454,037

1. Other Non Clinical Services Costs - £931k. Represents income transferred by the Board to Endowments in 2016-17. This is shown as expenditure in the Board's financial statements.
2. Other Operating Income - £931k. Represents the value of R&D income transferred to Endowments by the Board in 2016-17. This is shown as income in the Endowment accounts.
3. Realised gains from endowment investments of £1,448k 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	Ren IJB	Glasgow City IJB	Inverclyde IJB	Group	Group
	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets:											
Property, plant and equipment	2,097,878	140	-	-	-	-	-	-	-	2,098,018	2,119,412
Intangible assets	272	-	-	-	-	-	-	-	-	272	338
Financial assets:											
Available for sale financial assets	863	81,848	-	-	-	-	-	-	-	82,711	85,205
Investment in joint ventures	-	-	1,504	1,338	1,978	811	2,747	9,655	1,060	19,093	1,504
Trade and other receivables	111,305	-	-	-	-	-	-	-	-	111,305	63,348
Total non-current assets	2,210,318	81,988	1,504	1,338	1,978	811	2,747	9,655	1,060	**2,311,399**	**2,269,807**
Current Assets:											
Inventories	22,175	-	-	-	-	-	-	-	-	22,175	22,206
Intangible assets	797	-	-	-	-	-	-	-	-	797	547
Financial assets:											
Trade and other receivables	97,806	459	(484)	-	-	-	-	-	-	97,781	83,497
Cash and cash equivalents	434	6,255	-	-	-	-	-	-	-	6,689	381
Assets classified as held for sale	14,222	-	-	-	-	-	-	-	-	14,222	6,525
Total current assets	135,434	6,714	(484)	-	-	-	-	-	-	**141,664**	**113,156**
Total assets	**2,345,752**	**88,702**	**1,020**	**1,338**	**1,978**	**811**	**2,747**	**9,655**	**1,060** -	**2,453,063**	**2,382,963**
Current liabilities:											
Provisions	(67,263)	-	-	-	-	-	-	-	-	(67,263)	(58,052)
Financial liabilities:											
Trade and other payables	(303,230)	(1,866)	484	-	-	-	-	-	-	(304,612)	(318,498)
Total current liabilities	**(370,493)**	**(1,866)**	**484**	**-**	**-**	**-**	**-**	**-**	**-**	**(371,875)**	**(376,550)**
Non-current assets plus/less net current assets/liabilities	**1,975,259**	**86,836**	**1,504**	**1,338**	**1,978**	**811**	**2,747**	**9,655**	**1,060**	**2,081,188**	**2,006,413**
Non-current liabilities											
Provisions	(257,443)	-	-	-	-	-	-	-	-	(257,443)	(153,266)
Financial liabilities:											
Trade and other payables	(281,351)	-	-	-	-	-	-	-	-	(281,351)	(259,785)
Total non-current liabilities	**(538,794)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(538,794)**	**(413,051)**
Assets less liabilities	**1,436,465**	**86,836**	**1,504**	**1,338**	**1,978**	**811**	**2,747**	**9,655**	**1,060**	**1,542,394**	**1,593,362**
TAXPAYERS' EQUITY											
General fund	1,182,707	-	-	-	-	-	-	-	-	1,182,707	1,231,633
Revaluation reserve	253,758	-	-	-	-	-	-	-	-	253,758	276,972
Other reserves - joint venture	-	-	1,504	1,338	1,978	811	2,747	9,655	1,060	19,093	1,504
Funds Held on Trust	-	86,836	-	-	-	-	-	-	-	86,836	83,253
	1,436,465	**86,836**	**1,504**	**1,338**	**1,978**	**811**	**2,747**	**9,655**	**1,060**	**1,542,394**	**1,593,362**

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

28. (c) CONSOLIDATED STATEMENT OF CASHFLOWS

Board 2016 £'000	Endowment 2016 £'000	Group 2016 £'000		Board 2017 £'000	Endowment 2017 £'000	Group 2017 £'000
			NET OPERATING CASHFLOW			
(2,450,356)	(5,185)	(2,455,541)	Net operating cost	(2,622,737)	(1,730)	(2,624,467)
95,629	13	95,642	Adjustments for non cash transactions	73,778	-	73,778
18,688	-	18,688	Interest payable	26,248	-	26,248
-	(1,815)	(1,815)	Investment Income	-	(1,612)	(1,612)
(35,367)	815	(34,552)	Net movement on working capital	74,766	(386)	74,380
(2,371,406)	**(6,172)**	**(2,377,578)**	**Net cash outflow from operating activities**	**(2,447,945)**	**(3,728)**	**(2,451,673)**
			INVESTING ACTIVITIES			
(82,168)	-	(82,168)	Purchase of property, plant and equipment	(105,377)	-	(105,377)
(163)	-	(163)	Transfer of assets (to)/from other NHS bodies	-	-	-
(767)	-	(767)	Purchase of intangible assets	(250)	-	(250)
-	(14,530)	(14,530)	Investment Additions	(405)	(12,023)	(12,428)
10,385	-	10,385	Proceeds of disposal of property, plant and equipment	20,028	-	20,028
-	-	-	Proceeds of disposal of intangible assets	13	-	13
-	13,734	13,734	Receipts from sale of investments	-	17,825	17,825
-	1,835	1,835	Interest received	-	1,902	1,902
(72,713)	**1,039**	**(71,674)**	Net cash outflow from Investing Activities	**(85,991)**	**7,704**	**(78,287)**
			FINANCING			
2,466,429	-	2,466,429	Funding	2,560,375	-	2,560,375
70	-	70	Movement in general fund working capital	53	-	53
2,466,499	-	2,466,499	Cash drawn down	2,560,428	-	2,560,428
(3,622)	-	(3,622)	Capital element of payments in respect of finance leases and on balance sheet PFI Contracts	17,398	-	17,398
4	-	4	Interest paid	(6,472)	-	(6,472)
(18,692)	-	(18,692)	Interest element of finance leases and on balance sheet PFI Contracts	(19,776)	-	(19,776)
2,444,189	**-**	**2,444,189**	Net cash inflow from financing	**2,551,578**	**-**	**2,551,578**
70	**(5,133)**	**(5,063)**	**Increase in cash in year**	**17,642**	**3,976**	**21,618**
311	40,174	40,485	Net cash at 1 April	381	35,041	35,422
381	**35,041**	**35,422**	**Net cash at 31 March**	**18,023**	**39,017**	**57,040**

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