Greater Glasgow and Clyde

NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2018

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) or the Board 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 Development Plan (LDP) for the area;
- implementation of the LDP;
- 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 39,239 staff, including 17,113 nursing and midwifery staff and 3,977 medical and dental staff. The Board has a revenue budget of £3.1bn and a capital budget of £62.5m. It contracts with 238 GP practices, 255 dental practices, 178 optometrists and 291 community pharmacies.

NHSGGC's structure comprises an Acute Division and a shared interest, with local authority partners, in six Health and Social Care Partnerships (HSCPs), which are overseen by Integration Joint Boards (IJBs). 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 approximately 6,000 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.

Our annual workload includes:

- around 500,000 unscheduled visits to A&E;
- over 200,000 scheduled in patients;
- over 1.1 million outpatient appointments;
- over 5 million GP appointments;
- delivery of over 15,000 babies; and
- dispensing around 24 million prescriptions.

Chief Executive's Statement

2017/18 was an important year in many ways for NHSGGC. We opened the superb £7.3m Orchard View continuing care hospital in Greenock and secured £35m funding for two new Glasgow Health and Social Care Hubs in Gorbals and Woodside. Further significant progress was also confirmed toward the delivery of new HSCP centres for both Clydebank and Greenock.

We approved the business case for a £9.8m expansion of the Rowanbank medium secure psychiatric unit at Stobhill demonstrating our on-going commitment to mental health services.

We rose to the challenges of winter and the extreme weather conditions thanks to the dedication and commitment of our staff to let nothing stand in the way of caring for our patients and we welcomed 60 new apprentices into our highly successful Modern Apprenticeship Scheme which covers 14 different job roles and saw 40 existing young apprentices graduate.

In terms of our financial performance, we achieved our 3 financial targets, recording a small surplus of £0.225m. However, despite successfully reducing the rate of operational overspend within the Acute Division, the Board utilised non-recurring funds to achieve year-end balance. A more detailed assessment of performance is provided later in this report. As we move forward into 2018-19 the Board continues to face a financial challenge of £93m, with a high level of recurring savings required. Achieving sustainable, recurring financial balance at current levels of service provision remains a key risk to the Board.

We continued to face increasing pressures on our waiting times performance throughout 2017-18. For inpatients and day cases the pressures are mainly in orthopaedics, paediatric ENT, paediatric surgery and urology specialities. In outpatients the pressures are in orthopaedics, ENT, ophthalmology, neurology and general surgery. A number of work streams have been developed as part of the Access and Performance Improvement programme to help increase productivity and ensure we are making the most efficient and effective use of base resources and capacity for day cases, inpatients and outpatients. Considerable outpatient productivity analysis has been undertaken and we are currently working towards realising the identified productivity gains. Further work is underway to identify further areas of improvement around outpatient clinic templates, theatre templates, workforce job plans and the development of speciality capacity plans.

The Modernising Outpatient Programme will also bring key benefits by reducing return outpatient appointments and ensuring patient care is delivered in the most appropriate setting. In addition to the productivity work, a significant programme of service re-design has commenced and will continue into 2018-19. This programme includes patient pathway redesign, best practice benchmarking and process standardisation. As part of the development of the 2018-19 Annual Operational Delivery Plan 2019 (previously the LDP) specific inpatient/day case and outpatient performance trajectories have been set with the aim of bringing performance back to the levels achieved in March 2017 (albeit for outpatients the trajectory covers two years). It should however be highlighted that this is dependant upon significant additional funding.

Our performance around Cancer Waiting Times (both 31 days and 62 day cancer standards) remains a key challenge. Pressures on particular specialities, such as urology, have contributed to the more challenging position on the 62 day performance. Measures in place to achieve long term sustainable improvements in performance include a review of urgent outpatient capacity and access to diagnostics. As part of the 2018-19 Annual Operational Plan process we have committed to the delivery of both the 31 day and 62 day cancer waiting times targets by early 2019. The delivery of this will be subject to the outcome of discussions with the Scottish Government Access Team.

Our performance against the 4 hour A&E waiting time standard also remained a challenge, particularly during the winter months, in A&E Departments at the Queen Elizabeth University Hospital, Glasgow Royal Infirmary and the Royal Alexandra Hospital. Actions to help drive the required improvements during the winter months included the temporary re-opening of the West Glasgow Minor Injuries Unit between January and April 2018, the provision of additional winter bed capacity and public and staff media campaigns to ensure better use of Minor Injury Units and help relieve some of the pressures of Emergency Departments. In addition a new governance structure chaired by the Chief Executive including membership from HSCP Chief Officers, Acute Sector Directors, Medical Director, Director of Nursing and other key stakeholders was established to improve performance around unscheduled care. Improvement workstreams have been established in order to understand and, where appropriate, provide alternatives to emergency care activity within defined client groups, and to assess emergency department processes and the management of current inpatient capacity.

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. In October 2017 the NHSGGC Board approved a programme to develop a transformational strategy for health and social care across Greater Glasgow and Clyde. This paper was subsequently endorsed by the six IJBs. The Moving Forward Together Programme has the following objectives:

- to develop and deliver a transformational change programme, aligned to National and Regional policies and strategies, that describes NHSGGC's delivery plan across the health and social care services provided by our staff, which is optimised for safe, effective, person centred and sustainable care to meet the current and future needs of our population;
- to update the projections and predictions for the future health and social care needs of our population;
- to review the National Clinical Strategy and Clinical Services Strategy cases for change and, in light of these, produce an updated case for change;

- to review existing National, Regional and NHSGGC published strategies and model the impact of their delivery on our population;
- taking the information above, to develop new models of care delivery which provide safe, effective and person centred care which maximises our available resource, provides care in the most efficient and effective way and makes the best use of innovation and the opportunities presented by new technology and the digital age; and
- to support the subsequent development of delivery plans for these new models of care, which describe the required changes in workforce, capital infrastructure and procedures and processes which ensure the intended and projected benefits are realised.

The programme has now completed the first phases of the planned four phases, and a draft strategy paper was presented to the NHS Board in June 2018.

During 2017-18, we continued to make significant capital investment across our acute and community services, which saw the opening of the new Orchard View Inverclyde Adult and Older Peoples Continuing Care Mental Health accommodation providing a 42 bed continuing care facility offering 30 beds for older people and 12 for younger adults, and has allowed us to move existing continuing care services out of the Dunrod Unit at Ravenscraig Hospital which has come to the end of its useful life as an NHS facility. Additionally, construction work commenced on Gorbals and Woodside Health and Care Centres. All three buildings are funded by Scottish Government HUB funded schemes with the two health and care centres jointly funded by Glasgow City Council.

Outline Business Cases were approved to progress to Full Business Case with the construction of Stobhill Mental Health wards, Clydebank Health and Care Centre and the Greenock Health and Care Centre which are scheduled for completion in 2020. Both projects are being developed in alignment with the national Reference Design for Primary care and will provide first class purpose designed accommodation. At Clydebank the centre will enable West Dunbartonshire HSCP to provide one-stop access for patients to an increased range of community services. This includes intermediate care and on site rehabilitation, and children's services. In Greenock the new centre will help 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 swifter 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.

A Strategic Assessment has been provided to Scottish Government to improve services in North East Glasgow and an Initial Agreement is in development and will be submitted to the Scottish Government in 2018 to allow this to be considered for future funding.

In total the Board invested some £77.4m during 2017-18 on new build schemes, a number of building refurbishment programmes across our estate, general medical equipment (including replacement of radiotherapy equipment) and e-Health equipment.

The Board also has a programme of estates rationalisation. During 2017-18, a number of sites were vacated including Ravenscraig Hospital and Parkhead Hospital. Sales were concluded in respect of sites previously vacated, including the former Lenzie Hospital and part of the site at the former Ruchill Hospital. Our estates rationalisation programme will continue into 2018-19, which will include the disposal of the remaining balance of land at Ruchill.

We have contracted commitments for capital expenditure amounting to £14m; details of these commitments are shown in Note 15 to the financial statements.

We partner each of the six local authorities within the Board's area in the delivery of strategic planning and service provision arrangements for Adult Health and Social Care Services; the partnerships operate as HSCPs. HSCPs are governed by IJBs with membership drawn equally from non-executive directors of the Health Board and Councillors from the respective Local Authorities.

These HSCPs are:

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

The Board and the HSCPs have continued to work in partnership with each other. All HSCPs continue to prioritise hospital discharge activity, with a focus on anticipatory planning and early discharge. Early assessment and engagement with patients and their families will ensure that the next stage of care is in place prior to patients being fit for discharge whenever possible. By supporting people to be discharged promptly bed days lost to delayed discharge will reduce.

All HSCPS are working with Primary Care to encourage people to attend the correct service for meeting their needs through promoting 'Know Who to Turn To' along with details of local services and supports. The development of the Primary Care Improvement Plan will provide further opportunities to deliver new ways of working and strengthen the contribution of other health and care professionals in supporting frequent A&E attendees.

All HSCPs and acute hospitals in Greater Glasgow and Clyde undertake enhanced care pathways work for areas identified as having potential to avoid admissions and reduce lengths of stay. This supports teams across better care at the right time, and where possible, in settings other than hospital. HSCPs work with care homes and Primary Care to reduce avoidable admissions from care homes and residential homes, where residents do require admission a consistent approach to transferring residents information, medication and personal belongings will be tested.

Through more effective use of the palliative care pathway and local resources, all HSCPs work in collaboration with local hospices to strengthen our supports to people in the community, minimising hospital admission, accelerating discharge and providing effective community support.

As noted above, construction of the new Woodside Health and Care Centre and the Gorbals Health and Care Centre started in the summer of 2017. Both projects are scheduled for completion in October 2018. The new health and care centres are being delivered as a partnership between Glasgow City HSCP, NHSGGC, Glasgow City Council, Hub West Scotland and the local community. The projects represent more than the modernisation of the existing facilities; as well as delivering a transformational improvement to the environment in which care is delivered, the new facilities offer an opportunity to reshape services from a patient and service user's perspective to provide care that is more integrated, accessible and efficient. They will also contribute to the wider goals of community regeneration and addressing health inequalities.

As part of our on-going commitment to mental health services, our capital plan includes an allocation for the expansion of Rowanbank Clinic in Glasgow. Rowanbank Clinic is a medium secure psychiatric unit on the Stobhill campus, with 74 adult beds. This facility provides services for adults with mental health problems who may pose a risk to others or have the potential to commit an offence because they are unwell. The Unit provides specialist treatment and support in modern purpose-built accommodation designed to meet individualised patient needs.

Our work on equality and human rights aims to ensure equitable access to our services and to improve outcomes where we have identified that we need to make a significant difference for patients. The Board continues to deliver its mainstreaming and equality outcomes for 2016-20 contained within "Meeting the Requirements of Equality Legislation: A Fairer NHS Greater Glasgow and Clyde". Some specific examples of work in 2017-18 on equality and human rights include:-

- Language Interpreting - the NHSGGC Interpreting Service provides an essential service to our patients who do not speak English or who do not speak English well. In 2017-18 it provided interpreters in over 100,000 face to face appointments, covering nearly 80 spoken languages;
- British Sign Language (BSL) - all deaf patients require BSL interpreters for health appointments. In 2017-18 4,864 face to face appointments were provided. Additionally we have introduced on-line video interpreting which can be used in emergency departments or out of hours;
- Deaf blind communicators - Deaf blind Scotland provides a professional skilled guide/ communicator service to the 144 people known to Deaf blind Scotland living in the NHSGGC area, with 463 health appointments and 637 health improvement activities supported in 2017-18.

Further innovation is being implemented throughout the Board area; a new revolutionary way of providing certain orthopaedic procedures is being trialled by consultant orthopaedic surgeons in NHSGGC and is being seen as the way forward for patients who meet the criteria. A small number of patients have already undergone the less invasive surgery which has a faster recovery time. Our Surgeons are leading the way on offering partial knee replacements to patients affected by arthritis in a single joint, are in good health and have good social support on a day case basis.

A new café at Glasgow Royal Infirmary, which runs once every six weeks, is helping patients who have been diagnosed with a form of memory loss. Whether it be dementia, Alzheimer's or another form of cognitive impairment, patients are coming together with staff and their families or carers to help stimulate old memories and create new memories.

We have continued our successful Modern Apprentice programme. The programme was launched five years ago with an intake of 50 trainees. Our most recent recruitment campaign last year saw 60 new trainees join the programme. NHSGGC runs the largest NHS Modern Apprentice programme in Scotland which offers opportunities to young people across hospital, community and corporate services. There is currently an 84% completion rate on the programme and NHSGGC believes that by investing time and training in our young people at this stage we are building on an already highly skilled workforce. The Board is committed to increasing the number of people aged 16–24 years within the workforce by ensuring young people are aware of the range of opportunities available and how to access them.

This year we became the first Health Board to sign up to "The Daily Mile" employee health campaign. The Daily Mile campaign seeks to encourage the Board's 39,000 employees to

keep active, either by incorporating exercise into their working day, or by changing their commuting habits. Walking a mile each day has been shown to reduce the risk of strokes and chronic illnesses, such as heart disease, type 2 diabetes and asthma. It can also help to make you feel happier, reduce stress, build self-esteem and lead to a good night's sleep.

The Board maintains channels to capture experiences of hospital and community healthcare. These include face-to-face interviews with patients, questionnaire cards in wards and other settings and a bespoke online Patient Feedback system on the NHSGGC website.

Some examples of how feedback has resulted in change are:

- A corporate Patient and Carer Experience Group, chaired by the Board's Director of Nursing, was established and is providing direction and support to local Sector/ Directorate Patient and Carer Experience Groups. The groups, which have patient and carer involvement, seek to support the implementation of the Patients' Rights Act.
- The first cohort of Public Partners to participate in the Board's Patients and Carer Experience Groups were recruited and inducted, supported by the Scottish Health Council. They have begun to attend corporate and local meetings and their contributions regarding the work is already proving to be of value.
- Ward 51 at the Langlands Building developed a 'you said, we did' board.

As we move forward into 2018-19, the Board faces a considerable financial challenge. The Financial Plan identifies an efficiency challenge of £93m. Directors, local managers 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. We will also continue to strive to improve on our waiting time performance, and we have implemented a raft of measures designed to reduce the length of time our patients wait for treatment.

Performance Analysis

Financial performance

The Scottish Government Health and Social Care Directorates (SGHSCD) 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:

	Limit as set by SGHSCD £'000	Actual Outturn £'000	Variance (Deficit)/ Surplus £'000
1. Core Revenue Resource Limit	2,349,448	2,349,223	225
Non-core Revenue Resource Limit	99,646	99,646	-
Total Revenue Resource Limit	**2,449,094**	**2,448,869**	**225**
2. Core Capital Resource Limit	46,264	46,260	4
Non-core Capital Resource Limit	27,571	27,571	-
Total Capital Resource Limit	**73,835**	**73,831**	**4**
3. Cash Requirement	2,601,825	2,601,828	(3)

The following table 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**
Reported Surplus in 2017-18	225
Surplus against in year Total Revenue Resource Limit	1,379

The 2017-18 Financial Plan approved by the NHS Board in June 2017 projected a deficit of £18.5m. As a result of significant risks in achieving savings schemes and also schemes slipping to crystallise later in the financial year, the projected year-end deficit was revised, at the mid point of the year, to £26m.

In response, the Board increased and accelerated a range of actions, measures and monitoring procedures to control costs in year, improve "financial grip" and try to achieve financial balance in-year.

This involved significant focus on reducing non-pay expenditure, reducing overspends on nursing and medical locums, driving further efficiencies from prescribing and identifying additional sources of income and balance sheet management.

In terms of monitoring, the Chief Executive and the Director of Finance held monthly review meetings with every Acute Director and every HSCP Chief Officer throughout the year.

As part of the mid-year process a comprehensive review of the initial Financial Plan assumptions, detailed analysis of every budgetary line and balance sheet assessment was undertaken. An exercise was also completed to identify additional sources of income and to manage the balance sheet.

Continuing to adopt a prudent approach to managing the financial position, particularly considering potential winter pressures and the risks around achieving savings, the year-end projected deficit position was, by December 2017, revised to £20.0m.

At the turn of the calendar year the success of the cost containment measures implemented, coupled with the delivery of savings schemes and the management of winter pressures within the additional funding allocated by the Scottish Government, enabled the projected year-end deficit to be reduced to £15m – close to the initial estimate in the original Financial Plan.

In the last three months of the financial year further non-recurring funding was secured from the Scottish Government in respect of unfunded beds and additional income secured for additional elective work performed on behalf of patients from other NHS Board areas in NHSGGC. During February 2018 the improving trajectory continued, and the projected deficit was, therefore, further reduced. In addition estimates around a number of national forecast areas of spend, such as Clinical Negligence and other Risks Indemnity Scheme (CNORIS) costs and capital charges expenditure, have reduced.

Despite the overspends reported during the year, and as a result of close scrutiny and management of the financial position and close dialogue with the Scottish Government regarding the associated risks, the Board was able to achieve in-year financial break-even.

At 31 March 2018, the Board was able to report a break-even outturn, underpinned, however, by £70.1m of non-recurring support, as illustrated in the following table:

Area	Gross position £'m	Non-recurring relief £'m	Final reported position £'m
Acute	(47.9)	20.0	(27.9)
Partnerships (including HSCPs)	(7.6)	0.0	(7.6)
Corporate directorates	(14.3)	10.0	(4.3)
Corporate adjustments (non recurring)	0.0	40.1	40.1
Gross/Net Financial Position at 31 March 2018	**(69.8)**	**70.1**	**0.3**

The Acute Division recorded an expenditure overspend of £27.9m. Of this deficit £24.5m is related to unachieved savings. The monthly rate of overspend was considerably reduced over the year across the Division.

The main pressures in pay were associated with medical (£4.1m) and nursing (£2.6m) salaries due to service demands and the requirement to cover sickness, absence and vacancies by using bank and agency staff.

Corporate directorates recorded an expenditure overspend of £4.3m – underpinned with £10.0m of non recurring relief allocated to Directorates in order to arrive at the final position.

Whilst each of the HSCPs is broadly in balance, the overall position is an overspend of £7.6m. This is mainly due to the in year impact of certain primary care drugs suffering increased prices due to global short supply. As the Board currently covers the risk of such price rises, there was a cost pressure to the Board of £7.5m in 2017-18 and the impact of this will continue into 2018-19.

The initial level of Core Capital Resources for 2017-18, approved at the Board meeting in June 2017, amounted to £59.5m. This included an amount of £4.9m to be generated from asset disposals which was revised to £3.5m due to the timing of receipts.

During the year, the overall level of resource was increased to £62.5m as a result of capital receipts and reprogramming of the national Radiotherapy Equipment Replacement Programme. Discussions with Scottish Government colleagues on how best to manage the Board's overall revenue and capital out-turn resulted in a transfer of £10.0m from capital to revenue. This, along with other minor adjustments, has resulted in revised core capital expenditure, net of capital receipts, of £46.3m. The recorded outturn is an underspend of £0.004m against the Core Capital Resource Limit.

The Board is facing another significant financial challenge in 2018-19 of £93m - equating to around 5% savings and efficiencies. The scale of the financial challenge and difficulty in identifying and achieving recurring savings necessitates a different approach to achieving financial balance going forward.

This approach must blend the extant short term approach to cost reduction with a more strategic approach to delivering medium and longer term financial sustainability. To make this work, the organisation will require a culture and behavioural shift, with greater focus, pace and ambition around financial grip, achievement of savings and embedding sustainability and value.

In order to embrace the need for a different approach to tackling the scale of the financial challenge and achieving financial balance going forward, Executive Management have taken a number of actions.

One of the key actions was the need for more organisational wide and centrally driven savings and efficiency initiatives, many aligned to the Boards Corporate Objectives and National initiatives. In order to facilitate this approach, Executive Management have engaged external, temporary, expertise to drive the wider Financial Improvement Programme (FIP). This consists of an experienced NHS change management expert and support, reporting to the Director of Finance and Chief Executive.

The FIP is a comprehensive programme to support the Board to achieve recurring financial balance. The programme is based on a proven methodology, and is underpinned by a robust and comprehensive governance process. A Programme Management Office has been established (formerly the Sustainability and Value Group), with a dedicated full-time Programme Lead and a recruitment process for four to five dedicated project leaders.

Bad debts

The provision for bad and doubtful debts increased from £1.464m as at 1 April 2017, to £2.047m as at 31 March 2018; these figures are included under trade and other receivables in Note 9.

Legal obligations

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 13.

Details of PFI/HUB projects are provided in Note 17.

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:-

	2017-18	2016-17
Average period of credit taken	**27 days**	25 days
Percentage of invoices by volume paid within 30 days	**94 %**	95 %
Percentage of invoices by value paid within 30 days	**96 %**	95 %
Percentage of invoices by volume paid within 10 days	**84 %**	87 %
Percentage of invoices by value paid within 10 days	**88 %**	87 %

Social Matters

NHSGGC is committed to leading and promoting Equality and Diversity, equal opportunities and supporting human rights in terms of the provision of health services for the community it serves and in its practice as an exemplar employer.

NHSGGC is fully committed to the prevention of bribery and corruption, and the Bribery Act 2010 is reflected within the Standing Financial Instructions and the Code of Conduct for staff. A standard clause is included in Board contracts drawing the attention of suppliers to corrupt gifts and payments and the criminal nature of such offences under the legislation.

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 recorded a deficit of expenditure over income for the year of £1.835m (2016-17, deficit £3.178m). The Board's Endowment fund had total net assets of £84.3m as at 31 March 2018. Expenditure from endowment funds amounted to £10.5m in the year and this included spending on research, equipment and patient/staff amenities as well as other specific projects approved by the Endowments Management Committee. Examples of some of the more significant grants made during the year included: Active Staff – the provision and delivery of physical activity opportunities across NHS acute sites and partnerships; the Red Cross Transport and Resettlement Service -

improving the transportation and resettlement of discharged patients into their homes; and the Staff Bursary Scheme - providing the opportunity for those who are interested in pursuing an educational qualification/course of study to apply for funding support.

Integration Joint Board 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

Performance in relation to a number of our key waiting times and access targets remains challenging as does the Board's ability to consistently meet the 95% four hour A&E waiting time target however, our Referral to Treatment (RTT) performance remains on target at 90%.

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

Local Delivery Plan Standards

NHSGGC is required to meet LDP Standards with specific targets set out by NHS Scotland and the SGHSCD, to ensure our services are constantly monitored and improved.

NHSGGC has developed a performance management framework to monitor performance against all key LDP Standards. These Standards have been embedded within the Board and Acute Services Committee (ASC) Integrated Performance Report and considered at each Board and ASC 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 2017-18, performance against those of the LDP Standards is shown in the following table *(all data shown represent the latest validated data at the time of this report)*:

✓ We met the C.Difficile Infections target for the rolling year quarter ending December 2017.	✗ The number of MRSA/MSSA Bacteraemia was above target for the rolling year quarter ending December 2017.
✓ For the quarter ending March 2018, 91.9% of all patients referred for a psychological therapy started treatment within 18 weeks of referral, exceeding the target of 90%. NHSGG&C is the only Health Board in Scotland to meet this standard.	✗ For the quarter ending December 2017, 82.6% of patients referred urgently with a suspicion of cancer began treatment within 62 days of receipt of referral and 93.6% of our patients diagnosed with cancer began treatment within 31 days; performance for both measures was below the 95% target.
✓ NHSGGC remained in financial balance and met the cash efficiency target at the end of March 2018.	

✓ 89.3% of our patients were treated within 18 weeks, against the 90% target for Referral To Treatment as at March 2018.	✗ The Board's overall sickness absence rate for the rolling year ending March 2018 was 5.1%, against a 4% target.
✓ NHSGGC exceeded the 91.5% drug and alcohol waiting times target, with 95.5% of patients referred within three weeks for the quarter ending December 2017.	✗ Performance in relation to the accident and emergency 4 hour time target remained challenging with 86.7% of patients waiting 4 hours or less, lower than the target of 95% as at March 2018.
✓ 97.3% of Child and Adolescent Mental Health Services patients started treatment within the 18 weeks for the quarter ending December 2017.	✗ As at March 2018, 74.5% of new outpatients had been waiting 12 weeks or less for a first new outpatient appointment, which is below the target of 95%.
✓ For the period April – March 2018, we delivered a total of 13,937 alcohol brief interventions, exceeding the target of 13,086 interventions.	✗ For the period from April to December 2017, there were 1,348 successful quit smoking attempts at 12 weeks post quit in our 40% most deprived areas, below our trajectory of 1,503 successful quits.
✓ 100% of eligible patients were screened for IVF treatment within 12 months exceeding the target of 90% at March 2018.	
✓ For the quarter ending December 2017, 85.3% of mothers-to-be had booked an antenatal care appointment at 12 weeks gestation exceeding the target of 80%. Our lowest performing quintile (SIMD 1) saw 79.8% of mothers booking an antenatal appointment.	

As detailed in the Chief Executive's Statement, on pages 4 and 5, the Board is undertaking a number of actions to improve performance in the areas where targets have not been met. It is also worth noting that, from 2018-19, the LDP has been replaced by the Annual Operational Plan.

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 sustainability and environmental compliance. To support the actions around this, the Board's Sustainability Manager leads on all environmental compliance related matters.

During 2017-18, 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 & Implantation Group (SPiG) meets quarterly to discuss sustainability issues and topics, new legislation, energy and carbon reduction performance targets and all proposed sustainability projects and compliance issues. 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. Moving forward in 2018, NHSGGC will have representation on the Regional West Sustainability Group, which will in turn feed into the National Steering Group.

Work continued during the year to ensure compliance with the Legal Register. Substantial work was carried out around statutory permit related works at Glasgow Royal Infirmary (GRI) and the Queen Elizabeth University Hospital (QEUH) to comply with Pollution Prevention Control Permitting (PPC) via the Scottish Environment Protection Agency (SEPA). There is a requirement for two PPC permits within NHSGGC; one is in place at the QEUH with the second soon to be implemented at GRI. NHSGGC also appointed a new PPC Support Consultant in June 2017 on a three year contract.

Work is also being carried out on the following areas of work:

- Oil Tank Compliance Works - work on oil tank compliance and renewal continued during 2017-18, bringing the board into full Compliance with the Water Environment (Oil Storage Scotland) Regulations.
- Greencode Environmental Management System - the Board's legal register is reviewed and updated monthly to ensure we comply with new and amended legislation.
- Waste Segregation - Waste Scotland Regulations 2012 require all large organisations to segregate waste streams at source. NHSGGC is partially non-compliant as the waste generated within the Board is segregated at an off-site Multi Recycling Facility. Trials are on-going to segregate domestic waste on site.
- Public Bodies Mandatory Climate Change Reporting - NHSGGC reports its sustainability performance utilising the 'Public Bodies Mandatory Climate Change Reporting Template'. This is an annual mandatory requirement for all public bodies in Scotland.
- Communications, Awareness & Training - the Board has a comprehensive approach to raising awareness on environmental and sustainability issues through the "Ecosmart" awareness campaign. This involves regular features in Staff News, Core Brief, and dedicated pages on Staffnet, and an interactive Sustainability and Environmental Awareness eLearning Package has also been produced for NHSGGC staff.

J Grant
Chief Executive & Accountable Officer
26 June 2018

Accountability Report

Corporate Governance Report

Directors' Report

Date of Issue

The financial statements were approved by the Board and authorised for issue by the Accountable Officer on 26 June 2018.

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 2017 to 31 March 2018 were as follows:

Non-Executive Members

Mr J Brown CBE	Chair
Mr R Finnie	Vice-Chair
Cllr C Bamforth	Non-Executive Director; Councillor, East Renfrewshire Council *(from 14 June 2017)*
Ms S Brimelow OBE	Non-Executive Director
Ms M Brown	Non-Executive Director
Dr H Cameron	Non-Executive Director *(until 30 June 2017)*
Mr S Carr	Non-Executive Director
Cllr G Casey	Non-Executive Director; Councillor, West Dunbartonshire Council *(until 30 April 2017)*
Cllr J Clocherty	Non-Executive Director; Councillor, Inverclyde Council *(until 30 April 2017, then from 14 June 2017)*
Mr A Cowan	Non-Executive Director
Cllr M Devlin	Non-Executive Director; Councillor, South Lanarkshire Council *(until 30 April 2017)*
Prof Dame Anna Dominiczak	Non-Executive Director
Ms J Donnelly	Non-Executive Director
Ms J Forbes	Non-Executive Director
Mr I Fraser	Non-Executive Director

Cllr M Hunter	Non-Executive Director; Councillor, Glasgow City Council *(from 1 June 2017)*
Cllr M Kerr	Non-Executive Director; Councillor, Glasgow City Council *(until 30 April 2017)*
Cllr A Lafferty	Non-Executive Director; Councillor, East Renfrewshire Council *(until 30 April 2017)*
Mr J Legg	Non-Executive Director *(until 20 June 2017)*
Dr D Lyons	Non-Executive Director
Mr A Macleod	Non-Executive Director
Cllr M Macmillan	Non-Executive Director; Councillor, Renfrewshire Council *(until 30 April 2017)*
Mr J Matthews OBE	Non-Executive Director
Ms T McAuley OBE	Non-Executive Director
Cllr J McColl	Non-Executive Director; Councillor, West Dunbartonshire Council *(from 19 June 2017)*
Mrs D McErlean	Employee Director
Cllr S Mechan	Non-Executive Director; Councillor, East Dunbartonshire Council *(from 14 June 2017)*
Ms A-M Monaghan	Non-Executive Director
Cllr I Nicolson	Non-Executive Director; Councillor, Renfrewshire Council *(from 14 June 2017)*
Cllr M O'Donnell	Non-Executive Director; Councillor, East Dunbartonshire Council *(until 30 April 2017)*
Mr I Ritchie	Non-Executive Director
Ms R Sweeney	Non-Executive Director
Ms A Thompson	Non-Executive Director *(from 1 July 2017)*

Executive Members

Ms J Grant	Chief Executive
Dr J Armstrong	Medical Director
Dr L de Caestecker	Director of Public Health
Dr M McGuire	Nurse Director
Mr M White	Director of Finance

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 21.

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 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 18 and the remuneration report.

Remuneration for non-audit work

During the year 2017-18 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 SGHSCD 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, including eighteen incidents relating to the loss or theft of IT equipment including laptops and tablets, all of which were encrypted. All incidents were investigated and appropriate action taken. All security thefts and breaches are reported quarterly to the Information Governance Steering Group.

The Board reported one confidentiality breach to the Criminal Investigations Team at the Information Commissioner's Office (ICO) relating to inappropriate access by a member of staff, and, following investigation, the individual's employment was terminated. The ICO received two complaints regarding the Board's response to requests for personal data and one complaint regarding information sent to the wrong party. All incidents and complaints were investigated by the ICO, 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 20.

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 (FReM) 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 FReM have been followed and disclose and explain any material departures; and
- prepare the accounts on a going concern basis.

I confirm that the Annual Report and Accounts as a whole are fair, balanced and reasonable.

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 2018 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 on-going process designed to identify, prioritise and manage the principal risks facing the organisation. The system aims to evaluate the nature and extent of risks, and manage risks efficiently, effectively and economically.

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

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

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

NHS Endowments

In accordance with IAS 27 – Consolidated and Separate Financial Statements, the Financial Statements consolidate the 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 2017 to 31 March 2018 the Board met on six occasions.

At 31 March 2018 the Board comprised the Chair, twenty-four non-executive and five executive board members; of the non-executive members six are Council Members nominated by their respective councils.

Board members are appointed by Scottish Ministers and are selected on the basis of their stakeholder position or the particular expertise which enables them to contribute to the decision making process at a strategic level.

The Board and its Standing Committees have clearly defined and documented roles and responsibilities, and the purpose of each committee is set out below. The non-executive members of the Standing Committees have the opportunity to scrutinise and challenge the Board's executive management.

The 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.

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

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

The Board undertakes, on an annual basis a review of corporate governance arrangements to ensure that they are fit for purpose.

Acute Services Committee

The scope of the ASC comprises 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 LDP as agreed with SGHSCD;
- Financial Planning and Management (in conjunction with the F&PC);
- 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 ASC met six times during the year. Members of the committee during the year were Mr R Finnie (Chair), Ms S Brimelow, Ms M Brown, Dr H Cameron, Mr S Carr, Cllr J Clocherty, Cllr M Hunter, Mrs T McAuley, Mrs D McErlean, Ms A-M Monaghan, Ms A Thompson and Mr I Ritchie.

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. 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, along with the Chair and Vice-Chair of the Area Psychology Committee. The forum met six times during 2017-18; the first two meetings were chaired by Dr H Cameron, and subsequent meetings were chaired by Ms A Thompson.

Audit and Risk Committee

The purpose of the ARC is to assist the Board and the Accountable Officer in delivering 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 appropriate systems of internal control and risk management had been in place throughout the year. The ARC met on five occasions during 2017-18, and its members were Mr A Macleod (Chair), Mr S Carr, Mr R Finnie, Ms J Forbes, Dr D Lyons, Mr J Matthews, Cllr J McColl, Mrs D McErlean and Ms A-M Monaghan. In fulfilling its remit the ARC was supported by the Audit Committee Executive Group, which met three times during the year.

Clinical and Care Governance Committee

Non-executive oversight of clinical governance arrangements across NHSGGC is provided by the Clinical Care and Governance Committee. 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 four times during 2017-18, and its members were Ms S Brimelow (Chair), Dr H Cameron, Mr A Cowan, Professor Dame Anna Dominiczak, Mr I Fraser, Dr D Lyons, Mrs D McErlean, Mr I Ritchie and Ms A Thompson.

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. The Endowment Funds Accounts are audited by BDO.

During the year to 31st March 2018, the membership of the Endowments Management Committee comprised Mr I Ritchie (Chair), Cllr C Bamforth, Mr S Carr, Mr R Finnie, Ms J Forbes, Mr A MacLeod, Cllr J McColl, Mrs D McErlean, Cllr I Nicolson, and Mr M White. The committee met four times during the year.

Finance and Planning Committee

The remit of the Finance and Planning Committee (F&PC) is to oversee the financial and planning strategies of the Board, oversee the Board's Property and Asset Management and Strategic Capital Projects and provide a forum for discussion of common issues arising from the six Integrated Joint Boards.

The remit of the F&PC comprises the following 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 F&PC were Mr J Brown (Chair), Ms S Brimelow, Ms M Brown, Mr S Carr, Professor Dame Anna Dominiczak, Ms J Donnelly, Mr R Finnie, Ms J Forbes, Mr I Fraser, Dr D Lyons, Mr A Macleod, Mr J Matthews, Ms T McAuley, Mrs D McErlean and Ms R Sweeney. The committee met five times during 2017-18.

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 (Chair), Mr A Cowan, and Mr I Fraser. In addition there are four professional advisers and three lay members. The committee met on nine occasions during 2017-18.

Public Health Committee

The remit of the Public Health Committee is to promote public health and oversee population health activities and to develop a long term vision and strategy for public health.

Members of the committee during 2017-18 were Mr J Matthews (Chair), Ms M Brown, Mr A Cowan, Mrs J Donnelly, Cllr M Hunter, Mr J Legg and Dr D Lyons. In addition there are eight professional advisors who are members of the committee. The committee met four times during 2017-18.

Staff Governance Committee (SGC)

The purpose of the SGC 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 SGC is a Board appointed Committee. 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 2017-18 the committee met on four occasions and was jointly chaired by Mrs D McErlean and Ms M Brown. The other members were Cllr J Clocherty, Mrs J Donnelly, Mr J Legg, Mrs T McAuley, Cllr J McColl, Cllr S Mechan and Ms R Sweeney.

The SGC 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 Committee (RMC) 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 SGHSCD.

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 SGHSCD guidance. The RMC met twice during 2017-18, and, in accordance with SGHSCD 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 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 the NHS Board, the F&PC and the ASC. Regular reports on the Board's financial position are considered by these groups. The ARC has oversight of, and forms a view on, the systems of financial control with NHSGGC.

Information Governance

During the year, there has been continued progress in Information Governance (IG) with a number of work streams on-going to prepare the Board for the implementation of the new General Data Protection Regulation (GDPR) which came into force in May 2018.

The IG Steering Group met on four occasions and continues to monitor IG compliance and receive regular reports on data breaches, security compliance, training and subject access requests.

IG officers continue to ensure staff are aware of their obligations to protect patient and staff data by continued participation in training programmes including mandatory training modules.

All IG policies have been reviewed to ensure they are compliant with the new legislation. A number of IT security policies have been produced to ensure compliance with the NHSScotland Information Security Framework 2015 and the Cyber Resilience Strategy 2017. A number of communications has been issued to staff to ensure awareness and compliance.

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. There is also an Endowments Charter which governs the administration of the Board's Endowment Funds.

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 Chair and Area Clinical Forum Chairs.

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. 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 regular reports to the organisation's ARC. Reports include the auditors' independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement; and
- statements 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 six times during 2017-18 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 (OMG) and the Strategic Management Group (SMG). Service directors, Medical, Nurse, Finance, Planning and HR Directors attend the two groups.
- The Chief Executive chairs a monthly meeting of the Corporate Management Team, attended by the HSCP Chief Officers, Acute division Chief Operating Officer and other Directors comprising Finance, Medical, Nursing, Public Health, Human Resources, eHealth, Communications and the Employee Director. The focus of the group includes the development of proposals for the Board on financial and capital allocations and LDP, approval of system-wide policy, ensuring Clinical Strategy/Transformational Plan reflects the population needs, monitoring variations in performance against local and national targets/guarantees, oversight of Board-wide functions including Civil Contingencies, e-Health, Facilities accommodation and property, board-wide service planning and approval of material investments and disinvestment propositions. In addition the Board Corporate Directors meet weekly. This is also chaired by the Chief Executive and is attended by the Chief Officer Acute Services and the Corporate Directors.

- The ARC provides assurance that an appropriate system of internal control is in place. The Committee met regularly 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 2017-18.
- Work has continued during the year to achieve the targets set out in the LDP. 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. The performance of other staff is 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 (CRR). The CRR 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 ARC for approval on a six monthly basis.

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 (RMSG). During the year, the RMSG has

- reviewed and updated the structure and content of the CRR;
- engaged external support, in the form of a co-opted position on the RMSG;
- rolled-out the electronic risk register module further across the organisation; and
- ensured it has a more active role in ensuring a coherent and high quality description of risks and the associated controls.

The following are the highest risk rated areas recorded in the CRR:

- achievement of elective waiting time targets in respect of: inpatient/outpatient and day case targets/Treatment Time Guarantees (TTG); diagnostic targets; cancer targets; and condition specific targets.
- achievement of unscheduled care targets in respect of: managing emergency patient flows; and managing the impact on downstream bed management.
- increased delays in discharging patients from hospital resulting in increased bed days and deterioration in condition of patients awaiting discharge.
- there is a significant financial challenge in-year, unlikely to be met through CRES. The reduction in funding and the underachievement of savings has required the use of non-recurring funds and reserves to balance, creating an underlying recurring deficit of £68m going into 2018/19.
- inconsistent assessment and application of Child Protection procedures.
- inconsistent assessment and application of Adult Support and Protection procedures.
- emerging pathogens represent a risk because often the epidemiology and routes of transmission are not fully understood. The potential consequence is cross transmission and outbreaks.

Management has implemented a range of control measures to mitigate the effects of each of these risks, and are also working on additional actions which will strengthen controls and further reduce the consequences.

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; these 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 submitted a formal report in April 2017. The HSE issued a Notification of Contravention letter which detailed a number of statutory breaches related to the areas of inspection. The HSE indicated that the breaches related to management of falls, management of sharps and management of skin health. Following subsequent inspection visits to the Queen Elizabeth University Hospital the HSE issued 2 Improvement Notices related to skin health of domestic staff. The notices focused on skin health surveillance procedures and the use of gloves by domestic staff.

A detailed Action Plan has been provided to the HSE within the agreed timescale to ensure that full compliance with both the Notices and the Contraventions is achieved. The HSE were provided with the Action Plan in July 2017 and also an updated version with further supporting documentation, in March 2018. An extension has been granted to the Improvement Notices to allow compliance by September 2018. The organisation is awaiting further communication from the HSE on this matter. The Director of Human Resources and Organisational Development has established a governance group to monitor the implementation of the agreed action plan. Directors are provided with monthly action plan updates on compliance, highlighting areas of non-compliance whereby local action is required.

Integration

The Board has worked in partnership with the six councils, and has agreed principles for financial management including budget management, virement and terms of reference for IJB audit committees. Governance arrangements, which include internal audit, 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 2018 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

The internal auditors highlighted a number of weaknesses that they considered should be reported in this Governance Statement. Through the course of their internal audit work they identified the following three high risk findings:

- Achieving Financial Balance

  Audit finding - The internal auditors highlighted that whilst the Board successfully achieved financial balance in the year, this, however, relied heavily on the use of non-recurring support. The percentage of total savings achieved which were on a non-recurring basis was approximately 70% in 2017-18, compared with around 40% in 2015-16. While non-recurring savings will always form part of a Board's savings, the lack of enduring savings increases future financial challenges and poses a risk to the NHS Board's financial sustainability. It is critical that the NHS Board puts in place a transformation plan that will deliver recurring savings and provide financially sustainability for the future.

  Management response - The conclusions in this report serve to highlight Executive management's view of the Board's financial position. The reports to the Finance and Planning Committee in February, April and June 2018 outline these issues, and the actions being taken to address them. A range of significant actions and measures have been put in place; the FIP, designed to achieve short/medium term recurring financial stability, the Moving Forward Together programme to deliver medium to longer term transformation and the West of Scotland Regional Planning work to transform service delivery across the wider geographical area.

- Waiting times management

  Audit finding - The internal auditors reviewed the Board's arrangements for waiting times management, and reported that, whilst a significant level of time and resource had been expended on implementing the programme of demand and capacity gap assessment and improvement, there was a risk, however, that the exercise would not deliver its key objectives. As such, there was a risk that management's response to the deteriorating performance against waiting time targets would be insufficient.

  Management response - In order to address the deteriorating performance against the Treatment Time Guarantee, management implemented a programme of demand and capacity gap assessment and improvement. The demand and capacity gap assessment exercise is of significant strategic and clinical importance to NHSGGC and its delivery is both complex and multi-faceted. However, the internal auditors found that the exercise, despite its complexity and scale, has been initiated and partly executed without any formal project management discipline. 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% four 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. It has been agreed that management will revisit the project, and formalise the project management framework supporting the exercise. Specifically management

will document the specific project objectives and planned benefits; define the project phases and sub-phases, outputs from each key milestones and timescales; define success measures for the exercise, and the plan for assessing how far these have been realised; establish, document and communicate roles and responsibilities associated with each phase of the project; establish and document how the project will be monitored; and consider the need to form a working team tasked with overall delivery of the programme.

- Mental Health: Crisis Management
  Audit finding - The internal auditors performed sample testing over the execution of the three risk assessment tools operating across NHSGGC, and found that in a significant number of instances, across all three tools, risk assessments were not completed in accordance with the governing policies in place.

  Management response - In response to the above finding, management prepared a refresher session for all impacted groups of staff to remind them of the policies and procedures in place for each risk assessment tool and the importance of retaining the appropriate evidence. A programme of quality reviews has been implemented across all departments whereby cases are sampled to ensure risk assessment procedures have been followed and evidenced on patient files. Instances of non-compliance should be fed back to individual managers and departments and action plans prepared to address recurring issues. The reporting of the quality assurance programme has been built into the revised governance framework.

Cyber security

In May 2017, NHSGGC was affected by 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. There was no infection to any systems within the NHSGGC private network.

During initial awareness of the attack, the Scottish Government's eHealth Critical Incident Team were active. The Incident team worked with NHS Scotland Health Boards and the Scottish Government to evaluate the impact and, where necessary, invoke both pro-active and re-active plans to reduce and mitigate the 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 was there any impact to operational services as a result of the downtime. Board staff are regularly reminded of the importance of cyber security.

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 21.

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 2018 (31st March 2017), the salaries of executive board members were as follows:-

J Grant (From 1/4/17) £153,383; Dr J Armstrong £162,039 (£145,328); Dr L de Caestecker £166,936

(£165,600); Dr M McGuire £123,528 (£119,438) M White £131,037 (126,709).

The tables shown on pages 35 - 42 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 2018	Cash Equivalent Transfer Value (CETV) at 31 March 2017	Real increase in CETV in year
Remuneration of:					£'000						£'000	£'000	£'000
Executive Members													
Chief Executive : J Grant(from 01.04.17)	150 - 155	-	-	150 - 155	-	150 - 155	-	-	-	-	-	-	-
Director of Public Health : L de Caestecker	165 - 170	-	-	165 - 170	23	185 - 190	55 - 60	5.0 - 7.5	165 - 170	20.0 - 22.5	1,308	1,165	120
Medical Director : J Armstrong	170 - 175	-	-	170 - 175	26	195 - 200	15 - 20	2.5 - 5.0	-	-	251	203	23
Nurse Director : M McGuire	120 - 125	-	-	120 - 125	18	140 - 145	10 - 15	0 - 2.5	-	-	239	199	22
Director of Finance : M White (Note 3)	130 - 135	-	-	130 - 135	-	130 - 135	-	-	-	-	-	-	-
Non Executive Members													
The Chair : J Brown	65 - 70	-	-	65 - 70	-	65 - 70	-	-	-	-	-	-	-
C Bamforth (from 07.06.17)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
S Brimelow	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
M Brown	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
H Cameron (left 30.06.17)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
S Carr	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
G Casey (left 30.04.17)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
J Cloherty (left 30.04.17) (from 14.06.17)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Cowan	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
M Devlin (left 30.04.17)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
A Dominiczak	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
J Donnelly	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
R Finnie	20 - 25	-	-	20 - 25	-	20 - 25	-	-	-	-	-	-	-
J Forbes	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
I Fraser	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
M Hunter (from 01.06.17)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
M Kerr (left 30.04.17)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
A Lafferty (left 30.04.17)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
J Legg (left 20.06.17)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
D Lyons	10 - 15	-	-	10 - 15	-	10 - 15	-	-	-	-	-	-	-
A Macleod	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
M Macmillan (left 30.04.17)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
J Matthews	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
T McAuley	10 - 15	-	-	10 - 15	-	10 - 15	-	-	-	-	-	-	-
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)	40 - 45	-	-	40 - 45	5	45 - 50	5 - 10	0 - 2.5	25 - 30	2.5 - 5.0	215	189	23
J McColl (from 19.06.17)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
S Mechan (from 07.06.17)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Monaghan	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
I Nicolson (from 01.06.17)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
M O'Donnell (left 30.04.17)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
I Ritchie	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
R Sweeney	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Thompson (from 01.07.17)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
Other Senior Employees													
Chief Operating Officer, Acute Division : G Archibald	120 - 125	-	-	120 - 125	20	140 - 145	20 - 25	0 - 2.5	60 - 65	2.5 - 5.0	464	424	22
Interim Chief Operating Officer, Acute Division : J Best	120 - 125	-	-	120 - 125	18	135 - 140	25 - 30	0 - 2.5	80 - 85	5.0 - 7.5	578	515	46
											3,055	**2,695**	**256**

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:-

Director of Public Health : L de Caestecker	1,132	to	1,165
Medical Director : J Armstrong	328	to	203
Nurse Director : M McGuire	-	to	199
Employee Director : D McErlean	184	to	189
Chief Operating Officer, Acute Division : G Archibald	412	to	424
Interim Chief Operating Officer, Acute Division : J Best	-	to	515
	2,056		2,695

2. The Chief Executive is not a member of the pension scheme.

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

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 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	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
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
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.

Fair Pay Disclosure

	2018	2017
Range of Staff Remuneration	10 - 290	10-240
Highest earning Director's total remuneration (£)	165 -170	170-175
Median total remuneration	26,226	27,359
Ratio	6.37	6.33

The banded remuneration of the highest paid director in NHS Greater Glasgow and Clyde Health Board in the financial year 2017/18 was £166,936 (2016/17 £171,382). This was 6.37 times (2016/17 6.33) the median remuneration of the workforce which was £26,226 (2016/17 £27,359).

The highest paid director in 2017/18 was the Director of Public Health 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 2017/18 131 (2016/17 69) employees received remuneration in excess of the highest paid director. Remuneration ranged from £166,936 to £288,561.

STAFF REPORT

Other Employees whose remuneration fell within the following ranges :

	2018 Number	2017 Number
Clinicians		
£ 70,001 to £ 80,000	187	182
£ 80,001 to £ 90,000	185	207
£ 90,001 to £100,000	199	150
£100,001 to £110,000	182	163
£110,001 to £120,000	188	186
£120,001 to £130,000	172	161
£130,001 to £140,000	169	171
£140,001 to £150,000	119	133
£150,001 to £160,000	124	124
£160,001 to £170,000	77	67
£170,001 to £180,000	46	40
£180,001 to £190,000	27	19
£190,001 to £200,000	15	9
£200,001 and over	23	16
Other		
£ 70,001 to £ 80,000	117	64
£ 80,001 to £ 90,000	49	33
£ 90,001 to £100,000	11	7
£100,001 to £110,000	9	14
£110,001 to £120,000	4	2
£120,001 to £130,000	2	0
£130,001 to £140,000	0	1

b) Staff Numbers and Costs

Staff Costs

	Executive Board Members £'000	Non Executive Members £'000	Permanent Staff £'000	Inward Secondees £'000	Other Staff £'000	Outward Secondees £'000	2018 £'000	2017 £'000
Salaries and Wages	745	378	1,307,824	0	0	(8,577)	1,300,370	1,285,028
Social Security Costs	97	25	135,182	0	0	(847)	134,457	132,390
NHS scheme employers' costs	67	6	164,461	0	0	(1,165)	163,369	162,395
Other employers' pension costs	0	0	0	0	0	0	0	
Inward Secondees	0	0	0	12,759	0	0	12,759	12,093
Agency Staff	0	0	0	0	23,822	0	23,822	28,836
	909	409	1,607,467	12,759	23,822	(10,589)	1,634,777	1,620,742
Compensation for loss of office	0	0	1,025	0	0	0	1,025	1,306
Pensions to former board members					0		0	
TOTAL	**909**	**409**	**1,608,492**	**12,759**	**23,822**	**(10,589)**	**1,635,802**	**1,622,048**

Included in the total staff costs above were staff engaged directly on capital projects charged to capital expenditure of :	0	0

Staff Numbers
Whole Time Equivalent (WTE)

	5.0	**34.0**	**35,809.2**	**176.0**	**481.5**	**(277.6)**	**36,228.1**	**35,715.4**

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 :	159	174
Included in the total staff numbers above were Special Advisors of :	0	0

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

	2018 Headcount			2017 Headcount		
	Male	Female	Total	Male	Female	Total
Executive Directors	1	4	5	2	3	5
Non- Executive Directors and Employee Director	18	16	34	16	12	28
Senior Employee	46	67	113	48	50	98
Other	8,866	30,221	39,087	7,939	28,038	35,978
Grand Total	8,931	30,308	39,239	8,005	28,103	36,108

d) Sickness Absence Data

	2018	2017
Sickness Absence Rate	5.1%	5.8%

e) Employment of Staff with Disabilities

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

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

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

f) Facility Time Publication Requirements

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The data is required to be published on a website maintained by or on behalf of the employer before 31st July each year. We intend to publish this data on the NHSGGC website.

Requirements for the data to be disclosed within the annual report and accounts was unclear at the time of issue. The Cabinet Office published supporting guidance on 2 June 2018 which has clarified the data should be disclosed. Due to the timing of this confirmation, we were unable to collate reliable data to publish within the 2017/18 annual report and accounts therefore we will publish from 2018/19 onwards.

Exit Packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	2018 Total number of exit packages by cost band
<£10,000	0	7	7
£10,000 - £25,000	0	9	9
£25,000 - £50,000	0	6	6
£50,000 - £100,000	0	4	4
£100,000- £150,000	0	1	1
£150,000- £200,000	0	0	0
>£200,000	0	1	1
Total number exit packages by type	**0**	**28**	**28**
Total resource cost (£'000)	**0**	**1,025**	**1,025**

Exit Packages – Prior Year

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	2017 Total number of exit packages by cost band
<£10,000	0	3	3
£10,000 - £25,000	0	13	13
£25,000 - £50,000	0	16	16
£50,000 - £100,000	0	7	7
£100,000- £150,000	0	0	0
£150,000- £200,000	0	0	0
>£200,000	0	0	0
Total number exit packages by type	**0**	**39**	**39**
Total resource cost (£'000)	**0**	**1,306**	**1,306**

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	**283**	**6,673**

In the year to March 2018, the following balances in excess of £250,000 were written off:

Reference	Description	2018 £'000
	Loss of Equipment	**NA**
	Total Claims paid under CNORIS scheme	**NA**

In 2017-18, the Board was required to pay out £4M in respect of 6 claims individually greater than £250,000 settled under the CNORIS scheme (2016-17: £5.3M, 5 cases). Part payments had been made in relation to these settled cases and the value disclosed here is the total award. Further detail on the scheme can be found in Note 1 (accounting policies) of the annual accounts.

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

Fees and Charges

The Board had no commercial trading activity during 2017/18 where the full annual cost exceeded £1 million (2016/17 nil).

J Grant

Chief Executive & Accountable Officer
26 June 2018

Independent auditor's report to the members of Greater Glasgow NHS 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 2018 under the National Health Service (Scotland) Act 1978. The financial statements comprise Consolidated Statement of Comprehensive Net Expenditure and Summary of Resource Outturn, the Consolidated Statement of Financial Position, the Consolidated Statement of Cashflows, the Consolidated Statement of Changes in Taxpayers' Equity and notes to the financial statements, including 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 2017/18 Government Financial Reporting Manual (the 2017/18 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 the affairs of the board and its group as at 31 March 2018 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 2017/18 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 (UK) (ISAs (UK)). 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 Standard, 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.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Accountable Officer for the financial statements

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

In preparing the financial statements, the Accountable Officer is responsible for assessing the ability of the board and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit 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) 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.

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

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, the audited part of the Remuneration and Staff Report, and my independent auditor's report. 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, my responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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 matters prescribed by the Auditor General for Scotland

In my opinion, the audited 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 audited 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 MA, CPFA
Assistant Director (Audit Services)
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT
28 June 2018

	Note	**2018** **£'000**	2017 £'000
Staff Costs	3a	**1,635,802**	1,622,048
Other operating expenditure	3b		
Independent Primary Care Services		**351,176**	347,232
Drugs and medical supplies		**610,520**	599,956
Other health care expenditure		**2,008,705**	2,050,551
Gross expenditure for the year		**4,606,203**	4,619,787
Less: operating income		**(2,009,818)**	(1,977,731)
Joint Ventures accounted for on an equity basis	4	**(11,498)**	(17,589)
Net expenditure for the year		**2,584,887**	2,624,467

	2018 **£'000**	2017 £'000
OTHER COMPREHENSIVE NET EXPENDITURE/(INCOME)		
Net gain on revaluation of property, plant and equipment	**(109,833)**	(12,716)
Net gain on revaluation of intangibles	**-**	(6)
Net (gain)/loss on revaluation of available for sale financial assets	**3**	(5,298)
Other comprehensive income	**(109,830)**	(18,020)
Comprehensive net expenditure	**2,475,057**	2,606,447

The presentation of the Consolidated Statement of Comprehensive Net Expenditure has been changed following a review of our financial statements in order to provide information which better reflects the activities of NHS Greater Glasgow and Clyde. The comparative information in respect of 2016-17 has been presented above in the new format.

Full details of changes to the presentation of the Statement of Comprehensive Net Expenditure are disclosed in Note 19.

	2018 £'000
SUMMARY OF CORE REVENUE RESOURCE OUTTURN	
Net expenditure	**2,584,887**
Total Non Core Expenditure (see below)	**(99,646)**
FHS Non Discretionary Allocation	**(146,993)**
Donated Assets Income	**2,028**
Endowment Net Operating Costs	**(2,551)**
Associates and Joint Ventures accounted for on an equity basis	**11,498**
Totals	**2,349,223**
Core Revenue Resource Limit	**2,349,448**
Saving against Core Revenue Resource Limit	**225**

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN	
Depreciation/Amortisation	**74,596**
Annually Managed Expenditure - Impairments	**(14,096)**
Annually Managed Expenditure - Creation of Provisions	**11,929**
Annually Managed Expenditure - Depreciation of Donated Assets	**1,556**
Additional SGHSCD non-core funding	**20,000**
IFRS PFI Expenditure	**5,661**
Total Non Core Expenditure	**99,646**
Non Core Revenue Resource Limit	**99,646**
Saving against Non Core Revenue Resource Limit	**-**

SUMMARY RESOURCE OUTTURN	
Core Expenditure	**2,349,223**
Non Core Expenditure	**99,646**
Total Net Expenditure	**2,448,869**
Core Revenue Resource Limit	**2,349,448**
Non Core Revenue Resource Limit	**99,646**
Total Revenue Resource Limit	**2,449,094**
Saving against Total Revenue Resource Limit	**225**

Consolidated Statement of Financial Position

Consolidated 2017 £'000	Board 2017 £'000		Note	**Consolidated 2018 £'000**	**Board 2018 £'000**
		NON CURRENT ASSETS			
2,098,018	2,097,878	Property, plant and equipment	7c	**2,197,668**	**2,197,528**
272	272	Intangible assets	6a	**213**	**213**
		Financial assets:			
82,711	863	Available for sale financial assets	10	**85,036**	**857**
19,093	-	Investment in joint ventures	23b	**30,591**	**-**
111,305	111,305	Trade and other receivables	9	**105,598**	**105,598**
2,311,399	2,210,318	**Total Non Current Assets**		**2,419,106**	**2,304,196**
		CURRENT ASSETS			
22,175	22,175	Inventories	8	**21,595**	**21,595**
797	797	Intangible assets	6b	**1,259**	**1,259**
		Financial assets:			
98,090	97,806	Trade and other receivables	9	**127,928**	**127,362**
6,689	434	Cash and cash equivalents	11	**1,695**	**752**
14,222	14,222	Assets classified as held for sale	7b	**11,222**	**11,222**
141,973	135,434			**163,699**	**162,190**
		CURRENT LIABILITIES			
(67,263)	(67,263)	Provisions	13a	**(52,349)**	**(52,349)**
		Financial liabilities:			
(304,921)	(303,230)	Trade and other payables	12	**(323,591)**	**(322,064)**
(372,184)	(370,493)			**(375,940)**	**(374,413)**
2,081,188	1,975,259	**Total assets less current liabilities**		**2,206,865**	**2,091,973**
		NON CURRENT LIABILITIES			
(257,443)	(257,443)	Provisions	13a	**(276,789)**	**(276,789)**
		Financial liabilities:			
(281,351)	(281,351)	Trade and other payables	12	**(282,841)**	**(282,841)**
(538,794)	(538,794)			**(559,630)**	**(559,630)**
1,542,394	1,436,465			**1,647,235**	**1,532,343**
		TAXPAYERS' EQUITY			
1,182,707	1,182,707	General Fund		**1,200,569**	**1,200,569**
253,758	253,758	Revaluation Reserve		**331,774**	**331,774**
19,093	-	Other reserves - joint ventures		**30,591**	**-**
86,836	-	Funds held on Trust		**84,301**	**-**
1,542,394	1,436,465			**1,647,235**	**1,532,343**

Adopted by the Board on 26 June 2018

M White
Director of Finance

J Grant
Chief Executive

The Notes to the Accounts, numbered 1 to 23, form an integral part of these Accounts.

	Note	**2018 £'000**	2017 £'000
NET OPERATING CASHFLOW			
Net expenditure	SoCTE	**(2,584,887)**	(2,624,467)
Adjustments for non cash transactions	2a	**51,757**	56,189
Interest payable	2b	**20,093**	26,248
Interest receivable	4	**(5)**	-
Investment Income		**(1,822)**	(1,612)
Movements in working capital	2c	**(9,366)**	74,380
Totals	23c	**(2,524,230)**	(2,469,262)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(72,129)**	(105,377)
Purchase of intangible assets		**(462)**	(250)
Investment Additions	10	**(79,172)**	(12,428)
Transfer of assets from other NHS bodies		**(240)**	-
Proceeds of disposal of property, plant and equipment		**7,027**	20,028
Proceeds of disposal of intangible assets		**-**	13
Receipts from sale of investments		**53,158**	17,825
Interest received		**1,834**	1,902
Net cash outflow from Investing Activities	23c	**(89,984)**	(78,287)
FINANCING			
Funding	SoCTE	**2,601,510**	2,560,375
Movement in general fund working capital	SoCTE	**318**	53
Cash drawn down		**2,601,828**	2,560,428
Capital element of payments in respect of finance leases and on balance sheet PFI Contracts	2c	**3,793**	17,398
Interest paid		**199**	(6,472)
Interest element of finance leases and on balance sheet PFI Contracts	2b	**(20,292)**	(19,776)
Net cash inflow from financing	23c	**2,585,528**	2,551,578
Decrease in cash in year		**(28,686)**	4,029
Net cash at 1 April		**39,451**	35,422
Net cash at 31 March		**10,765**	39,451

The net cash balances above differ from those disclosed in Note 11 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 £9,070k (prior year £32,762k).

	Note	General Fund £'000	Revaluation Reserve £'000	Other Reserves - Joint Ventures £'000	Funds Held on Trust £'000	Total Reserves £'000
Balance at 31 March 2017		**1,182,707**	**253,758**	**19,093**	**86,836**	**1,542,394**
Changes in taxpayers' equity for 2017-18						
Net gain on revaluation / indexation of property, plant and equipment	7a	-	109,833	-	-	**109,833**
Net gain on revaluation of available for sale financial assets	10	-	-	-	16	**16**
Impairment of property, plant and equipment	7a	-	(7,460)	-	-	**(7,460)**
Revaluation and impairments taken to operating costs	2a	-	(13,931)	-	-	**(13,931)**
Transfers between reserves		10,426	(10,426)	-	-	**-**
Transfer of non-current assets to other bodies		(240)	-	-	-	**(240)**
Net operating cost for the year		(2,593,834)	-	11,498	(2,551)	**(2,584,887)**
Total recognised income and expense for 2017-18		**(2,583,648)**	**78,016**	**11,498**	**(2,535)**	**(2,496,669)**
Funding:						
Drawn down	cfs	2,601,828	-	-	-	**2,601,828**
Movement in General Fund (creditor) / debtor	cfs	(318)	-	-	-	**(318)**
Balance at 31 March 2018	BS	**1,200,569**	**331,774**	**30,591**	**84,301**	**1,647,235**

	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	7a	-	12,716	-	-	**12,716**
Net gain on revaluation / indexation of intangible assets	6	-	6	-	-	**6**
Net gain / (loss) on revaluation of available for sale financial assets	10	-	-	-	5,313	**5,313**
Impairment of property, plant and equipment	7a	-	(16,676)	-	-	**(16,676)**
Revaluation and impairments taken to operating costs	2a	-	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	cfs	2,560,428	-	-	-	**2,560,428**
Movement in General Fund (creditor) / debtor	cfs	(53)	-	-	-	**(53)**
Balance at 31 March 2017	BS	**1,182,707**	**253,758**	**19,093**	**86,836**	**1,542,394**

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 9 Financial Instruments (IAS 39 Financial Instruments: Recognition and Measurement - replacement). (New).
- IFRS 12 Disclosure of interests in other entities (amendment).
- 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 integration of health and social care services under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and associated secondary legislation impacts on Health Board disclosure requirements in the annual accounts.

In accordance with IAS 28 – Investments in Associates and Joint Arrangements, the primary financial statements have been amended for the additional disclosure required to accurately reflect the interest of IJBs using the equity method of accounting. The Board has disclosed its interest in six Integration Joint Boards (IJBs); East Dunbartonshire, West Dunbartonshire, Glasgow City, Inverclyde, East Renfrewshire and Renfrewshire.

Note 23 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 valued at current cost. This is calculated by the expenditure incurred to which an appropriate index is applied to arrive at current value. These are also subject to impairment review.

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

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

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.

Temporary Decreases in Asset Value

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

7.3) Depreciation

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

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

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

Depreciation is charged on a straight line basis.

The following asset lives have been used:

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

8) Intangible Assets

8.1) Recognition

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

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

The main classes of intangible assets recognised are:

Internally generated intangible assets:

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

Expenditure on research is not capitalised.

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

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

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

Software:

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

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

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

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

When allowances are issued for less than their fair value, the difference between the amount paid and fair value is revaluation and charged to the general fund. The general fund is charged with the

same proportion of the amount of the revaluation, which the amount of the grant bears to the acquisition cost of the asset.

A provision is recognised for the obligation to deliver allowances equal to emissions that have been made. It is measured at the best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date. This will usually be the present market price of the number of allowances required to cover emissions made up to the Statement of Financial Position 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 Statement of Financial Position 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 NHS Scotland not been bearing its own risks. Had the NHS provided insurance cover, the insurance premiums would have been included as normal revenue expenditure.

17) Employee Benefits

Short-term Employee Benefits

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

Pension Costs

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

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the 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 21 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 3.

20) Value Added Tax

Most of the activities of the Board are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of 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-Statement of Financial Position. 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 SOCNE. 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 Statement of Financial Position 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-Statement of Financial Position' 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 Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the discount rate prescribed by HM Treasury.

23) Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in note 14 where an inflow of economic benefits is probable.

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

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

24) Corresponding Amounts

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

25) Financial Instruments

Financial Assets

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 Statement of Financial Position 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 Statement of Financial Position.

(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 Statement of Financial Position 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 Statement of Financial Position 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 Statement of Financial Position date. These are classified as non-current liabilities. The NHS Board's other financial liabilities comprise trade and other payables in the Statement of Financial Position.

Recognition and measurement

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

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

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

Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the 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 Note 2.

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 Statement of Financial Position.

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 22 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. NOTES TO THE CASH FLOW STATEMENT

2a. Consolidated adjustments for non-cash transactions

	Note	2018 £'000	2017 £'000
Expenditure Not Paid In Cash			
Depreciation	7a	**80,032**	85,325
Amortisation	6	**59**	59
Totals	7a	**1,556**	1,550
Impairments on PPE charged to SoCNE		**7,460**	11,761
Net revaluation on PPE charged to SoCNE		**(21,391)**	-
Funding Of Donated Assets	7a	**(2,028)**	(1,138)
Loss / (profit) on disposal of property, plant and equipment		**(2,433)**	(23,784)
Associates and joint ventures accounted for on an equity basis	SoCNE	**(11,498)**	(17,589)
Other non-cash transactions [please specify]		**-**	5
Total Expenditure Not Paid In Cash	CFS	**51,757**	56,189

2b. Interest payable recognised in operating expenditure

Interest Payable		
PFI Finance lease charges allocated in the year	**20,292**	19,776
Provisions - Unwinding of discount	**(199)**	6,472
Total	**20,093**	26,248

2c. Consolidated movements in working capital

	Note	Opening Balances £'000	Closing Balances £'000	Net Movement 2018 £'000	Net Movement 2017 £'000
INVENTORIES					
Balance Sheet	8	**22,175**	21,595		
Net Decrease				**580**	31
TRADE AND OTHER RECEIVABLES					
Due within one year	9	**98,090**	127,928		
Due after more than one year	9	**111,305**	105,598		
Less: Capital included in above	-	**(17,184)**	(16,110)		
		192,211	217,416		
Net Increase				**(25,205)**	(44,877)
TRADE AND OTHER PAYABLES					
Due within one year	12	**304,921**	323,591		
Due after more than one year	12	**281,351**	282,841		
Less: Property, Plant & Equipment (Capital) included in above	-	**(43,372)**	(48,594)		
Less: General Fund Creditor included in above	12	**(434)**	(752)		
Less: Lease and PFI Creditors included in above	12	**(244,777)**	(248,570)		
		297,689	308,516		
Net Increase				**10,827**	6,224
PROVISIONS					
Statement of Financial Position	13a	**324,706**	329,138		
Net Increase				**4,432**	113,388
Net (Decrease)/Increase				**(9,366)**	74,766

3. OPERATING EXPENSES

3a. Staff costs

	2018	2017
	£'000	£'000
Medical and Dental	**423,242**	412,877
Nursing	**663,517**	654,160
Other Staff	**549,043**	555,011
Total	**1,635,802**	1,622,048

3b. Other operating expenditure

	2018	2017
	£'000	£'000
	£000	£000
Independent Primary Care Services:		
General Medical Services	**172,631**	168,725
Pharmaceutical Services	**55,016**	54,737
General Dental Services	**97,086**	98,286
General Ophthalmic Services	**26,443**	25,484
Total	**351,176**	347,232
Drugs and medical supplies:		
Prescribed drugs Primary Care	**238,396**	235,438
Prescribed drugs Secondary Care	**225,976**	221,137
Medical Supplies	**146,148**	143,381
Total	**610,520**	599,956
Other health care expenditure		
Contribution to Integration Joint Boards	**1,324,220**	1,282,339
Goods and services from other NHSScotland bodies	**39,414**	39,316
Goods and services from other UK NHS bodies	**1,716**	1,888
Goods and services from private providers	**16,189**	20,433
Goods and services from voluntary organisations	**21,714**	22,477
Resource Transfer	**212,326**	182,561
Loss on disposal of assets	**78**	950
Other operating expenses	**383,877**	489,925
External Auditor's remuneration - statutory audit fee	**392**	412
Endowment Fund expenditure	**8,779**	10,250
Total	**2,008,705**	2,050,551
Total Other Operating Expenditure	**2,970,401**	2,997,739

4. OPERATING INCOME

	2018	2017
	£'000	£'000
Income from Scottish Government	**1,276**	-
Income from other NHS Scotland bodies	**576,686**	553,786
Income from NHS non-Scottish bodies	**3,173**	3,768
Income from private patients	**164**	147
Income for services commissioned by Integration Joint Board	**1,324,179**	1,282,325
Patient charges for primary care	**15,714**	15,684
Donations	**2,028**	1,138
Profit on disposal of assets	**2,511**	24,734
Contributions in respect of clinical and medical negligence claims	**1,218**	19,419
Interest received	**5**	-
Non NHS:		
Overseas patients (non-reciprocal)	**1,011**	531
Endowment Fund Income	**6,228**	8,520
Other	**75,625**	67,679
Total	**2,009,818**	1,977,731

5. SEGMENTAL INFORMATION

	ACUTE	NHS COMMUNITY PARTERNSHIPS	CORPORATE	UNALLOCATED	FUNDS HELD ON TRUST	IJBs	2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost	906,946	1,170,705	516,183	-	2,551	(11,498)	**2,584,887**
Total assets	-	-	-	2,466,293	85,921	30,591	**2,582,805**
Total liabilities	-	-	-	933,950	1,620	-	**935,570**
Total segment revenue	554,273	64,618	60,520	-	6,228	1,324,179	**2,009,818**
Impairment losses recognised in SoCNE	-	-	-	166	-	-	**166**
Impairment reversals recognised in SoCNE	-	-	-	(14,097)	-	-	**(14,097)**
Depreciation and amortisation	47	2	81,598	-	-	-	**81,647**
Non-current assets held for sale	-	-	-	11,222	-	-	**11,222**
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	-	-	-	73,831	-	-	**73,831**

PRIOR YEAR

	ACUTE	NHS COMMUNITY PARTERNSHIPS	CORPORATE	UNALLOCATED	FUNDS HELD ON TRUST	IJBs	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 SoCNE	-	-	-	11,761	-	-	**11,761**
Depreciation and amortisation	38	4	86,892	-	-	-	**86,934**
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**

6a. INTANGIBLE ASSETS (NON CURRENT) - CONSOLIDATED AND BOARD

	Software Licences £'000	EC Carbon Emissions £'000	Total £'000
Cost or Valuation:			
At 1 April 2017	832	169	1,001
At 31 March 2018	**832**	**169**	**1,001**
Amortisation			
At 1 April 2017	729	-	729
Provided during the year	59	-	59
At 31 March 2018	**788**	**-**	**788**
Net book value at 1 April 2017	103	169	272
Net book value at 31 March 2018	**44**	**169**	**213**

6a. 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 2016	832	176	1,008
Revaluations	-	6	6
Disposals	-	(13)	(13)
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**

6b. INTANGIBLE ASSETS (CURRENT) - CONSOLIDATED AND BOARD

	2018 £'000	2017 £'000
Carbon Reduction Commitment Allowances	**1,259**	797
Total	**1,259**	797

7a. PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2017	92,227	1,882,990	-	1,581	306,583	112,830	12,377	83,823	2,492,411
Additions - purchased	-	-	-	-	4,952	-	-	72,399	77,351
Additions - donated	-	225	-	-	278	-	-	1,525	2,028
Completions	-	48,106	-	-	11,315	232	910	(60,563)	-
Transfers (to) / from non-current assets held for sale	(400)	-	-	-	-	-	-	-	(400)
Revaluations	468	100,232	-	-	-	-	-	-	100,700
Impairment charges	(979)	(7,410)	-	-	-	-	-	-	(8,389)
Disposals - purchased	(50)	-	-	(21)	(8,115)	-	-	-	(8,186)
Disposals - donated	-	-	-	-	(70)	-	-	-	(70)
At 31 March 2018	**91,266**	**2,024,143**	**-**	**1,560**	**314,943**	**113,062**	**13,287**	**97,184**	**2,655,445**
Depreciation									
At 1 April 2017	-	94,063	-	1,232	198,869	93,296	6,933	-	394,393
Provided during the year - purchased	-	48,886	-	67	22,105	7,336	1,638	-	80,032
Provided during the year - donated	-	262	-	11	1,029	-	254	-	1,556
Revaluations	-	(9,133)	-	-	-	-	-	-	(9,133)
Impairment charges	-	(929)	-	-	-	-	-	-	(929)
Disposals - purchased	-	-	-	(21)	(8,051)	-	-	-	(8,072)
Disposals - donated	-	-	-	-	(70)	-	-	-	(70)
At 31 March 2018	**-**	**133,149**	**-**	**1,289**	**213,882**	**100,632**	**8,825**	**-**	**457,777**
Net book value at 1 April 2017	92,227	1,788,927	-	349	107,714	19,534	5,444	83,823	2,098,018
Net book value at 31 March 2018	**91,266**	**1,890,994**	**-**	**271**	**101,061**	**12,430**	**4,462**	**97,184**	**2,197,668**
Open Market Value of Land in Land and Dwellings Included Above	**1,975**		**-**						
Asset financing:									
Owned - purchased	91,097	1,599,160	-	230	94,865	12,430	3,953	95,293	1,897,028
Owned - donated	169	6,301	-	41	6,196	-	509	1,891	15,107
Held on finance lease	-	-	-	-	-	-	-	-	-
On-balance sheet PFI contracts	-	285,533	-	-	-	-	-	-	285,533
Net book value at 31 March 2018	**91,266**	**1,890,994**	**-**	**271**	**101,061**	**12,430**	**4,462**	**97,184**	**2,197,668**

7a. PROPERTY, PLANT AND EQUIPMENT - BOARD

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2017	92,087	1,882,990	-	1,581	306,583	112,830	12,377	83,823	2,492,271
Additions - purchased	-	-	-	-	4,952	-	-	72,399	77,351
Additions - donated	-	225	-	-	278	-	-	1,525	2,028
Completions	-	48,106	-	-	11,315	232	910	(60,563)	-
Transfers (to) / from non-current assets held for sale	(400)	-	-	-	-	-	-	-	(400)
Revaluations	468	100,232	-	-	-	-	-	-	100,700
Impairment charges	(979)	(7,410)	-	-	-	-	-	-	(8,389)
Disposals - purchased	(50)	-	-	(21)	(8,115)	-	-	-	(8,186)
Disposals - donated	-	-	-	-	(70)	-	-	-	(70)
At 31 March 2018	**91,126**	**2,024,143**	**-**	**1,560**	**314,943**	**113,062**	**13,287**	**97,184**	**2,655,305**
Depreciation									
At 1 April 2017	-	94,063	-	1,232	198,869	93,296	6,933	-	394,393
Provided during the year - purchased	-	48,886	-	67	22,105	7,336	1,638	-	80,032
Provided during the year - donated	-	262	-	11	1,029	-	254	-	1,556
Revaluations	-	(9,133)	-	-	-	-	-	-	(9,133)
Impairment charges	-	(929)	-	-	-	-	-	-	(929)
Disposals - purchased	-	-	-	(21)	(8,051)	-	-	-	(8,072)
Disposals - donated	-	-	-	-	(70)	-	-	-	(70)
At 31 March 2018	**-**	**133,149**	**-**	**1,289**	**213,882**	**100,632**	**8,825**	**-**	**457,777**
Net book value at 1 April 2017	92,087	1,788,927	-	349	107,714	19,534	5,444	83,823	2,097,878
Net book value at 31 March 2018	**91,126**	**1,890,994**	**-**	**271**	**101,061**	**12,430**	**4,462**	**97,184**	**2,197,528**
Open Market Value of Land in Land and Dwellings Included Above	**1,975**		**-**						
Asset financing:									
Owned - purchased	90,957	1,599,160	-	230	94,865	12,430	3,953	95,293	1,896,888
Owned - donated	169	6,301	-	41	6,196	-	509	1,891	15,107
On-balance sheet PFI contracts	-	285,533	-	-	-	-	-	-	285,533
Net book value at 31 March 2018	**91,126**	**1,890,994**	**-**	**271**	**101,061**	**12,430**	**4,462**	**97,184**	**2,197,528**

7a. PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED PRIOR YEAR

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2016	111,761	1,855,674	462	1,484	300,515	108,181	12,366	81,819	2,472,262
Additions - purchased	-	21,553	-	-	2,920	-	-	64,793	89,266
Additions - donated	-	17	-	26	946	-	-	149	1,138
Completions	1,049	43,094	-	105	13,451	4,671	118	(62,488)	-
Transfers between asset categories	-	-	-	29	(38)	-	9	-	-
Transfers (to) / from non-current assets held for sale	(14,222)	-	-	-	-	-	-	-	(14,222)
Revaluations	(211)	(18,480)	-	-	-	-	-	-	(18,691)
Impairment charges	(50)	(18,124)	(462)	-	-	-	-	(450)	(19,086)
Disposals - purchased	(6,100)	(744)	-	(63)	(10,226)	(22)	(116)	-	(17,271)
Disposals - donated	-	-	-	-	(985)	-	-	-	(985)
At 31 March 2017	**92,227**	**1,882,990**	**-**	**1,581**	**306,583**	**112,830**	**12,377**	**83,823**	**2,492,411**
Depreciation									
At 1 April 2016	-	76,973	-	1,193	184,448	85,203	5,033	-	352,850
Provided during the year - purchased	-	51,017	-	68	24,366	8,115	1,759	-	85,325
Provided during the year - donated	-	261	-	8	1,027	-	254	-	1,550
Transfers between asset categories	-	-	-	26	(29)	-	3	-	-
Revaluations	-	(31,407)	-	-	-	-	-	-	(31,407)
Impairment charges	-	(2,410)	-	-	-	-	-	-	(2,410)
Disposals - purchased	-	(371)	-	(63)	(9,958)	(22)	(116)	-	(10,530)
Disposals - donated	-	-	-	-	(985)	-	-	-	(985)
At 31 March 2017	**-**	**94,063**	**-**	**1,232**	**198,869**	**93,296**	**6,933**	**-**	**394,393**
Net book value at 1 April 2016	111,761	1,778,701	462	291	116,067	22,978	7,333	81,819	2,119,412
Net book value at 31 March 2017	**92,227**	**1,788,927**	**-**	**349**	**107,714**	**19,534**	**5,444**	**83,823**	**2,098,018**
Open Market Value of Land in Land and Dwellings Included Above	**2,555**		**-**						
Asset financing:									
Owned - purchased	92,058	1,516,637	-	297	100,767	19,534	4,681	83,457	1,817,431
Owned - donated	169	5,972	-	52	6,947	-	763	366	14,269
On-balance sheet PFI contracts	-	266,318	-	-	-	-	-	-	266,318
Net book value at 31 March 2017	**92,227**	**1,788,927**	**-**	**349**	**107,714**	**19,534**	**5,444**	**83,823**	**2,098,018**

7a. PROPERTY, PLANT AND EQUIPMENT - BOARD PRIOR YEAR

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2016	111,621	1,855,674	462	1,484	300,515	108,181	12,366	81,819	2,472,122
Additions - purchased	-	21,553	-	-	2,920	-	-	64,793	89,266
Additions - donated	-	17	-	26	946	-	-	149	1,138
Completions	1,049	43,094	-	105	13,451	4,671	118	(62,488)	-
Transfers between asset categories	-	-	-	29	(38)	-	9	-	-
Transfers (to) / from non-current assets held for sale	(14,222)	-	-	-	-	-	-	-	(14,222)
Revaluations	(211)	(18,480)	-	-	-	-	-	-	(18,691)
Impairment charges	(50)	(18,124)	(462)	-	-	-	-	(450)	(19,086)
Disposals - purchased	(6,100)	(744)	-	(63)	(10,226)	(22)	(116)	-	(17,271)
Disposals - donated	-	-	-	-	(985)	-	-	-	(985)
At 31 March 2017	**92,087**	**1,882,990**	**-**	**1,581**	**306,583**	**112,830**	**12,377**	**83,823**	**2,492,271**
Depreciation									
At 1 April 2016	-	76,973	-	1,193	184,448	85,203	5,033	-	352,850
Provided during the year - purchased	-	51,017	-	68	24,366	8,115	1,759	-	85,325
Provided during the year - donated	-	261	-	8	1,027	-	254	-	1,550
Transfers between asset categories	-	-	-	26	(29)	-	3	-	-
Revaluations	-	(31,407)	-	-	-	-	-	-	(31,407)
Impairment charges	-	(2,410)	-	-	-	-	-	-	(2,410)
Disposals - purchased	-	(371)	-	(63)	(9,958)	(22)	(116)	-	(10,530)
Disposals - donated	-	-	-	-	(985)	-	-	-	(985)
At 31 March 2017	**-**	**94,063**	**-**	**1,232**	**198,869**	**93,296**	**6,933**	**-**	**394,393**
Net book value at 1 April 2016	111,621	1,778,701	462	291	116,067	22,978	7,333	81,819	2,119,272
Net book value at 31 March 2017	**92,087**	**1,788,927**	**-**	**349**	**107,714**	**19,534**	**5,444**	**83,823**	**2,097,878**
Open Market Value of Land in Land and Dwellings Included Above	**2,555**		**-**						
Asset financing:									
Owned - purchased	91,918	1,516,637	-	297	100,767	19,534	4,681	83,457	1,817,291
Owned - donated	169	5,972	-	52	6,947	-	763	366	14,269
On-balance sheet PFI contracts	-	266,318	-	-	-	-	-	-	266,318
Net book value at 31 March 2017	**92,087**	**1,788,927**	**-**	**349**	**107,714**	**19,534**	**5,444**	**83,823**	**2,097,878**

7b. 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, Drumchapel Hospital, Johnstone Hospital, Stoneyetts,Lennox Castle Hospital and Grange Road.

ASSETS HELD FOR SALE - CONSOLIDATED AND BOARD

	Note	Property, Plant & Equipment £'000	Intangible Assets £'000	Total £'000
At 1 April 2017		14,222	-	14,222
Transfers from property, plant and equipment		400	-	400
Disposals of non-current assets held for sale		(3,400)	-	(3,400)
At 31 March 2018		**11,222**	**-**	**11,222**

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

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

7c. PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated 2017 £'000	Board 2017 £'000		**Consolidated 2018 £'000**	**Board 2018 £'000**
		Net book value of property, plant and equipment at 31 March		
2,083,749	2,083,609	Purchased	**2,182,561**	**2,182,421**
14,269	14,269	Donated	**15,107**	**15,107**
2,098,018	2,097,878	**Total**	**2,197,668**	**2,197,528**
2,255	2,255	Net book value related to land valued at open market value at 31 March	**1,975**	**1,975**
		Total value of assets held under:		
266,318	266,318	PFI and PPP Contracts	**285,533**	**285,533**
266,318	266,318	**Total**	**285,533**	**285,533**
		Total depreciation charged in respect of assets held under:		
5,201	5,201	PFI and PPP contracts	**5,495**	**5,495**
5,201	5,201	**Total**	**5,495**	**5,495**

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 2017-18 the net impact was an increase in value of £102,007k for Purchased Assets and £366k for Donated Assets. In 2016-17 the value of Purchased Assets increased by £12,649k and the value of Donated Assets by £73k.

7d. ANALYSIS OF CAPITAL EXPENDITURE

	Note	2018 £'000	2017 £'000
Expenditure			
Acquisition of intangible assets	6	**-**	-
Acquisition of property, plant and equipment	7a	**77,351**	89,266
Donated asset additions	7a	**2,028**	1,138
HUB		**-**	404
Gross Capital Expenditure		**79,379**	90,808
Totals			
Net book value of disposal of intangible assets	6	**-**	13
Net book value of disposal of property, plant and equipment	7a	**114**	6,741
Value of disposal of non-current assets held for sale	7b	**3,400**	6,525
HUB - repayment of investment		**6**	3
Donated asset income		**2,028**	1,138
Capital Income		**5,548**	14,420
Net Capital Expenditure		**73,831**	76,388
Summary of Capital Resource Outturn			
Core Capital Expenditure included above		**46,260**	65,658
Core Capital Resource Limit		**46,264**	65,667
Saving against Core Capital Resource Limit		**4**	9
Non Core Capital Expenditure included above		**27,571**	10,730
Non Core Capital Resource Limit		**27,571**	10,730
Saving against Non Core Capital Resource Limit		**-**	-
Total Capital Expenditure		**73,831**	76,388
Total Capital Resource Limit		**73,835**	76,397
Saving against Total Capital Resource Limit		**4**	9

8. INVENTORIES

Consolidated 2017 £'000	Board 2017 £'000		Consolidated 2018 £'000	Board 2018 £'000
22,175	22,175	Raw materials and consumables	**21,595**	**21,595**
22,175	22,175	**Total Inventories**	**21,595**	**21,595**

9. TRADE AND OTHER RECEIVABLES

Consolidated 2017 £'000	Board 2017 £'000		Consolidated 2018 £'000	Board 2018 £'000
		Receivables due within one year		
		NHSScotland		
409	409	Scottish Government Health & Social Care Directorate	**478**	**478**
26,371	26,371	Boards	**53,226**	**53,226**
26,780	26,780	**Total NHSScotland Receivables**	**53,704**	**53,704**
1,315	1,315	NHS non-Scottish bodies	**1,266**	**1,266**
3,638	3,638	VAT recoverable	**2,411**	**2,411**
16,102	16,102	Prepayments	**17,211**	**17,211**
1,792	1,792	Accrued income	**4,712**	**4,712**
15,806	15,522	Other receivables	**24,200**	**23,634**
26,921	26,921	Reimbursement of provisions	**18,777**	**18,777**
5,736	5,736	Other public sector bodies	**5,647**	**5,647**
98,090	97,806	**Total Receivables due within one year**	**127,928**	**127,362**
		Receivables due after more than one year		
14,056	14,056	Other receivables	**7,096**	**7,096**
97,249	97,249	Reimbursement of provisions	**98,502**	**98,502**
111,305	111,305	**Total Receivables due after more than one year**	**105,598**	**105,598**
209,395	209,111	**TOTAL RECEIVABLES**	**233,526**	**232,960**
1,464	1,464	The total receivables figure above includes a provision for impairments	**2,047**	**2,047**

9. TRADE AND OTHER RECEIVABLES (cont)

Consolidated 2017 £'000	Board 2017 £'000		Consolidated 2018 £'000	Board 2018 £'000
		Movements on the provision for impairment of receivables are as follows:		
1,504	1,504	At 1 April	**1,464**	**1,464**
1,170	1,170	Provision for impairment	**1,206**	**1,206**
(38)	(38)	Receivables written off during the year as uncollectable	**-**	**-**
(1,172)	(1,172)	Unused amounts reversed	**(623)**	**(623)**
1,464	1,464	At 31 March	**2,047**	**2,047**

As of 31 March 2018, receivables with a carrying value of £2,047k (2017: £1,464k) were impaired and provided for. The ageing of these receivables is as follows:

£'000	£'000		£'000	£'000
359	359	3 to 6 months past due	**-**	**-**
1,105	1,105	Over 6 months past due	**2,047**	**2,047**
1,464	1,464		**2,047**	**2,047**

The receivables assessed as individually impaired were mainly [English, Welsh and Irish NHS Trusts/ Health Authorities, 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 2018, receivables with a carrying value of £5,693k (2017: £4,792k) 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
2,806	2,806	Up to 3 months past due	**3,862**	**3,862**
1,138	1,138	3 to 6 months past due	**961**	**961**
848	848	Over 6 months past due	**870**	**870**
4,792	4,792		**5,693**	**5,693**

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
202,855	202,855	Existing customers with no defaults in the past	**225,220**	**225,220**
202,855	202,855	Total neither past due or impaired	**225,220**	**225,220**

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

£'000	£'000	The carrying amount of receivables are denominated in the following currencies:	£'000	£'000
209,395	209,111	Pounds	**233,526**	**232,960**
209,395	209,111		**233,526**	**232,960**

All non-current receivables are due within 6 years (2016-17: 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 £14,036k (2016-17: £14,056k).

10. AVAILABLE FOR SALE FINANCIAL ASSETS

Consolidated 2017 £'000	Board 2017 £'000		Consolidated 2018 £'000	Board 2018 £'000
82,711	863	Other	**85,036**	**857**
82,711	863	**Total Available For Sale Financial Assets**	**85,036**	**857**
85,205	462	At 1 April	**82,711**	**863**
12,428	405	Additions	**79,172**	**-**
(20,220)	(4)	Disposals	**(76,850)**	**(6)**
5,298	-	Revaluation surplus / (deficit) transferred to equity	**3**	**-**
82,711	863	**At 31 March**	**85,036**	**857**
82,711	863	Non-current	**85,036**	**857**
82,711	863	**At 31 March**	**85,036**	**857**

A repayment of £6k 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 £84.2M of which £63.3M relates to restricted funds.

11. CASH AND CASH EQUIVALENTS	At 31 March 2018 £'000	At 1 April 2017 £'000
Government Banking Service	**131**	21
Commercial banks and cash in hand	**621**	413
Endowment cash	**943**	6,255
Total Cash - Balance Sheet	**1,695**	6,689
Totals	**-**	-
Total Cash - Cash Flow Statement	**1,695**	6,689

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.

12. TRADE AND OTHER PAYABLES

Consolidated 2017 £'000	Board 2017 £'000		Consolidated 2018 £'000	Board 2018 £'000
		Payables due within one year		
		NHSScotland		
1,371	1,371	Scottish Government Health & Social Care Directorate	**108**	**108**
7,856	7,856	Boards	**8,500**	**8,500**
9,227	9,227	**Total NHSScotland Payables**	**8,608**	**8,608**
1,061	1,061	NHS Non-Scottish bodies	**842**	**842**
434	434	Amounts payable to General Fund	**752**	**752**
48,518	48,518	FHS practitioners	**43,712**	**43,712**
9,184	9,184	Trade payables	**11,167**	**11,167**
125,125	125,125	Accruals	**138,982**	**138,982**
24,812	24,812	Deferred income	**26,815**	**26,815**
125	125	Payments received on account	**100**	**100**
4,501	4,501	Net obligations under PPP / PFI Contracts	**4,992**	**4,992**
33,330	33,330	Income tax and social security	**34,961**	**34,961**
21,950	21,950	Superannuation	**22,467**	**22,467**
7,860	7,860	Holiday pay accrual	**7,655**	**7,655**
13,271	13,271	Other public sector bodies	**14,241**	**14,241**
5,523	3,832	Other payables	**8,297**	**6,770**
304,921	303,230	**Total Payables due within one year**	**323,591**	**322,064**
		Payables due after more than one year		
4,863	4,863	Net obligations under PPP / PFI contracts due within 2 years	**5,393**	**5,393**
17,066	17,066	Net obligations under PPP / PFI contracts due after 2 years but within 5 years	**18,916**	**18,916**
218,347	218,347	Net obligations under PPP / PFI contracts due after 5 years	**219,269**	**219,269**
2,635	2,635	Deferred income	**2,483**	**2,483**
38,440	38,440	Other payables	**36,780**	**36,780**
281,351	281,351	**Total Payables due after more than one year**	**282,841**	**282,841**
586,272	584,581	**TOTAL PAYABLES**	**606,432**	**604,905**

12. TRADE AND OTHER PAYABLES (cont)

Consolidated 2017 £'000	Board 2017 £'000		**Consolidated 2018 £'000**	**Board 2018 £'000**
		Borrowings included above comprise:		
244,777	244,777	PFI contracts	**248,570**	**248,570**
244,777	244,777		**248,570**	**248,570**
		The carrying amount and fair value of the non-current borrowings are as follows		
		Carrying amount		
240,276	240,276	PFI contracts	**243,578**	**243,578**
240,276	240,276		**243,578**	**243,578**
		Fair value		
240,276	240,276	PFI contracts	**243,578**	**243,578**
240,276	240,276		**243,578**	**243,578**
		The carrying amount of payables are denominated in the following currencies:		
		The carrying amount of payables are denominated in the following currencies:		
586,272	584,581	Pounds	**606,432**	**604,905**
586,272	584,581		**606,432**	**604,905**

13a. PROVISIONS - CONSOLIDATED AND BOARD

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other	Total at 31 March 2018	Total at 31 March 2017
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2017	55,831	94,825	172,102	1,948	**324,706**	211,318
Arising during the year	420	23,896	37,224	1,664	**63,204**	154,221
Utilised during the year	(3,978)	(3,257)	(6,949)	(561)	**(14,745)**	(18,866)
Unwinding of discount	493	-	(692)	-	**(199)**	6,472
Reversed unutilised	(2,013)	(27,505)	(13,762)	(548)	**(43,828)**	(28,439)
Totals	**50,753**	**87,959**	**187,923**	**2,503**	**329,138**	324,706

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

Analysis of expected timing of discounted flows to 31 March 2018

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other	Total at 31 March 2018	Total at 31 March 2017
	£'000	£'000	£'000	£'000	£'000	£'000
Payable in one year	3,486	19,780	27,440	1,643	**52,349**	67,263
Payable between 2 - 5 years	13,732	68,179	106,558	860	**189,329**	166,650
Payable between 6 - 10 years	15,251	-	3,818	-	**19,069**	19,995
Thereafter	18,284	-	50,107	-	**68,391**	70,798
Totals	**50,753**	**87,959**	**187,923**	**2,503**	**329,138**	324,706

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 0.1% in real terms. The Board expects expenditure to be charged to this provision for a period of up to 38 years.

Clinical & Medical Legal Claims against NHS 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.

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

2017 £'000		**2018 £'000**
96,773	Provision recognising individual claims against the NHS Board as at 31 March	**90,462**
(124,170)	Associated CNORIS receivable at 31 March	**(117,279)**
172,102	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	**187,923**
144,705	**Net Total Provision relating to CNORIS at 31 March**	**161,106**

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

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

14. 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 2017	107,808	1,586	**109,394**
Increase in value of claims	1,525	540	**2,065**
New claims arising during the year	38,754	623	**39,377**
Crystallised liabilities	(909)	(155)	**(1,064)**
Totals	(43,079)	(700)	**(43,779)**
At 31 March 2018	**104,099**	**1,894**	**105,993**

(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:	**2018**	2017
	£'000	£'000
Reimbursement of Contingent Liability re Negligence Claims (from CNORIS scheme) as follows:		
Clinical & Medical Negligence	**102,003**	105,495
Employer's Liability	**1,125**	760
Total	**103,128**	106,255

15. COMMITMENTS

Capital Commitments

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

	2018	2017
	£'000	£'000
Contracted		
Acute Services Projects	**11,430**	15,313
Primary Care Projects	**-**	3,674
Radiotherapy	**2,589**	2,895
Total	**14,019**	21,882
Authorised but not Contracted		
Acute Services Projects	**3,192**	12,252
HUB Projects	**1,527**	-
Total	**4,719**	12,252

16. 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:	2018	2017
	£'000	£'000
Buildings		
Not later than one year	**4,323**	5,175
Later than one year, not later than 2 years	**3,781**	3,494
Later than two year, not later than five years	**8,542**	7,718
Later than five years	**12,083**	10,827
Other		
Not later than one year	**1,908**	2,797
Later than one year, not later than 2 years	**705**	2,151
Later than two year, not later than five years	**208**	251
Amounts charged to Operating Costs in the year were:		
Hire of equipment (including vehicles)	**2,607**	2,796
Other operating leases	**6,039**	5,206
Total	**8,646**	8,002
Aggregate Rentals Receivable in the year		
Total of Operating Leases	**3,457**	3,162

17. 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.

9. Inverclyde Orchardview. HUB contract commenced with HUB West Scotland Project Co. on 17 July 2017 for a period of 25 years. Estimated capital value at commencement £8.4M.

17. 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**	**Inverclyde**	**2018 Totals**	2017 Totals
	£'000	**£'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	8,813	1,672	882	1,180	719	**25,096**	24,376
Due within 1 to 2 years	790	1,064	1,455	1,549	6,972	8,813	1,672	882	1,180	719	**25,096**	24,377
Due within 2 to 5 years	2,370	3,192	4,364	4,646	20,916	26,439	5,015	2,646	3,540	2,157	**75,285**	73,128
Due after 5 years	2,370	6,384	21,820	30,977	118,522	149,823	28,416	16,758	22,420	14,380	**411,870**	421,866
Total	**6,320**	**11,704**	**29,094**	**38,721**	**153,382**	**193,888**	**36,775**	**21,168**	**28,320**	**17,975**	**537,347**	543,747

Totals

Less Interest Element	**Larkfield**	**SGH Eld Bed**	**Gart Royal**	**Stb Rwbnk**	**Stb ACAD**	**Vic ACAD**	**Stb ACAD 60 Bed Ext**	**Eastwood**	**Maryhill**	**Inverclyde**	**Totals**	Totals
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	(336)	(633)	(1,098)	(1,299)	(5,707)	(7,214)	(1,463)	(758)	(1,006)	(590)	**(20,104)**	(19,875)
Due within 1 to 2 years	(303)	(596)	(1,072)	(1,280)	(5,605)	(7,086)	(1,442)	(747)	(991)	(581)	**(19,703)**	(19,514)
Due within 2 to 5 years	(691)	(1,535)	(3,040)	(3,712)	(16,117)	(20,374)	(4,178)	(2,168)	(2,874)	(1,680)	**(56,369)**	(56,062)
Due after 5 years	(303)	(1,549)	(8,802)	(15,273)	(55,214)	(69,795)	(14,925)	(8,586)	(11,323)	(6,831)	**(192,601)**	(203,519)
Total	**(1,633)**	**(4,313)**	**(14,012)**	**(21,564)**	**(82,643)**	**(104,469)**	**(22,008)**	**(12,259)**	**(16,194)**	**(9,682)**	**(288,777)**	(298,970)

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**	**Inverclyde**	**Totals**	Totals
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	454	431	357	250	1,265	1,599	209	124	174	129	**4,992**	4,501
Due within 1 to 2 years	487	468	383	269	1,367	1,727	230	135	189	138	**5,393**	4,863
Due within 2 to 5 years	1,679	1,657	1,324	934	4,799	6,065	837	478	666	477	**18,916**	17,066
Due after 5 years	2,067	4,835	13,018	15,704	63,308	80,028	13,491	8,172	11,097	7,549	**219,269**	218,347
Total	**4,687**	**7,391**	**15,082**	**17,157**	**70,739**	**89,419**	**14,767**	**8,909**	**12,126**	**8,293**	**248,570**	244,777

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**	**Inverclyde**	**Totals**	Totals
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	320	303	739	529	1,613	2,040	362	107	83	49	**6,145**	5,962
Due within 1 to 2 years	328	310	758	543	1,654	2,091	372	110	85	50	**6,301**	6,112
Due within 2 to 5 years	1,033	978	2,389	1,711	5,214	6,591	1,171	345	267	159	**19,858**	19,266
Due after 5 years	1,113	2,187	14,998	15,302	38,089	48,148	8,556	2,895	2,243	1,422	**134,953**	140,569
Total	**2,794**	**3,778**	**18,884**	**18,085**	**46,570**	**58,870**	**10,461**	**3,457**	**2,678**	**1,680**	**167,257**	171,909
Total commitments	**7,481**	**11,169**	**33,966**	**35,242**	**117,309**	**148,289**	**25,228**	**12,366**	**14,804**	**9,973**	**415,827**	416,686

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

	2018	2017
	£'000	£'000
Interest charges	20,292	19,776
Service charges	6,144	5,980
Other charges	6,138	5,527
Total	**32,574**	**31,283**

Contingent rents recognised as an expense in the period were;

	2018	2017
	£'000	£'000
Contingent rents (included in Other charges)	**6,138**	**5,527**

18. PENSION COSTS

(a) The Board participates in the NHS Pension Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a 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 Board is unable to identify its share of the underlying assets and liabilities of the scheme.

(iii) The employer contribution rate for the year 2017-18 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 2017 were £753.9 million (see note 3 in the scheme accounts). Contributions collected in the year to 31 March 2018 will be published in October 2018.)

The Board's level of participation in the scheme is 21.5% based on the proportion of employer contributions paid in 2016-17.

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 2017-18 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings. The normal pension age (NPA) is the same as the State Pension age. Members can take their benefits earlier but there will be a deduction for early payment.

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

All other members automatically joined the NHS 2015 scheme on 1 April 2015.
Further information is available on the Scottish Public Pensions Agency (SPPA) web site at www.sppa.gov.uk.

National Employment Savings Trust (NEST)
The Pensions Act 2008 and 2011 Automatic Enrolment regulations required all employers to enrol workers meeting certain criteria into a pension scheme and pay contributions toward their retirement. For those staff not entitled to join the NHS Superannuation Scheme (Scotland), the Board utilised an alternative pension scheme called NEST to fulfil its Automatic Enrolment obligations.
NEST is a defined contribution pension scheme established by law to support the introduction of Auto Enrolment. Contributions are taken from qualifying earnings, which are currently from £5,876 up to £45,000, but will be reviewed every year by the government. The initial employee contribution is 1% of qualifying earnings, with an employer contribution of 1%. This will increase in stages to meet levels set by government.

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

Pension members can chose to let NEST manage their retirement fund or can take control themselves and alter contribution levels and switch between different funds. If pension members leave the Board they can continue to pay into NEST.
NEST Pension members can take money out of NEST at any time from age 55. If suffering from serious ill health or incapable of working due to illness members can request to take money out of NEST early. They can take the entire retirement fund as cash, use it to buy a retirement income or a combination. Additionally members can transfer their NEST retirement fund to another scheme.
NEST is run by NEST Corporation, a trustee body which is a non-departmental public body operating at arm's length from government and is accountable to Parliament through the Department for Work and Pensions.

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

	2018	2017
	£'000	£'000
Pension cost charge for the year	**163,369**	162,395
Additional costs arising from early retirement	**1,025**	1,306
Provisions / liabilities / prepayments included in the Statement of Financial Position	**50,753**	55,831

19. PRESENTATION OF THE STATEMENT OF CONSOLIDATED NET EXPENDITURE

The presentation of the Statement of Comprehensive Net Expenditure has been changed following a review of our financial statements in order to provide information which better reflects the activities of NHS Greater Glasgow & Clyde. The comparative information in respect of 2016-17 has been presented in the new format in the SoCNE. [No retrospective restatements were required./The comparative information in respect of 2016-17 has been restated. Details of the restatement can be found in Note 21.]

Changes to the presentation of the SoCNE affect expenditure and income categories. Staff costs and expenditure on drugs and medical supplies have been removed from previous expenditure categories and are now shown on the face of the SoCNE. This provides greater transparency over the nature of NHS Greater Glasgow & Clyde's expenditure. Further information on the composition of expenditure categories is disclosed in Note 3.

Income is now shown as a single figure. Further details are disclosed in Note 4.

	2017
2016-17 expenditure as published	**£'000**
Hospital and Community	**3,890,530**
Family Health	**582,671**
Administration Costs	**8,992**
Other Non-Clinical Services	**137,594**
Totals	**4,619,787**
2016-17 expenditure conforming to the new presentation	**£'000**
Staff Costs	**1,622,048**
Other expenditure	
Independent Primary Care Services	**347,232**
Drugs and medical supplies	**599,956**
Other health care expenditure	**2,050,551**
Gross expenditure for the year	**4,619,787**
Movement in gross expenditure for the year	**-**
2016-17 income as published	**£'000**
Hospital and Community Income	**1,875,156**
Family Health Income	**15,684**
Administration Income	**42**
Other Operating Income	**86,849**
Gross income for the year	**1,977,731**
2016-17 income conforming to the new presentation	**£'000**
Operating income	**1,977,731**
Gross income for the year	**1,977,731**
Movement in gross income for the year	**-**

20. FINANCIAL INSTRUMENTS

20. (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 2018	Total at 31 March 2017
		£'000	£'000	£'000	£'000	£'000
Investments	10	-	-	85,036	**85,036**	82,711
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	42,921	-	-	**42,921**	38,705
Cash and cash equivalents	11	1,695	-	-	**1,695**	6,689
Totals		**44,616**	**-**	**85,036**	**129,652**	128,105

BOARD	Note	Loans and Receivables	Assets at Fair Value through Profit and Loss	Available for Sale	Total at 31 March 2018	Total at 31 March 2017
		£'000	£'000	£'000	£'000	£'000
Investments	10	-	-	857	**857**	863
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	42,355	-	-	**42,355**	38,421
Cash and cash equivalents	11	752	-	-	**752**	434
Totals		**43,107**	**-**	**857**	**43,964**	39,718

Financial Liabilities

CONSOLIDATED	Note	Liabilities at at Fair Value through Profit and Loss	Other Financial Liabilites	Total at 31 March 2018	Total at 31 March 2017
		£'000	£'000	£'000	£'000
PFI Liabilities	12	-	248,570	**248,570**	244,777
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	-	262,528	**262,528**	249,541
Totals		**-**	**511,098**	**511,098**	494,318

BOARD	Note	Liabilities at at Fair Value through Profit and Loss	Other Financial Liabilites	Total at 31 March 2018	Total at 31 March 2017
		£'000	£'000	£'000	£'000
PFI Liabilities	12	-	248,570	**248,570**	244,777
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	-	261,001	**261,001**	247,850
Totals		**-**	**509,571**	**509,571**	492,627

20. FINANCIAL INSTRUMENTS

20. (b) FINANCIAL RISK FACTORS

b FINANCIAL RISK FACTORS

Exposure to Risk

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

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

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

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

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

a) Credit Risk

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

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

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

The utilisation of credit limits is regularly monitored.

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

b) Liquidity Risk

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

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

	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years
	£'000	£'000	£'000	£'000
AS AT 31 MARCH 2018				
PFI/HUB Liabilities	4,992	5,393	18,916	219,269
Trade and other payables excluding statutory liabilities	225,748	1,474	4,420	30,886
Totals	**230,740**	**6,867**	**23,336**	**250,155**

	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**

c) Market Risk

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

i) Cash flow and fair value interest rate risk

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

ii) Foreign Currency Risk

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

20. (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.

21. 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
British Heart Foundation	NHS Greater Glasgow and Clyde had the following transactions in 2017-18 - income £23,461.	Prof A Dominiczak OBE, Non-Executive Director was also a Trustee and Vice-Chair of the British Heart Foundation.
CIPFA	NHS Greater Glasgow and Clyde had the following transactions in 2017-18 - expenditure £3,398.	Mr M White, Executive Director was also a Junior Vice-Chair of CIPFA.
East Dunbartonshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2017-18 - income £705,802, expenditure £13,372,998. Year end balances - debtor £65,752, creditor £998,592.	Councillor S Mechan, Non-Executive Director was also an elected member of East Dunbartonshire Council.
East Renfrewshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2017-18 - income £6,811,012, expenditure £9,968,213. Year end balances - debtor £1,519,521, creditor £1,859,787.	Councillor C Bamforth, Non-Executive Director was also an elected member of East Renfrewshire Council.
Glasgow Association for Mental Health	NHS Greater Glasgow and Clyde had the following transactions in 2017-18 - expenditure £51,234.	Ms M Brown, Non-Executive Director was also a Board Member of Glasgow Association for Mental Health.
Glasgow City Council	NHS Greater Glasgow and Clyde had the following transactions in 2017-18 - income £6,679,847, expenditure £110,206,865. Year end balances - debtor £1,401,060, creditor £2,109,289.	Councillor M Hunter, Non-Executive Director was also an elected member of Glasgow City Council.
Glasgow Simon Community	NHS Greater Glasgow and Clyde had the following transactions in 2017-18 - expenditure £13,595.	Dr L de Caestecker, Non-Executive Director was also a Director of Glasgow Simon Community.
Inverclyde Council	NHS Greater Glasgow and Clyde had the following transactions in 2017-18 - income £1,158,063, expenditure £14,488,640. Year end balances - debtor £269,220.	Councillor J Clocherty, Non-Executive Director was also an elected member of Inverclyde Council.
Medical Schools Council	NHS Greater Glasgow and Clyde had the following transactions in 2017-18 - expenditure £2,000.	Prof A Dominiczak OBE, Non-Executive Director was also a Trustee of the Medical Schools Council.
Mental Health Foundation	NHS Greater Glasgow and Clyde had the following transactions in 2017-18 - expenditure £4,750.	Dr L de Caestecker, Non-Executive Director was also a Trustee of the Mental Health Foundation.
Renfrewshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2017-18 - income £1,949,055, expenditure £24,609,561. Year end balances - debtor £716,058, creditor £2,859,776.	Councillor I Nicolson, Non-Executive Director was also an elected member of Renfrewshire Council.
University of Glasgow	NHS Greater Glasgow and Clyde had the following transactions in 2017-18 - income £7,994,285, expenditure £14,232,781. Year end balances - debtor £438,222, creditor £59,522.	Prof A Dominiczak OBE, Non-Executive director, is Vice-Principal of Glasgow University and Head of Medical, Veterinary and Life Sciences.
West Dunbartonshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2017-18 - income £1,557,389, expenditure £13,802,831. Year end balances - debtor £923,672, creditor £270,428.	Councillor J McColl, 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 £84,301,000 in 2017-18 and a year end debtor balance of £93,000.	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 2017-18 - income £99,721,000, expenditure £99,721,000.	Mr I Fraser, Non-Executive Director, was also a Chair of East Dunbartonshire Integration Joint Board. Ms J Forbes, Cllr S Mechan and Mr I Ritchie, 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 2017-18 - income £91,995,000, expenditure £91,995,000.	Ms S Brimelow OBE, Non-Executive Director, was also a Chair of East Renfrewshire Integration Joint Board. Ms M Brown, Non-Executive Director, was also a Vice-Chair of East Renfrewshire Integration Joint Board. Cllr C Bamforth, Mr J Matthews OBE 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 2017-18 - income £777,704,000, expenditure £777,690,000. Year end balances - debtor £14,000.	Ms T McAuley OBE, Non-Executive Director, was also a Chair of Glasgow City Integration Joint Board. Mr S Carr, Ms J Donnelly, Mr R Finnie, Ms J Forbes, Cllr M Hunter, Mr J Matthews OBE, Ms A-M Monaghan 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 2017-18 - income £93,599,000 expenditure £93,654,000. Year end balances - creditor £55,000.	Mr S Carr, Non-Executive Director, was also a Chair of Inverclyde Integration Joint Board. Mr A Cowan, Cllr J Clocherty, 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 2017-18 - income £155,339,000, expenditure £155,339,000.	Dr D Lyons, Non-Executive Director, was also a Chair of Renfrewshire Integration Joint Board. Ms M Brown, Dr L de Caestecker, Ms D McErlean and Mr I Nicolson, 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 2017-18 - income £105,821,000, expenditure £105,821,000.	Mr A Macleod, Non-Executive Director, was also a Vice-Chair of West Dunbartonshire Integration Joint Board. Cllr J McColl, Ms R Sweeney and Ms A Thomson, Non-Executive Directors, were also members of West Dunbartonshire Integration Joint Board.

22. THIRD PARTY ASSETS

	At 1 April 2017 £'000	Gross Inflows £'000	Gross Outflows £'000	At 31 March 2018 £'000
Monetary amounts such as bank balances and monies on deposit	3,499	2,292	(2,363)	**3,428**
Total Third Party Assets	**3,499**	**2,292**	**(2,363)**	**3,428**

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.

23. (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
	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total income and expenditure											
Staff costs	1,635,802	-	-	-	-	-	-	-	-	1,635,802	1,622,048
Other operating expenditure											
Independent Primary Care Services	351,176	-	-	-	-	-	-	-	-	351,176	347,232
Drugs and medical supplies	610,520	-	-	-	-	-	-	-	-	610,520	599,956
Other health care expenditure	1,999,926	11,173	(2,394)	-	-	-	-	-	-	2,008,705	2,050,551
Totals	**4,597,424**	**11,173**	**(2,394)**	**-**	**-**	**-**	**-**	**-**	**-**	**4,606,203**	4,619,787
Less: operating income	(2,003,590)	(8,622)	2,394	-	-	-	-	-	-	(2,009,818)	(1,977,731)
Joint Ventures accounted for on an equity basis	-			(36)	(847)	(1,023)	(1,721)	(6,033)	(1,838)	(11,498)	(17,589)
Net Expenditure	**2,593,834**	**2,551**	**-**	**(36)**	**(847)**	**(1,023)**	**(1,721)**	**(6,033)**	**(1,838)**	**2,584,887**	2,624,467

1. Other health care expenditure - £2,394k. Represents income transferred by the Board to Endowments in 2017-18. This is shown as expenditure in the Board's financial statements.
2. Operating Income - £2,394k. Represents the value of R&D income transferred to Endowments by the Board in 2017-18. This is shown as income in the Endowment accounts.
3. Realised losses from endowment investments of £716k have been recognised in the Other health care expenditure 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.

23. (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
	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets:											
Property, plant and equipment	2,197,528	140	-	-	-	-	-	-	-	2,197,668	2,098,018
Intangible assets	213	-	-	-	-	-	-	-	-	213	272
Financial assets:											
Available for sale financial assets	857	84,179	-	-	-	-	-	-	-	85,036	82,711
Investment in joint ventures	-	-	19,093	36	847	1,023	1,721	6,033	1,838	30,591	19,093
Trade and other receivables	105,598	-	-	-	-	-	-	-	-	105,598	111,305
Total non-current assets	2,304,196	84,319	19,093	36	847	1,023	1,721	6,033	1,838	**2,419,106**	**2,311,399**
Current Assets:											
Inventories	21,595	-	-	-	-	-	-	-	-	21,595	22,175
Intangible assets	1,259	-	-	-	-	-	-	-	-	1,259	797
Financial assets:											
Trade and other receivables	127,362	659	(93)	-	-	-	-	-	-	127,928	98,090
Cash and cash equivalents	752	943	-	-	-	-	-	-	-	1,695	6,689
Assets classified as held for sale	11,222	-	-	-	-	-	-	-	-	11,222	14,222
Total current assets	162,190	1,602	(93)	-	-	-	-	-	-	**163,699**	**141,973**
Total assets	**2,466,386**	**85,921**	**19,000**	**36**	**847**	**1,023**	**1,721**	**6,033**	**1,838** -	**2,582,805**	**2,453,372**
Current liabilities:											
Provisions	(52,349)	-	-	-	-	-	-	-	-	(52,349)	(67,263)
Financial liabilities:											
Trade and other payables	(322,064)	(1,620)	93	-	-	-	-	-	-	(323,591)	(304,921)
Total current liabilities	**(374,413)**	**(1,620)**	**93**	**-**	**-**	**-**	**-**	**-**	**-**	**(375,940)**	**(372,184)**
Non-current assets plus/less net current assets/liabilities	**2,091,973**	**84,301**	**19,093**	**36**	**847**	**1,023**	**1,721**	**6,033**	**1,838**	**2,206,865**	**2,081,188**
Non-current liabilities											
Provisions	(276,789)	-	-	-	-	-	-	-	-	(276,789)	(257,443)
Financial liabilities:											
Trade and other payables	(282,841)	-	-	-	-	-	-	-	-	(282,841)	(281,351)
Total non-current liabilities	**(559,630)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(559,630)**	**(538,794)**
Assets less liabilities	**1,532,343**	**84,301**	**19,093**	**36**	**847**	**1,023**	**1,721**	**6,033**	**1,838**	**1,647,235**	**1,542,394**
TAXPAYERS' EQUITY											
General fund	1,200,569	-	-	-	-	-	-	-	-	1,200,569	1,182,707
Revaluation reserve	331,774	-	-	-	-	-	-	-	-	331,774	253,758
Other reserves - joint venture	-	30,591	-	-	-	-	-	-	-	30,591	19,093
Funds Held on Trust	-	84,301	-	-	-	-	-	-	-	84,301	86,836
	1,532,343	**114,892**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,647,235**	**1,542,394**

Note:

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

23. (c) CONSOLIDATED STATEMENT OF CASHFLOWS

Group 2017		Board 2018	Endowment 2018	Intra Group adjustment 2018	E Dunb IJB 2018	W Dunb IJB 2018	E Ren IJB 2018	Ren IJB 2018	Glasgow City IJB 2018	Inverclyde IJB 2018	Group 2018
£'000		£'000	£'000	£'001	£'002	£'003	£'004	£'005	£'006	£'007	£'000
	NET OPERATING CASHFLOW										
(2,624,467)	Net operating cost	(2,593,834)	(2,551)	-	36	847	1,023	1,721	6,033	1,838	(2,584,887)
56,189	Adjustments for non cash transactions	63,255	-	-	(36)	(847)	(1,023)	(1,721)	(6,033)	(1,838)	51,757
26,248	Interest payable	20,093	-	-	-	-	-	-	-	-	20,093
-	Interest receivable	(5)	-	-	-	-	-	-	-	-	(5)
(1,612)	Investment Income	-	(1,822)	-	-	-	-	-	-	-	(1,822)
74,380	Net movement on working capital	(8,920)	(446)	-	-	-	-	-	-	-	(9,366)
(2,469,262)	**Net cash outflow from operating activities**	**(2,519,411)**	**(4,819)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,524,230)**
	INVESTING ACTIVITIES										
(105,377)	Purchase of property, plant and equipment	(72,129)	-	-	-	-	-	-	-	-	(72,129)
(250)	Transfer of assets (to)/from other NHS bodies	(462)	-	-	-	-	-	-	-	-	(462)
(12,428)	Purchase of intangible assets	-	(79,172)	-	-	-	-	-	-	-	(79,172)
-	Investment Additions	(240)	-	-	-	-	-	-	-	-	(240)
20,028	Proceeds of disposal of property, plant and equipment	7,027	-	-	-	-	-	-	-	-	7,027
13	Proceeds of disposal of intangible assets	-	-	-	-	-	-	-	-	-	-
17,825	Receipts from sale of investments	-	53,158	-	-	-	-	-	-	-	53,158
1,902	Interest received	5	1,829	-	-	-	-	-	-	-	1,834
(78,287)	Net cash outflow from Investing Activities	**(65,799)**	**(24,185)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(89,984)**
	FINANCING										
2,560,375	Funding	2,601,510	-	-	-	-	-	-	-	-	2,601,510
53	Movement in general fund working capital	318	-	-	-	-	-	-	-	-	318
2,560,428	Cash drawn down	2,601,828	-	-	-	-	-	-	-	-	2,601,828
17,398	Capital element of payments in respect of finance leases and on balance sheet PFI Contracts	3,793	-	-	-	-	-	-	-	-	3,793
(6,472)	Interest paid	199	-	-	-	-	-	-	-	-	199
(19,776)	Interest element of finance leases and on balance sheet PFI Contracts	(20,292)	-	-	-	-	-	-	-	-	(20,292)
2,551,578	Net cash inflow from financing	**2,585,528**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,585,528**
4,029	**Increase in cash in year**	**318**	**(29,004)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(28,686)**
35,422	Net cash at 1 April	434	39,017	-	-	-	-	-	-	-	39,451
39,451	**Net cash at 31 March**	**752**	**10,013**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10,765**

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