NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts For the Year Ended 31 March 2020

The image shown on the front cover is the new Gorbals Health Centre.

Performance Report

This Performance Report, part of the Annual Accounts, is designed to provide information on NHS Greater Glasgow and Clyde (NHSGGC), particularly its main objectives, strategies and principal risks. The purpose of the Overview section is to provide the reader with a 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. NHSGGC 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 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 an Operational Plan for the area;
- implementation of the Operational Plan;
- resource allocation to address local priorities; and
- performance management of the local NHS system.

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 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 rehabilitation sites.

Our annual workload includes:

- around 510,000 emergency attendances;
- around 215,000 scheduled inpatient and day cases;
- over 1,185,000 outpatient appointments**;**
- around 7.5 million GP attendances;
- delivery of around 13,600 babies;
- dispensing around 24 million prescriptions.

Chief Executive's Statement

During the past year NHSGGC has faced a number of significant challenges. The Covid-19 pandemic presented the biggest challenge the NHS has faced in its history, impacting on all staff and all aspects of service delivery. At the peak of the pandemic the Board had over 600 inpatients, with 78 patients in intensive care. However, effective planning of resources, swift action, and the sheer dedication of all staff and volunteers enabled us to care for all patients safely and effectively. Everyone involved deserves enormous credit. At the time of this report the remobilisation process is underway however the consequences of the Covid-19 period, both in terms of performance and finance, will be significant moving forward. There is no doubt the landscape in which we work has changed immeasurably. The remobilisation of services brings both further challenge and also opportunity in terms of service redesign. Notwithstanding, the organisation has responded proactively to the many issues that have arisen throughout the year, with staff at all levels to be commended.

The latter part of 2018-19 saw the organisation commission an internal review in response to a number of concerns that had come to light around the operational effectiveness of the Queen Elizabeth University Hospital (QEUH) and the Royal Hospital for Children (RHC) since it opened in April 2015. The aim of the internal review was to provide a strategic overview of key issues and concerns and identify actions and further areas for improvement to address the problems identified by this work. In addition an external technical advisor was commissioned to review those elements of the QEUH and RHC buildings that were cause for concern. This internal review reported to the NHS Board in December 2019 with all elements having been reviewed through variety of governance fora. At the December 2019 meeting the Board approved that Court proceedings should be raised against the parties responsible for delivering the QEUH/RHC construction project, and engaged MacRoberts LLP to act on its behalf.

In March 2019 an independent review of the QEUH Campus was commissioned by the Cabinet Secretary for Health & Sport, co-chaired by Dr Brian Montgomery and Dr Andrew Fraser. The aim of this review was to address concerns about patient safety, and specifically look at the buildings' design, commissioning and construction, handover and on-going maintenance, and how these

matters contribute to effective infection control. The QEUH Review Report was published in June 2020 and the Board have drafted and started implementing an action plan.

In September 2019, the Scottish Government announced a Public Inquiry into the RHC and Young People in Edinburgh and the QEUH Campus. This followed concerns from affected parents over safety and wellbeing. Lord Brodie QC has been appointed the Inquiry Chair. This Inquiry commenced on the 3rd August 2020.

In November 2019, in light of what was described as on-going issues around the systems, processes and governance in relation to infection prevention, management and control at the QEUH and the RHC and the associated communication and public engagement issues, the Board was escalated to Stage 4 of the NHS Scotland Board Performance Escalation Framework. In light of these circumstances, an Oversight Board was established, chaired by Professor Fiona McQueen, Chief Nursing Officer for Scotland. In addition, responsibility for infection prevention and control was assumed by Professor Marion Bain, who was subsequently supported by Professor Angela Wallace.

In January 2020 the Board was further escalated to Level 4 of the NHS Scotland Board Performance Escalation Framework in respect of scheduled care, unscheduled care, primary care out of hours, and culture and leadership. Calum Campbell, then Chief Executive of NHS Lanarkshire was appointed as Turnaround Director and an Oversight Board was established, chaired by John Connaghan. The Board were on course to achieve the targets set for the 31st March 2020, however the process was paused for the outbreak of Covid-19.

Through the various processes described, the Board has co-operated fully and has welcomed the additional oversight over an extremely complex set of issues. The Board is fully committed to addressing issues identified and working through recommendations made, with significant progress made in a number of areas. In terms of performance notable improvements were achieved towards the year end.

Healthcare Quality Strategy

In February 2019, the Board approved our Healthcare Quality Strategy for 2019-23. It is a framework which outlines how we intend to continuously improve the quality of care to our patients, carers and communities over the next five years. The provision of high quality health and social care services to our population is at the centre of everything we do. One of the key challenges for NHSGGC is how to improve and transform our services to meet the current and future health needs across all health and care settings. As our health and social care services change, we also need to make sure that the care that we provide to our patients and their families or carers is person centred and meets high standards of clinical quality and safety.

Since the approval of the *Healthcare Quality Strategy for 2019-23* in February 2019 the Healthcare Quality Strategy group have been developing work streams to deliver the key objectives. Central to this has been the focus on person centred care and more specifically person centred visiting. This work across the Board was successfully moving to completion phase as Covid-19 emerged. Despite the necessary restrictions on visiting the core principles generated from staff and patient engagement sessions were utilised to develop the Board's person centred virtual visiting approach. This enabled NHSGGC to continue to work with who and what mattered to patient and

families despite the circumstances. We will build on this work with the newly formulated person centred group which will consider the wider elements of person centred care and sit alongside the on-going safety and governance work linked to national safety programmes.

Moving Forward Together

The Moving Forward Together (MFT) transformation programme describes the Board's vision for providing a continuous system of care in which a person's needs are met by the appropriate team in the appropriate setting. The vision focusses on returning people to independent healthy life at home or in local communities. Now in the implementation phase, the programme has cross system leadership to convert the vision into service change and improvement. Our Covid-19 recovery planning process has seen the rapid reconfiguration of health and care services, a significant increase in the use of technology to deliver care outside hospital or clinic setting, and effective cross system working. These changes, implemented quickly in response to the Covid-19 emergency, have allowed us to quickly transform services in line with the principles of MFT. These service changes and improvements provide learning which will be consistently applied across the health and care system to optimise safe, effective, person centred and sustainable care to meet the current and future needs of our population.

This work will be done in tandem with regional and national planning, supporting the extensive work programme for the West of Scotland and nationally.

Financial Improvement Programme

The Board faced a significant financial challenge in 2019-20, equating to circa £75m (4%) required savings and efficiencies. The Board received a base uplift equating to £55.6m, or 2.54% of the Board's baseline budget, set against a total cost pressure increase of £99.8m; predominantly significant pay cost growth, double digit increases in prescribing costs and inflationary pressures in supplies and contracts.

In 2018-19 the Board launched the Financial Improvement Programme (FIP), designed to blend the existing short term approach to cost reduction with a more strategic approach to delivering medium and longer term financial sustainability. After establishing a methodology, a Programme Management Office (PMO) and a robust governance structure, the programme involved a systematic and forensic analysis across every area of the Board to identify opportunities for savings and efficiencies.

The FIP continued into 2019-20, with the PMO now well established and with the Programme Board continuing to meet on a weekly basis. A number of amendments were made to the Programme to reduce bureaucracy and to promote accountability, including rationalising the numbering of work streams, simplifying the mandates and streamlining processes and allocating targets to Sectors and Directorates as opposed to work streams.

The FIP achieved savings totalling £31m in the current year. This gave a full year effect of £24m. As part of the year end exercise, an analysis was undertaken of each project to determine which initiatives would be rolled forward into 2020-21. Despite a significant range of emerging unforeseen cost pressures in year, and Covid-19 related expenditure in March 2020 (refer to "Performance Analysis" later) the Board was able to meet its three key financial targets.

However, despite the Board reducing the underlying recurring deficit from £68m to £50m in 2018-19, the underlying recurring deficit has increased to £55m in 2019-20.

As we move forward into 2020-21, the initial Financial Plan indicated an increased financial gap of £112m with pay cost growth alone accounting for half of that. The Annual Operational Plan (AOP) has been superseded by the Covid-19 Mobilisation Plan and latterly the Covid-19 Recovery Plan. The financial impact of both the Covid-19 outbreak and the recovery process are currently being assessed.

Infrastructure Investment

During 2019-20, we continued to make significant capital investment across our acute and community services. Our commitment to community health and social care investment is a priority and our track record is one of which the Board is proud.

The new Woodside Health and Care Centre opened in July 2019. The new centre has been delivered as a partnership between Glasgow City HSCP, NHSGGC, Glasgow City Council, Hub West Scotland and the local community. The project represents more than the modernisation of existing facilities; as well as delivering a transformational improvement to the environment in which care is delivered, the new facility has created an opportunity to reshape services from a patient and service user's perspective to provide care that is more integrated, accessible and efficient. This will also contribute to the wider goals of community regeneration and addressing health inequalities.

Clydebank Health and Care Centre reached Financial Close on 10th December 2019 and forms the final part of the Health hub bundle which includes both Greenock Health and Care Centre and Stobhill Mental Health Wards. Greenock and Stobhill projects have been under construction since January 2019. Construction works at Clydebank commenced on 27th January 2020. Construction works to all three have been impacted by the restrictions brought into force to combat Covid-19 and new programmes are being developed to reschedule completion dates.

Work has continued in developing the detailed design for Glasgow North East Health and Social Care Centre. The proposed Hub will be a focal point for a wide range of health and care services for both the East End and the wider North East of Glasgow. The North East Health and Social Care Centre is designed to have a major impact on the lives of the people living in North East Glasgow. The Hub will therefore support a tiered model of care across the entire health and social care system, by enabling health, social care and third sector services to work together to promote early identification of need, early intervention and joined up working to support children, young people, parents/ carers, adults and older people living in the North East and will also include GP practices with multidisciplinary teams, community pharmacists, community spaces, a library and a café. The Hub will facilitate the rationalisation of existing accommodation in the North East, enabling investment to be focused on a smaller number of properties. The project has been developed to be net-zero carbon in operation and will contribute to meeting the Board's sustainability targets. The Outline Business Case for the project was developed during spring 2020, was approved by the Board in June 2020, and is scheduled for consideration by Scottish Government in July 2020.

Detailed plans have also been developed to create a Sexual Assault Clinic at the former William Street Clinic. This will form a hub for the service covering the west region. The forensic nature of the work to be undertaken in the clinic has required detailed consultation between managers,

clinicians and Police Scotland. The project is funded with £0.5m finance from the Scottish Government. Additional works to the upper floor of the clinic will create flexible office space for Glasgow City HSCP who are providing £1.3m finance for this element of the works.

In total the Board invested some £63.3m during 2019-20 on building scheme programmes across our estate, refurbishments and upgrades, general medical equipment (including replacement of both radiotherapy and major diagnostic imaging equipment) and e-Health equipment.

This included a ward upgrade at the Glasgow Royal Infirmary, completing cladding works and ventilation upgrades at the QEUH Hospital campus, and significant spend on backlog maintenance.

The Board also has a programme of estates rationalisation, with decommissioning work continuing through the year, particularly at the site of the former Yorkhill Hospital. Sales were anticipated in year for Lennox Castle Phase 2 and Stoneyetts Hospital Phase 1, however these are now expected for completion in 2020-21.

We have contracted commitments for capital expenditure amounting to £5.2m; details of these commitments are shown in Note 15 to the financial statements.

Technology Based Service Developments

The Board approved the NHSGGC Digital Strategy in August 2018. Subsequently the underpinning work plan and financial strategy was presented and accepted by the Board on 16th April 2019. The work plan detailed improvements to underpin the strategic objectives to modernise and utilise technology in supporting our staff to deliver the best possible patient care to the population we serve. The work plan is monitored by the organisation's eHealth Strategy Board to ensure there is direct benefit to our staff and patients and updates are also presented to the corporate management team and sub committees of the Board.

The aim of the strategy is to establish a roadmap to support the use of digital technology across the organisation. The strategy sets out five key focus areas as outlined below which are aligned to the Board's corporate objectives.

1. Integrated Electronic Health & Care Record – Person centred Healthcare, fit for the modern age
2. Self-Care & Remote Care – World class innovation, delivered remotely at the point of care
3. Informatics and Data Analytics – Exploiting data and analytics to improve patient safety and quality outcomes
4. Workforce & Business systems – Empowering people, delivering optimal healthcare
5. Technology Infrastructure – Advancing our future digital landscape today

The progress over 2019-20 has been significant and plans are monitored by the eHealth PMO and reported against. The response to Covid-19 also required and was able to utilise many of the existing deliverables of the strategy over the last year, and also supported accelerated adoption of the strategy.

Integrated Health and Care Record	
Access to Electronic Health & Care Record (EHCR) widened to HSCP and Community staff	Health and care staff now share and access appropriate health information within the EHCR across GGC. 5 HSCPs are sharing social care data to the EHCR, with the remaining partnership close to live implementation. In addition GP summary data is now also shared to the Board's EHCR from the GP practices across NHSGGC.
Safer Use of Medicines	
Medicines Reconciliation and Immediate Discharge Letter (IDL)	Successful Implementation of a system to support medicines reconciliation within acute and mental health services. This allows the patient's medicines on admission, during an in-patient stay and at the point of discharge to be reconciled and recorded into the clinical record and also the immediate discharge letter which is then electronically sent directly to the GP into the patient's GP record thus supporting direct patient care.
Hospital Electronic Prescribing & Medicines Administration (HEPMA)	During 2019-20 the Full Business Case for the procurement and implementation of a new HEPMA system to support full electronic prescribing was approved by the Finance, Planning and Performance Committee of the Board.
Self-Care and Remote Care	
Remote consultations	Introduction of video and telephone consultations within a prioritised number of services within GGC and also a number of clinics in Argyll & Bute was carried out during 2019-20. This technology has supported patients and clinicians to hold outpatient appointments using simple video technology reducing the need to travel to appointments where this is not necessary. Pilots were completed earlier in 2019 and patient and clinician feedback was positive. The focus for 2020 was to maximise use and this technology was increased significantly to support the Covid-19 response.
Workforce and Business Systems Programme	
eEES system implemented	During 2019-20 the Board Introduced Phase 1 of eESS creating an electronic staff record to improve workflow, reduce manual processes and data entry duplication.
Office 365	Since the national business case was approved NHSGGC have tested on various user groups and a roll out programme had commenced during 2019-20. This technology was accelerated and rolled out at scale to support the Covid-19 response by including online desktop conferencing and ability to use collaborative tools to share information for all GGC staff.

Partnership Working

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 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

In addition to the above, our partner HSCPs have more dedicated priorities as follows:

- Providing greater self-determination and choice through ensuring service users and their carers are empowered to make their own choices about how they will live their lives and what outcomes they want to achieve.
- Enabling independent living for longer by working across all our care groups to support and empower people to continue to live healthy, meaningful and more personally satisfying lives as active members of their community for as long as possible.
- Public Protection; ensuring that people, particularly the most vulnerable, are kept safe from harm, and that risks to individuals or groups are identified and managed appropriately.

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 NHSGGC 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.

Staff Engagement and Development

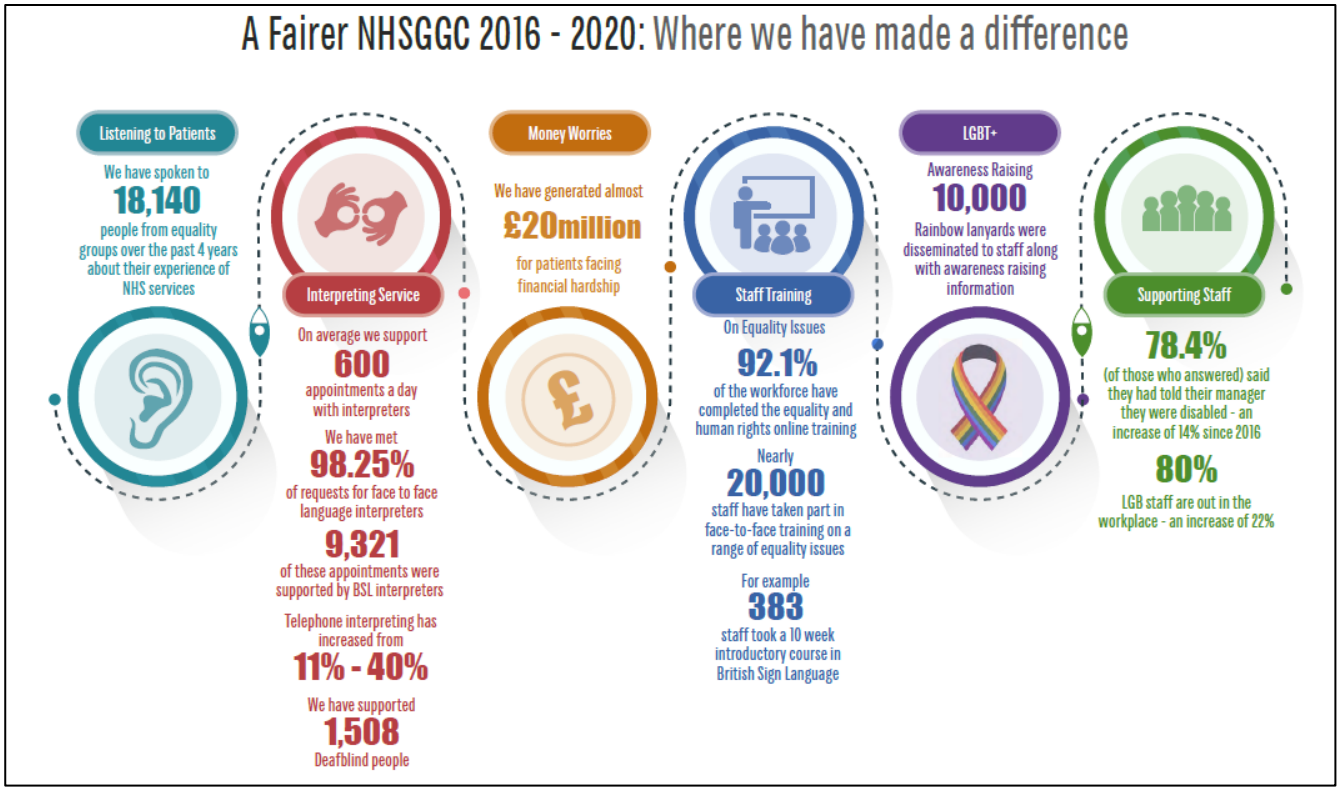
Our staff in NHSGGC are the cornerstone in our constant drive towards providing excellence in our services. I am pleased to note the following successes during the year:

- Implementation of the new Once for Scotland policies and associated Guidance with a particular focus on employee support and wellbeing and a person-centred approach to people management.
- Significant improvement in Statutory and Mandatory Training achievement across the Board with the introduction of targeted, individual email communications encouraging staff to progress completion of modules.
- A refresh of the Workforce Equality Group to strengthen engagement and input from the Staff Disability Forum, the LGBT+ Forum and the Black and Minority Ethnic Network,
- Development and progress of the first NHSGGC Workforce Strategy setting out the Board's workforce priorities for the next 5 years, underpinned by 4 core commitments (Recruitment and Retention, Learning, Leaders and Health and Wellbeing).
- Development of our NHSGGC Culture Framework – "A Great Place to Work" using enablers from Macleod & Clarke (Engaging for Success) and agreeing a series of practical and measurable actions taken to promote a shared vision and clear organisational values, improve employee wellbeing, improving how we involve staff in change and a key focus on building collective and compassionate leadership.
- Our learning from the Sturrock Review prompted additional areas of improvement in employee voice (encouraging, listening and responding to views, concerns and ideas from staff), visibility of leavers with staff at all levels and improving how we celebrate success.
- Improved iMatter participating and increased action planning.
- Face to Face Pulse Survey of over 3,000 staff positively rating NHSGGC as an employer (with 81% scoring 7 or higher on a scale of 1-10).

Equality and Diversity

Our work on equality and human rights aims to ensure equitable access to our services and to improve outcomes for patients from equality groups where we have identified that we need to make a significant difference. During the year, we concluded our mainstreaming and equality outcome actions contained in 'Meeting the requirements of Equality Legislation: A Fairer NHSGGC 2016-20'. Following a wide ranging engagement with equality groups we developed new equality outcomes for 2020-2024 and a workforce equality action plan. We also carried out a survey with staff and published the results. All of these documents can be found on the following link https://www.nhsggc.org.uk/your-health/equalities-in-health/.

Highlights from our work on equalities from 2016-20 can be seen here:-



Performance

Sustainable performance improvements continued to remain a challenge during 2019-20 despite the range of improvement activity that was put in place to address performance i.e. the demand and capacity programme that was underway for each specialty across Acute, or the financial improvement work streams that were also underway to review the potential to yield additional capacity. Both strategic programmes were established to ensure, amongst other things, that we are able to maximise our capacity to enable more eligible Treatment Time Guarantees (TTG) patients to be treated for an inpatient/day case procedure in addition to increasing the number of new outpatients with an outpatient appointment. Similarly, the additional non-recurring Access Funds allocated to NHSGGC were being spent to further help reduce the longest waiting patients.

However, despite these efforts during the latter part of 2019-20 NHSGGC was escalated to Level 4 of the NHS Scotland's Performance Management Framework. In response to this, a number of actions were immediately put in place including the following:

- establishing an Oversight Board chaired by NHS Scotland Chief Performance Officer, John Connaghan, to progress the development of a Recovery Plan and comprehensive Improvement Plans for 2020-21;
- Calum Campbell, Chief Executive of NHS Lanarkshire was appointed as a Turnaround Director reporting directly to the Chief Executive from a governance perspective and NHS Scotland's Director General for Health and Social Care on all matters pertaining to the Recovery Plan through the Oversight Board;
- A Project Management Office (PMO) was established to lead and co-ordinate three work streams related to Scheduled Care, Unscheduled Care and GP Out Of Hours Service (GP OOH);

- A draft Recovery Plan for Scheduled Care and Unscheduled Care; and
- The implementation of a Business Continuity Model for the GP OOH consolidating GP OOH Centres onto fewer sites.

Prior to the outbreak of the Covid-19, there was evidence of real progress in some of the programmes of work. For example, we were on track to deliver against the agreed revised trajectories for TTG and new Outpatients for March 2020 (8,500 for TTG and 19,800 for new outpatients waiting > 12 weeks). We had also significantly reduced the length of waits for patients accessing one of the eight key diagnostic tests when compared to the same period the previous year.

Performance in relation to our compliance with the four hour A&E waiting time target remained challenging. Compliance continued to be affected by the year-on-year increase in demand alongside the acuity of patients presenting at A&E as evidenced in the increase in the number of emergency admissions.

Whilst we achieved the target in relation to the 31 Day Cancer Waiting Times Standard (95.9% for quarter ending March 2020) our performance around the 62 Day Cancer Waiting Times Standard continued to be a key challenge in 2019-20. Pressures on particular specialities, such as urology and colorectal, have contributed to the challenging position.

Measures in place to achieve long term sustainable improvements in performance include the development and implementation of an NHSGGC Standard Operating Procedure in line with nationally agreed principles. Cancer specific improvement programmes of work were also implemented, for example in terms of urological cancer the prostate cancer pathway was a key challenge affecting overall urological cancer performance. Following an NHSGGC-wide improvement workshop, tests of change of shorter diagnostic pathways were put in place in Clyde and South Sectors.

The Way Forward

2019/20 was an unprecedented year for NHSGGC, and for society in general. The narrative above outlines the challenges and main achievements of the Board throughout the year, and in the period up to signing these Financial Statements. Covid-19 has undoubtedly presented the biggest challenge in the history of the NHS and I must take this opportunity to praise the hard work and dedication of all staff.

It is clear that the challenges related to the pandemic are not over and, although there has been a reduction in the number of inpatients with CovidD-19, it is essential that we maintain the ability to increase our Covid-19 response capacity at any time. Balancing this and the requirements of remobilisation within our financial envelope will need significant effort and focus to ensure we continue to offer high quality and safe care to our patients. Our focus also continues on the challenges around care homes, testing capacity and the Test and Protect programme.

We also remain committed to de-escalating the Board from the Scottish Government's Level 4 position. Performance had improved in the final quarter of the financial year, but the levels of activity possible during the pandemic have added to that challenge. We will also endeavour to

continue to work both internally and with Scottish Government colleagues on the infection control issues, and support the Public Inquiry moving forward."

Performance Analysis

Financial Performance

The Scottish Government Health and Social Care Directorates (SGHSCD) set 3 financial targets for NHS Boards:

- 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. Despite the recent Scottish Government announcement that Boards are now required to break-even over a three year period, NHSGGC still has the primary objective to break-even each year. Considerable work has been undertaken throughout the year to eliminate the forecast deficit, particularly around achievement of savings, containing costs (known and emerging) and maximisation of non-recurring sources. The Board has worked closely with Scottish Government throughout the year to identify potential funding sources to close the forecast in year gap.

The Board's performance against these financial targets is as follows:

	Limit as set by SGHSCD £'000	Actual Outturn £'000	Surplus £'000
1. Core Revenue Resource Limit	2,543,504	2,543,266	238
Non-core Revenue Resource Limit	148,083	148,083	0
Total Revenue Resource Limit	**2,691,587**	**2,691,349**	**238**
2. Core Capital Resource Limit	36,860	36,846	14
Non-core Capital Resource Limit	24,760	24,760	0
Total Capital Resource Limit	**61,620**	**61,606**	**14**
3. Cash Requirement	2,802,275	2,802,275	0

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**
Core Revenue Resource Reported Surplus in 2019-20	238
Financial flexibility: funding banked with Scottish Government	339
Underlying deficit against Core Revenue Resource Limit	(101)
Percentage (underlying deficit/core revenue resource reported surplus)	(42)%

A three-year financial plan was submitted to Scottish Government by NHSGGC on March 2019 and subsequently approved in June 2019. Excluding provision of financial flexibility provided by the Scottish Government, the Board's outturn would have been an overspend on RRL of £0.1m. The overspend is within the one per cent flexibility afforded by the three-year financial planning and performance cycle, and will be managed within an overall breakeven position in the period to 2021-22.

The 2019-20 Financial Plan approved by the NHS Board in June 2019 projected a potential deficit of £20.0m. The Board experienced a greater number of significant, unforeseen, cost pressures emerge in-year, such as: clinical waste, unfunded medical pay award, loss of Access funding from neighbouring Boards and significant property maintenance spend. Despite this, through the continued success of the FIP, increased financial grip, identification of additional sources of income and balance sheet management opportunities and managing the capital allocation to ensure an optimal outturn, the Board was able to report a break-even outturn at 31st March 2020.

As outlined earlier in this report in the *Chief Executive's Statement*, the Board dealt with the outbreak of Covid-19 in the final quarter of 2019-20. From a financial perspective, the Board incurred additional costs of £4.7m consisting of additional bed capacity, testing, personal protective equipment, investments in IT (hard and software) and accrued untaken annual leave. In terms of the HSCP's, additional costs of £3m were incurred in relation to Covid-19 for 2019-20, largely consisting of additional prescribing costs (volume dispensing ahead of lockdown) and additional external provider services. The full £7.7m was funded by the Scottish Government.

The Boards break-even position was underpinned by £62.4m of non-recurring support, as illustrated in the following table:

Area	Gross position £'m	Non-recurring relief £'m	Final reported position £'m
Acute	(49.2)	-	(49.2)
Partnerships (including HSCPs)	-	-	-
Corporate directorates	(13.0)	-	(13.0)
Corporate adjustments (non-recurring)	-	62.4	62.4
Gross/Net Financial Position at 31 March 2020	**(62.2)**	**62.4**	**0.2**

Non-recurring support of £62.4m has been applied to reduce the underlying operational deficit, the majority of which is attributable to unachieved savings.

The FIP was launched in February 2018; it is now embedded and is receiving a significant amount of dedicated senior time and focus. Progress has been good to date, with the FIP Tracker recording projects totalling £23.8m on a full year effect basis and £31.2m for the current year.

The Acute Division reported an expenditure overspend of £49.2m. Of this, £44.5m was related to unachieved savings, £1.1m is related to pay and £3.6m is associated with non-pay. The main pressures in pay are associated with medical (£1.5m) and nursing (£2.1m) salaries due to the inherent cost of providing certain services in particular geographical locations, service demands and the requirement to cover sickness/absence and vacancy via bank and agency spend. Returning to month on month financial balance remains a priority and the adverse expenditure variances require to be addressed if this is to be achieved. Particular inherent pressures, such as Junior Doctors spend, continues to be a significant area of overspend and presents a service issue. A drop in the number of trainees is rendering rotas difficult to fill.

Corporate Directorates reported an expenditure overspend of £13.0m. Expenditure was close to budget for pay and non-pay across all Directorates with the exception of the property maintenance costs and under achievement of savings within Estates and Facilities.

HSCPs reported a breakeven at 31 March 2020. HSCPs have all reported a breakeven out-turn on the Health budget with any underspends transferred to reserves at the year end. East Dunbartonshire HSCP has reported a deficit overall which has been partially reduced by an underspend on the NHS element of the budget with the balance of the deficit covered by the Council.

The core capital resources available to the Board for investment in 2019-20 amounted to £56.8m, including additional central capital received from SGHSCD in respect of medical equipment and e-health investment. In order to best manage the Board's overall revenue and capital out-turn, a transfer of £18.2m from capital to revenue was progressed, enabling the Board to achieve the key Capital Resource Limit (CRL) target of £36.9m.

As we move forward into 2020-21, the initial Financial Plan indicated an increased financial gap of £112m with pay cost growth alone accounting for half of that. The AOP has been superseded by the Covid-19 Mobilisation Plan and latterly the Covid-19 Recovery Plan. The financial impact of both the Covid-19 outbreak and the recovery process are currently being assessed.

Bad Debts

The provision for bad and doubtful debts increased from £2.723m as at 1 April 2019, to £5.776m as at 31 March 2020; 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 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:-

	2019-20	2018-19
Average period of credit taken	26 days	27 days
Percentage of invoices by volume paid within 30 days	95 %	94 %
Percentage of invoices by value paid within 30 days	95 %	96 %
Percentage of invoices by volume paid within 10 days	90 %	84 %
Percentage of invoices by value paid within 10 days	91 %	90 %

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. This is achieved by engaging with SMEs and Social Enterprises, meeting sustainable procurement targets, delivering an ethical supply policy and implementation of the NHSGGC Employability strategies. Delivery of community benefits is included as a condition in all contracts over the regulated procurement threshold.

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

NHSGGC Endowment fund is consolidated with the Board's 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 an excess of expenditure over income for the year of £0.424m (2018-19, surplus £3.099m). The Board's Endowment fund had total net assets of £87.4m as at 31 March 2020. Expenditure from endowment funds amounted to £10.4m 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 grants made during the year included support for the following projects: employment of smoking wardens to help improve compliance with NHSGGC smoke free policy; assistance in the relocation of Scots ERVS medical charity to the QEUH campus; continuation of the active staff programme; landscape improvements around the pond area at Royal Alexandra Hospital for the benefit of patients and staff; support for Maggie's Cancer Care centre; funding to enhance Arts, Health & Wellbeing of the Community of Govanhill; improvements to the internal courtyard areas at Skye House to facilitate greater use and enjoyment of this space for patients and funding for the purchase of ipads to help facilitate remote patient visiting. Support was also continued for the Staff Bursary Scheme and various other smaller projects to enhance the wellbeing of patients and staff.

Additionally grants were approved from the Beatson restricted fund to: facilitate the transition to a new delivery model for cancer clinical trials; provide enhanced facilities at the Beatson West of Scotland Cancer Centre to support Cancer Clinical Trials Activity including better integration and increased capacity; and facilitate the development of new clinical positron emission tomography (PET) probes at the Beatson Institute.

IJB Accounts

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

Performance Against Key Non-Financial Targets

Our AOP 2019-20 was introduced last year to support NHS Boards and their partners to deliver safe and accessible treatment and care. The 2019-20 AOP outlines how NHSGGC will deliver expected levels of operational performance to provide the foundations for delivering the Cabinet Secretary's priorities on waiting times improvement, investment in mental health and greater progress and pace in the integration of Health and Social Care. This was developed in the context of national, regional and local priorities and builds upon the progress made during 2018-19 in both quality and access to services across NHSGGC and our six HSCPs.

The 2019-20 Plan was developed in partnership with our Health and Social Care Partners to reduce demand for scheduled and unscheduled acute care and ensure that patients who no longer require acute care are discharged home or moved into HSCP services in a timely manner. The 2019-20 Plan was predicated on HSCPs continuing to develop local services to deliver care for more patients and reduce demand on acute services and avoid acute hospital interventions. Making rapid and sustained progress in each of these areas is essential to enable NHSGGC to reach and sustain both performance levels and the desired objective of shifting the balance of care.

Whilst overall performance across NHSGGC was generally good in 2018-19, there were a number of areas that remained a challenge and these continued to be a key focus of our work during 2019-20. Prior to the outbreak of Covid-19, NHSGGC had been making steady progress towards the delivery of the key access targets by March 2020 and on course to deliver the agreed TTG and Outpatient targets set for 31 March 2020 (8,500 TTG and 19,800 Outpatients over 12 weeks). However, in preparation for, and in response to, the Covid-19 outbreak, all routine elective work was temporarily suspended across Scotland on a phased basis from the week beginning 16 March 2020. This change had a material impact on a range of key performance measures in the latter part of 2019-20.

Across NHSGGC there are robust governance arrangements in place for measuring, monitoring and reporting on performance. From live daily reporting of unscheduled care at operational site level, weekly performance reporting to Chief Executive, Executive Directors and Acute Directors, monthly reporting to Corporate Management Team, Acute Strategic Management Group and Directors Access Group looking at demand, capacity and overall performance to taking a broader and more strategic view of the whole system's performance bi-monthly at Acute Services Committee (ASC) and the Board.

NHSGGC has developed a performance management framework to monitor performance against all key Operational Plan targets. These targets have been embedded within the Board and ASC. An Integrated Performance Report is considered at each Board and ASC meeting. For those measures highlighting an adverse variance greater than 5%, an accompanying narrative is reported and considered by the Board providing detailed commentary on the improvement activity in place to bring performance back on target. Further information on performance targets can be found on the NHSGGC website at www.nhsggc.org.uk.

During 2019-20, performance against Local Delivery Plan targets is shown in the following table *(most data shown represents the latest validated data at the time of this report)*:

✓ For the quarter ending March 2020, 95.9% of our patients diagnosed with cancer began treatment within 31 days, exceeding the 95% target.	✗ For the quarter ending March 2020, 80.4% of patients referred urgently with a suspicion of cancer began treatment within 62 days of receipt of referral below the 95% target but an improvement on the same period the previous year.
✓ For the quarter ending March 2020, 87.4% of all patients referred for a psychological therapy started treatment within 18 weeks of referral, remaining best performing territorial Board in Scotland against this standard.	✗ 58.8% of Child and Adolescent Mental Health Services patients started treatment within 18 weeks for the month ending March 2020. This was against a target of 86%.

✓ NHSGGC remained in financial balance and met the cash efficiency target at the end of March 2020.	✗ As at March 2020, there were a total of 2,615 patients waiting > 6 weeks to access 1 of 8 key diagnostic tests and improvement on the previous years' position.
✓ NHSGGC exceeded the 90% drug and alcohol waiting times target, with 96.9% of patients starting their first treatment within three weeks for the quarter ending March 2020.	✗ 79.0% of our patients were treated within 18 weeks, against the 90% target for Referral To Treatment as at March 2020.
✓ For the year ending March 2020, there were 1,987 successful quit smoking attempts at 12 weeks post quit in our 40% most deprived areas, exceeding our target of 1,705 successful quits.	✗ Performance in relation to the accident and emergency 4 hour time target remained challenging with 87.7% of patients waiting 4 hours or less, lower than the target of 95% as at March 2020.
	✗ The Board's overall sickness absence rate for the month ending March 2020 was 5.98%, against a 4% target.
	✗ 69.2% of eligible inpatients/day cases seen were seen within the 12 week Treatment Time Guarantee during the quarter ending March 2020.
	✗ As at March 2020, 80.3% of new outpatients on the waiting list had been waiting 12 weeks or less for a first new outpatient appointment.

Sustainability and Energy Management

Energy/Carbon

NHSGGC continues its commitment to reducing both its energy-based carbon emissions and its energy consumption which will enable the Board to contribute towards the Scottish Government's aim to reduce greenhouse gas emissions by 50 per cent by 2050 and the interim target of a 42 per cent reduction by 2020. The specific targets for NHS Scotland were to reduce CO2 emissions for oil, gas, butane and propane usage annually by 3% from 2014/15 till 2020; and NHS Scotland to continue to reduce energy consumption annually by 1% from 2014/15 to 2020.

To support the above the NHS in Scotland and indeed the Scottish Government have published a number of documents relating to Environmental targets and policies with which Health Boards are required to comply, these include;

- NHS HDL(2006)21: Environmental Management Policy for NHS Scotland.
- NHS CEL 15 (2009): Sustainable Development Strategy for NHS Scotland.
- NHS CEL 2(2012): A policy on Sustainable Development for NHS Scotland 2012.
- NHS CEL 14 (2010): Good Corporate Citizenship Model.
- NHS Scotland 2010-11 Annual National Environment Report.
- Scottish Planning Policy (SSP 6) Renewable Energy.
- Choosing Our Future: Scotland's Sustainable Development Strategy.

Furthermore the baseline year was subsequently changed to 2015-16 with the approval of the NHS Scotland HFS Energy Forum, however the targets previously set are still in place.

Energy

The basic energy target set for NHSGGC was an overall reduction in energy consumption of 5%, with a stretched target of 7.5% from the baseline year (i.e., 2015/16). The overall energy reduction at 31 March 2020 was 11.27% which equates to a reduction of 63,780,266 kwh.

Emissions

The basic carbon emissions target set for NHSGGC was an overall reduction in carbon emissions of 5%, with a stretched target of 7.5% from the baseline year (2015/16). The overall carbon emissions reduction at 31 March 2020 was 32.43% which equates to a reduction of 49,092 tonnes of carbon.

The Board has welcomed these significant savings and recognised that these savings bring additional potential for significant benefits to our organisation around improving health and inequalities.

A number of schemes and initiatives were put in place during 2019-20 to support the overall reduction of energy and carbon emissions to meet these targets. These initiatives include the following:

- Introduction of internal LED Lighting across a number of hospital ward areas;
- New boilers and controls in a number of health centres;
- Upgrading of building management systems across the estate;
- Investment in Micro-CHP technology at Stobhill Hospital (McKinnon House);
- Investment in Ground Source Heat Pump technology (Barrhead Health Centre).

The Board has been improving and developing its Strategy for delivering upon a full range of Environmental Targets / Improvements. These proposals address the following target areas:-

- Sustainability and Procurement.
- Environmental Management.
- C02 Emissions.
- Carbon Reduction.

The Board remains a participant in the Glasgow Climate Change Declaration Sustainable Glasgow and Climate Ready Clyde, both of which promote inter-agency working within the Glasgow and Clyde geographical boundaries to improve how the organisation adapts to climate change issues and how these changes will affect the Boards ability to continue to deliver a high quality service.

To achieve the Board's targets in these areas, strategic plans have been drawn up to facilitate the development of the Board wide initiatives and details can be found in the main PAMS report within the Environmental Management Section.

The Way forward after 2020

The Board continues to endorse the already excellent number of policies, plans, and initiatives in place across the organisation to reduce its energy and carbon footprint and it is hoped that during 20/21 a pathways to NetZero is produced which will allow NHSGGC to prepare a baseline carbon trajectory from now till 2045. This will subsequently be agreed by the Sustainability Planning and implementation Group (SPiG). This NetZero pathway will identify any gaps in the trajectory, allow NHSGGC to prepare an annual carbon budget, whilst preparing a Board-wide model showing a suite of potential interventions to achieve net zero by the target year.

Sustainability

Pollution Prevention Control (PPC)

For the two sites which fall within this regulation (i.e., GRI and QEUH Campus), a PPC Permit is now in place along with management procedures and systems to support on-going review of the permit compliance plan and management systems in addition to the on-going monitoring of ambient NO_2

Medium Combustion Plant Directive (MCPD)

All other sites, within NHSGGC, which do not fall within the PPC regulations then fall within the MCPD. A comprehensive survey of all site assets has taken place and air emissions sampling has been carried out. This will help to inform out action plan for 20/21.

Environmental Management System

The Board's Legal Register is reviewed and updated monthly to ensure NHSGGC comply with new and amended legislation. Health Facilities Scotland (HFS) are currently reviewing and tendering for an updated web-based platform to hold the Environmental Management System (EMS) tool. This will result in wholesale changes to how the system is currently utilised and will result in the "Greencode" brand being dropped altogether. The roll out of this new tool will require significant resourcing and training requirements to ensure on-going legislative compliance.

Jane Grant

J Grant
Chief Executive & Accountable Officer
Date 29 September 2020

Accountability Report

Corporate Governance Report

Directors' Report

Date of Issue

The annual report and accounts were approved by the Board and authorised for issue by the Accountable Officer on 29 September 2020.

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 John Cornett, Audit 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 2019 to 31 March 2020 and up to the date of approval of these accounts were as follows:

Non-Executive Members

Professor J Brown CBE	Chair
Mr R Finnie	Vice-Chair *(until 31 May 2020)*
Cllr C Bamforth	Non-Executive Director; Councillor, East Renfrewshire Council
Ms S Brimelow OBE	Non-Executive Director
Mr S Carr	Non-Executive Director
Cllr J Clocherty	Non-Executive Director; Councillor, Inverclyde Council
Mr A Cowan	Non-Executive Director
Prof A Dominiczak DBE	Non-Executive Director
Ms J Donnelly	Non-Executive Director *(until 30 June 2020)*
Ms J Forbes	Non-Executive Director
Ms K Miles	Non-Executive Director *(from 1 June 2020)*
Cllr M Hunter	Non-Executive Director; Councillor, Glasgow City Council
Ms M Kerr	Non-Executive Director
Ms A Khan	Non-Executive Director
Dr D Lyons	Non-Executive Director *(until 30 June 2020)*

Mr A Macleod	Non-Executive Director
Mr J Matthews OBE	Non-Executive Director
Cllr J McColl	Non-Executive Director; Councillor, West Dunbartonshire Council
Ms D McErlean	Employee Director
Cllr S Mechan	Non-Executive Director; Councillor, East Dunbartonshire Council
Ms A-M Monaghan	Non-Executive Director
Cllr I Nicolson	Non-Executive Director; Councillor, Renfrewshire Council
Mr I Ritchie	Non-Executive Director
Mr F Shennan	Non-Executive Director *(from 1 June 2020)*
Ms P Speirs	Non-Executive Director *(from 1 June 2020)*
Ms R Sweeney	Non-Executive Director
Ms A Thompson	Non-Executive Director
Ms F Tudoreanu	Non-Executive Director
Mr C Vincent	Non-Executive Director; Whistleblowing Champion *(from 1 February 2020)*

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 26.

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 Corporate Governance and Board Administration, Board Headquarters, JB Russell House, Gartnavel Royal Hospital, 1055 Great Western Road, Glasgow, G12 0XH or can be found on the Board's website at https://www.nhsggc.org.uk/about-us/nhsggc-board/board-members-profiles/.

Directors' Third Party Indemnity Provision

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 2019-20 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 through Datix relating to the confidentiality and security of personal data, including fifteen 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.

The Data Protection Officer for the Board reported nine confidentiality breaches to the Information Commissioner's Office (ICO); one breach related to inappropriate access by staff, four related to patient data being sent to the wrong address and 4 related to records being unobtainable or lost.

In addition the ICO received six complaints from members of the public. Three related to dissatisfaction on how the Board had processed their subject access request and three believed the Board had breached their confidentiality.

All incidents were investigated by the ICO and no action was taken against the Board.

All security thefts and breaches are reported quarterly to the Information Governance Steering Group.

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 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 2020 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 NHS Scotland by Scottish Ministers;
- make judgments and estimates that are reasonable and prudent;
- state where applicable accounting standards as set out in the FReM 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.

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 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 judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the 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 and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as Accountable Officer as intimated in the Departmental Accountable Officer's letter to me of 1st April 2017.

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 IFRS 10 – Consolidated Financial Statements, the Financial Statements consolidate the NHSGGC Endowment Fund. 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 City, Inverclyde, Renfrewshire, East Dunbartonshire, East Renfrewshire and West Dunbartonshire. This statement includes any relevant disclosure in respect of these IJB Accounts.

Self-Assessment of Performance

At the Annual Review held in March 2019, the Board assessed its own performance in the presentation of "2017-18 Annual Review Self-Assessment". During that year, NHSGGC had made significant progress against many of its Local Delivery Plan (LDP) Standards and across a wide range of strategic programs.

We delivered against a number of our health improvement objectives as highlighted in the Self-Assessment, and either met or exceeded the relevant LDP Standards for that year. We also maintained our best in class position amongst other territorial Health Boards by continuing to exceed the target for the number of eligible referrals to our Psychological Therapies that started their treatment within 18 weeks of referral. Whilst we made positive progress against a number of LDP Standards there were a number of key performance areas that remained challenging in 2018-19 and into 2019-20.

In November 2019 in light of what was described as on-going issues around the systems, processes and governance in relation to infection prevention, management and control at the QEUH and RHC and the associated communication and public engagement issues, the Board was escalated to Stage 4 of the NHS Scotland Board Performance Escalation Framework, and in January 2020 the Board was further escalated to Level 4 of the NHS Scotland Board Performance Escalation Framework in respect of scheduled care, unscheduled care, primary care out of hours and culture and leadership. A number of improvements were subsequently made against some of the key challenging areas. For example, prior to the outbreak of Covid-19, NHSGGC had been making steady progress towards the delivery of the key access targets by March 2020 and on course to deliver the agreed TTG and new outpatient targets set for 31 March 2020 (8,500 TTG and 19,800 Outpatients over 12 weeks). However, in preparation for, and in response to, the Covid-19 outbreak, all routine elective work was temporarily suspended across Scotland on a phased basis from the week beginning 16 March 2020.

In 2019-20 we also continued to maximise our role in reducing health inequalities as an employer, procurer, provider and advocate. Progress was also made in delivering against key clinical governance priorities, including clinical risk management, quality of care, patient safety and patient experience. We continued to promptly and effectively respond to the unannounced Healthcare Environment Inspection (HEI) and Older People in Acute Hospital (OPAH) inspection reports.

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 2019 to 31 March 2020, the Board met on seven occasions.

At 31 March 2020 the Board comprised the Chair, twenty-five 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.

During 2019-20, NHSGGC faced a number of significant challenges, including responding to the Covid-19 pandemic. The Board has also taken a range of actions to respond to the reviews and upcoming Inquiry related to the QEUH campus, and to escalation to Stage 4 of the NHS Scotland Board Performance Escalation Framework. The Board has continued to take actions to enhance governance arrangements with a focus on implementing the Blueprint for Good Governance. To support this the Board constituted a number of member-led Short Life Working Groups to progress the Board Development Plan, focussed upon Moving Forward Together (MFT), Unscheduled Care, Board Members' Skills, Board Papers, and Assurance Information.

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

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, Planning and Performance Committee (FPPC);
- Pharmacy Practices Committee;
- Public Health Committee; and
- Staff Governance Committee (SGC) (including Remuneration Sub-committee).

Additionally, in response to the Covid-19 outbreak, the Board of NHSGGC determined in a virtual Board meeting which took place between 19th and 23rd March 2020 to institute a committee to be referred to as the Interim Board to undertake all delegable business of the full Board during the outbreak, subject to review by the full Board at its meeting scheduled for 30 June 2020.

The membership of the Interim Board was determined as 8 Non Executive members (including Chair and Vice Chair of the Board, chairs of standing committees, and representation of stakeholder members) and 2 executive members. The first meeting of the Interim Board took place on 8 April 2020.

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 Annual Operational Plan;
- Financial Planning and Management (in conjunction with the Finance, Planning and Performance Committee);
- 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 five times during the year 2019-20. Members of the Committee during the year were Mr R Finnie (Chair), Ms S Brimelow, Mr S Carr (Vice-Chair), Cllr J Clocherty, Cllr M Hunter, Ms M Kerr, Ms A Khan, Ms D McErlean, Ms A-M Monaghan, Mr I Ritchie and Ms A Thompson.

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 2019-20, and was 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 2019-20, and its members were Mr A Macleod (Chair), Mr S Carr, Mr R Finnie, Ms J Forbes (Vice-Chair), Dr D Lyons, Ms M Kerr, Mr J Matthews, Cllr J McColl and Ms A-M Monaghan. In fulfilling its remit, the Committee was supported by the Audit Committee Executive Group, which met four 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, are 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 2019-20, and its members were Ms S Brimelow (Chair), Cllr C Bamforth, Mr S Carr, Prof A Dominiczak DBE, Dr D Lyons, Ms D McErlean, Mr I Ritchie (Vice-Chair) and Ms A Thompson.

Endowments Management Committee

Responsibility for the Board's Endowment Funds lies with the Trustees, who are all members of the Board. The Trustees have delegated to the Endowments Management Committee roles of disbursing funds, reviewing proposals, 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 2019-20, the membership of the Endowments Management Committee comprised Mr I Ritchie (Chair), Cllr C Bamforth, Mr R Finnie (Vice-Chair), Ms J Forbes, Mr A MacLeod, Cllr J McColl, Ms D McErlean, Cllr I Nicolson, and Ms R Sweeney. The committee met five times during the year.

Finance, Planning and Performance Committee

The remit of the FPPC is to oversee the financial and planning strategies of the Board, oversee performance of Board functions, 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 FPPC comprises the following core elements:

- Finance and Planning;
- Performance;
- 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 Committee further receives performance monitoring information related to all functions within the Health Board system.

The members of the FPPC during 2019-20 were Mr J Brown (Chair), Ms S Brimelow, Mr S Carr, Mr A Cowan, Prof A Dominiczak DBE, Mr R Finnie, Ms J Forbes, Dr D Lyons, Mr A Macleod, Mr J Matthews, Cllr S Mechan, Ms D McErlean, Mr I Ritchie and Ms R Sweeney. The Committee met six times during 2019-20.

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.

NHS Board members who sat on the Pharmacy Practices Committee were Mr R Finnie (Chair), Mr A Cowan (Vice-Chair) Ms M Kerr (Vice-Chair) and Cllr I Nicolson. In addition there are three professional advisers and three lay members. The Committee met on six occasions during 2019-20.

Public Health Committee

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

Members of the Committee during 2019-20 were Mr J Matthews (Chair), Mr A Cowan (Vice-Chair), Ms J Donnelly, Cllr M Hunter, Ms A Khan, Dr D Lyons and Mr I Ritchie. In addition there are eight professional advisors who are members of the Committee. The Committee met four times during 2019-20.

Staff Governance Committee

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 Committee of the Board. In particular, the Committee will seek to ensure that staff governance mechanisms are in place that take responsibility for performance against the Staff Governance Standard and are accountable for progress towards achievement of the Standard.

During 2019-20 the SGC met on four occasions and was jointly chaired by Ms D McErlean and Mr A Cowan. The other members of the committee were Cllr J Clocherty, Ms J Donnelly, Cllr S Mechan, Ms R Sweeney, Mrs A Thompson and Ms F Tudoreanu.

The Remuneration Committee is a sub-committee of the SGC and its main role is to ensure the application and implementation of fair and equitable systems for pay and for performance management on behalf of the Board as determined by Scottish Ministers and the Scottish Government Health and Social Care Directorate (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 Remuneration Committee met twice during 2019-20, 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.

The members of the Remuneration Committee during 2019-20 were Mr J Brown (Chair), Ms S Brimelow, Mr A Cowan, Mr R Finnie (Vice-Chair), Mr J Matthews, Ms D McErlean and Mr I Ritchie.

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 Board, the Finance, Planning and Performance Committee and the Acute Services Committee. Regular reports on the Board's financial position are considered by these groups. The Audit and Risk Committee has oversight of, and forms a view on, the systems of financial control within NHSGGC.

Information Governance

Good progress has been made with compliance with the General Data Protection Regulation (GDPR) which came into force in May 2018. An action plan was created which included establishing an Information Asset Register, staff and patient privacy notices and awareness and training for staff. The monitoring of compliance with GDPR continues.

The Information Governance (IG) Steering Group continues to meet quarterly to monitor Information Governance compliance by reviewing regular reports on data breaches, security

compliance, data protection and records management training and subject access requests. The Group also reviews and approves all new and amendments to relevant policies. The IG Steering Group reports to the Audit and Risk Committee.

The IG team continues to provide the necessary support and training to ensure staff are aware of their obligations to protect patient and staff data by continued participation in training programmes, including mandatory training module, new managers training and specific training on data breaches.

A number of communications have been issued to staff to ensure continued awareness and compliance and to remind staff of the availability of support through training and guidance materials located on Staff Net.

The National Cyber Security Centre issued six Cyber Response Early Warning notices which were risk assessed and actioned. As part of its implementation of the Network Information Systems (NIS) Regulations the Board published an updated suite of Information Security Policies. Risk assurance was carried out for twelve systems and a new risk triage process introduced. Internal user awareness was carried out through a combination of core brief, policy promotion and simulated phishing attacks.

Other Governance Arrangements

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

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

In addition to the Code of Conduct for Members the Board has in place a Code of Conduct for Staff. This includes reference to the disclosure internally or externally by staff who have concerns about patient safety, malpractice, misconduct, wrongdoing or serious risk. There is also in place a well-established complaints system, whereby members of the public can make a formal complaint to the Board regarding care or treatment provided by or through the NHS, or how services in their local area are organised if this has affected care or treatment; information on our complaints procedures is available on the NHSGGC website.

All of the Board's Executive Directors undertake a review of their development needs as part of the annual performance management and development process. A leadership development framework is in place to offer a range of development activities to meet needs identified, with additional support from the Human Resources department when required. Access to external and national programmes in line with their development plans and career objectives is also available. During the year Board members completed a self-assessment process in line with the requirements of the Blueprint for Good Governance and DL (2019)02. An associated Action Plan

has been developed which has been approved by the Board and will be monitored throughout the coming year. The Chief Executive is accountable to the Board through the Chair of the Board.

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

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 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 am responsible for reviewing the effectiveness of the system of internal control. 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 organization'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 seven times during 2019-20 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 Operating Officer chairs monthly meetings of the Strategic Management Group (SMG).
- The Chief Executive chairs a monthly meeting of the Corporate Management Team attended by the HSCP Chief Officers, Chief Operating Officer and other Directors comprising Finance, Medical, Nursing, Public Health, Human Resources, eHealth, Facilities and Estates, and Communications, as well as the Employee Director. The focus of the group includes the development of proposals for the Board on financial and capital allocations and the AOP, 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 and review of the Risk Register. In addition the Board Corporate Directors meet weekly in an informal setting. This is also chaired by the Chief Executive and is attended by the Chief Operating 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 which 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.
- Work has continued during the year to achieve the targets set out in the AOP. 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.
- An on-line performance appraisal system is in place for senior staff with personal objectives and development plans designed to support the Board in the attainment of corporate

objectives. 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 framework for the management of risk. The framework is proactive in identifying and understanding risk and will build upon existing good practice. As a Board we continue to strive to make Risk Management 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 Corporate Risk Register summarises the main risks identified within each of the

organisational areas, and the processes by which these risks are being managed, and is presented to the ARC for approval on a six-monthly basis.

During the year, the Corporate Risk Register (CRR) was updated to include a range of risks and controls in relation to the Independent External Review of the QEUH and the upcoming Public Inquiry. In addition, a Covid-19 specific Risk Register was drafted and is reviewed regularly by the Covid-19 Senior Executive Team and the Covid-19 specific Board meeting.

Other developments included the recruitment of a dedicated Senior Risk Officer for the Board with the primary objective of overseeing the whole Risk Management process and making improvements where necessary.

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;
- sanctioned the appointment of a Senior Risk Officer for the Board;
- 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 (as recorded in the CRR) that the Board is managing:

- Achievement of elective waiting time targets in respect of: inpatient/outpatient and day case targets/TTG; diagnostic targets; cancer targets; and condition specific targets, particularly in light of Covid-19 and the requirement to prioritise urgent care, provide PPE, manage social distancing and protect shielded patients.
- Achievement of unscheduled care targets in respect of: managing emergency patient flows; and managing the impact on downstream bed management, particularly in light of the Covid-19 challenges outlined above.
- 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, accentuated by Covid-19 spend, unlikely to be met through Cash Releasing Efficiency Savings (CRES). The reduction in funding and the underachievement of savings has required the use of non-recurring funds and reserves to balance.
- Inconsistent assessment and application of Child Protection procedures.
- Inconsistent assessment and application of Adult Support and Protection procedures.
- Management of the recent issues and concerns expressed relating to the QEUH and RHC, including: facilities and environmental issues; capacity flow across the south sector; and media scrutiny regarding patient care.

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.

The following are the highest risk rated areas recorded in the Covid-19 specific Risk Register. It should be noted this is a rapidly changing situation and these risks are correct at the time of drafting this report:

- There is a risk that routine processes for ensuring quality and safety through clinical governance become overwhelmed;
- There is a risk that demand for inpatient beds, including ICU, will outstrip availability and impact of patient safety.
- Staff absence due to isolation either by being symptomatic or having a household member who is symptomatic or falling into the Shielding categories and insufficient supply of additional staff to cover absences and increase in overall activity.
- Negative impact of staff wellbeing.
- There is a risk due to fast moving guidance changes of what type of Personal Protective Equipment (PPE) is required means demand and supply do not match, and/or that there is insufficient PPE in the right areas at the right times.
- As COVID infection rates increase in care homes there are increasing risks in terms of capacity, PPE, staffing impacting on both hospital and community services with an increase in deaths in care homes. Significant media interest nationally.

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.

Health and Safety

The health, safety and wellbeing of our staff remains a high priority.

The Board has in place a 3-year staff health strategy and this has had a positive impact on the health and wellbeing of our staff. Following a Board wide survey of our staff, the new 3 year strategy will be launched this year. A particular focus for this will be supporting our staff with mental health issues which have resulted from the Covid-19 pandemic.

We continue to work with the Health and Safety Executive (HSE) and we have received 3 further improvement notices. Two of these are in relation to staff compliance with training programmes and one is regarding concerns about ventilation. The Board has contested the ventilation improvement notice and this is being progressed through a legal process.

We have supported staff through the Covid-19 pandemic and we have been very proactive in issuing appropriate levels of PPE. A number of wellbeing initiatives have been launched to support staff during this time.

We are actively supporting the health and wellbeing of our staff in the recovery phase of the pandemic by planning and implementing changes to offer increased protection to our staff and comply with Scottish Government guidance.

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 2020 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.

Annual Service Reports

Annual Service Audit Reports are designed to provide assurance around the internal controls frameworks operated on behalf of NHS Scotland by NHS National Services Scotland (NSS). These services are Practitioner and Counter Fraud Services (PCFS) for payment of family health services practitioners, Atos and NSS Digital and Security to support national IT services, and NHS Ayrshire and Arran for National Single Instance ledger services.

For the year 2019-20, the Service Audit report in relation to NSI financial ledger was unqualified. The new Service Auditors for the PCFS and IT services have applied the standards and approach defined in ISAE 3402 in full. Findings identified, whilst consistent with those identified in previous years, have this year resulted in a qualified opinion.

A number of low risk improvements were highlighted to NHS National Services Scotland primarily focussed around evidence gathering from some legacy systems, The Board has received assurances from NSS that each point raised within the reports will be addressed as part of their continuous improvement programme of work. This Board do not believe that these findings have any material impact on this Boards accounts and assurance

Significant Issues

The Board's internal auditors completed sixteen audit reviews during the year. There were no grade 4 recommendations raised (very high risk exposure) and no control objectives assessed as "Critical" where there was a fundamental absence or failure of key controls. Overall their reports can be summarised as follows:

- **Red rated – nil:** controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met;
- **Amber rated – five:** numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met;

- **Yellow rated – seven:** a few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives should be met;
- **Green rated – three:** controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
- **Not graded – one**: advisory review looking at the progress of ongoing projects/work, where gradings are not assigned but comment given on progress, good practice and recommendations made for areas of future focus.

It is the opinion of the Chief Internal Auditor that the five reports rated as amber should be reported in this Governance Statement; these reports are:

- **Service Redesign – Acute Stroke Services**
  Audit conclusion - The auditors identified a lack of key project management arrangements to ensure the successful implementation of the redesign work.
  Management response - We agreed on a number of improvement actions to better enable NHSGGC to develop robust project governance arrangements across the life of the service redesign work, and particularly in the context of potentially changing project objectives.

- **Operational Planning**
  Audit conclusion – The internal auditors noted NHSGGC has a number of operational planning documents in place designed to support achievement of Scottish Government healthcare priorities and Board level strategic and transformational plans. They also found however that there was not consistent, demonstrable linkage between each of these plans from an operational perspective, or in their collective contribution towards the Board's strategic objectives.
  Management response – The internal auditors recommended actions to demonstrate the contribution of operational priorities to achievement of wider strategic objectives and facilitate a consistent approach across NHSGGC. This will allow NHSGGC to improve its overall control framework in this area and better mitigate the risk of non-achievement of both strategic and operational objectives

- **Medicines Reconciliation**
  Audit conclusion – Before this work commenced, management highlighted known issues around compliance with application of the Medicines Reconciliation in Hospital Policy. The auditors identified a number of areas that could be improved to support more uniform application of the Policy.
  Management response – We agreed actions to prioritise implementation of the identified improvement actions to address the current issues of non-compliance with the Medicines Reconciliation Policy in order to realise the maximum possible benefit from the HePMA rollout; and ensure ongoing patient safety.

- **Sickness Absence Follow Up**
  Audit conclusion – During this follow-up review, the auditors found that individual and team compliance with the process is still inconsistent. They also noted that the delayed release of revised national guidance has hindered ongoing improvement activity on absence

management but despite this, progress has been made in implementing the recommendations previously raised.
Management response – NHSGGC has now established a framework for improvement initiatives, designed specifically to identify and address the root causes of sickness absence. We have confirmed that this activity is beginning to yield results in some areas of the organization and have agreed actions to improve upon current results.

- **IT Security**
  Audit conclusion – The audit identified ongoing risks to the organisation, both internal and external. Weaknesses were noted in process and documentation for privileged and generic accounts reviews as part of a wider Active Directory user access, including the need to improve logging and monitoring of activity vulnerabilities identified by Cisco Advanced Malware Protection.
  Management response – We agreed on specific management actions in relation to leavers processes and user access to systems. We agreed to evaluate the operational impact of enabling AD audit logging (possibly Domain Controller performance) and the detail requiring to be retained, for what period. We will work to improve upon both internal and external factors identified to improve our IT 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 29.

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 31 March 2020 (31 March 2019), the salaries of executive board members were as follows:-

J Grant £166,119 (£159,656); Dr J Armstrong £176,123 (£166,867); Dr L de Caestecker £112,070 (£169,106); Dr M McGuire £132,894 (£128,155) M White £142,423 (136,651).

The tables shown on pages 46 - 54 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 2020	Cash Equivalent Transfer Value (CETV) at 31 March 2019	Real increase in CETV in year
Remuneration of:					£'000						£'000	£'000	£'000
Executive Members													
Chief Executive : J Grant	165 - 170	-	-	165 - 170	-	165 - 170	-	-	-	-	-	-	-
Director of Public Health : L de Caestecker	110 - 115	-	-	110 - 115	-	110 - 115	40 - 45	(10.0) - (12.5)	120 - 125	(35.0) - (37.5)	979	1,264	(301)
Medical Director : J Armstrong	175 - 180	-	-	175 - 180	94	270 - 275	20 - 25	5.0 - 7.5	-	-	343	250	67
Nurse Director : M McGuire	130 - 135	-	-	130 - 135	-	130 - 135	-	-	-	-	-	243	-
Director of Finance : M White	140 - 145	-	-	140 - 145	-	140 - 145	-	-	-	-	-	-	-
Non Executive Members													
The Chair : J Brown	40 - 45	-	-	40 - 45	-	40 - 45	-	-	-	-	-	-	-
C Bamforth	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
S Brimelow	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
S Carr	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
J Cloherty	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Cowan	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
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	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
M Hunter	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
M Kerr	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Khan	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
D Lyons	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
A Macleod	20 - 25	-	-	20 - 25	-	20 - 25	-	-	-	-	-	-	-
J Matthews	20 - 25	-	-	20 - 25	-	20 - 25	-	-	-	-	-	-	-
J McColl	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
D McErlean (Employee Director - this post is full time and the salary shown relates to the substantive post held and non-executive allowance)	45 - 50	-	-	45 - 50	36	80 - 85	10 - 15	0 - 2.5	30 - 35	5.0 - 7.5	263	217	42
S Mechan	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Monaghan	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
I Nicolson	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
I Ritchie	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
R Sweeney	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Thompson	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
F Tudoreanu	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
C Vincent	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
Other Senior Employees													
Chief Operating Officer, Acute Division : J Best	130 - 135	-	-	130 - 135	42	170 - 175	30 - 35	2.5 - 5.0	95 - 100	7.5 - 10.0	746	671	56
											2,331	**2,645**	**(136)**

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	1,313	to	1,264
Medical Director : J Armstrong	318	to	250
Nurse Director : M McGuire	297	to	243
Employee Director : D McErlean	239	to	217
Chief Operating Officer, Acute Division : J Best	660	to	671
	2,827		2,645

2. The Chief Executive is not a member of the pension scheme.
3. The Nurse Director opted out of the pension scheme in June 2019.
4. 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 2019	Cash Equivalent Transfer Value (CETV) at 31 March 2018	Real increase in CETV in year
Remuneration of:					£'000						£'000	£'000	£'000
Executive Members													
Chief Executive : J Grant	155 - 160	-	-	155 - 160	-	150 - 155	-	-	-	-	-	-	-
Director of Public Health : L de Caestecker	165 - 170	-	-	165 - 170	23	190 - 195	50 - 55	2.5 - 5.0	160 - 165	10.0 - 12.5	1,313	1,227	64
Medical Director : J Armstrong	165 - 170	-	-	165 - 170	25	190 - 195	20 - 25	2.5 - 5.0	-	-	318	254	40
Nurse Director : M McGuire	125 - 130	-	-	125 - 130	19	145 - 150	15 - 20	2.5 - 5.0	-	-	297	243	36
Director of Finance : M White (Note 3)	135 - 140	-	-	135 - 140	-	135 - 140	-	-	-	-	-	-	-
Non Executive Members													
The Chair : J Brown	40 - 45	-	-	40 - 45	-	40 - 45	-	-	-	-	-	-	-
C Bamforth	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
S Brimelow	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
M Brown (left 31.03.19)	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
S Carr	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
J Cloherty	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Cowan	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
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	10 - 15	-	-	10 - 15	-	10 - 15	-	-	-	-	-	-	-
I Fraser (left 31.07.18)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
M Hunter	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
D Lyons	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
A Macleod	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
J Matthews	20 - 25	-	-	20 - 25	-	20 - 25	-	-	-	-	-	-	-
T McAuley (left 31.07.18)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
J McColl	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
D McErlean (Employee Director - this post is full time and the salary shown relates to the substantive post held and non-executive allowance)	45 - 50	-	-	45 - 50	6	50 - 55	10 - 15	0 - 2.5	30 - 35	2.5 - 5.0	239	204	31
S Mechan	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Monaghan	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
I Nicolson	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
I Ritchie	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
R Sweeney	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Thompson	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
Other Senior Employees													
Chief Operating Officer, Acute Division : G Archibald (left 31.12.18)	110 - 115	-	-	110 - 115	17	125 - 130	-	-	-	-	-	-	-
Interim Chief Operating Officer, Acute Division : J Best (from 01.02.19)	125 - 130	-	-	125 - 130	19	140 - 145	30 - 35	2.5 - 5.0	90 - 95	10.0 - 12.5	660	565	76
											2,827	**2,493**	**247**

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	1,308	to	1,227
Medical Director : J Armstrong	251	to	254
Nurse Director : M McGuire	239	to	243
Employee Director : D McErlean	215	to	204
Chief Operating Officer, Acute Division : G Archibald (left 31.12.18)	464	to	-
Interim Chief Operating Officer, Acute Division : J Best (from 01.02.19)	578	to	565
	3,055		2,493

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.

Fair Pay Disclosure

	2020	2019
Range of Staff Remuneration (£'000)	10 - 335	10 - 370
Highest earning Director's total remuneration (£'000)	175 -180	165 -170
Median total remuneration (£)	26,511	26,122
Ratio	6.64	6.47

The banded remuneration of the highest paid director in NHS Greater Glasgow and Clyde Health Board in the financial year 2019-20 was £176,123 (2018-19 £169,106). This was 6.64 times (2018-19 6.47) the median remuneration of the workforce which was £26,511 (2018-19 £26,122).

The highest paid director in 2019-20 was the Medical Director 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 2019-20 116 (2018-19 129) employees received remuneration in excess of the highest paid director. Remuneration ranged from £176,282 to £335,003.

STAFF REPORT

Other Employees whose remuneration fell within the following ranges :

	2020 Number	2019 Number
Clinicians		
£ 70,001 to £ 80,000	214	220
£ 80,001 to £ 90,000	135	149
£ 90,001 to £100,000	189	217
£100,001 to £110,000	209	194
£110,001 to £120,000	201	203
£120,001 to £130,000	200	161
£130,001 to £140,000	169	181
£140,001 to £150,000	158	131
£150,001 to £160,000	97	124
£160,001 to £170,000	88	96
£170,001 to £180,000	52	44
£180,001 to £190,000	24	33
£190,001 to £200,000	27	17
£200,001 and over	45	24
Other		
£ 70,001 to £ 80,000	122	130
£ 80,001 to £ 90,000	63	55
£ 90,001 to £100,000	13	12
£100,001 to £110,000	11	7
£110,001 to £120,000	4	4
£120,001 to £130,000	3	2
£130,001 to £140,000	1	-

Staff Numbers and Expenditure

	Executive Board Members £'000	Non Executive Members £'000	Permanent Staff £'000	Inward Secondees £'000	Other Staff £'000	Outward Secondees £'000	2020 £'000	2019 £'000
Staff Costs								
Salaries and Wages	729	396	1,373,919	0	0	(7,181)	1,367,863	1,342,651
Social Security Costs	95	26	149,503	0	0	(919)	148,705	141,145
NHS scheme employers' costs	67	8	249,974	0	0	(1,501)	248,548	168,910
Other employers' pension costs	0	0	0	0	0	0	0	0
Inward Secondees	0	0	0	11,444	0	0	11,444	11,859
Agency Staff	0	0	0	0	25,096	0	25,096	20,142
	891	430	1,773,396	11,444	25,096	(9,601)	1,801,656	1,684,707
Compensation for loss of office	0	0	0	0	0	0	0	550
Pensions to former board members	0	0	0	0	0	0	0	0
TOTAL	**891**	**430**	**1,773,396**	**11,444**	**25,096**	**(9,601)**	**1,801,656**	**1,685,257**

Staff Numbers
Whole Time Equivalent (WTE)

5.0	**26.0**	**35,900.4**	**146.1**	**402.1**	**(204.1)**	**36,275.5**	**36,026.4**

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 :	201	201
Included in the total staff numbers above were Special Advisors of :	0	0

Reconciliation to Income and Expenditure

	£'000
Total employee expenditure as above	**1,801,656**
Add: employee income included in Note 4	**9,601**
Total employee expenditure disclosed in note 3	**1,811,257**

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

		2020 Headcount				2019 Headcount		
	Male	Female	Prefer not to say	Total	Male	Female	Prefer not to say	Total
Executive Directors	1	4	0	5	1	4	0	5
Non-Executive Directors and Employee Director	12	15	0	27	12	13	0	25
Senior Employees	27	40	0	67	39	51	0	90
Other	8,384	30,708	0	39,092	9,143	32,808	0	41,951
Grand Total	8,424	30,767	0	39,191	9,195	32,876	0	42,071

Note

The table above includes employees who have a substantive and bank post. The Staff Numbers and Costs table on the previous page shows the WTE figure.

b) Sickness Absence Data

	2020	2019
Sickness Absence Rate	5.98%	5.5%

c) 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

The Board also has a very active Staff Disability Forum who provide stakeholder advice in the development of guidance and policy implementation.

d) Other Matters

NHS Greater Glasgow and Clyde fully adheres to the Scottish Government Staff Governance Standards which includes staff being well informed, appropriately trained, involved in decisions which affect them, being treated fairly and consistently and provided with a safe working environment. NHS Greater Glasgow and Clyde applies all nationally agreed workforce policies, including the new Once For Scotland Policy programme which are in line with UK and European employment legislation.

NHS Greater Glasgow and Clyde also works with appropriate statutory bodies that provide external scrutiny including the Health and Safety Executive. The Board has a developed Culture Framework and Career Development /Succession Planning Framework. All staff pays are determined by UK pay negotiations, augmented by specific NHS Scotland terms and conditions.

e) Exit Packages – Current Year

The Board had no exit packages in 2019-20.

Exit Packages – Prior Year

Exit package cost band	Number of compulsory	Number of other departures agreed	2019 Total number Of exit packages by cost band
<£10,000	0	4	4
£10,000 - £25,000	0	3	3
£25,000 - £50,000	0	1	1
£50,000 - £100,000	0	0	0
£100,000- £150,000	0	0	0
£150,000- £200,000	0	0	0
>£200,000	0	1	1
Total number exit packages by type	**0**	**9**	9
Total resource cost (£'000)	**0**	**550**	**550**

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

a) Trade Union (TU) representative – the total number of employees who were TU representatives during the relevant period.

Number of employees who were relevant union officials during the relevant period	236	FTE employee number	42.37

b) Percentage of time spent on facility time - How many employees who were TU representatives/ officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time.

Percentage of Time	Number of Representatives
0%	0
1- 50%	205
51% - 99%	25
100%	6

c) Percentage of pay bill spent on facility time - percentage of the total pay bill spent on paying employees who were TU representatives for facility time during the relevant period.

Total Cost Of Facility Time	1,685,840
Total Paybill	1,826,843,250
Percentage of the Total Paybill spent on facility time calculated as : (total cost of facility time /total Paybill) x 100	0.092%

d) Paid TU activities - As a percentage of total paid facility time hours, how many hours were spent by employees who were TU representatives during the relevant period on paid TU activities.

Time spent on paid TU activities as a percentage of total paid facility time. Hours calculated as (total hours spent on TU activities by TU representatives during the relevant period / total paid facility time hours) x 100	100%

3. 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	**524**	**9,871**

In the year to March 2020, the following balances in excess of £250,000 were written off:

Reference	Description	2020 £'000
	Loss of Equipment	**NA**
	Total Claims paid under CNORIS scheme	**NA**

In 2019-20, the Board was required to pay out £0.7M in respect of 1 claim individually greater than £250,000 settled under the CNORIS scheme (2018-19: £3.2M, 5 cases). Part payment had been made in relation to this settled case 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 2019-20 where the full annual cost exceeded £1 million (2018-19 nil).

Jane Grant

J Grant

Chief Executive & Accountable Officer
29 September 2020

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

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 NHS Greater Glasgow and Clyde and its group for the year ended 31 March 2020 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Consolidated Statement of Comprehensive Net Expenditure, Consolidated Statement of Financial Position, Consolidated Statement of Cashflows and 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 2019/20 Government Financial Reporting Manual (the 2019/20 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 2020 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 2019/20 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. 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 was appointed by the Auditor General on 28 January 2019. The period of total uninterrupted appointment is two years. 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. Non-audit services prohibited by the Ethical Standard were not provided to the board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter: valuation of land and buildings

I draw attention to paragraph 29 of the Accounting Policies in the financial statements, Key sources of judgement and estimation uncertainty, which describes the effects of material uncertainties, caused by Covid-19, declared in the valuation report for land and buildings. My opinion is not modified in respect of this matter.

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.

Risks of material misstatement

I have reported in a separate Annual Audit Report, which is available from the Audit Scotland website, the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Accountable Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Cornett FCPFA
Audit Director
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

30 September 2020

September 2020

Consolidated Statement of Comprehensive Net Expenditure

	Note	**2020** **£'000**	Restated 2019 £'000
Staff Costs	3a	**1,811,257**	1,695,456
Other operating expenditure	3b		
Independent Primary Care Services		**397,378**	374,647
Drugs and medical supplies		**638,530**	612,279
Other health care expenditure		**2,429,926**	2,229,488
Gross expenditure for the year		**5,277,091**	4,911,870
Less: operating income		**(2,421,958)**	(2,255,474)
Joint Ventures accounted for on an equity basis	4	**(1,595)**	(6,060)
Net expenditure for the year		**2,853,538**	2,650,336

	2020 **£'000**	2019 £'000
OTHER COMPREHENSIVE NET EXPENDITURE/(INCOME)		
Net gain on revaluation of property, plant and equipment	**(85,392)**	(30,030)
Net gain on revaluation of intangibles	**-**	(323)
Net (gain)/loss on revaluation of available for sale financial assets	**5,078**	(2,371)
Other comprehensive income	**(80,314)**	(32,724)
Comprehensive net expenditure	**2,773,224**	2,617,612

Consolidated Statement of Financial Position

Consolidated 2019 £'000	Board 2019 £'000		Note	**Consolidated 2020 £'000**	**Board 2020 £'000**
		NON CURRENT ASSETS			
2,196,757	2,196,757	Property, plant and equipment	7c	**2,262,172**	**2,262,172**
768	768	Intangible assets	6a	**294**	**294**
		Financial assets:			
88,399	1,059	Available for sale financial assets	10	**85,270**	**1,199**
36,651	-	Investment in joint ventures	23b	**38,246**	**-**
98,340	98,340	Trade and other receivables	9	**163,687**	**163,687**
2,420,915	2,296,924	**Total non current assets**		**2,549,669**	**2,427,352**
		CURRENT ASSETS			
22,961	22,961	Inventories	8	**23,733**	**23,733**
250	250	Intangible assets	6b	**481**	**481**
		Financial assets:			
141,845	138,837	Trade and other receivables	9	**152,838**	**150,691**
6,063	5,386	Cash and cash equivalents	11	**18,813**	**16,129**
5,621	5,621	Assets classified as held for sale	7b	**4,346**	**4,346**
176,740	173,055	**Total current assets**		**200,211**	**195,380**
2,597,655	2,469,979	**Total assets**		**2,749,880**	**2,622,732**
		CURRENT LIABILITIES			
(78,435)	(78,435)	Provisions	13a	**(63,306)**	**(63,306)**
		Financial liabilities:			
(360,145)	(360,172)	Trade and other payables	12	**(400,751)**	**(399,209)**
(438,580)	(438,607)	**Total current liabilities**		**(464,057)**	**(462,515)**
2,159,075	2,031,372	**Total assets less current liabilities**		**2,285,823**	**2,160,217**
		NON CURRENT LIABILITIES			
(251,397)	(251,397)	Provisions	13a	**(341,911)**	**(341,911)**
		Financial liabilities:			
(290,288)	(290,288)	Trade and other payables	12	**(302,865)**	**(302,865)**
(541,685)	(541,685)	**Total non current liabilities**		**(644,776)**	**(644,776)**
1,617,390	1,489,687	**Assets less liabilities**		**1,641,047**	**1,515,441**
		TAXPAYERS' EQUITY			
1,134,923	1,134,923	General Fund		**1,079,711**	**1,079,711**
354,764	354,764	Revaluation Reserve		**435,730**	**435,730**
36,651	-	Other reserves - joint ventures		**38,246**	**-**
91,052	-	Funds held on Trust		**87,360**	**-**
1,617,390	1,489,687	**Total taxpayers' equity**		**1,641,047**	**1,515,441**

Adopted by the Board on 29 September 2020

Mark White

M White
Director of Finance

Jane Grant

J Grant
Chief Executive

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

	Note	**2020 £'000**	2019 £'000
NET OPERATING CASHFLOW			
Net expenditure	SoCTE	**(2,853,538)**	(2,650,336)
Adjustments for non cash transactions	2a	**87,025**	81,763
Interest payable	2b	**24,374**	19,647
Investment Income		**(2,432)**	(2,261)
Movements in working capital	2c	**16,181**	23,755
Totals	23c	**(2,728,390)**	(2,527,432)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(59,651)**	(62,875)
Purchase of intangible assets		**-**	(480)
Investment Additions	10	**(43,469)**	(16,198)
Proceeds of disposal of property, plant and equipment		**9,730**	13,725
Proceeds of disposal of intangible assets		**366**	175
Receipts from sale of investments		**45,552**	13,277
Interest received		**2,432**	2,261
Net cash outflow from Investing Activities	23c	**(45,040)**	(50,115)
FINANCING			
Funding	SoCTE	**2,791,532**	2,586,572
Movement in general fund working capital	SoCTE	**10,743**	4,634
Cash drawn down		**2,802,275**	2,591,206
Capital element of payments in respect of finance leases and on balance sheet PFI Contracts	2c	**12,346**	8,502
Interest paid		**(2,540)**	853
Interest element of finance leases and on balance sheet PFI Contracts	2b	**(21,834)**	(20,500)
Net cash inflow from financing	23c	**2,790,247**	2,580,061
Increase in cash in year		**16,817**	2,514
Net cash at 1 April		**13,279**	10,765
Net cash at 31 March		**30,096**	13,279

Note:

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 £11,283k (prior year £7,216k).

	Note	General Fund £'000	Revaluation Reserve £'000	Other Reserves - Joint Ventures £'000	Funds Held on Trust £'000	Total Reserves £'000
Balance at 31 March 2019		**1,134,923**	**354,764**	**36,651**	**91,052**	**1,617,390**
Changes in taxpayers' equity for 2019-20						
Net gain on revaluation / indexation of property, plant and equipment	7a	-	85,392	-	-	**85,392**
Net loss on revaluation of available for sale financial assets	10	-	-	-	(5,078)	**(5,078)**
Impairment of property, plant and equipment	7a	-	(314)	-	-	**(314)**
Revaluation and impairments taken to operating costs	2a	-	5,661	-	-	**5,661**
Transfers between reserves		9,773	(9,773)	-	-	**-**
Other non cash costs		2	-	-	-	**2**
Net operating cost for the year		(2,856,519)	-	1,595	1,386	**(2,853,538)**
Total recognised income and expense for 2019-20		**(2,846,744)**	**80,966**	**1,595**	**(3,692)**	**(2,767,875)**
Funding:						
Drawn down	CFS	2,802,275	-	-	-	**2,802,275**
Movement in General Fund creditor	CFS	(10,743)	-	-	-	**(10,743)**
Balance at 31 March 2020	SOFP	**1,079,711**	**435,730**	**38,246**	**87,360**	**1,641,047**

	Note	General Fund £'000	Revaluation Reserve £'000	Other Reserves - Joint Ventures £'000	Funds Held on Trust £'000	Total Reserves £'000
Balance at 31 March 2018		**1,200,569**	**331,774**	**30,591**	**84,301**	**1,647,235**
Changes in taxpayers' equity for 2018-19						
Net gain on revaluation / indexation of property, plant and equipment	7a	-	30,030	-	-	**30,030**
Net gain on revaluation / indexation of intangible assets	6	-	323	-	-	**323**
Net gain on revaluation of investments	10	-	-	-	2,371	**2,371**
Impairment of property, plant and equipment	7a	-	(5,867)	-	-	**(5,867)**
Revaluation and impairments taken to operating costs	2a	-	7,080	-	-	**7,080**
Transfers between reserves		8,576	(8,576)	-	-	**-**
Other non cash costs		(18)	-	-	-	**(18)**
Net operating cost for the year		(2,660,776)	-	6,060	4,380	**(2,650,336)**
Total recognised income and expense for 2018-19		**(2,652,218)**	**22,990**	**6,060**	**6,751**	**(2,616,417)**
Funding:						
Drawn down	CFS	2,591,206	-	-	-	**2,591,206**
Movement in General Fund creditor	CFS	(4,634)	-	-	-	**(4,634)**
Balance at 31 March 2019	SOFP	**1,134,923**	**354,764**	**36,651**	**91,052**	**1,617,390**

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) Standards, amendments and interpretations effective in current year

There are no new standards, amendments or interpretations effective in the current year.

b) Standards, amendments and interpretations early adopted this year

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

c) Standards, amendments and interpretation issued but not adopted this year

IFRS 16 Leases supersedes IAS 17 Leases and is being applied by HM Treasury in the Government Financial Reporting Manual (FReM) from 1 April 2021.

The Board has assessed the likely impact to i) comprehensive net expenditure and ii) the Statement of Financial Position of applying IFRS 16.

The standard is expected to increase total expenditure by £0.1 million. Right-of-use assets totalling £30.9 million will be brought onto the Statement of Financial Position, with an associated lease liability of £30.9 million.

2) Basis of Consolidation

Consolidation:

In accordance with IFRS 10 – Consolidated 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) Retrospective Restatements
The prior year accounts have been restated to take account of a revision in the set aside calculation for IJBs. Note 19 to the Annual Accounts details how this restatement has been effected 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 and financial assets and liabilities (including derivative instruments) at fair value.

6) Funding
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.

<u>NHSGGC Endowment Funds:</u>
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 SOCNE.

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

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

- Freehold land is considered to have an infinite life and is not depreciated.
- Assets in the course of construction and residual interests in off-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):
Participation in the Carbon Reduction Commitment (CRC) 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 CRC 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.

In the year 2019-20 due to the COVID-19 emergency it was not possible to arrange a full stock count. Stock valuations for the year are based on the most up to date information, which in some cases was the prior year figure.

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 a defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the SOCNE represents the Board's employer contributions payable to the scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to 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 CNORIS in the event of payment by an individual health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

NHS 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 non-current 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

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

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

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

This is the default basis for financial assets.

(b) Financial assets held at amortised cost

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

i. the financial asset is held within a business model where the objective is to collect contractual cash flows; and

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

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

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

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

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

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

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

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

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

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

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the 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) Financial assets held at amortised cost

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

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

Financial Liabilities

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

i. these are measured at fair value on a portfolio basis in accordance with a documented risk management or investment strategy;

ii. they contain embedded derivatives; and/or

iii. it eliminates or reduces 'accounting mismatch' that would otherwise arise from measurement or recognition on an amortised costs basis.

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

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

(b) Financial liabilities held at amortised cost

Financial liabilities held at amortised cost are disclosed in current liabilities, except for maturities greater than 12 months after the Statement of Financial Position date. These are classified as non-current liabilities. The NHS Board's financial liabilities held at amortised cost comprise trade and other payables in the Statement of Financial Position.

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

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

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

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

Financial liabilities carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the SOCNE.

(b) Amortised costs

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

26) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting 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 3.

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.
- Non-current Assets – Valuation of land and buildings

  The Board commissioned a valuation of land and buildings as part of its 5 year rolling program as at 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards ('Red Book'), a material uncertainty has been declared in the valuation report. This is due to market uncertainties caused by Covid-19. The Red Book defines material uncertainty as 'where the degree of uncertainty in a valuation falls outside any parameters that might normally be expected and accepted.

The valuation report has been used to inform the measurement of assets in these financial statements. Although the valuer has declared a material valuation uncertainty, the valuer has continued to exercise professional judgement in preparing the valuation and, therefore, this is the best information available to the Board as at 31 March 2020 and can be relied upon.

The valuer has indicated the range of uncertainty attached to the valuation of land is within a 10% tolerance.

Of the £992m net book value of land and buildings subject to valuation, £977m relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Board of replacing the service potential of the assets; the uncertainty relates to the estimated costs of, rather than the extent of, service potential to be replaced.

	2020 £'000
2a. SUMMARY OF CORE REVENUE RESOURCE OUTTURN	
Net expenditure	**2,853,538**
Total Non Core Expenditure (see below)	**(148,083)**
FHS Non Discretionary Allocation	**(165,981)**
Donated Assets Income	**811**
Endowment Net Operating Costs	**1,386**
Joint Ventures accounted for on an equity basis	**1,595**
Totals	**2,543,266**
Core Revenue Resource Limit	**2,543,504**
Saving against Core Revenue Resource Limit	**238**

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN	
Depreciation/Amortisation	**75,592**
Annually Managed Expenditure - Impairments	**5,661**
Annually Managed Expenditure - Creation of Provisions	**28,333**
Annually Managed Expenditure - Depreciation of Donated Assets	**1,540**
Additional SGHSCD non-core funding	**30,400**
IFRS PFI Expenditure	**6,557**
Total Non Core Expenditure	**148,083**
Non Core Revenue Resource Limit	**148,083**
Saving against Non Core Revenue Resource Limit	**-**

SUMMARY RESOURCE OUTTURN	**Resource** **£'000**	**Expenditure** **£'000**	**Saving** **£'000**
Core	2,543,504	2,543,266	238
Non Core	148,083	148,083	-
Total	**2,691,587**	**2,691,349**	**238**

2b. NOTES TO THE CASH FLOW STATEMENT

Consolidated adjustments for non-cash transactions

	Note	2020 £'000	2019 £'000
Expenditure Not Paid In Cash			
Depreciation	7a	**82,041**	83,482
Amortisation	6	**108**	203
Depreciation of donated assets	7a	**1,540**	1,451
Impairments on PPE charged to SoCNE		**314**	2,814
Net revaluation on PPE charged to SoCNE		**5,347**	1,213
Loss on re-measurement of non-current assets held for sale	7b	**-**	3,053
Funding Of Donated Assets	7a	**(811)**	(928)
Profit on disposal of intangible assets		**-**	(130)
Loss / (profit) on disposal of property, plant and equipment		**57**	(3,335)
Joint ventures accounted for on an equity basis	SoCNE	**(1,595)**	(6,060)
Other non-cash transactions		**24**	-
Total Expenditure Not Paid In Cash	CFS	**87,025**	81,763

2b. Interest payable recognised in operating expenditure

Interest Payable			
PFI Finance lease charges allocated in the year	18b	**21,834**	20,500
Provisions - Unwinding of discount		**2,540**	(853)
Total		**24,374**	19,647

Consolidated movements in working capital

	Note	Opening Balances £'000	Closing Balances £'000	Net Movement 2020 £'000	Net Movement 2019 £'000
INTANGIBLE ASSETS CURRENT					
Balance Sheet	6b	**250**	481		
Net Decrease/(Increase)				**(231)**	1,009
INVENTORIES					
Balance Sheet	8	**22,961**	23,733		
Net Increase				**(772)**	(1,366)
TRADE AND OTHER RECEIVABLES					
Due within one year	9	**141,845**	152,838		
Due after more than one year	9	**98,340**	163,687		
Less: Capital included in above	-	**(8,572)**	(160)		
		231,613	316,365		
Net Increase				**(84,752)**	(14,197)
TRADE AND OTHER PAYABLES					
Due within one year	12	**360,145**	400,751		
Due after more than one year	12	**290,288**	302,865		
Less: Property, Plant & Equipment (Capital) included in above	-	**(41,844)**	(45,387)		
Less: General Fund Creditor included in above	12	**(5,386)**	(16,129)		
Less: Lease and PFI Creditors included in above	12	**(257,072)**	(269,418)		
		346,131	372,682		
Net Decrease				**26,551**	37,615
PROVISIONS					
Statement of Financial Position	13a	**329,832**	405,217		
Net Increase				**75,385**	694
Net Increase				**16,181**	23,755

3. OPERATING EXPENSES

3a. Employee expenditure

	2020	2019
	£'000	£'000
Medical and Dental	**463,266**	434,090
Nursing	**739,221**	693,631
Other Staff	**608,770**	567,735
Total	**1,811,257**	1,695,456

3b. Other operating expenditure

	2020	2019
	£'000	£'000
Independent Primary Care Services:		
General Medical Services	**197,722**	185,779
Pharmaceutical Services	**68,218**	60,524
General Dental Services	**104,076**	101,425
General Ophthalmic Services	**27,362**	26,919
Total	**397,378**	374,647
Drugs and medical supplies:		
Prescribed drugs Primary Care	**237,615**	237,232
Prescribed drugs Secondary Care	**247,355**	225,065
Medical Supplies	**153,560**	149,982
Total	**638,530**	612,279
Other health care expenditure		
Contribution to Integration Joint Boards	**1,584,082**	1,506,569
Goods and services from other NHSScotland bodies	**46,784**	43,694
Goods and services from other UK NHS bodies	**1,795**	1,918
Goods and services from private providers	**17,333**	13,782
Goods and services from voluntary organisations	**20,804**	18,370
Resource Transfer	**238,950**	222,799
Loss on disposal of assets	**302**	465
Other operating expenses	**510,733**	414,201
External Auditor's remuneration - statutory audit fee	**398**	391
Endowment Fund expenditure	**8,745**	7,299
Total	**2,429,926**	2,229,488
Total Other Operating Expenditure	**3,465,834**	3,216,414

Notes:

1. Higher value items within Other Operating Expenses included:

Depreciation	**83,689**	85,055
Professional Fees & Charges	**52,262**	52,886
Equipment	**49,316**	47,039
PFI	**39,821**	35,916
Rates	**30,404**	30,693
Heating, Fuel & Power	**29,172**	27,093
Impairment/Pensions/Negligence Provision	**94,362**	19,453

2. There have been no services provided by the external auditors (Audit Scotland) other than the statutory audit.

3. Contribution to Integration Joint Boards - the set aside resource for delegated services provided in acute hospitals is determined by analysis of hospital activity and cost information. For 2019-20 the set aside value is now based on a detailed approach including actual spend and activity levels for that year. The 2018-19 value has been re-stated after recalculation of its value using the same calculation method as adopted in 2019-20. Previously the calculation had been based on historical cost and activity data. The re-statement amounted to £132,545k.

4. OPERATING INCOME

	2020	2019
	£'000	£'000
Income from Scottish Government	**921**	1,751
Income from other NHS Scotland bodies	**647,230**	608,211
Income from NHS non-Scottish bodies	**3,554**	3,724
Income from private patients	**185**	145
Income for services commissioned by Integration Joint Boards	**1,584,082**	1,506,569
Patient charges for primary care	**16,748**	17,236
Donations	**810**	928
Profit on disposal of assets	**245**	3,930
Contributions in respect of clinical and medical negligence claims	**57,453**	25,154
Non NHS:		
Overseas patients (non-reciprocal)	**1,009**	1,179
Endowment Fund Income	**10,131**	11,679
Other	**99,590**	74,968
Total	**2,421,958**	2,255,474

Notes:

1. Higher value items within Other Operating Income included:		
Healthcare to other organisations inc Local Authorities and other Govn depts	**30,617**	27,567
Road Traffic Act	**5,173**	10,801
Rent of Premises Income	**4,001**	3,999
Dining Room Income	**3,371**	3,349
Laboratory Income	**2,645**	2,790

2. Income for services commissioned by Integration Joint Boards - the set aside resource for delegated services provided in acute hospitals is determined by analysis of hospital activity and cost information. For 2019-20 the set aside value is now based on a detailed approach including actual spend and activity levels for that year. The 2018-19 value has been re-stated after recalculation of its value using the same calculation method as adopted in 2019-20. Previously the calculation had been based on historical cost and activity data. The re-statement amounted to £132,545k.

5. SEGMENTAL INFORMATION

	ACUTE	NHS COMMUNITY PARTNERSHIPS	CORPORATE	UNALLOCATED	FUNDS HELD ON TRUST	IJBs	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost	965,599	1,277,382	613,350	-	(1,386)	(1,595)	**2,853,350**
Total assets	-	-	-	2,622,732	88,902	38,246	**2,749,880**
Total liabilities	-	-	-	1,107,291	2,269	-	**1,109,560**
Total segment revenue	605,874	84,804	137,067	-	10,131	1,584,082	**2,421,958**
Impairment losses recognised in SoCNE	-	-	-	5,661	-	-	**5,661**
Depreciation and amortisation	47	3	83,639	-	-	-	**83,689**
Non-current assets held for sale	-	-	-	4,346	-	-	**4,346**
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	-	-	-	61,606	-	-	**61,606**

PRIOR YEAR

	ACUTE	NHS COMMUNITY PARTNERSHIPS	CORPORATE	UNALLOCATED	FUNDS HELD ON TRUST	IJBs	2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost	922,389	1,208,943	529,444	-	(4,380)	(6,060)	**2,650,336**
Total assets	-	-	-	2,469,979	91,025	36,651	**2,597,655**
Total liabilities	-	-	-	980,292	1,459	-	**981,751**
Total segment revenue	579,080	64,507	93,639	-	11,679	1,374,024	**2,122,929**
Impairment losses recognised in SoCNE	-	-	-	-	7,080	-	**7,080**
Depreciation and amortisation	46	2	85,007	-	-	-	**85,055**
Non-current assets held for sale	-	-	-	5,621	-	-	**5,621**
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	-	-	-	53,708	-	-	**53,708**

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

	Software Licences £'000	EC Carbon Emissions £'000	Total £'000
Cost or Valuation:			
At 1 April 2019	1,312	447	1,759
Disposals	-	(447)	(447)
At 31 March 2020	**1,312**	**-**	**1,312**
Amortisation			
At 1 April 2019	910	81	991
Provided during the year	108	-	108
Disposals	-	(81)	(81)
At 31 March 2020	**1,018**	**-**	**1,018**
Net book value at 1 April 2019	402	366	768
Net book value at 31 March 2020	**294**	**-**	**294**

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 2018	832	169	1,001
Additions	480	-	480
Revaluations	-	323	323
Disposals	-	(45)	(45)
At 31 March 2019	**1,312**	**447**	**1,759**
Amortisation			
At 1 April 2018	788	-	788
Provided during the year	122	81	203
At 31 March 2019	**910**	**81**	**991**
Net book value at 1 April 2018	44	169	213
Net book value at 31 March 2019	**402**	**366**	**768**

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

	2020 £'000	2019 £'000
Carbon Reduction Commitment Allowances	**481**	250
Total	**481**	250

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 2019	90,248	2,104,138	-	1,501	325,654	120,197	13,578	70,136	2,725,452
Additions - purchased	-	66	-	-	4,537	-	-	58,591	63,194
Additions - donated	-	-	-	-	-	-	-	811	811
Completions	-	48,319	-	-	13,256	4,627	287	(66,489)	-
Revaluations	1,451	(4,866)	-	-	-	-	-	-	(3,415)
Impairment charges	-	(314)	-	-	-	-	-	-	(314)
Disposals - purchased	-	-	-	-	(1,527)	-	-	-	(1,527)
Disposals - donated	-	-	-	-	(204)	-	-	-	(204)
At 31 March 2020	**91,699**	**2,147,343**	**-**	**1,501**	**341,716**	**124,824**	**13,865**	**63,049**	**2,783,997**
Depreciation									
At 1 April 2019	-	176,235	-	1,305	232,319	108,083	10,753	-	528,695
Provided during the year - purchased	-	54,639	-	63	19,014	6,754	1,571	-	82,041
Provided during the year - donated	-	200	-	11	1,074	-	255	-	1,540
Revaluations	-	(88,807)	-	-	-	-	-	-	(88,807)
Disposals - purchased	-	-	-	-	(1,447)	-	-	-	(1,447)
Disposals - donated	-	-	-	-	(197)	-	-	-	(197)
At 31 March 2020	**-**	**142,267**	**-**	**1,379**	**250,763**	**114,837**	**12,579**	**-**	**521,825**
Net book value at 1 April 2019	90,248	1,927,903	-	196	93,335	12,114	2,825	70,136	2,196,757
Net book value at 31 March 2020	**91,699**	**2,005,076**	**-**	**122**	**90,953**	**9,987**	**1,286**	**63,049**	**2,262,172**
Open Market Value of Land in Land and Dwellings Included Above	**5,220**		**-**						
Asset financing:									
Owned - purchased	91,031	1,678,893	-	103	85,776	9,987	1,286	62,954	1,930,030
Owned - donated	668	8,532	-	19	5,177	-	-	95	14,491
On-balance sheet PFI contracts	-	317,651	-	-	-	-	-	-	317,651
Net book value at 31 March 2020	**91,699**	**2,005,076**	**-**	**122**	**90,953**	**9,987**	**1,286**	**63,049**	**2,262,172**

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 2019	90,248	2,104,138	-	1,501	325,654	120,197	13,578	70,136	2,725,452
Additions - purchased	-	66	-	-	4,537	-	-	58,591	63,194
Additions - donated	-	-	-	-	-	-	-	811	811
Completions	-	48,319	-	-	13,256	4,627	287	(66,489)	-
Revaluations	1,451	(4,866)	-	-	-	-	-	-	(3,415)
Impairment charges	-	(314)	-	-	-	-	-	-	(314)
Disposals - purchased	-	-	-	-	(1,527)	-	-	-	(1,527)
Disposals - donated	-	-	-	-	(204)	-	-	-	(204)
At 31 March 2020	**91,699**	**2,147,343**	**-**	**1,501**	**341,716**	**124,824**	**13,865**	**63,049**	**2,783,997**
Depreciation									
At 1 April 2019	-	176,235	-	1,305	232,319	108,083	10,753	-	528,695
Provided during the year - purchased	-	54,639	-	63	19,014	6,754	1,571	-	82,041
Provided during the year - donated	-	200	-	11	1,074	-	255	-	1,540
Revaluations	-	(88,807)	-	-	-	-	-	-	(88,807)
Disposals - purchased	-	-	-	-	(1,447)	-	-	-	(1,447)
Disposals - donated	-	-	-	-	(197)	-	-	-	(197)
At 31 March 2020	**-**	**142,267**	**-**	**1,379**	**250,763**	**114,837**	**12,579**	**-**	**521,825**
Net book value at 1 April 2019	90,248	1,927,903	-	196	93,335	12,114	2,825	70,136	2,196,757
Net book value at 31 March 2020	**91,699**	**2,005,076**	**-**	**122**	**90,953**	**9,987**	**1,286**	**63,049**	**2,262,172**
Open Market Value of Land in Land and Dwellings Included Above	**5,220**		**-**						
Asset financing:									
Owned - purchased	91,031	1,678,893	-	103	85,776	9,987	1,286	62,954	1,930,030
Owned - donated	668	8,532	-	19	5,177	-	-	95	14,491
On-balance sheet PFI contracts	-	317,651	-	-	-	-	-	-	317,651
Net book value at 31 March 2020	**91,699**	**2,005,076**	**-**	**122**	**90,953**	**9,987**	**1,286**	**63,049**	**2,262,172**

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 2018	91,266	2,024,143	-	1,560	314,943	113,062	13,287	97,184	2,655,445
Additions - purchased	-	-	-	-	2,577	-	-	53,548	56,125
Additions - donated	500	-	-	-	22	-	-	406	928
Completions	-	59,922	-	-	12,024	7,135	291	(79,372)	-
Revaluations	(87)	20,073	-	-	-	-	-	-	19,986
Impairment charges	(1,184)	-	-	-	-	-	-	(1,630)	(2,814)
Disposals - purchased	(247)	-	-	(59)	(3,912)	-	-	-	(4,218)
Disposals - donated	-	-	-	-	-	-	-	-	-
At 31 March 2019	**90,248**	**2,104,138**	**-**	**1,501**	**325,654**	**120,197**	**13,578**	**70,136**	**2,725,452**
Depreciation									
At 1 April 2018	-	133,149	-	1,289	213,882	100,632	8,825	-	457,777
Provided during the year - purchased	-	52,972	-	64	21,321	7,451	1,674	-	83,482
Provided during the year - donated	-	158	-	11	1,028	-	254	-	1,451
Revaluations	-	(10,044)	-	-	-	-	-	-	(10,044)
Disposals - purchased	-	-	-	(59)	(3,912)	-	-	-	(3,971)
At 31 March 2019	**-**	**176,235**	**-**	**1,305**	**232,319**	**108,083**	**10,753**	**-**	**528,695**
Net book value at 1 April 2018	91,266	1,890,994	-	271	101,061	12,430	4,462	97,184	2,197,668
Net book value at 31 March 2019	**90,248**	**1,927,903**	**-**	**196**	**93,335**	**12,114**	**2,825**	**70,136**	**2,196,757**
Open Market Value of Land in Land and Dwellings Included Above	**6,495**		**-**						
Asset financing:									
Owned - purchased	89,580	1,621,892	-	166	87,793	12,114	2,570	70,135	1,884,250
Owned - donated	668	8,239	-	30	5,542	-	255	1	14,735
On-balance sheet PFI contracts	-	297,772	-	-	-	-	-	-	297,772
Net book value at 31 March 2019	**90,248**	**1,927,903**	**-**	**196**	**93,335**	**12,114**	**2,825**	**70,136**	**2,196,757**

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 2018	91,126	2,024,143	-	1,560	314,943	113,062	13,287	97,184	2,655,305
Additions - purchased	-	-	-	-	2,577	-	-	53,548	56,125
Additions - donated	500	-	-	-	22	-	-	406	928
Completions	-	59,922	-	-	12,024	7,135	291	(79,372)	-
Revaluations	(87)	20,073	-	-	-	-	-	-	19,986
Impairment charges	(1,184)	-	-	-	-	-	-	(1,630)	(2,814)
Disposals - purchased	(107)	-	-	(59)	(3,912)	-	-	-	(4,078)
At 31 March 2019	**90,248**	**2,104,138**	**-**	**1,501**	**325,654**	**120,197**	**13,578**	**70,136**	**2,725,452**
Depreciation									
At 1 April 2018	-	133,149	-	1,289	213,882	100,632	8,825	-	457,777
Provided during the year - purchased	-	53,132	-	64	21,321	7,451	1,674	-	83,642
Provided during the year - donated	-	158	-	11	1,028	-	254	-	1,451
Revaluations	-	(10,204)	-	-	-	-	-	-	(10,204)
Disposals - purchased	-	-	-	(59)	(3,912)	-	-	-	(3,971)
At 31 March 2019	**-**	**176,235**	**-**	**1,305**	**232,319**	**108,083**	**10,753**	**-**	**528,695**
Net book value at 1 April 2018	91,126	1,890,994	-	271	101,061	12,430	4,462	97,184	2,197,528
Net book value at 31 March 2019	**90,248**	**1,927,903**	**-**	**196**	**93,335**	**12,114**	**2,825**	**70,136**	**2,196,757**
Open Market Value of Land in Land and Dwellings Included Above	**6,495**		**-**						
Asset financing:									
Owned - purchased	89,580	1,626,514	-	166	87,793	12,114	2,570	70,135	1,888,872
Owned - donated	668	8,239	-	30	5,542	-	255	1	14,735
On-balance sheet PFI contracts	-	293,150	-	-	-	-	-	-	293,150
Net book value at 31 March 2019	**90,248**	**1,927,903**	**-**	**196**	**93,335**	**12,114**	**2,825**	**70,136**	**2,196,757**

7b. ASSETS HELD FOR SALE

The Board's Property Committee has approved the following to be presented as held for sale; Stoneyetts (part), Lennox Castle Hospital . The following were disposed from assets held for sale during the year; Drumchapel Hospital and Grange Road.

ASSETS HELD FOR SALE - CONSOLIDATED AND BOARD

	Property, Plant & Equipment £'000	Total £'000
At 1 April 2019	5,621	5,621
Disposals of non-current assets held for sale	(1,275)	(1,275)
At 31 March 2020	**4,346**	**4,346**

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

	Property, Plant & Equipment £'000	Total £'000
At 1 April 2018	11,222	11,222
Gain or losses recognised on re-measurement of non-current assets held for sale	(3,053)	(3,053)
Disposals of non-current assets held for sale	(2,548)	(2,548)
At 31 March 2019	**5,621**	**5,621**

7c. PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated 2019 £'000	Board 2019 £'000		**Consolidated 2020 £'000**	**Board 2020 £'000**
		Net book value of property, plant and equipment at 31 March		
2,182,022	2,182,022	Purchased	**2,247,681**	**2,247,681**
14,735	14,735	Donated	**14,491**	**14,491**
2,196,757	2,196,757	**Total**	**2,262,172**	**2,262,172**
6,495	6,495	Net book value related to land valued at open market value at 31 March	**5,220**	**5,220**
		Total value of assets held under:		
297,772	293,150	PFI and PPP Contracts	**317,651**	**317,651**
297,772	293,150	**Total**	**317,651**	**317,651**
		Total depreciation charged in respect of assets held under:		
5,976	5,976	PFI and PPP contracts	**6,557**	**6,557**
5,976	5,976	**Total**	**6,557**	**6,557**

Note:
All land and approximately 20% of buildings were revalued by an independent valuer, The Valuation Office Agency, as at 31/03/2020 on the basis of fair value (market value or depreciated replacement costs where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS.

In the year 2019-20 the net impact was an increase in value of £84,900k for Purchased Assets and £492k for Donated Assets. In 2018-19 the value of Purchased Assets increased by £29,879k and the value of Donated Assets by £151k.

7d. ANALYSIS OF CAPITAL EXPENDITURE

	Note	2020 £'000	2019 £'000
Expenditure			
Acquisition of intangible assets	6	**-**	480
Acquisition of property, plant and equipment	7a	**63,194**	56,125
Donated asset additions	7a	**811**	928
HUB		**153**	-
Gross Capital Expenditure		**64,158**	57,533
Income			
Net book value of disposal of intangible assets	6	**366**	45
Net book value of disposal of property, plant and equipment	7a	**80**	247
Net book value of disposal of donated assets	7a	**7**	
Value of disposal of non-current assets held for sale	7b	**1,275**	2,548
HUB - repayment of investment		**13**	57
Donated asset income		**811**	928
Capital Income		**2,552**	3,825
Net Capital Expenditure		**61,606**	53,708
Summary of Capital Resource Outturn			
Core Capital Expenditure included above		**36,846**	42,534
Core Capital Resource Limit		**36,860**	42,735
Saving against Core Capital Resource Limit		**14**	201
Non Core Capital Expenditure included above		**24,760**	11,174
Non Core Capital Resource Limit		**24,760**	11,174
Saving against Non Core Capital Resource Limit		**-**	-
Total Capital Expenditure		**61,606**	53,708
Total Capital Resource Limit		**61,620**	53,909
Saving against Total Capital Resource Limit		**14**	201

8. INVENTORIES

Consolidated 2019 £'000	Board 2019 £'000		Consolidated 2020 £'000	Board 2020 £'000
22,961	22,961	Raw materials and consumables	**23,733**	**23,733**
22,961	22,961	**Total Inventories**	**23,733**	**23,733**

9. TRADE AND OTHER RECEIVABLES

Consolidated 2019 £'000	Board 2019 £'000		Consolidated 2020 £'000	Board 2020 £'000
		Receivables due within one year		
		NHSScotland		
1,285	1,285	Scottish Government Health & Social Care Directorate	**1,100**	**1,100**
41,142	41,142	Boards	**59,131**	**59,131**
42,427	42,427	**Total NHSScotland Receivables**	**60,231**	**60,231**
1,793	1,793	NHS non-Scottish bodies	**895**	**895**
2,676	2,676	VAT recoverable	**3,819**	**3,819**
17,606	17,606	Prepayments	**23,496**	**23,496**
12,792	12,792	Accrued income	**20,323**	**20,323**
21,755	18,747	Other receivables	**13,702**	**11,555**
36,269	36,269	Reimbursement of provisions	**25,809**	**25,809**
6,527	6,527	Other public sector bodies	**4,563**	**4,563**
141,845	138,837	**Total Receivables due within one year**	**152,838**	**150,691**
		Receivables due after more than one year		
		NHSScotland		
136	136	Other receivables	**119**	**119**
98,204	98,204	Reimbursement of provisions	**163,568**	**163,568**
98,340	98,340	**Total Receivables due after more than one year**	**163,687**	**163,687**
240,185	237,177	**TOTAL RECEIVABLES**	**316,525**	**314,378**
2,723	2,723	The total receivables figure above includes a provision for impairments	**5,776**	**5,776**

9. TRADE AND OTHER RECEIVABLES (cont)

Consolidated 2019 £'000	Board 2019 £'000		Consolidated 2020 £'000	Board 2020 £'000
		Movements on the provision for impairment of receivables are as follows:		
2,047	2,047	At 1 April	**2,723**	**2,723**
2,183	2,183	Provision for impairment	**4,807**	**4,807**
(995)	(995)	Receivables written off during the year as uncollectable	**(62)**	**(62)**
(512)	(512)	Unused amounts reversed	**(1,692)**	**(1,692)**
2,723	2,723	At 31 March	**5,776**	**5,776**

As of 31 March 2020, receivables with a carrying value of £5,776k (2019: £2,723k) were impaired and provided for. The ageing of these receivables is as follows:

£'000	£'000		£'000	£'000
720	720	3 to 6 months past due	**380**	**380**
2,003	2,003	Over 6 months past due	**5,396**	**5,396**
2,723	2,723		**5,776**	**5,776**

The receivables assessed as individually impaired were mainly English, Welsh and Irish NHS Trusts/Health Authorities, CCGs and other Health Bodies, overseas patients, research companies and private individuals and it was assessed that not all of the receivable balance may be recovered.

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2020, receivables with a carrying value of £5,700k (2019: £7,149k) 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
4,386	4,386	Up to 3 months past due	**4,782**	**4,782**
1,106	1,106	3 to 6 months past due	**678**	**678**
1,657	1,657	Over 6 months past due	**240**	**240**
7,149	7,149		**5,700**	**5,700**

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 believes 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
230,313	227,305	Existing customers with no defaults in the past	**305,049**	**302,902**
230,313	227,305	Total neither past due or impaired	**305,049**	**302,902**

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
240,185	237,177	Pounds	**316,525**	**314,378**
240,185	237,177		**316,525**	**314,378**

All non-current receivables are due within 26 years (2018-19: 27 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 £119k (2018-19 £136k).

10. INVESTMENTS

Consolidated 2019 £'000	Board 2019 £'000		**Consolidated 2020 £'000**	**Board 2020 £'000**
88,399	1,059	Other	**85,270**	**1,199**
88,399	1,059	**Total**	**85,270**	**1,199**
85,036	857	At 1 April	**88,399**	**1,059**
16,198	259	Additions	**43,469**	**153**
(15,188)	(57)	Disposals	**(41,497)**	**(13)**
2,353	-	Revaluation surplus / (deficit) transferred to equity	**(5,101)**	**-**
88,399	1,059	**At 31 March**	**85,270**	**1,199**
88,399	1,059	Non-current	**85,270**	**1,199**
88,399	1,059	**At 31 March**	**85,270**	**1,199**

Note:

A repayment of £13k was received in relation to subordinated debt for HUB schemes. The carrying value of investments is less any material impairment. The consolidated investment also includes endowment invested funds £84.1M of which £65.5M relates to restricted funds.

11. CASH AND CASH EQUIVALENTS	At 31 March 2020 £'000	At 1 April 2019 £'000
Government Banking Service	**15,127**	224
Commercial banks and cash in hand	**1,002**	5,162
Endowment cash	**2,684**	677
Total Cash - SOFP/CFS	**18,813**	6,063

Note:

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 2019 £'000	Board 2019 £'000		Consolidated 2020 £'000	Board 2020 £'000
		Payables due within one year		
		NHSScotland		
56	56	Scottish Government Health & Social Care Directorate	**-**	**-**
12,694	12,694	Boards	**13,251**	**13,251**
12,750	12,750	**Total NHSScotland Payables**	**13,251**	**13,251**
855	855	NHS Non-Scottish bodies	**764**	**764**
5,386	5,386	Amounts payable to General Fund	**16,129**	**16,129**
42,144	42,144	FHS practitioners	**49,715**	**49,715**
10,984	10,984	Trade payables	**7,639**	**7,639**
145,203	145,203	Accruals	**201,339**	**201,339**
33,360	33,360	Deferred income	**3,477**	**3,477**
216	216	Payments received on account	**116**	**116**
5,596	5,596	Net obligations under PPP / PFI Contracts	**6,322**	**6,322**
37,923	37,923	Income tax and social security	**39,700**	**39,700**
23,509	23,509	Superannuation	**29,641**	**29,641**
8,186	8,186	Holiday pay accrual	**4,138**	**4,138**
29,078	29,078	Other public sector bodies	**22,456**	**22,456**
4,955	4,982	Other payables	**6,064**	**4,522**
360,145	360,172	**Total Payables due within one year**	**400,751**	**399,209**
		Payables due after more than one year		
6,020	6,020	Net obligations under PPP / PFI contracts due within 2 years	**6,825**	**6,825**
21,189	21,189	Net obligations under PPP / PFI contracts due after 2 years but within 5 years	**23,914**	**23,914**
224,267	224,267	Net obligations under PPP / PFI contracts due after 5 years	**232,357**	**232,357**
2,331	2,331	Deferred income	**2,178**	**2,178**
36,481	36,481	Other payables	**37,591**	**37,591**
290,288	290,288	**Other payables**	**302,865**	**302,865**
650,433	650,460	**TOTAL PAYABLES**	**703,616**	**702,074**

12. TRADE AND OTHER PAYABLES (cont)

Consolidated 2019 £'000	Board 2019 £'000		**Consolidated 2020 £'000**	**Board 2020 £'000**
		Borrowings included above comprise:		
257,072	257,072	PFI contracts	**269,418**	**269,418**
257,072	257,072		**269,418**	**269,418**
		The carrying amount and fair value of the non-current borrowings are as follows		
		Carrying amount		
251,476	251,476	PFI contracts	**263,096**	**263,096**
251,476	251,476		**263,096**	**263,096**
		Fair value		
251,476	251,476	PFI contracts	**263,096**	**263,096**
251,476	251,476		**263,096**	**263,096**
		The carrying amount of short term payables approximates their fair value.		
		The carrying amount of payables are denominated in:		
650,433	650,460	Pounds	**703,616**	**702,074**
650,433	650,460		**703,616**	**702,074**

13a. PROVISIONS - CONSOLIDATED AND BOARD

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other	Total at 31 March 2020	Total at 31 March 2019
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2019	40,635	101,202	184,974	3,021	**329,832**	329,138
Arising during the year	5,114	73,096	24,335	5,256	**107,801**	65,818
Utilised during the year	(5,902)	(2,945)	(1,293)	(576)	**(10,716)**	(18,308)
Unwinding of discount	2,540	-	-	-	**2,540**	(853)
Reversed unutilised	(1,296)	(21,748)	-	(1,196)	**(24,240)**	(45,963)
Totals	**41,091**	**149,605**	**208,016**	**6,505**	**405,217**	329,832

The amounts shown above in relation to Clinical & Medical Legal Claims against the Board 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 2020

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other	Total at 31 March 2020	Total at 31 March 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Payable in one year	3,334	23,175	35,363	1,434	**63,306**	78,435
Payable between 2 - 5 years	13,859	126,430	124,809	5,071	**270,169**	169,017
Payable between 6 - 10 years	13,007	-	10,401	-	**23,408**	21,128
Thereafter	10,891	-	37,443	-	**48,334**	61,252
Totals	**41,091**	**149,605**	**208,016**	**6,505**	**405,217**	329,832

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 - 0.50% in real terms. The Board expects expenditure to be charged to this provision for a period of up to 49 years.

Clinical & Medical Legal Claims against the Board

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

Participation in CNORIS

The Board 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. This category also contains a provision for potential holiday pay liability arising mainly through additional workload in relation to COVID19. 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)

2019 £'000		**2020 £'000**
104,223	Provision recognising individual claims against the NHS Board as at 31 March	**152,110**
(134,473)	Associated CNORIS receivable at 31 March	**(189,377)**
184,974	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	**208,016**
154,724	**Net Total Provision relating to CNORIS at 31 March**	**170,749**

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 2019	187,049	2,769	**189,818**
Increase in value of claims	1,376	196	**1,572**
New claims arising during the year	34,065	477	**34,542**
Crystallised liabilities	(1,860)	(169)	**(2,029)**
Expired	(97,783)	(1,227)	**(99,010)**
At 31 March 2020	**122,847**	**2,046**	**124,893**

(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:	**2020**	2019
	£'000	£'000
Reimbursement of Contingent Liability re Negligence Claims (from CNORIS scheme) as follows:		
Clinical & Medical Negligence	**120,393**	184,745
Employer's Liability	**1,315**	1,858
Total	**121,708**	186,603

15. COMMITMENTS

Capital Commitments

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

	2020	2019
	£'000	£'000
Contracted		
Acute Services	**4,183**	7,237
Primary Care	**75**	245
Radiotherapy Equipment Replacement	**758**	-
HUB Projects	**171**	-
Total	**5,187**	7,482
Authorised but not Contracted		
Acute Services	**2,279**	5,479
HUB Projects	**1,735**	541
Radiotherapy Equipment Replacement	**4,008**	4,597
Primary Care Projects	**2,361**	-
Total	**10,383**	10,617

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:	2020	2019
	£'000	£'000
Buildings		
Not later than one year	**3,500**	4,385
Later than one year, not later than 2 years	**3,063**	3,374
Later than two year, not later than five years	**6,234**	7,573
Later than five years	**8,430**	10,536
Other		
Not later than one year	**1,595**	1,619
Later than one year, not later than 2 years	**449**	497
Later than two year, not later than five years	**127**	128
Amounts charged to Operating Costs in the year were:		
Hire of equipment (including vehicles)	**2,121**	2,365
Other operating leases	**4,224**	6,281
Total	**6,345**	8,646
Aggregate Rentals Receivable in the year		
Total of Operating Leases	**4,001**	3,999

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.

10. 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.

11. Gorbals Health and Care Centre. HUB contract commenced with HUB West Scotland Project Co. on 6 November 2018 for a period of 25 years. Estimated capital value at commencement £13.6M.

12. Woodside Health and Care Centre. HUB contract commenced with HUB West Scotland Project Co. on 15 May 2019 for a period of 25 years. Estimated capital value at commencement £18.1M.

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**	**Gorbals**	**Woodside**	**2020 Totals**	2019 Totals
	£'000	**£'000**	**£'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	1,198	1,554	**27,848**	26,293
Due within 1 to 2 years	790	1,064	1,455	1,549	6,972	8,813	1,672	882	1,180	719	1,198	1,554	**27,848**	26,293
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	3,594	4,663	**83,542**	78,879
Due after 5 years	790	4,256	18,911	27,879	104,578	132,197	25,073	14,994	20,060	12,942	22,759	31,085	**415,524**	410,732
Total	**4,740**	**9,576**	**26,185**	**35,623**	**139,438**	**176,262**	**33,432**	**19,404**	**25,960**	**16,537**	**28,749**	**38,856**	**554,762**	542,197

Less Interest Element	**Larkfield**	**SGH Eld Bed**	**Gart Royal**	**Stb Rwbnk**	**Stb ACAD**	**Vic ACAD**	**Stb ACAD 60 Bed Ext**	**Eastwood**	**Maryhill**	**Inverclyde**	**Gorbals**	**Woodside**	**Totals**	Totals
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	(269)	(556)	(1,044)	(1,260)	(5,494)	(6,945)	(1,419)	(736)	(976)	(571)	(980)	(1,276)	**(21,526)**	(20,697)
Due within 1 to 2 years	(231)	(513)	(1,014)	(1,238)	(5,376)	(6,795)	(1,394)	(723)	(959)	(560)	(964)	(1,256)	**(21,023)**	(20,273)
Due within 2 to 5 years	(441)	(1,238)	(2,841)	(3,565)	(15,313)	(19,356)	(4,005)	(2,083)	(2,759)	(1,610)	(2,783)	(3,634)	**(59,628)**	(57,690)
Due after 5 years	(53)	(776)	(6,944)	(12,922)	(45,149)	(57,073)	(12,286)	(7,212)	(9,504)	(5,769)	(10,706)	(14,773)	**(183,167)**	(186,465)
Total	**(994)**	**(3,083)**	**(11,843)**	**(18,985)**	**(71,332)**	**(90,169)**	**(19,104)**	**(10,754)**	**(14,198)**	**(8,510)**	**(15,433)**	**(20,939)**	**(285,344)**	(285,125)

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**	**Gorbals**	**Woodside**	**Totals**	Totals
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	521	508	411	289	1,478	1,868	253	146	204	148	218	278	**6,322**	5,596
Due within 1 to 2 years	559	551	441	311	1,596	2,018	278	159	221	159	234	298	**6,825**	6,020
Due within 2 to 5 years	1,929	1,954	1,523	1,081	5,603	7,083	1,010	563	781	547	811	1,029	**23,914**	21,189
Due after 5 years	737	3,480	11,967	14,957	59,429	75,124	12,787	7,782	10,556	7,173	12,053	16,312	**232,357**	224,267
Total	**3,746**	**6,493**	**14,342**	**16,638**	**68,106**	**86,093**	**14,328**	**8,650**	**11,762**	**8,027**	**13,316**	**17,917**	**269,418**	257,072

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**	**Gorbals**	**Woodside**	**Totals**	Totals
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	325	316	785	561	1,672	2,114	376	111	85	50	85	111	**6,591**	6,368
Due within 1 to 2 years	333	324	805	575	1,714	2,166	385	113	87	52	87	114	**6,755**	6,527
Due within 2 to 5 years	1,050	1,022	2,537	1,812	5,403	6,830	1,214	357	276	163	276	360	**21,300**	20,577
Due after 5 years	368	1,486	13,449	14,204	33,922	42,881	7,620	2,609	2,014	1,277	2,312	3,221	**125,363**	130,271
Total	**2,076**	**3,148**	**17,576**	**17,152**	**42,711**	**53,991**	**9,595**	**3,190**	**2,462**	**1,542**	**2,760**	**3,806**	**160,009**	163,743
Total	**5,822**	**9,641**	**31,918**	**33,790**	**110,817**	**140,084**	**23,923**	**11,840**	**14,224**	**9,569**	**16,076**	**21,723**	**429,427**	420,815

	2020	2019
	£'000	£'000
Interest charges	21,834	20,500
Service charges	6,418	6,162
Principal repayment	5,826	5,070
Other charges	7,329	6,777
Total	**41,407**	**38,509**

Contingent rents recognised as an expense in the period were;

	2020	2019
	£'000	£'000
Contingent rents (included in Other charges)	**7,329**	**6,777**

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 2016. This valuation informed an employer contribution rate from 1 April 2019 of 20.9% of pensionable pay and an anticipated yield of 9.6% employees contributions.

(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 period from 1 April 2019 is 20.9% of pensionable pay. The employee rate applied is a variable and is anticipated to provide a yield of 9.8% of pensionable pay.

(iv) While a valuation was carried out as at 31 March 2016, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms was unlawfully discriminated on the grounds of age. The cost cap will be reconsidered once the final decision on a remedy and how this affects the NHS Pension Scheme (Scotland) is known and its impact fully assessed in relation to any additional costs to the scheme.

(v) The Board's level of participation in the scheme is 21.3% based on the proportion of employer contributions paid in 2018-19.

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 2019-20 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 £6,136 up to £50,000, but will be reviewed every year by the government. The initial employee contribution is 1% of qualifying earnings, with an employer contribution of 1%. This will increase in stages to meet levels set by government.

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

Pension members can 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

	2020	2019
	£'000	£'000
Pension cost charge for the year	**248,548**	168,910
Additional costs arising from early retirement	**-**	550
Provisions / liabilities / prepayments included in the Statement of Financial Position	**41,091**	40,635

19. RESTATED PRIMARY STATEMENTS (SoCNE)

	Previous Accounts	Adjustment 1	These Accounts
	£'000	£'000	£'000
Total income and expenditure			
Employee expenditure	1,695,456	-	1,695,456
Other expenditure			
Independent Primary Care Services	374,647	-	374,647
Drugs and medical supplies	612,279	-	612,279
Other health care expenditure	2,096,943	132,545	2,229,488
Less: operating income	(2,122,929)	(132,545)	(2,255,474)
Totals	**2,656,396**	**-**	**2,656,396**
Joint Ventures accounted for on an equity basis	(6,060)	-	(6,060)
Net Expenditure	**2,650,336**	**-**	**2,650,336**

Note:

1. Adjustment 1 - the set aside resource for delegated services provided in acute hospitals is determined by analysis of hospital activity and cost information. For 2019-20 the set aside value is now based on a detailed approach including actual spend and activity levels for that year. The 2018-19 value has been re-stated after recalculation of its value using the same calculation method as adopted in 2019-20. Previously the calculation had been based on historical cost and activity data. The re-statement amounted to £132,545k.

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 2020	Total at 31 March 2019
		£'000	£'000	£'000	£'000	£'000
Investments	10	-	-	85,270	**85,270**	88,399
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	39,602	-	-	**39,602**	43,003
Cash and cash equivalents	11	18,813	-	-	**18,813**	6,063
Totals		**58,415**	**-**	**85,270**	**143,685**	137,465

BOARD	Note	Loans and Receivables	Assets at Fair Value through Profit and Loss	Available for Sale	Total at 31 March 2020	Total at 31 March 2019
		£'000	£'000	£'000	£'000	£'000
Investments	10	-	-	1,199	**1,199**	1,059
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	37,455	-	-	**37,455**	39,995
Cash and cash equivalents	11	16,129	-	-	**16,129**	5,386
Totals		**53,584**	**-**	**1,199**	**54,783**	46,440

Financial Liabilities

CONSOLIDATED	Note	Liabilities at at Fair Value through Profit and Loss	Financial Liabilites at Amortised Cost	Total at 31 March 2020	Total at 31 March 2019
		£'000	£'000	£'000	£'000
PFI Liabilities	12	-	269,418	**269,418**	257,072
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	-	345,951	**345,951**	283,488
Totals		**-**	**615,369**	**615,369**	540,560

BOARD	Note	Liabilities at at Fair Value through Profit and Loss	Financial Liabilites at Amortised Cost	Total at 31 March 2020	Total at 31 March 2019
		£'000	£'000	£'000	£'000
PFI Liabilities	12	-	269,418	**269,418**	257,072
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	-	344,409	**344,409**	283,515
Totals		**-**	**613,827**	**613,827**	540,587

20. FINANCIAL INSTRUMENTS

20. (b) FINANCIAL RISK FACTORS

Exposure to Risk

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

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

Liquidity risk - the possibility that the 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 Board is not exposed to the degree of financial risk faced by business entities.

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

a) Credit Risk

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

For banks and other institutions, only independently rated parties with 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 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 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 2020				
PFI/HUB Liabilities	6,322	6,825	23,914	232,357
Trade and other payables excluding statutory liabilities	310,651	1,626	5,024	30,941
Totals	**316,973**	**8,451**	**28,938**	**263,298**

	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years
	£'000	£'000	£'000	£'000
At 31 March 2019				
PFI/HUB Liabilities	5,596	6,020	21,189	224,267
Trade and other payables excluding statutory liabilities	247,007	1,522	4,568	30,391
Totals	**252,603**	**7,542**	**25,757**	**254,658**

c) Market Risk

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

i) Cash flow and fair value interest rate risk

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

ii) Foreign Currency Risk

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

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 2019-20 - income £99,117. Year end balances - debtor £41,269	Prof A Dominiczak DBE, Non-Executive Director was also a Trustee of the British Heart Foundation.
CIPFA	NHS Greater Glasgow and Clyde had the following transactions in 2019-20 - expenditure £200.	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 2019-20 - income £1,358,617, expenditure £21,932,884. Year end balances - debtor £14,176.	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 2019-20 - income £348,070, expenditure £12,431,211. Year end balances - debtor £80.	Councillor C Bamforth, Non-Executive Director was also an elected member and Vice-Chair of East Renfrewshire Council.
Glasgow City Council	NHS Greater Glasgow and Clyde had the following transactions in 2019-20 - income £15,728,401, expenditure £45,023,767. Year end balances - debtor £908,900.	Councillor M Hunter, Non-Executive Director was also an elected member of Glasgow City Council.
Inverclyde Council	NHS Greater Glasgow and Clyde had the following transactions in 2019-20 - income £1,186,503,000, expenditure £20,398,382. Year end balances - debtor £253,092.	Councillor J Clocherty, Non-Executive Director was also an elected member of Inverclyde Council.
Mental Health Foundation	NHS Greater Glasgow and Clyde had the following transactions in 2019-20 - expenditure £4,500.	Dr L de Caestecker, Executive Director was also a Trustee of the Mental Health Foundation.
Renfrewshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2019-20 - income £3,588,086, expenditure £39,625,317. Year end balances - debtor £329,813, creditor £69,333.	Councillor I Nicolson, Non-Executive Director was also an elected member of Renfrewshire Council.
SGHSCD	NHS Greater Glasgow and Clyde had the following transactions in 2019-20 - income £3,732,714, expenditure £98,322. Year end balances - debtor £767,622, creditor £18,000.	Mr J Brown CBE, Chairman, Non-Executive Director was also a Chair of the Corporate Governance Steering Group and the Global Citizenship Programme of SGHSCD.
Tayside Health Board	NHS Greater Glasgow and Clyde had the following transactions in 2019-20 - income £4,920,000, expenditure £2,523,000. Year end balances - debtor £456,802, creditor £404,746.	Mr J Brown CBE, Chairman, Non-Executive Director was also interim Chair of Tayside Health Board.
University of Glasgow	NHS Greater Glasgow and Clyde had the following transactions in 2019-20 - income £1,638,259, expenditure £29,166,097. Year end balances - creditor £361,951.	Dr L de Caestecker, Executive Director was also an Honorary Professor of University of Glasgow. Prof A Dominiczak DBE, Non-Executive director, was also Head of College of Medical, Veterinary and Life Sciences and thus in charge of Medical School of University of Glasgow.
West Dunbartonshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2019-20 - income £900,830, expenditure £19,321,173. Year end balances - debtor £155,362.	Councillor J McColl, Non-Executive Director was also an elected member and leader of West Dunbartonshire Council.
NHS Greater Glasgow and Clyde Endowment Funds	NHS Greater Glasgow and Clyde Endowment Funds had total fund balances of £87,516,000 in 2019-20 and a year end debtor balance of £727,000.	NHS Greater Glasgow and Clyde Endowment Funds are managed by Trustees who are the members of the Board.
East Dunbartonshire Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2019-20 - income £120,507,000, expenditure £120,507,000.	Ms J Forbes, Non-Executive Director was a member and Chair of East Dunbartonshire Integration Joint Board. Cllr S Mechan and Mr I Ritchie, Non-Executive Directors, were also members of East Dunbartonshire Integration Joint Board. Dr M McGuire, Executive Director, was also a member of East Dunbartonshire Integration Joint Board.
East Renfrewshire Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2019-20 - income £108,461,000, expenditure £108,461,000.	Ms A-M Monaghan, Non-Executive Director, was also a Chair of East Renfrewshire Integration Joint Board. Cllr C Bamforth, Non-Executive Director, was also a Vice-Chair of East Renfrewshire Integration Joint Board. Ms S Brimelow, Mr J Matthews OBE and Ms F Tudoreanu, 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 2019-20 - income £917,644,000, expenditure £917,644,000.	Cllr M Hunter, Non-Executive Director, was also a Chair of Glasgow City Integration Joint Board. Mr S Carr, Non-Executive Director, was also a Vice-Chair of Glasgow City Integration Joint Board. Ms J Donnelly, Ms J Forbes, , Mr J Matthews OBE, Ms A-M Monaghan and Ms R Sweeney, Non-Executive Directors, were also members of Glasgow City Integration Joint Board. Mr M White, Executive Director was also a member of Glasgow City Integration Joint Board.
Inverclyde Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2019-20 - income £116,353,000 expenditure £116,353,000.	Cllr J Clocherty, Non-Executive Director, was also a Chair of Inverclyde Integration Joint Board. Mr A Cowan, Non-Executive Director, was also a Vice-Chair of Inverclyde Integration Joint Board. Mr S Carr 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 2019-20 - income £197,260,000, expenditure £197,260,000.	Dr D Lyons, Non-Executive Director, was also a Vice-Chair of Renfrewshire Integration Joint Board. Ms M Kerr and Cllr I Nicolson, Non-Executive Directors, were also members of Renfrewshire Integration Joint Board. Dr L de Caestecker, Executive Director was also a member of Renfrewshire Integration Joint Board
West Dunbartonshire Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2019-20 - income £123,857,000, expenditure £123,857,000.	Mr A Macleod, Non-Executive Director, was also a Chair of West Dunbartonshire Integration Joint Board. Cllr J McColl and Ms R Sweeney, Non-Executive Directors, were also members of West Dunbartonshire Integration Joint Board.

22. THIRD PARTY ASSETS

	At 1 April 2019 £'000	Gross Inflows £'000	Gross Outflows £'000	At 31 March 2020 £'000
Monetary amounts such as bank balances and monies on deposit	3,135	1,751	(2,090)	**2,796**
Total Third Party Assets	**3,135**	**1,751**	**(2,090)**	**2,796**

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

Note:
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
	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total income and expenditure											
Employee expenditure	1,811,257	-	-	-	-	-	-	-	-	1,811,257	1,695,456
Other operating expenditure											
Independent Primary Care Services	397,378	-	-	-	-	-	-	-	-	397,378	374,647
Drugs and medical supplies	638,530	-	-	-	-	-	-	-	-	638,530	612,279
Other health care expenditure	2,421,181	10,447	(1,702)	-	-	-	-	-	-	2,429,926	2,229,488
Totals	**5,268,346**	**10,447**	**(1,702)**	**-**	**-**	**-**	**-**	**-**	**-**	**5,277,091**	4,911,870
Less: operating income	(2,411,827)	(11,833)	1,702	-	-	-	-	-	-	(2,421,958)	(2,255,474)
Joint Ventures accounted for on an equity basis	-	-	-	173	(467)	366	(2,022)	940	(585)	(1,595)	(6,060)
Net Expenditure	**2,856,519**	**(1,386)**	**-**	**173**	**(467)**	**366**	**(2,022)**	**940**	**(585)**	**2,853,538**	2,650,336

Note:

1. Other health care expenditure - £1,702k. Represents income transferred by the Board to Endowments in 2019-20. This is shown as expenditure in the Board's financial statements.
2. Operating Income - £1,702k. Represents the value of R&D income transferred to Endowments by the Board in 2019-20. This is shown as income in the Endowment accounts.
3. Realised gains from endowment investments of £1,809k have been recognised in the operating income line.
4. Joint Ventures accounted for on an equity basis discloses the Board's share of any current year surplus or deficit for each Integration Joint Board.

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
	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets:											
Property, plant and equipment	2,262,172	-	-	-	-	-	-	-	-	2,262,172	2,196,757
Intangible assets	294	-	-	-	-	-	-	-	-	294	768
Financial assets:											
Available for sale financial assets	1,199	84,071	-	-	-	-	-	-	-	85,270	88,399
Investment in joint ventures	-	-	36,651	(173)	467	(366)	2,022	(940)	585	38,246	36,651
Trade and other receivables	163,687	-	-	-	-	-	-	-	-	163,687	98,340
Total non-current assets	2,427,352	84,071	36,651	(173)	467	(366)	2,022	(940)	585	**2,549,669**	**2,420,915**
Current Assets:											
Inventories	23,733	-	-	-	-	-	-	-	-	23,733	22,961
Intangible assets	481	-	-	-	-	-	-	-	-	481	250
Financial assets:											
Trade and other receivables	150,691	2,874	(727)	-	-	-	-	-	-	152,838	141,845
Cash and cash equivalents	16,129	2,684	-	-	-	-	-	-	-	18,813	6,063
Assets classified as held for sale	4,346	-	-	-	-	-	-	-	-	4,346	5,621
Total current assets	195,380	5,558	(727)	-	-	-	-	-	-	**200,211**	**176,740**
Total assets	**2,622,732**	**89,629**	**35,924**	**(173)**	**467**	**(366)**	**2,022**	**(940)**	**585**	**2,749,880**	**2,597,655**
Current liabilities:											
Provisions	(63,306)	-	-	-	-	-	-	-	-	(63,306)	(78,435)
Financial liabilities:											
Trade and other payables	(399,209)	(2,269)	727	-	-	-	-	-	-	(400,751)	(360,145)
Total current liabilities	**(462,515)**	**(2,269)**	**727**	**-**	**-**	**-**	**-**	**-**	**-**	**(464,057)**	**(438,580)**
Non-current assets plus/less net current assets/liabilities	**2,160,217**	**87,360**	**36,651**	**(173)**	**467**	**(366)**	**2,022**	**(940)**	**585**	**2,285,823**	**2,159,075**
Non-current liabilities											
Provisions	(341,911)	-	-	-	-	-	-	-	-	(341,911)	(251,397)
Financial liabilities:											
Trade and other payables	(302,865)	-	-	-	-	-	-	-	-	(302,865)	(290,288)
Total non-current liabilities	**(644,776)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(644,776)**	**(541,685)**
Assets less liabilities	**1,515,441**	**87,360**	**36,651**	**(173)**	**467**	**(366)**	**2,022**	**(940)**	**585**	**1,641,047**	**1,617,390**
TAXPAYERS' EQUITY											
General fund	1,079,711	-	-	-	-	-	-	-	-	1,079,711	1,134,923
Revaluation reserve	435,730	-	-	-	-	-	-	-	-	435,730	354,764
Other reserves - joint venture	-	-	36,651	(173)	467	(366)	2,022	(940)	585	38,246	36,651
Funds Held on Trust	-	87,360	-	-	-	-	-	-	-	87,360	91,052
	1,515,441	**87,360**	**36,651**	**(173)**	**467**	**(366)**	**2,022**	**(940)**	**585**	**1,641,047**	**1,617,390**

Note:

The intra group adjustments above included in receivables/payables relate to amounts owed to the Board by Endowments as at the financial year end.

23. (c) CONSOLIDATED STATEMENT OF CASHFLOWS

Group 2019		Board 2020	Endowment 2020	E Dunb IJB 2020	W Dunb IJB 2020	E Ren IJB 2020	Ren IJB 2020	Glasgow City IJB 2020	Inverclyde IJB 2020	Group 2020
£'000		£'000	£'000	£'002	£'003	£'004	£'005	£'006	£'007	£'000
	NET OPERATING CASHFLOW									
(2,650,336)	Net operating cost	(2,856,519)	1,386	(173)	467	(366)	2,022	(940)	585	(2,853,538)
81,763	Adjustments for non cash transactions	88,620	-	173	(467)	366	(2,022)	940	(585)	87,025
19,647	Interest payable	24,374	-	-	-	-	-	-	-	24,374
-	Interest receivable	-	-	-	-	-	-	-	-	-
(2,261)	Investment Income	-	(2,432)	-	-	-	-	-	-	(2,432)
23,755	Net movement on working capital	13,885	2,296	-	-	-	-	-	-	16,181
(2,527,432)	**Net cash outflow from operating activities**	**(2,729,640)**	**1,250**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,728,390)**
	INVESTING ACTIVITIES									
(62,875)	Purchase of property, plant and equipment	(59,651)	-	-	-	-	-	-	-	(59,651)
(480)	Purchase of intangible assets	-	-	-	-	-	-	-	-	-
(16,198)	Investment Additions	(153)	(43,316)	-	-	-	-	-	-	(43,469)
13,725	Proceeds of disposal of property, plant and equipment	9,730	-	-	-	-	-	-	-	9,730
175	Proceeds of disposal of intangible assets	366	-	-	-	-	-	-	-	366
13,277	Receipts from sale of investments	-	45,552	-	-	-	-	-	-	45,552
2,261	Interest received	-	2,432	-	-	-	-	-	-	2,432
(50,115)	Net cash outflow from Investing Activities	**(49,708)**	**4,668**	**-**	**-**	**-**	**-**	**-**	**-**	**(45,040)**
	FINANCING									
2,586,572	Funding	2,791,532	-	-	-	-	-	-	-	2,791,532
4,634	Movement in general fund working capital	10,743	-	-	-	-	-	-	-	10,743
2,591,206	Cash drawn down	2,802,275	-	-	-	-	-	-	-	2,802,275
8,502	Capital element of payments in respect of finance leases and on balance sheet PFI Contracts	12,346	-	-	-	-	-	-	-	12,346
853	Interest paid	(2,540)	-	-	-	-	-	-	-	(2,540)
(20,500)	Interest element of finance leases and on balance sheet PFI Contracts	(21,834)	-	-	-	-	-	-	-	(21,834)
2,580,061	Net cash inflow from financing	**2,790,247**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,790,247**
2,514	**Increase in cash in year**	**10,899**	**5,918**	**-**	**-**	**-**	**-**	**-**	**-**	**16,817**
10,765	Net cash at 1 April	5,386	7,893	-	-	-	-	-	-	13,279
13,279	**Net cash at 31 March**	**16,285**	**13,811**	**-**	**-**	**-**	**-**	**-**	**-**	**30,096**

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