NHS
Greater Glasgow and Clyde

NHS Greater Glasgow and Clyde

Annual Report and Consolidated Accounts

For the Year Ended 31 March 2021

The image shown on the front cover is the new Greenock Health and Care 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 & Clyde Health Board.

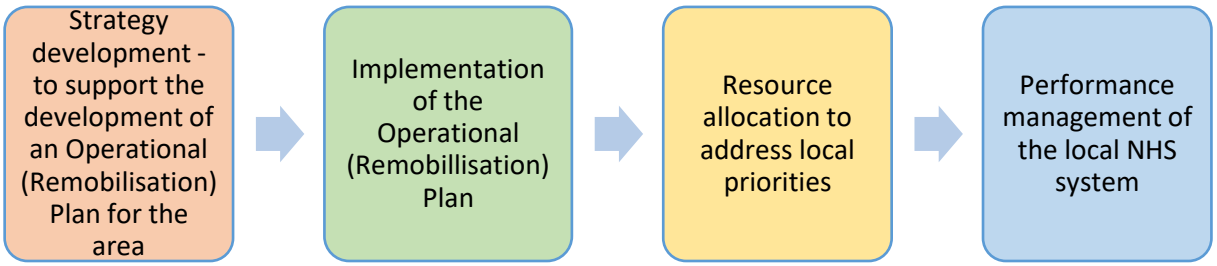
The overall purpose of the Board is to protect and improve population health and wellbeing whilst providing safe, accessible, affordable, integrated person centred and high quality health services. To do that, the Board works to 4 key values:

- Care and compassion
- Dignity and respect
- Openness, honesty and responsibility
- Quality and teamwork

With these values at the forefront, the Board aims to improve health and individual care, whilst also reducing the cost of delivering healthcare. It is important that in doing so, the Board also creates a great place to work for all staff.

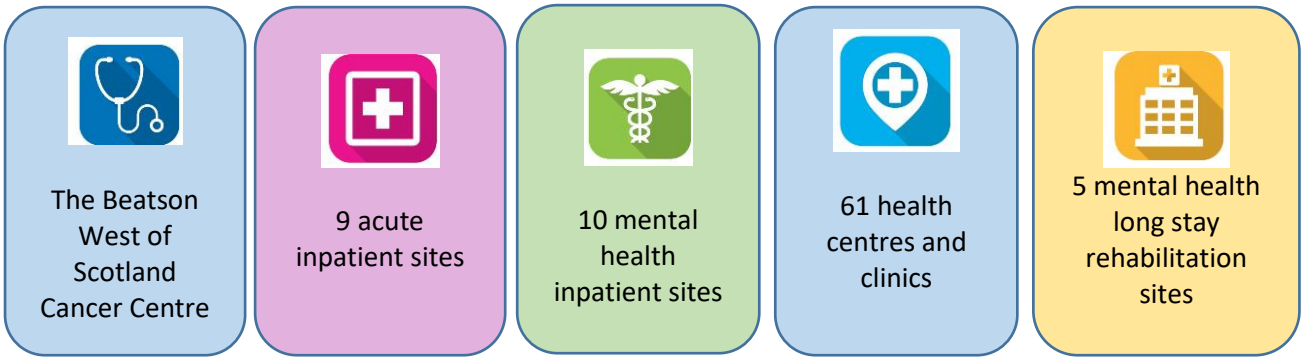
Specific roles of the Board include:

The work of the Board includes:



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:



Our annual workload for 2020-21 included:

Emergency attendances	318,000 (510,000 for 2019-20)
Scheduled inpatient and day case	120,000 (215,000 for 2019-20)
Outpatient appointments	883,000 (1,185,000 for 2019-20)
GP attendances	7.5 million (7.5m for 2019-20)
Babies delivered	12,800 (13,600 for 2019-20)
Prescriptions dispensed	23.7 million (24m for 2019-20)

Covid-19 initially led to a significant decrease in the number of emergency attendances, scheduled inpatient and day cases and outpatient appointments, although numbers rose in all of these areas as the year progressed.

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 second wave of the pandemic the Board had 956 Covid-19 positive inpatients, with 53 Covid-19 positive inpatients in ICU. This created significant pressure on intensive care and high dependency units.

Sadly, many people across the world have been lost to Covid-19. Few families in Scotland have not been touched in some way by it, members of our own teams have been lost to the virus too. Our thoughts and sympathies are with all of those impacted. In order to minimise the effects of the pandemic the Board and our staff have done their best to ensure: 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 vaccine roll out and the remobilisation process are 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. As a Board we are enormously grateful to the students, new appointees, redeployed staff and the many volunteers for their efforts and support during this time.

Covid-19

The Board's Covid-19 response and recovery planning process has involved the rapid reconfiguration of health and care services, a significant increase in the use of technology to deliver care outside hospitals or clinic settings and effective cross system working. The key elements can be summarised:

- Remobilisation of significant numbers of staff across the Health Board to cover priority areas, including reassignment of additional support, in line with the increased bed base requirements in critical care areas. Additional training and support was provided to staff as they phased into new areas
- Close and effective partnership working with the six HSCPs to ensure a joined up approach.
- Implementing new colour coded pathways across acute hospital sites to separate Covid-19 patients from non Covid-19 patients, staff and visitors.
- Implementing virtual approaches to patient management and the implementation of Active Clinical Referral Triage (ACRT), Patient Initiated Review (PIR) and the use of Near Me.
- Establishing Covid-19 Assessment Centres (CAC) across NHSGGC to assess patients with Covid-19 symptoms away from the main acute sites and GP surgeries and undertake non-patient facing assessment of people referred from NHS 24.
- The Test and Protect Tier 2 Contact tracing service went live in May 2020.
- Implementing a range of additional mechanisms to support the 196 care homes within NHSGGC, including deploying staff, psychological support, training, webinars, provision of guidance and support on a wide range of topics including PPE and infection control. Routine testing was also introduced for care home staff and residents.
- Vaccine roll out through community vaccination centres, residential homes and GP practices.

Our Covid-19 Remobilisation Plans were introduced last year in line with the Scottish Government to support NHS Boards and their partners to remobilise, recover and re-design services in the presence of Covid-19. Our Plan was developed in partnership with key stakeholders across the health and care system in both primary and secondary care and took cognisance of national, regional and local policies and guidelines. Whilst recognising the uncertainty around the impact of Covid-19, the Remobilisation Plan outlines how NHSGGC plan to:

- deliver as many normal services as possible, as safely as possible;
- ensure we have the capacity that is necessary to deal with the continuing presence of Covid-19; and
- prepare the health and care services for the winter season, including replenishing stockpiles and readying services.

The Board continued to prioritise the Flu Vaccine and introduced the Test and Trace Programmes during the year. Covid-19 vaccine roll out has gone well and the Board continues to work closely with all relevant partners.

Research showed a disproportionate impact of Covid-19 on the Black, Asian and Minority Ethnic (BAME) community. In response the Board updated Risk Assessment processes and actively encouraged and supported BAME staff to access the Covid-19 vaccination programmes.

Throughout the pandemic, the Board have been very mindful of the monumental effort of all staff – and the corresponding need to actively support their well-being. Key areas of actions include:

- Staff Rest & Recuperation (R&R) Hubs across the Acute Sector, to support staff wellbeing;
- the delivery of the Mental Health and Wellbeing Action Plan and the establishment of a working group to deliver the Board's top priority of focusing on staff mental health and wellbeing, and
- the development of an enhanced 'Return to Work' process to specifically support staff who have been shielding and those with carer responsibilities.

Queen Elizabeth University Hospital and Royal Hospital for Children

Infection Control

A significant area of scrutiny for NHSGGC in the period before the pandemic was in relation to infection control and prevention at the Queen Elizabeth University Hospital (QEUH) and Royal Hospital for Children (RHC). A number of concerns had been raised in relation to the environment and operational effectiveness of the QEUH and RHC since its opening in 2015, including challenges associated with unscheduled care performance and issues with the built environment.

In March 2019, the Scottish Government commissioned an Independent Review which was led by Dr Andrew Frazer and Dr Brian Montgomery. This Review reported in June 2020.

In September 2019, the Scottish Government also announced a Public Inquiry into both the QEUH/RHC and the Children and Young Peoples Hospital in Edinburgh. In addition, 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 Level 4 of the NHS Scotland Board Performance Escalation Framework.

As part of the escalation process, an Oversight Board was established, chaired by Professor Fiona McQueen. An Independent Case Note Review was also undertaken under the auspices of the Oversight Board. NHS GGC has worked closely with the Scottish Government team throughout, providing significant amounts of evidence over the months, reviewing and commenting on draft reports. The Oversight Board Report and the Case Note Review Report, both published on 22nd March 2021. A comprehensive action plan was developed to address all the recommendations, including those of the Independent Review led by Drs Montgomery and Fraser, had been put in place to address the issues described. A specific delivery group (Gold Command), chaired by the Chief Executive, has been established to provide updates to the Corporate Management Team and, in turn, to the appropriate governance committee of the NHS Board to ensure focused work is undertaken on all of the recommendations.

In June 2021 the Scottish Government established the Advice Assurance and Review Group (AARG) chaired by Professor Amanda Croft, which replaced the Oversight Board structure. There have been two meetings of the AARG reviewing the detailed actions that have been put in place by GGC in light of the many recommendations with well over 80% completed by the end of August 2021.

A significant programme of work is underway within Royal Hospital for Children (RHC) to deliver what will be one of the safest clinical environments within the UK and which will ensure that we are taking every possible measure to reduce the likelihood of infection for patients treated in the unit.

Through the various processes, 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.

Legal Proceedings

Legal proceedings have been raised for losses and damages incurred in relation to a number of technical issues identified with the water system, the ventilation system, plant and building services capacity, glazing, doors, the heating system, the atrium roof, internal fabric moisture ingress and the pneumatic transport system. These proceedings have been raised against the main contractor for the hospital project, Multiplex Construction Europe Limited, BPY Holdings LP, and the Health Board's advisors Currie and Brown UK Ltd and Capita Property and Infrastructure Ltd.

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. Three core areas of focus have been agreed, these are:

- person centred care (PCC),
- infection prevention and
- control and tissue viability.

Each work stream has an overarching steering group and work plan.

The person centred care group has been largely focussing on ensuring the principles of person centred visiting have been in place during the pandemic, aligned to the level of restrictions in place. The group have developed supportive toolkits for staff and information for families. These have been shared via internal and public facing communications to ensure wide dissemination. The group designed the health board's virtual visiting approach which has been presented at events hosted by the World Health Organisation (WHO) and the Institute of Healthcare Improvement (IHI).

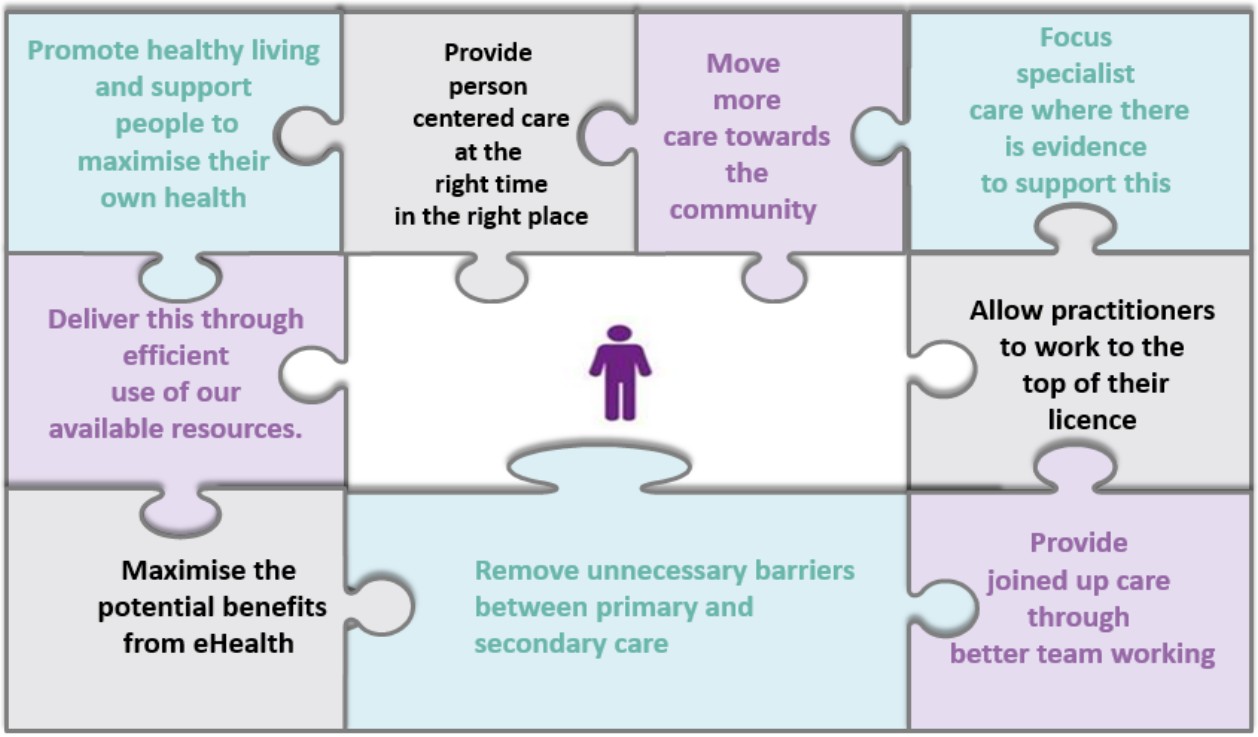
Next steps will be in setting out the plan for the full remobilisation of person centred visiting when restrictions allow. The PCC group has worked closely with the newly formed realistic medicine group and together they will scope and design principles and the application of a person centred care planning approach for all care settings.

The second key priority has been the development and implementation of the Infection Prevention & Control Quality Improvement Network. The network will utilise quality improvement methodology to reduce infection rates across the board. A work plan has been agreed with a focus on reliable application of infection control precautions and processes; person centred systems and behaviours to support safe practice; leadership to promote a culture of safety at all levels and shared responsibility and ownership. Multidisciplinary work has taken place across both acute and health and social care partnerships to deploy preventative measures.

Moving Forward Together

Moving Forward Together (MFT) remains our key strategic document, in tandem with the Remobilisation Plan, describing the medium term vision for clinical services in NHS Greater Glasgow and Clyde. Implementation of some MFT recommendations have been accelerated by the need to respond rapidly to the demands of Covid-19.

The key principles established through MFT and the significant work carried out with clinicians, patients and the public are summarised in the diagram below:



Financial Improvement Programme

The Financial Improvement Programme (FIP) is designed to blend the existing short term approach to cost reduction with a more strategic approach to delivering medium and longer term financial sustainability. The FIP continued into 2020-21 although due to Covid-19 the Project Management office was less active than in previous years. As a result of this the levels of recurring savings were lower than anticipated. The overall financial challenge for 2020-21 was £108m and the Board achieved this in the current year, albeit with £93.4m of the £108m being achieved on a non-recurrent basis.

Following two years of deficit decreases, the pandemic led to an increase in the recurring deficit from £62m to £93.4m. This increase is largely attributable to the inability to make recurring savings in-year due to the focus on delivering services during the Covid-19 pandemic. The Financial Plan for 2021/22 identifies a financial gap of £157.5m with pay and prescribing cost growth contributing £74m of the gap.

The 2021-22 FIP is now fully remobilised and a number of initiatives have been identified and are under way with the key objective being the reduction of the recurring deficit. These projects range in their scope and scale and will aim to capture the benefits from the significant service changes

that have been embedded in the last year. The programme is mature and has been made as agile as possible to focus on the delivery of savings and is supported by a robust governance structure.

Infrastructure Investment

During 2020-21, 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.

Specific funding was secured from Scottish Government to support a number of Hub Schemes which were delivered in partnership between Glasgow City HSCP, Inverclyde HSCP, West Dunbartonshire HSCP, NHSGGC, local authorities, Hub West Scotland and the local communities. This funding supported the construction of new Mental Health Wards at Stobhill Hospital and new Health and Care Centres at Greenock and Clydebank, together with funding to progress the development of the Full Business Case and enabling works for the proposed North East Glasgow Hub Scheme. These projects represent more than the modernisation of existing facilities; they are also helping delivery of a transformational improvement to the environments in which care is delivered. The new facilities will create 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.

Greenock and Clydebank Health and Care Centres have been under construction since January 2019 and January 2020 respectively. Construction works were impacted by the restrictions brought into force to combat Covid-19 and new programmes were developed to reschedule completion dates. Greenock opened 17 May 2021, Clydebank is due to open later in 2021-22.

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, and was submitted to Scottish Government for consideration in July 2020. Formal confirmation of the approval of the Outline Business Case was received from the Scottish Government in January 2021. The Full Business Case is being developed for submission later in 2021-22.

In total the Board invested some £102.8m during 2020-21 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.
Major areas of capital investment in the year include:

- Replacement of the air handling units for the Bone Marrow Transplant areas and to future-proof the entire air handling systems within the Royal Children's Hospital Wards 2A and 2B.
- Glasgow Royal Infirmary upgraded ventilation systems within Endoscopy.
- At the QEUH campus ventilation and infrastructure upgrade works, software upgrade to the automatic guided vehicle system and works to the pedestrian walkways.
- Investment in Endoscopy Equipment, Radiotherapy and major Diagnostic Imaging Equipment together with general medical equipment upgrades and replacements.
- Purchasing the car park at Glasgow Royal Infirmary.
- Investment in e-Health priorities.

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 and £1.3m from Glasgow HSCP for additional works to the upper floor of the clinic to create flexible office space.

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. The sale of Stoneyetts Hospital Phase 1 was achieved in year.

We have contracted commitments for capital expenditure amounting to £5.8m; details of these commitments are shown in Note 15 to the financial statements.

Technology Based Service Developments

The Board is still delivering against the 5 year digital strategy as approved in August 2018. 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. This 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 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, as reported last financial year, is to progress the roadmap to support the use of digital technology across the organisation. The pandemic throughout financial year 2020-21 has indeed accelerated the board's delivery against many elements of the strategy. Particularly around enhancements to the integrated Electronic Health & Care Record and Self Care and Remote Care. Additional investment and the need to mobilise staff to work in a more agile fashion has

increased the use of laptop devices, VC capability on our desktop estate to support the use of Near Me and MS Teams.

The progress over 2020-21 has been significant and plans are monitored by the eHealth Project Management office 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. The table below highlights the Covid-19 related work.

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. The EHCR workflow tools were also used to support a range of new clinical pathways for the Clinical Assessment Centres (CACS), Covid-19 patient flow into the acute hospitals and the Redesign of Unscheduled Care Programme.
Safer Use of Medicines	
Access to Portal from Community Pharmacy and extended GP summary data	Access has been extended to include a broader data set. In addition access to Clinical Portal the Emergency Care Summary is now available to Community Pharmacists and Dentists. Optometrists are also being provided with access.
Hospital Electronic Prescribing & Medicines Administration (HEPMA)	During 2020-21 the £10.5m HEPMA procurement was completed. The system has been set up and configured and implementation has commenced in the QEUH following a pilot. The programme was accelerated in line with the Board's Remobilisation Plan as the benefits of virtual prescribing and paperless Kardex had been recognised from other implementations.
Self-Care and Remote Care	
Remote consultations	The focus for 2020-21 was to maximise use and this technology was increased significantly to support the Covid-19 response. The focus has been on a number of acute specialties to support services to triage referrals appropriately and appoint to a remote consultation. Outpatient appointments delivered remotely increased by 33.8% in 2020-21.
Workforce and Business Systems Programme & Technology Infrastructure	
Device Replacement & Virtual enablement	The programme to upgrade or replace 38,000 devices has progressed during 2020-21. Approximately 1,000 devices are being replaced per month and the programme is due to complete in December 2021. To date 82% of devices within GGC have been upgraded or replaced. Replacement

	of devices in GP Practices has also commenced. In addition a significant number of additional devices have been deployed to support remote working and new services during the pandemic.
Office 365	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 working remotely or on site.

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 ensures 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.
- Work on early intervention and prevention measures.
- 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 supports to people in the community, minimising hospital admission, accelerating discharge and providing effective community support.

Staff Engagement and Development

It is vital that we continue to attract and nurture the most talented and service focused people, both locally and from around the world and achieve our ambition of 'Growing our Great Community'. I am pleased to note the following successes during the year:

- Collaboratively developed Workforce Strategy for delivery thorough 2021-2025, agreed and endorsed by our key stakeholders groups including the Area Partnership Forum (APF) and the NHSGGC board.
- Designed the draft Employee Experience Roadmap to enhance the overall employee experience and empower the employee voice.
- Revised our workforce Equality Action Plan for 2021-2022, with significant engagement for key stakeholders, raising visibility of our workforce equality commitments and priorities.
- Launch of the new national Whistleblowing Standards and developed our NHSGGC support infrastructure.
- Reviewed, enhanced and developed our approaches to collective leadership, including the delivery of core programmes associated with leadership and employee wellbeing during the pandemic and the launch of a new Medical Management Development programme.
- Commenced rollout of the Investors in People (IiP) Framework and standards across NHSGGC with the pilot implementation at Inverclyde Royal Hospital.

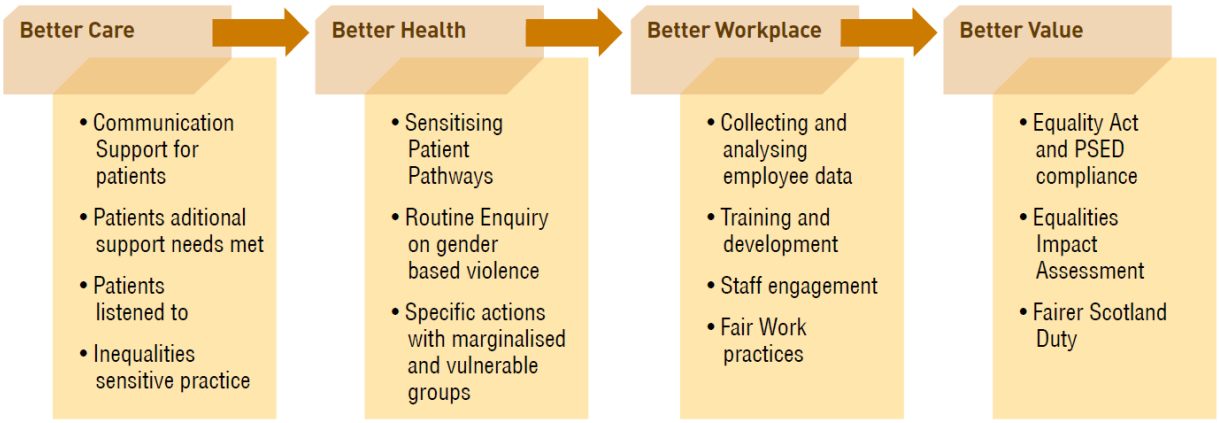
Equality and Diversity

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 published our Fairer NHSGGC 2020–2024 Equality Outcomes document which has identified eight areas where we need to make a difference and the actions required:

<u>Equality Outcomes</u>

1. Person Centred Care for older people
2. Supporting patients from equality groups to access our services
3. Black and Minority Ethic patients
4. Religion and Belief
5. Patients with a Learning Disability
6. Lesbian, Gay, Bisexual and Transgender patients
7. Pregnancy
8. Physical Health of Mental Health Patients

Actions required to deliver the Equality Outcomes:



Link to the 2020-2024 Equalities Outcome document: A Fairer NHS Greater Glasgow & Clyde 2020-24.

https://www.nhsggc.org.uk/media/260193/eih-a-fairer-nhs-accessible.pdf

We also published our Workforce Equality data, equal pay data and Equal Pay Statement, Link below:

https://www.nhsggc.org.uk/your-health/equalities-in-health/meeting-the-requirements-of-equality-legislation/a-fairer-nhsggc/workforce-equality/

We have also been working to ensure our response to the Covid-19 pandemic is inclusive of all our communities. Information has been produced in multiple languages and formats and there has been engagement with more than 600 people from black and minority ethnic groups and disabled people to understand barriers and concerns they may have around Covid-19 vaccine uptake.

Performance

Prior to the outbreak of Covid-19, there was evidence of real progress in some of the programmes of work that were put in place to address key performance challenges. For example, we were on track to deliver against the agreed revised trajectories for Treatment Time Guarantees (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. However, in preparation for, and in response to, the Covid-19 outbreak, all of the hard work and improvement activity into achieving this has had to be temporarily suspended across Scotland on a phased basis from the week beginning 16th March 2020 and this had a major impact on the improved performance levels made.

Clinical prioritisation actions agreed as part of the Phase 3 Remobilisation Plan focus on Priority 1 and 2 patient care for all specialty patients. Full clinical reviews are being carried out for longest waiting P2 patients with active plans developed to accommodate these patients.

By way of context, at the peak of the Covid-19 pandemic in the 'first wave', NHSGGC treated 38% of Scotland's Covid-19 patients (with a total of 86 patients in ICU beds, 74 of whom had Coronavirus

and 606 Covid-19 positive in-patients) and then again during the 'second wave' of the pandemic in February 2021 when it was at its peak (with a total of 53 Covid-19 positive inpatients in ICU and 956 Covid-19 positive inpatients). During the pandemic we have sought to address the significant challenges presented by balancing the demands of Covid-19 and the requirements of Remobilisation requiring significant ongoing effort.

As part of our Phase 2 Remobilisation Plan we implemented a range of initiatives underpinning our commitment to remobilising services and delivering agreed levels of activity. Key initiatives and programmes of work were introduced including revised patient pathways and extending the use of digital technology to maximise the potential new ways of interacting with patients. Progress against each was reviewed fortnightly to maximise the visibility of all remobilisation actions and ensure collective and individual progress could be tracked. These efforts resulted in the positive progress that was made in relation to remobilising TTG and outpatient activity, particularly with the introduction of remote consultations. Positive progress was also made in relation to achieving key diagnostic test targets and in delivering agreed levels of activity in relation to both CAMHS and psychological therapies. Performance has been more challenging in relation to delayed discharges and emergency care.

In response to the performance challenges around unscheduled care the Flow Navigation Centre went live on 1st December 2020 to deliver an appointment booking service aligned to a clinical hub to deliver virtual triage and Near Me assessments to provide effective patient streaming and rescheduling of urgent care activity. The aim is to deliver the right care, in the right place, at the right time, for those who self-present at Emergency Departments. Following the successful implementation of Phase 1 of the redesign of Unscheduled Care, Phase 2 continues to be implemented in addition to the Recovery Plan work to further embed the service changes and redesign emergency care access routes to ensure that the alternative pathways continue and to avoid a return to pre-Covid-19 levels of demand.

Whilst we achieved the target in relation to the 31 Day Cancer Waiting Times Standard our performance around the 62 Day Cancer Waiting Times Standard continued to be a key challenge in 2020-21. The management of cancer patients and vital cancer services remained a clinical priority during 2020-21. NHSGGC implemented the national guidance on the management of individual patients who require cancer treatments agreed by the national Covid-19 Treatment response Team. For some patients treatment plans and management plans had to change due to the risks associated with Covid-19. The introduction of alternative treatment pathways had an impact on cancer waiting times performance, due to the reduction in both diagnostics and treatment capacity in response to the Covid-19 challenges.

As part of Phase 3 Remobilisation Plan, measures have been put in place to further build upon the progress and successes achieved during these exceptionally challenging circumstances and help achieve long term sustainable improvements in performance across NHSGGC.

The Way Forward

2020-21 was an unprecedented year for NHSGGC, and for society in general. The narrative above outlines the main 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 are signs of recovery, 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, the Test and Protect programme and vaccine roll outs.

A number of waiting list initiatives have been implemented to tackle the backlogs created as a result of the pandemic:

- Since October 2020 we have extended the delivery of appointments across NHSGGC to Saturdays.
- Elective and Non Elective performance levels continue to be the subject of Recovery Plans supported improvement actions and weekly monitoring at the Senior Executive Group.
- A Child and Adolescent Mental Health Services (CAMHS) Waiting List initiative is also underway. Near Me has been embedded into the pathway with high levels of engagement so that as at March 2021 it constituted 47% of all contacts. This has received positive service user feedback.
- A number of HSCPs are implementing enhanced multi-agency referral management groups to help redirect referrals to appropriate alternatives to CAMHS
- Actions are in place to address Do Not Attends including adjustment to the SMS Text message appointment reminders to include a link to Near Me

We also remain committed to de-escalating the Board from the Scottish Government's Level 4 position for infection control and related communication issues which are within the remit of the AARG chaired by the Chief Nursing Officer. The AARG is taking forward the ongoing work around strengthening management capability and capacity (including leadership and culture) as follows:

- Existing levels of support and scrutiny are continuing in relation to IPC/communication issued.
- Oversight of activity to improve management capability and capacity (including leadership and culture).
- Continued implementation of the programme in relation to Performance and Service Delivery with routine performance monitoring by the Scottish Government.

Extensive action has been taken and performance in these areas has improved, 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 (RRL) – 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 Scottish Government decision that Boards are 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. Fortunately Scottish Government Covid-19 funding received in year funded the additional Covid-19 costs.

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	3,177,076	3,176,598	478
Non-core Revenue Resource Limit	93,590	93,590	0
Total Revenue Resource Limit	**3,270,666**	**3,270,188**	**478**
2. Core Capital Resource Limit	79,957	79,947	10
Non-core Capital Resource Limit	21,076	21,076	0
Total Capital Resource Limit	**101,033**	**101,023**	**10**
3. Cash Requirement	3,117,214	3,110,396	6,818

The outturn on cash requirement reported above differs from the cash limit set due to the treatment of payments to hospices. The Scottish Government have confirmed that these payments should have been accounted for on an "agency" basis i.e the payment made directly by the Scottish Government to the hospices. Payments totalling £6,818k were made prior to the Scottish Government instruction.

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.

Further details on non-core elements of expenditure, typically comprising items of a technical accounting nature, can be found in the Summary of Resource Outturn.

Memorandum for in-year outturn	**£'000**
Core Revenue Resource Reported Surplus in 2020-21	478
Financial flexibility: funding banked with Scottish Government	238
Underlying surplus against Core Revenue Resource Limit	240
Percentage (underlying surplus/core revenue resource limit)	0%

A three-year financial plan was submitted to Scottish Government by NHSGGC on 17 March 2020. Due to the impact of the Covid-19 pandemic, the Scottish Government amended the Annual Operating and financial planning process to focus on a Remobilisation Plan. Recognising the exceptional nature of 2020-21 and the impact on delivery of financial plans, additional non-repayable funding was provided to support in-year financial balance across all NHS Boards. As part of this, NHSGGC received £268m in relation to additional COVID-19 funding in year which included costs incurred by our six HSCPs.

Excluding provision of financial flexibility provided by the Scottish Government, the Board's outturn would have been an underspend on RRL of £0.2m. The underspend 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 high level 2020-21 Financial Plan, approved by the NHS Board in February 2020, projected a potential deficit of £112m, where pay costs growth accounted for £66m. The focus for 2020-21 was to bring down the recurring deficit by continuing the work of the Financial Improvement Plan and deal with cost pressures.

However, 2020-21 has been an unprecedented year and as outlined earlier in this report in the *Chief Executive's Statement*, the Board dealt with the outbreak of Covid-19 throughout 2020-21. From a financial perspective, the Board incurred additional costs of £176m consisting of additional staff costs, additional bed capacity, testing, deep cleans, loss of income, vaccinations costs, equipment & IT and unachieved savings. In terms of the HSCP's, additional costs of £92m were incurred in relation to Covid-19 for 2020-21, largely consisting of additional staffing costs, social care provider sustainability payments and in year work around assessment centres, homelessness and testing. The full £268m was funded by the Scottish Government.

The Board still experienced some cost pressures in-year, out with Covid-19, such as: clinical waste, junior doctors, delayed discharges, agency costs and short supply of drugs. Despite this, through the continued success of the FIP, albeit non-recurrently, increased financial grip, reduction in activity

and managing the capital allocation to ensure an optimal outturn, the Board was able to report a small surplus of £0.5m at 31st March 2021.

The key financial impacts of Covid-19 can be summarised as:

- Direct expenditure on health mobilisation and delivery of services due to Covid-19 of £162.2m (£139.5 for the Board and £22.7 for the IJBs).
- Unachieved savings due to the focus and effort on Covid-19 delivery of £37.2m (£36.6m relates to the Board and £0.6m for the IJBs).

All direct Covid-19 related costs were fully funded in year including a contribution to unachieved savings.

The Boards underspend position was underpinned by £36.6m of non-recurring support for unachieved savings, as illustrated in the following table:

Area	Gross position £'m	Savings Relief £'m	Final position £'m
Acute	(15.6)	**16**	**0.4**
Partnerships (including HSCPs)	0	0	0
Corporate directorates	(20.5)	20.6	0.1
Gross/Net Financial Position at 31 March 2021	(36.1)	**36.6**	**0.5**

Expenditure was close to budget for pay and non-pay across all Directorates with the exception of Corporate Affairs where there was an increase in legal fees associated with ongoing issues in relation to the QEUH.

HSCPs reported a breakeven at 31 March 2021. HSCPs have all reported a breakeven out-turn on the Health budget with any underspends transferred to reserves at the year end. HSCP reserves increased significantly in year partly as a result of additional ring-fenced Scottish Government funding for areas such as Covid-19, Primary Care Improvement Plans, Mental Health Action 15 and funding for Alcohol and Drug Partnerships, and underspends reflecting on going difficulties recruiting to key posts and the impact of Covid-19 on demand for services.

The core capital resources available to the Board for investment in 2020-21 amounted to £94m, including amounts generated from capital receipts, together with direct capital funding received from SGHSCD for investment in buildings, medical equipment and e-health schemes. In order to best manage the Board's overall revenue and capital out-turn, and to ensure that expenditure was correctly classified within the Accounts, a transfer of £12.2m from capital to revenue was progressed, enabling the Board to achieve the key core Capital Resource Limit (CRL) target of £80m.

As we move forward into 2021-22, the initial Financial Plan indicated an increased financial gap of £157.5m, this includes a recurring deficit brought forward of £93.5m, with pay cost growth

accounting for the majority of the remaining balance. This gap will be offset by non-recurrent support of £35m, non-recurrent savings of £68m and recurring savings of £35m leaving an overall gap of £19.5m for 2021-22. This presents an acceptable level of risk for the Financial Plan at this stage. The Annual Operational Plan (AOP) has been superseded by the Covid-19 Remobilisation Plans. The pandemic is still active and the financial impact of both the Covid-19 outbreak and the recovery process cannot be fully assessed until the pandemic is passed.

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:-

	2020-21	2019-20
Average period of credit taken	30 days	26 days
Percentage of invoices by volume paid within 30 days	94 %	95 %
Percentage of invoices by value paid within 30 days	97 %	95 %
Percentage of invoices by volume paid within 10 days	87 %	90 %
Percentage of invoices by value paid within 10 days	92 %	91 %

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 Better Health through Employment Strategy. 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 £3.643m (2019-20, deficit £0.424m). The Board's Endowment fund had total net assets of £105.8m as at 31 March 2021. Expenditure from endowment funds amounted to £9.9m 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.

Throughout the year the charity has received and disbursed significant sums of money from NHS Charities Together and other direct donations for Covid-19 relief. This funding has facilitated various projects including: virtual visiting for patients; rest and relaxation Hubs; and various other smaller projects promoting patient and staff wellbeing during the Covid-19 crisis.

Other grants made during the year included support for the following projects:

- Clinical Research – a three year investment in the Board's clinical research function to provide dedicated research time in the early and later stages of clinical training;
- Navigational Peer Support Programme – an emergency department based peer programme to help people move away from violent or chaotic lifestyles;
- Fracture Monitoring Trial – support for a research project into ankle fracture outcomes; and
- Improving the Cancer Journey –a project to provide holistic non-medical support through the cancer journey.

Support was also continued for the Staff Bursary Scheme and various other smaller projects to enhance the wellbeing of patients and staff.

IJB Accounts

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

Performance Against Key Non-Financial Targets

The Remobilisation Plan, as outlined in the overview section above, includes targets to restore elective capacity and tackle the increased waiting times and embed clinical prioritisation across the organisation. This was developed in the context of national, regional and local priorities and builds upon the progress made during the year.

Our Plan outlined our response and recovery planning process which involved the rapid reconfiguration of our health and care services, a significant increase in the use of technology to deliver care outside hospitals or clinic settings and effective cross system working. Key elements of this are summarised earlier in this report.

Despite the pressures and unprecedented challenges of Covid-19 during 2020-21, NHSGGC made steady progress in reaching a number of key service priority milestones agreed with Scottish Government and outlined in our Phase 2 Remobilisation Plan. The focus of recovery during 2020-21 was on the delivery of these agreed key service priority milestones rather than the previously reported waiting times and access targets. As demonstrated in the table below, a total of 10 of the 14 measures contained within the Remobilisation Plan either met or exceeded the March 2021 planned position with a further priority measure narrowly missing target by 3%.

PERFORMANCE AT A GLANCE - MARCH 2021				
Measure	July - Mar 2021 Actual	July - Mar 2021 Yr End Target	Perform Status	Phase 2 Remob Year End Target Achieved
Number of new outpatient referrals received	230,229	**258,455**	**GREEN**	**√**
New Outpatient Activity	154,993	**139,065**	**GREEN**	**√**
Scope Activity	17,104	**14,882**	**GREEN**	**√**
Imaging Activity	146,265	**94,720***	**GREEN**	**√**
TTG Inpatient and Day Case Activity	32,732	**32,561**	**GREEN**	**√**
Number of Accident & Emergency Attendances	222,793	**198,000**	**RED**	**x**
Number of Accident & Emergency 4 Hour breaches	19,434	**9,900**	**RED**	**x**
Number of Emergency Admissions	94,383	**112,487**	**GREEN**	**√**
Number of Emergency Admissions via A&E	60,352	**76,814**	**GREEN**	**√**
Number of Delayed Discharges (July - Mar 21 mthly aver)	236	**167**	**RED**	**x**
Cancer (62 days) - Number of urgent referrals received	33,163	**32,482**	**GREEN**	**√**
Cancer (31 days) - Number of patients treated	4,458	**4,653**	**AMBER**	**x**
CAMHS - Number of eligible patients seen	4,372	**4,067**	**GREEN**	**√**
Psychological Therapies - Number of eligible patients treated	11,553	**10,975**	**GREEN**	**√**

* Year end target reflects Oct - March 2021 target

Performance Status	
Adverse variance of > 5%	**RED**
Adverse variance of up to 5%	**AMBER**
On target or better	**GREEN**

A number of actions are already underway to address the red ranked measures above, including: the successful implementation of Phase 1 of the Redesign of Unscheduled Care; development of integrated pathways through initiatives such as Hospital@Home.

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 Performance Oversight Group was established on 27th January 2020 to ensure the development of a robust Recovery Plan by NHSGGC to support the Board to move to an improved position on the key performance areas quickly, this Oversight Group was later superseded by the AARG. NHSGGC were tasked with the development and delivery of a single Recovery Plan with clear milestones to encompass the relevant areas. A report was submitted to the Scottish Government outlining the progress made in relation to each of the relevant areas highlighting that all actions have been progressed with the majority implemented and supported by marked improvements in performance.

Formal notification from Scottish Government was received in June 2021 that the Board had been de-escalated from Level 4 to Level 2 in respect of these matters.

Our Phase 3 Remobilisation Plan has been developed in partnership with key stakeholders and recently approved by Scottish Government. The Plan contains the details of all the initiatives and actions that will underpin the remobilisation of services and development of services into 2021-22 and beyond with corresponding targets and trajectories. This plan will be used to ensure we build

upon the successes achieved to date and deliver longer term sustainable performance improvements.

Across NHSGGC there are robust governance arrangements in place for measuring, monitoring and reporting on performance. These arrangements include:

- live daily reporting of unscheduled care at operational site level;
- weekly performance reporting to Chief Executive, Executive Directors and Acute Directors;
- fortnightly reporting at the Strategic Executive Group and Tactical Groups (established to co-ordinate the organisation's strategic response to the Covid-19 outbreak);
- the 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.

The NHSGGC Performance Management Framework, including the new Performance Management Board, monitors performance against all key Remobilisation Plan targets. These targets have been embedded within the Board, and ASC. An Integrated Performance Report is considered at each Board and ASC meeting. This report was amended in year to reflect the new priorities and targets outlined in the Remobilisation Plan. 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.

Sustainability and Energy Management

Energy/Carbon
NHSGG&C continues its commitment to reducing both its energy-based carbon emissions and its energy consumption which will still enable the board to contribute towards the Scottish Government's aim to reduce greenhouse gas emissions towards a target of net zero for emissions of all greenhouse gases by 2045 at the latest, with interim targets set for 2030 (75% reduction) and 2040 (90% reduction).

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:

- Scotland's Climate Change Act (3).
- Scottish Governments declaration of a Climate Change Emergency
- United Nations (UN) Sustainability Development Goals (SDG's).
- NHS HDL(2006)21: Environmental Management Policy for NHSScotland.
- NHS CEL 15 (2009): Sustainable Development Strategy for NHSScotland.
- NHS CEL 2(2012): A policy on Sustainable Development for NHSScotland.
- Scottish Planning Policy (SSP 6) Renewable Energy.
- Choosing Our Future: Scotland's Sustainable Development Strategy.

<u>Energy</u>
Whilst there was no formal energy consumption target reduction set for NHSGG&C for 2020-21 there was an overall reduction in energy consumption of 2.5% compared to 2019-20.

Emissions

The overall carbon emissions reduction at 31 March 2021 was 11% compare to same period last year. This equates to a reduction of 3,307 tonnes of carbon. The Board has welcomed these reductions 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 2020-21 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;
- Introduction of Air Source Heat Pump technology;

There has also been a number of 'feasibility studies' carried out to support the introduction of 'large scale heat pump technology (both ground and air)' at Stobhill Hospital and Leverndale Hospital.
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, all 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.

The Way forward after 2021

The Board continues to endorse the already excellent number of policies, plans, and initiatives in place across the organisation to reduce the energy and carbon footprint and it has already commenced the strategy towards delivering a pathway to NetZero. This will allow NHSGG&C to prepare a baseline carbon trajectory from 2019 until 2045. This will subsequently be agreed by the Boards Sustainability Governance Group. This NetZero pathway will identify any gaps in the trajectory, allow NHSGG&C to prepare an annual carbon budget, whilst preparing a boardwide 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 2021-22.

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
Chief Executive & Accountable Officer

23 September 2021

Accountability Report

Corporate Governance Report

Directors' Report

Date of Issue

The annual report and accounts were approved by the Board on 21 September 2021 and authorised for issue by the Accountable Officer on 23 September 2021.

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 2020 to 31 March 2021 and up to the date of approval of these accounts were as follows:

Non-Executive Members

Professor J Brown CBE	Board Chair Chair– Finance, Planning & Performance Cttee (until June 2020) Chair – Remuneration Cttee Ex-officio member of all Board Standing Committees (from June 2020)
Mr R Finnie (until 31 May 2020)	Non-Executive Board Member; Board Vice Chair Chair – Acute Services Cttee Member – Audit & Risk Cttee Vice Chair – Endowments Management Cttee Member – Finance, Planning and Performance Cttee Chair – Pharmacy Practices Cttee Vice Chair – Remuneration Cttee
Rev J Matthews OBE	Non-Executive Board Member; Board Vice Chair (from June 2020) Member – Audit & Risk Cttee (until June 2020) Member – Endowments Management Cttee (from June 2020)

	Vice Chair – Finance, Planning and Performance Cttee (from June 2020) Chair – Pharmacy Practices Cttee (from June 2020) Chair – Public Health Cttee Member – Remuneration Cttee
Mr I Ritchie	Non-Executive Board Member; Board Vice Chair (from June 2020) Chair – Acute Services Cttee (from June 2020) Vice Chair – Clinical & Care Governance Cttee Chair – Endowments Management Cttee (until June 2020) Member – Finance, Planning and Performance Cttee Vice Chair – Public Health Cttee (from June 2020) Member – Remuneration Ctte
Cllr C Bamforth	Non-Executive Board Member; Councillor, East Renfrewshire Council Member – Clinical & Care Governance Cttee Member – Endowments Management Cttee
Ms S Brimelow OBE	Non-Executive Board Member Member – Acute Services Cttee Member – Audit & Risk Ctte (from July 2021) Chair – Clinical & Care Governance Cttee Member – Finance, Planning and Performance Cttee Member – Remuneration Cttee (until June 2020)
Mr S Carr	Non-Executive Board Member Vice Chair – Acute Services Cttee Member – Audit & Risk Cttee (until June 2020) Member – Clinical & Care Governance Cttee (until June 2020) Chair – Finance, Planning and Performance Cttee)(from June 2020; Vice Chair until then)
Cllr J Clocherty	Non-Executive Board Member; Councillor, Inverclyde Council Member – Acute Services Cttee Member – Audit & Risk Cttee (from June 2020) Member – Staff Governance Cttee (until June 2020)
Mr A Cowan	Non-Executive Board Member Member – Finance, Planning and Performance Cttee Vice Chair – Pharmacy Practices Cttee Vice Chair – Public Health Cttee (until June 2020) Joint Chair – Staff Governance Cttee Vice Chair – Remuneration Cttee (from June 2020)
Prof A Dominiczak DBE (until 31 March 2021)	Non-Executive Board Member Member – Clinical & Care Governance Cttee Member – Finance, Planning and Performance Cttee
Ms J Donnelly (until 30 June 2020)	Non-Executive Board Member Member – Public Health Cttee Member – Staff Governance Cttee
Ms J Forbes	Non-Executive Board Member Member – Audit & Risk Cttee Member – Endowments Management Cttee (until June 2020) Member – Finance, Planning and Performance Cttee
Cllr M Hunter	Non-Executive Board Member; Councillor, Glasgow City Council

	Member – Acute Services Cttee (until June 2020) Member – Public Health Cttee Member – Remuneration Committee (from June 2020)
Ms M Kerr	Non-Executive Board Member Member – Acute Services Cttee (until July 2021) Vice Chair then Chair from July 2021 – Audit & Risk Cttee Member then Vice Chair from July 2021 – Endowments Management Cttee Member – Finance, Planning and Performance Ctte (from July 2021) Vice Chair – Pharmacy Practices Cttee
Ms A Khan	Non-Executive Board Member Member – Acute Services Cttee (until June 2020) Member – Clinical & Care Governance Cttee (until July 2021) Member – Endowments Management Committee (from July 2021) Member – Public Health Cttee (until June 2020) Member – Staff Governance Cttee (from June 2020)
Dr D Lyons (until 30 June 2020)	Non-Executive Board Member Member – Audit & Risk Cttee Member – Clinical & Care Governance Cttee Member – Finance, Planning and Performance Cttee Member – Public Health Cttee
Mr A Macleod (until 31 July 2021)	Non-Executive Board Member Chair – Audit & Risk Cttee Vice Chair – Endowments Management Cttee Member – Finance, Planning and Performance Cttee
Cllr J McColl	Non-Executive Board Member; Councillor, West Dunbartonshire Council Member – Audit & Risk Cttee Member – Endowments Management Cttee
Ms D McErlean	Non-Executive Board Member; Employee Director Member – Acute Services Cttee (until June 2020) Member – Clinical & Care Governance Cttee (until June 2020) Member – Endowments Management Cttee (until June 2020) Member – Finance, Planning and Performance Cttee Joint Chair – Staff Governance Cttee Member – Remuneration Cttee
Professor I McInnes CBE (from 1 April 2021)	Non-Executive Board Member Member – Clinical & Care Governance Cttee Member – Finance, Planning and Performance Cttee
Cllr S Mechan	Non-Executive Board Member; Councillor, East Dunbartonshire Council Member – Finance, Planning and Performance Cttee Member – Staff Governance Cttee
Ms K Miles (from 1 June 2020)	Non-Executive Board Member Member – Audit & Risk Cttee Member – Endowments Management Cttee
Ms A-M Monaghan	Non-Executive Board Member

	Member – Acute Services Cttee (until June 2020) Member – Audit & Risk Cttee (until June 2020) Member – Finance, Planning and Performance Cttee (from June 2020) Member – Public Health Cttee (from June 2020)
Cllr I Nicolson	Non-Executive Board Member; Councillor, Renfrewshire Council Member – Endowments Management Cttee (until June 2020) Member – Public Health Ctte (from June 2020) Member – Remuneration Ctte (from June 2020)
Dr L Rousselet (from 1 July 2021)	Non-Executive Board Member Member – Acute Services Cttee Member – Clinical & Care Governance Cttee
Dr P Ryan (from 1 June 2021)	Non-Executive Board Member Member – Acute Services Ctte Member – Clinical and Care Governance Ctte Member- Staff Governance Ctte
Mr F Shennan (from 1 June 2020)	Non-Executive Board Member Member – Public Health Ctte Member – Staff Governance Cttee
Ms P Speirs (from 1 June 2020)	Non-Executive Board Member Member – Acute Services Cttee Member – Clinical & Care Governance Cttee
Ms R Sweeney	Non-Executive Board Member Chair – Endowments Management Cttee Member – Finance, Planning and Performance Cttee (from July 2021) Member – Staff Governance Cttee (until July 2021)
Ms A Thompson (until 30 June 2021)	Non-Executive Board Member Member – Acute Services Cttee Member – Clinical & Care Governance Cttee Member – Staff Governance Cttee (until June 2020)
M F Tudoreanu	Non-Executive Board Member Member – Public Health Committee Member – Remuneration Committee
Mr C Vincent	Non-Executive Board Member; Member – Staff Governance Committee Vice Chair – Pharmacy Practices Committee (since July 2021) Member – Audit & Risk Cttee (until July 2021)
Ms M Wailes (From 1 June 2021)	Non-Executive Board Member Vice Chair – Audit & Risk Cttee

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 33.

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 2020-21 our auditors, Audit Scotland, did not undertake any 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 twenty seven 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 and all incidents were reported to the Information Governance Steering Group.

The Data Protection Officer for the Board reported seven confidentiality breaches to the Information Commissioner's Office (ICO); three breaches related to inappropriate access or sharing of information inappropriately by staff, one related to patient data being sent to the wrong address, two related to lost records and one was reported on behalf of a GP where a patient record was missing information.

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, one related to patient

information found in a public area, one related to alleged wrong clinical information held and one believed the Board had breached their confidentiality. One case is still under investigation by the ICO. The remainder of the incidents were investigated by the ICO and no action was taken against the Board.

The Information Governance Department have investigated all data breaches, made recommendations to managers and carried out further training and support to areas in direct response to incidents.

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.

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 2021 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 Financial Reporting Manual (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 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 on 7th December 2020, the Board assessed its own performance in the presentation of an overview of performance during 2019-20 and our initial response to the pandemic from February / March 2020. During that year NHSGGC had made significant progress against 10 of the 14 priority activity milestones outlined in the Plan alongside successfully implementing many major service changes and redesigns whilst at the same time maintain our focus on the safety of our patients and staff.

A significant number of Remobilisation Plan 2 milestones have been achieved in key service priority areas. Progress against key milestones includes:

- The Tier 2 Contact tracing service going live in May 2020 with the capacity to provide a seven day service with around 100 people every day. The service operated with a very high demand with peak numbers of 23,000 people with a positive test being carried out in a single week, generating 8,000 contacts to be followed up;
- The Influenza Vaccination programme started at the beginning of October 2020 with the intention of reaching an estimated 500,000 people across NHSGGC, an increase of over 200,000 people due to the extension of eligibility and expectation of higher levels of uptake. To support the programme we rapidly established over 30 Community Vaccination Centres to compensate for a restricted capacity in General Practice. This involved developments of additional vaccine cold storage capacity at the Louisa Jordan Hospital, establishment of a central booking function dealing with around 100,000 appointments per month and sourcing qualified staff to deliver vaccinations.
- Providing a range of support mechanisms to support the 196 care homes during the peak of the pandemic including deploying staff, psychological support, etc.
- Remobilising planned care whilst at the same time ensuring we maintained red Covid-19 pathways to respond to fluctuating levels of cases, and support staff who were shielding and deployed to support the Covid-19 response. New infection control and social distancing guidance (including patients testing) pushed the need for new models of care and ways of working.
- Our mental health services continued to operate throughout the pandemic, ensuring continuous access to emergency and urgent care services. This was made possible by the adaptability and flexibility of staff and the adoption of a range of new ways of working including the wide scale roll out of IT and telephone consultation. Face to face emergency and inpatient care continued to be supported by new ways of working practices, use of appropriate PPE and the adaption of patient pathways.
- Two Mental Health Assessment Units were quickly established to divert patients away from hospital Emergency Departments and continue to operate to Standard Operating Procedures in order to reduce footfall through EDs, support Police Scotland and the Scottish Ambulance Service and responding better to patient's needs.
- The Covid-19 Community Assessment Centre (CAC) Pathway was developed as part of our response to the pandemic where a 'red' community pathway was established for symptomatic patients. This enabled patients who were potentially Covid-19 positive to be cohorted away from General practice and hospital E.Ds. The pathway was integrated into the planned care model for GP Out Of Hours, and CACs became operational on 23rd March 2020 and continue to operate. At the peak week of the pandemic, 766 patients attended the CACs. Our staff, including Health Visitors, Physiotherapists, Student Nurses and Health Care Support Workers, were fundamental in the functioning of CACs with many stepping out of their normal roles to provide support.

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.

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. At 31 March 2021 the Board comprised the Chair, twenty-six Non-Executive and five Executive Board members; of the Non-Executive members, six are Council Members nominated by their respective councils.

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.

Active governance is a key element of the implementation arrangements for the NHS Scotland Blueprint for Good Governance ('the Blueprint') issued under DL (2019) 02 on 1 February 2019.

To adopt and embed an active approach to governance and deliver good governance, NHSGGC is developing a corporate governance system that applies the active governance approach to the implementation of the NHS Scotland Blueprint for Good Governance. This requires having a cohesive corporate governance system that is specifically designed to facilitate an active approach to corporate governance at Board level. The chart below, describes the approach.

The actions to develop the corporate governance system form the basis of the NHS GGC Active Governance Programme April 2021 – March 2022. The implementation phases match the Board meetings from April 2021 and March 2022. Key headings are noted below:

The Corporate Governance System in NHS GGC

The Assurance Framework
The Integrated Assurance System
The Assurance Operating Requirements

Supporting Board Members
Evaluation and Review
Communication and Engagement

During the Covid-19 Pandemic the routine governance requirements required review in March 2020. The Audit and Risk Committee met on 17th March 2020 and considered the challenge posed by Covid-19 and the potential impact on the Board's governance processes. The Audit and Risk Committee identified three particular risks:

1. There is a risk that the current governance arrangements are too inflexible and compartmentalised to give the Board the necessary assurance and oversight of the organisation's response to the escalating Coronavirus pandemic across Greater Glasgow & Clyde.
2. There is a risk that the governance arrangements put unnecessary demands on the Chief Executive, the Senior Leadership Team and Executive Team, and the Board Administration Team at a time when these resources are required elsewhere to manage the public health emergency.
3. There is a risk to the health and wellbeing of the people involved in the governance process if the Board continues mainly to rely on face-to-face meetings to conduct its business.

The Board Chairman wrote to all Board members on 19 March 2020, identifying five options to deal with the identified risks, proposing a solution and nominating a fall-back option. Over the period 19 to 23 March 2020 Board members provided feedback on the Chairman's proposed actions, and through discussion a sixth option was identified and refined. This option proposed the convening of a single 'Interim Board' committee of the Board to carry out all functions on behalf of the Board during the public health emergency; the suspension of the main Board and all other committees; and the review of this arrangement at the time of the scheduled meeting of the main Board on 30 June 2020. This option was approved unanimously by the Board. A note of this virtual meeting of the Board was circulated to Board members. Internal and External Audit both reviewed the approach. The approach to Board governance within NHS GGC was advised to the Scottish Government.

The first meeting of the Interim Board took place on 8 April 2020. The Interim Board comprised eight non-executive members (including Chair and Vice Chair of the Board, chairs of governance committees, representation of stakeholder members and two executive members. Meetings of the Interim Board were convened in accordance with Standing Orders, albeit meetings took place by MS Teams, with papers being published in line with publishing of Board papers, and notes of the proceedings of the meeting being issued shortly after the meeting and made publically available,

with a formal minute of the meeting being issued thereafter and presented for confirmation at the next meeting of the Interim Board. The Interim Board met on six occasions 8 April, 21 April, 5 May, 19 May, 2 June, and 16 June. The membership was Prof John Brown (Chair), Mr Allan MacLeod, Mrs Susan Brimelow, Mr John Matthews, Mrs Dorothy McErlean, Mrs Audrey Thomson, Mr Ross Finnie (ceased membership June 2020), Cllr Jim Clocherty, Prof Linda de Caestecker, Mrs Jane Grant.

A full meeting of the NHS Greater Glasgow and Clyde Board meeting took place on the 30 June 2020. At this meeting the functioning of the Interim Board was reviewed and the reinstatement of routine governance arrangements were agreed in view of the improving picture in respect of the Covid-19 pandemic. Core priorities were agreed to ensure focus and minimise impact on the Executive team with a 'governance light' approach.

From the 30 June 2020 the full Board continued to meet as per schedule. However in light of the 2nd wave of the Covid-19 pandemic, whilst the Board continued to meet from December to March 2021, the Standing Committees were suspended during this time. This approach was approved by the Board at a special meeting on 19 January 2021. During the year from 1 April 2020 to 31 March 2021, the full Board met on five occasions 30 June, 25 August, 27 October, 22 December 2020 and 23 February 2021 with two additional Special Board meetings held on 29 September 2020 and 19 January 2021.

There was a robust governance process established to manage the emergency response to Covid-19 with a Strategic Executive Group (SEG) chaired by the Chief Executive which met daily or three times a week depending on the stage of the pandemic. The SEG was supported by a number of operational tactical groups to manage the pandemic across the whole system.

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).

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 had three meetings during the year 2020-21.

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 had eight scheduled meetings during 2020-21, 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 four occasions during 2020-21.

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 meeting 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 three times during 2020-21 with one rescheduled meeting.

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.

Specific focus was given throughout the year on the allocation of NHS Charities monies in respect of Covid.

The Committee met four times during the year 2020-21.

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 Committee met five times during 2020-21.

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.

The Committee did not have any official meetings during 2020-21, these were recommenced virtually in April 2021.

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.

The Committee had two scheduled meetings during 2020-21.

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 2020-21 the SGC had two scheduled meetings during the year.

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 the year, 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.

Information Governance
Good progress continues to be made to ensure compliance with the General Data Protection Regulation (GDPR), the Data Protection Act 2018 and the Public Records (Scotland) Act 2011. This included a review of the Board's Information Asset Register to identify where patient data was accessed or held out with the UK to ensure there was no risk when the UK left the EEU.

The Information Governance (IG) Steering Group continue to meet regularly to monitor IG compliance by reviewing regular reports on data breaches, security compliance, data protection and records management training and subject access requests. The Group also reviews all Information Governance and IT Security policies. The IG Steering Group reports into the Corporate Management Team.

The Board received over 10,000 requests for personal data and responded to 99.9% of these requests within the required timeframe.

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 training to GP practice staff.

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.

With the continued investment by nation states in cyber-attack tools cyber threats remain high. Adoption of the controls identified in the Information Security Policy Framework, which support the Network Information System (NIS) Regulations and the measures identified in the Public Sector Action Plan help reduce impact. The first NIS audit has taken place with findings under discussion with the Competent Authority. The Scottish Government, through the Cyber Resilience Unit, issued fourteen Cyber Response Early Warning (CREW) notices which were risk assessed and actioned.

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. 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 with the establishment of a 'buddy' system for newly appointed members. 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 had a Whistleblowing Policy in place in 2020-21, and on 1 April 2021, this was superseded by national Whistleblowing Standards, which all Health Boards in Scotland must abide by. The Standards were published by the Scottish Public Services Ombudsman, who now has a dual role, and is also now the Independent National Whistleblowing Officer. As well has handling a case load of whistleblowing concerns in 2020-21 as per the previous policy, the Board also spent time preparing for the implementation of the Standards.

The Standards aim to bring consistency across NHS Scotland in how whistleblowing concerns are handled, in terms of accessibility, impartiality and fairness. Both with the previous policy, and with the new Standards, NHSGGC has always aimed to look into any concerns brought forward through the process in a thorough and empathetic way. The Standards have given NHSGGC an opportunity to focus and make improvements to our whistleblowing arrangements, strengthening the support offered to all those involved with cases, and tightening our reporting processes.

During 2020-21, a review was undertaken of whistleblowing cases handled in NHSGGC over a three year period. The findings of the review augment the work undertaken to prepare for the new standards, and the recommendations are currently being implemented, to further ensure a high quality Whistleblowing function.

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 organisation's ARC. Reports include the auditors' independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement; and
- statements made by the external auditors in their management letters and other reports.

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

- The Board, along with its Standing Committees meeting frequency is as described above. Whist arrangements were altered during the year in light of Covid, the fundamental role continued to consider 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:
  - development of proposals for the Board on financial and capital allocations and the AOP;
  - approval of system-wide policy;
  - ensuring that the 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; and
  - 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. These groups have continued to meet throughout the year in addition to the specific Covid-19 response fora described.
- The ARC provides assurance that an appropriate system of internal control is in place. The Committee met, as detailed above, 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 revised targets set out in the Remobilisation Plan. Reporting mechanisms have been further developed to ensure a culture of continuous improvement continues to be promoted.
- Staff objectives and development plans include where appropriate maintenance and review of internal controls.
- 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.

Covid-19 – Financial Support Measures paid to FHS Contractors

As part of a package of financial support for business in Scotland, announced by Scottish Government during Covid-19 pandemic, specific guidance was issued for NHS Primary Care contractors within Medical, Pharmacy, Dental and Optometry. Aligned to this financial support measures were implemented to maintain the Primary Care infrastructure and ensure contractor workforce were protected during pandemic.

Amounts paid to Primary Care contractors, as part of financial support package, included sums to assist with costs relating to adaption of premises, PPE supplies, increased activity and the reimbursement of costs relating to locum cover for Covid-19 sickness or Covid-19 isolation procedures.

For payments to contractors which were based on 'item of service' fee based income which decreased due to the pandemic, revised payment calculations were based on prior year, or most relevant period, activity instead of 2020-21 actual activity. Additional payments to contractors for Enhanced Services were also guaranteed at prior year payment levels even though some activity decreased due to the pandemic.

During the course of 2020-21, and as pandemic restrictions have lifted, items of service fee based claims have increased and the value of monthly financial support payments has decreased as contractors gradually resume post pandemic working procedures.

All additional payments to FHS contractors have been supported by Scottish Government funding.

All payments to Primary Care contractors, were processed via National Services Scotland (Practitioners Services Division) to ensure accuracy and consistency across all Health Boards.

Risk Assessment

NHSGGC has made significant efforts to enhance risk management arrangements during 2020-21. The Risk Management Policy and Guidance document and overarching Risk Management Strategy were updated and a detailed review of the Corporate Risk Register was initiated to ensure extant risks remain relevant in the current environment. Additional actions are planned for 2021-22 to address some recent audit recommendations and enhance risk management controls further. The Risk Management Strategy describes how NHSGGC aims 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 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. In 2020-21 due to the suspension of the standing committees due to Covid-19 and latterly planned changes in the CRR it was only presented once to the ARC in September 2020.

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

Other developments included the recruitment of a dedicated Chief Risk Officer for the Board with the primary objective of overseeing the whole Risk Management process and making improvements where necessary. The post was filled on an interim basis in the year, recruitment for the permanent post will commence in 2021-22.

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:

- Commissioned work by Internal Audit to further update the structure and content of the CRR in line with best practice;
- Updated the Risk Management Policy and Guidance note for managers;
- Updated the Risk Strategy;
- Directed work to review and update older records on the electronic risk register module; and
- Ensured it has an 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 faces:

- Failure to implement the recommendations published in respect of the QEUH and RHC; The External Review, The Oversight Board Report/AARG, The Case Note Review Report, impacting on patient care, staff resilience, the reputation of the Board and public confidence in services provided.
- Delays in discharging patients from acute settings resulting in bed pressures, inappropriate patient placement, delays in Emergency Departments, delays in admissions, cancellations of planned admissions and acute hospital overcrowding.
- Failure to comply with recognised policies and procedures in relation to infection control.
- Financial challenges around delivery of the Financial Plan due to funding uplifts being significantly lower than additional cost pressures.
- Failure to deliver NHSGGC scheduled care and unscheduled care Waiting Time targets and Treatment Time Guarantees to agreed standards, thereby impacting on patient experience and outcomes.

High rated risks in 2020-21 which were successfully mitigated in year:

- There was an initial risk around Covid-19 vaccine targets not being met and roll outs potentially being delayed for priority groups. The vaccine roll out to priority groups was very successful and targets were met in the year.
- Initial risk that Test and Protect might not operate at the anticipated level in terms of staffing, overall resources or successful contacts made.
- There was a significant financial challenge earlier in the year, accentuated by Covid-19 spend. Scottish Government confirmed they would provide full Covid-19 funding and the final outturn was a small surplus.
- Increased risks to the BAME community posed by Covid-19 was managed through additional risk assessments for higher risk staff.
- There was a risk that NHSGGC would not be in full operational readiness to fulfil the 10 duties of the Health and Care Staffing (Scotland) Act 2019. Robust governance processes effectively mitigated this risk.
- Failure to ensure a whole system health and social care response to Covid-19 resulting in an insufficient nursing workforce to ensure required safe service delivery within community environments. Effective governance arrangements and partnership working in year ensured the ongoing, safe delivery of services within the community throughout the pandemic.

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

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

- Clearly embedded risk management structures throughout the organisation;
- A strong commitment to clinical effectiveness and quality improvement across the organisation;
- A sound cycle of annual clinical governance reporting arrangements for operational entities with devolved responsibilities; and
- A robust performance management framework that provides the context to support statistics with a high level of qualitative information.

Health and Safety

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

The Board has renewed the Staff Health Strategy which will be in place until 2023. Key strategies for this are supporting our staff with mental health issues, emphasising the importance of a positive health and safety culture and supporting our staff who have long term health conditions and were shielding due the pandemic. We recognise the impact of the pandemic on our staff and we have introduced a range of programmes to support our staff including a mental health assessment and treatment plan, a peer support programme and an assessment and treatment programme for staff with Long-Covid.

NHS GGC recognises that the development of an effective safety culture is a vital element in the achievement of high standards of safety, alongside an effective safety management system and organisational structure and this is described within the Workforce Strategy objective; to: develop and embed professional health and safety culture by December 2023. As such, and through the Boards Health and Safety Forum a forward looking strategy has been developed with the aim of evolving a positive and sustainable safety culture to improve personal ownership and reduce incidents.

We continue to work with the HSE on areas of interest and successfully closed two improvement notices on 31 December 2020, which related to staff training. The Board had contested a third improvement notice which related to ventilation, and this continues to progress through a legal process. A further area of focus has been ligature risk, with an investigation currently on-going. Measures have been taken by the Board in regards to ligature risk, including strengthened governance routes for risk assessment and mitigation.

We have supported staff through the Covid-19 pandemic and we have been very proactive in issuing appropriate levels of PPE and introducing Social Distancing measures and communications.

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 2021 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.

The NSS Service Audit for 2020-21 - Payments to Primary Care Contractors was qualified for the second year in a row. Actions have been taken by NSS to address this and a report detailing the issue and actions taken went to the NHSGGC Audit & Risk Committee. Additional independent reviews commissioned by NSS indicate that the risk of material mis-statement in these financial statements is low.

Significant Issues

The Board's internal auditors completed 12 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 – twenty six:** 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 – four** controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

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

- **Risk Management**
  Audit conclusion - The auditors identified a number of recommendations which would support a consistent and integrated approach to risk management across the organisation.
  Management response - We agreed proposed improvement actions to better enable NHSGGC to enhance existing risk management arrangements.
- **Records Management**
  Audit conclusion – The auditors noted that appropriate policies and procedures were in place and that staff receive regular training on their duties. However, they also found that the control framework around the management of corporate records was inadequate.
  Management response – The recommendations were agreed and timescales for implementation are being monitored.

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.

Key actions planned relating to governance for 2021/22

- Continuation of the Active Governance Programme work which commenced in 2020/21, including the development of an Assurance Framework and Information Assurance System to ensure Board members have clarity on the Board's strategic aims, objectives, performance and outcomes.
- The Remobilisation plan will be updated to RMP4 to reflect the current position and key strategic actions for the Board in terms of the pandemic.
- Ongoing governance arrangements will remain in place around the QEUH, public enquiry, legal case etc. but will be regularly reviewed and amended if required as each area develops and evolves.
- The Board's Risk Management Strategy will be updated and finalised to ensure that it continues to meet the needs of the Health Board, as part of this the Board will agree a Risk Appetite Statement.
- Ongoing rollout of the Investors in People (IiP) Framework and standards across NHSGGC.

REMUNERATION REPORT AND STAFF REPORT

REMUNERATION REPORT

Information about the Remuneration Sub-committee, its membership and role are shown in the Governance Statement from Page 35.

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 2021 (31 March 2020), the salaries of executive board members were as follows:-

J Grant £173,275 (£166,119); Dr J Armstrong £182,932 (£176,123); Dr L de Caestecker £223,118 (£112,070); Dr M McGuire £138,112 (£132,894) M White £144,812 (142,423).

The tables shown on pages 53 - 59 have been subject to audit.

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 2021	Cash Equivalent Transfer Value (CETV) at 31 March 2020	Real increase in CETV in year
Remuneration of:					£'000						£'000	£'000	£'000
Executive Members													
Chief Executive : J Grant	170 - 175	-	-	170 - 175	-	170 - 175	-	-	-	-	-	-	-
Director of Public Health : L de Caestecker	220 - 225	-	-	220 - 225	448	670 - 675	60 - 65	20.0 - 22.5	180 - 185	60.0 - 62.5	1,477	983	470
Medical Director : J Armstrong	180 - 185	-	-	180 - 185	42	225 - 230	25 - 30	2.5 - 5.0	-	-	404	343	32
Nurse Director : M McGuire	135 - 140	-	-	135 - 140	-	135 - 140	-	-	-	-	-	-	-
Director of Finance : M White	140 - 145	-	-	140 - 145	223	365 - 370	10 - 15	10.0 - 12.5	-	-	161	-	144
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 (left 31.03.21)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
J Donnelly (left 30.06.20)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
R Finnie (left 31.05.21)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
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 (left 30.06.20)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
A Macleod (left 31.07.21)	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
J Matthews	25 - 30	-	-	25 - 30	-	25 - 30	-	-	-	-	-	-	-
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	15	60 - 65	10 - 15	0 - 2.5	30 - 35	0 - 2.5	279	253	22
S Mechan	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
K Miles (from 01.06.20)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
A Monaghan	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
I Nicolson	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
I Ritchie	25 - 30	-	-	25 - 30	-	25 - 30	-	-	-	-	-	-	-
F Shennan (from 01.06.20)	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
P Speirs (from 01.06.20)	0 - 5	-	-	0 - 5	-	0 - 5	-	-	-	-	-	-	-
R Sweeney	15 - 20	-	-	15 - 20	-	15 - 20	-	-	-	-	-	-	-
A Thompson	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
F Tudoreanu	5 - 10	-	-	5 - 10	-	5 - 10	-	-	-	-	-	-	-
C Vincent	10 - 15	-	-	10 - 15	-	10 - 15	-	-	-	-	-	-	-
Other Senior Employees													
Chief Operating Officer, Acute Division : J Best	135 - 140	-	-	135 - 140	43	180 - 185	35 - 40	2.5 - 5.0	105 - 110	7.5 - 10.0	830	681	61
											3,151	**2,260**	**729**

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	979	to	983
Medical Director : J Armstrong	343	to	343
Employee Director : D McErlean	263	to	253
Chief Operating Officer, Acute Division : J Best	746	to	681
	2,331		2,260

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 Chair was paid £44k in the year for his role as Board Chair, he also did additional work in the year for Scottish Government.

5. M Kerr was paid £9k in the year for her role as a Non-Executive Director, she also did additional work in the year for NHS Education for Scotland.

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 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.

Fair Pay Disclosure

	2021	2020
Range of Staff Remuneration (£'000)	10 - 315	10 - 335
Highest earning Director's total remuneration (£'000)	220 -225	175 -180
Median total remuneration (£)	27,921	26,511
Ratio	7.99	6.64

The banded remuneration of the highest paid director in NHS Greater Glasgow and Clyde Health Board in the financial year 2020-21 was £223,118 (2019-20 £112,070). This was 7.99 times (2019-20 6.64) the median remuneration of the workforce which was £27,921 (2019-20 £26,511).

The highest paid director in 2020-21 was the Director of Public Health of the Health Board. The earnings figures provided above for the highest earning Director includes total salary, non-consolidated performance related pay and any benefits in kind where appropriate.

In 2020-21 16 (2019-20 116) employees received remuneration in excess of the highest paid director. Remuneration ranged from £223,118 to £313,715.

STAFF REPORT

Other Employees whose remuneration fell within the following ranges :

	2021 Number	2020 Number
Clinicians		
£ 70,001 to £ 80,000	204	214
£ 80,001 to £ 90,000	167	135
£ 90,001 to £100,000	210	189
£100,001 to £110,000	196	209
£110,001 to £120,000	214	201
£120,001 to £130,000	202	200
£130,001 to £140,000	169	169
£140,001 to £150,000	185	158
£150,001 to £160,000	122	97
£160,001 to £170,000	92	88
£170,001 to £180,000	52	52
£180,001 to £190,000	39	24
£190,001 to £200,000	24	27
£200,001 and over	47	45
Other		
£ 70,001 to £ 80,000	169	122
£ 80,001 to £ 90,000	51	63
£ 90,001 to £100,000	60	13
£100,001 to £110,000	16	11
£110,001 to £120,000	5	4
£120,001 to £130,000	2	3
£130,001 to £140,000	3	1
£140,001 to £150,000	-	-
£150,001 to £160,000	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	2021 £'000	2020 £'000
Staff Costs								
Salaries and Wages	862	475	1,600,087	0	0	(6,463)	1,594,961	1,367,863
Social Security Costs	109	35	162,225	0	0	(892)	161,477	148,705
NHS scheme employers' costs	97	8	267,482	0	0	(1,351)	266,236	248,548
Other employers' pension costs	0	0	0	0	0	0	0	0
Inward Secondees	0	0	0	14,272	0	0	14,272	11,444
Agency Staff	0	0	0	0	38,821		38,821	25,096
	1,068	**518**	**2,029,794**	**14,272**	**38,821**	**(8,706)**	**2,075,767**	**1,801,656**
Compensation for loss of office	0	0	82	0	0	0	82	0
Pensions to former board members	0	0	0	0	0	0	0	0
TOTAL	**1,068**	**518**	**2,029,876**	**14,272**	**38,821**	**(8,706)**	**2,075,849**	**1,801,656**

Staff Numbers
Whole Time Equivalent (WTE)

5.0	**29.0**	**34,921.2**	**737.7**	**692.9**	**(161.70)**	**36224.1**	**36,275.5**

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 :	258	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	**2,075,849**
Add: employee income included in Note 4	**8,706**
Total employee expenditure disclosed in note 3	**2,084,555**

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

	2021 Headcount				2020 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	13	16	0	29	12	15	0	27
Senior Employees	23	39		62	27	40	0	67
Other	10683	31,180	0	41,863	8,384	30,708	0	39,092
Grand Total	10,720	31,239	0	41,959	8,424	30,767	0	39,191

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

	2021	2020
Sickness Absence Rate	5.61%	5.98%

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

Exit package cost band	Number of compulsory	Number of other departures agreed	Total number of exit packages by cost band	Cost of Exit packages (£000)
<£10,000	0	2	2	10
£10,000 - £25,000	0	3	3	42
£25,000 - £50,000	0	1	1	30
£50,000 - £100,000	0	0	0	0
£100,000- £150,000	0	0	0	0
£150,000- £200,000	0	0	0	0
>£200,000	0	0	0	0
Total number exit packages by type	**0**	**6**	**6**	
Total resource cost (£'000)	**0**	**82**		**82**

Exit Packages – Prior Year

The Board had no exit packages in 2019-20.

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	108	FTE employee number	22.57

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%	93
51% - 99%	10
100%	5

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	983,267
Total Paybill	2,031,462,000
Percentage of the Total Paybill spent on facility time calculated as : (total cost of facility time /total Paybill) x 100	0.048%

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:

2021		2020	
No of Cases	£'000	No of Cases	£'000
382	16,717	524	9,871

In the year to March 2021, the following balances in excess of £250,000 were written off:

Reference	**Description**	**2021 £'000**
	Loss of Equipment	**NA**
	Total Claims paid under CNORIS scheme	**NA**

In 2020-21, the Board was required to pay out £4.9m in respect of 7 claims individually greater than £250,000 settled under the CNORIS scheme (2019-20: £0.7M, 1 cases). Part payment had been made in relation to these settled cases and the value disclosed here is the total award. Further detail on the scheme can be found in Note 1 (accounting policies) of the annual accounts.

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

Fees and Charges

The Board had no commercial trading activity during 2020-21 where the full annual cost exceeded £1 million (2019-20 nil).

J Grant

Chief Executive & Accountable Officer

23 September 2021

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

Reporting 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 2021 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 2020/21 Government Financial Reporting Manual (the 2020/21 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 2021 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 2020/21 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 28/01/2019. The period of total uninterrupted appointment is 3 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.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the Audit Scotland website, the most significant assessed risks of material misstatement that I identified and my judgement 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the board is complying with that framework;
- identifying which laws and regulations are significant in the context of the board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result 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.

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.

Reporting 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. In addition to my responsibilities to detect material misstatements in the financial statements in respect of irregularities, 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.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited part of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. 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.

Statutory other information

The Accountable Officer is responsible for the statutory other information in the annual report and accounts. The statutory other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the statutory other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

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

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

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

John Cornett FCPFA
Audit Director

Audit Scotland
8 Nelson Mandela Place
Glasgow G2 1BT

23 September 2021

Consolidated Statement of Comprehensive Net Expenditure

	Note	**2021 £'000**	2020 £'000
Staff Costs	3a	**2,084,555**	1,811,257
Other operating expenditure	3b		
Independent Primary Care Services		**414,643**	397,378
Drugs and medical supplies		**669,492**	638,530
Other health care expenditure		**2,951,716**	2,429,926
Gross expenditure for the year		**6,120,406**	5,277,091
Less: operating income	4	**(2,669,844)**	(2,421,958)
Joint Ventures accounted for on an equity basis		**(63,729)**	(1,595)
Net expenditure for the year		**3,386,833**	2,853,538

	2021 £'000	2020 £'000
OTHER COMPREHENSIVE NET EXPENDITURE/(INCOME)		
Net loss/(gain) on revaluation of property, plant and equipment	**7,741**	(85,392)
Net (gain)/loss on revaluation of investments	**(13,075)**	5,078
Other comprehensive income	**(5,334)**	(80,314)
Comprehensive net expenditure	**3,381,499**	2,773,224

Consolidated Statement of Financial Position

Consolidated 2020 £'000	Board 2020 £'000		Note	Consolidated 2021 £'000	Board 2021 £'000
		NON CURRENT ASSETS			
2,262,172	2,262,172	Property, plant and equipment	7c	**2,272,807**	**2,272,807**
294	294	Intangible assets	6a	**314**	**314**
		Financial assets:			
85,270	1,199	Available for sale financial assets	10	**100,132**	**1,250**
38,246	-	Investment in joint ventures	23b	**101,975**	**-**
163,687	163,687	Trade and other receivables	9	**134,872**	**134,872**
2,549,669	2,427,352	**Total non current assets**		**2,610,100**	**2,409,243**
		CURRENT ASSETS			
23,733	23,733	Inventories	8	**24,706**	**24,706**
481	481	Intangible assets	6b	**404**	**404**
		Financial assets:			
152,838	150,691	Trade and other receivables	9	**197,422**	**197,036**
18,813	16,129	Cash and cash equivalents	11	**6,664**	**1,909**
4,346	4,346	Assets classified as held for sale	7b	**2,608**	**2,608**
200,211	195,380	**Total current assets**		**231,804**	**226,663**
2,749,880	2,622,732	**Total assets**		**2,841,904**	**2,635,906**
		CURRENT LIABILITIES			
(63,306)	(63,306)	Provisions	13a	**(123,885)**	**(123,885)**
		Financial liabilities:			
(400,751)	(399,209)	Trade and other payables	12	**(667,558)**	**(669,331)**
(464,057)	(462,515)	**Total current liabilities**		**(791,443)**	**(793,216)**
2,285,823	2,160,217	**Total assets less current liabilities**		**2,050,461**	**1,842,690**
		NON CURRENT LIABILITIES			
(341,911)	(341,911)	Provisions	13a	**(291,521)**	**(291,521)**
		Financial liabilities:			
(302,865)	(302,865)	Trade and other payables	12	**(326,944)**	**(326,944)**
(644,776)	(644,776)	**Total non current liabilities**		**(618,465)**	**(618,465)**
1,641,047	1,515,441	**Assets less liabilities**		**1,431,996**	**1,224,225**
		TAXPAYERS' EQUITY			
1,079,711	1,079,711	General Fund		**794,719**	**794,719**
435,730	435,730	Revaluation Reserve		**429,506**	**429,506**
38,246	-	Other reserves - joint ventures		**101,975**	**-**
87,360	-	Funds held on Trust		**105,796**	**-**
1,641,047	1,515,441	**Total taxpayers' equity**		**1,431,996**	**1,224,225**

Adopted by the Board on 21 September 2021

M White
Director of Finance
23 September 2021

J Grant
Chief Executive
23 September 2021

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

	Note	**2021 £'000**	2020 £'000
NET OPERATING CASHFLOW			
Net expenditure	SoCTE	**(3,386,833)**	(2,853,538)
Adjustments for non cash transactions	2b	**65,671**	87,025
Interest payable	2b	**23,225**	24,374
Investment Income		**(1,770)**	(2,432)
Movements in working capital	2b	**266,723**	16,181
Totals	23c	**(3,032,984)**	(2,728,390)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(92,868)**	(59,651)
Purchase of intangible assets		**(119)**	-
Investment Additions	10	**(11,459)**	(43,469)
Proceeds of disposal of property, plant and equipment		**1,771**	9,730
Proceeds of disposal of intangible assets		**-**	366
Receipts from sale of investments		**4,720**	45,552
Interest received		**1,770**	2,432
Net cash outflow from Investing Activities	23c	**(96,185)**	(45,040)
FINANCING			
Funding	SoCTE	**3,124,616**	2,791,532
Movement in general fund working capital	SoCTE	**(14,220)**	10,743
Cash drawn down		**3,110,396**	2,802,275
Capital element of payments in respect of finance leases and on balance sheet PFI Contracts	2b	**24,980**	12,346
Provisions - Unwinding of discount		**(1,250)**	(2,540)
Interest element of finance leases and on balance sheet PFI Contracts	2b	**(21,975)**	(21,834)
Net cash inflow from financing	23c	**3,112,151**	2,790,247
Increase in cash in year		**(17,018)**	16,817
Net cash at 1 April		**30,096**	13,279
Net cash at 31 March		**13,078**	30,096

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 £6,414k (prior year £11,283k).

	Note	General Fund £'000	Revaluation Reserve £'000	Other Reserves - Joint Ventures £'000	Funds Held on Trust £'000	Total Reserves £'000
Balance at 31 March 2020		**1,079,711**	**435,730**	**38,246**	**87,360**	**1,641,047**
Changes in taxpayers' equity for 2020-21						
Net loss on revaluation / indexation of property, plant and equipment	7a	-	(7,741)	-	-	**(7,741)**
Net gain on revaluation of available for sale financial assets	10	-	-	-	13,075	**13,075**
Impairment of property, plant and equipment	7a	-	(2,429)	-	-	**(2,429)**
Revaluation and impairments taken to operating costs	2b	-	16,185	-	-	**16,185**
Transfers between reserves		12,239	(12,239)	-	-	**-**
Other non cash costs - Equipment Transfers/PPE and Testing Kits		34,076	-	-	-	**34,076**
Net operating cost for the year		(3,455,923)	-	63,729	5,361	**(3,386,833)**
Total recognised income and expense for 2020-21		**(3,409,608)**	**(6,224)**	**63,729**	**18,436**	**(3,333,667)**
Funding:						
Drawn down	CFS	3,110,396	-	-	-	**3,110,396**
Movement in General Fund creditor	CFS	14,220	-	-	-	**14,220**
Balance at 31 March 2021	SOFP	**794,719**	**429,506**	**101,975**	**105,796**	**1,431,996**

	Note	General Fund £'000	Revaluation Reserve £'000	Other Reserves - Joint Ventures £'000	Funds Held on Trust £'000	Total Reserves £'000
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 investments	10	-	-	-	(5,078)	**(5,078)**
Impairment of property, plant and equipment	7a	-	(314)	-	-	**(314)**
Revaluation and impairments taken to operating costs	2b	-	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**

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 (28) 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 2022.

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 £27.7 million will be brought onto the Statement of Financial Position, with an associated lease liability of £27.7 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) 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.

4) 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.

5) 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.

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

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

All expenditure including grants is accounted for on an accruals basis and is only incurred where this will further the charitable objects of the NHSGGC Endowment Funds.

Expenditure is recognised when there is a legal or constructive obligation committing the fund to the expenditure.

6) 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.

6.1) 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.

6.2) 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.

6.3) 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

7) Intangible Assets

7.1) 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.

7.2) 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.

7.3) 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

8) 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.

9) 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.

10) 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.

11) 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.

12) 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.

13) 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.

14) 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 2020-21 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.

15) 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.

16) 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.

17) 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.

18) 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.

19) 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.

20) 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.

21) 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.

22) 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.

23) 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.

24) 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.

25) 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.

26) 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.

27) 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.

28) 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 2021.

  The valuation report has been used to inform the measurement of assets in these financial statements.

As a consequence of the Covid-19 pandemic, the properties have been valued based on external only inspections undertaken. Not undertaking an inspection of a specified physical asset may be a divergence from normal valuation practice in relation to the particular class of asset and for the purpose for which the valuation is undertaken, in the current context it is not a departure in RICS Valuation – Global Standards (Red Book Global Standards) terms.

	2021 £'000
2a. SUMMARY OF CORE REVENUE RESOURCE OUTTURN	
Net expenditure	**3,386,833**
Total Non Core Expenditure (see below)	**(93,590)**
FHS Non Discretionary Allocation	**(186,309)**
Donated Assets Income (transferred to CRL)	**574**
Endowment Net Operating Costs	**5,361**
Joint Ventures accounted for on an equity basis	**63,729**
Totals	**3,176,598**
Core Revenue Resource Limit	**3,177,076**
Saving against Core Revenue Resource Limit	**478**

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN	
Depreciation/Amortisation	**74,140**
Annually Managed Expenditure - Impairments	**2,101**
Annually Managed Expenditure - Creation of Provisions	**(5,055)**
Annually Managed Expenditure - Depreciation of Donated Assets	**1,292**
Additional SGHSCD non-core funding	**68**
IFRS PFI Expenditure	**21,044**
Total Non Core Expenditure	**93,590**
Non Core Revenue Resource Limit	**93,590**
Saving against Non Core Revenue Resource Limit	**-**

SUMMARY RESOURCE OUTTURN	**Resource £'000**	**Expenditure £'000**	**Saving £'000**
Core	3,177,076	3,176,598	478
Non Core	93,590	93,590	-
Total	**3,270,666**	**3,270,188**	**478**

2b. NOTES TO THE CASHFLOW STATEMENT

Consolidated adjustments for non-cash transactions

	Note	2021 £'000	2020 £'000
Expenditure Not Paid In Cash			
Depreciation	7a	**81,000**	82,041
Amortisation	6	**99**	108
Depreciation of donated assets	7a	**1,292**	1,540
Impairments on PPE charged to SoCNE		**1,322**	314
Net revaluation on PPE charged to SoCNE		**13,756**	5,347
Loss on re-measurement of non-current assets held for sale	7b	**1,107**	-
Funding Of Donated Assets	7a	**(574)**	(811)
Profit on disposal of intangible assets		**-**	-
Loss / (profit) on disposal of property, plant and equipment		**(2,748)**	57
Impairment of investments charged to SoCNE	10	**68**	-
Joint ventures accounted for on an equity basis	SoCNE	**(63,729)**	(1,595)
Other non-cash transactions - Equipment Transfers for COVID response (DHSC)		**4,050**	24
Other non-cash transactions - PPE and Testing Kits		**30,028**	-
Total Expenditure Not Paid In Cash	CFS	**65,671**	87,025

Interest payable recognised in operating expenditure

Interest Payable			
PFI Finance lease charges allocated in the year	18b	**21,975**	21,834
Provisions - Unwinding of discount		**1,250**	2,540
Total		**23,225**	24,374

Consolidated movements in working capital

	Note	Opening Balances £'000	Closing Balances £'000	Net Movement 2021 £'000	2020 £'000
INTANGIBLE ASSETS CURRENT					
Balance Sheet	6b	**481**	404		
Net Decrease/(Increase)				**77**	(231)
INVENTORIES					
Balance Sheet	8	**23,733**	24,706		
Net Increase				**(973)**	(772)
TRADE AND OTHER RECEIVABLES					
Due within one year	9	**152,838**	197,422		
Due after more than one year	9	**163,687**	134,872		
Less: Capital included in above	-	**(160)**	(2,894)		
		316,365	329,400		
Net Increase				**(13,035)**	(84,752)
TRADE AND OTHER PAYABLES					
Due within one year	12	**400,751**	667,558		
Due after more than one year	12	**302,865**	326,944		
Less: Property, Plant & Equipment (Capital) included in above	-	**(45,387)**	(55,048)		
Less: General Fund Creditor included in above	12	**(16,129)**	(1,909)		
Less: Lease and PFI Creditors included in above	12	**(269,418)**	(294,398)		
		372,682	643,147		
Net Increase				**270,465**	26,551
PROVISIONS					
Statement of Financial Position	13a	**405,217**	415,406		
Net Increase				**10,189**	75,385
Net Increase				**266,723**	16,181

3. OPERATING EXPENSES

3a. Employee expenditure

	2021	2020
	£'000	£'000
Medical and Dental	**509,178**	463,266
Nursing	**895,015**	739,221
Other Staff	**680,362**	608,770
Total	**2,084,555**	1,811,257

3b. Other operating expenditure

	2021	2020
	£'000	£'000
Independent Primary Care Services:		
General Medical Services	**210,643**	197,722
Pharmaceutical Services	**78,904**	68,218
General Dental Services	**97,504**	104,076
General Ophthalmic Services	**27,592**	27,362
Total	**414,643**	397,378
Drugs and medical supplies:		
Prescribed drugs Primary Care	**233,131**	237,615
Prescribed drugs Secondary Care	**260,682**	247,355
PPE and testing kits	**37,492**	-
Medical Supplies	**138,187**	153,560
Total	**669,492**	638,530
Other health care expenditure		
Contribution to Integration Joint Boards	**1,872,776**	1,584,082
Goods and services from other NHSScotland bodies	**48,053**	46,784
Goods and services from other UK NHS bodies	**1,535**	1,795
Goods and services from private providers	**18,676**	17,333
Goods and services from voluntary organisations	**19,398**	20,804
Resource Transfer	**300,692**	238,950
Loss on disposal of assets	**263**	302
Other operating expenses	**683,862**	510,733
External Auditor's remuneration - statutory audit fee	**408**	398
Endowment Fund expenditure	**6,053**	8,745
Total	**2,951,716**	2,429,926
Total Other Operating Expenditure	**4,035,851**	3,465,834

Notes:

1. Higher value items within Other Operating Expenses included:

Depreciation	**82,391**	83,689
Professional Fees & Charges	**92,579**	52,262
Equipment	**70,983**	49,316
PFI	**54,254**	39,821
Rates	**30,038**	30,404
Heating, Fuel & Power	**28,784**	29,172
Impairment/Pensions/Negligence Provision	**20,582**	94,362

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

4. OPERATING INCOME

	2021	2020
	£'000	£'000
Income from Scottish Government	**539**	921
Income from other NHS Scotland bodies	**658,356**	647,230
Income from NHS non-Scottish bodies	**1,395**	3,554
Income from private patients	**169**	185
Income for services commissioned by Integration Joint Boards	**1,872,776**	1,584,082
Patient charges for primary care	**1,972**	16,748
Donations	**8,038**	810
Profit on disposal of assets	**3,011**	245
Contributions in respect of clinical and medical negligence claims	**27,019**	57,453
Non NHS:		
Overseas patients (non-reciprocal)	**127**	1,009
Endowment Fund Income	**11,414**	10,131
Other	**85,028**	99,590
Total	**2,669,844**	2,421,958

Notes:

1. Higher value items within Other Operating Income included:		
Healthcare to other organisations inc Local Authorities and other Govn depts	**31,010**	30,617
Road Traffic Act	**4,687**	5,173
Rent of Premises Income	**3,508**	4,001
Dining Room Income	**2,139**	3,371
Laboratory Income	**2,729**	2,645

5. SEGMENTAL INFORMATION

	ACUTE	NHS COMMUNITY PARTNERSHIPS	CORPORATE	UNALLOCATED	FUNDS HELD ON TRUST	IJBs	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost	1,179,885	1,516,091	759,947	-	(5,361)	(63,729)	**3,386,833**
Total assets	-	-	-	2,635,906	104,023	101,975	**2,841,904**
Total liabilities	-	-	-	1,411,681	3,267	-	**1,414,948**
Total segment revenue	620,975	62,713	101,966	-	11,414	1,872,776	**2,669,844**
Impairment losses recognised in SoCNE	-	-	-	16,185	-	-	**16,185**
Depreciation and amortisation	27	3	82,360	-	-	-	**82,390**
Non-current assets held for sale	-	-	-	2,608	-	-	**2,608**
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	-	-	-	101,023	-	-	**101,023**

PRIOR YEAR

	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**

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

	Software Licences £'000	EC Carbon Emissions £'000	Total £'000
Cost or Valuation:			
At 1 April 2020	1,312	-	1,312
Additions	-	119	119
At 31 March 2021	**1,312**	**119**	**1,431**
Amortisation			
At 1 April 2020	1,018	-	1,018
Provided during the year	99	-	99
At 31 March 2021	**1,117**	**-**	**1,117**
Net book value at 1 April 2020	294	-	294
Net book value at 31 March 2021	**195**	**119**	**314**

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

	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**

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

	2021 £'000	2020 £'000
Carbon Reduction Commitment Allowances	**404**	481
Total	**404**	481

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 2020	91,699	2,147,343	-	1,501	341,716	124,824	13,865	63,049	2,783,997
Additions - purchased	-	14,533	-	-	11,329	-	18	76,649	102,529
Additions - donated	-	-	-	-	215	-	-	359	574
Completions	-	42,672	-	-	9,539	3,317	792	(56,320)	-
Transfers (to) / from non-current assets held for sale	(708)	-	-	-	-	-	-	-	(708)
Revaluations	(46)	(96,380)	-	-	-	-	-	-	(96,426)
Impairment charges	-	(1,480)	-	-	-	-	-	-	(1,480)
Disposals - purchased	-	-	-	(12)	(25,031)	-	-	-	(25,043)
Disposals - donated	-	-	-	-	(225)	-	-	-	(225)
At 31 March 2021	**90,945**	**2,106,688**	**-**	**1,489**	**337,543**	**128,141**	**14,675**	**83,737**	**2,763,218**
Depreciation									
At 1 April 2020	-	142,267	-	1,379	250,763	114,837	12,579	-	521,825
Provided during the year - purchased	-	57,970	-	48	18,433	4,254	295	-	81,000
Provided during the year - donated	-	222	-	11	1,059	-	-	-	1,292
Revaluations	-	(88,685)	-	-	-	-	-	-	(88,685)
Impairment charges	-	(158)	-	-	-	-	-	-	(158)
Disposals - purchased	-	-	-	(12)	(24,684)	-	-	-	(24,696)
Disposals - donated	-	-	-	-	(167)	-	-	-	(167)
At 31 March 2021	**-**	**111,616**	**-**	**1,426**	**245,404**	**119,091**	**12,874**	**-**	**490,411**
Net book value at 1 April 2020	91,699	2,005,076	-	122	90,953	9,987	1,286	63,049	2,262,172
Net book value at 31 March 2021	**90,945**	**1,995,072**	**-**	**63**	**92,139**	**9,050**	**1,801**	**83,737**	**2,272,807**
Open Market Value of Land in Land and Dwellings Included Above	**2,170**		**-**						
Asset financing:									
Owned - purchased	90,277	1,664,948	-	55	87,549	9,050	1,801	83,727	1,937,407
Owned - donated	668	8,259	-	8	4,590	-	-	10	13,535
On-balance sheet PFI contracts	-	321,865	-	-	-	-	-	-	321,865
Net book value at 31 March 2021	**90,945**	**1,995,072**	**-**	**63**	**92,139**	**9,050**	**1,801**	**83,737**	**2,272,807**

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 2020	91,699	2,147,343	-	1,501	341,716	124,824	13,865	63,049	2,783,997
Additions - purchased	-	14,533	-	-	11,329	-	18	76,649	102,529
Additions - donated	-	-	-	-	215	-	-	359	574
Completions	-	42,672	-	-	9,539	3,317	792	(56,320)	-
Transfers (to) / from non-current assets held for sale	(708)	-	-	-	-	-	-	-	(708)
Revaluations	(46)	(96,380)	-	-	-	-	-	-	(96,426)
Impairment charges	-	(1,480)	-	-	-	-	-	-	(1,480)
Disposals - purchased	-	-	-	(12)	(25,031)	-	-	-	(25,043)
Disposals - donated	-	-	-	-	(225)	-	-	-	(225)
At 31 March 2021	**90,945**	**2,106,688**	**-**	**1,489**	**337,543**	**128,141**	**14,675**	**83,737**	**2,763,218**
Depreciation									
At 1 April 2020	-	142,267	-	1,379	250,763	114,837	12,579	-	521,825
Provided during the year - purchased	-	57,970	-	48	18,433	4,254	295	-	81,000
Provided during the year - donated	-	222	-	11	1,059	-	-	-	1,292
Revaluations	-	(88,685)	-	-	-	-	-	-	(88,685)
Impairment charges	-	(158)	-	-	-	-	-	-	(158)
Disposals - purchased	-	-	-	(12)	(24,684)	-	-	-	(24,696)
Disposals - donated	-	-	-	-	(167)	-	-	-	(167)
At 31 March 2021	**-**	**111,616**	**-**	**1,426**	**245,404**	**119,091**	**12,874**	**-**	**490,411**
Net book value at 1 April 2020	91,699	2,005,076	-	122	90,953	9,987	1,286	63,049	2,262,172
Net book value at 31 March 2021	**90,945**	**1,995,072**	**-**	**63**	**92,139**	**9,050**	**1,801**	**83,737**	**2,272,807**
Open Market Value of Land in Land and Dwellings Included Above	**2,170**		**-**						
Asset financing:									
Owned - purchased	90,277	1,664,948	-	55	87,549	9,050	1,801	83,727	1,937,407
Owned - donated	668	8,259	-	8	4,590	-	-	10	13,535
On-balance sheet PFI contracts	-	321,865	-	-	-	-	-	-	321,865
Net book value at 31 March 2021	**90,945**	**1,995,072**	**-**	**63**	**92,139**	**9,050**	**1,801**	**83,737**	**2,272,807**

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 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 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 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**

7b. ASSETS HELD FOR SALE

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

ASSETS HELD FOR SALE - CONSOLIDATED AND BOARD

	Property, Plant & Equipment £'000	Total £'000
At 1 April 2020	4,346	4,346
Transfers from property, plant and equipment	708	708
Gain or losses recognised on re-measurement of non-current assets held for sale	(1,107)	(1,107)
Disposals of non-current assets held for sale	(1,339)	(1,339)
At 31 March 2021	**2,608**	**2,608**

ASSETS HELD FOR SALE (PRIOR YEAR) - 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**

7c. PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated 2020 £'000	Board 2020 £'000		**Consolidated 2021 £'000**	**Board 2021 £'000**
		Net book value of property, plant and equipment at 31 March		
2,247,681	2,247,681	Purchased	**2,259,272**	**2,259,272**
14,491	14,491	Donated	**13,535**	**13,535**
2,262,172	2,262,172	**Total**	**2,272,807**	**2,272,807**
5,220	5,220	Net book value related to land valued at open market value at 31 March	**2,170**	**2,170**
		Total value of assets held under:		
317,651	317,651	PFI and PPP Contracts	**321,865**	**321,865**
317,651	317,651	**Total**	**321,865**	**321,865**
		Total depreciation charged in respect of assets held under:		
6,557	6,557	PFI and PPP contracts	**6,959**	**6,959**
6,557	6,557	**Total**	**6,959**	**6,959**

Note:
All land and approximately 20% of buildings were revalued by an independent valuer, The Valuation Office Agency, as at 31/03/2021 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 2020-21 the net impact was a reduction in value of £7,561k for Purchased Assets and £180k for Donated Assets. In 2019-20 the value of Purchased Assets increased by £84,900k and the value of Donated Assets by £492k.

7d. ANALYSIS OF CAPITAL EXPENDITURE

	Note	2021 £'000	2020 £'000
Expenditure			
Acquisition of intangible assets	6	**119**	-
Acquisition of property, plant and equipment	7a	**102,529**	63,194
Donated asset additions	7a	**574**	811
HUB		**132**	153
Gross Capital Expenditure		**103,354**	64,158
Income			
Net book value of disposal of intangible assets	6	**-**	366
Net book value of disposal of property, plant and equipment	7a	**347**	80
Net book value of disposal of donated assets	7a	**58**	7
Value of disposal of non-current assets held for sale	7b	**1,339**	1,275
HUB - repayment of investment		**13**	13
Donated asset income		**574**	811
Capital Income		**2,331**	2,552
Net Capital Expenditure		**101,023**	61,606
Summary of Capital Resource Outturn			
Core Capital Expenditure included above		**79,947**	36,846
Core Capital Resource Limit		**79,957**	36,860
Saving against Core Capital Resource Limit		**10**	14
Non Core Capital Expenditure included above		**21,076**	24,760
Non Core Capital Resource Limit		**21,076**	24,760
Saving against Non Core Capital Resource Limit		**-**	-
Total Capital Expenditure		**101,023**	61,606
Total Capital Resource Limit		**101,033**	61,620
Saving against Total Capital Resource Limit		**10**	14

8. INVENTORIES

Consolidated 2020 £'000	Board 2020 £'000		Consolidated 2021 £'000	Board 2021 £'000
23,733	23,733	Raw materials and consumables	**24,706**	**24,706**
23,733	23,733	**Total Inventories**	**24,706**	**24,706**

9. TRADE AND OTHER RECEIVABLES

Consolidated 2020 £'000	Board 2020 £'000		Consolidated 2021 £'000	Board 2021 £'000
		Receivables due within one year		
		NHSScotland		
1,100	1,100	Scottish Government Health & Social Care Directorate	**719**	**719**
59,131	59,131	Boards	**55,991**	**55,991**
60,231	60,231	**Total NHSScotland Receivables**	**56,710**	**56,710**
895	895	NHS non-Scottish bodies	**614**	**614**
3,819	3,819	VAT recoverable	**4,198**	**4,198**
23,496	23,496	Prepayments	**21,899**	**21,899**
20,323	20,323	Accrued income	**15,492**	**15,492**
13,702	11,555	Other receivables	**14,743**	**14,357**
25,809	25,809	Reimbursement of provisions	**75,963**	**75,963**
4,563	4,563	Other public sector bodies	**7,803**	**7,803**
152,838	150,691	**Total Receivables due within one year**	**197,422**	**197,036**
		Receivables due after more than one year		
		NHSScotland		
119	119	Other receivables	**100**	**100**
163,568	163,568	Reimbursement of provisions	**134,772**	**134,772**
163,687	163,687	**Total Receivables due after more than one year**	**134,872**	**134,872**
316,525	314,378	**TOTAL RECEIVABLES**	**332,294**	**331,908**
5,776	5,776	The total receivables figure above includes a provision for impairments	**6,134**	**6,134**

9. TRADE AND OTHER RECEIVABLES (cont)

Consolidated 2020 £'000	Board 2020 £'000		Consolidated 2021 £'000	Board 2021 £'000
		Movements on the provision for impairment of receivables are as follows:		
2,723	2,723	At 1 April	**5,776**	**5,776**
4,807	4,807	Provision for impairment	**2,179**	**2,179**
(62)	(62)	Receivables written off during the year as uncollectable	**(691)**	**(691)**
(1,692)	(1,692)	Unused amounts reversed	**(1,130)**	**(1,130)**
5,776	5,776	At 31 March	**6,134**	**6,134**

As of 31 March 2021, receivables with a carrying value of £6,134k (2019-20: £5,776k) were impaired and provided for. The ageing of these receivables is as follows:

£'000	£'000		£'000	£'000
380	380	3 to 6 months past due	**608**	**608**
5,396	5,396	Over 6 months past due	**5,526**	**5,526**
5,776	5,776		**6,134**	**6,134**

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 2021, receivables with a carrying value of £5,997k (2019-20: £5,700k) 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
4,782	4,782	Up to 3 months past due	**4,332**	**4,332**
678	678	3 to 6 months past due	**1,105**	**1,105**
240	240	Over 6 months past due	**560**	**560**
5,700	5,700		**5,997**	**5,997**

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
305,049	302,902	Existing customers with no defaults in the past	**320,163**	**319,777**
305,049	302,902	Total neither past due or impaired	**320,163**	**319,777**

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
316,525	314,378	Pounds	**332,294**	**331,908**
316,525	314,378		**332,294**	**331,908**

All non-current receivables are due within 25 years (2019-20: 26 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 £100k (2019-20 £119k).

10. INVESTMENTS

Consolidated 2020 £'000	Board 2020 £'000		**Consolidated 2021 £'000**	**Board 2021 £'000**
85,270	1,199	Other	**100,132**	**1,250**
85,270	1,199	**Total**	**100,132**	**1,250**
88,399	1,059	At 1 April	**85,270**	**1,199**
43,469	153	Additions	**11,459**	**132**
(41,497)	(13)	Disposals	**(9,616)**	**(13)**
-	-	Impairment recognised in SoCNE	**(68)**	**(68)**
(5,101)	-	Revaluation surplus / (deficit) transferred to equity	**13,087**	**-**
85,270	1,199	**At 31 March**	**100,132**	**1,250**
85,270	1,199	Non-current	**100,132**	**1,250**
85,270	1,199	**At 31 March**	**100,132**	**1,250**

Note:
Additions of £132k in the year related to the advance of a GP Sustainability Loan (this was discounted by £68k in year - included on impairment line above). 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 £98.9M of which £79.5M relates to restricted funds.

11. CASH AND CASH EQUIVALENTS	At 31 March 2021 £'000	At 1 April 2020 £'000
Government Banking Service	**1,263**	15,127
Commercial banks and cash in hand	**646**	1,002
Endowment cash	**4,755**	2,684
Total Cash - SOFP/CFS	**6,664**	18,813

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 2020 £'000	Board 2020 £'000		**Consolidated 2021 £'000**	**Board 2021 £'000**
		Payables due within one year		
		NHSScotland		
13,251	13,251	Boards	**15,331**	**15,331**
13,251	13,251	**Total NHSScotland Payables**	**15,331**	**15,331**
764	764	NHS Non-Scottish bodies	**-**	**-**
16,129	16,129	Amounts payable to General Fund	**1,909**	**1,909**
49,715	49,715	FHS practitioners	**45,115**	**45,115**
7,639	7,639	Trade payables	**27,501**	**27,501**
201,339	201,339	Accruals	**351,336**	**351,336**
3,477	3,477	Deferred income	**3,475**	**3,475**
116	116	Payments received on account	**79**	**79**
6,322	6,322	Net obligations under PPP / PFI Contracts	**7,354**	**7,354**
39,700	39,700	Income tax and social security	**43,333**	**43,333**
29,641	29,641	Superannuation	**32,717**	**32,717**
4,138	4,138	Holiday pay accrual	**40,920**	**40,920**
22,456	22,456	Other public sector bodies	**95,346**	**95,346**
6,064	4,522	Other payables	**3,142**	**4,915**
400,751	399,209	**Total Payables due within one year**	**667,558**	**669,331**
		Payables due after more than one year		
6,825	6,825	Net obligations under PPP / PFI contracts due within 2 years	**7,932**	**7,932**
23,914	23,914	Net obligations under PPP / PFI contracts due after 2 years but within 5 years	**27,742**	**27,742**
232,357	232,357	Net obligations under PPP / PFI contracts due after 5 years	**251,370**	**251,370**
2,178	2,178	Deferred income	**2,026**	**2,026**
37,591	37,591	Other payables	**37,874**	**37,874**
302,865	302,865	**Other payables**	**326,944**	**326,944**
703,616	702,074	**TOTAL PAYABLES**	**994,502**	**996,275**

12. TRADE AND OTHER PAYABLES (cont)

Consolidated 2020 £'000	Board 2020 £'000		**Consolidated 2021 £'000**	**Board 2021 £'000**
		Borrowings included above comprise:		
269,418	269,418	PFI contracts	**294,398**	**294,398**
269,418	269,418		**294,398**	**294,398**
		The carrying amount and fair value of the non-current borrowings are as follows		
		Carrying amount		
263,096	263,096	PFI contracts	**287,044**	**287,044**
263,096	263,096		**287,044**	**287,044**
		Fair value		
263,096	263,096	PFI contracts	**287,044**	**287,044**
263,096	263,096		**287,044**	**287,044**
		The carrying amount of short term payables approximates their fair value.		
		The carrying amount of payables are denominated in:		
703,616	702,074	Pounds	**994,502**	**996,275**
703,616	702,074		**994,502**	**996,275**

13a. PROVISIONS - CONSOLIDATED AND BOARD

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other	Total at 31 March 2021	Total at 31 March 2020
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2020	41,091	149,605	208,016	6,505	**405,217**	329,832
Arising during the year	3,960	46,182	9,279	2,192	**61,613**	107,801
Utilised during the year	(4,497)	(6,067)	(9,472)	(4,518)	**(24,554)**	(10,716)
Unwinding of discount	1,250	-	-	-	**1,250**	2,540
Reversed unutilised	(1,936)	(25,038)	-	(1,146)	**(28,120)**	(24,240)
Totals	**39,868**	**164,682**	**207,823**	**3,033**	**415,406**	405,217

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 2021

	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other	Total at 31 March 2021	Total at 31 March 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Payable in one year	3,246	66,452	51,837	2,350	**123,885**	63,306
Payable between 2 - 5 years	13,874	98,230	126,295	683	**239,082**	270,169
Payable between 6 - 10 years	12,522	-	10,744	-	**23,266**	23,408
Thereafter	10,226	-	18,947	-	**29,173**	48,334
Totals	**39,868**	**164,682**	**207,823**	**3,033**	**415,406**	405,217

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 - 0.95% 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. 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)

2020		2021
£'000		£'000
152,110	Provision recognising individual claims against the NHS Board as at 31 March	**167,715**
(189,377)	Associated CNORIS receivable at 31 March	**(210,735)**
208,016	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	**207,823**
170,749	**Net Total Provision relating to CNORIS at 31 March**	**164,803**

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 2020	122,847	2,046	**124,893**
Increase in value of claims	21,195	132	**21,327**
New claims arising during the year	10,916	1,348	**12,264**
Crystallised liabilities	(922)	(125)	**(1,047)**
Expired	(35,600)	(1,667)	**(37,267)**
At 31 March 2021	**118,436**	**1,734**	**120,170**

(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.

(iii) QEUH Legal Costs

The QEUH public enquiry and legal proceedings raised by NHSGGC against the main contractors for losses and damages incurred in relation to a number of technical issues will inevitably lead to the Board incurring substantial legal and professional advisor costs over the next two to three years. It is not possible at this stage to quantify these potential additional costs.

CONTINGENT ASSETS

The following contingent assets have not been provided for in the Accounts:	**2021**	2020
	£'000	£'000
Reimbursement of Contingent Liability re Negligence Claims (from CNORIS scheme) as follows:		
Clinical & Medical Negligence	**116,020**	120,393
Employer's Liability	**1,035**	1,315
Total	**117,055**	121,708

15. COMMITMENTS

Capital Commitments

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

	2021	2020
	£'000	£'000
Contracted		
Acute Services	**4,655**	4,183
Primary Care	**538**	75
Radiotherapy Equipment Replacement	**-**	758
HUB Projects	**648**	171
Total	**5,841**	5,187
Authorised but not Contracted		
Acute Services	**2,320**	2,279
HUB Projects	**1,208**	1,735
Radiotherapy Equipment Replacement	**-**	4,008
Primary Care Projects	**1,881**	2,361
Total	**5,409**	10,383

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:	2021	2020
	£'000	£'000
Buildings		
Not later than one year	**2,983**	3,500
Later than one year, not later than 2 years	**2,627**	3,063
Later than two year, not later than five years	**5,080**	6,234
Later than five years	**6,859**	8,430
Other		
Not later than one year	**2,042**	1,595
Later than one year, not later than 2 years	**214**	449
Later than two year, not later than five years	**58**	127
Amounts charged to Operating Costs in the year were:		
Hire of equipment (including vehicles)	**2,708**	2,121
Other operating leases	**4,227**	4,224
Total	**6,935**	6,345
Aggregate Rentals Receivable in the year		
Total of Operating Leases	**3,508**	4,001

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.

13. Appin Ward (Stobhill Mental Health Facility). HUB contract commenced with HUB West Scotland Project Co. on 28 August 2020 for a period of 25 years. Estimated capital value at commencement £5.3M.

14. Elgin Ward (Stobhill Mental Health Facility). HUB contract commenced with HUB West Scotland Project Co. on 28 August 2020 for a period of 25 years. Estimated capital value at commencement £5.3M.

15. Greenock Health and Care Centre. HUB contract commenced with HUB West Scotland Project Co. on 22 January 2021 for a period of 25 years. Estimated capital value at commencement £20.8M.

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**	**Appin Ward**	**Elgin Ward**	**Greenock HC**	**2021 Totals**	2020 Totals
	£'000	**£'000**	**£'000**	**£'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	423	423	1,727	**30,421**	27,848
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	423	423	1,727	**30,421**	27,848
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	1,270	1,270	5,181	**91,263**	83,542
Due after 5 years	-	3,192	17,456	26,330	97,606	123,384	23,402	14,112	18,880	12,223	21,561	29,531	8,468	8,468	34,543	**439,156**	415,524
Total	**3,950**	**8,512**	**24,730**	**34,074**	**132,466**	**167,449**	**31,761**	**18,522**	**24,780**	**15,818**	**27,551**	**37,302**	**10,584**	**10,584**	**43,178**	**591,261**	554,762

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**	**Appin Ward**	**Elgin Ward**	**Greenock HC**	**Totals**	Totals
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	(231)	(513)	(1,014)	(1,238)	(5,376)	(6,794)	(1,394)	(723)	(959)	(560)	(964)	(1,256)	(332)	(332)	(1,381)	**(23,067)**	(21,526)
Due within 1 to 2 years	(191)	(466)	(982)	(1,214)	(5,247)	(6,632)	(1,366)	(710)	(940)	(549)	(947)	(1,235)	(326)	(326)	(1,358)	**(22,489)**	(21,023)
Due within 2 to 5 years	(303)	(1,071)	(2,730)	(3,483)	(14,859)	(18,784)	(3,904)	(2,036)	(2,695)	(1,571)	(2,724)	(3,561)	(940)	(940)	(3,920)	**(63,521)**	(59,628)
Due after 5 years	-	(478)	(6,072)	(11,790)	(40,354)	(51,012)	(11,021)	(6,550)	(8,629)	(5,255)	(9,819)	(13,611)	(3,738)	(3,738)	(15,719)	**(187,786)**	(183,167)
Total	**(725)**	**(2,528)**	**(10,798)**	**(17,725)**	**(65,836)**	**(83,222)**	**(17,685)**	**(10,019)**	**(13,223)**	**(7,935)**	**(14,454)**	**(19,663)**	**(5,336)**	**(5,336)**	**(22,378)**	**(296,863)**	(285,344)

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**	**Appin Ward**	**Elgin Ward**	**Greenock HC**	**Totals**	Totals
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	559	551	441	311	1,596	2,019	278	159	221	159	234	298	91	91	346	**7,354**	6,322
Due within 1 to 2 years	599	598	473	335	1,725	2,181	306	172	240	170	251	319	97	97	369	**7,932**	6,825
Due within 2 to 5 years	2,067	2,121	1,634	1,163	6,057	7,655	1,111	610	845	586	870	1,102	330	330	1,261	**27,742**	23,914
Due after 5 years	-	2,714	11,384	14,540	57,252	72,372	12,381	7,562	10,251	6,968	11,742	15,920	4,730	4,730	18,824	**251,370**	232,357
Total	**3,225**	**5,984**	**13,932**	**16,349**	**66,630**	**84,227**	**14,076**	**8,503**	**11,557**	**7,883**	**13,097**	**17,639**	**5,248**	**5,248**	**20,800**	**294,398**	269,418

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**	**Appin Ward**	**Elgin Ward**	**Greenock HC**	**Totals**	Totals
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	327	336	800	576	1,697	2,145	381	111	86	51	87	112	30	30	124	**6,893**	6,591
Due within 1 to 2 years	335	344	820	590	1,739	2,198	391	114	88	52	89	115	31	31	127	**7,064**	6,755
Due within 2 to 5 years	1,058	1,084	2,587	1,860	5,483	6,930	1,232	360	278	164	280	363	98	98	400	**22,275**	21,300
Due after 5 years	-	1,168	12,494	13,589	31,710	40,085	7,123	2,439	1,885	1,198	2,195	3,041	878	878	3,580	**122,263**	125,363
Total	**1,720**	**2,932**	**16,701**	**16,615**	**40,629**	**51,358**	**9,127**	**3,024**	**2,337**	**1,465**	**2,651**	**3,631**	**1,037**	**1,037**	**4,231**	**158,495**	160,009
Service elements due in future periods	**4,945**	**8,916**	**30,633**	**32,964**	**107,259**	**135,585**	**23,203**	**11,527**	**13,894**	**9,348**	**15,748**	**21,270**	**6,285**	**6,285**	**25,031**	**452,893**	429,427

	2021	2020
	£'000	£'000
Interest charges	21,975	21,834
Service charges	6,584	6,418
Principal repayment	6,439	5,826
Other charges	7,910	7,329
Total	**42,908**	**41,407**

Contingent rents recognised as an expense in the period were;

	2021	2020
	£'000	£'000
Contingent rents (included in Other charges)	**7,910**	**7,329**

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 2020 is 20.9% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.6% of pensionable pay.

(iv) While a valuation was carried out as at 31 March 2016, work on the cost cap valuation was suspended by the UK Government following the decision by the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that the transitional protections provided as part of the 2015 reforms unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that current employer contribution rates would stay in force until 1 April 2024.

(v) The Board's level of participation in the scheme is 23.0% based on the proportion of employer contributions paid in 2020-21.

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 2020-21 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 £6,240 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

	2021	2020
	£'000	£'000
Pension cost charge for the year	**266,236**	248,548
Additional costs arising from early retirement	**82**	-
Provisions / liabilities / prepayments included in the Statement of Financial Position	**39,868**	41,091

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 2021	Total at 31 March 2020
		£'000	£'000	£'000	£'000	£'000
Investments	10	-	-	100,132	**100,132**	85,270
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	38,752	-	-	**38,752**	39,602
Cash and cash equivalents	11	6,664	-	-	**6,664**	18,813
Totals		**45,416**	**-**	**100,132**	**145,548**	143,685

BOARD	Note	Loans and Receivables	Assets at Fair Value through Profit and Loss	Available for Sale	Total at 31 March 2021	Total at 31 March 2020
		£'000	£'000	£'000	£'000	£'000
Investments	10	-	-	1,250	**1,250**	1,199
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	38,366	-	-	**38,366**	37,455
Cash and cash equivalents	11	1,909	-	-	**1,909**	16,129
Totals		**40,275**	**-**	**1,250**	**41,525**	54,783

Financial Liabilities

CONSOLIDATED	Note	Liabilities at at Fair Value through Profit and Loss	Financial Liabilites at Amortised Cost	Total at 31 March 2021	Total at 31 March 2020
		£'000	£'000	£'000	£'000
PFI Liabilities	12	-	294,398	**294,398**	269,418
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	-	603,222	**603,222**	345,951
Totals		**-**	**897,620**	**897,620**	615,369

BOARD	Note	Liabilities at at Fair Value through Profit and Loss	Financial Liabilites at Amortised Cost	Total at 31 March 2021	Total at 31 March 2020
		£'000	£'000	£'000	£'000
PFI Liabilities	12	-	294,398	**294,398**	269,418
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	-	604,995	**604,995**	344,409
Totals		**-**	**899,393**	**899,393**	613,827

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 2021				
PFI/HUB Liabilities	7,354	7,932	27,742	251,370
Trade and other payables excluding statutory liabilities	593,348	1,711	5,343	30,821
Totals	**600,702**	**9,643**	**33,085**	**282,191**

	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years
	£'000	£'000	£'000	£'000
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**

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 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 2020-21 - income £13,299. Year end balances - debtor £18,299	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 2020-21 - expenditure £786.	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 2020-21 - income £864,904, expenditure £29,912,814. Year end balances - debtor £365,089, creditor £48,850.	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 2020-21 - income £747,324, expenditure £16,035,587. Year end balances - debtor £29,079, creditor £657.	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 2020-21 - income £7,676,520, expenditure £254,157,189. Year end balances - debtor £3,941,298, creditor £15,718.	Councillor M Hunter, Non-Executive Director was also an elected member of Glasgow City Council.
Glasgow Life	NHS Greater Glasgow and Clyde had the following transactions in 2020-21 - expenditure £410,600.	Prof J Brown CBE, Chairman, Non-Executive Director was also an Independent Director of Glasgow Life.
Glasgow Simon Community	NHS Greater Glasgow and Clyde had the following transactions in 2020-21 - expenditure £3,084.	Dr L de Caestecker, Non-Executive Director was also a Director of Glasgow Simon Community.
Inverclyde Council	NHS Greater Glasgow and Clyde had the following transactions in 2020-21 - income £1,274,426, expenditure £30,310,762. Year end balances - debtor £236,727, creditor £37,229.	Councillor J Clocherty, Non-Executive Director was also an elected member of Inverclyde Council.
Renfrewshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2020-21 - income £5,468,089, expenditure £53,128,282. Year end balances - debtor £292,201, creditor £9,656,795.	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 2020-21 - income £3,068,564, expenditure £3,724. Year end balances - debtor £576,226, creditor £3,000.	Prof J Brown CBE, Chairman, Non-Executive Director was also a Chair of the Corporate Governance Steering Group and the Global Citizenship Programme of SGHSCD.
University of Glasgow	NHS Greater Glasgow and Clyde had the following transactions in 2020-21 - income £7,175,804, expenditure £11,817,670. Year end balances - debtor £941,952, creditor £117,024.	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 2020-21 - income £1,177,331, expenditure £25,503,079. Year end balances - debtor £1,006,416, creditor £4,050,000.	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 £105,796,000 in 2020-21 and a year end creditor balance of £5,040,000.	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 2020-21 - income £144,528,000, expenditure £144,528,000.	Ms J Forbes, Non-Executive Director also a Vice-Chair of East Dunbartonshire Integration Joint Board. Cllr S Mechan, Ms K Miles 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 2020-21 - income £114,806,000, expenditure £114,806,000.	Cllr C Bamforth, Non-Executive Director, was also a Chair of East Renfrewshire Integration Joint Board. Ms A-M Monaghan, Non-Executive Director, was also a Vice-Chair of East Renfrewshire Integration Joint Board. Ms S Brimelow, Ms J Forbes, Ms A Khan, 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 2020-21 - income £1,097,612,000, expenditure £1,097,612,000.	Mr S Carr, Non-Executive Director, was also a Chair of Glasgow City Integration Joint Board (from February 21). Cllr M Hunter, Non-Executive Director, was also a Chair of Glasgow City Integration Joint Board (until February 21). Ms J Donnelly, Ms J Forbes, Ms A Khan, Mr J Matthews OBE, Ms A-M Monaghan, Ms R Sweeney, Ms F Tudoreanu and Mr C Vincent, 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 2020-21 - income £145,800,000 expenditure £145,800,000.	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, Ms D McErlean and Ms P Speirs, 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 2020-21 - income £215,752,000, expenditure £215,752,000.	Dr D Lyons, Non-Executive Director, was also a Vice-Chair of Renfrewshire Integration Joint Board (until June 20). Mr J Matthews OBE was also a Vice-Chair of Renfrewshire Integration Joint Board (from June 20). Ms M Kerr, Ms D McErlean and Mr F Shennan, 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 2020-21 - income £154,278,000, expenditure £154,278,000.	Mr A Macleod, Non-Executive Director, was also a Chair of West Dunbartonshire Integration Joint Board. Ms R Sweeney and Ms A Thompson, Non-Executive Directors, were also members of West Dunbartonshire Integration Joint Board.

22. THIRD PARTY ASSETS

	At 1 April 2020 £'000	Gross Inflows £'000	Gross Outflows £'000	At 31 March 2021 £'000
Monetary amounts such as bank balances and monies on deposit	2,796	1,698	(1,786)	**2,708**
Total Third Party Assets	**2,796**	**1,698**	**(1,786)**	**2,708**

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
	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total income and expenditure											
Employee expenditure	2,084,555	-	-	-	-	-	-	-	-	2,084,555	1,811,257
Other operating expenditure											
Independent Primary Care Services	414,643	-	-	-	-	-	-	-	-	414,643	397,378
Drugs and medical supplies	669,492	-	-	-	-	-	-	-	-	669,492	638,530
Other health care expenditure	2,945,663	9,860	(3,807)	-	-	-	-	-	-	2,951,716	2,429,926
Totals	**6,114,353**	**9,860**	**(3,807)**	**-**	**-**	**-**	**-**	**-**	**-**	**6,120,406**	5,277,091
Less: operating income	(2,658,430)	(15,221)	3,807	-	-	-	-	-	-	(2,669,844)	(2,421,958)
Joint Ventures accounted for on an equity basis	-	-	-	(6,021)	(6,847)	(2,939)	(8,745)	(35,936)	(3,241)	(63,729)	(1,595)
Net Expenditure	**3,455,923**	**(5,361)**	**-**	**(6,021)**	**(6,847)**	**(2,939)**	**(8,745)**	**(35,936)**	**(3,241)**	**3,386,833**	2,853,538

Note:
1. Other health care expenditure - £3,807k. Represents income transferred by the Board to Endowments in 2020-21. This is shown as expenditure in the Board's financial statements.
2. Operating Income - £3,807k. Represents the value of R&D income transferred to Endowments by the Board in 2020-21. This is shown as income in the Endowment accounts.
3. Realised gains from endowment investments of £1,718k 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
	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets:											
Property, plant and equipment	2,272,807	-	-	-	-	-	-	-	-	2,272,807	2,262,172
Intangible assets	314	-	-	-	-	-	-	-	-	314	294
Financial assets:											
Available for sale financial assets	1,250	98,882	-	-	-	-	-	-	-	100,132	85,270
Investment in joint ventures	-	-	38,246	6,021	6,847	2,939	8,745	35,936	3,241	101,975	38,246
Trade and other receivables	134,872	-	-	-	-	-	-	-	-	134,872	163,687
Total non-current assets	2,409,243	98,882	38,246	6,021	6,847	2,939	8,745	35,936	3,241	**2,610,100**	**2,549,669**
Current Assets:											
Inventories	24,706	-	-	-	-	-	-	-	-	24,706	23,733
Intangible assets	404	-	-	-	-	-	-	-	-	404	481
Financial assets:											
Trade and other receivables	197,036	5,426	(5,040)	-	-	-	-	-	-	197,422	152,838
Cash and cash equivalents	1,909	4,755	-	-	-	-	-	-	-	6,664	18,813
Assets classified as held for sale	2,608	-	-	-	-	-	-	-	-	2,608	4,346
Total current assets	226,663	10,181	(5,040)	-	-	-	-	-	-	**231,804**	**200,211**
Total assets	**2,635,906**	**109,063**	**33,206**	**6,021**	**6,847**	**2,939**	**8,745**	**35,936**	**3,241**	**2,841,904**	**2,749,880**
Current liabilities:											
Provisions	(123,885)	-	-	-	-	-	-	-	-	(123,885)	(63,306)
Financial liabilities:											
Trade and other payables	(669,331)	(3,267)	5,040	-	-	-	-	-	-	(667,558)	(400,751)
Total current liabilities	**(793,216)**	**(3,267)**	**5,040**	**-**	**-**	**-**	**-**	**-**	**-**	**(791,443)**	**(464,057)**
Non-current assets plus/less net current assets/liabilities	**1,842,690**	**105,796**	**38,246**	**6,021**	**6,847**	**2,939**	**8,745**	**35,936**	**3,241**	**2,050,461**	**2,285,823**
Non-current liabilities											
Provisions	(291,521)	-	-	-	-	-	-	-	-	(291,521)	(341,911)
Financial liabilities:											
Trade and other payables	(326,944)	-	-	-	-	-	-	-	-	(326,944)	(302,865)
Total non-current liabilities	**(618,465)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(618,465)**	**(644,776)**
Assets less liabilities	**1,224,225**	**105,796**	**38,246**	**6,021**	**6,847**	**2,939**	**8,745**	**35,936**	**3,241**	**1,431,996**	**1,641,047**
TAXPAYERS' EQUITY											
General fund	794,719	-	-	-	-	-	-	-	-	794,719	1,079,711
Revaluation reserve	429,506	-	-	-	-	-	-	-	-	429,506	435,730
Other reserves - joint venture	-	-	38,246	6,021	6,847	2,939	8,745	35,936	3,241	101,975	38,246
Funds Held on Trust	-	105,796	-	-	-	-	-	-	-	105,796	87,360
	1,224,225	**105,796**	**38,246**	**6,021**	**6,847**	**2,939**	**8,745**	**35,936**	**3,241**	**1,431,996**	**1,641,047**

Note:

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

23. (c) CONSOLIDATED STATEMENT OF CASHFLOWS

Group 2020		Board 2021	Endowment 2021	E Dunb IJB 2021	W Dunb IJB 2021	E Ren IJB 2021	Ren IJB 2021	Glasgow City IJB 2021	Inverclyde IJB 2021	Group 2021
£'000		£'000	£'000	£'002	£'003	£'004	£'005	£'006	£'007	£'000
	NET OPERATING CASHFLOW									
(2,853,538)	Net operating cost	(3,455,923)	5,361	6,021	6,847	2,939	8,745	35,936	3,241	(3,386,833)
87,025	Adjustments for non cash transactions	129,400	-	(6,021)	(6,847)	(2,939)	(8,745)	(35,936)	(3,241)	65,671
24,374	Interest payable	23,225	-	-	-	-	-	-	-	23,225
(2,432)	Investment Income	-	(1,770)	-	-	-	-	-	-	(1,770)
16,181	Net movement on working capital	268,275	(1,552)	-	-	-	-	-	-	266,723
(2,728,390)	**Net cash outflow from operating activities**	**(3,035,023)**	**2,039**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,032,984)**
	INVESTING ACTIVITIES									
(59,651)	Purchase of property, plant and equipment	(92,868)	-	-	-	-	-	-	-	(92,868)
-	Purchase of intangible assets	(119)	-	-	-	-	-	-	-	(119)
(43,469)	Investment Additions	(132)	(11,327)	-	-	-	-	-	-	(11,459)
9,730	Proceeds of disposal of property, plant and equipment	1,771	-	-	-	-	-	-	-	1,771
366	Proceeds of disposal of intangible assets	-	-	-	-	-	-	-	-	-
45,552	Receipts from sale of investments	-	4,720	-	-	-	-	-	-	4,720
2,432	Interest received	-	1,770	-	-	-	-	-	-	1,770
(45,040)	Net cash outflow from Investing Activities	**(91,348)**	**(4,837)**	**-**	**-**	**-**	**-**	**-**	**-**	**(96,185)**
	FINANCING									
2,791,532	Funding	3,124,616	-	-	-	-	-	-	-	3,124,616
10,743	Movement in general fund working capital	(14,220)	-	-	-	-	-	-	-	(14,220)
2,802,275	Cash drawn down	3,110,396	-	-	-	-	-	-	-	3,110,396
12,346	Capital element of payments in respect of finance leases and on balance sheet PFI Contracts	24,980	-	-	-	-	-	-	-	24,980
(2,540)	Interest paid	(1,250)	-	-	-	-	-	-	-	(1,250)
(21,834)	Interest element of finance leases and on balance sheet PFI Contracts	(21,975)	-	-	-	-	-	-	-	(21,975)
2,790,247	Net cash inflow from financing	**3,112,151**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,112,151**
16,817	**Increase in cash in year**	**(14,220)**	**(2,798)**	**-**	**-**	**-**	**-**	**-**	**-**	**(17,018)**
13,279	Net cash at 1 April	16,129	13,967	-	-	-	-	-	-	30,096
30,096	**Net cash at 31 March**	**1,909**	**11,169**	**-**	**-**	**-**	**-**	**-**	**-**	**13,078**

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