



# **NHS Greater Glasgow and Clyde**

## **Annual Report and Consolidated Accounts**

### **For the Year Ended 31 March 2023**

# NHS Greater Glasgow and Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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*The image shown on the front cover is the Greenock Health and Care Centre.*

# NHS Greater Glasgow and Clyde

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### Performance Report

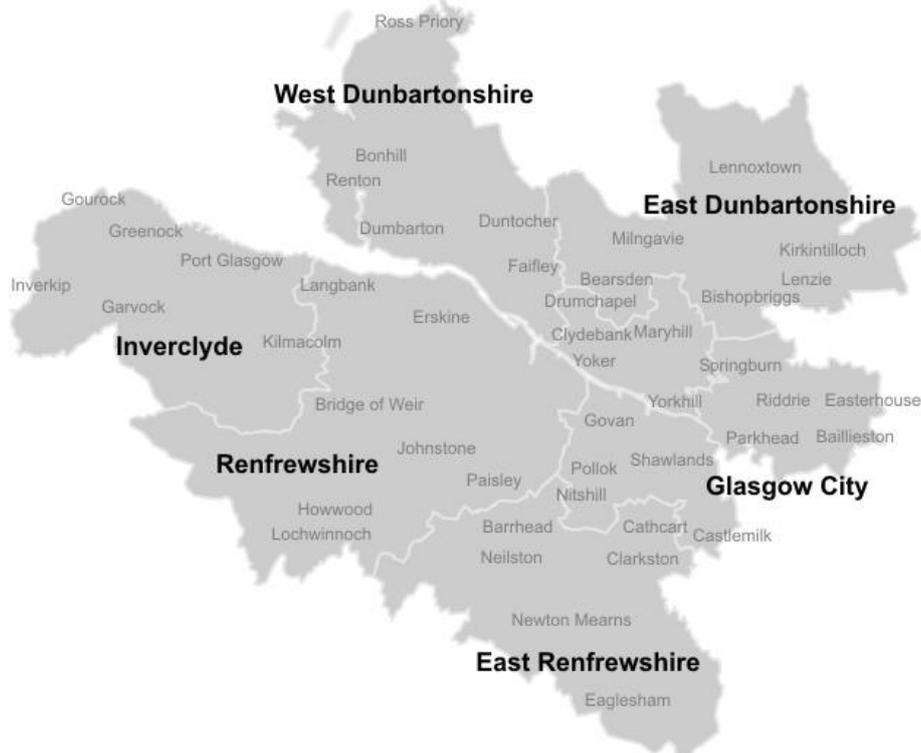
This Performance Report, part of the Annual Accounts, is designed to provide information on NHS Greater Glasgow and Clyde (NHSGGC), particularly its main objectives, strategies and principal risks, as detailed in the Governance Statement Risk Assessment section. The purpose of this section is to provide the reader with a summary of sufficient information to understand NHSGGC:

- An overview of the services we deliver and areas we serve
- Our purpose, values and corporate aims
- Key risks to the achievement of our objectives
- Progress and developments in the year and
- Financial and non financial performance in the year.

Further more detailed information is provided in the Accountability Report and the financial statements. NHSGGC routinely publishes a wide range of information on its services and activities on its website which you can find at <https://www.nhsggc.scot/>.

### 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 1.3m. The Board also provides a wide range of regional West of Scotland Services and National services. The image below shows the geographical area covered by the Board.



NHSGGC has a statutory duty to plan, commission, and deliver, healthcare for the residents of the local authority areas of Glasgow City, Inverclyde, Renfrewshire, East

## NHS Greater Glasgow and Clyde

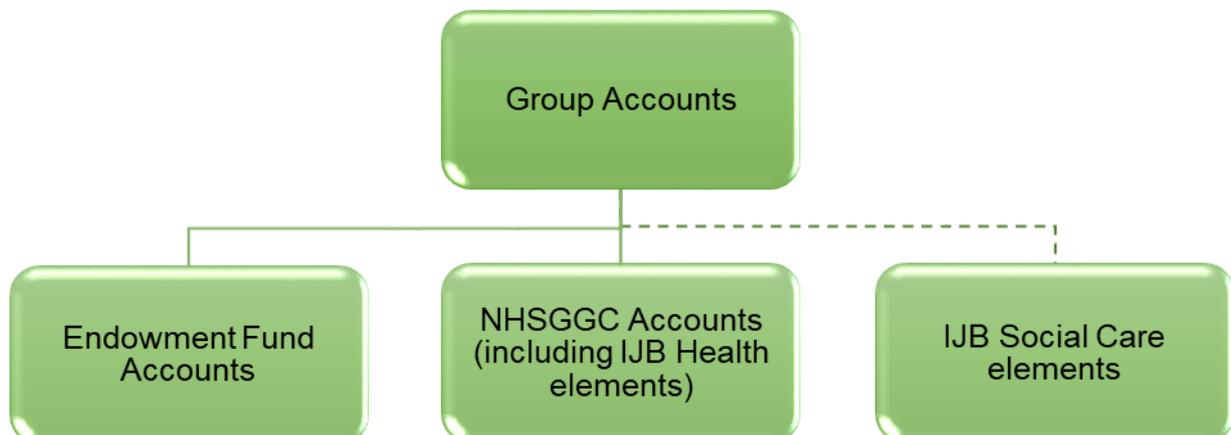
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Dunbartonshire, East Renfrewshire and West Dunbartonshire. In delivering this NHSGGC works with the Scottish Government, our 6 IJB partners, community planning partnerships, other NHS bodies, and other organisations in the public sector such as local authorities, the police, and the fire and rescue service. This partnership approach supports the implementation and delivery of the strategies and plans of NHSGGC, our 6 IJB partners, and the Scottish Government.

NHSGGC's structure comprises an Acute Division, Corporate Directorates 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 IJBs carry a statutory duty to strategically plan and commission a range of services. This responsibility is delegated to them by NHSGGC, and by the relevant local authority. Further information on the arrangements with the IJBs is described later in this report.



These accounts consolidate the IJB Accounts of Glasgow City, Inverclyde, Renfrewshire, East Dunbartonshire, East Renfrewshire and West Dunbartonshire in accordance with IFRS 11. The IJBs also produce their own annual accounts and annual performance reports. The Greater Glasgow Health Board Endowment funds are also consolidated within the Board's group financial statements. The following diagram shows the group accounts structure.



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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 realise the overall purpose, the Board has developed a suite of values (based on those of NHS Scotland), aims and corporate objectives described as the Corporate Statements<sup>1</sup>. In addition, Annual Operating Priorities are created in line with the Corporate Objectives and the Annual Delivery Plan which is submitted to the Scottish Government.

NHSGGC works to the 4 NHS Scotland 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.

The Board has 4 corporate aims which each align to a set of corporate objectives:



Each of these corporate aims is underpinned by the following corporate objectives:

### Better Health

- To reduce the burden of disease on the population through health improvement programmes that deliver a measurable shift to prevention rather than treatment.
- To reduce health inequalities through advocacy and community planning.
- To reduce the premature mortality rate of the population and the variance in this between communities.
- To ensure the best start for children with a focus on developing good health and wellbeing in their early years.
- To promote and support good mental health and wellbeing at all ages

### Better Care

- To provide a safe environment and appropriate working practices that minimise the risk of injury or harm to our patients and our people.

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<sup>1</sup> <https://www.nhsggc.scot/about-us/our-aims-and-objectives/>

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- To ensure services are timely and accessible to all parts of the community we serve.
- To deliver person centred care through a partnership approach built on respect, compassion and shared decision making.
- To continuously improve the quality of care, engaging with our patients and our people to ensure healthcare services meet their needs.
- To shift the reliance on hospital care towards proactive and co-ordinated care and support in the community.

#### Better Value

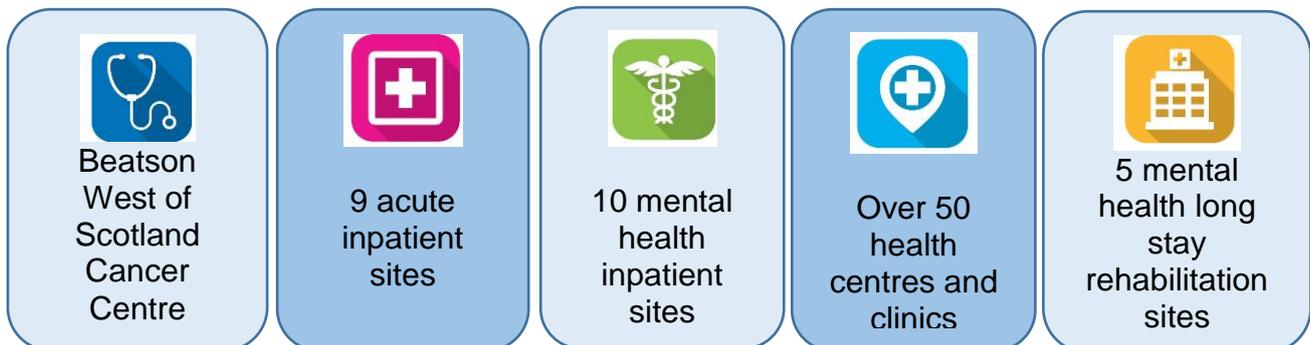
- To ensure effective financial planning across the healthcare system that supports financial sustainability and balanced budgets.
- To reduce cost variation, improve productivity and eliminate waste through a robust system of efficiency savings management.
- To exploit the potential for research, digital technology and innovation to reform service delivery and reduce costs.
- To utilise and improve our capital assets to support the reform of healthcare.

#### Better Workplace

- To ensure our people are treated fairly and consistently, with dignity and respect, and work in an environment where diversity is valued.
- To ensure our people are well informed.
- To ensure our people are appropriately trained and developed.
- To ensure our people are involved in decisions that affect them.
- To promote the health and wellbeing of our people.
- To provide a continuously improving and safe working environment.

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:



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Our annual workload for 2022-23 included:

	2022-23	2021-22
 Emergency attendances	465,199	431,125
 Scheduled inpatient and day case	178,849	164,439
 Outpatient appointments	1,096,383	1,086,945
 Babies delivered	12,820	13,084
 Prescriptions dispensed	25.4m	24.5m

Whilst overall emergency attendances (including the Minor Injuries Units) increased by 8% on the previous years' position they remained lower than pre-pandemic levels. During the winter months the pressures from Covid-19 and Influenza temporarily restricted levels of scheduled inpatient and daycase activity.

#### Key Issues and Risks which could impact NHSGGC in delivering its objectives

Most Health Board's and public sector bodies continue to experience similar key issues and risks. For NHSGGC these are largely unchanged from last year and include:

- Ongoing issues around Covid-19 infection rates
- Growth in demand for services
- Cost pressures across the NHS, including energy costs, inflation, prescribing
- Aging infrastructure
- Challenges in meeting waiting time targets for both scheduled and unscheduled care
- Impact of delayed discharges in Acute and Mental Health services
- Workforce recruitment and retention
- Ongoing threat of industrial action around nationally negotiated pay awards

A range of control measures are in place around each of these risk areas to mitigate the potential impacts and management continues to work on additional actions which will further strengthen controls and reduce potential consequences. Further information on the Board's approach to risk management and the highest risks on the current Corporate Risk Register are included later in this report.

#### Performance

The Board monitors its performance against a range of quality and performance measures and submits performance information to the Scottish Government and other bodies throughout the year. You can find up-to-date information on health matters via the Public Health Scotland website: <https://www.publichealthscotland.scot/>

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Both the Scottish Government and the Scottish Parliament also routinely produce publications, some of which may relate to health. You can access this information at the following websites:

<https://www.gov.scot/publications/>

<https://digitalpublications.parliament.scot/ResearchBriefings>

NHSGGC performance is regularly monitored and reported in line with the Board's Assurance Information Framework which continues to evolve in line with the implementation of the Blueprint for Good Governance (2<sup>nd</sup> Edition 2023). Robust reporting is presented to the following:

- Performance Monitoring Board,
- Acute Senior Management Team,
- Corporate Management Team,
- Acute Services Committee,
- Clinical Governance Committee,
- Staff Governance Committee,
- Financial Planning and Performance Committee, and upwards to the NHS Board meetings (see link below to the latest report for April 2023)<sup>2</sup>.

During the early phases of the Covid-19 pandemic, NHSGGC had to redirect services to cope with the demands of Covid-19 meaning that all but emergency and the most urgent of non-Covid-19 care had to be postponed. This created an overall backlog of patients awaiting treatment. During 2022-23 as the Board recovered from the pandemic we worked with the Scottish Government to direct resource to tackling the longest waits alongside continuing to treat the most urgent cases. However there remains a significant challenge to address these backlogs, while recognising that the number of Covid-19 inpatients and the associated infection control measures still have an impact on the overall service provision.

Despite these challenges, the Board made steady progress in addressing the long waiting planned care priorities as set by Scottish Government during 2022-23 in that the Board achieved:

- the initial target of no new outpatients waiting > 104 weeks since the end of August 2022
- the revised target of no more than 1,200 new outpatients waiting > 78 weeks was achieved by end of December 2022. This was subsequently revised to no more than 800 new outpatients to be waiting > 78 weeks by March 2023 which was also achieved.
- the number of new outpatients waiting > 78 weeks has continued to steadily decrease in most specialities
- no more than 12,000 new outpatients waiting > 52 weeks by March 23 was achieved
- at the end of December 2022, the agreed target of 1,650 Treatment Time Guarantee (TTG) patients waiting > 104 weeks was achieved with 1,626 remaining despite the impact of significant pressures of unscheduled care. This target was

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<sup>2</sup> April 2023 Performance Report - <https://www.nhsggc.scot/downloads/nhsggc-board-paper-23-19-board-performance-report-25-april-2023/>

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subsequently revised to no more than 1,985 TTG patients waiting > 104 weeks by March 2023 this was achieved.

### Chief Executive's Statement

During the past year NHSGGC, along with the rest of the public sector, has faced a number of challenges. Covid-19 continued to have an impact across a number of services but not at levels seen in previous years. The organisation has responded proactively to address these as they have arisen and embraced opportunities in terms of service redesign. As a Board we are enormously grateful to our staff, students, new appointees, redeployed staff and the many volunteers for their efforts.

The key operational priorities as identified in our Annual Delivery Plan for 2022-23 aligned to our corporate aims as follows:

 <p><b>Better Health</b></p>	<ul style="list-style-type: none"> <li>• Focus on Child Health</li> <li>• Type II Diabetes with a focus on weight management as the main modifiable risk factor in the condition</li> <li>• Action to address drug related deaths</li> </ul>
 <p><b>Better Care</b></p>	<ul style="list-style-type: none"> <li>• Increasing activity levels within the elective care programme</li> <li>• Work with partners to implement the redesign of whole system pathways for urgent care across primary, secondary and social care</li> <li>• Developing the Moving Forward Together work programme to drive service improvement and redesign</li> <li>• Deliver a person centred approach through effective public and stakeholder engagement</li> <li>• Develop extended multi-disciplinary teams in primary care to maintain access to core services at the right time and in the right place</li> <li>• Work collaboratively with HSCPs on social care to optimise the integration of community health and social care and shift the balance of care</li> <li>• Develop a whole system approach to the surveillance of healthcare associated infections in high risk units</li> </ul>
 <p><b>Better Value</b></p>	<ul style="list-style-type: none"> <li>• Continue to respond to the requirements of the Scottish Hospitals Public Inquiry, the Court proceedings against the parties responsible for delivering the QEUH/RHC construction project and the Police Investigation</li> <li>• Implement financial plans to enable the Board to live within the resources available</li> <li>• Continue to provide resilient and secure eHealth systems for services</li> </ul>
 <p><b>Better Workplace</b></p>	<ul style="list-style-type: none"> <li>• Deliver ongoing support to staff physical and mental health and wellbeing</li> <li>• Ensure sustainability in the workforce during the remobilisation of services by focussing on anticipatory workforce planning that is responsive to changes in the demand for services in line with Recruitment, Retention and Attraction within the Workforce Strategy</li> </ul>

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	<ul style="list-style-type: none"> <li>• Work in collaboration with partners in developing and implementing plans for the remobilisation of services</li> </ul>
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#### Queen Elizabeth University Hospital and Royal Hospital for Children

There remains a significant amount of activity within the Board supporting and responding to the Scottish Hospitals Inquiry (the Inquiry) into Queen Elizabeth University Hospital and Royal Hospital for Children and the Children and Young Peoples Hospital in Edinburgh which was launched in August 2020.

The first substantive hearings of the Inquiry commenced on 20 September 2021 and concluded on 14 November 2021. The oral evidence provided was the perceptions of families and patients affected by the issues being explored by the Terms of Reference of the Inquiry. A procedural hearing took place on 20 March 2023 with a follow up hearing from 12 to 23 June 2023 where NHS GGC staff had the opportunity to give evidence in respect of the perception hearings from Autumn 2021.

During the reporting year the Board was de-escalated from Level 4 of the NHS Scotland Board Performance Escalation Framework, to Level 2 by the Scottish Government. This was further to the completion of the 108 recommendations made in the Independent Review Report led by Dr Andrew Frazer and Dr Brian Montgomery, and the Scottish Government commissioned Oversight Board Report and the Case Note Review Report.

In September 2021 Police Scotland announced an investigation into four deaths at the QEUH campus. This investigation continues with a number of staff interviewed over the period. A single point of contact was set up at the outset through which requests for staff access and interviews are made. Guidance and witness support has been made available for staff, ensuring the welfare of our staff is paramount, particularly acknowledging the other strands of investigation underway. Liaison continues with Police Scotland to assist with their enquiries.

The Board has now received 30 intimations of claim in respect of the QEUH and RHC. There is close working between the Programme Management Office and Central Legal Office on the related themes, however, at this stage and all cases remain sisted.

In addition there continues to be significant work associated with the Legal proceedings raised for losses and damages incurred in respect of the construction of the QEUH and RHC 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. Proceedings with regard to the chilled water system, atrium linings and external wall systems have also been raised against Multiplex Construction Europe Limited and BPY Holdings LP.

A dedicated Programme Management Office is in place to manage the significant activity related. Robust governance arrangements are in place to oversee all the activity in respect of the QEUH and RHC with an Executive Oversight Board, chaired by the Chief Executive

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in place and meeting weekly throughout the year, supported by an Executive Working Group which consider notable detail in terms of documentation and submissions to relevant parties.

#### Healthcare Quality Strategy

The NHSGGC Healthcare Quality Strategy for 2019-23<sup>3</sup> was approved by the Board in February 2019.

An annual report of progress was presented to the Care and Clinical Governance Committee on 6 September 2022. The report described progress on the Strategy's three core work streams which support the delivery of the Board aims around Better Health and Better Care:

<b>Person centred care</b>	
Person Centred Visiting to improve the experience of patients, family and carers	<p>Phase 1 Evaluation: Aug – Dec 2022:</p> <ul style="list-style-type: none"> <li>4 out of 5 core principles were achieved in some but not all wards.</li> <li>Improvement plans were instigated across all hospital sites</li> </ul> <p>Phase 2 evaluation commences May 2023.</p>
Person Centred Planning to lead, develop and embed core principles in all Adult Acute Wards	<ul style="list-style-type: none"> <li>Person-Centred Care Plan (PCCP) has been designed, tested, and developed with engagement from patients and staff and is being implemented as an integral part of the roll-out plan for Digital Clinical Notes for Nursing in Adult Acute Areas of the board.</li> <li>Early Adopter phase has commenced and will progress to full implementation summer 2023.</li> <li>Future evaluation of the PCCP will gather feedback</li> </ul>
Patient Story	<ul style="list-style-type: none"> <li>This is presented at every Board meeting and to other key groups and committees to demonstrate: what matters to patients and their families; excellence in quality of care and learning, and improvements being taken forward in practice.</li> <li>Poster presentations on all the person-centred care objectives were presented at the NHS Scotland Event in June 2022 and will be presented at the International Forum on Quality and Safety in Healthcare in May 2023.</li> </ul>
<b>Infection Prevention and Control</b>	
Utilising quality improvement methodology to reduce infection rates across the Board	<ul style="list-style-type: none"> <li>Development and implementation of the Infection Prevention &amp; Control Quality Improvement Network (IPCQIN) which utilises quality</li> </ul>

<sup>3</sup> Healthcare Quality Strategy - [https://www.nhsggc.org.uk/media/253754/190219-the-pursuit-of-healthcare-excellence-paper\\_low-res.pdf](https://www.nhsggc.org.uk/media/253754/190219-the-pursuit-of-healthcare-excellence-paper_low-res.pdf)

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	<p>improvement methodology to reduce infection rates across the Board.</p> <ul style="list-style-type: none"> <li>• Work plan 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.</li> <li>• Multidisciplinary work has taken place across both acute and health and social care partnerships to deploy preventative measures.</li> </ul>
<b>Pressure Ulcer Care</b>	
<p>Prevention of and reduction of avoidable pressure damage, striving for excellence in the prevention of and reduction of avoidable pressure damage, embedding quality improvement and quality assurance systems by building on the experiences and learning.</p>	<p><b>Acute Services Division</b></p> <ul style="list-style-type: none"> <li>• Overall there has been a 30% reduction from Quarter 1 2022 - 2023 and a reduction in grading severity measured through the Care Assurance and Improvement Resource dashboard.</li> <li>• Three sectors are on target in achieving the aim with the other two focusing on reductions through education and tests of change.</li> <li>• Next steps include: thematic analysis undertaken linked to quality improvement projects acute wide; successfully improving documentation, and ensuring foot protection at the start of the patient's care experience.</li> </ul> <p><b>Health and Social Care Partnerships (HSCPs)</b></p> <ul style="list-style-type: none"> <li>• Improvements in data reports since January 2023 have provided a stronger indicator for quality improvement purposes.</li> <li>• HSCPs receive monthly reports which are triangulated with local data to improve accuracy and analysis of rates.</li> <li>• By December 2023 HSCPs will reduce the rate of avoidable caseload acquired pressure ulcers by 10%.</li> </ul>

Next steps include continuation of the learning and education programme and implementing changes in practice identified as required through current quality improvement work streams.

As the current Healthcare Quality Strategy reaches the end of its lifecycle the Board will seek to create a new, ambitious and unifying strategic vision. The Strategy will set out a 5 year vision and hold alignment to the Boards Objectives, Moving Forward Together and the Annual Delivery Plan.

### Moving Forward Together

Moving Forward Together (MFT) remains key strategic document, in tandem with the Annual Delivery Plan, describing the medium term vision for clinical services in NHS

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Greater Glasgow and Clyde and supporting the delivery of the Board’s Corporate Aims. The key principles established through MFT and the significant work carried out with clinicians, patients and the public are summarised in the diagram below:



The portfolio of projects is supported by robust project management arrangements. The MFT portfolio includes:

- Trauma
- Reprovision of the Institute of Neurological Sciences (INS)
- Thrombectomy
- Redesign of Urgent Care
- Best Start
- Primary Care
- Mental Health
- Infrastructure Strategy
- North East hub
- Systemic Anti-Cancer Treatment (SACT)
- Forensic Services
- Bed Modelling

### Infrastructure Investment

During 2022-23, the Board invested significant funds in furtherance of our overall corporate aims of: Better Health, Better Care, Better Value and a Better Workplace for all.

Total infrastructure investment of £105.5m across the Board’s areas of operation was in the following key areas:

 <b>Better Health</b>	<ul style="list-style-type: none"> <li>• Continuing works on Glasgow North East Health Centre (Parkhead): £19.2m</li> <li>• Primary Care Investment Programme upgrades to Glasgow Health Centres: £6.7m</li> <li>• Other Works: £1.8m</li> </ul>
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 <p><b>Better Care</b></p>	<ul style="list-style-type: none"> <li>• Medical Equipment: £21.3m</li> <li>• Radiotherapy Equipment: 2 x Linear Accelerators and CT Simulators £7.6m</li> <li>• Facilities Equipment: £5.1m (Mainly sterilisation and laundry)</li> <li>• Other Works: £7.3m</li> </ul>
 <p><b>Better Value</b></p>	<ul style="list-style-type: none"> <li>• LED Lighting and upgrade of Building Energy Management Systems and other works: £5.6m</li> </ul>
 <p><b>Better Workplace</b></p>	<ul style="list-style-type: none"> <li>• Board wide minor works building improvements: £16.1m</li> <li>• Property Leases: £6.1m</li> <li>• Other Works: £8.7m</li> </ul>

A Board-wide Infrastructure Investment Strategy is in development which will set out a modern, fit for purpose Clinical Service Plan that achieves the vision agreed by the Moving Forward Together strategy, alongside an Estate Plan that details proposals for modern, fit-for-purpose buildings that support delivery of the Clinical Service Plan. The Infrastructure Investment Strategy will ensure that the Clinical Service and Estates Plans are aligned so that the physical infrastructure meets the clinical service needs in the medium to long term. The work is being taken forward with financial support and guidance from the Scottish Government.

### Sustainability and Value Programme

The Board's Financial Improvement Programme (FIP) was rebranded during 2022-23 as the Sustainability and Value programme (S&V Programme) in order to better align it with the Scottish Government Sustainability Programme. Its focus is on demonstrating how we are able to achieve better outcomes and improvement through taking a value based approach to all our decisions in relation to:

- the environment,
- quality of care,
- making best use of resources and
- being cost effective and efficient.

This change addresses the need for a wider and more holistic approach to sustainable service provision over a prolonged time scale within the resources available. This also aligns to the wider NHS Scotland Aims:

NHS Scotland Aims	NHS Scotland Targets
<ul style="list-style-type: none"> <li>• Being environmentally and socially sustainable</li> <li>• Delivering better value care</li> <li>• Making effective use of resources</li> <li>• Optimising capacity within available resources</li> </ul>	<ul style="list-style-type: none"> <li>• 3% recurring efficiency savings per annum (circa £75m)</li> <li>• Productivity Gain</li> <li>• Net carbon zero (by 2038)</li> <li>• Value based health and care</li> </ul>

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The programme 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. In 2022-23 the S&V programme, despite continued Covid-19 and unscheduled care pressures, was more successful than the previous years. As a result, the levels of recurring savings achieved were higher than anticipated.

The overall financial gap for 2022-23 was £174.5m, this was achieved through:



The recurring deficit for 2022-23 remained at a similar level to the previous year. The Financial Plan for 2023-24 identifies a financial gap of £190.9m with pay and prescribing cost growth contributing £71.2m of the gap.

The 2023-24 S&V programme is now fully mobilised and a number of initiatives have been identified and are underway with the key objective being the reduction of the underlying recurring deficit. S&V projects range in scope and scale but all aim to capture the benefits of the significant service changes that have been embedded in the last few years.

This new structure will enable key areas of work to be undertaken and accelerated across the organisation to maximise our ability to achieve our targets and seeks to encompass wider areas of work and transformation to maximise the savings opportunities such as:

- Infrastructure and Energy
- Workforce
- Efficiency and Productivity
- Value based health care

The linkages between S&V and other areas of strategic work such as MFT and the infrastructure strategy will be developed so that these strategies can be informed by the S&V programme and the overall financial position and constraints. Where applicable, savings projects can be derived from these strategies as they mature to the point where business cases are being prepared.

This approach builds upon the well established Sustainability & Value methodology and programme management that has been made as agile as possible to focus on the delivery of savings. It is supported by a robust governance structure and is integral to the Board Strategy.

### Technology Based Service Developments

On 20th December 2022 the NHSGGC Board approved the Digital Strategy 2023-2028 – [Digital on Demand](#). The strategy builds on the investments made over the past five years and seeks to enable a range of transformation opportunities for the implementation of technology aligned to the Board's corporate aims and objectives and our transformation

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plans set out within Moving Forward Together. Our shared vision is “connecting citizens and staff, to deliver the best care possible”.

The Digital Delivery Plan underpins the NHSGGC Digital Delivery Strategy to support and enable corporate objectives and operational priorities. The plan is reviewed regularly by the eHealth Strategy Board, and is monitored to ensure desired benefits to staff and patients are achieved. The plan delivers against corporate aims of: Better Health, Better Care and Better Value. The following table highlights key deliverables during 2022-23.

Programme	Delivery
Redesign of urgent care	<p>Electronic referral pathway established to receive urgent care referrals from NHS 24. The pathway has been expanded to include Paediatrics. Electronic referrals from NHS 24 flow seamlessly into the Emergency Department TrakCare application.</p> <p>The GP Out of Hours (OOH) Service IT infrastructure has been upgraded to a managed hosting service, synchronising all OOHs clinicians and staff to the NHSGGC network, improving access to clinical applications, deploying voice recording functionality for remote workers and implementing barcoded electronic prescribing.</p>
Virtual consultations	<p>Significant infrastructure has been implemented to support Active Clinical Referral Triage and virtual consultations. The majority are carried out by telephone with an increasing video uptake particularly in Mental Health Services, Allied Health Professionals and Nurse led clinics. Virtual outpatient appointments currently at a 24% uptake level.</p>
Rapid implementation of Health Records Admin Hub to support Flow Navigation Hub	<p>To direct patients to appropriate services to reduce unnecessary pressures on Emergency Department, and redesign of urgent care pathways. From Jan 2023 to May 2023, monthly averages were 6,200 referrals from NHS24 and 4,600 referrals for Phlebotomy. The Admin Hub incorporates Phlebotomy booking as well as Staff Testing and Community Assessment Centre bookings.</p>
Delayed discharge	<p>Discharged Without Delay dossier dashboard reporting delivered with agreed measures for delayed discharge performance management.</p>

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Programme	Delivery
Hospital Electronic Prescribing and Medicines Administration (HEPMA)	HEPMA is now live across all inpatient areas: 360 wards and theatres have recorded over three million prescriptions and 24 million administrations of medicines. The system is supporting remote prescribing across wards and theatres, and has reduced missed doses, increased allergy recording, and improved prescribing decisions via electronic decision support.
Integrated Health and Care Record	The Patient Management System, TrakCare was developed to enable patients on the high-risk register to access required antiviral medication. Identified patients on the Covid-19 shielding list.
Digital Clinical Notes	Digital Clinical Notes solution within Trakcare was designed and configured to replace paper notes in hospital wards. Successful pilots carried out including Paediatric Dentistry with 94% uptake in week 3. Nursing early adopter wards are scheduled to go live in April 2023.
Informatics and data analytics	Remobilisation planning and activity monitoring including reporting of all reprioritised waiting lists. Expanded Unscheduled Care Command Centre operational views of Specialist Assessment and Treatment Area and CAC and introduced overview of inpatient positive and pathway cases. Cohort management and schedule processing to support Covid-19 and Flu vaccination programmes.

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### Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

Programme	Delivery
Innovation	<p>Through 2022-23 NHSGGC continued to lead digital Innovation through hosting the West of Scotland Innovation Hub (aka Regional Test Bed) service under Service Level Agreement with the Chief Scientist Office / Scottish Health and Industry Partnership. The Hub also provided national coordination and support to Diabetes and Endocrinology innovation and continued to lead further innovation with vCreate remote clinical services through a commission from Scottish Government to undertake national tests of change in services aligned to Neurology. The team continued to support clinical leads progressing portfolios of innovation in areas of Respiratory, Cancer, Mental Health, Women &amp; Children, and Heart Failure.</p> <p>The InnovateUK funded iCAIRD programme completed in March 2023, where the Hub / NHSGGC had provided Chief Technology Officer, NHS national programme management, infrastructure, and clinical roles. This became the largest healthcare Artificial Intelligence programme in the UK, delivering 50 research projects across many NHS, industry, and university partners; and digitising the NHSGGC pathology service.</p>
Picture Archiving & Communication System (PACS)	NHSGGC consolidated nine PACS instances into three sectoral instances and upgraded to version 12. NHSGGC is fully engaged with the ongoing PACS re-provisioning programme led by National Services Scotland.
GP Portal summary	To complement Emergency Care Summary and Key Information Summary, the Clinical Portal has been integrated with 235 GP clinical systems to make a summary of the patient's GP information available to appropriate non-GP users.
GP re-provisioning	NHSGGC has contributed significantly to the National GP Re Provisioning programme which will replace the existing core clinical system and move from local infrastructure to a cloud-hosted approach.
GP Radiology Order Comms	GPs can now request agreed radiology investigations electronically.
Clinical dialogue / advice	Digital referrals have been integrated with Board pager and telephony messaging to provide robust clinical communication between specialties for Neurosurgery referrals, ensuring essential information is available to clinicians via the Digital Health and Care Record.

## NHS Greater Glasgow and Clyde

### Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

Programme	Delivery
Patient digital images	A pathway has been developed to allow transfer of patient digital images / photographs into Clinical Portal.
National ophthalmology	<p>Through 2022-23, GGC clinicians have led the specification, configuration and piloting of a number of clinical pathways for the new National Ophthalmology Electronic Patient Record System – Open Eyes. The system has now been implemented across Glasgow Acute sites. Rollout to Clyde sites will continue in Q1 2023-24. The adoption of the system will reduce the need for paper records.</p> <p>The first cohort of specialist Community Glaucoma Optometrist (NESGAT) have also been trained on the system, allowing both Acute clinicians and independent optometry staff to utilise the same system for Glaucoma Shared Care.</p>
Remote blood pressure monitoring	The blood pressure pathway went live in December 2022. In 2022-23 712 patients across 36 Practices were enrolled, representing over 50% of all patients on the national pathway. NHSGGC is targeting enrolment of at least 1,800 additional patients during 2023-24.

### 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 Health and Social Care Services; the partnerships operate as HSCPs. HSCPs are governed by IJBs with membership drawn equally from Non-Executive Board Members 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 work in partnership. 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 are minimised.

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

- early intervention and prevention of admission to hospital to better support people in the community;

## NHS Greater Glasgow and Clyde

### Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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- improving hospital discharge and better supporting people to transfer from acute care to community supports;
- improving the primary / secondary care interface jointly with acute to better manage patient care in the most appropriate setting; and,
- 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 work with Primary Care services to encourage people to attend the correct service for meeting their needs through campaigns promoting clear patient pathways such as “Right care, Right Place” along with details of local services and supports. The Primary Care Improvement Plan has been developed and is currently being implemented to 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 pathway work for areas identified as having potential to avoid admissions and reduce lengths of stay. HSCPs work with care homes and Primary Care to reduce avoidable admissions from care and residential homes. Where residents do require admission a consistent approach to transferring resident information, medication and personal belongings is applied.

Through more effective use of the palliative care pathway and local resources, the HSCPs work in collaboration with local hospices to strengthen support 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’. Successes during the year include:

- Implementation of Year 2 of the Workforce Strategy Implementation Plan was completed, agreed and endorsed by our key stakeholders groups including the Area Partnership Forum (APF) and the NHSGGC Board with ongoing monitoring via the Staff Governance Committee.
- The Internal Communications and Engagement Strategy was agreed by the Board, with implementation underway from October 2022, including the launch of our Speak Up! Campaign and our Staff Experience Success Stories website.
- Implementation of the Workforce Equality Action Plan for 2022-2023. Key activity included: implementation of the Workplace Adjustment Passport; our first dedicated Black and Minority Ethnic leadership programme, and continuing to promote diversity across the organisation via campaigns and events such as Pride, Black History Month and Disability History month. These were all developed and implemented in partnership with our staff led Workforce Equality Groups include Black and Ethnic Minority Forum, Staff Disability Forum and LGBTQ+ Staff Forum.
- A continued focus on wellbeing of our staff through our Staff Health Strategy, with the completion of our Health and Wellbeing Survey, and ongoing communication to our staff about the range of wellbeing support in place for them through a range of means such as the deployment of z-cards across all our sites.

# NHS Greater Glasgow and Clyde

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- Assessments against the Investors in People (IIP) Framework completed across Acute and Corporate Clusters, with learning and improvements now incorporated into sector led plans.

### Equality and Diversity

NHSGGC continues to demonstrate its commitment to address equality issues and meeting the needs of our whole population. We do this through delivering on our equality outcomes, supporting mainstream services to meet the needs of our whole population and through supporting the delivery of an Inclusive Vaccine Programme.

The full Equalities Outcome document including the activities planned against these outcomes can be accessed on the Board's website.<sup>4</sup> The key elements of the document are set out below.

We will deliver actions under each of the Board priorities:

Better Health 	Better Care 	Better Value 	Better Workplace 
<ul style="list-style-type: none"> <li>• Sensitising patient pathways</li> <li>• Routine enquiry on gender based violence</li> <li>• Specific actions with marginalised and vulnerable groups</li> </ul>	<ul style="list-style-type: none"> <li>• Communication support for patients</li> <li>• Patients additional support needs met</li> <li>• Patients listened to</li> <li>• Inequalities sensitive practice</li> </ul>	<ul style="list-style-type: none"> <li>• Equality Act and Public Sector Equality Duty compliance</li> <li>• Equalities Impact Assessment</li> <li>• Fairer Scotland Duty</li> </ul>	<ul style="list-style-type: none"> <li>• Collecting and analysing employee data</li> <li>• Training and development</li> <li>• Staff engagement</li> <li>• Fair Work practices</li> </ul>

We have continued to deliver on our Fairer NHSGGC 2020-24 Equality Outcomes commitments. There are eight areas where we need to make a difference:

1. Person Centred Care for older people
2. Supporting patients from equality groups to access our services
3. Black and Minority Ethnic 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

During 2022-23 we continued with our strategic remobilisation, embedding due regard to mainstreaming through for example a robust Equality Impact Assessment programme<sup>5</sup> and ongoing engagement with protected characteristic groups. The Equalities and Human

<sup>4</sup> A Fairer NHSGGC - <https://www.nhsggc.scot/your-health/equalities-in-health/meeting-the-requirements-of-equality-legislation/a-fairer-nhsggc/>

<sup>5</sup> Equality Impact Assessments - <https://www.nhsggc.scot/your-health/equalities-in-health/meeting-the-requirements-of-equality-legislation/equality-impact-assessments/>

## NHS Greater Glasgow and Clyde

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Rights Team and Patient Experience Public Involvement Teams are also supporting a Peer Model with a current focus on Vaccinations, Screening and Poverty.

We delivered a range of services to patients over the year including:

- provision of interpreting support to all patients who required communication support for NHS related appointments,
- provided translation in keeping with our Clear to All (accessible information) Policy,
- implemented a telephone interpreting service which enables our non-English speaking patients to call health services (e.g. GP, pharmacy, maternity services or Medical Records staff) from home,
- support around routine enquiries relating to money and debt worries continues to be of vital importance in the context of the cost of living crisis.

In line with legislative requirements for biannual reporting, our Monitoring Report for progress on our outcomes and mainstreaming work from April 2020 to March 2022 is also published on our website<sup>6</sup>. The next formal monitoring report on the remainder of the period covered by our current scheme (2022-24), will be published in April 2024.

#### Going Concern

These accounts have been prepared on a going concern basis, in accordance with the definition as set out within Government's Financial Reporting Manual issued by the HM Treasury and the Manual for the Annual Report and Accounts of NHS Boards, which outlines the interpretation of IAS1 'Presentation of Financial Statements' as 'anticipated continuation of the provision of a service in the future, as evidenced by the inclusion of financial provision for that service in published documents'.

In carrying out its assessment, the Board have taken into account the following key considerations:

#### 2022-23 financial position

The year end position as at 31 March 2023 is a surplus of £0.783 m which was a significant improvement on the reported forecast position at August 2022 which showed an anticipated £78.4m deficit. Significant work was undertaken during the year to reduce Covid-19 expenditure by £26m and ensure that spend was in line with available funding. This reduction along with a betterment in the core budget position ensured that the Board was able to achieve a modest surplus for 2022-23.

#### 2023-24 to 2025-26 Indicative financial planning

All NHS Boards were asked to submit initial financial plans covering the financial years 2023-24 to 2025-26 to Scottish Government by the 16 March 2023. Scottish Government recognises the pressures that NHS Boards are currently operating under, together with the high level of uncertainty and volatility that remains in the system. This context makes longer term planning difficult, however, the Board approved a medium term, 3 year financial plan on 25 April 2023 highlighting an anticipated deficit in each year of the plan:

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<sup>6</sup> A fairer NHSGGC Monitoring Report - <https://www.nhsggc.scot/downloads/a-fairer-nhsggc-monitoring-report-2020-22/>

## NHS Greater Glasgow and Clyde

### Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

£71.1m for 2023-24, £79.8m for 2024-25 and £54.5m for 2025-26. The 2023-24 position includes £75m of recurring savings and £44.8m of non-recurring relief.

	Initial Financial Gap		Recurring Savings		Non-recurring relief		Forecast Deficit
2023-24	£190.9m	-	£75m	-	£44.8m	=	£71.1m
2024-25	£175.4		£75m		£20.6m		£79.8m
2025-26	£143.3		£75m		£13.8m		£54.5m

Given the number of operational priorities that the Board is expected to deliver against within planned and unscheduled care it will be challenging to reduce this deficit. Work will continue throughout the year to review this position and reduce pressures and costs in order to improve the overall position. Plans are being developed to address the remaining deficit position. The Board will continue to maintain an ongoing dialogue with Scottish Government throughout the year to ensure that the Board continues as a going concern.

#### Development and Delivery of Financial Savings

The £75m recurring savings target for 2023-24 will be a challenge. Based on current and historic performance in this area:



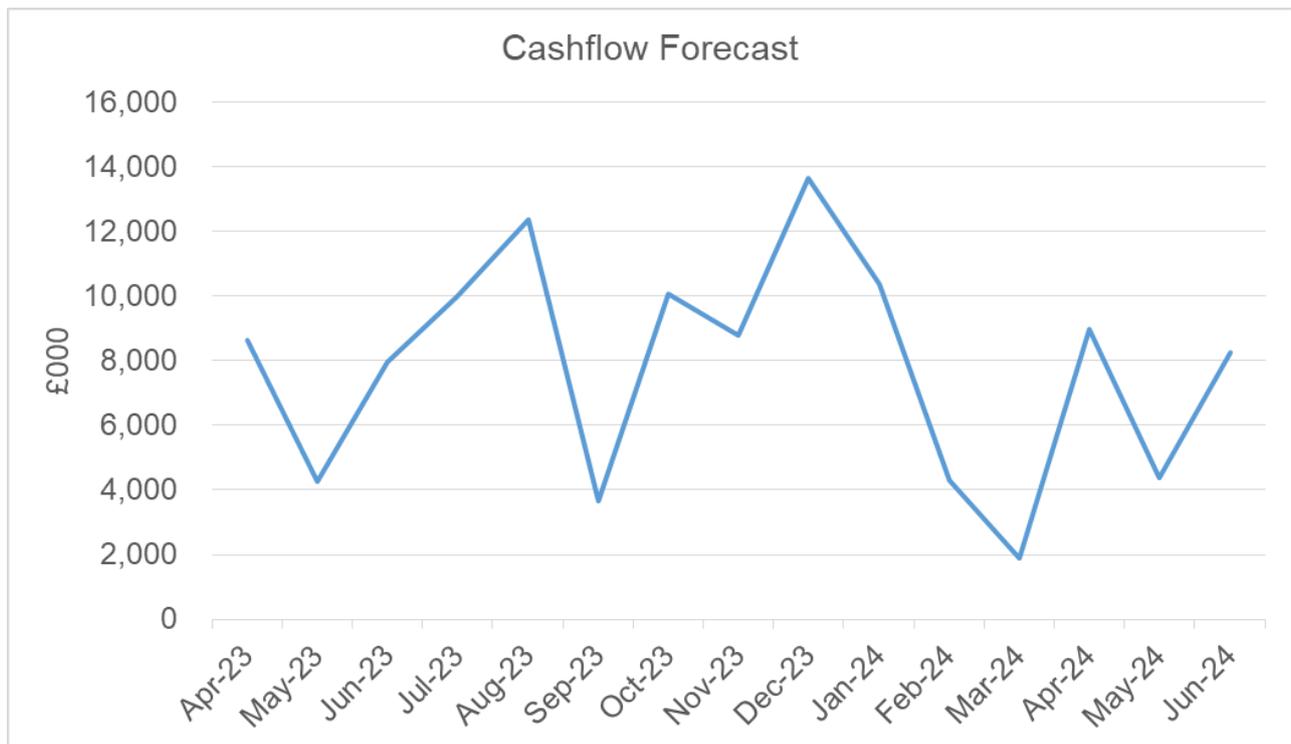
The £44.8m of non-recurring relief is considered Low Risk. Progress against delivery of savings is monitored on a monthly basis. Success is measured by the level of recurring savings achieved against the target and achieving overall balance for the year in these financially challenging circumstances. As we transition from the post pandemic environment we are recalibrating how we manage and deploy our resources to ensure we can continue to provide excellent levels of care and continue to innovate, invest and excel. To achieve this the Board has commenced its transition from a Financial Improvement Programme approach to a wider Sustainability and Value approach, this move reflects the nationwide approach and collaborative models of working and the need for a wider and more holistic approach to sustainable service provision over a prolonged time scale. This approach is also aligned to the wider NHS Scotland Aims and objectives as outlined earlier in this report.

To address the scale of 2023-24 financial challenge the Sustainability and Value programme will look to deliver circa £55m of savings from our well established processes and workstreams such as Prescribing, Non Pay, local and service specific changes. In addition to this a further £20m of recurring savings will be delivered from service wide packages of work encompassing: Workforce planning, major service redesign, efficiency and productivity gains, estate rationalisation, medicine management and clinical pathway optimisation.

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Cashflow is closely monitored throughout the year and is reported to Scottish Government on a monthly basis through the Financial Performance Return. In the event that the Board anticipated exceeding its maximum cash allocation this would be formally discussed in advance with Scottish Government and corrective action taken where required. The Board has a history of being able to achieve challenging savings targets each year through a combination of recurring and non recurring measures. The chart below shows the cashflow forecast up till 30 June 2024.



Our considerations cover the period through to 30 June 2024, being 12 months beyond the date of authorisation of these financial statements. Taking into account these considerations and the governance structures in place both within the Board and through the NHS Scotland assurance process, the Board have a reasonable expectation that the Board will have adequate resources to continue in operational existence for the foreseeable future. For this reason, we continue to adopt the going concern basis in preparing these financial statements.

# NHS Greater Glasgow and Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Performance Analysis

#### Financial Performance

The Scottish Government Health requires NHS Boards to meet three key financial targets:

- 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.

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.

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 worked closely with Scottish Government throughout the year to identify potential funding sources to close the forecast in year gap. 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:

	<b>Limit as set by SGHSCD £000</b>	<b>Actual Outturn £000</b>	<b>Surplus £000</b>
Core Revenue Resource Limit	2,944,626	2,943,843	783
Non-core Revenue Resource Limit	109,533	109,533	0
<b>Total Revenue Resource Limit</b>	<b>3,054,159</b>	<b>3,053,376</b>	<b>783</b>
Core Capital Resource Limit	96,838	96,831	7
Non-core Capital Resource Limit	1,459	1,459	0
<b>Total Capital Resource Limit</b>	<b>98,297</b>	<b>98,290</b>	<b>7</b>
Cash Requirement	3,530,713	3,530,713	0

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

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.

## NHS Greater Glasgow and Clyde

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#### Memorandum for in-year outturn

Core Revenue Resource Variance Surplus in 2022-23

Financial flexibility: funding banked provided by Scottish Government

#### Underlying Surplus against Core Revenue Resource Limit

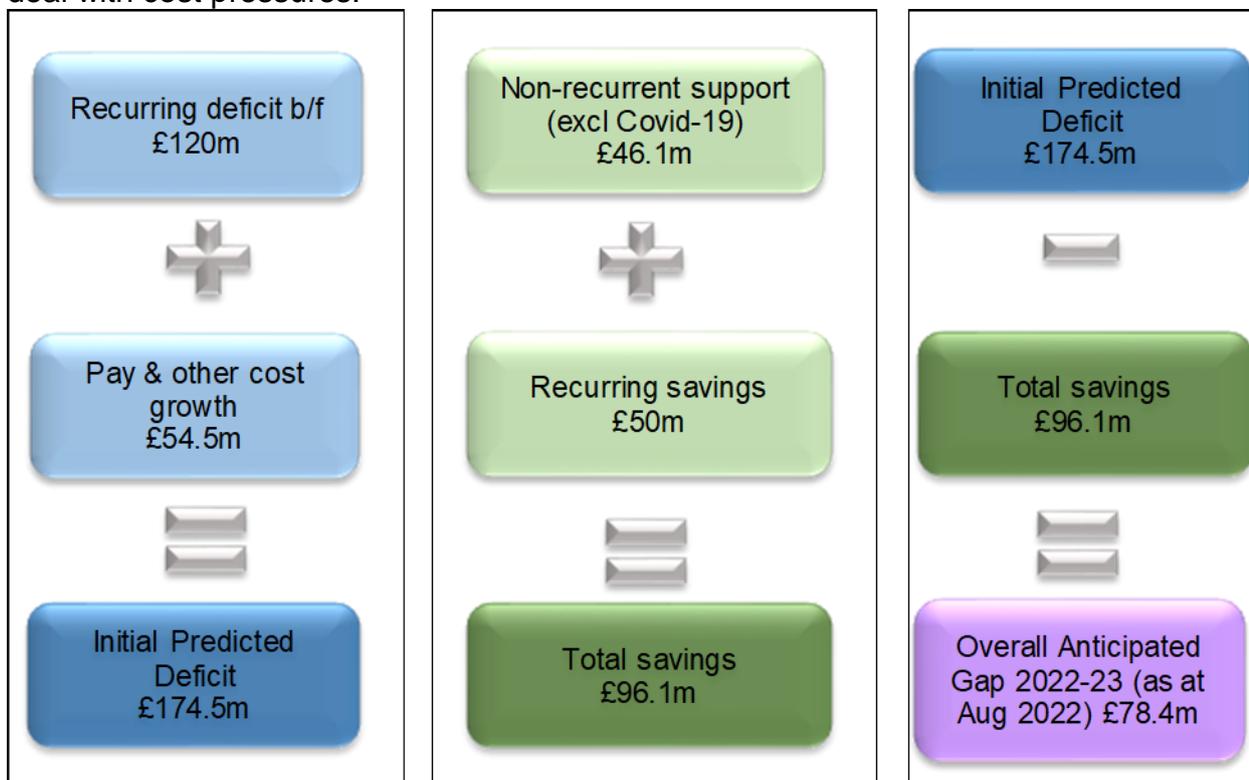
Percentage Surplus against RRL

	£000
Core Revenue Resource Variance Surplus in 2022-23	783
Financial flexibility: funding banked provided by Scottish Government	(361)
<b>Underlying Surplus against Core Revenue Resource Limit</b>	<b>422</b>
Percentage Surplus against RRL	<b>0%</b>

A revised one-year financial plan was submitted to Scottish Government by NHSGGC on 4 August 2022. Due to the impact of the Covid-19 pandemic, the Scottish Government paused the formal three year Annual Operating and financial planning process. However NHS Boards have taken steps to return to medium term financial planning by preparing draft 3 year plans in 2022-23 that were shared with Scottish Government prior to return of formal 3 year financial planning from 2023-24.

Excluding provision of financial flexibility provided by the Scottish Government, the Board's outturn is an underspend on RRL of £0.783 m. As this balance is within the one per cent flexibility afforded by the three-year financial planning, this will be managed within an overall breakeven position in the period to 2024-25.

The high level 2022-23 Financial Plan, approved by the NHS Board in August 2022, predicted a deficit of £174.5m, this included a recurring deficit brought forward plus cost growth which were partially offset by non-recurrent support and recurring savings leaving an residual overall gap of £78.4m for 2022-23. The focus for 2022-23 was to bring down the recurring deficit by continuing the work of the Sustainability and Value Programme and deal with cost pressures.



2022-23 has again been an unprecedented year as outlined earlier in this report. From a financial perspective, the Board incurred additional Covid-19 related costs of £67.9m for: additional staff costs; additional bed capacity; testing; deep cleans; patient transport; loss

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of income, and vaccinations costs. The IJBs incurred additional Covid-19 costs of £33.6m for: additional staffing costs; support of adult social care; homelessness, and children and family services. The £101.5m across the Board and IJBs was funded in full by the Scottish Government.

The Board still experienced some cost pressures in-year, outwith Covid-19, such as: nursing agency costs; junior doctor salary costs; delayed discharges, and out of area beds. Despite this, through the continued success of the Sustainability and Value programme; increased financial grip; reduction in activity, and managing the capital allocation to ensure an optimal outturn in line with the agreed capital plan and capital resource limit, the Board was able to report a small surplus of £0.783 m at 31 March 2023 through tightened monitoring and spend management processes.

The HSCPs have all reported a breakeven out-turn on the Health budget as at 31 March 2023 with any underspends transferred to their reserves at the year end. HSCP reserves decreased significantly in year as a result of the ring-fenced Scottish Government funding for areas such as Covid-19, Winter Planning, Primary Care Improvement Plans, Mental Health Action 15 and funding for Alcohol and Drug Partnerships, now being utilised.

The prior year accounts have been restated to take account of a revision in the treatment of how the Board accounts for income and expenditure related to services provided to other boards. Note 19 to the Annual Accounts details how this restatement has been effected in the accounts.

Total capital resources available to the Board for investment in 2022-23 amounted to £105.51m:

Total SGHSCD Capital Resource Limit	£ 96.84m
Other Capital Funding Sources	£ 0.26m
Total Revenue Funding	£ 8.11m
Other Funding Sources	£ 0.30m
<b>Total Infrastructure Funding 2022-23</b>	<b>£105.51m</b>

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 £3.3m from capital to revenue was progressed, enabling the Board to remain within the key core Capital Resource Limit (CRL) target of £96.84m.

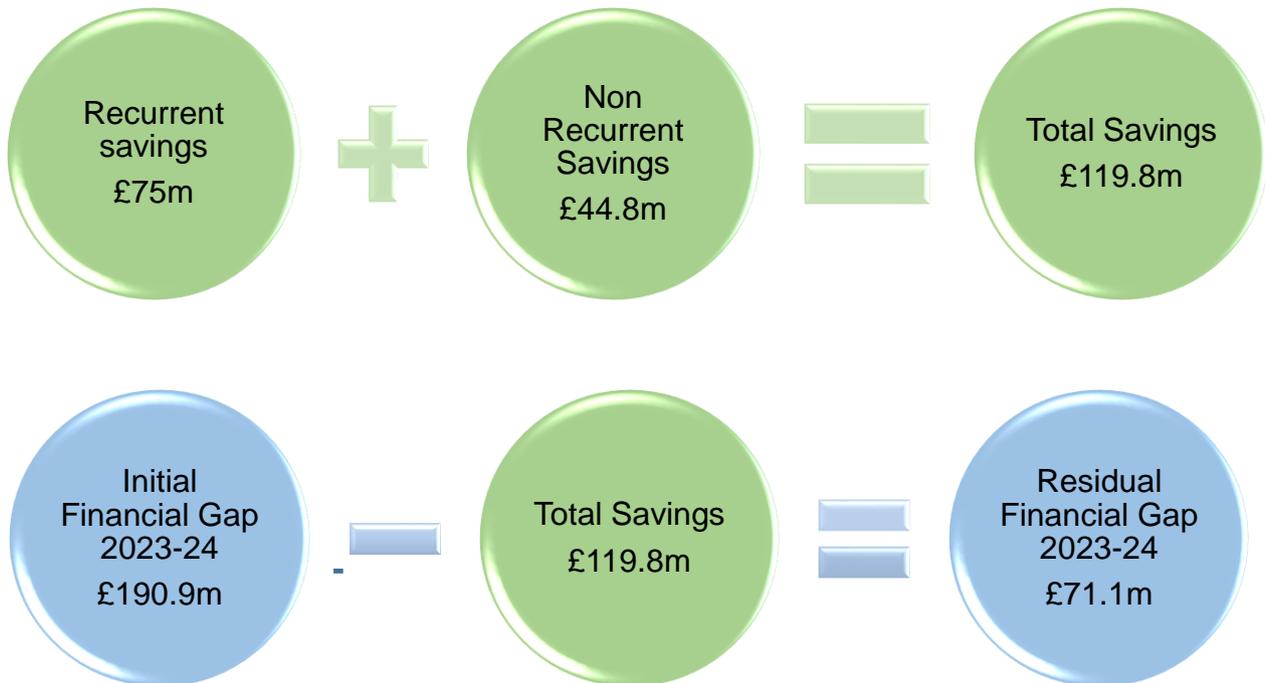
As we move forward into 2023-24, the initial Financial Plan indicates a financial gap of £190.9m, this is made up as follows:



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The plan includes recurring and non-recurring savings for 2023-24 leaving a residual gap of £71.1m, made up as follows:



The Board is working on a number of recurring and non-recurring mitigations to close this remaining gap. The Annual Operational Plan is due to be submitted in June 2023 along with the 3 year plan in July.

#### Payment policy

The Scottish Government is committed to supporting business during the current economic situation 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:

	2022-23	2021-22
Average period of credit taken	34 days	30 days
Percentage of invoices by volume paid within 30 days	95%	95%
Percentage of invoices by value paid within 30 days	96%	97%
Percentage of invoices by volume paid within 10 days	87%	88%
Percentage of invoices by value paid within 10 days	90%	91%

2022-23 saw a significant 9.3% increase in the volume of invoices received and processed which led to a slight decrease in performance compared to 2021-22. To address this the Board has taken to address this and increase levels of automation in the highest volume areas to improve performance going forward.

## **NHS Greater Glasgow and Clyde**

### **Annual Report and Consolidated Accounts for the Year Ended 31 March 2023**

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#### **Social Matters**

NHSGGC work on equality and human rights aims to ensure that we provide equitable and fair services and address barriers where we identify them. It demonstrates adherence to the legislative requirements of the Equality Act 2010, as well our commitment to the intrinsic values underpinning this, both as a service provider and an employer.

NHSGGC are active partners within the Glasgow City Economic Region, and our role as an anchor institution to support Community Wealth Building is embedded within Local Government Economic Development strategies and an integral part of social and economic recovery planning at city and regional level.

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**

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 Greater Glasgow Health Board Endowment fund is consolidated with the NHSGGC financial statements. The Endowment Funds have recorded a deficit of £1.0m (2021-22, deficit £0.6m). The fund has total net assets of £104m as at 31 March 2023 (2021-22 £107.8m). Expenditure from endowment funds amounted to £10m in the year (2021-22 £9.8m) and this included spending on research, equipment and patient/staff amenities as well as other specific projects approved by the Endowments Management Committee.

Grants made during the year included support for the following projects:

- Funding for an ambitious co-design project for the Royal Hospital for Children to enhance waiting areas and make them more child friendly
- Funding for a number of volunteering initiatives
- A 2 year award to the cancer support charity Maggie's Glasgow and awards to a number of other external charities
- A 2 year Active Staff project
- Support for a number of green space projects

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

During the year the Trustees agreed to take steps to accelerate overall spend levels, raise awareness of the funds and move toward a themed approach to recurrent and non-recurrent allocations.

## NHS Greater Glasgow and Clyde

### Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

#### Performance Against Key Non-Financial Targets

Our 2022-23 Annual Delivery Plan developed in partnership with primary care, secondary care, mental health and health and care services in the community aimed to ensure a cross system approach to the recovery and remobilisation of health and social care services across NHSGGC. The Plan details the initiatives and actions that underpinned the remobilisation and development of services during 2022-23 including key remobilisation activity targets, planned reduction targets and key waiting times targets. Each have been embedded within NHSGGC's Information Assurance Framework to ensure progress was measured against agreed priorities across NHSGGC. These measures have been embedded within performance reports and considered regularly at Board, Acute Services Committee and Finance Planning and Performance Committee meetings throughout the year. For any measures highlighting an adverse variance greater than 5% detailed commentary on the improvement actions in place to bring performance back on track is also reported and considered by the respective executive and non-executive members.

Performance against key non-financial targets including Annual Delivery Plan targets, planned care reductions targets and key performance indicators is highlighted in the following table (all data shown represents the latest position at the time of this report).

2022-23 Non Financial Performance Measures						
Ref	Measure	Apr - Mar 23 Actual	Mar 2023 Target	Status	Target met	Movt since 2022
<b>BETTER HEALTH: Improving the Health and Wellbeing of the population</b>						
1	New Outpatient Activity	333,793	251,789	G	√	↑
2	TTG Inpatient / Daycase Activity	60,138	55,509	G	√	↑
3	Diagnostics - Scope Activity	34,279	31,235	G	√	↑
4	Diagnostics - Imaging Activity	327,442	136,995	G	√	↑
5	Alcohol and Drugs: % of clients starting first treatment < 3 weeks of referral (Oct - Dec 2022)	93.0%	90.0%	G	√	↓
6	Access to Cancer Services: % of cancer patients starting their first cancer treatment within 62 days of urgent referral with a suspicion of cancer (Quarter ending March 23)	59.1%	80.0%	R	X	↓
7	Access to Cancer Services: % of patients treated within 31 days of decision to treat (Quarter ending March 2023)	93.9%	95.0%	A	X	↓
8	Psychological Therapies: % of eligible referrals starting treatment < 18 weeks of referral (Quarter ending March 2023)	87.4%	90.0%	A	X	↓
9	CAMHS: % of eligible patients starting treatment < 18 weeks of referral (Quarter ending March 2023)	85.0%	85.0%	G	√	↑

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Ref	Measure	Apr - Mar 23 Actual	Mar 2023 Target	Status	Target met	Movt since 2022
<b>BETTER CARE: Improving individual experience of care</b>						
10	Number of new outpatients waiting > 104 weeks	0	0	G	√	↑
11	Number of new outpatients waiting > 78 weeks	649	<800	G	√	↑
12	Number of new outpatients waiting > 52 weeks	10,489	<12,000	G	√	↓
13	Number of TTG patients waiting > 104 weeks	1,851	<1,985	G	√	↑
14	Accident and Emergency 4 Hour Waiting Times Standard (Apr - Mar 2023 Aver)	70.5%	95.0%	R	X	↓
<b>BETTER VALUE: Reducing the cost of delivering healthcare</b>						
15	Number of delayed discharges (monthly average position April - Mar 2023)	364	287	R	X	↓

Performance Status	
Adverse variance of > 5%	R
Adverse variance of up to 5%	A
On target or better	G

As seen from the table above, despite the continued pressures and challenges of Covid-19 during 2022-23, NHSGGC made steady progress in reaching a number of key service priority milestones agreed with the Scottish Government and outlined in our 2022-23 Annual Delivery Plan. The focus of recovery and remobilisation during 2022-23 remained 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 above, a total of 10 of the 15 measures contained within the 2022-23 Annual Delivery Plan either met or exceeded the March 2023 planned position with a further 2 measures narrowly missing the target.



**Better Health** Improving the health and wellbeing of the population

During 2022-23, the level of elective activity delivered across NHSGGC fluctuated in response to different waves of Covid-19 infection. However, by building upon experience gained the previous two years, we were able to adapt to these changes and maintain a more consistent delivery of our elective services as evidenced in the positive progress made against each of the Remobilisation activity targets. Each of the four Remobilisation activity targets exceeded the planned position for March 2023 despite being rated as a high risk area in our Corporate Risk Register:

- A total of 333,793 new outpatients were seen during 2022-23, exceeding the planned activity target by 33%.
- A total of 60,138 inpatients / daycases patients were treated during 2022-23, exceeding the planned activity target by 8%.

## NHS Greater Glasgow and Clyde

### Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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- A total of 34,279 scopes were carried out during 2022-23, exceeding the scope activity target by 10%.
- A total of 327,442 imaging tests were carried out during 2022, by far exceeding the national activity target of 136,995.
- At the quarter ending December 2022, 93% of eligible patients started drug and alcohol treatment within 3 weeks of referral, exceeding the national target of 90%.

- The percentage of eligible cancer patients treated within 31 days of decision to treat only narrowly missed the target

- The percentage of cancer patients starting their first cancer treatment within 62 days of an urgent referral with a suspicion of cancer remained a challenge across the pandemic recovery period

The management of cancer patients and vital cancer services remained a clinical priority during the year. Despite this, key cancer types are challenged on the waits for first assessment and diagnostic tests due to the sustained increase in Urgent Suspicion of Cancer (USOC) referrals (average of 5,500 per month) however, the conversion rate has not changed in line with the increase in demand, presenting a challenge for clinicians to accurately vet USOC referrals and ensure appropriate patients are given timely access to diagnostics tests. Work is underway nationally to explore this as well as within NHSGGC to review the use of USOC referral proformas and guidance for GPs. The focus remains on addressing long waiting patients over 100 days, targeted work on agreeing treatment dates for all patients in this category remains, with weekly Director Meetings reviewing cases.

A package of improvement actions continued to be implemented with a strategic focus on high volume and challenged patient pathways. Each pathway is being subject to review through the Cancer Management Group to minimise the steps in the pathway and redesign where possible.

There has been a particular focus on Urology, the most challenged cancer type, in terms of volume. Demand and capacity modelling is underway to ensure resource is targeted appropriately. The role of Clinical Nurse Specialists to assist on the pathway is being reviewed to maximise opportunities for redesign. The Prostrate and Bladder pathways are also being reviewed to ensure they meet best practice and resource allocated to deliver against each element.

In Mental Health Services, there has been a significant focus on improving waiting times for Child and Adolescent Mental Health Services (CAMHS) and Psychological Therapies during 2022-23 with some positive results particularly against a backdrop of increasing demand for these services. In terms of CAMHS a number of performance improvements

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have been made with additional investment in staffing from Scottish Government funding allowing service development, combined with improvement in pathways.

- Performance in relation to the number of eligible CAMHS patients seen within 18 weeks of referral met the planned position of 85% for the quarter ending March 2023. The total waiting list size at the end of March 2023 was 1,480 patients waiting to start their first treatment.

The positive progress in CAMHS performance was delivered against a backdrop of increased referrals and the complexity of presentations post pandemic and the associated impact this has had on the waiting list. In 2022, the annual referrals were 8,906, the highest number of children and young people referred on record (8,299 referrals in 2021). Despite this, there has been a substantial reduction in the number of patients waiting for this service in the last couple of years. As of the week ending 29 March 2023, there were a total of 1,450 patients on the waiting list waiting for their first treatment appointment, with 91.9% waiting less than 18 weeks.

- Within Psychological Therapies the target of 90% was narrowly missed with a 12 monthly average of 87%. The final quarter position was 87.4% against the national target of 90%. The total waiting list size at the end of March 2023 was 3,090 patients waiting to start their first treatment.

Other key mental health developments underway include progressing the development of a Regional CAMHS Intensive Psychiatric Unit for adolescents and reassignment of beds in the national child inpatient unit for children under 12 years with learning disabilities together with the development and implementation of a Neurodevelopmental pathway. NHSGGC Public Health have responded to emerging mental health needs, including counteracting isolation. Online training has been developed including: wellbeing; resilience; mental health in the workplace; self-harm; LGBTQ+; Perinatal Mental Health; Loss and Grief, and Stigma and Discrimination. The Suicide Prevention Concordat has been renewed and local suicide prevention action plans are being updated in line with the new national Suicide Prevention Strategy 'Creating Hope Together'.



**Better Care** Improving individual experience of care

As mentioned earlier, NHSGGC achieved each of the initial planned care waiting times reductions targets agreed by the Scottish Government in relation to new outpatients waiting more than 104 weeks, more than 78 weeks and Treatment Time Guarantee (TTG) patients waiting more than 104 weeks by December 2022. The trajectories of each of the measures were subsequently revised and agreed in December 2022 for delivery by March 2023 and the positive progress achieved is as follows:

- Since August 2022, there have been no patients waiting more than 104 weeks for a new outpatient appointment.

## NHS Greater Glasgow and Clyde

### Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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- As at March 2023 (month end), there were a total of 649 new outpatients waiting more than 78 weeks, within the planned reduction target of less than 800.
- As at March 2023 (month end), there were a total of 10,489 new outpatients waiting more than 52 weeks, within the planned position of less than 12,000.

In ensuring the risks to delivery were mitigated, NHSGGC implemented a number of actions during the year to improve new outpatient waiting list numbers and further reduce long waiting patients including the utilisation of additional waiting list initiative capacity and insourcing capacity combined with service redesigns, revised pathways, the development of advanced nursing roles, maximising Patient Focused Booking and engagement with the Centre for Sustainable Delivery national and regional groups.

- As at March 2023 (month end), there were a total of 1,851 TTG patients waiting more than 104 weeks, within the planned reduction target of less than 1,985.

Key actions during 2022-23, to improve the TTG waiting list numbers and long waiting patients have included a focus on orthopaedics with local initiatives and additional national capacity via the national treatment centres targeting long waiting patients. Outsourcing activity, service redesign programmes, supporting Advanced Nurse Practitioner roles and alternative workforce models, improving patient pathways and working with Golden Jubilee National Hospital (GJNH) to maximise activity are all contributory across specialties.

Action continues to be in place to minimise the risks to delivery and build upon the progress made to date and help further reduce the number of long waiting patients including:

- A continued focus on managing clinically prioritised patients alongside long waiting cases to ensure the most appropriate patients are being prioritised for theatre.
- Maximising NHSGGC and GJNH capacity remains a priority, including streamlining of suitable elective activity to non-receiving sites with the aim of releasing bed capacity on the main acute sites.
- The use of surgical hubs to drive standardisation of pathways across NHSGGC and develop expertise in high volume activity.
- Support for the development of a Band 4 assistant theatre practitioner training programme.
- Funding of waiting list initiatives and insourcing targeted at services with the largest gap between demand and activity.

In terms of endoscopy, the waiting list has stabilised in recent months with a 12 monthly average of around 12,224 patients waiting. Provision for additional capacity through the use of locums, Waiting List Initiatives, GJNH capacity and an insourced mobile unit service including nursing and decontamination staffing continues. The use of new technologies continues to complement core Endoscopy sessions (Cytosponge, Transnasal Endoscopy, and Colon Capsule Endoscopy).

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- Performance in relation to unscheduled care remained a challenge during 2022-23, with a monthly average compliance of 70.5% against the four hour A&E standard of 95% (2021-22 80.4%)

This is as a result of the pressures of winter alongside the pressures faced across our health and social care system mainly as a result of the challenges associated with the number of patients delayed in their discharge, which created difficulties with patient flow through our health and social care system and compromised our A&E performance. A number of actions were put in place as part of the winter planning arrangements including:

- The promotion of the 'Right Care, Right Place' campaign for urgent and unscheduled care, where we actively promote our Flow Navigation Centre and other alternatives to unscheduled care alongside our strong public messaging campaign around the importance of the vaccination programme for both Flu and Covid-19 vaccination boosters.
- The Continuous Flow model continued to be rolled out across our hospitals. The QEUH, GRI, RAH and IRH have now adopted this approach. The model is designed to reduce potential risks to patients which could arise from excessive lengths of stay in ED and Assessment Units.
- The implementation of a range of actions outlined in the 2022-23 Board-wide Unscheduled Care Action Plan including strengthening ED medical and nursing staffing to cover periods of the day with known higher levels of demand, weekend and evenings and extending access to diagnostics and discharge lounge opening hours. The 14 day improvement framework guides have been used via the Board to Site Triumvirate meetings to plan focused local unscheduled care improvements issued to the Chief Operating Officer, with meetings taking place weekly to focus sustained actions.
- Unscheduled Care Steering Groups have been revised and reconvened in all sectors.
- A phased launch of our Home First Response Service was rolled out across all sites in January 2023. Frail elderly patients are being identified early and supported by a multi-disciplinary team to avoid hospital admission if appropriate.
- We established a Discharge without Delay programme of work which aims to improve patient flow throughout the patient journey, positively reducing delayed discharge numbers. We are improving access and availability of Professional-to-Professional advice, and embedding a consistent approach to signposting and redirection. Underpinning all of this redesign work, is the development of a series of key metrics and trajectories which are monitored by our strengthened unscheduled care arrangements including the Flow Navigation Centre (FNC).



**Better Value** Reducing the cost of delivering healthcare

- The number of delayed discharges was 364 based on the monthly average position for 2022-23 which was over the target of 287. (2021-22 299)

## **NHS Greater Glasgow and Clyde**

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The number of people who remain in hospital who no longer need to be there has increased significantly from approximately 100 patients at any one time in 2019 to c300 per day currently. This is impacting significantly on hospital capacity and on the flow of patients through our hospitals from the front door. We are focused on addressing this and reducing the number of delayed discharges with HSCP colleagues, local authorities and the Scottish Government. However, the multiple challenges faced are complex and include workforce and recruitment issues, Adults With Incapacity patients, alongside care home and care at home suitability and capacity challenges. Throughout 2022-23 rigour continued to be applied to monitoring and mitigating delays at each level. 2022-23 improvement actions included implementing the Delay with Discharge (DwD) programme. The first principle of the DwD programme is to ensure patients are discharged to supported and cared for in a homely setting at the earliest opportunity.

Key areas of focus for the DwD programme during 2022-23 included:

- The appointment of a Discharge without Delay Board Lead to lead on all elements of the programme.
- Home as the default position for all discharges – delivered through further developing intermediate care services and care at home services that support rapid discharge and enablement.
- The implementation of the principle of a Planned Date of Discharge by ensuring discharge planning starts in admission, supported by a whole team approach across acute and community, early referral to social work and care home teams with a designated senior leads in each HSCP managing performance.

As part of the Unscheduled Care 'Discharge without Delay' principles, NHSGGC launched the 'Home for Lunch' campaign mid-December 2022 to work with patients, staff and the public to help raise awareness of the benefits of getting home from hospital early in the day. Home for Lunch is helping get patients home in time for lunch wherever possible and appropriate. This benefits the patient as well as enhancing early flow across the system.

In complementing the measures to optimise discharge opportunities, a further programme of work is underway to avoid frail elderly individuals being admitted (if at all avoidable) to acute sites and subsequently becoming deconditioned and delayed in their discharge including the national Discharge Without Delay programme, Community Falls Integrated Pathway, the Home First Response Service and Hospital at Home Service.

### **Sustainability and Environmental Reporting**

The Climate Change (Scotland) Act 2009 originally set out measures adopted by the Scottish Government to reduce emissions in Scotland by at least 80% by 2050. The Climate Change (Emissions Reductions Targets) (Scotland) Act 2019 amended this longer-term target to net-zero by 2045, five years in advance of the rest of the UK. In 2020 'The Climate Change (Scotland) Amendment order came into force to reflect this and now requires NHS Boards to report on their progress in delivering their emissions reduction targets.

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All designated Major Players of which NHSGGC is one are required to submit an annual report to the Sustainable Scotland Network detailing compliance with the climate change duties imposed by the Act and the Amendment order. The information returned by the Board is compiled into a national analysis report, published annually and superseding the prior requirement for public bodies to publish individual sustainability reports.

Further information on the Scottish Government's approach can be found in the Climate Change Plan 2018-2032 while national reports can be found at the following resource:

<https://sustainableScotlandNetwork.org/reports>

#### Annual Report 1 April 2022 – 31 March 2023

A Policy for NHS Scotland on the Climate Emergency and Sustainable Development – DL 2021 38 sets out ambitious targets to tackle the climate emergency announced by the Scottish Government in 2019. This policy brings forward net zero deadlines for territorial Health Boards from 2045 to 2040.

“NHS Scotland body must reduce the greenhouse gas emissions from its activities, the activities under its control and from the electricity, steam and heat purchased by it to net-zero by 2040 or earlier where possible.”

And further:

“All NHS owned buildings must be heated from renewable sources by 2038 or earlier where possible.”

Since the launch of “A Policy for NHS Scotland on the Climate Emergency and Sustainability Development Strategy” (DL38). NHSGGC has responded by establishing a robust cross organisational governance structure to deliver the ambitions of the national policy. NHSGGC has utilised the UN Sustainable Development Goals as the framework by which to deliver this system wide change, ensuring a “just transition” whilst continuing to deliver first class health care services.

Our structure aligns to the delivery of national work streams contained within the policy, supported by working group charters that sets out each groups 5 year objectives against the backdrop of the Net Zero 2040. This is reflected in our sustainability strategy 2023 – 2028 which will be approved by the Board and launched this summer. This approach provides assurance to the Board that there is a robust governance framework in place to monitor, measure and deliver policy objectives and internal KPI's.

#### Defining the Commitment

NHSGGC is incorporating key climate change and sustainability objectives into its Annual Delivery Plan and medium term delivery plans. This year's 2023-24 Annual Delivery Plan includes the following commitments:

1. Increasing the alternative fuelled fleet size from the current 31% to meet full fleet transition by 2025
2. Increase recycling rates to 35% for 23/24 then hit 70% recycling rate for 2025 deadline
3. Implementation of Green Theatres Objectives by NHS GGC's Clinical Sustainability Group, inclusive of:
  - Removing Desflurane from clinical use

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### Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

- Decommission Nitrous Oxide (N<sub>2</sub>O) Manifolds
  - Switch off of out of hours Heating Ventilation Air Conditioning (HVAC)
  - Switch off of out of hours Anaesthetic Gases Scavenging Systems (AGSS)
  - Change pre-operative paracetamol from intravenous to oral
  - Increase clinical segregation of waste. NHS GGC to target 15% reduction by weigh volume
  - Implement the Scottish Quality Respiratory Prescribing guide across primary care and respiratory specialities to improve patient outcomes and reduce emissions from inhaler propellant.
4. Establish Energy management policy, benchmarking and targets to deliver financial/non-financial savings and develop large multi-stakeholder capital schemes for heat and power decarbonisation.
  5. Q-Pulse will host NHSGGC's Environmental and Quality Management system, roll out implementation will following ISO standards.

NHSGGC's Sustainability Strategy, which is currently going through governance approvals, is expected to be endorsed by the Board in August 2023. The strategy sets out the Board's five year plan to delivery national policy obligations, inclusive of ADP objectives. The strategy sets out a clear five year pathway using a systems based approach, with the ultimate goal being net-zero heat GHG emissions by 2038 and an overall position of net zero emissions by 2040.

#### Anticipated Impacts

The Sustainability Governance Framework not only addresses national policy and planning actions. It provides a framework to measure performance against internal KPI's, a framework to deliver Sustainability & Value initiatives and the means to measure compliance, risks and opportunities. Recent examples of focus would include the global supply chain issues, increases in energy costs and the resultant financial and non-financial implications for NHSGGC. Whilst there was no formal energy consumption interim target reduction set for NHSGGC for 2022-23 there was an overall reduction in energy consumption (Gas & Electricity combined) of 1.75% compared to the previous year. This equates to a reduction of 1.2 million kWh of electricity and 9.0 million kWh of gas.

Working Group charters have been established for all workstreams supporting the sustainability agenda which include the requirement to put in place interim targets as staging posts to 2038 and 2040 respectively.

<b>NHSGGC's Sustainability objectives</b>
Embed sustainability into decision-making across all sectors of the organisation, as a business-as-usual function
Undertake improved monitoring and evaluation on key operational metrics, and deliver enhanced reporting on our activities and progress against the targets contained within the strategy
Develop and deliver a change management programme to net-zero greenhouse gas emissions for heat by 2038 and overall net-zero greenhouse gas by 2040, in line with national aims
Engage and support staff to embrace sustainability in everything they do through enhanced training, communication and resources

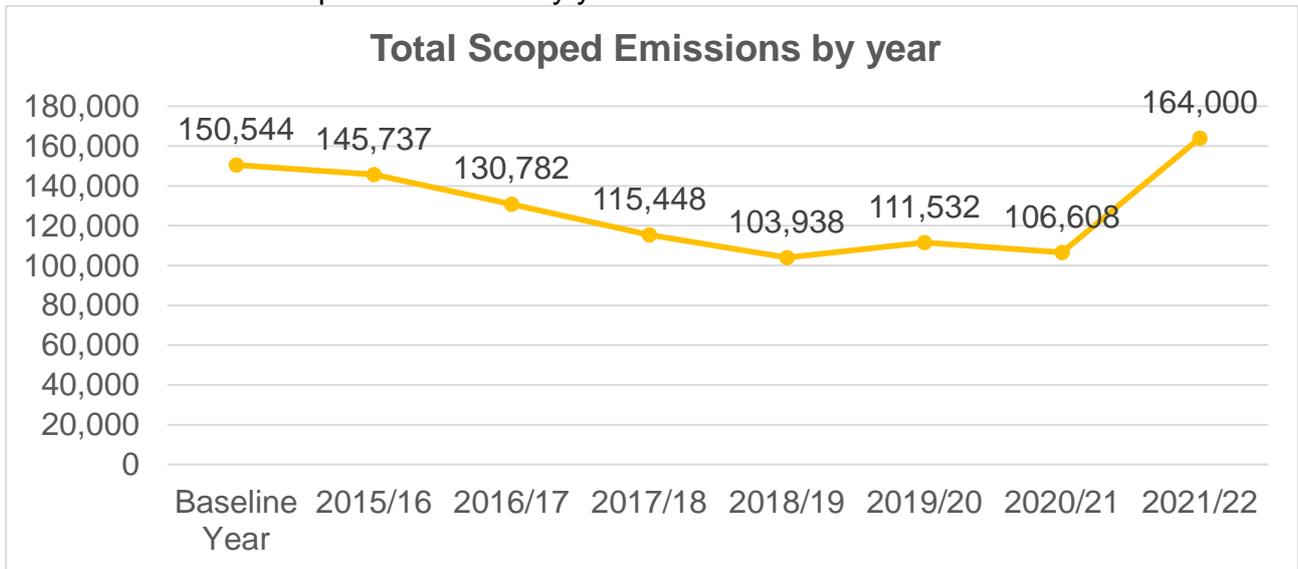
# NHS Greater Glasgow and Clyde

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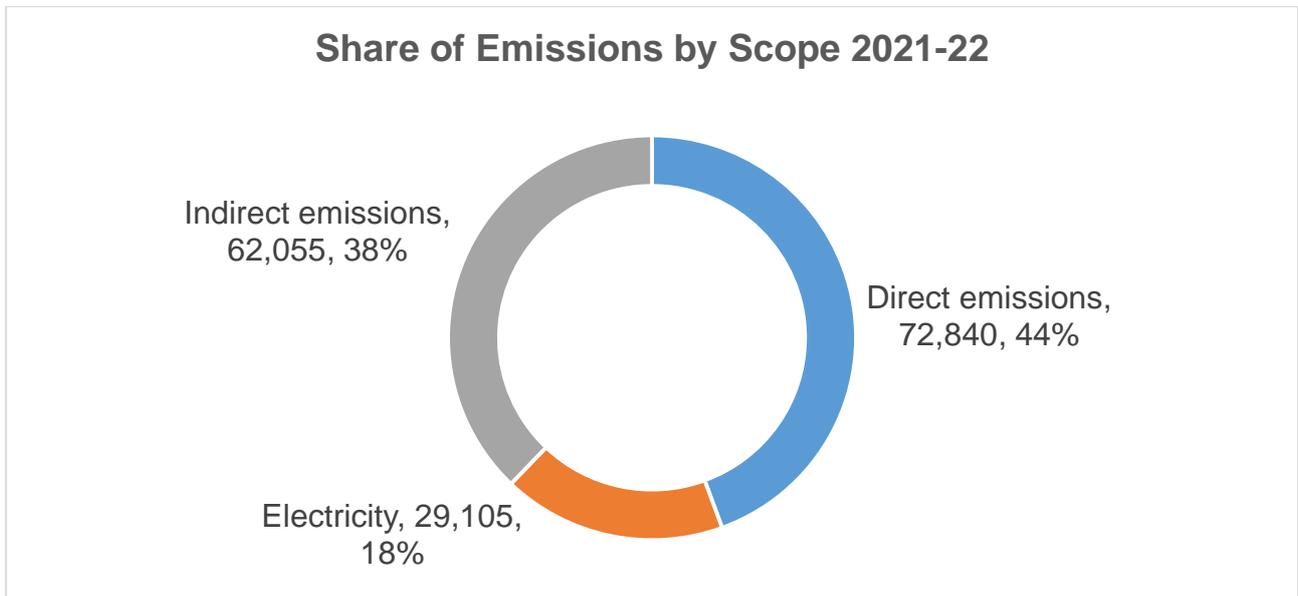
Undertake adaptation, both in our physical assets and our supply chain and procurement processes, to make the organisation more resilient to the ongoing effects of climate change
Embrace a circular economy approach to procurement, including enhanced reuse where possible, and designing out waste and pollution; and
Improve biodiversity and natural capital across the NHSGGC outdoor estate and incorporate nature within our buildings where possible

### Emissions

NHSGGC fulfils its statutory Public Bodies reporting requirements, submitting the Board’s annual report at the end of November every year since 2015. The graph below shows the movement in total scoped emissions by year since 2015.

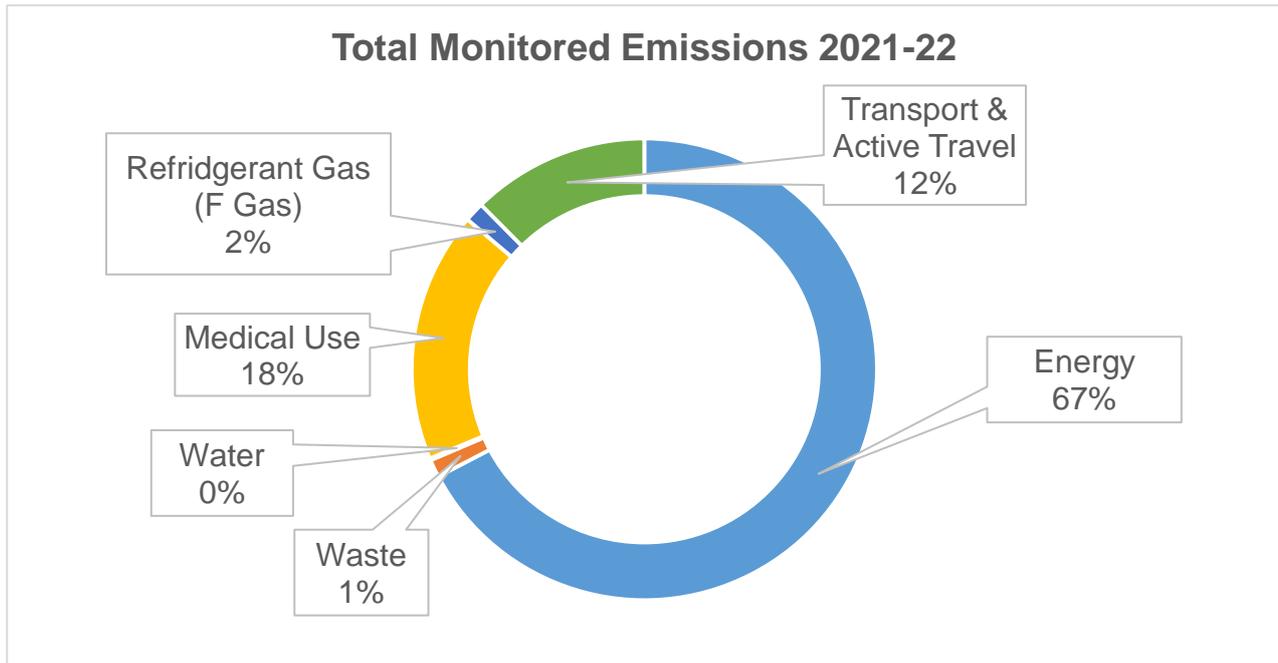


The increase in overall emissions in 2021-22 is due to improved monitoring and reporting of previously unreported emissions sources. Public bodies are due to submit this data on an annual basis. The 2022-23 data is due for submission in November 2023.



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During 2022-23 utility emissions reduced by 6.0%, this equates to a reduction of 6,531 tonnes of carbon. The Board recognises that these changes bring additional potential for significant benefits to our organisation around improving health and inequalities.

The Board has continued to improve and develop its governance for delivering a full range of Environmental Targets / Improvements that are specifically addressed within the Sustainability Strategy and Annual Development Plan Objectives.

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 Board's ability to continue to deliver a high quality service.

### Communication

By engaging our staff to create a culture of sustainability, we can empower each and every one of our people to be part of the solution. It is envisaged that through work place behaviour change, our staff can take ownership at home too, adopting more sustainable lifestyles, assisting Glasgow and Scotland in achieving its climate change goals.

How we'll do it:

- NHSGGC is committing to raising awareness through communication. We are championing environmentally, socially and economically conscious behaviour through training and learning opportunities for staff, helping them to feel empowered to implement sustainable changes in their work and personal lives.
- Identify works stream leads/champions in line with priority areas that will improve our sustainability and net zero performance.
- Support staff to lead change at individual, team and departmental level aligned to the Board's corporate sustainability objectives.

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- Empower staff to take advantage of sustainability initiatives which boost health and wellbeing.
- Improve our service provisions, offering more sustainable alternatives where possible and reducing risk to service operations.
- Creation of a Sustainability E-Learning module with additional bespoke modules relevant to specific subject areas.
- We will deliver engaging internal communications to create interest in the strategy amongst our colleagues as part of wider cultural change across the business, sharing good news stories, highlighting best practice and generating momentum and excitement in our priorities.
- Awareness of the importance of the climate emergency and sustainability has never been greater but it can still be challenging to know how we can make a difference. A wide range of staff across NHS Scotland were involved in creating the 'Sustainability Action' brand 'Our NHS, Our People, Our Planet'.

### Measure Progress

NHSGGC's Sustainability Governance Group (SGG) has overall responsibility for sustainability and net zero. It oversees and coordinates the following working groups by monitoring and reporting their progress:

- Capital Planning Sustainability Group;
- Energy in the Built Environment group (EBEG);
- Greenspace & Biodiversity;
- Transport & Active Travel;
- Clinical Sustainability;
- Sustainable Procurement;
- Waste Management.
- Community Wealth Building

Each working group is required to track their progress against agreed objectives and targets as agreed in their charter and produce a progress report to the SGG on a two monthly basis.

Fundamental to each working group is the embedded agenda of compliance, Communications & Learning and the financial sustainability and value agenda.

### Refining the Approach

The post Covid-19 landscape is one of competing priorities and fiscal pressures for Health Boards. However, NHSGGC are looking to address this through a systems wide change that in the medium to long term will be financially, socially and environmentally equitable for the organisation, aligning to the Scottish Government's Sustainability & Value agenda.

Our approach is already starting to delivery on many of the National Policy requirements, particularly with the National Green Theatres programme implementing circular economy technology to reduce our waste output. Through training and awareness the Board has almost eliminated Desflurane, one of the most polluting anaesthetic gases and a national objective. We have approached other topic areas such as Greenspace & biodiversity by securing significant external funding, of circa £1m, to improve our outdoor estates for patients and staff.

## NHS Greater Glasgow and Clyde

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The establishment, promotion and delivery of this significant programme of work over the past year has involved novel approaches. The Board has engaged with local universities and external stakeholders, utilising and developing the specialist knowledge, collaboration and skills required to deliver the ambitious targets set within the national policy and guidance.

#### The Way Forward

2022-23 was another 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. The ongoing effects of Covid-19 and the cost of living crisis have undoubtedly presented significant challenges 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 have been signs of recovery infection rates have remained high at times, it is therefore essential that we maintain the ability to increase our Covid-19 response capacity at any time. Balancing this and the requirements of our Annual Delivery Plan within our financial envelope will need significant effort and focus to ensure we continue to offer high quality and safe care to our patients.

The Strategic Executive Group (SEG) continued to meet twice a week throughout the financial year to oversee the continued response to the pandemic. The Group's key focus during the year was around:

- Workforce – managing the demands on both community and acute services. Covid-19 absences fluctuated but remained significant at key points in the year.
- Vaccinations for flu and Covid-19 booster roll outs were a key element of the Board's approach.
- Staff mental health and wellbeing continued to be a top priority.
- Unscheduled Care performance was significantly challenged in the year across the country. As public health restrictions eased further all of our Emergency Department sites saw attendances increase although these remained below pre pandemic levels.
- Reducing delayed discharges remained a key priority for the HSCPs and the Board.
- Our hospitals remained extremely busy.

Over the year the Board continued to work both internally and with Scottish Government colleagues to support the Public Inquiry moving forward.



DocuSigned by:  
*Jane Grant*  
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30/06/2023

**Jane Grant**  
**Chief Executive & Accountable Officer**

# NHS Greater Glasgow and Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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### Accountability Report

### Corporate Governance Report

### Directors' Report

#### Date of Issue

The Accountable Officer authorised these financial statements for issue on 30<sup>th</sup> June 2023.

#### 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 appointed Ernst & Young LLP 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.

#### Remuneration for Non-Audit Work

Details of any remuneration paid to auditors in respect of any non-audit work carried out on behalf of the Board is disclosed in Note 3.

#### Disclosure of Information to Auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Board's auditors are unaware; and each director has taken all the steps that he / she ought reasonably to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the Board's auditors are aware of that information.

#### Board Membership

Under the terms of the Scottish Health Plan, the Health Board is a board of governance whose membership will be conditioned by the functions of the Board. Members of Health Boards 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 Health Board has collective responsibility for the performance of the local NHS system as a whole, and reflects the partnership approach, which is essential to improving health and health care.

All Board Members are also Trustees of the charitable funds that the Board holds. The Trustees govern the charitable funds distinctly from the Board's exchequer funds. Greater Glasgow Health Board Endowment Funds (now known as Greater Glasgow and Clyde Healthcare Charity) is a charity registered with the Office of the Scottish Charity Regulator under number SC005895. The Board is required to consolidate the financial statements of

## NHS Greater Glasgow and Clyde

### Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

the Endowment Funds within the Board's Annual Accounts. Note 23 details how these consolidated Financial Statements have been calculated.

The members of the Board who served during the year to 31 March 2023 and up to the date of approval of these accounts were as follows:

#### Non-Executive Members

Name	Position
Professor J Brown CBE	Chair
Rev J Matthews OBE	Vice Chair
Mr I Ritchie	Vice Chair
Ms M Ashraf (from 9 January 2023)	Non-Executive Member
*Cllr C Bamforth (until 30 April 2022)	Non-Executive Member
Ms S Brimelow OBE (until 31 March 2023)	Non-Executive Member
*Cllr J Cameron (from 21 June 2022)	Non-Executive Member
Ms A Cameron-Burns	Non-Executive Member
Mr S Carr	Non-Executive Member
*Cllr J Clocherty (until 30 April 2022)	Non-Executive Member
Mr A Cowan	Non-Executive Member
*Cllr C Cunningham (from 8 June 2022)	Non-Executive Member
Ms J Forbes	Non-Executive Member
Ms D Foy (from 1 July 2022)	Non-Executive Member
Mr D Gould	Non-Executive Member
Mr G Haddock OBE (from 1 May 2023)	Non-Executive Member
*Cllr M Hunter (until 30 April 2022)	Non-Executive Member
Ms M Kerr	Non-Executive Member
Ms A Khan (until 31 March 2023)	Non-Executive Member
Ms A M Monaghan	Non-Executive Member
*Cllr M McCluskey (from 8 June 2022)	Non-Executive Member
*Cllr J McColl (until 30 April 2022)	Non-Executive Member
*Cllr C McDiarmid (from 8 June 2022)	Non-Executive Member
*Cllr M McGinty (from 8 June 2022)	Non-Executive Member
Professor I McInnes CBE	Non-Executive Member
*Cllr S Mehan (until 30 April 2022)	Non-Executive Member
Dr R Metcalfe (from 1 September 2023)	Non-Executive Member
Ms K Miles	Non-Executive Member
*Cllr I Nicolson (until 30 April 2022)	Non-Executive Member
*Cllr K Pragnell (from 4 July 2022)	Non-Executive Member
Dr L Rousselet	Non-Executive Member
Dr P Ryan	Non-Executive Member
Mr F Shennan	Non-Executive Member
Ms R Sweeney	Non-Executive Member
Mr C Vincent	Non-Executive Member
Ms M Wailes	Non-Executive Member

## NHS Greater Glasgow and Clyde

### Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

\*Local Government elections were held on 4 May 2022. The 6 Councillor non-executive Board members were officially stood down on 30 April 2022 and new members appointed during June and July 2022.

#### Executive Members

Ms J Grant	Chief Executive
Dr J Armstrong	Medical Director
**Dr L de Caestecker (until 4 April 2022) Dr E Crighton (Interim from 3 January 2022)	Director of Public Health
Ms A O'Neill (Interim until 18 April 2022) Professor A Wallace (from 18 April 2022)	Nurse Director
Mr M White (until 15 May 2022) Ms F McEwan (Interim 16 May to 7 August 2022) Mr C Neil (from 8 August 2022)	Director of Finance

\*\* To ensure continuity of service in key areas, an interim appointment was brought in to allow for a period of handover and provide cover for annual leave and phased retirement arrangements.

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 below.

#### 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 2023 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 on a reasonable basis;
- state where applicable accounting standards as set out in the Governments' Financial Reporting Manual have not been followed where the effect of the departure is material; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Board will continue to operate.

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

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

## **NHS Greater Glasgow and Clyde**

### **Annual Report and Consolidated Accounts for the Year Ended 31 March 2023**

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#### **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 Director of Corporate Services and Governance, Board Headquarters, JB Russell House, Gartnavel Royal Hospital, 1055 Great Western Road, Glasgow, G12 0XH. Board member profiles can be found on the Board's website.<sup>7</sup>

#### **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.

#### **Public Services Reform (Scotland) Act 2010**

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 impose duties on the Scottish Government and listed public bodies to publish information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year. The required information is published on the Board's website.<sup>8</sup>

#### **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.

#### **Events After the End of the Reporting Period**

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

#### **Statement of the Accountable Officer's Responsibilities**

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

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<sup>7</sup> Board Member Profiles - <https://www.nhsggc.scot/about-us/nhs-board/meet-the-board/>

<sup>8</sup> NHSGGC Annual Disclosures - <https://www.nhsggc.scot/about-us/nhs-board/finances-publications-reports/annual-disclosures/>

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

- observe the accounts direction issued by the Scottish Ministers including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government's Financial Reporting Manual 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 1 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 NHS GGC. 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.

## **NHS Greater Glasgow and Clyde**

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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**

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.

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 as confirmed by the Chief Financial Officer of each IJB.

#### **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 2023 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 seek assurance from the Board’s executive management.

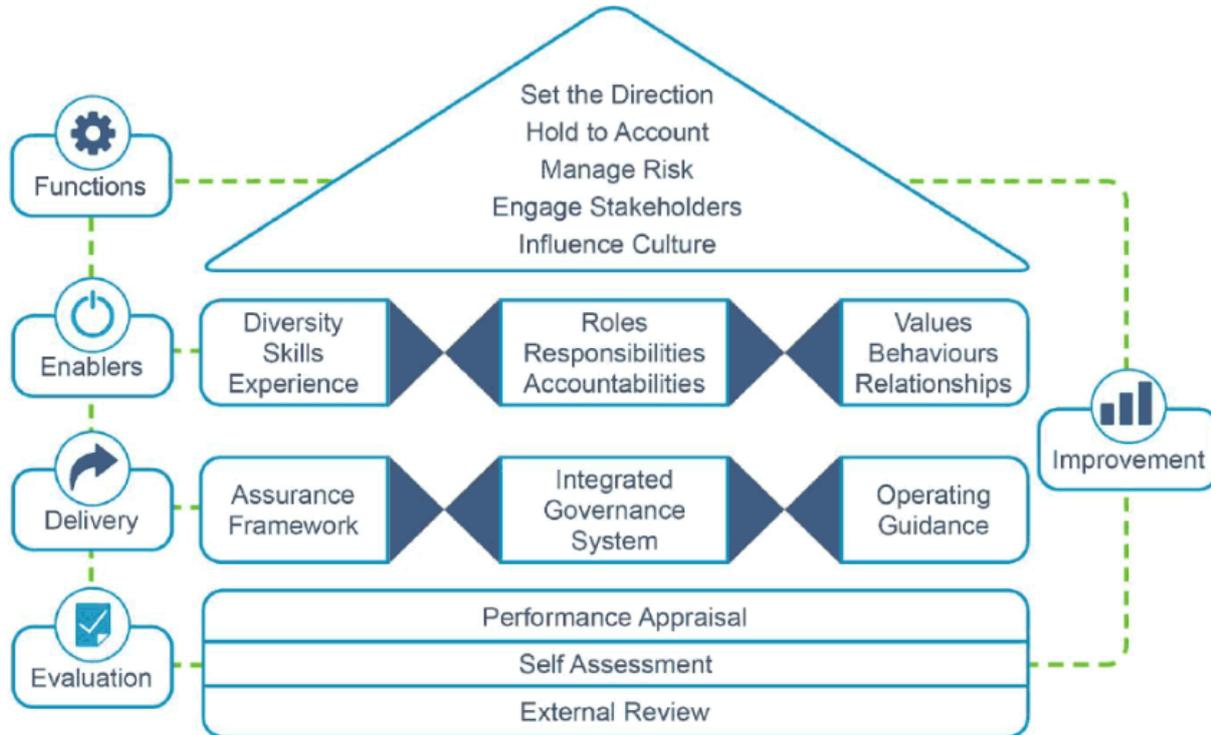
The implementation of the NHS Scotland Blueprint for Good Governance (‘the Blueprint’) has received significant focus over the year acknowledging the publication of the 2<sup>nd</sup> edition in December 2022. The Board has received regular updates against the Active

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Governance Programme 2022-23 at each Board meeting with work now focusing on finalising the Assurance Information Framework for the Board.

Figure One – The Blueprint for Good Governance



In line with the Blueprint, 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 as per the Assurance Information Framework. The Board itself receives an Integrated Performance Report at each meeting, which outlines performance over a period of time, with actions to improve where relevant presented by the responsible Director.

The continuing pandemic clearly brought ongoing governance challenges. At the outset, NHSGGC created a robust response framework to the Covid-19 outbreak. A Strategic Executive Group (SEG) was established to co-ordinate the organisation's strategic response to the pandemic. The SEG has continued to meet twice weekly throughout the year. The SEG continues to be supported by Tactical Groups for Acute, HSCPs and Recovery which report to the SEG. There are also a number of specific national groups from which the SEG receives updates through NHSGGC Executive members.

The focus of the SEG meetings includes supporting operational teams with immediate issues arising from Covid-19 and the significant capacity challenges throughout the year, both in hospital and across the community. The SEG also oversees progress on delivery of the vaccination programme, redesign of unscheduled care, care homes and the development of the Annual Delivery Plan. There is also a dedicated focus on recovery, with the SEG overseeing the development and delivery of the Annual Delivery Plan.

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On an annual basis, the Board undertakes 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);
- Audit and Risk Committee (ARC);
- Clinical and Care Governance Committee;
- Finance, Planning and Performance Committee (FPPC);
- Population Health and Wellbeing Committee; and
- Staff Governance Committee (SGC) (including Remuneration Sub-committee).

Each Committee has comprehensive terms of reference with the general scope of each described below.

The Board also has a Pharmacy Practices Committee which carries 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 Endowment Fund Trustees have one directly accountable standing committee, the Endowments Management Committee, as detailed in the Endowment Fund Annual Accounts.

#### **Acute Services Committee (ASC)**

The scope of the ASC comprises the functions of scrutiny, governance and strategic direction for Acute Services, covering the functions below:

- The quality function of services delivered to patients;
- Effective patient safety and governance systems;
- Delivery of Corporate Objectives, including those set out in the Annual Operational Plan;
- Financial Planning and Management (in conjunction with the Finance, Planning and Performance Committee);
- Staff and patient focused public involvement; and
- Ensuring that learning from performance issues drives improvement.

The areas of clinical governance, patient safety, quality and finance have been integrated in reporting terms and there is a focus on organisational change and capability for improvement. The ASC met six times during 2022-23.

In addition to the members of the Committee, meetings were attended by other Board members, Directors, Chief Officers and senior managers.

#### **Audit and Risk Committee (ARC)**

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

## **NHS Greater Glasgow and Clyde**

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Accountable Officer that appropriate systems of internal control and risk management had been in place throughout the year. The ARC met five times during 2022-23.

#### **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 to the NHS Duty of Quality; and
- Provide advice and assurance to the Board that clinical service proposals are consistent with the continued provision of safe and effective care.

The Committee met four times during 2022-23.

#### **Finance, Planning and Performance Committee (FPPC)**

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, whole system strategic planning and performance including oversight of the healthcare services delegated to the six Integrated Joint Boards (IJBs) and provide a forum for discussion of common issues arising from the IJBs.

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 six times during 2022-23.

#### **Population Health and Wellbeing Committee**

The remit of the Population Health and Wellbeing Committee is to promote public health, oversee population health activities and to develop a long term vision and strategy for public health. The Committee met four times during 2022-23.

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#### **Staff Governance Committee (SGC)**

The purpose of the SGC is to provide assurance to the Board that NHSGGC meets its obligations in relation to staff governance under the National Health Service Reform (Scotland) Act 2004 and the Staff Governance Standard. 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. The Committee met four times during 2022-23.

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 three times 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**

The Information Governance Team continues to work with all services to ensure the Board meets its obligations under the UK General Data Protection Regulation (UKGDPR), the Data Protection Act 2018 and the Public Records (Scotland) Act 2011.

The Information Governance (IG) Steering Group continue to meet quarterly to monitor IG and Information Security (IS) compliance by reviewing regular reports on subject access requests, data breaches, data protection impact assessments, security compliance, training and associated risk management. The Information Governance Team continues to work on updating and developing the Board Records Management Plan in line with obligations under the Public Records (Scotland) Act 2011. The Group also reviews all Information Governance and IT Security policies. The IG Steering Group reports into the Corporate Management Team and minutes of the IG Steering Group together with an annual report are considered by the Audit and Risk Committee.

This year the Board received 14,200 subject access requests for personal data, an increase of 14% over last year, 99.9% of these requests were actioned within the required statutory timeframe of 1 month.

In addition to the statutory / mandatory training modules for Safe Information Handling and Security & Threat and the training and guidance materials available on StaffNet, the Information Governance team continues to provide ad hoc 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, Student Nurses, HSCP staff, Legal Aspects Staff and GP practice staff.

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Proactive communications have been issued to staff on a wide range of topics including guidance on: Handling Data Breaches; Data Security; Fairwarning, and Inappropriate Access to Personal Data, and to remind staff of the availability of support through training and guidance materials located on StaffNet. Work is complete to develop a Digital Information Governance Knowledge Hub, launching in May 2023. This will improve access to the training, information and guidance that is available.

In November 2022 the Board was audited by the Information Commissioner resulting in an audit score which gave the Board a high level of assurance on Information Governance and Data Protection controls.

Implementation of the Network Information System's (NIS) regulations is now based on the Scottish Government's Cyber Resilience Framework (CRF) which provides a structure and focus for controls adoption. The 2022 review showed NHSGGC has made significant progress from the 2021 review. The overall compliance was 81% compared with 75% in 2021 with no residual risk exposure and the Board achieved all three 60-60-0 Key Performance Indicators a year ahead of target. The Board is continuing to work through key actions and is preparing for the 2023 NIS Audit.

#### **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 two of equipment theft. All incidents were investigated and appropriate action taken and all Datix incidents were included in quarterly reports to the Information Governance Steering Group.

The Data Protection Officer (DPO) for the Board reported six confidentiality breaches to the Information Commissioner's Office (ICO); four breaches related to inappropriate access or inappropriate disclosure of patient information, one related to a national cyber-attack and one related to a GP system failure.

In addition the ICO received eight complaints from members of the public. Two related to dissatisfaction on how the Board had processed subject access requests, two related to allegations of inappropriate use of data by the Board, three related to complaints about inaccurate records and one related to inappropriate access of a patient record. The DPO responded to all complaints 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 data breaches are reported quarterly to the Information Governance Steering Group.

#### **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.

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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.<sup>9</sup>

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 Board Members 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 was revised and updated during the year, 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. A tracking system in this regard is being put in place.

All Health Boards in Scotland are required to abide by the national Whistleblowing Standards which were implemented in April 2021, as published by the Independent National Whistleblowing Officer. These Standards aim to bring consistency across NHS Scotland in how whistleblowing concerns are handled, in terms of accessibility, impartiality and fairness. 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 further tightening our robust reporting processes.

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<sup>9</sup> Complaints - <https://www.nhsggc.scot/contact-us/complaints/>

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#### Communication and Engagement

NHSGGC strives to engage effectively with all of its key stakeholders as set out in the Board's Stakeholder Communications and Engagement Strategy 2020-23.<sup>10</sup>

At the heart of this strategy is a commitment to openness, honesty and transparency in all our communications and engagement activity. We are working to foster a listening culture where feedback from our patients, the public and our stakeholders is proactively sought, heard and taken into consideration in our commissioning decisions. We are committed to explaining clearly and transparently how decisions are made and providing feedback to the public and our stakeholders about how they have made a difference. Importantly, when we get things wrong, we acknowledge when mistakes are made and learn from them, including our obligations to fulfil the legal duty of candour.

#### 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.

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

- The Board met six times during 2022-23 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), which oversees the governance and strategic management of Acute Services.
- 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, Corporate Services and Governance, 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 Annual Delivery Plan;
  - 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;

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<sup>10</sup> Stakeholder Communication & Engagement Strategy - [https://www.nhsggc.org.uk/media/264304/nhsggc\\_board\\_paper\\_item-12b-paper-20\\_70-stakeholder-comms-engagement-strategy.pdf](https://www.nhsggc.org.uk/media/264304/nhsggc_board_paper_item-12b-paper-20_70-stakeholder-comms-engagement-strategy.pdf)

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- 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.
- 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 Annual Delivery Plan. Reporting mechanisms have been further developed to ensure a culture of continuous improvement continues to be promoted.
- Staff objectives and development plans include where appropriate maintenance and review of internal controls.
- An on-line performance appraisal system is in place for senior staff with personal objectives and development plans designed to support the Board in the attainment of corporate objectives. The performance of other staff is assessed under the Knowledge and Skills Framework.
- An on-line Register of Staff Interests system is maintained. It ensures effective management control of the information held on the staff register of interests and identifies potential conflicts of interest.
- In accordance with the principles of best value, the Board aims to foster a culture of continuous improvement. The Board's processes focus strongly on best value and is committed to ensuring that resources are used efficiently, effectively and economically, taking into consideration equal opportunities and sustainable development requirements.

#### Risk Management

NHSGGC has continued to build on existing risk management arrangements during 2022-23. The Board agreed its updated Risk Appetite Statement in October 2022 and an updated Risk Management Strategy and Risk Register Policy and Guidance document were approved in December 2022.

NHSGGC has established a robust framework, based on ISO 31000 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 services set against guiding risk management principles;

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- 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 are then consolidated into the Corporate Risk Register (CRR). The CRR summarises the main risks identified within each of the organisational areas, and the processes by which these risks are being managed. The CRR is managed and updated via the Corporate Management Team on a rolling monthly cycle. Each risk on the CRR is assigned to a Standing Committee and reviewed at each meeting. The full CRR is reviewed at each Audit and Risk Committee and twice a year by the Board.

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

- Clearly embedded risk management structures throughout the organisation;
- A strong commitment to clinical effectiveness and quality improvement;
- 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.

Risk scoring is done on the basis of Likelihood x Impact = Risk Score.

- Initial Score: The score as assessed when the risk is first identified
- Current Score: The risk score taking into account any controls that are currently in place to manage the risk
- Target Score: The required risk score to successfully manage a risk to within acceptable levels

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The Board uses a 5 x 5 risk assessment scoring mechanism as follows:

Impact	Extreme 5	Medium 5	High 10	High 15	V High 20	V High 25
	Major 4	Medium 4	Medium 8	High 12	High 16	V High 20
	Moderate 3	Low 3	Medium 6	Medium 9	High 12	High 15
	Minor 2	Low 2	Medium 4	Medium 6	Medium 8	High 10
	Negligible 1	Low 1	Low 2	Low 3	Medium 4	Medium 5
	Rare 1	Unlikely 2	Possible 3	Likely 4	Almost Certain 5	
	Likelihood					

Required risk review timescales, based on a risk's current score, are outlined below:

- Very High scoring risks are reviewed Monthly
- High scoring risks are reviewed Monthly
- Medium scoring risks are reviewed Quarterly
- Low scoring risks are reviewed Quarterly

The full Corporate Risk Register is reported to the Board twice a year. Management has implemented a range of control measures to mitigate the effects of each of these risks, and are working on additional actions which will strengthen controls and further reduce the consequences.

The following are the highest risk rated areas (as recorded in the CRR as presented to the Corporate Management Team in May 2023) that the Board faces:

Corporate Aims	Initial Score	Risk Title	Current Score
Better Health	12 High	Breakdown of failsafe mechanisms for Public Health Screening (Risk 2060)	12 High
	20 Very High	Public Protection failure in relation to a vulnerable child or adult (Risk 3058)	12 High

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Corporate Aims	Initial Score	Risk Title	Current Score
Better Care	20 Very High	Industrial action by staff impacting on care to patients (Risk 3432)	12 High
	12 High	Delivery of medical training to the GMC required standards (Risk 3450)	12 High
	20 Very High	In Patient / Day Case Treatment Time Guarantee - Scheduled care waiting time targets (Risk 2054)	16 High
	20 Very High	Outpatients – Scheduled care waiting time targets (Risk 3343)	16 High
	20 Very High	Unscheduled care waiting time targets (Risk 2055)	20 Very High
	16 High	Pandemic response (Risk 2199)	16 High
	25 Very High	Impact of Delayed Discharges on NHS GGC system flow (Risk 3057)	20 Very High
Better Value	20 Very High	Financial sustainability – revenue (Risk 3036)	20 Very High
	20 Very High	Capital funding sustainability (Risk 2819)	16 High
	16 High	Ageing Infrastructure (Risk 3051)	16 High
	16 High	Regulatory body compliance (Risk 3052)	16 High
Better Workplace	16 High	Positive, engaging and diverse culture (Risk 3060)	12 High
	20 Very High	Failure to recruit and retain staff (Risk 3110)	12 High

### Health and Safety

The health, safety and wellbeing of our staff remains a key objective and priority with the following activities being our priority and focus during the year:

- Creation and deployment of our Safety Health and Wellbeing (SHaW) Roles and Responsibilities documents for Employees, Managers, Directors and Chief Officers, aimed at bringing our Health and Safety Policy alive.
- Deployment of our SHaW Roadmap which laid out our intentions for each strand in conjunction with our delivery plan.
- Continued programme of upskilling and coaching sessions with management teams on how we will collectively improve the Safety Health and Wellbeing Culture as outlined in our Workforce Strategy and SHaW Roadmap.
- Review of our processes and arrangements within our Safety Management System to streamline and transform through technology, digitalise and improve efficiency.
- Ongoing monitoring of health and safety training and driving towards continual improvement by increasing our levels of compliance.
- Continue to work collaboratively and in partnership with our trade union Health and Safety Representatives.
- Positive engagement with the Health & Safety Executive on key areas of focus.

### Integration

The Board has worked in partnership with the six local authorities, and has agreed principles, as set out within the Integration Schemes, for financial management including

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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 Board 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 2023 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**

The Audit & Risk Committee received the 2022-23 service audit reports on 6 June 2023. These reports are commissioned by NHS National Services Scotland (NSS) to provide assurance to NHS Boards in respect of national payment arrangements for Family Health Service (FHS) contractors and various shared IT systems that are managed on behalf of NHS Scotland by NSS (including Atos, NSS digital and IT security support services). Similarly, NHS Ayrshire and Arran provide an annual service audit in respect of their management of the National Single Instance (NSI) financial ledger service on behalf of all NHS Boards.

For the year 2022-23, the Service Audit reports in relation to all shared services and payment arrangements for FHS contractors were unqualified and were prepared in accordance with the standards and approach defined in the International Standard on Assurance Engagements 3402 (ISAE 3402) "Assurance Reports on Controls at a Service Organisation" issued by the International Auditing and Assurance Standards Board ("IAASB").

Whilst all reports provided an unqualified audit opinion, the NSI report contained three exceptions which were disclosed in the service audit report and detailed in the report to the Audit and Risk Committee. NHSGGC are satisfied that these exceptions do not impact on our system of internal control or financial governance arrangements in respect of the NSI.

#### **Issues arising from Internal Audit reviews**

The Board's internal auditors carried out 477 of the 525 planned internal audit days during 2022-23, completing ten standard audit reviews and one further consultancy style review during the year. The most significant change to the planned programme of work was the deferral of the Significant Adverse Events Management audit till 2024-25 to reflect the timeline of new national guidance around this. This change was agreed by the Audit and Risk Committee in March 2023. 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.

There were no outstanding audit actions which went beyond the agreed due date in the year and Internal Audit commended the work of the management team in delivering this amidst challenging external conditions. Overall the internal audit reports for 2022-23 can be summarised as follows:

## NHS Greater Glasgow and Clyde

### Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

Internal Audit reports	Report Grade
A.2a Moving Forward Together Implementation	High risk associated with the nature of the programme and challenging external factors*
A.2b Covid-19 Recovery Plan	Minor improvement required
B.1 Financial Systems Health Check (Payroll)	Minor improvement required
B.2 Sustainability & Value Programme	Minor improvement required
B.5 Capital / Estates Planning	Minor improvement required
C.12 Waiting List Management	Minor improvement required
D.13 Use of Agency Staff	Substantial improvement required
E.10 Cyber Resilience	Minor improvement required
E.11 Telecommunications Project – Post Implementation Review	Minor improvement required
F.3 Property Transaction Monitoring	Effective

For the Moving Forward Together review, the report notes:

“The significant challenge associated with delivering a substantial change programme on the scale of MFT in such a complex and uncertain external environment means that we did not consider a rating of “Substantial Improvement Required” to be appropriate for this report, We note and commend the substantial efforts to date by management (including since the conclusion of our audit fieldwork) to progress MFT, however there are a number of external factors at play that mean we consider the risk in this area to be high.”

Internal Audit was content that the recommended changes in the two amber reports do not impact the Board’s overall control environment for the year.

It is the opinion of the Chief Internal Auditor that:

“NHSGGC has a framework of governance and internal control that provides reasonable assurance regarding the effective and efficient achievement of objectives.”

All recommendations from 2022-23 and prior year internal audit reports which were due to be delivered during 2022-23 have been delivered in full.

## **NHS Greater Glasgow and Clyde**

### **Annual Report and Consolidated Accounts for the Year Ended 31 March 2023**

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#### **Disclosures**

The control systems outlined above have been in place for the year under review and up to the date of the approval of these accounts. Therefore, I have no other disclosures to report.

#### **Key actions planned relating to governance for 2023-24**

- Continuation of the Active Governance Programme work which commenced in 2020-21, including the ongoing development of the Assurance Framework and Information Assurance System to ensure Board members have clarity on the Board's strategic aims, objectives, performance and outcomes.
- The Annual Delivery Plan for 2023-24 will be submitted in June 2023 and the medium term plan in July 2023 to reflect the current position and key strategic actions for the Board.
- Ongoing governance arrangements will remain in place around the public enquiry and legal claim but will be regularly reviewed and amended if required as each area develops and evolves.
- The Board's Risk Appetite Statement will be reviewed and updated to ensure that it continues to meet the needs of the Health Board.
- Ongoing rollout of the Investors in People (IIP) Framework and standards across NHSGGC.

# NHS Greater Glasgow and Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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### REMUNERATION REPORT AND STAFF REPORT

#### REMUNERATION REPORT

Information about the Remuneration Sub-committee, its membership and role are shown in the Governance Statement on Page 47.

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 2023 (31 March 2022), the salaries of executive board members were as follows:-

- J Grant £189,246 (£183,298);
- Dr J Armstrong £194,360 (£187,137);
- Dr L de Caestecker £2,006 (£181,388) – left 04/04/2022;
- Dr E Crighton £176,695 (£13,898) – started on 01/03/2022;
- Angela Wallace £123,268 – started on 18/04/2022;
- Angela O'Neil £42,186 – (Interim Nurse Director from 01/02/22 – 31/07/2022);
- M White £18,657 (£148,642) - left 15/05/2022;
- F McEwan £24,852 - (Interim Director of Finance - 16/05/2022 – 07/08/2022);
- Colin Neil £81,256 - started 08/08/2023.

To ensure continuity of service in key areas, interim appointments were brought in to allow for a period of handover and provide cover for annual leave and phased retirement arrangements.

The tables shown on pages 64 - 77 have been subject to audit.

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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

	Taxable Salary (Bands of £5,000) £'000	Pension Benefits £'000	Total Remuneration (bands of £5,000) £'000
<b>Remuneration Table</b>			
<b>Executive Members</b>			
Chief Executive : J Grant	185 - 190	-	185 - 190
Director of Public Health : L de Caestecker (Left 28/02/2022, last day of service 04/04/2022)	0 - 5	-	0 - 5
Director of Public Health : E Crighton	175 - 180	49	225 - 230
Medical Director : J Armstrong	190 - 195	13	205 - 210
Nurse Director - Angela O'Neil (Interim from 01/02/22 - 31/07/2022)	40 - 45	-	40 - 45
Nurse Director - Angela Wallace (Started - 18/04/2022)	120 - 125	12	135 - 140
Director of Finance : M White (Left 15/05/2022)	15 - 20	-	15 - 20
Director of Finance : F McEwan (Interim 16/05/2022 - 07/08/2022)	20 - 25	22	45 - 50
Director of Finance: C Neil (Started 08/08/2022)	80 - 85	37	115 - 120
<b>Non-Executive Members</b>			
PA Cameron-Burns*	40 - 45	3	45 - 50
J Brown	40 - 45	-	40 - 45
M Ashraf (Started 09/01/2023)	0 - 5	-	0 - 5
C Bamforth (Left 30/04/2022)	0 - 5	-	0 - 5
S Brimelow	15 - 20	-	15 - 20
J Cameron (Started 21/06/2022)	5 - 10	-	5 - 10
S Carr	15 - 20	-	15 - 20
J Clocherty (Left 30/04/2022)	0 - 5	-	0 - 5
A Cowan	15 - 20	-	15 - 20
C Cunningham (Started 08/06/2022)	5 - 10	-	5 - 10
J Forbes	15 - 20	-	15 - 20
D Foy (Started 01/07/2022)	5 - 10	-	5 - 10
D Gould	5 - 10	-	5 - 10
M Hunter (Left 30/04/2022)	0 - 5	-	0 - 5
M Kerr	15 - 20	-	15 - 20
A Khan	5 - 10	-	5 - 10
J Matthews	25 - 30	-	25 - 30
M Mccluskey (Started 08/06/2022)	5 - 10	-	5 - 10
J Mccoll (Left 30/04/2022)	0 - 5	-	0 - 5
C Mcdiarmid (Started 08/06/2022)	5 - 10	-	5 - 10
M Mccginty (Started 08/06/2022)	5 - 10	-	5 - 10
I Mcinnes	5 - 10	-	5 - 10

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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

	Taxable Salary (Bands of £5,000)	Pension Benefits £'000	Total Remuneration (bands of £5,000)
<b>Remuneration Table (continued)</b>			
S Mechan ( <i>Left 30/04/2022</i> )	0 - 5	-	0 - 5
K Miles	15 - 20	-	15 - 20
A Monaghan	15 - 20	-	15 - 20
I Nicolson ( <i>Left 30/04/2022</i> )	0 - 5	-	0 - 5
K Pragnell ( <i>Started 04/07/2022</i> )	5 - 10	-	5 - 10
I Ritchie	25 - 30	-	25 - 30
L Rousselet	5 - 10	-	5 - 10
P Ryan	15 - 20	-	15 - 20
F Shennan	5 - 10	-	5 - 10
R Sweeney	15 - 20	-	15 - 20
C Vincent	15 - 20	-	15 - 20
M Wailes	15 - 20	-	15 - 20

### Other Senior Employees

W Edwards	130 -135	57	190 - 195
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\* The Employee Director post is full time and the salary shown relates to the substantive post held and non-executive allowance.

#### Note:

1. There were no Performance Related Bonus or Benefit in Kind payments in the year.
2. Director of Public Health : L de Caestecker - Left 04/04/2022 (Annualised Salary would be £180k - £185k).
3. Nurse Director : A O'Neill - Left 31/07/2022 (Annualised Salary would be £125k - £130k).
4. Nurse Director : A Wallace - Started 18/08/2022 (Annualised Salary would be £125k - £130k).
5. Director of Finance : M White - Left 15/05/2022 (Annualised Salary would be £150k - £155k).
6. Director of Finance : F McEwan (Interim 16/05/2022 - 07/08/2022) - (Annualised Salary would be £105k - £110k).
7. Director of Finance : C Neil - Started 08/08/2022 ( Annualised Salary would be £125k - £130k).
8. The Annualised Salary for Non-Executive Members would be £5k - £10k for those without additional committee responsibility.

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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

<b>Pension Values Table</b>	Total accrued pension at age 60 at 31 March 2023 (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 2023 (bands of £5,000)	Real increase in lump sum at age 60 at 31 March 2023 (bands of £2,500)	Cash Equivalent Transfer Value (CETV) at 31 March 2023 £'000	Cash Equivalent Transfer Value (CETV) at 31 March 2022 £'000	Real increase in CETV in year £'000
<b>Remuneration of:</b>							
<b>Executive Members</b>							
Chief Executive : J Grant	-	-	-	-	-	-	-
Director of Public Health : L de Caestecker (Left 28/02/2022, last day of service 04/04/2022)	65 - 70	( 5 - 7.5 )	195 - 200	( 17.5 - 20 )	1,575	1,718	(143)
Director of Public Health : E Crighton	45 - 50	2.5 - 5	0	0	706	630	76
Medical Director : J Armstrong	35 - 40	2 - 2.5	0	0	562	525	37
Nurse Director - Angela O'Neil (Interim from 01/02/22 - 31/07/2022)	45 - 50	( 2.5 - 5 )	145 - 150	( 15 - 17.5 )	1,086	1,166	(80)
Nurse Director - Angela Wallace (Started - 18/04/2022)	60 - 65	0 - 2.5	170 - 175	( 2.5 - 5 )	1,425	1,380	45
Director of Finance : M White (Left 15/05/2022)	0 - 5	( 0 - 2.5 )	0	0	68	68	0
Director of Finance : F McEwan (Interim 16/05/2022 - 07/08/2022)	10 - 15	0 - 2.5	0	0	143	122	21
Director of Finance: C Neil (Started 08/08/2022)	50 - 55	2.5 - 5	150 - 155	0 - 2.5	1,099	1,041	58
<b>Non-Executive Members</b>							
PA Cameron-Burns (Employee Director - this post is full time and the salary shown relates to the substantive post held and non-executive allowance)	10 - 15	0 - 2.5	25 - 30	0 - 2.5	247	244	2
<b>Other Senior Employees</b>							
W Edwards	40 - 45	2.5 - 5	110 - 115	2.5 - 5	682	623	58
					<b>7,593</b>	<b>7,517</b>	<b>74</b>

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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

**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:-

	£'000		£'000
Director of Public Health : L de Caestecker - <i>Left 04/04/2022</i> (CETV calculation to 31/03/2023 provided by SPPA)	1,555	to	1,718
Director of Public Health : E Crighton	573	to	630
Medical Director : J Armstrong	476	to	525
Nurse Director : A O'Neill - <i>Left 31/07/2022</i> (CETV calculation to 31/07/2022 provided by SPPA)	1,058	to	1,166
Director of Finance : M White - <i>Left 15/05/2022</i> (CETV calculation to 15/05/2022 provided by SPPA)	237	to	68
Employee Director : PA Cameron-Burns	222	to	244
	<u>4,121</u>		<u>4,351</u>

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

3. The Chair was paid £45k in the year for his role as Board Chair, he also did additional work in the year for Scottish Government.

4. Director of Finance : F McEwan (*Interim 16/05/2022 - 07/08/2022*) - (CETV calculation to 07/08/2022 provided by SPPA).

5. There is no disclosure in the Pension Values Table (above) for those who are not a member of the pension scheme.

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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

	Taxable Salary (bands of £5,000)	Pension Benefits £'000	Total Remuneration (bands of £5,000)
<b>Remuneration of:</b>			
<b>Executive Members</b>			
Chief Executive : J Grant	180 - 185	-	180 - 185
Director of Public Health : L de Caestecker (until 04.04.22)	180 - 185	6	185 - 190
Director of Public Health : E Crighton (interim from 03.01.22)	10 - 15	22	35 - 40
Medical Director : J Armstrong	185 - 190	39	225 - 230
Nurse Director : M McGuire (until 31.03.22)	155 - 160	-	155 - 160
Nurse Director : A O'Neill (interim from 01.02.22 to 18.04.22)	20 - 25	17	40 - 45
Director of Finance : M White (until 15.05.22)	145 - 150	76	220 - 225
<b>Non-Executive Members</b>			
The Chair : J Brown	40 - 45	-	40 - 45
C Bamforth (until 30.04.22)	5 - 10	-	5 - 10
S Brimelow	15 - 20	-	15 - 20
S Carr	15 - 20	-	15 - 20
J Cloherty (until 30.04.22)	5 - 10	-	5 - 10
A Cowan	15 - 20	-	15 - 20
J Forbes	15 - 20	-	15 - 20
D Gould (from 01.02.22)	0 - 5	-	0 - 5
M Hunter (until 30.04.22)	5 - 10	-	5 - 10
M Kerr	15 - 20	-	15 - 20
A Khan	5 - 10	-	5 - 10
A Macleod (until 31.07.21)	5 - 10	-	5 - 10
J Matthews	25 - 30	-	25 - 30
J McColl (until 30.04.22)	5 - 10	-	5 - 10
D McErlean (Employee Director) (until 31.12.21) *	35 - 40	-	35 - 40
A Cameron-Burns (Employee Director) (from 01.01.22) *	5 - 10	10	15 - 20
I McInnes (from 01.04.21)	5 - 10	-	5 - 10
S Mechan (until 30.04.22)	5 - 10	-	5 - 10
K Miles	5 - 10	-	5 - 10

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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

	Taxable Salary (bands of £5,000)	Pension Benefits £'000	Total Remuneration (bands of £5,000)
<b>Remuneration Table (continued)</b>			
A Monaghan	15 - 20	-	15 - 20
I Nicolson (until 30.04.22)	5 - 10	-	5 - 10
I Ritchie	25 - 30	-	25 - 30
L Rousselet (from 01.07.21)	5 - 10	-	5 - 10
P Ryan (from 01.06.21)	5 - 10	-	5 - 10
F Shennan	5 - 10	-	5 - 10
P Speirs (until 31.01.22)	0 - 5	-	0 - 5
R Sweeney	15 - 20	-	15 - 20
A Thompson (until 30.06.21)	0 - 5	-	0 - 5
F Tudoreanu (until 31.12.21)	5 - 10	-	5 - 10
C Vincent	15 - 20	-	15 - 20
M Wailes (from 01.06.21)	5 - 10	-	5 - 10
<b>Other Senior Employees</b>			
Chief Operating Officer, Acute Division : J Best	150 - 155	43	195 - 200

\* The Employee Director post is full time and the salary shown relates to the substantive post held and non-executive allowance.

**Note:** There were no Performance Related Bonus or Benefit in Kind payments in the year.

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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

Pension Values Table	Total accrued	Real increase in	Total accrued	Real increase in	Cash Equivalent	Cash Equivalent	Real increase in
	pension at age 60 at 31 March 2022 (bands of £5,000)	pension at age 60 (bands of £2,500)	lump sum at age 60 at 31 March 2022 (bands of £5,000)	lump sum at age 60 at 31 March 2022 (bands of £2,500)	Transfer Value (CETV) at 31 March 2022 £'000	Transfer Value (CETV) at 31 March 2021 £'000	
<b>Remuneration of:</b>							
<b>Executive Members</b>							
Chief Executive : J Grant	-	-	-	-	-	-	-
Director of Public Health : L de Caestecker (until 04.04.22)	60 - 65	0 - 2.5	190 - 195	2.5 - 5.0	1,555	1,523	7
Director of Public Health : E Crighton (interim from 03.01.22)	35 - 40	2.5 - 5.0	-	-	573	518	20
Medical Director : J Armstrong	30 - 35	2.5 - 5.0	-	-	476	416	33
Nurse Director : M McGuire (until 31.03.22)	-	-	-	-	-	-	-
Nurse Director : A O'Neill (interim from 01.02.22 to 18.04.22)	45 - 50	0 - 2.5	145 - 150	2.5 - 5.0	1,058	1,006	38
Director of Finance : M White (until 15.05.22)	15 - 20	2.5 - 5.0	-	-	237	166	49
<b>Non-Executive Members</b>							
Employee Director : D McErlean (until 31.12.21) *	5 - 10	(0) - (2.5)	25 - 30	(7.5) - (10.0)	227	287	(66)
Employee Director : A Cameron-Burns (from 01.01.22) *	5 - 10	0 - 2.5	25 - 30	0 - 2.5	222	208	11
<b>Other Senior Employees</b>							
Chief Operating Officer, Acute Division : J Best	40 - 45	2.5 - 5.0	120 - 125	7.5 - 10.0	943	856	66
					<b>5,291</b>	<b>4,980</b>	<b>158</b>

\* The Employee Director post is full time and the salary shown relates to the substantive post held and non-executive allowance

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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

**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:-

	£'000		£'000
Director of Public Health : L de Caestecker	983	to	1,523
Medical Director : J Armstrong	343	to	416
Nurse Director : M McGuire	-	to	-
Employee Director : D McErlean	253	to	287
Chief Operating Officer, Acute Division : J Best	681	to	856
	2,260		3,082

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

3. The Nurse Director (M McGuire) 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. There is no disclosure in the Pension Values Table (above) for those who are not a member of the pension scheme.

# NHS Greater Glasgow and Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Fair Pay Disclosure

	2022-23	2021-22	% change
Range of Staff Remuneration (£'000)	21 - 373	19-323	15.38%
Highest earning Directors total remuneration (£'000)	190 - 195	185 - 190	3.86%
<b>Median Salary</b>	2022-23	2021-22	% change
Median (Total Pay & Benefits) 50% percentile	£38,465	£35,702	7.74%
Median (Salary only) 50% percentile	£38,465	£35,702	7.74%
<b>Ratio of salary in comparison to Median salary</b>	<b>5.00</b>	<b>5.25</b>	<b>-4.76%</b>
25% percentile (Total Pay & benefits)	£29,683	£27,268	8.86%
25% percentile (Salary only)	£29,683	£27,268	8.86%
<b>Ratio on the 25th percentile</b>	<b>6.49</b>	<b>6.88</b>	<b>-5.67%</b>
75% percentile (Total Pay & benefits )	£49,343	£46,494	6.13%
75% percentile (Salary only)	£49,343	£46,494	6.13%
<b>Ratio on the 75th percentile</b>	<b>3.90</b>	<b>4.03</b>	<b>-3.23%</b>

The banded remuneration of the highest paid director in NHS Greater Glasgow and Clyde Health Board in the financial year 2022-23 was £194,360 (2021-22 was £187,500). This was 5.00 times (2021-22 5.25) the median remuneration of the workforce which was £38,465 (2021-22 £35,702).

The highest paid director in 2022-23 was the Medical Director of the Health Board. The earnings figures provided above for the highest earning Director includes total salary, non-consolidated performance related pay and any benefits in kind where appropriate. In 2022-23 112 (2021-22 106) employees received remuneration in excess of the highest paid director. Remuneration ranged from £194,362 to £372,688.

# NHS Greater Glasgow and Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### STAFF REPORT

Other Employees whose remuneration fell within the following ranges:

	2023 Number	2022 Number
<b><u>Clinicians</u></b>		
£ 70,001 to £ 80,000	482	183
£ 80,001 to £ 90,000	294	173
£ 90,001 to £100,000	176	194
£100,001 to £110,000	247	207
£110,001 to £120,000	212	223
£120,001 to £130,000	220	208
£130,001 to £140,000	189	176
£140,001 to £150,000	192	165
£150,001 to £160,000	158	159
£160,001 to £170,000	130	89
£170,001 to £180,000	94	80
£180,001 to £190,000	80	35
£190,001 to £200,000	41	29
£200,001 and over	73	50
<b><u>Other</u></b>		
£ 70,001 to £ 80,000	131	199
£ 80,001 to £ 90,000	86	58
£ 90,001 to £100,000	66	57
£100,001 to £110,000	22	16
£110,001 to £120,000	5	7
£120,001 to £130,000	3	2
£130,001 to £140,000	4	4
£140,001 to £150,000	1	1
£150,001 to £160,000	-	-
£180,001 to £190,000	-	-

# NHS Greater Glasgow and Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Staff Numbers and Expenditure

	<b>Executive Board Members £'000</b>	<b>Non-Executive Members £'000</b>	<b>Permanent Staff £'000</b>	<b>Inward Secondees £'000</b>	<b>Other Staff £'000</b>	<b>Outward Secondees £'000</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
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### Staff Costs

Salaries and Wages	853	567	1,685,891	0	0	(1,194)	1,686,117	1,667,917
Social Security Costs	117	48	193,007	0	0	(168)	193,004	173,178
NHS scheme employers' costs	134	34	302,885	0	0	(249)	302,804	287,514
Other employers' pension costs	0	0	0	0	0	0	0	0
Inward Secondees	0	0	0	13,667	0	0	13,667	18,044
Agency Staff					66,725		66,725	48,921
	<b>1,104</b>	<b>649</b>	<b>2,181,783</b>	<b>13,667</b>	<b>66,725</b>	<b>(1,611)</b>	<b>2,262,317</b>	<b>2,195,574</b>
Compensation for loss of office	0	0	0	0	0	0	0	110
Pensions to former board members	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,104</b>	<b>649</b>	<b>2,181,783</b>	<b>13,667</b>	<b>66,725</b>	<b>(1,611)</b>	<b>2,262,317</b>	<b>2,195,684</b>

### Staff Numbers Whole Time Equivalent (WTE)

	<b>5.0</b>	<b>29.0</b>	<b>34,276.02</b>	<b>1070.64</b>	<b>1038.15</b>	<b>(25.02)</b>	<b>36,393.79</b>	<b>36,684.46</b>
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Included in the total staff numbers above were disabled staff of :

	363	274
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# NHS Greater Glasgow and Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Reconciliation to Income and Expenditure

	£'000
Total employee expenditure as above	2,262,317
Add: employee income included in Note 4	1,611
Total employee expenditure disclosed in note 3	2,263,928

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

	2023 Headcount				2022 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 Board Members and Employee Director	13	16	0	29	13	14	0	27
Senior Employees	20	37	0	57	22	43	0	65
Other	9,937	34,909	0	44,846	11,724	31,641	0	43,365
<b>Grand Total</b>	<b>9,971</b>	<b>34,966</b>	<b>0</b>	<b>44,937</b>	<b>11,760</b>	<b>31,702</b>	<b>0</b>	<b>43,462</b>

#### 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

	2023	2022
Sickness Absence Rate	7.14%	6.75%

# **NHS Greater Glasgow and Clyde**

## **Annual Report and Consolidated Accounts for the Year Ended 31 March 2023**

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### **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.

# **NHS Greater Glasgow and Clyde**

## **Annual Report and Consolidated Accounts for the Year Ended 31 March 2023**

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### **e) Exit Packages – Current Year**

The Board had no exit packages in 2022-23.

### **Exit Packages – Prior Year**

The Board had two exit packages in 2021-22 within the banding £50 - £100k totalling £110k

# NHS Greater Glasgow and Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### 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	FTE employee number
119	<b>16.98</b>

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%	103
51% - 99%	13
100%	3

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	760,427
Total Paybill	2,262,317,000
Percentage of the Total Paybill spent on facility time calculated as : (total cost of facility time /total Paybill) x 100	0.03%

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%
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# NHS Greater Glasgow and Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### 3. PARLIAMENTARY ACCOUNTABILITY REPORT

#### LOSSES AND SPECIAL PAYMENTS

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

	<b>No Of Cases</b>	<b>£'000</b>
Losses	<b>507</b>	<b>12,592</b>

In the year to March 2022 no balances in excess of £250,000 were written off.

In 2022-23, the Board was required to pay out £5.4m in respect of 7 claims individually greater than £300,000 settled under the CNORIS scheme (2021-22: £10.0m, 8 claims). 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 2022-23 where the full annual cost exceeded £1 million (2021-22 nil).

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30/06/2023

**J Grant**

**Chief Executive & Accountable Officer**



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

### **Reporting on the audit of the financial statements**

#### **Opinion on financial statements**

We 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 2023 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Consolidated Net Expenditure, Consolidated Statement of Financial Position, the Statement of Consolidated Cash Flows, the Statement of Consolidated Changes in Taxpayers' Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Government Financial Reporting Manual (the 2022/23 FReM).

In our opinion the accompanying financial statements:

- give a true and fair of the state of the affairs of the board and its group as at 31 March 2023 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 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**

We conducted our 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. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the board and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern basis of accounting**

We 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 we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the



ability of the board and its group 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.

These conclusions are not intended to, nor do they, provide assurance on the board's current or future financial sustainability. However, we report on the board's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

## **Risks of material misstatement**

We report in our separate Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements 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 there is an intention to discontinue the board's operations.

## **Auditor's responsibilities for the audit of the financial statements**

Our 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 our 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 decisions of users taken on the basis of these financial statements.

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

- using our understanding of the health sector to identify that the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers are significant in the context of the board;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the board;
- inquiring of the Accountable Officer concerning the board's policies and procedures regarding compliance with the applicable legal and regulatory framework;



- discussions among our audit team on 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 our 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Reporting on regularity of expenditure and income**

### **Opinion on regularity**

In our 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 our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are 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 the audited parts of the Remuneration and Staff Report**

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.



## Other information

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

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we 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 the Performance Report and Governance Statement

In our 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 we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.



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## Conclusions on wider scope responsibilities

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

## Use of our 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 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

**DocuSigned by:**  
  
6/30/2023  
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Stephen Reid, (for and on behalf of Ernst & Young LLP),  
Atria one  
144 Morrison Street  
Edinburgh  
EH3 8EX

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Consolidated Statement of Comprehensive Net Expenditure

	Note	2023 £'000	Restated 2022 £'000
Staff Costs	3a	<b>2,263,928</b>	2,203,037
Other operating expenditure	3b		
Independent Primary Care Services		<b>449,017</b>	423,986
Drugs and medical supplies		<b>733,737</b>	721,482
Other health care expenditure		<b>2,665,009</b>	2,848,667
Gross expenditure for the year		<b>6,111,691</b>	6,197,172
Less: operating income	4	<b>(2,859,528)</b>	(2,740,081)
Joint Ventures accounted for on an equity basis		<b>72,232</b>	(66,552)
<b>Net expenditure for the year</b>		<b>3,324,395</b>	<b>3,390,539</b>
		<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
<b>OTHER COMPREHENSIVE NET EXPENDITURE/(INCOME)</b>			
Net gain on revaluation of property, plant and equipment		<b>(82,627)</b>	(125,689)
Net loss / (gain) on revaluation of investments		<b>2,694</b>	(3,201)
Other comprehensive income		<b>(79,933)</b>	(128,890)
<b>Comprehensive net expenditure</b>		<b>3,244,462</b>	<b>3,261,649</b>

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Consolidated Statement of Financial Position

Restated Consolidated 2022 £'000	Restated Board 2022 £'000		Note	Consolidated 2023 £'000	Board 2023 £'000
<b>NON CURRENT ASSETS</b>					
2,399,354	2,399,354	Property, plant and equipment	7c	2,473,030	2,473,030
215	215	Intangible assets	6a	-	-
-	-	Right of Use assets	16a	24,709	24,709
Financial assets:					
103,020	1,582	Available for sale financial assets	10	100,881	1,748
168,527	-	Investment in joint ventures	23b	96,295	-
153,166	153,166	Trade and other receivables	9	181,999	181,999
<b>2,824,282</b>	<b>2,554,317</b>	<b>Total non current assets</b>		<b>2,876,914</b>	<b>2,681,486</b>
<b>CURRENT ASSETS</b>					
25,210	25,210	Inventories	8	27,119	27,119
404	404	Intangible assets	6b	-	-
Financial assets:					
135,520	135,349	Trade and other receivables	9	209,486	209,231
10,406	705	Cash and cash equivalents	11	8,742	1,892
2,858	2,858	Assets classified as held for sale	7b	3,444	3,444
<b>174,398</b>	<b>164,526</b>	<b>Total current assets</b>		<b>248,791</b>	<b>241,686</b>
<b>2,998,680</b>	<b>2,718,843</b>	<b>Total assets</b>		<b>3,125,705</b>	<b>2,923,172</b>
<b>CURRENT LIABILITIES</b>					
(91,530)	(91,530)	Provisions	13a	(94,006)	(94,006)
Financial liabilities:					
(836,077)	(832,564)	Trade and other payables	12	(632,060)	(630,285)
<b>(927,607)</b>	<b>(924,094)</b>	<b>Total current liabilities</b>		<b>(726,066)</b>	<b>(724,291)</b>
<b>2,071,073</b>	<b>1,794,749</b>	<b>Total assets less current liabilities</b>		<b>2,399,639</b>	<b>2,198,881</b>
<b>NON CURRENT LIABILITIES</b>					
(304,413)	(304,413)	Provisions	13a	(347,534)	(347,534)
Financial liabilities:					
(343,005)	(343,005)	Trade and other payables	12	(339,305)	(339,305)
<b>(647,418)</b>	<b>(647,418)</b>	<b>Total non current liabilities</b>		<b>(686,839)</b>	<b>(686,839)</b>
<b>1,423,655</b>	<b>1,147,331</b>	<b>Assets less liabilities</b>		<b>1,712,800</b>	<b>1,512,042</b>
<b>TAXPAYERS' EQUITY</b>					
604,894	604,894	General Fund		909,435	909,435
542,437	542,437	Revaluation Reserve		602,607	602,607
168,527	-	Other reserves - joint ventures		96,295	-
107,797	-	Funds held on Trust		104,463	-
<b>1,423,655</b>	<b>1,147,331</b>	<b>Total taxpayers' equity</b>		<b>1,712,800</b>	<b>1,512,042</b>

Adopted by the Board on 30 June 2023

DocuSigned by:  
*Colin Neil*  
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**Colin Neil**  
Director of Finance

DocuSigned by:  
*Jane Grant*  
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**J Grant**  
Chief Executive

30/06/2023

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

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Consolidated Statement of Cashflows

	Note	2023 £'000	Restated 2022 £'000
<b>NET OPERATING CASHFLOW</b>			
Net expenditure	SoCTE	<b>(3,324,395)</b>	(3,390,539)
Adjustments for non cash transactions	2b	<b>174,149</b>	22,840
Interest payable	2b	<b>16,578</b>	23,838
Investment Income		<b>(2,615)</b>	(2,161)
Movements in working capital	2b	<b>(272,196)</b>	201,839
Totals	23c	<b>(3,408,479)</b>	(3,144,183)
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(99,810)</b>	(92,423)
Investment Additions	10	<b>(12,218)</b>	(12,178)
Transfer of assets from other NHS bodies		-	750
Proceeds of disposal of property, plant and equipment		<b>2,939</b>	587
Receipts from sale of investments		<b>11,826</b>	15,609
Interest received		<b>2,615</b>	2,161
Net cash outflow from Investing Activities	23c	<b>(94,648)</b>	(85,494)
<b>FINANCING</b>			
Funding	SoCTE	<b>3,529,526</b>	3,248,973
Movement in general fund working capital	SoCTE	<b>1,187</b>	(1,204)
Cash drawn down		<b>3,530,713</b>	3,247,769
Capital element of payments in respect of finance leases and on balance sheet PFI Contracts	17	<b>(8,415)</b>	12,734
IFRS 16 - 2022-23 cash lease payment	16	<b>(4,000)</b>	-
Provisions - Unwinding of discount	2b	<b>6,942</b>	(634)
Interest element of finance leases and on balance sheet PFI Contracts	2b	<b>(23,520)</b>	(23,204)
Net cash inflow from financing	23c	<b>3,501,720</b>	3,236,665
<b>(Decrease) / increase in cash in year</b>		<b>(1,407)</b>	6,988
Net cash at 1 April		<b>20,066</b>	13,078
<b>Net cash at 31 March</b>		<b>18,659</b>	20,066

### 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 £9,917k (prior year £9,660k).

## NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Consolidated Statement of Changes In Taxpayers' Equity

	Note	General Fund £'000	Revaluation Reserve £'000	Other Reserves - Joint Ventures £'000	Funds Held on Trust £'000	Total Reserves £'000
<b>Balance at 31 March 2022</b>		<b>604,894</b>	<b>542,437</b>	<b>168,527</b>	<b>107,797</b>	<b>1,423,655</b>
<b>Changes in taxpayers' equity for 2022-23</b>						
Net gain on revaluation / indexation of property, plant and equipment	7a	-	82,627	-	-	<b>82,627</b>
Net loss on revaluation of investments	10	-	-	-	(2,694)	<b>(2,694)</b>
Impairment of property, plant and equipment	6	-	(2,467)	-	-	<b>(2,467)</b>
Revaluation and impairments taken to operating costs	2b	-	360	-	-	<b>360</b>
Transfers between reserves		20,350	(20,350)	-	-	-
IFRS 16 Peppercorn Assets		6,188	-	-	-	<b>6,188</b>
Net operating cost for the year		(3,251,523)	-	(72,232)	(640)	<b>(3,324,395)</b>
<b>Total recognised income and expense for 2022-23</b>		<b>(3,224,985)</b>	<b>60,170</b>	<b>(72,232)</b>	<b>(3,334)</b>	<b>(3,240,381)</b>
<b>Funding:</b>						
Drawn down	CFS	3,530,713	-	-	-	<b>3,530,713</b>
Movement in General Fund creditor	CFS	(1,187)	-	-	-	<b>(1,187)</b>
<b>Balance at 31 March 2023</b>	SOFP	<b>909,435</b>	<b>602,607</b>	<b>96,295</b>	<b>104,463</b>	<b>1,712,800</b>
	Note	Restated General Fund £'000	Revaluation Reserve £'000	Other Reserves - Joint Ventures £'000	Funds Held on Trust £'000	Restated Total Reserves £'000
<b>At 31 March 2021</b>		<b>794,719</b>	<b>429,506</b>	<b>101,975</b>	<b>105,796</b>	<b>1,431,996</b>
<b>Changes in taxpayers' equity for 2021-22</b>						
Net gain on revaluation / indexation of property, plant and equipment	7a	-	125,689	-	-	<b>125,689</b>
Net loss on revaluation of investments	10	-	-	-	3,201	<b>3,201</b>
Impairment of property, plant and equipment	6	-	(1,135)	-	-	<b>(1,135)</b>
Revaluation and impairments taken to operating costs	2b	-	4,078	-	-	<b>4,078</b>
Transfers between reserves		15,701	(15,701)	-	-	-
Other non cash costs - Equipment Transfers/PPE and Testing Kits		1,392	-	-	-	<b>1,392</b>
Net operating cost for the year		(3,455,891)	-	66,552	(1,200)	<b>(3,390,539)</b>
<b>Total recognised income and expense for 2021-22</b>		<b>(3,438,798)</b>	<b>112,931</b>	<b>66,552</b>	<b>2,001</b>	<b>(3,257,314)</b>
<b>Funding:</b>						
Drawn down	CFS	3,247,769	-	-	-	<b>3,247,769</b>
Movement in General Fund creditor	CFS	1,204	-	-	-	<b>1,204</b>
<b>Balance at 31 March 2022</b>	SOFP	<b>604,894</b>	<b>542,437</b>	<b>168,527</b>	<b>107,797</b>	<b>1,423,655</b>

**NHS Greater Glasgow and Clyde  
Annual Report and Consolidated Accounts for the Year Ended 31 March 2023  
Notes to the Accounts**

## 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 (IFRS) as adopted by the United Kingdom, Interpretations issued by the IFRS Interpretations Committee (IFRIC) and the Companies Act 2006, to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

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

#### a) Standards, amendments and interpretations effective in current year

IFRS16 is the new standard which has been issued and adopted for the year 2022-2023.

#### 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

The table below summarises recent standards, amendments and interpretations issued but not adopted in the 2022/23 financial year.

Standard	Current status
IFRS 14 Regulatory Deferral Accounts	Effective for accounting periods starting on or after 1 January 2016. Not applicable to NHS Scotland bodies.
IFRS 17 Insurance Contracts	Effective for accounting periods beginning on or after 1 January 2021. However this Standard is not yet adopted by the FReM. Expected adoption by the FReM from April 2025.

### 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.

## **NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts**

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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 line with statutory guidance issued by the Integrated Resources Advisory Group (IRAG) IJBs are deemed to be joint ventures. In accordance with IFRS 11 Joint Arrangements, the primary financial statements have been amended for the additional disclosure required to accurately reflect the Board's interest in IJBs using the equity method of accounting. The Board has disclosed its interest in six Integration Joint Boards (IJBs); East Dunbartonshire, West Dunbartonshire, Glasgow City, Inverclyde, East Renfrewshire and Renfrewshire.

Note 23 to the Annual Accounts details how these consolidated financial statements have been prepared.

### **3) Retrospective Statements**

The prior year accounts have been restated to take account of a revision in the treatment of how the Board accounts for income and expenditure related to services provided to other boards. Note 19 to the Annual Accounts details how this restatement has been effected in the accounts.

### **4) Going Concern**

These accounts have been prepared on a going concern basis, in accordance with the definition as set out within Government's Financial Reporting Manual issued by the HM Treasury and the Manual for the Annual Report and Accounts of NHS Boards, which outlines the interpretation of IAS1 'Presentation of Financial Statements' as 'anticipated continuation of the provision of a service in the future, as evidenced by the inclusion of financial provision for that service in published documents'. Pages 22 to 24 of the accounts set out the key considerations taken into account as part of that assessment which include a review of the 2022-23 financial position as well as the 2023-24 to 2025-26 financial plans and forecasts. Our considerations cover the period through to 30 June 2024, being 12 months beyond the date of authorisation of these financial statements. Taking into account these considerations and the governance structures in place both within the Board and through the NHS Scotland assurance process, the Board have a reasonable expectation that the Board will have adequate resources to continue in operational existence for the foreseeable future.

### **5) Accounting Convention**

The Accounts are prepared on a historical cost basis, as modified by the revaluation of property, plant and equipment, intangible assets, inventories and financial assets and liabilities (including derivative instruments) at fair value as determined by the relevant accounting standards and the FReM.

### **6) Funding**

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

## **NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts**

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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 out with the RRL is allocated to match actual expenditure incurred for the provision of specific Family Health Services (comprised of General Pharmaceutical Services, General Medical Services, General Dental Services and General Ophthalmic Services) as designated by the Scottish Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the RRL in the Statement 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 SOCNE 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 the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

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

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

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

### **7) Property, plant and equipment**

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

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

#### **7.1) Recognition**

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

All assets falling into the following categories are capitalised:

- Property, plant and equipment assets which are capable of being used for a period which could exceed one year, and have a cost equal to or greater than £5,000.

## NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts

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

### 7.2) Measurement

#### Valuation:

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

Thereafter, valuations of all land and building assets are reassessed by valuers under a 5-year programme of professional valuations and are adjusted in 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 (Red Book) insofar as these terms are consistent with the agreed requirements of the Scottish Government.

In general, operational assets which are in use delivering front line services or back-office functions are valued at current market value in existing use. However, to meet the underlying objectives established by the Scottish Government the following accepted variations of the RICS Appraisal and Valuation Manual are adopted:

- Specialised operational assets are valued on a modified replacement cost basis to take account of modern substitute building materials and locality factors only.
- Non-specialised equipment, installations and fittings are valued at fair value, using the most appropriate valuation methodology available. A depreciated historical cost basis is considered an appropriate proxy for fair value in respect of assets which have short useful lives or low values (or both).

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 agreed by the District Valuer.
- Non-specialised land and buildings, such as offices, are stated at fair value.

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.

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.

#### 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

## **NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts**

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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. Gains and losses on revaluation are reported in the SOCNE.

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.

### **7.3) Depreciation**

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

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

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

Depreciation is charged on a straight line basis.

## NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts

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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
Furniture & Fittings	10 years
Buildings - Structure	1 – 90 years
Buildings – External Works	1 – 90 years

### 8) Intangible Assets

#### 8.1) Recognition

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

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

The main classes of intangible assets recognised are:

#### Internally generated intangible assets:

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

Expenditure on research is not capitalised.

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

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

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

#### Software:

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

## **NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts**

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### 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 which are intended to be held for use on a continuing basis whether allocated by government or purchased are classified as intangible assets and are initially measured at cost, with subsequent revaluation at fair value. Until there is evidence of an active market, CRC scheme assets shall be measured at cost as a proxy for fair value.

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

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

### Websites:

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

## **8.2) Measurement**

### Valuation:

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

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

### 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.

## NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts

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

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

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

### 8.3) Amortisation

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

Amortisation is charged to the SOCNE on each main class of intangible asset as follows:-

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

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Asset Category	Asset Lives
Intangible Assets – Software Licences	1 – 5 years
Intangible Assets – EU Emissions Trading Scheme Allowances	1 – 5 years

### 9) Non-current assets held for sale

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

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

## **NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts**

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

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

### **10) Donated Assets**

Non-current assets that are donated or purchased using donated funds are included in the Statement of Financial Position initially at the current full replacement cost of the asset. Donated assets are revalued, depreciated/amortised and subject to impairment in the same way as other non-current assets in accordance with the NHS Capital Accounting Manual.

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

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

### **12) Leasing**

#### Accounting Policies:

IFRS 16 Leases became effective for periods beginning on or after 1 January 2019, however the FReM deferred adoption until 2021. The cumulative catch-up method has been mandated by the FReM. Consequently, the comparatives for 2021-22 reflect the requirements of IAS 17 Leases.

#### Scope and classification:

Leases are contracts, or parts of a contract that convey the right to use an asset in exchange for consideration. The FReM expands the scope of IFRS 16 to include arrangements with nil consideration. The standard is also applied to accommodation sharing arrangements with other government departments.

Contracts or parts of contract that are leases in substance are determined by evaluating whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use.

The following are excluded:

- Contracts for low-value items, defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items; and
- Contracts with a term shorter than twelve months (comprising the non-cancellable period plus any extension options that are reasonably certain to be exercised and any termination options that are reasonably certain not to be exercised).

## **NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts**

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### Initial recognition:

At the commencement of a lease (or the IFRS 16 transition date, if later), a right-of-use asset and a lease liability are recognised. The lease liability is measured at the present value of the payments for the remaining lease term (as defined above), net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or, where this cannot be determined, the rate advised by HM Treasury for that calendar year. The liability includes payments that are fixed or in-substance fixed, excluding, for example, changes arising from future rent reviews or changes in an index. The right-of-use asset is measured at the value of the liability, adjusted for any payments made or amounts accrued before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease. However, for peppercorn or nil consideration leases, the asset is measured at its existing use value.

### Subsequent measurement:

The asset is subsequently measured using the fair value model. The cost model is considered to be a reasonable proxy except for leases of land and property without regular rent reviews. For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration have been valued using market prices or rentals for equivalent land and properties. The liability is adjusted for the accrual of interest, repayments, and reassessments and modifications. These are measured by re-discounting the revised cash flows.

### Lease expenditure:

Expenditure includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rental payments for leases of low-value items or shorter than twelve months are expensed.

### Transitional arrangements:

The following determinations have been made:

- To adopt IFRS 16 retrospectively, without restatement of comparative balances. Consequently, the Statement of Comprehensive Net Expenditure and the Statement of Financial Position for 2021-22 reflect the requirements of IAS 17;
- Not to reassess the classification of contracts previously classified as leases or service contracts under IAS 17 and IFRIC 4. However, new contracts entered into from 1 April 2022 have been classified using the IFRS 16 criteria;
- For leases previously treated as operating leases:
  - To measure the liability at the present value of the remaining payments, discounted by the discount rate issued by HM Treasury;
  - To measure the asset at an amount equal to the liability, adjusted for any prepayment or accrual balances previously recognised for that lease;
  - To exclude leases whose term ends within twelve months of first adoption;
  - To use hindsight in assessing remaining lease terms;

## NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts

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- For leases previously identified as onerous and provided for, to use the practical expedient of adjusting the right-of-use asset by the amount of that provision.
- For leases previously treated as finance leases:
  - To use the carrying amount of the lease asset and liability measured immediately before first adoption under IAS 17 as the carrying value of the right-of-use asset and lease liability as at first adoption.

The 2023-24 FReM has been amended to require reporting entities to record indexation linked payments in PPP liabilities in accordance with IFRS 16 from 2023-24. The 2022-23 FReM has not been amended to clarify that this specific aspect of IFRS 16 has been deferred until 2023-24 and therefore does not apply in 2022-23. Where entities have in the past applied the principles of IAS 17 to account for the impact of changes in the relevant indices (e.g. CPI or RPI) in respect of on-balance sheet PPP/PFI contracts with index-linked payments, the application of IFRS 16 requirements is deferred to 1 April 2023.

### Estimates and judgements

The Board determines the amounts to be recognised as the right-of-use asset and lease liability for embedded leases based on the stand-alone price of the lease and non-lease component or components. This determination reflects prices for leases of the underlying asset, where these are observable; otherwise, it maximises the use of other observable data, including the fair values of similar assets, or prices of contracts for similar non-lease components. In some circumstances, where stand-alone prices are not readily observable, the entire contracts are treated as a lease as a practical expedient. The FReM requires right-of-use assets held under “peppercorn” leases to be measured at existing use value.

### Accounting for leases under IAS 17 (2021-22)

#### 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.

## **NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts**

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### Leases of land and buildings:

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

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

### **13) Impairment of non-financial assets**

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

Impairment losses charged to the SOCNE are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

### **14) General Fund Receivables and Payables**

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

### **15) Inventories**

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

### **16) Losses and Special Payments**

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

### **17) Employee Benefits**

#### Short-term Employee Benefits:

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

## **NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts**

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### Pension Costs:

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

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

### **18) Clinical and Medical Negligence Costs**

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

NHS Greater Glasgow and Clyde provides for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement.

Claims assessed as 'Category 3' are deemed most likely and provided for in full, those in 'Category 2' as 50% of the claim and those in 'Category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and which will be recoverable from the CNORIS in the event of payment by an individual health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

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

### **19) Related Party Transactions**

Material related party transactions are disclosed in the note 21 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 3.

### **20) Value Added Tax**

Most of the activities of the Board are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable

## **NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts**

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VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

### **21) PFI Schemes/HUB/NPD Schemes**

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

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

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

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

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

The service charge and the finance cost interest element are charged in the SOCNE.

### **22) Provisions**

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

### **23) Contingencies**

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

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

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

## NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts

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- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

### 24) Corresponding Amounts

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

### 25) Financial Instruments

#### Financial Assets

##### Business model:

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

##### Classification:

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

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

This is the default basis for financial assets.

#### (b) Financial assets held at amortised cost

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

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

- the financial asset is held within a business model where the objective is to collect contractual cash flows *and* sell the asset; and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

## **NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts**

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### 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

**NHS Greater Glasgow and Clyde  
Annual Report and Consolidated Accounts for the Year Ended 31 March 2023  
Notes to the Accounts**

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held at amortised cost comprise trade and other payables in the Statement of Financial Position.

**Recognition and measurement:**

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

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

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

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

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

**(b) Amortised costs**

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

**26) Segmental reporting**

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

Operating segments are unlikely to directly relate to the analysis of expenditure shown in Note 3.

**27) Cash and cash equivalents**

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

**28) Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Board has no beneficial interest in them.

However, they are disclosed in Note 22 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

**29) Key sources of judgement and estimation uncertainty**

The Board makes subjective and complex judgements in applying its accounting policies and relies on a range of estimation techniques and assumptions concerning uncertain future events. It is recognised that sources of estimation uncertainty are likely to vary from year to year and the resulting accounting estimates will, by definition, seldom equal the related actual results. As such, key judgements and estimates are continually reviewed, based on historical experience and other factors, including changes to past assumptions and expectations of future events that are believed to be reasonable under the circumstances.

The key judgements exercised in the application of the Board's accounting policies which have the most significant effect on the carrying amounts in the financial statements are summarised below:

## **NHS Greater Glasgow and Clyde Annual Report and Consolidated Accounts for the Year Ended 31 March 2023 Notes to the Accounts**

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- Accruals – The Board has placed significant reliance on estimation and judgement based on best available evidence to quantify amounts accrued in the accounts.
- 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.
- Structured Settlements – the majority of claims settled under the CNORIS framework are done so as one-off settlements to the claimant. However, in a small number of cases, claims may also be paid under a Periodic Payment Order (PPO), also known as a structured settlement, whereby an annual payment is made to an individual for the remainder of their life. The future liability to the Board therefore depends on the remaining life of each individual. Given the nature of the underlying conditions impacting these individuals, there is significant estimation uncertainty, and minor changes in life expectancies applied may have a material effect on the remaining liability to the Board. The Board bases its life expectancy for these cases on one average, considering other similar life expectancy rates from similar national bodies and adjusts for individuals only where specific confirmed changes are appropriate. The average impact of an individual life expectancy increasing by 5 years would be £6.5 million and the impact of a reduction would be £3.7 million.
- 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 2023.

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

### **30) Revenue from contracts with customers**

Where income is derived from contracts with customers, it is accounted for under IFRS 15. Revenue in respect of goods/services provided is recognised when performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the financial yearend, the Board recognises income relating to performance obligations satisfied in that year. Where the Board's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is recognised as a contract liability. Contract receivable balances are recognised when consideration has not been received.

The main source of this income for the Board is from other health Boards for the treatment of patients in those territories. This income is paid as fixed payments to fund an agreed level of patient activity.

# NHS Greater Glasgow & Clyde

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## Notes to the Accounts

2023  
£'000

### 2a. SUMMARY OF CORE REVENUE RESOURCE OUTTURN

<b>Net expenditure</b>	<b>3,324,395</b>
Total Non Core Expenditure (see below)	(109,533)
FHS Non Discretionary Allocation	(198,147)
Endowment Net Operating Costs	(640)
Joint Ventures accounted for on an equity basis	(72,232)
<b>Totals</b>	<b>2,943,843</b>
Core Revenue Resource Limit	2,944,626
<b>Saving against Core Revenue Resource Limit</b>	<b>783</b>

### SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

Capital Grants from Other Bodies	(1,331)
Depreciation/Amortisation	88,650
Annually Managed Expenditure - Impairments	360
Annually Managed Expenditure - Creation of Provisions	10,003
Annually Managed Expenditure - Depreciation of Donated Assets	1,413
Annually Managed Expenditure - fair value adjustments	73
Donated Asset Income	(1,199)
IFRS PFI Expenditure	7,936
Right of Use (RoU) Asset Depreciation	3,243
Right of Use (RoU) Peppercorn Leases Depreciation	385
<b>Total Non Core Expenditure</b>	<b>109,533</b>
Non Core Revenue Resource Limit	109,533
<b>Saving against Non Core Revenue Resource Limit</b>	<b>-</b>

<b>SUMMARY RESOURCE OUTTURN</b>	<b>Resource</b>	<b>Expenditure</b>	<b>Saving</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Core	2,944,626	2,943,843	783
Non Core	109,533	109,533	-
<b>Total</b>	<b>3,054,159</b>	<b>3,053,376</b>	<b>783</b>

# NHS Greater Glasgow & Clyde

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## Notes to the Accounts

### 2b. NOTES TO THE CASHFLOW STATEMENT

Consolidated adjustments for non-cash transactions		2023	Restated
	Note	£'000	2022 £'000
<b>Expenditure Not Paid In Cash</b>			
Depreciation	7a	96,491	86,084
Amortisation	6	96	99
Depreciation of donated assets	7a	1,413	1,386
Depreciation of Right of Use (RoU) Assets	16b	3,628	-
Impairments on PPE charged to SoCNE		2,762	1,135
Net revaluation on PPE charged to SoCNE		(2,107)	2,943
Reversal of impairments on PPE charged to SoCNE		(295)	-
Funding Of Donated Assets		(1,199)	(2,980)
Loss on disposal of intangible assets		119	-
Loss on disposal of property, plant and equipment		108	612
GP Loans fair value adjustment		73	113
Associates and joint ventures accounted for on an equity basis	SoCNE	72,232	(66,552)
Other non-cash transactions		828	-
<b>Total Expenditure Not Paid In Cash</b>	CFS	<b>174,149</b>	<b>22,840</b>

### Interest payable recognised in operating expenditure

#### Interest Payable

		£000	£000
PFI lease charges allocated in the year	17b	23,358	23,204
Lease interest	16b	162	-
Provisions - Unwinding of discount		(6,942)	634
<b>Total</b>	CFS	<b>16,578</b>	<b>23,838</b>

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 2b. NOTES TO THE CASHFLOW STATEMENT (cont)

Consolidated movements in working capital	Note	Restated	Closing	Net Movement	
		Opening		Balances	2023
		Balances	Balances	£'000	£'000
		£'000	£'000		
<b>INTANGIBLE ASSETS CURRENT</b>					
Balance Sheet	6b	404	-		
<b>Net Decrease</b>				<b>404</b>	<b>-</b>
<b>INVENTORIES</b>					
Balance Sheet		25,210	27,119		
<b>Net Increase</b>				<b>(1,909)</b>	<b>(504)</b>
<b>TRADE AND OTHER RECEIVABLES</b>					
Due within one year	9	135,520	209,486		
Due after more than one year	9	153,166	181,999		
Less: Property, Plant & Equipment (Capital) included in above		(3,144)	(278)		
		285,542	391,207		
<b>Net (increase) / decrease</b>				<b>(105,665)</b>	<b>43,858</b>
<b>TRADE AND OTHER PAYABLES</b>					
Due within one year	12	836,077	632,060		
Due after more than one year	12	343,005	339,305		
Less: Property, Plant & Equipment (Capital) included in above		(50,150)	(41,307)		
Less: General Fund Creditor included in above	12	(705)	(1,892)		
Less: Lease and PFI Creditors included in above	12	(307,132)	(317,694)		
		821,095	610,472		
<b>Net Increase</b>				<b>(210,623)</b>	<b>177,948</b>
<b>PROVISIONS</b>					
Statement of Financial Position		395,943	441,540		
<b>Net increase / (decrease)</b>				<b>45,597</b>	<b>(19,463)</b>
<b>Net movement (increase) / decrease</b>				<b>(272,196)</b>	<b>201,839</b>

# NHS Greater Glasgow & Clyde

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## Notes to the Accounts

<b>3. OPERATING EXPENSES</b>	Restated	
<b>3a. Employee expenditure</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Medical and Dental	<b>569,545</b>	534,665
Nursing	<b>928,216</b>	919,508
Other Staff	<b>766,167</b>	748,864
<b>Total</b>	<b>2,263,928</b>	2,203,037
<b>3b. Other operating expenditure</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Independent Primary Care Services:</b>		
General Medical Services	<b>222,117</b>	215,083
Pharmaceutical Services	<b>79,778</b>	79,068
General Dental Services	<b>119,582</b>	102,863
General Ophthalmic Services	<b>27,540</b>	26,972
<b>Total</b>	<b>449,017</b>	423,986
<b>Drugs and medical supplies:</b>		
Prescribed drugs Primary Care	<b>257,623</b>	238,852
Prescribed drugs Secondary Care	<b>298,719</b>	286,783
PPE and testing kits	<b>5,166</b>	32,425
Medical Supplies	<b>172,229</b>	163,422
<b>Total</b>	<b>733,737</b>	721,482
<b>Other health care expenditure</b>		
Contribution to Integration Joint Boards	<b>1,792,585</b>	1,924,184
Goods and services from other NHSScotland bodies	<b>55,166</b>	48,114
Goods and services from other UK NHS bodies	<b>1,033</b>	1,605
Goods and services from private providers	<b>20,429</b>	19,766
Goods and services from voluntary organisations	<b>15,872</b>	19,569
Resource Transfer	<b>257,959</b>	249,758
Loss on disposal of assets	<b>227</b>	633
Other operating expenses	<b>514,968</b>	575,233
External Auditor's remuneration - statutory audit fee	<b>506</b>	416
Endowment Fund expenditure	<b>6,264</b>	9,389
<b>Total</b>	<b>2,665,009</b>	2,848,667
<b>Total Other Operating Expenditure</b>	<b>3,847,763</b>	3,994,135

### Notes:

1. The contribution to integration joint boards (IJB) includes a transfer of underspends on delegated health care services to the relevant partner local authorities to be held in reserves by the IJBs.

2. Higher value items within Other Operating Expenses included:

Depreciation	<b>97,999</b>	87,570
Professional Fees & Charges	<b>65,406</b>	82,767
Equipment	<b>55,871</b>	68,809
PFI	<b>44,311</b>	41,140
Rates	<b>23,113</b>	31,101
Heating, Fuel & Power	<b>43,374</b>	32,924
Impairment/Pensions/Negligence Provision	<b>49,799</b>	3,088

3. The Board's external auditors (EY) also performed tax work at a cost of £20k plus VAT.

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

<b>4a. OPERATING INCOME</b>	<b>2023</b>	Restated <b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Income from Scottish Government	1,531	2,432
Income from other NHS Scotland bodies	758,246	630,473
Income from NHS non-Scottish bodies	4,367	3,806
Income from private patients	-	228
Income for services commissioned by Integration Joint Boards	1,792,585	1,924,184
Patient charges for primary care	12,790	7,055
Donations	1,199	20,757
Profit on disposal of assets	-	21
Contributions in respect of clinical and medical negligence claims	37,887	3,839
Non NHS:		
Overseas patients (non-reciprocal)	1,201	186
Endowment Fund Income	5,624	8,189
Other	244,098	138,911
<b>Total</b>	<b>2,859,528</b>	<b>2,740,081</b>

### Notes:

1. Higher value items within Other Operating Income included:

Healthcare to other organisations inc Local Authorities and other Govn depts	59,923	58,935
Road Traffic Act	5,284	4,231
Rent of Premises Income	4,116	3,921
Dining Room Income	3,141	2,710
Laboratory Income	3,262	3,205

### 4b. Additional information on contract revenue (IFRS 15) recognised in the period

	<b>2023</b>	2022
	<b>£'000</b>	<b>£'000</b>
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	30,150	14,707

### 4c. Transaction price allocated to remaining performance obligations

	<b>2023</b>	2022
	<b>£'000</b>	<b>£'000</b>
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised: within one year	51,542	62,553

The Board has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the Board recognises revenue directly corresponding to work done to date is not disclosed.

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 5. SEGMENTAL INFORMATION

	ACUTE	NHS COMMUNITY PARTNERSHIPS	CORPORATE	UNALLOCATED	FUNDS HELD ON TRUST	IJBs	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost	1,204,249	1,365,884	681,390	-	640	72,232	<b>3,324,395</b>
Total assets	-	-	-	2,923,172	106,238	96,295	<b>3,125,705</b>
Total liabilities	-	-	-	1,411,130	1,775	-	<b>1,412,905</b>
Total segment revenue	706,574	210,003	144,742	-	5,624	1,792,585	<b>2,859,528</b>
Impairment losses recognised in SoCNE	-	-	-	360	-	-	<b>360</b>
Depreciation and amortisation	25	4	101,598	-	-	-	<b>101,627</b>
Non-current assets held for sale	-	-	-	3,444	-	-	<b>3,444</b>
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	-	-	-	98,290	-	-	<b>98,290</b>

### PRIOR YEAR (RESTATED)

	ACUTE	NHS COMMUNITY PARTNERSHIPS	CORPORATE	UNALLOCATED	FUNDS HELD ON TRUST	IJBs	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost	1,132,755	1,567,517	755,619	-	1,200	(66,552)	<b>3,390,539</b>
Total assets	-	-	-	2,718,843	111,310	168,527	<b>2,998,680</b>
Total liabilities	-	-	-	1,571,512	4,062	-	<b>1,575,574</b>
Total segment revenue	660,731	82,143	64,834	-	8,189	1,924,184	<b>2,740,081</b>
Impairment losses recognised in SoCNE	-	-	-	4,078	-	-	<b>4,078</b>
Depreciation and amortisation	21	3	87,546	-	-	-	<b>87,570</b>
Non-current assets held for sale	-	-	-	2,858	-	-	<b>2,858</b>
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	-	-	-	89,521	-	-	<b>89,521</b>

#### Note:

1. Items included as "unallocated" above are not allocated to operating divisions as part of the Board's management reporting.

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

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

	Software Licences £'000	EC Carbon Emissions £'000	Total £'000
<b>Cost or Valuation:</b>			
At 1 April 2022	1,312	119	1,431
Disposals	(45)	(119)	(164)
<b>At 31 March 2023</b>	<b>1,267</b>	<b>-</b>	<b>1,267</b>
<b>Amortisation</b>			
At 1 April 2022	1,216	-	1,216
Provided during the year	96	-	96
Disposals	(45)	-	(45)
<b>At 31 March 2023</b>	<b>1,267</b>	<b>-</b>	<b>1,267</b>
<b>Net book value at 1 April 2022</b>	<b>96</b>	<b>119</b>	<b>215</b>
<b>Net book value at 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Software Licences £'000	EC Carbon Emissions £'000	Total £'000
<b>Cost or Valuation:</b>			
At 1 April 2021	1,312	119	1,431
<b>At 31 March 2022</b>	<b>1,312</b>	<b>119</b>	<b>1,431</b>
<b>Amortisation</b>			
At 1 April 2021	1,117	-	1,117
Provided during the year	99	-	99
<b>At 31 March 2022</b>	<b>1,216</b>	<b>-</b>	<b>1,216</b>
<b>Net book value at 1 April 2021</b>	<b>195</b>	<b>119</b>	<b>314</b>
<b>Net book value at 31 March 2022</b>	<b>96</b>	<b>119</b>	<b>215</b>

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

	2023 £'000	2022 £'000
Carbon Reduction Commitment Allowances	-	404
<b>Total</b>	<b>-</b>	<b>404</b>

# NHS Greater Glasgow & Clyde

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## Notes to the Accounts

### 7a. PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED AND BOARD

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>									
At 1 April 2022	90,768	2,240,776	-	1,331	374,563	141,691	15,551	75,153	2,939,833
Additions - purchased	-	167	-	-	9,560	2,166	31	79,043	90,967
Additions - donated	-	-	-	-	566	-	-	633	1,199
Completions	-	25,599	-	89	29,456	8,400	864	(64,408)	-
Transfers between asset categories	-	-	-	-	3,962	(3,962)	-	-	-
Transfers to non-current assets held for sale	(586)	-	-	-	-	-	-	-	(586)
Revaluations	(302)	16,415	-	-	-	-	-	-	16,113
Impairment charges	(14)	(2,693)	-	(55)	-	-	-	-	(2,762)
Disposals - purchased	-	-	-	(472)	(3,367)	(24)	(17)	-	(3,880)
Disposals - donated	-	-	-	-	(330)	-	-	-	(330)
<b>At 31 March 2023</b>	<b>89,866</b>	<b>2,280,264</b>	<b>-</b>	<b>893</b>	<b>414,410</b>	<b>148,271</b>	<b>16,429</b>	<b>90,421</b>	<b>3,040,554</b>
<b>Depreciation</b>									
At 1 April 2022	-	139,216	-	1,314	264,687	122,187	13,075	-	540,479
Provided during the year - purchased	-	67,213	-	15	22,256	6,610	397	-	96,491
Provided during the year - donated	-	233	-	4	1,176	-	-	-	1,413
Transfers between asset categories	-	-	-	-	566	(566)	-	-	-
Revaluations	-	(66,514)	-	-	-	-	-	-	(66,514)
Impairment reversals	-	(295)	-	-	-	-	-	-	(295)
Disposals - purchased	-	-	-	(472)	(3,229)	(24)	(17)	-	(3,742)
Disposals - donated	-	-	-	-	(308)	-	-	-	(308)
<b>At 31 March 2023</b>	<b>-</b>	<b>139,853</b>	<b>-</b>	<b>861</b>	<b>285,148</b>	<b>128,207</b>	<b>13,455</b>	<b>-</b>	<b>567,524</b>
<b>Net book value at 1 April 2022</b>	<b>90,768</b>	<b>2,101,560</b>	<b>-</b>	<b>17</b>	<b>109,876</b>	<b>19,504</b>	<b>2,476</b>	<b>75,153</b>	<b>2,399,354</b>
<b>Net book value at 31 March 2023</b>	<b>89,866</b>	<b>2,140,411</b>	<b>-</b>	<b>32</b>	<b>129,262</b>	<b>20,064</b>	<b>2,974</b>	<b>90,421</b>	<b>2,473,030</b>
<b>Open Market Value of Land in Land and Dwellings Included Above</b>	<b>3,444</b>		<b>-</b>						
<b>Asset financing:</b>									
Owned - purchased	88,388	1,764,946	-	32	124,251	20,064	2,974	89,836	2,090,491
Owned - donated	1,478	8,804	-	-	5,011	-	-	585	15,878
On-balance sheet PFI contracts	-	366,661	-	-	-	-	-	-	366,661
<b>Net book value at 31 March 2023</b>	<b>89,866</b>	<b>2,140,411</b>	<b>-</b>	<b>32</b>	<b>129,262</b>	<b>20,064</b>	<b>2,974</b>	<b>90,421</b>	<b>2,473,030</b>

# NHS Greater Glasgow & Clyde

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## Notes to the Accounts

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

	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Dwellings £'000	Transport Equipment £'000	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
<b>Cost or valuation</b>									
At 1 April 2021	90,945	2,106,688	-	1,489	337,543	128,141	14,675	83,737	2,763,218
Additions - purchased	-	-	-	-	10,652	193	473	76,207	87,525
Additions - donated	810	-	-	-	1,617	-	-	553	2,980
Completions	-	43,569	-	-	27,792	14,106	520	(85,987)	-
Asset Transfers from other SG Consolidation Entities	-	-	-	-	-	-	-	643	643
Transfers to non-current assets held for sale	-	(250)	-	-	-	-	-	-	(250)
Revaluations	405	91,922	-	-	-	-	-	-	92,327
Impairment charges	(382)	(833)	-	-	-	-	-	-	(1,215)
Disposals - purchased	(1,010)	(320)	-	(158)	(2,027)	(749)	(117)	-	(4,381)
Disposals - donated	-	-	-	-	(1,014)	-	-	-	(1,014)
<b>At 31 March 2022</b>	<b>90,768</b>	<b>2,240,776</b>	<b>-</b>	<b>1,331</b>	<b>374,563</b>	<b>141,691</b>	<b>15,551</b>	<b>75,153</b>	<b>2,939,833</b>
<b>Depreciation</b>									
At 1 April 2021	-	111,616	-	1,426	245,404	119,091	12,874	-	490,411
Provided during the year - purchased	-	60,849	-	27	21,045	3,845	318	-	86,084
Provided during the year - donated	-	219	-	4	1,163	-	-	-	1,386
Revaluations	-	(33,362)	-	-	-	-	-	-	(33,362)
Impairment charges	-	(80)	-	-	-	-	-	-	(80)
Disposals - purchased	-	(26)	-	(143)	(1,923)	(749)	(117)	-	(2,958)
Disposals - donated	-	-	-	-	(1,002)	-	-	-	(1,002)
<b>At 31 March 2022</b>	<b>-</b>	<b>139,216</b>	<b>-</b>	<b>1,314</b>	<b>264,687</b>	<b>122,187</b>	<b>13,075</b>	<b>-</b>	<b>540,479</b>
<b>Net book value at 1 April 2021</b>	<b>90,945</b>	<b>1,995,072</b>	<b>-</b>	<b>63</b>	<b>92,139</b>	<b>9,050</b>	<b>1,801</b>	<b>83,737</b>	<b>2,272,807</b>
<b>Net book value at 31 March 2022</b>	<b>90,768</b>	<b>2,101,560</b>	<b>-</b>	<b>17</b>	<b>109,876</b>	<b>19,504</b>	<b>2,476</b>	<b>75,153</b>	<b>2,399,354</b>
<b>Open Market Value of Land in Land and Dwellings Included Above</b>	<b>2,608</b>		<b>-</b>						
<b>Asset financing:</b>									
Owned - purchased	89,290	1,736,677	-	13	104,471	19,504	2,476	74,963	2,027,394
Owned - donated	1,478	8,571	-	4	5,405	-	-	190	15,648
On-balance sheet PFI contracts	-	356,312	-	-	-	-	-	-	356,312
<b>At 31 March 2022</b>	<b>90,768</b>	<b>2,101,560</b>	<b>-</b>	<b>17</b>	<b>109,876</b>	<b>19,504</b>	<b>2,476</b>	<b>75,153</b>	<b>2,399,354</b>

# NHS Greater Glasgow & Clyde

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## Notes to the Accounts

### 7b. ASSETS HELD FOR SALE

The Board's Property Committee has approved the following to be presented as held for sale; Lennox Castle Hospital, Dykebar Hospital land (part), Cathcart Centre, Greenock and Clydebank Health Centre land.

#### ASSETS HELD FOR SALE - CONSOLIDATED AND BOARD

	Property, Plant & Equipment £'000	Total £'000
<b>At 1 April 2022</b>	2,858	2,858
Transfers from property, plant and equipment	586	586
	<b>3,444</b>	<b>3,444</b>
<b>At 31 March 2023</b>	<b>3,444</b>	<b>3,444</b>

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

	Property, Plant & Equipment £'000	Total £'000
<b>At 1 April 2021</b>	2,608	2,608
Transfers from property, plant and equipment	250	250
	<b>2,858</b>	<b>2,858</b>
<b>At 31 March 2022</b>	<b>2,858</b>	<b>2,858</b>

# NHS Greater Glasgow & Clyde

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## Notes to the Accounts

### 7c. PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated 2022 £'000	Board 2022 £'000		Consolidated 2023 £'000	Board 2023 £'000
		<b>Net book value of property, plant and equipment at 31 March</b>		
2,383,706	2,383,706	Purchased	2,457,152	2,457,152
15,648	15,648	Donated	15,878	15,878
<u>2,399,354</u>	<u>2,399,354</u>	<b>Total</b>	<u>2,473,030</u>	<u>2,473,030</u>
2,608	2,608	Net book value related to land valued at open market value at 31 March	3,444	3,444
		<b>Total value of assets held under:</b>		
356,312	356,312	PFI and PPP Contracts	366,661	366,661
<u>356,312</u>	<u>356,312</u>	<b>Total</b>	<u>366,661</u>	<u>366,661</u>
		<b>Total depreciation charged in respect of assets held under:</b>		
7,182	7,182	PFI and PPP contracts	7,936	7,936
<u>7,182</u>	<u>7,182</u>	<b>Total</b>	<u>7,936</u>	<u>7,936</u>

#### Note:

All land and approximately 20% of buildings were revalued by an independent valuer, The Valuation Office Agency, as at 31/03/2023 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 2022-23 the net impact was an increase in value of £82,161k for Purchased Assets and £531k for Donated Assets. In 2021-22 the value of Purchased Assets was increased by £125,158k and the value of Donated Assets by £531k.

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 7d. ANALYSIS OF CAPITAL EXPENDITURE

	Note	2023 £'000	2022 £'000
<b>Expenditure</b>			
Acquisition of intangible assets	6	-	-
Acquisition of property, plant and equipment	7a	90,967	87,525
Donated asset additions	7a	1,199	2,980
HUB		-	459
GP Loans advances		260	-
Right of Use (RoU) Additions		6,164	-
<b>Gross Capital Expenditure</b>		<b>98,590</b>	<b>90,964</b>
<b>Income</b>			
Net book value of disposal of intangible assets	6	119	-
Net book value of disposal of property, plant and equipment	7a	138	1,423
Net book value of disposal of donated assets	7a	22	12
HUB - repayment of investment		21	14
<b>Capital Income</b>		<b>300</b>	<b>1,449</b>
<b>Net Capital Expenditure</b>		<b>98,290</b>	<b>89,515</b>
<b>Summary of Capital Resource Outturn</b>			
Core Capital Expenditure included above		96,831	85,724
Core Capital Resource Limit		96,838	85,730
<b>Saving against Core Capital Resource Limit</b>		<b>7</b>	<b>6</b>
Non Core Capital Expenditure included above		1,459	3,791
Non Core Capital Resource Limit		1,459	3,791
<b>Saving against Non Core Capital Resource Limit</b>		<b>-</b>	<b>-</b>
Total Capital Expenditure		98,290	89,515
Total Capital Resource Limit		98,297	89,521
<b>Saving against Total Capital Resource Limit</b>		<b>7</b>	<b>6</b>

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 8. INVENTORIES

Consolidated 2022 £'000	Board 2022 £'000		Consolidated 2023 £'000	Board 2023 £'000
25,210	25,210	Raw materials and consumables	27,119	27,119
<b>25,210</b>	<b>25,210</b>	<b>Total Inventories</b>	<b>27,119</b>	<b>27,119</b>

### 9. TRADE AND OTHER RECEIVABLES

Consolidated 2022 £'000	Board 2022 £'000		Consolidated 2023 £'000	Board 2023 £'000
		<b>Receivables due within one year</b>		
		<b>NHSScotland</b>		
1,389	1,389	Scottish Government	2,838	2,838
38,885	38,885	Boards	74,644	74,644
<b>40,274</b>	<b>40,274</b>	<b>Total NHSScotland Receivables</b>	<b>77,482</b>	<b>77,482</b>
1,335	1,335	NHS non-Scottish bodies	1,852	1,852
2,683	2,683	VAT recoverable	4,630	4,630
19,054	19,054	Prepayments	39,545	39,545
15,423	15,423	Accrued income	7,581	7,581
15,510	15,339	Other receivables	17,390	17,135
35,400	35,400	Reimbursement of provisions	33,798	33,798
5,841	5,841	Other public sector bodies	27,208	27,208
<b>135,520</b>	<b>135,349</b>	<b>Total Receivables due within one year</b>	<b>209,486</b>	<b>209,231</b>
		<b>Receivables due after more than one year</b>		
82	82	Other receivables	64	64
153,084	153,084	Reimbursement of provisions	181,935	181,935
<b>153,166</b>	<b>153,166</b>	<b>Total Receivables due after more than one year</b>	<b>181,999</b>	<b>181,999</b>
<b>288,686</b>	<b>288,515</b>	<b>TOTAL RECEIVABLES</b>	<b>391,485</b>	<b>391,230</b>
6,190	6,190	The total receivables figure above includes a provision for impairments of :	7,820	7,820

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 9. TRADE AND OTHER RECEIVABLES (cont)

Consolidated 2022 £'000	Board 2022 £'000		Consolidated 2023 £'000	Board 2023 £'000
		Movements on the provision for impairment of receivables are as follows:		
6,134	6,134	At 1 April	6,190	6,190
2,768	2,768	Provision for impairment	4,424	4,424
(968)	(968)	Receivables written off during the year as uncollectable	(438)	(438)
(1,744)	(1,744)	Unused amounts reversed	(2,356)	(2,356)
<u>6,190</u>	<u>6,190</u>	At 31 March	<u>7,820</u>	<u>7,820</u>

As of 31 March 2023, receivables with a carrying value of £7,820k (2021-22: £6,190k) were impaired and provided for. The ageing of these receivables is as follows:

£'000	£'000		£'000	£'000
867	867	3 to 6 months past due	1,552	1,552
5,323	5,323	Over 6 months past due	6,268	6,268
<u>6,190</u>	<u>6,190</u>		<u>7,820</u>	<u>7,820</u>

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 2023, receivables with a carrying value of £5,568k (2021-22: £5,697k) 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
3,737	3,737	Up to 3 months past due	5,016	5,016
567	567	3 to 6 months past due	95	95
1,393	1,393	Over 6 months past due	457	457
<u>5,697</u>	<u>5,697</u>		<u>5,568</u>	<u>5,568</u>

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.

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Notes to the Accounts

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

£'000	£'000	Counterparties with external credit ratings	£'000	£'000
276,799	276,628	Existing customers with no defaults in the past	378,097	377,842
<u>276,799</u>	<u>276,628</u>	Total neither past due or impaired	<u>378,097</u>	<u>377,842</u>

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
288,686	288,515	Pounds	391,485	391,230
<u>288,686</u>	<u>288,515</u>		<u>391,485</u>	<u>391,230</u>

All non-current receivables are due within 23 years (2021-22: 24 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 £64k (2021-22 £82k).

# NHS Greater Glasgow & Clyde

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## Notes to the Accounts

### 10. INVESTMENTS

Consolidated 2022 £'000	Board 2022 £'000		Consolidated 2023 £'000	Board 2023 £'000
103,020	1,582	Other	100,881	1,748
<b>103,020</b>	<b>1,582</b>	<b>Total</b>	<b>100,881</b>	<b>1,748</b>
100,132	1,250	At 1 April	103,020	1,582
11,719	-	Additions	11,958	-
459	459	GP Loans advances	260	260
(12,377)	(14)	Disposals	(11,590)	(21)
(113)	(113)	GP Loans Fair Value Adjustment	(73)	(73)
3,200	-	Revaluation surplus transferred to equity	(2,694)	-
<b>103,020</b>	<b>1,582</b>	<b>At 31 March</b>	<b>100,881</b>	<b>1,748</b>
103,020	1,582	Non-current	100,881	1,748
<b>103,020</b>	<b>1,582</b>	<b>At 31 March</b>	<b>100,881</b>	<b>1,748</b>

#### Note:

GP Sustainability Loan advances in the year amounted to £260k and there was also a fair value adjustment to these loans of £73k due to discounting. A repayment of £21k 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 £99.1M of which £81.2M relates to restricted funds.

**NHS Greater Glasgow & Clyde****Annual Report and Consolidated Accounts for the Year Ended 31 March 2023****Notes to the Accounts**

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<b>11. CASH AND CASH EQUIVALENTS</b>	<b>At 31 March</b>	<b>At 1 April</b>
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Government Banking Service	<b>185</b>	235
Commercial banks and cash in hand	<b>1,707</b>	470
Endowment cash	<b>6,850</b>	9,701
<b>Total Cash - SOFP/CFS</b>	<b><u>8,742</u></b>	<b><u>10,406</u></b>

**Note:**

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

# NHS Greater Glasgow & Clyde

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## Notes to the Accounts

### 12. TRADE AND OTHER PAYABLES

Restated Consolidated 2022 £'000	Restated Board 2022 £'000		Consolidated 2023 £'000	Board 2023 £'000
<b>Payables due within one year</b>				
<b>NHSScotland</b>				
-	-	Scottish Government	3	3
12,431	12,431	Boards	16,895	16,895
<u>12,431</u>	<u>12,431</u>	<b>Total NHSScotland Payables</b>	<u>16,898</u>	<u>16,898</u>
27	27	NHS Non-Scottish bodies	6	6
705	705	Amounts payable to General Fund	1,892	1,892
45,507	45,507	FHS practitioners	47,622	47,622
11,557	11,557	Trade payables	28,835	28,835
332,740	332,740	Accruals	278,700	278,700
3,415	3,415	Deferred income	3,615	3,615
106	106	Payments received on account	102	102
-	-	Net obligations under leases	3,331	3,331
8,416	8,416	Net obligations under PPP / PFI Contracts	9,062	9,062
44,499	44,499	Income tax and social security	49,396	49,396
34,056	34,056	Superannuation	33,920	33,920
63,651	63,651	Holiday pay accrual	79,070	79,070
206,147	206,147	Other public sector bodies	22,137	22,137
10,268	6,755	Other payables	6,232	4,457
62,552	62,552	Contract Liability	51,242	51,242
<u>836,077</u>	<u>832,564</u>	<b>Total Payables due within one year</b>	<u>632,060</u>	<u>630,285</u>
<b>Payables due after more than one year</b>				
-	-	Net obligations under leases due within 2 years	3,148	3,148
-	-	Net obligations under leases due after 2 years but within 5 years	5,903	5,903
-	-	Net obligations under leases due after 5 years	6,595	6,595
9,062	9,062	Net obligations under PPP / PFI contracts due within 2 years	9,759	9,759
30,798	30,798	Net obligations under PPP / PFI contracts due after 2 years but within 5 years	32,386	32,386
258,856	258,856	Net obligations under PPP / PFI contracts due after 5 years	247,510	247,510
2,404	2,404	Deferred income	2,252	2,252
41,885	41,885	Other payables	31,752	31,752
<u>343,005</u>	<u>343,005</u>	<b>Other payables</b>	<u>339,305</u>	<u>339,305</u>
<u>1,179,082</u>	<u>1,175,569</u>	<b>TOTAL PAYABLES</b>	<u>971,365</u>	<u>969,590</u>

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 12. TRADE AND OTHER PAYABLES (cont)

Restated Consolidated 2022 £'000	Restated Board 2022 £'000		Consolidated 2023 £'000	Board 2023 £'000
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#### Borrowings included above comprise:

-	-	Leases	18,977	18,977
307,132	307,132	PFI contracts	298,717	298,717
<u>307,132</u>	<u>307,132</u>		<u>317,694</u>	<u>317,694</u>

#### The carrying amount and fair value of the non-current borrowings are as follows

##### Carrying amount

-	-	Leases	15,646	15,646
298,716	298,716	PFI contracts	289,655	289,655
<u>298,716</u>	<u>298,716</u>		<u>305,301</u>	<u>305,301</u>

##### Fair value

-	-	Leases	15,646	15,646
298,716	298,716	PFI contracts	289,655	289,655
<u>298,716</u>	<u>298,716</u>		<u>305,301</u>	<u>305,301</u>

#### The carrying amount of short term payables approximates their fair value.

The carrying amount of payables are denominated in:

1,179,082	1,175,569	Pounds	971,365	969,590
<u>1,179,082</u>	<u>1,175,569</u>		<u>971,365</u>	<u>969,590</u>

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Notes to the Accounts

#### 13a. PROVISIONS - CONSOLIDATED AND BOARD

	Clinical & Medical					
	Pensions and similar obligations	Legal Claims against NHS Board	Participation in CNORIS	Other	Total at 31 March 2023	Total at 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2022	37,005	146,078	210,685	2,175	<b>395,943</b>	415,406
Arising during the year	367	62,284	31,448	1,620	<b>95,719</b>	49,298
Utilised during the year	3,908	(6,256)	(13,831)	(757)	<b>(16,936)</b>	(21,604)
Unwinding of discount	(6,942)	-	-	-	<b>(6,942)</b>	634
Reversed unutilised	(6,619)	(19,127)	-	(498)	<b>(26,244)</b>	(47,791)
<b>Totals</b>	<b>27,719</b>	<b>182,979</b>	<b>228,302</b>	<b>2,540</b>	<b>441,540</b>	395,943

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 2023

	Clinical & Medical					
	Pensions and similar obligations	Legal Claims against NHS Board	Participation in CNORIS	Other	Total at 31 March 2023	Total at 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Payable in one year	2,896	31,639	56,996	2,475	<b>94,006</b>	91,530
Payable between 2 - 5 years	10,926	151,340	138,862	65	<b>301,193</b>	253,926
Payable between 6 - 10 years	8,422	-	11,814	-	<b>20,236</b>	22,202
Thereafter	5,475	-	20,630	-	<b>26,105</b>	28,285
<b>Totals</b>	<b>27,719</b>	<b>182,979</b>	<b>228,302</b>	<b>2,540</b>	<b>441,540</b>	395,943

#### Pensions and similar obligations

The Board meets the additional costs of benefits beyond the normal National Health Service Superannuation Scheme for Scotland benefits in respect of employees who retire early by paying the required amounts annually to the National Health Service Superannuation Scheme for Scotland over the period between early departure and normal retirement date. The Board provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of 1.70% in real terms. The Board expects expenditure to be charged to this provision for a period of up to 47 years.

# **NHS Greater Glasgow & Clyde**

**Annual Report and Consolidated Accounts for the Year Ended 31 March 2023**

## **Notes to the Accounts**

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### **13a. PROVISIONS - CONSOLIDATED AND BOARD (Continued)**

#### **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.

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

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

2022 £'000		2023 £'000
148,253	Provision recognising individual claims against the NHS Board as at 31 March	185,519
(188,484)	Associated CNORIS receivable at 31 March	(215,733)
210,685	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	228,302
<u>170,454</u>	<b>Net Total Provision relating to CNORIS at 31 March</b>	<u>198,088</u>

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>

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 14. CONTINGENT LIABILITIES/ASSETS

#### CONTINGENT LIABILITIES

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

<b>(i) Negligence Claims</b>	<b>Clinical &amp; Medical Negligence £'000</b>	<b>Employer's Liability £'000</b>	<b>Total £'000</b>
At 1 April 2022	130,174	1,467	<b>131,641</b>
Increase in value of claims	14,202	56	<b>14,258</b>
New claims arising during the year	72,680	789	<b>73,469</b>
Crystallised liabilities	(1,093)	(149)	<b>(1,242)</b>
Expired	(42,472)	(834)	<b>(43,306)</b>
<b>At 31 March 2023</b>	<b>173,491</b>	<b>1,329</b>	<b>174,820</b>

#### (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. Some costs have already been incurred and paid for to date. It is not possible to quantify final costs at this stage.

#### (iv) Junior Doctors 2022-23 Pay Award

The 2022-23 Pay Award for Junior Doctors is still under negotiation nationally. The award is being negotiated alongside the 2023-24 award and as such it is uncertain whether the final deal will involve an element of backdated pay and what the overall quantum of that pay will be. It is anticipated that final agreed costs will be funded in full by Scottish Government.

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

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### 14. CONTINGENT LIABILITIES/ASSETS

#### CONTINGENT ASSETS

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

Reimbursement of Contingent Liability re Negligence Claims (from CNORIS scheme) as follows:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Clinical & Medical Negligence	<b>170,493</b>	127,185
Employer's Liability	<b>375</b>	560
<b>Total</b>	<b>170,868</b>	127,745

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 15. COMMITMENTS

#### Capital Commitments

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

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Contracted</b>		
Acute Services	7,182	6,273
Primary Care	38,179	60,173
Radiotherapy Equipment Replacement	1,021	3,233
<b>Total</b>	<b>46,382</b>	<b>69,679</b>
<b>Authorised but not Contracted</b>		
Acute Services	25,790	5,251
Radiotherapy Equipment Replacement	6,102	234
Primary Care Projects	7,220	8,546
<b>Total</b>	<b>39,112</b>	<b>14,031</b>

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 16a. RIGHT OF USE ASSETS (RoU) - CONSOLIDATED AND BOARD

	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Total £'000
<b>Cost or valuation</b>				
At 1 April 2022	1,422	20,719	32	22,173
Additions (include new dilapidation provisions)	-	4,696	1,468	6,164
<b>At 31 March 2023</b>	<b>1,422</b>	<b>25,415</b>	<b>1,500</b>	<b>28,337</b>
<b>Depreciation</b>				
At 1 April 2022	-	-	-	-
Provided during the year - (include new dilapidation provisions)	32	2,944	267	3,243
Provided during the year - peppercorn leases	-	385	-	385
<b>At 31 March 2023</b>	<b>32</b>	<b>3,329</b>	<b>267</b>	<b>3,628</b>
<b>Net book value at 1 April 2022</b>	<b>1,422</b>	<b>20,719</b>	<b>32</b>	<b>22,173</b>
<b>Net book value at 31 March 2023</b>	<b>1,390</b>	<b>22,086</b>	<b>1,233</b>	<b>24,709</b>
<b>Open Market Value of Land in Land and Dwellings Included Above</b>	<b>-</b>			

## NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Notes to the Accounts

#### 16b. LEASE LIABILITIES - CONSOLIDATED AND BOARD

	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Total £'000
<b>Amounts falling due:</b>				
Not later than one year	26	2,801	504	3,331
Later than one year, not later than 2 years	20	2,635	493	3,148
Later than two year, not later than five years	61	5,602	240	5,903
Later than five years	1,289	5,306	-	6,595
<b>Balance at 31 March 2023</b>	<b>1,396</b>	<b>16,344</b>	<b>1,237</b>	<b>18,977</b>
Current	26	2,801	504	3,331
Non Current	1,370	13,543	733	15,646
	<b>1,396</b>	<b>16,344</b>	<b>1,237</b>	<b>18,977</b>

#### Amounts recognised in the Statement of Comprehensive Net Expenditure

	Consolidated £'000	Board £'000
Depreciation	3,628	3,628
Interest Expense	162	162
Non Recoverable VAT on lease payments	667	667
<b>Total</b>	<b>4,457</b>	<b>4,457</b>

#### Amounts recognised in the Statement of Cash Flows

	Consolidated £'000	Board £'000
Interest Expense	162	162
Repayments of Principal of leases	3,172	3,172
<b>Total</b>	<b>3,334</b>	<b>3,334</b>

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 16c. PRIOR YEAR 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:	2022 £'000	2021 £'000
<b>Buildings</b>		
Not later than one year	3,487	2,983
Later than one year, not later than 2 years	3,204	2,627
Later than two year, not later than five years	8,057	5,080
Later than five years	11,125	6,859
<b>Other</b>		
Not later than one year	1,792	2,042
Later than one year, not later than 2 years	266	214
Later than two year, not later than five years	57	58
<b>Amounts charged to Operating Costs in the year were:</b>		
Hire of equipment (including vehicles)	2,371	2,708
Other operating leases	4,343	4,227
<b>Total</b>	<b>6,714</b>	<b>6,935</b>
<b>Aggregate Rentals Receivable in the year</b>		
<b>Total of Operating Leases</b>	<b>3,921</b>	<b>3,508</b>

### 16d. RECONCILIATION OF OPENING IFRS 16 LEASE LIABILITY TO PRIOR YEAR OPERATING LEASE COMMITMENT

Operating leases disclosed at 31 March 2023	£'000 27,988
<b>Adjustments from IAS 17 to IFRS 16</b>	
Irrecoverable VAT	(667)
Impact of discounting	(934)
Low value and short-term lease commitments	(1,373)
Arrangements not previously identified as leases	1,656
Impact of lease re-assessments	(10,685)
<b>Sub-total, reconciling items</b>	<b>(12,003)</b>
<b>IFRS 16 opening balance lease liabilities</b>	<b>15,985</b>

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Notes to the Accounts

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#### 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 27 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.

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Notes to the Accounts

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#### **17. COMMITMENTS UNDER PFI/HUB CONTRACTS - On balance Sheet**

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.
16. Clydebank Health and Care Centre. HUB contract commenced with HUB West Scotland Project Co. on 22 January 2021 for a period of 23 years and 9 months. Estimated capital value at commencement £20.3M.

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Notes to the Accounts

#### 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 lease obligation. Contractual payments therefore comprise two elements; imputed lease charges and service charges. The imputed lease obligation is as follows:

Gross Minimum Lease Payments	SGH Eld				Vic		ACAD 60	Eastwood	Maryhill
	Larkfield	Bed	Gart Royal	Stb Rwbnk	Stb ACAD	ACAD	Bed Ext		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rentals due within 1 year	790	1,064	1,455	1,157	5,695	7,198	1,416	714	1,180
Due within 1 to 2 years	790	1,064	1,455	1,157	5,695	7,198	1,416	714	1,180
Due within 2 to 5 years	790	3,192	4,364	3,470	17,086	21,594	4,248	2,141	3,540
Due after 5 years	-	1,064	14,547	17,350	68,343	86,377	16,992	9,991	16,520
<b>Total</b>	<b>2,370</b>	<b>6,384</b>	<b>21,821</b>	<b>23,134</b>	<b>96,819</b>	<b>122,367</b>	<b>24,072</b>	<b>13,560</b>	<b>22,420</b>
Less Interest Element	SGH Eld				Vic		ACAD 60	Eastwood	Maryhill
	Larkfield	Bed	Gart Royal	Stb Rwbnk	Stb ACAD	ACAD	Bed Ext		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rentals due within 1 year	(148)	(414)	(948)	(797)	(3,831)	(4,841)	(1,080)	(527)	(920)
Due within 1 to 2 years	(102)	(359)	(911)	(770)	(3,680)	(4,650)	(1,047)	(511)	(899)
Due within 2 to 5 years	(53)	(692)	(2,483)	(2,125)	(10,013)	(12,653)	(2,906)	(1,422)	(2,549)
Due after 5 years	-	(84)	(4,461)	(3,740)	(15,987)	(20,191)	(5,547)	(2,927)	(6,955)
<b>Total</b>	<b>(303)</b>	<b>(1,549)</b>	<b>(8,803)</b>	<b>(7,432)</b>	<b>(33,511)</b>	<b>(42,335)</b>	<b>(10,580)</b>	<b>(5,387)</b>	<b>(11,323)</b>
Present value of minimum lease payments	SGH Eld				Vic		ACAD 60	Eastwood	Maryhill
	Larkfield	Bed	Gart Royal	Stb Rwbnk	Stb ACAD	ACAD	Bed Ext		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rentals due within 1 year	642	650	507	360	1,864	2,357	336	187	260
Due within 1 to 2 years	688	705	544	387	2,015	2,548	369	203	281
Due within 2 to 5 years	737	2,500	1,881	1,345	7,073	8,941	1,342	719	991
Due after 5 years	-	980	10,086	13,610	52,356	66,186	11,445	7,064	9,565
<b>Total</b>	<b>2,067</b>	<b>4,835</b>	<b>13,018</b>	<b>15,702</b>	<b>63,308</b>	<b>80,032</b>	<b>13,492</b>	<b>8,173</b>	<b>11,097</b>

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 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 lease obligation. Contractual payments therefore comprise two elements; imputed lease charges and service charges. The imputed lease obligation is as follows:

Gross Minimum Lease Payments	Inverclyde £'000	Gorbals £'000	Woodside £'000	Appin	Elgin	Greenock	Clydebank	2023	2022
				Ward £'000	Ward £'000	HC £'000	HC £'000	Totals £'000	Totals £'000
Rentals due within 1 year	719	1,198	1,246	423	423	1,727	1,384	27,789	31,773
Due within 1 to 2 years	719	1,198	1,246	423	423	1,727	1,384	27,789	31,773
Due within 2 to 5 years	2,157	3,594	3,737	1,270	1,270	5,181	4,153	81,787	94,530
Due after 5 years	10,785	19,165	21,179	7,621	7,621	31,089	24,917	353,561	435,379
<b>Total</b>	<b>14,380</b>	<b>25,155</b>	<b>27,408</b>	<b>9,737</b>	<b>9,737</b>	<b>39,724</b>	<b>31,838</b>	<b>490,926</b>	<b>593,455</b>
Less Interest Element	Inverclyde £'000	Gorbals £'000	Woodside £'000	Appin	Elgin	Greenock	Clydebank	Totals £'000	Totals £'000
				Ward £'000	Ward £'000	HC £'000	HC £'000		
Rentals due within 1 year	(537)	(928)	(856)	(320)	(320)	(1,333)	(927)	(18,727)	(23,357)
Due within 1 to 2 years	(524)	(908)	(832)	(314)	(314)	(1,307)	(902)	(18,030)	(22,711)
Due within 2 to 5 years	(1,485)	(2,591)	(2,342)	(897)	(897)	(3,747)	(2,546)	(49,401)	(63,732)
Due after 5 years	(4,280)	(8,115)	(6,551)	(3,148)	(3,148)	(13,252)	(7,665)	(106,051)	(176,523)
<b>Total</b>	<b>(6,826)</b>	<b>(12,542)</b>	<b>(10,581)</b>	<b>(4,679)</b>	<b>(4,679)</b>	<b>(19,639)</b>	<b>(12,040)</b>	<b>(192,209)</b>	<b>(286,323)</b>
Present value of minimum lease payments	Inverclyde £'000	Gorbals £'000	Woodside £'000	Appin	Elgin	Greenock	Clydebank	Totals £'000	Totals £'000
				Ward £'000	Ward £'000	HC £'000	HC £'000		
Rentals due within 1 year	182	270	390	103	103	394	457	9,062	8,416
Due within 1 to 2 years	195	290	414	109	109	420	482	9,759	9,062
Due within 2 to 5 years	672	1,003	1,395	373	373	1,434	1,607	32,386	30,798
Due after 5 years	6,505	11,050	14,628	4,473	4,473	17,837	17,252	247,510	258,856
<b>Total</b>	<b>7,554</b>	<b>12,613</b>	<b>16,827</b>	<b>5,058</b>	<b>5,058</b>	<b>20,085</b>	<b>19,798</b>	<b>298,717</b>	<b>307,132</b>

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 17. COMMITMENTS UNDER PFI/HUB CONTRACTS - On balance Sheet (cont)

Service elements due in future periods	SGH Eld					Vic	ACAD 60	Eastwood	Maryhill
	Larkfield	Bed	Gart Royal	Stb Rwbk	Stb ACAD	ACAD	Bed Ext		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rentals due within 1 year	330	357	833	637	1,796	2,269	403	115	89
Due within 1 to 2 years	338	366	854	652	1,841	2,326	413	118	91
Due within 2 to 5 years	346	1,154	2,692	2,057	5,803	7,335	1,304	371	287
Due after 5 years	-	404	10,561	12,914	28,029	35,432	6,296	2,147	1,658
<b>Total</b>	<b>1,014</b>	<b>2,281</b>	<b>14,940</b>	<b>16,260</b>	<b>37,469</b>	<b>47,362</b>	<b>8,416</b>	<b>2,751</b>	<b>2,125</b>
<b>Total commitments</b>	<b>3,081</b>	<b>7,116</b>	<b>27,958</b>	<b>31,962</b>	<b>100,777</b>	<b>127,394</b>	<b>21,908</b>	<b>10,924</b>	<b>13,222</b>

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 17. COMMITMENTS UNDER PFI/HUB CONTRACTS - On balance Sheet (cont)

Service elements due in future periods

	Inverclyde	Gorbals	Woodside	Appin Ward	Elgin Ward	Greenock HC	Clydebank HC	Totals	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rentals due within 1 year	52	89	108	31	31	126	117	<b>7,383</b>	7,030
Due within 1 to 2 years	54	91	111	32	32	129	120	<b>7,568</b>	7,205
Due within 2 to 5 years	169	287	348	100	100	408	378	<b>23,139</b>	22,352
Due after 5 years	1,061	1,947	2,545	786	786	3,195	2,959	<b>110,720</b>	115,507
<b>Total</b>	<b>1,336</b>	<b>2,414</b>	<b>3,112</b>	<b>949</b>	<b>949</b>	<b>3,858</b>	<b>3,574</b>	<b>148,810</b>	152,094
<b>Total commitments</b>	<b>8,890</b>	<b>15,027</b>	<b>19,939</b>	<b>6,007</b>	<b>6,007</b>	<b>23,943</b>	<b>23,372</b>	<b>447,527</b>	459,226

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 17. COMMITMENTS UNDER PFI/HUB CONTRACTS - On balance Sheet (cont)

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Interest charges	23,358	23,204
Service charges	7,203	6,781
Principal repayment	8,416	7,541
Other charges	9,883	8,136
Total	<b>48,860</b>	<b>45,662</b>
Contingent rents recognised as an expense in the period were;		
	<b>2023</b>	2022
	<b>£'000</b>	£'000
Contingent rents (included in Other charges)	<b>9,883</b>	<b>8,136</b>

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Notes to the Accounts

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#### 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 2023 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 21.3% based on the proportion of employer contributions paid in 2021-22.

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Notes to the Accounts

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#### 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 2022-23 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](http://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 £50,270, 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%

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Notes to the Accounts

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Pension members can choose 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](http://www.sppa.gov.uk)

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Pension cost charge for the year	<b>302,804</b>	287,514
Additional costs arising from early retirement	-	110
Provisions / liabilities / prepayments included in the Statement of Financial Position	<b>27,719</b>	37,005

**NHS Greater Glasgow & Clyde****Annual Report and Consolidated Accounts for the Year Ended 31 March 2023****Notes to the Accounts**

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**19. PRIOR PERIOD RESTATEMENT**

Since the 2020/21 financial statements, NHS GGC had previously recognised income, and subsequently accrued expenditure for future costs to be incurred related to the treatment of patients transferred from other boards. The Board has reviewed its accounting policies in the financial year and determined that the correct treatment should be to account for the income received from other boards in line with the requirements of IFRS 15, revenue from contracts. The result of this is that income received is recognised in line with the treatment of those patients transferred from other boards. The correction of this accounting materially changes the prior year financial position and therefore requires a restatement of the opening balance sheet. The impacted notes to the financial statements have also been restated (Notes 2b, 3, 4, 5 and 12). The cumulative impact has been reflected within the 2021/22 balances due to the immaterial impact on the opening 2020/21 balance sheet.

The impact on the 21/22 financial statements is as follows –

	<b>Previous Accounts £'000</b>	<b>Adjustment £'000</b>	<b>These Accounts £'000</b>
SOCNE : Operating expenditure	4,092,217	(98,082)	3,994,135
SOCNE : Operating income	(2,802,633)	62,552	(2,740,081)
SoFP : Current Liabilities - Trade and other payables	(871,607)	35,530	(836,077)
SoFP : Taxpayers' Equity - General Fund	(569,364)	(35,530)	(604,894)

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 20. FINANCIAL INSTRUMENTS

#### 20. (a) FINANCIAL INSTRUMENTS BY CATEGORY

##### Financial Assets

<b>CONSOLIDATED</b>		Note	<b>Loans and Receivables £'000</b>	<b>Assets at Fair Value through Profit and Loss £'000</b>	<b>Total at 31 March 2023 £'000</b>	Total at 31 March 2022 £'000
Investments	10	-	100,881	<b>100,881</b>	103,020	
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	54,095	-	<b>54,095</b>	38,191	
Cash and cash equivalents	11	8,742	-	<b>8,742</b>	10,406	
<b>Totals</b>		<b>62,837</b>	<b>100,881</b>	<b>163,718</b>	151,617	

<b>BOARD</b>		Note	<b>Loans and Receivables £'000</b>	<b>Assets at Fair Value through Profit and Loss £'000</b>	<b>Total at 31 March 2023 £'000</b>	Total at 31 March 2022 £'000
Investments	10	-	1,748	<b>1,748</b>	1,582	
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	53,840	-	<b>53,840</b>	38,020	
Cash and cash equivalents	11	1,892	-	<b>1,892</b>	705	
<b>Totals</b>		<b>55,732</b>	<b>1,748</b>	<b>57,480</b>	40,307	

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 20. FINANCIAL INSTRUMENTS

#### Financial Liabilities

<b>CONSOLIDATED</b>		<b>Liabilities at at Fair Value through Profit and Loss £'000</b>	<b>Financial Liabilites at Amortised Cost £'000</b>	<b>Total at 31 March 2023 £'000</b>	<b>Total at 31 March 2022 £'000</b>
	Note				
Lease liabilities	12	-	18,977	<b>18,977</b>	-
PFI Liabilities	12	-	298,717	<b>298,717</b>	307,132
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	-	547,590	<b>547,590</b>	775,145
<b>Totals</b>		<b>-</b>	<b>865,284</b>	<b>865,284</b>	1,082,277
<b>BOARD</b>		<b>Liabilities at at Fair Value through Profit and Loss £'000</b>	<b>Financial Liabilites at Amortised Cost £'000</b>	<b>Total at 31 March 2023 £'000</b>	<b>Total at 31 March 2022 £'000</b>
	Note				
Lease liabilities	12	-	18,977	<b>18,977</b>	-
PFI Liabilities	12	-	298,717	<b>298,717</b>	307,132
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	-	545,815	<b>545,815</b>	771,632
<b>Totals</b>		<b>-</b>	<b>863,509</b>	<b>863,509</b>	1,078,764

# **NHS Greater Glasgow & Clyde**

## **Annual Report and Consolidated Accounts for the Year Ended 31 March 2023**

### **Notes to the Accounts**

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#### **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 a 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.

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 20. FINANCIAL INSTRUMENTS

#### b) Liquidity Risk

The Scottish Parliament makes provision for the use of resources by the 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.

	<b>Less than 1 Year £'000</b>	<b>Between 1 and 2 Years £'000</b>	<b>Between 2 and 5 Years £'000</b>	<b>Over 5 Years £'000</b>
<b>AS AT 31 MARCH 2023</b>				
PFI/HUB Liabilities	9,062	9,759	32,386	247,510
Finance lease liabilities	3,331	3,148	5,903	6,595
Trade and other payables excluding statutory liabilities	515,838	1,817	5,318	24,618
<b>Totals</b>	<b>528,231</b>	<b>14,724</b>	<b>43,607</b>	<b>278,723</b>
	<b>Less than 1 Year £'000</b>	<b>Between 1 and 2 Years £'000</b>	<b>Between 2 and 5 Years £'000</b>	<b>Over 5 Years £'000</b>
<b>At 31 March 2022</b>				
PFI/HUB Liabilities	8,416	9,062	30,798	258,856
Finance lease liabilities	-	-	-	-
Trade and other payables excluding statutory liabilities	733,260	1,800	5,567	34,518
<b>Totals</b>	<b>741,676</b>	<b>10,862</b>	<b>36,365</b>	<b>293,374</b>

# **NHS Greater Glasgow & Clyde**

## **Annual Report and Consolidated Accounts for the Year Ended 31 March 2023**

### **Notes to the Accounts**

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#### **20. FINANCIAL INSTRUMENTS**

##### **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.

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Notes to the Accounts

#### 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:-

<b>Related Party</b>	<b>Details of Related Party Transaction</b>	<b>Details of Related Party</b>
Accord Hospice	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income - £2,961,823 - expenditure £0. Year end balances - debtor - £737,886, creditor - £0.	Mr C Neil, Executive Director was also a Trustee of Accord Hospice.
East Dunbartonshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £7,227,222 expenditure £38,546,893. Year end balances - debtor £237,928, creditor £98,345.	Councillor S Mechan, Non-Executive Member was also an elected member of East Dunbartonshire Council.
East Renfrewshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £5,195,357, expenditure £30,279,014. Year end balances - debtor £326,343, creditor £0.	Councillors C Bamforth (left 30/04/2022) and K Pragnell (started 01/07/2022) Non-Executive Members, were also elected members of East Renfrewshire Council.
Flourish House	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £0, expenditure £330,067.	Ms D Foy, Non-Executive Member was also a director of Flourish House.
Glasgow City Council	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £79,179,649 expenditure £298,795,986. Year end balances - debtor £2,937,528 creditor £40,338	Councillors M Hunter (left 30/04/2022) and C Cunningham (started 08/06/2022) Non-Executive Members, were also elected members of Glasgow City Council.
Glasgow Life	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income - £0 - expenditure £947,786 - Debtor - £0. Creditor - £59,098	Prof J Brown CBE, Chairman, Non-Executive Member was also an Independent Director of Glasgow Life.
Inverclyde Council	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £9,595,447.37, expenditure £37,230,975. Year end balances - debtor £336,648, creditor £756,038.	Councillors J Clocherty (left 30/04/2022) and M McCluskey Non-Executive Members, were also elected members of Inverclyde Council.

## NHS Greater Glasgow & Clyde

### Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

#### Notes to the Accounts

Related Party	Details of Related Party Transaction	Details of Related Party
Inverclyde Leisure	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £0, expenditure £134,568.	Councillor J Clocherty (left 30/04/2022), Non-Executive Member was also an elected member of Inverclyde Council.
Public Health Scotland	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £1,198,316, expenditure £17,874. Year end balances - debtor £513,637, creditor £11,500.	Councillor J Cameron, Non-Executive Member was also an elected Non-Executive Member of Public Health Scotland.
Renfrewshire Council	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £22,362,451, expenditure £68,885,898. Year end balances - debtor £865,742, creditor £16,664.	Councillors I Nicolson and J Cameron Non-Executive Members, were also elected members of Renfrewshire Council.
SGHSCD	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £1,738,596, expenditure £252,235. Year end balances - debtor £515,933, creditor £0.	Prof J Brown CBE, Chairman, Non-Executive Member was also a Chair of the Corporate Governance Steering Group and the Global Citizenship Programme of SGHSCD.
Scottish Qualifications Authority	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £0, expenditure £4,664.	Ms M Wailes Non-Executive Member, was also a Board member and Chair of the Audit & Risk Committee of the SQA.
The Courtyard Pantry	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £0, expenditure £5,000.	Ms D Foy, Non-Executive Member was also a director of The Courtyard Pantry.
University of Glasgow	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £8,240,942, expenditure £13,233,816. Year end balances - debtor £1,493,665, creditor £31,909.	Prof I McInnes Non-Executive Member 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 2022-23 - income £6,917,666, expenditure £32,262,876. Year end balances - debtor £839,463, creditor £134,882.	Councillor J McColl, Non-Executive Member was also an elected member and leader of West Dunbartonshire Council.
NHS Greater Glasgow and Clyde Healthcare Charity	NHS Greater Glasgow and Clyde Healthcare Charity had total fund balances of £104,463,000 in 2022-23 and a year end debtor balance of £1,478,929.	NHS Greater Glasgow and Clyde Healthcare Charity (formerly known as NHS Greater Glasgow and Clyde Endowment Funds) is managed by Trustees who are the members of the Board.

# NHS Greater Glasgow & Clyde

## Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

### Notes to the Accounts

Related Party	Details of Related Party Transaction	Details of Related Party
East Dunbartonshire Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £137,937,000, expenditure £137,937,000.	Ms J Forbes, Non-Executive Member also a Chair of East Dunbartonshire Integration Joint Board. Cllr S Mechan (left 30/04/2022), Ms K Miles and Mr I Ritchie, Non-Executive Members, were also members of East Dunbartonshire Integration Joint Board.
East Renfrewshire Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £121,987,000, expenditure £121,987,000.	Cllr C Bamforth (left 30/04/2022), Non-Executive Member, was also a Chair of East Renfrewshire Integration Joint Board. Ms A-M Monaghan, Non-Executive Member, was also a Chair of East Renfrewshire, Ms K Pragnell was also a Vice Chair of East Renfrewshire Joint Integration Joint Board. Ms J Forbes, Ms A Khan, Ms D Foy, Ms M Wailes, Non-Executive Members, were also members of East Renfrewshire Integration Joint Board.
Glasgow City Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £1,016,714,000, expenditure £1,016,714,000.	Mr S Carr, Non-Executive Member, was also a Chair of Glasgow City Integration Joint Board. Mr A Cowan, Ms A Khan, Ms M Hunter ( left 30/04/2022), Ms K Miles, Ms S Brimelow, Mr F Sheenan, Mr J Matthews OBE, Ms A-M Monaghan, Mr C Cunningham, Ms R Sweeney and Mr C Vincent Non-Executive Members, were also members of Glasgow City Integration Joint Board.
Inverclyde Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £132,980,000, expenditure £132,980,000.	Cllr J Clocherty (left 30/04/2022), Non-Executive Member, was also a Chair of Inverclyde Integration Joint Board. Mr A Cowan, Non-Executive Member, was also a Chair of Inverclyde Integration Joint Board. Ms A Cameron-Burns and Mr S Carr, Non-Executive Members, were also members of Inverclyde Integration Joint Board.
Renfrewshire Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £239,013,000, expenditure £239,013,000.	Mr J Matthews OBE, Non-Executive Member was also a Chair of Renfrewshire Integration Joint Board. Ms M Kerr, Mr F Shennan, Mr I Nicholson (left 30/04/2022), Ms J Cameron, Ms A Cameron-Burns Non-Executive Members, were also members of Renfrewshire Integration Joint Board.
West Dunbartonshire Integration Joint Board	NHS Greater Glasgow and Clyde had the following transactions in 2022-23 - income £144,182,000, expenditure £144,182,000.	Ms R Sweeney, Non-Executive Member was also a Vice Chair of West Dunbartonshire Integration Joint Board. Mr J McColl (left 30/04/2022), Ms L Rousselet, Ms M Wailes, Non-Executive Members, were also members of West Dunbartonshire Integration Joint Board.

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 22. THIRD PARTY ASSETS

	At 1 April 2022 £'000	Gross Inflows £'000	Gross Outflows £'000	At 31 March 2023 £'000
Monetary amounts such as bank balances and monies on deposit	2,523	1,987	(2,192)	2,319
<b>Total Third Party Assets</b>	<b><u>2,523</u></b>	<b><u>1,987</u></b>	<b><u>(2,192)</u></b>	<b><u>2,319</u></b>

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

**Note:**

The statutory audit of the Patients' Private Funds Accounts is yet to be completed however the above figures have been subject to review as part of the Group financial statements.

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 23. (a) CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

	Board 2023 £'000	Endowment 2023 £'000	Intra Group adjustment 2023 £'000	E Dunb IJB 2023 £'000	W Dunb IJB 2023 £'000	E Ren IJB 2023 £'000	Ren IJB 2023 £'000	Glasgow City IJB 2023 £'000	Inverclyde IJB 2023 £'000	Group 2023 £'000	Group 2022 £'000
<b>Total income and expenditure</b>											
Employee expenditure	2,263,928	-	-	-	-	-	-	-	-	2,263,928	2,203,037
Other operating expenditure											
Independent Primary Care Services	449,017	-	-	-	-	-	-	-	-	449,017	423,986
Drugs and medical supplies	733,737	-	-	-	-	-	-	-	-	733,737	721,482
Other health care expenditure	2,658,745	9,982	(3,718)	-	-	-	-	-	-	2,665,009	2,848,667
<b>Totals</b>	<b>6,105,427</b>	<b>9,982</b>	<b>(3,718)</b>	-	-	-	-	-	-	<b>6,111,691</b>	6,197,172
Less: operating income	(2,853,904)	(9,342)	3,718	-	-	-	-	-	-	(2,859,528)	(2,740,081)
Joint Ventures accounted for on an equity basis	-	-	-	3,464	4,195	7,353	8,708	46,480	2,032	72,232	(66,552)
<b>Net Expenditure</b>	<b>3,251,523</b>	<b>640</b>	-	<b>3,464</b>	<b>4,195</b>	<b>7,353</b>	<b>8,708</b>	<b>46,480</b>	<b>2,032</b>	<b>3,324,395</b>	3,390,539

#### Note:

1. Other health care expenditure and operating income - £3,718k. Represents income and expenditure transferred to/from Endowments in 2022-23. These are eliminated on consolidation as they would otherwise be double counted and include an amount of R&D income transferred to Endowments of £3,356k and an amount transferred from Endowments to the Board of £362k to fund salaries for a specific project (Beatson MRI).
2. Realised gains from endowment investments of £405k have been recognised in the Endowment operating income line.
3. 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.

**NHS Greater Glasgow & Clyde**

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

**Notes to the Accounts**

23. (b) CONSOLIDATED GROUP BALANCE SHEET	Board	Endowment	Intra Group	E Dunb	W Dunb	E Ren	Ren	Glasgow	Inverclyde	Group	Group
	2023	2023	adjustment	IJB	IJB	IJB	IJB	City IJB	IJB	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Non-current assets:</b>											
Property, plant and equipment	2,473,030	-	-	-	-	-	-	-	-	2,473,030	2,399,354
Intangible assets	-	-	-	-	-	-	-	-	-	-	215
Right of Use assets	24,709	-	-	-	-	-	-	-	-	24,709	-
Financial assets:											
Available for sale financial assets	1,748	99,133	-	-	-	-	-	-	-	100,881	103,020
Investment in joint ventures	-	-	-	10,031	13,086	3,024	16,817	41,205	12,132	96,295	168,527
Trade and other receivables	181,999	-	-	-	-	-	-	-	-	181,999	153,166
<b>Total non-current assets</b>	<b>2,681,486</b>	<b>99,133</b>	<b>-</b>	<b>10,031</b>	<b>13,086</b>	<b>3,024</b>	<b>16,817</b>	<b>41,205</b>	<b>12,132</b>	<b>2,876,914</b>	<b>2,824,282</b>
<b>Current Assets:</b>											
Inventories	27,119	-	-	-	-	-	-	-	-	27,119	25,210
Intangible assets	-	-	-	-	-	-	-	-	-	-	404
Financial assets:											
Trade and other receivables	209,231	1,734	(1,479)	-	-	-	-	-	-	209,486	135,520
Cash and cash equivalents	1,892	6,850	-	-	-	-	-	-	-	8,742	10,406
Assets classified as held for sale	3,444	-	-	-	-	-	-	-	-	3,444	2,858
<b>Total current assets</b>	<b>241,686</b>	<b>8,584</b>	<b>(1,479)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>248,791</b>	<b>174,398</b>
<b>Total assets</b>	<b>2,923,172</b>	<b>107,717</b>	<b>(1,479)</b>	<b>10,031</b>	<b>13,086</b>	<b>3,024</b>	<b>16,817</b>	<b>41,205</b>	<b>12,132</b>	<b>3,125,705</b>	<b>2,998,680</b>
<b>Current liabilities:</b>											
Provisions	(94,006)	-	-	-	-	-	-	-	-	(94,006)	(91,530)
Financial liabilities:											
Trade and other payables	(630,285)	(3,254)	1,479	-	-	-	-	-	-	(632,060)	(836,077)
Derivatives financial liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>(724,291)</b>	<b>(3,254)</b>	<b>1,479</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(726,066)</b>	<b>(927,607)</b>
<b>Non-current assets plus/less net current assets/liabilities</b>	<b>2,198,881</b>	<b>104,463</b>	<b>-</b>	<b>10,031</b>	<b>13,086</b>	<b>3,024</b>	<b>16,817</b>	<b>41,205</b>	<b>12,132</b>	<b>2,399,639</b>	<b>2,071,073</b>
<b>Non-current liabilities</b>											
Provisions	(347,534)	-	-	-	-	-	-	-	-	(347,534)	(304,413)
Financial liabilities:											
Trade and other payables	(339,305)	-	-	-	-	-	-	-	-	(339,305)	(343,005)
Liabilities in associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>(686,839)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(686,839)</b>	<b>(647,418)</b>
<b>Assets less liabilities</b>	<b>1,512,042</b>	<b>104,463</b>	<b>-</b>	<b>10,031</b>	<b>13,086</b>	<b>3,024</b>	<b>16,817</b>	<b>41,205</b>	<b>12,132</b>	<b>1,712,800</b>	<b>1,423,655</b>
<b>TAXPAYERS' EQUITY</b>											
General fund	909,435	-	-	-	-	-	-	-	-	909,435	604,894
Revaluation reserve	602,607	-	-	-	-	-	-	-	-	602,607	542,437
Other reserves - joint venture	-	-	-	10,031	13,086	3,024	16,817	41,205	12,132	96,295	168,527
Funds Held on Trust	-	104,463	-	-	-	-	-	-	-	104,463	107,797
	<b>1,512,042</b>	<b>104,463</b>	<b>-</b>	<b>10,031</b>	<b>13,086</b>	<b>3,024</b>	<b>16,817</b>	<b>41,205</b>	<b>12,132</b>	<b>1,712,800</b>	<b>1,423,655</b>

**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.

# NHS Greater Glasgow & Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

## Notes to the Accounts

### 23. (c) CONSOLIDATED STATEMENT OF CASHFLOWS

Group		Board	Endowment	E Dunb	W Dunb	E Ren	Ren	Glasgow	Inverclyde	Group
2022		2023	2023	IJB	IJB	IJB	IJB	City IJB	IJB	2023
£'000		£'000	£'000	£'002	£'003	£'004	£'005	£'006	£'007	£'000
<b>NET OPERATING CASHFLOW</b>										
(3,390,539)	Net operating cost	(3,251,523)	(640)	(3,464)	(4,195)	(7,353)	(8,708)	(46,480)	(2,032)	(3,324,395)
22,840	Adjustments for non cash transactions	101,917	-	3,464	4,195	7,353	8,708	46,480	2,032	174,149
23,838	Interest payable	16,578	-	-	-	-	-	-	-	16,578
(2,161)	Investment Income	-	(2,615)	-	-	-	-	-	-	(2,615)
201,839	Net movement on working capital	(270,450)	(1,746)	-	-	-	-	-	-	(272,196)
<b>(3,144,183)</b>	<b>Net cash outflow from operating activities</b>	<b>(3,403,478)</b>	<b>(5,001)</b>	-	-	-	-	-	-	<b>(3,408,479)</b>
<b>INVESTING ACTIVITIES</b>										
(92,423)	Purchase of property, plant and equipment	(99,810)	-	-	-	-	-	-	-	(99,810)
(12,178)	Investment Additions	(260)	(11,958)	-	-	-	-	-	-	(12,218)
673	Transfer of assets (to)/from other NHS bodies	-	-	-	-	-	-	-	-	-
587	Proceeds of disposal of property, plant and equipment	2,939	-	-	-	-	-	-	-	2,939
77	Proceeds of disposal of intangible assets	-	-	-	-	-	-	-	-	-
15,609	Receipts from sale of investments	-	11,826	-	-	-	-	-	-	11,826
2,161	Interest received	-	2,615	-	-	-	-	-	-	2,615
<b>(85,494)</b>	<b>Net cash outflow from Investing Activities</b>	<b>(97,131)</b>	<b>2,483</b>	-	-	-	-	-	-	<b>(94,648)</b>
<b>FINANCING</b>										
3,248,973	Funding	3,529,526	-	-	-	-	-	-	-	3,529,526
(1,204)	Movement in general fund working capital	1,187	-	-	-	-	-	-	-	1,187
3,247,769	Cash drawn down	3,530,713	-	-	-	-	-	-	-	3,530,713
12,734	Capital element of payments in respect of finance leases and on balance sheet PFI Contracts	(8,415)	-	-	-	-	-	-	-	(8,415)
-	IFRS 16 - 2022-23 cash lease payment	(4,000)	-	-	-	-	-	-	-	(4,000)
(634)	Interest paid	6,942	-	-	-	-	-	-	-	6,942
(23,204)	Interest element of finance leases and on balance sheet PFI Contracts	(23,520)	-	-	-	-	-	-	-	(23,520)
<b>3,236,665</b>	<b>Net cash inflow from financing</b>	<b>3,501,720</b>	-	-	-	-	-	-	-	<b>3,501,720</b>
<b>6,988</b>	<b>Increase in cash in year</b>	<b>1,111</b>	<b>(2,518)</b>	-	-	-	-	-	-	<b>(1,407)</b>
13,078	Net cash at 1 April	705	19,361	-	-	-	-	-	-	20,066
<b>20,066</b>	<b>Net cash at 31 March</b>	<b>1,816</b>	<b>16,843</b>	-	-	-	-	-	-	<b>18,659</b>

## DIRECTIONS BY THE SCOTTISH MINISTERS

The Scottish Ministers, in exercise of their functions under section 86(1) and (3) of the National Health Service (Scotland) Act 1978, in relation to the functions of Health Boards in that section which apply to NHS Greater Glasgow & Clyde by virtue of that Act, and all other powers enabling them to do so, hereby DIRECT that:

1. NHS Greater Glasgow & Clyde must prepare a statement of accounts for each financial year in accordance with the accounting principles and disclosure requirements set out in the edition of the Government Financial Reporting Manual which is applicable for the financial year for which the statement of accounts is prepared.
2. In preparing a statement of accounts in accordance with paragraph 1, NHS Greater Glasgow & Clyde must use the NHS Greater Glasgow & Clyde Annual Accounts template which is applicable for the financial year for which the statement of accounts is prepared.
3. In preparing a statement of accounts in accordance with paragraph 1, NHS Greater Glasgow & Clyde must adhere to any supplementary accounting requirements set out in the following documents which are applicable for the financial year for which the statement of accounts is prepared –
  - (a) The NHS Scotland Capital Accounting Manual,
  - (b) The Manual for the Annual Report and Accounts of NHS Boards and for Scottish Financial Returns, and
  - (c) The Scottish Public Finance Manual.
4. A statement of accounts prepared by NHS Greater Glasgow & Clyde in accordance with paragraphs 1, 2 and 3, must give a true and fair view of the income and expenditure and cash flows for that financial year, and of the state of affairs as at the end of the financial year.
5. NHS Greater Glasgow & Clyde must attach these directions as an appendix to the statement of accounts which it prepares for each financial year.
6. In these Directions –

“financial year” has the same meaning as that given by Schedule 1 of the Interpretation Act 1978,

“Government Financial Reporting Manual” means the technical accounting guide for the preparation of financial statements issued by HM Treasury,

“Manual for the Annual Report and Accounts of NHS Boards and for Scottish Financial Returns” means the guidance on preparing annual accounts issued to Health Boards by the Scottish Ministers,

“NHS Act 1978” means the National Health Service (Scotland) Act 1978 (c. 29),

“NHS Scotland Capital Accounting Manual” means the guidance on the application of accounting standards and practice to capital accounting transactions in the NHS issued by the Scottish Ministers,

NHS Greater Glasgow & Clyde is a Health Board established under section 2(1) of the National Health Service (Scotland) Act 1978

“NHS Greater Glasgow & Clyde Annual Accounts template” means the Excel spreadsheet issued to NHS Greater Glasgow & Clyde by the Scottish Ministers as a template for their statement of accounts, and

“Scottish Public Finance Manual” means the guidance on proper handling and reporting of public funds issued by the Scottish Ministers.

7. Any expressions or definitions, where relevant and unless otherwise specified, take the meaning which they have in section 108 of the NHS Act 1978.
8. This Direction will come into force on the day after the day on which it is signed.
9. This Direction will remain in force until such time that it is varied, amended or revoked by a further Direction of the Scottish Ministers under section 86 of the NHS Act 1978.

A handwritten signature in black ink, appearing to be 'R. McC...' with a long horizontal stroke at the end.

Signed by the authority of the Scottish Ministers

Dated 22 March 2022