NHS Greater Glasgow and Clyde
Annual Accounts
for the Year Ended 31 March 2011

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2011.

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

Principal activities and review of the business and future developments
The information that fulfils the requirements of the business review, principal activities and future developments can be found in the Operating and Financial Review, which is incorporated in this report.

Date of Issue
The financial statements were approved and authorised for issue by the Board on 28 June 2011.

Accounting convention
The Annual Accounts and Notes have been prepared under the historical cost convention as modified by the revaluation of property, plant and equipment, intangible assets, inventories, available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value through profit and loss. The Accounts have been prepared under a direction issued by Scottish Ministers which is included as an annex to the accounts. The statement of the accounting policies, which have been adopted, is shown at Note 1.

Appointment of auditors
The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. The Auditor General has appointed David McConnell, Assistant Director of Audit (Health), Audit Scotland to undertake the audit of NHS Greater Glasgow and Clyde. The general duties of the auditors of health bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

Board membership
Under the terms of the Scottish Health Plan, the NHS Board is a board of governance.

Members of NHS 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 NHS Board has collective responsibility for the performance of the local NHS system as a whole, and reflects a partnership approach, which is essential to improving health and health care. The members of the NHS Board who served during the year from 1 April 2010 to 31 March 2011 were as follows:

Non-Executive Members

Mr A O Robertson OBE	Chairman
Prof D H Barlow	Non-Executive Director (retired 31 December 2010)
Mr C Bell	Non-Executive Director
Dr C Benton MBE	Non-Executive Director
Mr G Carson	Non-Executive Director
Mr R Cleland	Non-Executive Director (retired 31 March 2011)
Cllr J Coleman	Non-Executive Director; Councillor, Glasgow City Council
Mr P Daniels OBE	Non-Executive Director
Ms R Dhir MBE	Non-Executive Director
Prof A Dominiczak	Non-Executive Director (from 1 January 2011)
Mr I Fraser	Non-Executive Director (from 1 August 2010)
Mr P Hamilton	Non-Executive Director (retired 31 March 2011)
Cllr J Handibode	Non-Executive Director; Councillor, South Lanarkshire Council
Dr M Kapasi MBE	Non-Executive Director
Mr I Lee	Non-Executive Director

Cllr R McColl	Non-Executive Director; Councillor, West Dunbartonshire Council (from 1 August 2010)
Cllr J McIlwee	Non-Executive Director; Councillor, Inverclyde Council
Cllr D MacKay	Non-Executive Director; Councillor, Renfrewshire Council (retired 23 March 2011)
Mr G McLaughlin	Non-Executive Director (retired 5 September 2010)
Mrs J Murray	Non-Executive Director
Mrs R K Nijjar	Non-Executive Director (retired 31 March 2011)
Cllr I Robertson	Non-Executive Director; Councillor, West Dunbartonshire Council (retired 30 June 2010)
Rev Dr N Shanks	Non-Executive Director (from 1 August 2010)
Mr D Sime	Employee Director
Mrs E Smith	Non-Executive Director
Cllr A Stewart	Non-Executive Director; Councillor, East Dunbartonshire Council
Mr B Williamson	Non-Executive Director
Mr K Winter	Non-Executive Director
Cllr D Yates	Non-Executive Director; Councillor, East Renfrewshire Council

Executive Members

Mr R Calderwood	Chief Executive
Dr L de Caestecker	Director of Public Health
Dr B N Cowan	Medical Director
Ms R Crocket	Nurse Director
Mr D Griffin	Director of Finance

The board members' responsibilities in relation to the accounts are set out in a statement following this report.

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 Health board as required by IAS 24 are disclosed in Note 27.

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

Pension Liabilities

The accounting policy note for pensions is provided in Note 1, and disclosure of the costs is shown within Note 23 and the remuneration report.

Remuneration for non audit work

During the year 2010/11 our auditors, Audit Scotland, received no fees in relation to non audit work.

Public Services Reform (Scotland) Act 2010

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 requires 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 can be found on the Board's website www.nhsggc.org.uk .

Payment policy

The Scottish Government is committed to supporting business during the current economic climate by paying bills more quickly. The intention is to achieve payment of all undisputed invoices, where possible, within 10 working days, across all public bodies.

The target has been communicated to all non-departmental public bodies, who are working towards the accelerated payment target of 10 working days.

Prior to this, the Boards did endeavour to comply with the principles of The Better Payment Practice Code by processing suppliers invoices for payment without unnecessary delay and by settling them in a timely manner. The payment statistics (calculated by reference to invoice receipt date and relating only to non-NHS suppliers) were as follows:-

	2010/11	2009/10
Average period of credit taken	**33 days**	42 days
Percentage of invoices by volume paid within 30 days	**93%**	91%
Percentage of invoices by value paid within 30 days	**94%**	91%
Percentage of invoices by volume paid within 10 days	**83%**	82%
Percentage of invoices by value paid within 10 days	**75%**	75%

CORPORATE GOVERNANCE

The Board met eight times during the year to progress the business of NHS Greater Glasgow and Clyde. The Board is supported by a number of standing committees which are directly accountable to it:

- Clinical Governance
- Audit
- Staff Governance
- Research Ethics Service Governance
- Discipline (for primary care contractors)
- Involving People
- Performance Review Group
- Area Clinical Forum
- Pharmacy Practices Committee

Clinical Governance Committee

The purpose of the Clinical Governance Committee is to assist the NHS Board to deliver its statutory responsibility for the quality of healthcare that it provides. In particular, the Committee will seek to provide assurance to the Board that appropriate systems are in place, which ensure that clinical governance and clinical risk management arrangements are working effectively to safeguard and improve the quality of clinical care.

The membership of the Clinical Governance Committee comprised Prof D H Barlow, Mr R Cleland, Dr C Benton MBE, Mrs P Bryson, Dr M Kapasi MBE, Mrs J Murray, Mr A O Robertson OBE, Mr D Sime, Mrs E Smith, Cllr A Stewart and Mr B Williamson. The committee met five times in 2010/11 and was chaired by Prof D H Barlow until his retirement from the Board in December 2010. Subsequently, the last meeting of the committee was chaired by Mr Cleland.

Audit Committee

The purpose of the Audit Committee is to assist the NHS Board to deliver its responsibilities for the conduct of its business, including the stewardship of funds under its control. In particular, the Committee will seek to provide assurance to the NHS Board that an appropriate system of internal control has been in place throughout the year.

During the year, the membership of the Audit Committee comprised Mrs E Smith, Mr P Daniels OBE, Mr P Hamilton, Cllr J Handibode, Mr I Lee, Mrs J Murray, Mr D Sime and Mr K Winter. The committee met six times during 2010/11 and was chaired by Mrs E Smith.

In fulfilling its remit, the Audit Committee is supported by two Audit Support Groups, one serving the Acute Services Division, and the other serving Corporate and Partnerships; each support group met four times during the year.

Staff Governance Committee

The purpose of the Staff Governance Committee is to provide assurance to the Board that NHS Greater Glasgow and Clyde 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 establish responsibility for performance against the Staff Governance Standard and ensure progress towards achievement of the standard.

The membership of the Staff Governance Committee comprises Mr R Cleland, Mr D Sime, Ms R Dhir MBE, Councillor J McIlwee, Mr A O Robertson OBE and Cllr I Robertson. The committee met four times in 2010/11 and was jointly chaired by Mr R Cleland and Mr D Sime.

Research Ethics Service Governance Committee

The principal function of the West of Scotland Research Ethics Service Governance Committee is to take responsibility for the establishment, support, training and monitoring of all NHS Research Ethics Committees within the geographical boundary of the Board. The remit includes a focus on the harmonisation of procedures and the formation of a common set of criteria for considering ethical applications.

The membership of the committee during 2010/11 comprised Prof D H Barlow, Dr L de Caestecker, Mr R Cleland, Dr B N Cowan, Dr M Kapasi MBE and Mr B Williamson. The committee met once during the year, and was chaired by Prof D H Barlow.

Disciplinary Committees (for Primary Care Contractors)

NHS Greater Glasgow and Clyde is the lead board for the West of Scotland Disciplinary Consortium which also comprises members from Ayrshire and Arran, Dumfries and Galloway, Forth Valley, Highland, Lanarkshire, and Western Isles Health Boards. There are four committees, with one for each contractor group, which meet, on an ad hoc basis as required, to consider disciplinary issues referred to it by NHS Boards outwith the Consortium. No referrals have been received in the past year.

Involving People Committee

The Involving People Committee has been established to ensure that the NHS Board discharges its legal obligation to involve, engage and consult patients, the public and communities in the planning and development of services and in the decision-making process about the future pattern of services.

During the year, the membership of the Involving People Committee comprised Mr P Hamilton, Mrs P Bryson (who is not a member of the NHS Board), Mr G Carson, Mr A McLaws (NHSGGC Director of Communications), Mrs H MacNeil (who is not a member of the NHS Board), Cllr J McIlwee, Mrs J Murray, Mrs R K Nijjar and Mr B Williamson. The committee met three times during 2010/11 and was chaired by Mr P Hamilton.

Performance Review Group

The Performance Review Group (PRG) has delegated responsibility from the NHS Board to monitor organisational performance, resource allocation and utilisation and the implementation of NHS Board agreed strategies, including the approval of key stages in the implementation of such strategies. The PRG also has delegated responsibility for property matters and ensures that there is a coordinated overview of performance across all domains of the Performance Assessment Framework.

During the year, the membership of the PRG comprised Mr A O Robertson OBE, Mr R Cleland, Mr P Daniels OBE, Ms R Dhir MBE, Mr P Hamilton, Mr I Lee, Cllr D Mackay, Mr D Sime, Mrs E Smith, Mr K Winter and Cllr D Yates. The PRG was chaired by Mr A O Robertson OBE, and it met six times last year.

Area Clinical Forum

The role of the Area Clinical Forum is to represent the multi-professional views of the advisory structures for medical, dental, nursing and midwifery, pharmaceutical, optometric and allied heath professions and healthcare scientists to NHS Greater Glasgow and Clyde, ensuring the involvement of all professions across the local NHS system.

The membership of the Area Clinical Forum comprises Mr C Bell, Mr P Bennington, Dr H Cameron, Dr R Carter, Ms M Darroch, Mrs R Forrest, Dr K Hanretty, Mr G Hughes, Dr A McDevitt, Ms N McElvanney, Mrs N Reid, Mrs V Reilly and Mrs P Spencer. With the exception of Mr C Bell, none of the other members of the forum is a member of the NHS Board. The forum met six times during 2010/11 and was chaired by Mr C Bell.

Pharmacy Practices Committee

The role of the Committee is to carry out the functions of NHS Greater Glasgow and Clyde in terms of the National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009 (as amended), i.e. to prepare “the pharmaceutical list” – the list of those eligible to provide pharmaceutical services within the Board area.

The Committee is also empowered by NHS Greater Glasgow and Clyde, to exercise other functions as delegated to it under the National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009 (as amended) to the extent that those functions are not delegated to an officer of the Board under the Scheme of Delegation.

The membership of the Pharmacy Practices Committee comprised Mr P Daniels OBE, Dr C Benton MBE, Mr E Black, Mr G Dykes, Mr C Fergusson, Mr A Fraser, Mr K Irvine, Dr J Johnson, Ms M Lynch, Mr A MacIntyre, Dr H McNulty, Mr A Imrie, Cllr L Rebecchi, Cllr W O'Rourke and Mr S Daniels. With the exception of Mr P Daniels OBE and Dr C Benton MBE, none of the other members of the committee is a member of the NHS Board.
The committee met on 14 occasions during 2010/11 and was chaired by Mr P Daniels OBE.

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 information relating to their annual audit which the Board’s auditors have not been made aware of; and each director has taken all steps that they ought reasonably to have taken as a director to make themselves aware of any relevant audit information and to establish that the Board’s auditors have been made aware of that information.

Human Resources

Greater Glasgow & Clyde NHS Board is the largest single NHS employer in the United Kingdom with over 40,000 employees.

The Board has in place statutory staff governance arrangements to ensure its staff are well informed, involved in decisions, appropriately trained, treated fairly and consistently and provided with a safe environment. The Board’s performance against the 2010/11 Staff Governance Improvement Plan was monitored throughout the year by the Board’s Staff Governance Committee comprising of Non-Executive Directors, General Managers and Trade Union staff. The Committee also fulfilled its obligation to review workforce data from a diversity/equality perspective, considering staff-in-post data, recruitment activity, training activity and other HR activity data. The 2010 Staff Survey results evidenced progress in each of the five areas above and also identified a forward plan (2011-2013) aimed at further improving the staff experience.

We recognise that in order to provide the best service, we must recruit the best available candidates and provide a supportive working environment for all, through the promotion of a wide range of progressive Human Resources policies and practices. We ensure that our employees have access to training through their own Personal Development Plans and engagement with the NHS's Knowledge & Skills Framework (KSF).

The Board values its management cohort, and our Organisational Development Framework serves to equip them with the necessary skills and behaviours to secure maximum engagement from the wider workforce. Through a variety of partnership mechanisms, including the Area Partnership Forum, the Board strives to engage trades unions and professional associations in both strategic and more operational matters. The Board has invested in developing a robust Health & Safety infrastructure and last year's Staff Survey results indicated a significant reduction in physical violence on employees compared to when the survey was last performed. The Board also had the highest percentage of survey respondents who had accessed Health & Safety training compared with other NHS Scotland Boards.

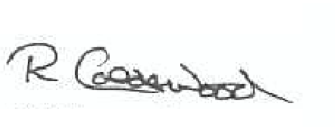
The next five years will see significant changes to the way in which we deliver our acute services, including the provision of a new children's hospital and culminating with the opening in South Glasgow, in 2015, of the largest inpatient hospital in the UK. We have therefore commenced planning our workforce requirements to ensure we have an appropriately trained and skilled workforce to deliver efficient, effective and equitable services to our future patients. To this end, discussions have been ongoing with West of Scotland Further Education Principals regarding the development of new educational programmes to meet future needs. We have continued our work with higher and further education providers to ensure that we can continue to attract staff from as wide a population as possible, and provide a career path for all staff regardless of their initial level of training. The next few years will also see the national roll-out of a major new HR system and plans have commenced for migration to that new platform.

During 2011/12 we will continue to work to improve the working lives of our staff and assist our management colleagues in delivering ever increasing quality health care and health improvement services to the public.

Financial instruments

Information in respect of the financial risk management objectives and policies of the Board and the exposure of the Board to price risk, credit risk, liquidity risk and cash flow risk is disclosed in Note 26.

The Accountable Officer authorised these financial statements for issue on 28 June 2011



R Calderwood
Chief Executive & Accountable Officer

OPERATING AND FINANCIAL REVIEW

PRINCIPAL ACTIVITIES AND REVIEW OF THE YEAR

The NHS Board was established in 1974, under the National Health Service (Scotland) Act 1974, with responsibility for providing health care services for the residents of Greater Glasgow. In 2006, the area covered by the Board was enlarged to include the Clyde area of the former Argyll and Clyde NHS Board. NHS Greater Glasgow and Clyde now serves a population of almost 1.2m.

The NHS Board forms a local health system with and is responsible for improving the health of its local population and delivering the healthcare it requires. The overall purpose of the NHS Board is to provide strategic leadership and direction, and ensure the efficient, effective and accountable governance of the local NHS system.

Specific roles of the NHS Board include:

- improving and protecting the health of the local people;
- providing an improved health service for local people;
- focusing clearly on health outcomes and people's experience of their local NHS system;
- promoting integrated health and community planning by working closely with other local organisations; and
- providing a single focus of accountability for the performance of the local NHS system.

The functions of the NHS Board comprise:

- strategy development;
- resource allocation;
- implementation of the Local Health Plan; and
- performance management.

NHS Greater Glasgow and Clyde's structure comprises an Acute Division, three Community Health Partnerships (CHP's), three Community Health and Care Partnerships (CHCP's) and other NHS Partnerships covering Mental Health, Learning Disabilities, Addictions and Homelessness services. The CHP's are responsible for managing NHS services only, whereas the CHCP's are joint organisations formed with local authority partners, responsible for managing jointly provided services. During the year, the five CHCP's in the Glasgow City Council area were disbanded, and a new single CHP, divided into three geographical sectors, was formed to cover the Glasgow City area.

During the past year, the Board completed a number of publicly funded construction projects including a new child and family centre in Drumchapel, a new Pharmacy Distribution Centre, and in conjunction with East Renfrewshire Council, a new build multi-purpose development, for health and social work services in Barrhead, which opened to the public in April 2011.

As part of the implementation of the Acute Services Review, a major programme of capital works at the Glasgow Royal Infirmary was completed in order to enhance and expand the hospital for the transfer of services from Stobhill Hospital. Capital investment at the Western Infirmary and Gartnavel General Hospital was also completed during the year as part of the Acute Services Review. Further detail on the Acute Services Review is given on the following page.

Financial Performance

The Scottish Government sets 3 financial targets at NHS Board level on an annual basis. These targets are:

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

NHS Boards are expected to contain their net expenditure within these limits, and to report on any variation from the limits as set.

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

	Limit as set by SGHD £'000	Actual Outturn £'000	Variance (Over) / Under £'000
Core Revenue Resource Limit	2,038,898	2,038,242	656
Non-core Revenue Resource Limit	145,646	145,617	29
Core Capital Resource Limit	146,835	146,834	1
Non-core Capital Resource Limit	15,800	15,800	-
Cash Requirement	2,425,000	2,424,542	458

Memorandum for in-year outturn	£'000
Brought forward surplus from previous financial year	(122)
Saving against in year Revenue Resource Limit	534

During the year, the provision for impairment of receivables increased from £1.418m as at 1 April 2010, to £1.519m as at 31 March 2011; these figures are included in the note on trade and other receivables, Note 13.

The financial regime of Health Bodies, as indicated in the FReM, has been amended to remove the Cost of Capital from 1 April 2010. Financial statements have been restated to reflect the removal of £34,761 from net operating cost in 2009-10.

Impairment charges in relation to non current assets of £38.7m were incurred by the Board in 2010-11.

As at the year end the Board had legal obligations arising from clinical and medical negligence claims and also other non-medical claims; details are provided in Note 17.

Details of PFI/PPP projects are provided in Note 22.

Acute Services Review

In 2002, the Scottish Executive approved the Health Board's plan for the modernisation of Glasgow's hospitals. The Acute Services Review (ASR) is being implemented, in two phases, over a thirteen year period.

The ASR strategy is well underway: the first phase, the development of the two ambulatory care hospitals, was completed in 2009, and the strategy has now moved into the final stage of its implementation, which will see the construction of two new hospitals and a new laboratory facility on the Southern General site.

Construction of the laboratory facilities commenced in February 2010 and is progressing well with full building completion forecast for March 2012. The Full Business Case for the new adult and children's hospitals was approved by the Scottish Government in December 2010 and construction commenced shortly thereafter. Construction is scheduled to be completed in January 2015 to allow final commissioning to be undertaken by the summer of 2015.

The new hospitals will achieve the gold standard triple co-location of adult, children's and maternity services and modernise services, facilitating the reduction in the number of acute adult inpatient sites from six to three with the transfer of inpatient services to new, state of the art facilities.

The construction of the new hospitals affords the NHS Board the opportunity to redesign the way in which health services are delivered and to reappraise the skills and profile of the workforce to deliver modern health services for the 21st century. The development will also generate jobs from commercial opportunities for the local population both during construction, and once the hospitals are in operation.

The new adult hospital will be the largest acute hospital in the United Kingdom, and will have one of the largest Accident & Emergency Departments in the UK. It will also be home to major specialised services such as renal medicine and transplantation and vascular surgery. The new hospital will have over 1,100 beds, in single room accommodation, and twenty operating theatres fitted out with the best available equipment.

Linked to the new adult hospital will be a new children's hospital which will provide medical care to children in a safe, child-friendly environment. This new hospital will replace the Royal Hospital for Sick Children at Yorkhill and will also be linked to Maternity Services in order to provide the best possible care for new babies and their mothers.

Patient Exemption Checking

Each year NHS Scotland Counter Fraud Services (CFS) carries out a programme of checks on patients claiming exemption from NHS prescription, dental and ophthalmic charges. These checks are targeted on those areas where the risk of fraud or error is assessed to be highest. As in previous years, CFS has used the results of this testing to produce extrapolations in an attempt to quantify the level of income potentially lost to the NHS due to patient exemption fraud or error. CFS has previously accepted that these extrapolations may not be a reliable indicator of the actual level of fraud/error or of any underlying trend. It is not considered that this potential patient exemption fraud/error arises as a result of any significant weakness in the Board's system of internal control and the NHS Board is satisfied that it, in conjunction with CFS, has taken all reasonable steps to mitigate the risk of any patient exemption fraud/error occurring.

Sickness absence data

During the year ended 31 March 2011, the NHS Board's sickness absence rate was 4.77%. The overall trend in sickness absence continues downwards, with a reduction from the previous year's absence rate of 4.79%.

Personal data related incidents

During the year, there were forty six incidents relating to loss, theft or unauthorised use of personal data. Forty one incidents related to IT equipment, laptops and memory sticks, while five related to the unauthorised use of personal data. All incidents were investigated and appropriate action taken.

Performance against Key Non Financial Targets

In December 2005 the then Scottish Executive issued guidance to Boards requiring them to prepare Local Delivery Plans (LDPs), which set targets for specified indicators of performance in four key areas; these are known as the HEAT targets, and cover Health improvement, Efficiency, Access and Treatment.

Health Improvement
• Achieve agreed completion rates for child healthy weight intervention programme by 2010/11.
• Achieve agreed number of screenings using the setting-appropriate screening tool and appropriate alcohol brief intervention, in line with SIGN 74 guidelines by 2010/11.
• Reduce suicide rate between 2002 and 2013 by 20%, supported by 50% of key frontline staff in mental health and substance misuse services, primary care, and accident and emergency being educated and trained in using suicide assessment tools/ suicide prevention training programmes by 2010.
• Through smoking cessation services, support 8% of the Board's smoking population in successfully quitting (at one month post quit) over the period 2008/09–2010/11.
• Increase the proportion of new-born children exclusively breastfed at 6–8 weeks from 26.6% in 2006/07 to 33.3% in 2010/11.
• Achieve agreed number of inequalities targeted cardiovascular Health Checks during 2010/11.
• At least 60% of 3 and 4 year olds in each Scottish Index of Multiple Deprivation (SIMD) quintile to have fluoride varnishing twice a year by March 2014.

Efficiency & Governance
• NHS Boards to deliver agreed improved efficiencies for 1st outpatient attendance 'did not attends', non-routine inpatient average length of stay, review to new outpatient attendance ratio, same-day surgery and pre-operative stay.
• NHS boards to operate within their agreed revenue resource limit; operate within their capital resource limit; meet their cash requirement.
• NHS Boards to meet their cash efficiency target.
• To increase the percentage of new GP outpatient referrals into consultant led secondary care services that are managed electronically to 90% from December 2010.
• NHSScotland to reduce energy-based carbon emissions and to continue a reduction in energy consumption to contribute to the greenhouse gas emissions reduction targets set in the Climate Change (Scotland) Act 2009.
• NHS Boards should ensure that all staff on Agenda for Change permanent contracts take part in an annual review against a KSF post outline. Information on levels of competence and identified training needs must be made available through Boards recording summary information from at least 80% of development reviews on eKSF by end of March 2011.
Access
• Provide advance booking to an appropriate member of GP practice by March 2011.
• From the quarter ending December 2011, 95 per cent of all patients diagnosed with cancer to begin treatment within 31 days of decision to treat, and 95 per cent of those referred urgently with a suspicion of cancer to begin treatment within 62 days of receipt of referral.
• Deliver 18 weeks referral to treatment from 31 December 2011.
• No patient will wait longer than 12 weeks from referral (all sources) to a first outpatient appointment from 31 March 2010.
• No patient will wait longer than 9 weeks from being placed on a waiting list to admission for an inpatient or day case procedure from 31 March 2011.
• By March 2013, 90% of clients will wait no longer than 3 weeks from referral received to appropriate drug treatment that supports their recovery. Waiting times appropriate to alcohol treatment will be defined and incorporated into a target covering both drugs and alcohol by April 2011.
• By March 2013 no one will wait longer than 26 weeks from referral to treatment for specialist CAMHS services. During 2010/11 the Scottish Government will work with NHS Boards to develop an access target for psychological therapies for inclusion in HEAT in 2011/12.
Treatment
• To achieve agreed reductions in the rates of hospital admissions and bed days of patients with primary diagnosis of COPD, Asthma, Diabetes or CHD, from 2006/07 to 2010/11.
• Increase the level of older people with complex care needs receiving care at home.
• Each NHS Board will achieve agreed improvements in the early diagnosis and management of patients with a dementia by March 2011.
• To support shifting the balance of care, NHS Boards will achieve agreed reductions in the rates of attendance at A&E.
• To reduce all staphylococcus aureus bacteraemia (including MRSA) cases by 30% by 31 March 2010 and to achieve a further reduction in cases of 15% by 31 March 2011; and to reduce the rate of Clostridium difficile infections in patients aged 65 and over by at least 30% by 31 March 2011.
• By 2010/11, NHS Boards will reduce the emergency inpatient bed days for people aged 65 and over, by 10% compared with 2004/05.

Through their LDPs, Boards are required to commit to achieving a target, and also to a specific trajectory of intermediate milestones accompanied by an assessment of the main risks. NHS Greater Glasgow and Clyde has developed a performance management framework to monitor performance against key targets. A summary of progress against a sample of key targets as at March 2011 is provided below. Further information on performance against targets can be found on the NHSGGC website.

Target 2010/11	Achieve agreed number of screenings using the setting-appropriate screening tool and appropriate Alcohol Brief Intervention (ABI), in line with SIGN 74 guidelines by 2010/11.
Performance	Achieved - 36,399 ABIs undertaken by March 2011, against a target of 34,902
Target 2010/11	Reduce suicide rate between 2002 and 2013 by 20%, supported by 50% of key frontline staff in mental health and substance misuse services, primary care, and accident and emergency being educated and trained in using suicide assessment tools/ suicide prevention training programmes by 2010.
Performance	Achieved - 53% of key frontline staff trained
Target 2010/11	NHS Boards should ensure that all staff on Agenda for Change permanent contracts take part in an annual review against a KSF post outline. Information on levels of competence and identified training needs must be made available through Boards recording summary information from at least 80% of development reviews on eKSF by end of March 2011.
Performance	Achieved - 81.8%
Target 2010/11	NHS boards to operate within their agreed revenue resource limit; operate within their capital resource limit; meet their cash requirement.
Performance	Achieved
Target 2010/11	No patient will wait longer than 12 weeks from referral (all sources) to a first outpatient appointment from 31 March 2010. No patient will wait longer than 9 weeks from being placed on a waiting list to admission for an inpatient or day case procedure from 31 March 2011.
Performance	Achieved
Target 2010/11	To reduce all staphylococcus aureus bacteraemia (including MRSA) cases by 30% by 31 March 2010 and to achieve a further reduction in cases of 15% by 31 March 2011; and to reduce the rate of Clostridium difficile infections in patients aged 65 and over by at least 30% by 31 March 2011.
Performance	Achieved

As we move into 2011/12, action is underway to ensure that the Board's performance against the current national targets is being driven forward and progress will be subject to close and regular review. Throughout 2010/11 the Board has continued to develop its approach to performance management to encompass its full range of responsibilities and to embed this approach at all levels in the organisation. This comprehensive approach to performance management will be further developed in 2011/12.

Sustainability and Environmental Reporting

Chaired at Director level, the Sustainability Planning and Implementation Group (PIG) leads in ensuring that NHS Greater Glasgow and Clyde meets its obligations on reduction in energy use and carbon footprint, climate change adaptation and broader sustainability issues including community engagement. The group's overall Sustainable Development Action Plan provides a framework for action to meet our obligations under the Climate Change Act and other legislation as well as National Outcomes and provides for action in specific sectors of the organisation with named leads and timescales.

Progress made during 2010/11 can be summarised as follows:

Objectives	Progress in 2010/11
• Develop Sustainable Development Action Plan (SDAP) to guide Sustainability PIG and corporate sustainability actions	SDAP prepared in consultation with Sustainability PIG and leads for key sectors in organisation and submitted to Scottish Government. SDAP is based around the six domains of the Good Corporate Citizen tool: Facilities Management; Workforce; Transport & Travel; Procurement; Buildings; Community Engagement
• Conduct Good Corporate Citizenship self assessment (GCCAM)	Registered for GCCAM as required by Scottish Government. Ongoing self assessment with reporting on two domains to each Sustainability PIG meeting of the six GCCAM domains. Ongoing work with Health Facilities Scotland/Scottish Government to refine process
• Develop Corporate Greencode environmental management system	Corporate Greencode group established in Glasgow Royal Infirmary and pilot phase completed in 2010/11, laying ground for rollout to other acute sites in 2011/12.
• Carbon Management Plan	Regular reporting on progress against HEAT targets to Sustainability PIG.
• Co-ordinate awareness raising initiatives	"Ecosmart" awareness campaign launched summer 2010 with regular features in Staff News, Core Brief, and dedicated pages on Staffnet. New category of Chairman's Award, links with wider partnership initiatives, staff survey and staff side involvement in steering group.
• Develop approaches to areas of tension or conflict between sustainability priorities and other organisational imperatives	Sustainability Policy Officer appointed spring 2010 to support and drive the sustainability agenda across the organisation. Sustainability PIG includes membership from across the organisation and provides board level leadership. Sustainability PIG governance structure adopted by Scottish Government as exemplar for its Sustainable Development Policy.
• Ensure there is an appropriate process for decision making on specific initiatives	Specific proposals considered through the Sustainability PIG. Ongoing work on "quick wins" on eg business travel, procurement decision making, carbon cap for lease cars
• Review emerging evidence and best practice and ensure NHSGGC responds accordingly	Regular horizon scanning / new developments reports to Planning and Implementation Group to ensure new evidence and best practice informs plans. Sustainability Policy Framework and Sustainable Development Action Plan drive action across NHSGGC and are informed by evidence and best practice. Partnership work with Glasgow Climate Change Partnership and Sustainable Glasgow.

REMUNERATION REPORT

Remuneration Subcommittee

The Remuneration Subcommittee is a subcommittee of the Staff Governance Committee. 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 Directorate.

The members of the Remuneration Subcommittee during 2010/11 were Mr A O Robertson OBE, Mr R Cleland, Ms R Dhir MBE, Mr P Hamilton, Mr G McLaughlin, Mr D Sime, Cllr J Coleman and Mrs E Smith. The Board Chief Executive and Director of Human Resources are invited to attend meetings of the Remuneration Subcommittee, where appropriate, to provide advice.

The Subcommittee met on three occasions during 2010/11, and, in accordance with Scottish Government Health Directorates guidance, it determined and reviewed the pay arrangements for the NHS Board's senior managers whose posts are part of the Executive and Senior Management Cohorts, and ensured that a fair, equitable and effective system of performance management for these groups was in operation.

The Directors' Remuneration report, shown on the following pages, details Board Members' and Senior Employee's remuneration, in bandings of £5,000. These bandings include any backdated salary payments made, and Board contributions made in respect of national insurance and pension.

As at 31st March 2011 (31st March 2010), the annual salaries of executive board members were as follows:-
R Calderwood £162,882 (£162,072); L de Caestecker £153,766 (£147,395); B N Cowan £168,055 (£161,708); R Crocket £122,931 (£122,319); D Griffin £124,148 (£122,919).

REMUNERATION REPORT (continued)

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

	* Remuneration (Bands of £5,000)	Performance Related Bonus	Real increase in pension at age 60 (Bands of £2,500)	Total accrued pension at age 60 at 31 March (bands of £5,000)	Cash Equivalent Transfer Value (CETV) at 31 March 2010	Cash Equivalent Transfer Value (CETV) at 31 March 2011	Real increase in CETV in year	Benefits in kind
Remuneration of:					**£'000**	**£'000**	**£'000**	**£'000**
Executive Members								
Chief Executive : R Calderwood	180-185	-	0 - 2.5	80-85	1,819	1,930	(9)	-
Director of Public Health : L de Caestecker	170-175	-	0 - 2.5	35-40	662	743	30	1
Medical Director : B N Cowan	190-195	-	0 - 2.5	60-65	1,373	1,500	43	2
Nurse Director : R Crocket	135-140	-	0 - 2.5	35-40	793	833	(10)	-
Director of Finance : D Griffin	135-140	-	0 - 2.5	25-30	553	606	10	1
Non Executive Members								
The Chair : A O Robertson	35-40	-	-	-	-	-	-	-
D H Barlow (left 31.12.10)	5-10	-	-	-	-	-	-	-
C Bell	5-10	-	-	-	-	-	-	-
C Benton	5-10	-	-	-	-	-	-	-
G Carson	5-10	-	-	-	-	-	-	-
R Cleland (left 31.3.11)	15-20	-	-	-	-	-	-	-
J Coleman	15-20	-	-	-	-	-	-	-
P Daniels	5-10	-	-	-	-	-	-	-
R Dhir	15-20	-	-	-	-	-	-	-
A Dominiczak (from 01.01.11)	0-5	-	-	-	-	-	-	-
I Fraser (from 01.08.10)	5-10	-	-	-	-	-	-	-
P Hamilton (left 31.3.11)	15-20	-	-	-	-	-	-	-
J Handibode	5-10	-	-	-	-	-	-	-
M Kapasi	5-10	-	-	-	-	-	-	-
I Lee	5-10	-	-	-	-	-	-	-
D MacKay (left 23.03.11)	15-20	-	-	-	-	-	-	-
R Mc Coll (from 01.08.10)	5-10	-	-	-	-	-	-	-
J Mc Ilwee	15-20	-	-	-	-	-	-	-
G McLaughlin (left 05.09.10)	5-10	-	-	-	-	-	-	-
R Nijjar (left 31.3.11)	5-10	-	-	-	-	-	-	-
J Murray	5-10	-	-	-	-	-	-	-
I Robertson (left 30.06.10)	0-5	-	-	-	-	-	-	-
N Shanks (from 01.08.10)	5-10	-	-	-	-	-	-	-
D Sime (Employee Director - this post is full time and the salary shown relates to the substantive post held)	60-65	-	0 - 2.5	15-20	318	348	12	-
E Smith	20-25	-	-	-	-	-	-	-
A Stewart	5-10	-	-	-	-	-	-	-
B Williamson	5-10	-	-	-	-	-	-	-
K Winter	5-10	-	-	-	-	-	-	-
D Yates	20-25	-	-	-	-	-	-	-
Other Senior Employees								
Chief Operating Officer, Acute Division : J Grant	130-135	-	0 - 2.5	25-30	508	552	5	2
					6,026	**6,512**	**81**	**6**

Note

* 1. Remuneration bandings above include Board contributions made in respect of national insurance and pension.

2. CETV figures are notional calculations based on actuarial tables.

Prior Year CETV values have been adjusted due to factors provided by the Government's Actuary Department to the following:-

Chief Executive : R Calderwood	1,799	to	1,819
Director of Public Health : L de Caestecker	654	to	662
Medical Director : B N Cowan	1,359	to	1,373
Nurse Director : R Crocket	785	to	793
Director of Finance : D Griffin	547	to	553
Employee Director : D Sime	315	to	318
Chief Operating Officer, Acute Division : J Grant	502	to	508

As indicated in CEL (2011)7, Pay and Conditions of Service: Executive and Senior Management Pay 2010-11 (or CEL (2010)6 for the prior year table), there is no provision for non consolidated performance payments in respect of the performance year 2009-10 (2008-09)'.

REMUNERATION REPORT (continued)

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

	* Remuneration (Bands of £5,000)	Performance Related Bonus	Real increase in pension at age 60 (Bands of £2,500)	Total accrued pension at age 60 at 31 March (bands of £5,000)	Cash Equivalent Transfer Value (CETV) at 31 March 2009	Cash Equivalent Transfer Value (CETV) at 31 March 2010	Real increase in CETV in year	Benefits in kind
Remuneration of:					**£'000**	**£'000**	**£'000**	**£'000**
Executive Members								
Chief Executive : R Calderwood (from 1/4/09)	180-185	-	7.5 - 10	75-80	1,531	1,799	178	-
Director of Public Health : L de Caestecker	165-170	-	0 - 2.5	30-35	603	654	10	1
Medical Director : B N Cowan	180-185	-	0 - 2.5	55-60	1,268	1,359	4	2
Nurse Director : R Crocket	140-145	-	0 - 2.5	35-40	720	785	11	-
Director of Finance : D Griffin	135-140	-	0 - 2.5	25-30	484	547	24	1
Non Executive Members								
The Chair : A O Robertson	35-40	-	-	-	-	-	-	-
J Bannon (left 31/3/10)	5-10	-	-	-	-	-	-	-
D H Barlow	5-10	-	-	-	-	-	-	-
C Bell (from 1/7/09)	0-5	-	-	-	-	-	-	-
C Benton	5-10	-	-	-	-	-	-	-
G Carson	5-10	-	-	-	-	-	-	-
R Cleland	15-20	-	-	-	-	-	-	-
J Coleman	20-25	-	-	-	-	-	-	-
A Coulthard (left 31/7/09)	0-5	-	-	-	-	-	-	-
P Daniels	5-10	-	-	-	-	-	-	-
R Dhir	15-20	-	-	-	-	-	-	-
P Hamilton	15-20	-	-	-	-	-	-	-
J Handibode	5-10	-	-	-	-	-	-	-
M Kapasi	5-10	-	-	-	-	-	-	-
I Lee	5-10	-	-	-	-	-	-	-
D MacKay	15-20	-	-	-	-	-	-	-
J Mc Ilwee	10-15	-	-	-	-	-	-	-
G McLaughlin	15-20	-	-	-	-	-	-	-
J Murray	5-10	-	-	-	-	-	-	-
R Nijjar	5-10	-	-	-	-	-	-	-
I Robertson	5-10	-	-	-	-	-	-	-
D Sime (Employee Director - this post is full time and the salary shown relates to the substantive post held)	55-60	-	0 - 2.5	10-15	281	315	15	-
E Smith	20-25	-	-	-	-	-	-	-
Amanda Stewart	5-10	-	-	-	-	-	-	-
B Williamson	5-10	-	-	-	-	-	-	-
K Winter (from 1/4/09)	5-10	-	-	-	-	-	-	-
D Yates	20-25	-	-	-	-	-	-	-
Other Senior Employees								
Chief Operating Officer, Acute Division : J Grant (from 1/7/09)	130-135	-	0 - 2.5	25-30	458	502	7	1
					5,345	**5,961**	**249**	**5**

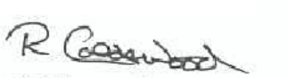
Note

* 1. Remuneration bandings above include Board contributions made in respect of national insurance and pension.

2. CETV figures are notional calculations based on actuarial tables.

Prior Year CETV values have been adjusted due to factors provided by the Government's Actuary Department to the following:-

Chief Executive : R Calderwood (from 1/4/09)	1,491	to	1,531
Director of Public Health : L de Caestecker	587	to	603
Medical Director : B N Cowan	1,237	to	1,268
Nurse Director : R Crocket	702	to	720
Director of Finance : D Griffin	471	to	484
Employee Director : D Sime	274	to	281



R Calderwood
Chief Executive
28 June 2011

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE HEALTH BOARD

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 Health Board.

This designation carries with it, responsibility for:

- the propriety and regularity of financial transactions under my control;
- for the economical, efficient and effective use of resources placed at the Board's disposal; and
- safeguarding the assets of the Board.

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

- observe the accounts direction issued by the Scottish Ministers including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the government Financial Reporting Manual have been followed and disclose and explain any material departures
- prepare the accounts on a going concern basis.

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as Accountable Officer as intimated in the Departmental Accountable Officer's letter to me of 23 March 2009.

R Calderwood

R Calderwood
Chief Executive
NHS Greater Glasgow and Clyde **28 June 2011**

STATEMENT OF HEALTH BOARD MEMBERS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

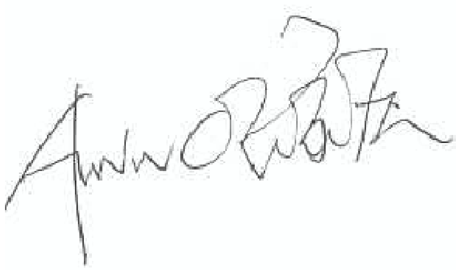
Under the National Health Service (Scotland) Act 1978, the Health Board is required to prepare accounts in accordance with the directions of Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the Health Board as at 31 March 2011 and of its operating 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 NHSScotland by Scottish Ministers.
- make judgements and estimates that are reasonable and prudent.
- state where applicable accounting standards as set out in the Financial Reporting Manual have not been followed where the effect of the departure is material.
- 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.

D Griffin
Director of Finance



A O Robertson
Chairman **28 June 2011**

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, set by Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

In terms of enabling me to discharge my responsibilities as Accountable Officer, the following arrangements and processes were in place throughout the financial year:

- a Board which meets regularly to consider the plans and strategic direction of the organisation, and consists of both executive and non executive members;
- single system governance and management arrangements with clear supporting lines of accountability and an agreed scheme of delegation and standing orders;
- the consideration by the Board of periodic reports from the chairs of the staff governance, clinical governance and audit committees, concerning any significant matters on governance and internal controls;
- a robust Risk Management Strategy, as well as a robust prioritisation methodology based on risk ranking; and
- a strong focus on best value and commitment to ensuring that resources are used efficiently, effectively and economically, taking into consideration equal opportunities and sustainable development requirements.

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

Purpose of the System of Internal Control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the principal risks to the achievement of the organisation's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The process within the organisation accords with guidance from the Scottish Ministers in the SPFM and supplementary NHS guidance and has been in place for the year ended 31 March 2011, and up to the date of approval of the annual report and accounts.

Risk and Control Framework

All NHS Scotland bodies are subject to the requirements of the SPFM, and must operate a risk management strategy in accordance with relevant guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.

NHS Greater Glasgow and Clyde has in place a Risk Management Strategy; this strategy includes having a Risk Management Steering Group (RMSG), which is responsible for developing a single system of risk management for NHS Greater Glasgow and Clyde, and overseeing the development and maintenance of strategy and infrastructure. It monitors implementation of associated plans to co-ordinate the management of risk across the NHS Board using a consistent methodology and set of standards.

The RMSG has its line of reporting to the Corporate Management Team, and prior to that, to the Planning, Policy and Performance Group. Chaired by the Director of Finance, the RMSG's key remit continued to be the oversight of the development of risk management arrangements within NHS Greater Glasgow and Clyde.

The key components of the NHS Board's risk management arrangements are the Risk Management Strategy, the Risk Register Policy and the Corporate Risk Register. The Corporate Risk Register is fully reviewed and updated and presented to the Audit Committee on an annual basis. It summarises the main risks identified within each of the organisational elements of NHS Greater Glasgow and Clyde and the processes by which these risks were managed.

In addition, a web-based single system incident reporting database (Datix) is in operation throughout the organisation. Datix is an important tool in analysing the type, frequency and severity of incidents, providing those involved in managing risk with information to allow them to amend processes, and constantly improve conditions for patients and staff.

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

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

There are training programmes, available to all staff, which include training on risk assessment, hazardous substances, general awareness of safety and display screen equipment risks. Practical training sessions provided by the organisation include a range of moving and handling training for staff primarily involved in patient handling, and also training for staff that may be exposed to violence and aggression. Both moving and handling and violence and aggression training courses are based on a robust training needs analysis and the concept of risk assessment is a fundamental component of the training.

Taking account of the work done, I consider that we have taken appropriate steps to ensure that we have discharged our responsibilities in relation to the management of risk.

During the last year, we have continued to see significant progress in Information Governance. The Information Commissioners Office (ICO) carried out a review of the Board's data protection compliance, focusing on five areas: Governance, Training & Awareness, Records Management, Subject Access Requests and IT Security; the Board received an overall grading of 'reasonable assurance' from the ICO and identified areas for improvement as 'low priority'. A guidance booklet on the transferring of personal identifiable data was issued to all staff in December 2010 and a publicity campaign carried out to ensure all staff are aware of, and complying with Board policies. The Board invested in a Policy and Risk Assessment management solution as a foundation to a governance, risk and compliance programme which was rolled out in January 2011 with the first policy being the 'Caldicott, Confidentiality and Data Protection Policy'. NHSGGC recognises the importance of staff awareness of data handling and security. The Board continues to give this area a high profile particularly given the role that staff play in information management and data handling. The key NHSGGC policies and strategies on data security have also been reviewed and revised, while a group has been set up to take forward the creation of a single organisation-wide information strategy.

Significant changes in the Board's structure during the year saw the five Glasgow City CHCP's replaced by a single CHP, while the Inverclyde and West Dunbartonshire CHP's became CHCP's. There have been changes made to governance arrangements to reflect these new arrangements.

More generally, the organisation is committed to a process of continuous 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 2011 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; that process included the annual review of corporate governance.

The NHS Board is committed to best value, with robust processes in place to ensure that it constantly strives to improve performance. In particular through the ongoing developments within our Acute Services Review, the NHS Board will be able to provide more efficient and effective delivery of patient care. There are also arrangements in place whereby national performance reports issued by Audit Scotland are reviewed by the Board's Performance Review Group and local action plans developed to implement improvements. Additionally, the Board has a process in place for organisational review, with action plans to address any recommendations for improvements, and is also subject to an annual review process by the Scottish Government Health Directorates, again with plans developed to address any issues raised. In March 2011, the Scottish Government issued revised guidance on the duty of best value; a detailed framework will be prepared, as part of the review of the system of internal control for 2011/12, to demonstrate how the NHS Board has implemented each of the seven themes identified in the revised guidance.

Review of Effectiveness

As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by:

- the executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework;
- the work of the internal auditors, who submit to the organisation's Audit Committee regular reports which include their independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement;
- Statements of Assurance from the core governance committees of the NHS Board;
- and comments made by the external auditors in their management letters and other reports.

The control mechanisms are overseen and continually evaluated by the NHS Board, its standing committees (as detailed in the Directors' Report) and a number of other groups including

- the Remuneration Subcommittee, which is a subcommittee of the Staff Governance Committee and deals with all aspects of the Executive Pay arrangements;
- the Risk Management Steering Group
- the Information Governance Steering Group

I have been advised in my review of the effectiveness of the system of internal control by the Board, the Audit Committee and Risk Management Steering Group and plans to address weaknesses and ensure continuous improvement of the system are in place.

Disclosures

During the year ended 31 March 2011, there were no significant control weaknesses or failure to achieve the standards set out in the guidance on the Statement on Internal Control.

R Calderwood
Chief Executive and Accountable Officer **28 June 2011**

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

I have audited the financial statements of NHS Greater Glasgow and Clyde for the year ended 31 March 2011 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Taxpayers' Equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2010/11 Government Financial Reporting Manual (the 2010/11 FReM).

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 123 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of Accountable Officer and auditor

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Health Board (set out on page 18), the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and receipts. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors. I am also responsible for giving an opinion on the regularity of expenditure and receipts.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts, disclosures, and regularity of expenditure and receipts in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Directors' Report, Operating and Financial Review and that part of the Remuneration Report which is not audited to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the board's affairs as at 31 March 2011 and of its net operating cost for the year then ended
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2010/11 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.

Opinion on regularity

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

Opinion on other prescribed matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly 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 Operating and Financial Review and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept, or

- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records, or

- I have not received all the information and explanations I require for my audit, or

- the Statement on Internal Control does not comply with Scottish Government guidance, or

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

I have nothing to report in respect of these matters.

David McConnell
Assistant Director of Audit (Health)
Audit Scotland
7th floor, Plaza Tower
EAST KILBRIDE
G74 1LW

28 June 2011

Statement of Comprehensive Net Expenditure and Summary of Resource Outturn

	Note	2011 £'000	2010 £'000
Clinical Services Costs			
Hospital and Community	4	**2,219,633**	2,116,945
Less: Hospital and Community Income	8	**429,231**	419,914
		1,790,402	1,697,031
Family Health	5	**580,862**	572,151
Less: Family Health Income	8	**18,563**	19,158
		562,299	552,993
Total Clinical Services Costs		**2,352,701**	2,250,024
Administration Costs	6	**11,891**	11,545
Less: Administration Income	8	**102**	158
		11,789	11,387
Other Non Clinical Services	7	**31,713**	50,414
Less: Other Operating Income	8	**58,906**	57,093
		(27,193)	(6,679)
Net Operating Costs		**2,337,297**	2,254,732

OTHER COMPREHENSIVE NET EXPENDITURE

	2011 £'000	2010 £'000
Net (gain)/loss on revaluation of property, plant and equipment	**(23,997)**	114,806
Net gain on revaluation of available for sale financial assets	**(212)**	(150)
Other Comprehensive Net Expenditure	**(24,209)**	114,656
Total Comprehensive Expenditure	**2,313,088**	2,369,388

Statement of Comprehensive Net Expenditure and Summary of Resource Outturn

	2011 £'000
SUMMARY OF CORE REVENUE RESOURCE OUTTURN	
Net Operating Costs	2,337,297
Total Non Core Expenditure (see below)	(145,617)
FHS Non Discretionary Allocation	(153,438)
Total Core Expenditure	2,038,242
Core Revenue Resource Limit	2,038,898
Saving against Core Revenue Resource Limit	656

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN	
Capital Grants to Other Bodies	1,054
Depreciation/Amortisation	68,402
Annually Managed Expenditure - Impairments	38,670
Annually Managed Expenditure - Creation of Provisions	8,695
IFRS PFI Expenditure	28,796
Total Non Core Expenditure	145,617
Non Core Revenue Resource Limit	145,646
Saving against Non Core Revenue Resource Limit	29

SUMMARY RESOURCE OUTTURN	
Core Expenditure	2,038,242
Non Core Expenditure	145,617
Total Net Expenditure	2,183,859
Core Revenue Resource Limit	2,038,898
Non Core Revenue Resource Limit	145,646
Total Revenue Resource Limit	2,184,544
Saving against Revenue Resource Limit	685

Balance Sheet

	Note	2011 £'000	2010 £'000	2009 £'000
NON CURRENT ASSETS				
Property, plant and equipment	11	**1,562,768**	1,487,780	1,358,740
Intangible assets	10	**1,719**	1,230	768
Financial assets:				
Available for sale financial assets	14	**1**	1	1
Trade and other receivables	13	**58,456**	55,728	40,132
Total Non Current Assets		**1,622,944**	1,544,739	1,399,641
CURRENT ASSETS				
Inventories	12	**24,334**	25,334	20,244
Financial assets:				
Trade and other receivables	13	**86,880**	69,602	89,414
Cash and cash equivalents	15	**2,182**	992	1,121
Available for sale financial assets	14	**-**	-	-
		113,396	95,928	110,779
CURRENT LIABILITIES				
Provisions	17	**(19,731)**	(27,333)	(64,546)
Financial liabilities:				
Trade and other payables	16	**(332,312)**	(345,448)	(359,385)
		(352,043)	(372,781)	(423,931)
Net current liabilities		**(238,647)**	(276,853)	(313,152)
Total assets less current liabilities		**1,384,297**	1,267,886	1,086,489
NON CURRENT LIABILITIES				
Provisions	17	**(85,262)**	(93,406)	(76,522)
Financial liabilities:				
Trade and other payables	16	**(247,195)**	(233,705)	(56,446)
		(332,457)	(327,111)	(132,968)
		1,051,840	940,775	953,521
TAXPAYERS EQUITY				
General Fund		**772,595**	678,290	578,717
Revaluation Reserve		**266,929**	250,925	363,086
Donated Asset Reserve		**12,002**	11,448	11,689
Government Grant Reserve		**314**	112	29
		1,051,840	940,775	953,521

Adopted by the Board on 28 June 2011

D Griffin
Director of Finance

R Calderwood
Chief Executive

The Notes to the Accounts, numbered 1 to 30, form an integral part of these Accounts.

	Note	2011 £'000	2010 £'000
NET OPERATING CASHFLOW			
Net operating cost		**(2,337,297)**	(2,254,732)
Adjustments for non cash transactions	3	**111,173**	86,498
Interest payable	3	**14,853**	24,255
Interest receivable	8	**(8)**	(9)
Net movement on working capital	18	**(11,254)**	(57,926)
Net cash outflow from operating activities		**(2,222,533)**	**(2,201,914)**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(201,022)**	(312,440)
Purchase of intangible assets		**(302)**	(399)
Proceeds of disposal of property, plant and equipment		**2,551**	9,823
Interest received		**8**	9
Net cash outflow from Investing Activities		**(198,765)**	(303,007)
FINANCING			
Funding		**2,424,288**	2,353,228
Movement in general fund working capital	SOCTE	**254**	(319)
Cash drawn down	SOCTE	**2,424,542**	2,352,909
Capital element of payments in respect of finance leases and on balance sheet PFI Contracts		**11,863**	175,948
Interest paid	3	**3,564**	(981)
Interest element of finance leases and on balance sheet PFI Contracts	3	**(18,417)**	(23,274)
Net cash inflow from financing		**2,421,552**	2,504,602
Increase/(Decrease) in cash in year		**254**	(319)
Net cash at 1 April	15	**802**	1,121
Net cash at 31 March	15	**1,056**	802

Statement of Changes In Taxpayers Equity

	Note	General Fund £'000	Revaluation Reserve £'000	Donated Asset Reserve £'000	Government Grant Reserve £'000	Total Reserves £'000
Balance as at 31 March 2010		678,290	250,925	11,448	112	**940,775**
Prior year adjustments for changes in accounting policy and material errors	24	-	-	-	-	**-**
Restated Balance as at 1 April 2010		**678,290**	**250,925**	**11,448**	**112**	**940,775**
Net gain on revaluation/indexation of property, plant and equipment	11	-	23,997	167	-	**24,164**
Net gain on revaluation/indexation of intangible assets	10	-	22	-	190	**212**
Impairment of property, plant and equipment	11	-	(38,670)	-	-	**(38,670)**
Receipt of donated assets	11b	-	-	1,196	-	**1,196**
Revaluation and impairments taken to operating costs	3	-	38,670	-	-	**38,670**
Release of reserves to the statement of comprehensive net expenditure		-	-	(809)	(289)	**(1,098)**
Transfers between reserves		8,101	(8,101)	-	-	**-**
Transfer of Fixed Assets from other bodies		(787)	86	-	-	**(701)**
EC Carbon Emissions Allowances Granted		-	-	-	301	**301**
Net operating cost for the year		(2,337,297)	-	-	-	**(2,337,297)**
Total recognised income and expense for 2010-11		**(2,329,983)**	**16,004**	**554**	**202**	**(2,313,223)**
Funding						
Drawn down		2,424,542	-	-	-	**2,424,542**
Movement in General Fund (Creditor)/Debtor		(254)	-	-	-	**(254)**
Balance at 31 March 2011		**772,595**	**266,929**	**12,002**	**314**	**1,051,840**

PRIOR YEAR

	Note	General Fund £'000	Revaluation Reserve £'000	Donated Asset Reserve £'000	Government Grant Reserve £'000	Total Reserves £'000
Balance as at 31 March 2009		695,192	259,739	11,689	-	**966,620**
Prior year adjustments for changes in accounting policy and material errors		(116,475)	103,347	-	29	**(13,099)**
Restated Balance as at 1 April 2009		**578,717**	**363,086**	**11,689**	**29**	**953,521**
Net loss on revaluation/indexation of property, plant and equipment	11	-	(114,806)	(963)	-	**(115,769)**
Net gain on revaluation/indexation of intangible assets	10	-	-	-	150	**150**
Impairment of property, plant and equipment	11	-	(3,081)	-	-	**(3,081)**
Receipt of donated assets	11b	-	-	1,755	-	**1,755**
Revaluation and impairments taken to operating costs	3	-	6,800	-	-	**6,800**
Release of reserves to the statement of comprehensive net expenditure		-	-	(1,030)	(352)	**(1,382)**
Transfers between reserves		1,077	(1,074)	(3)	-	**-**
EC Carbon Emissions Allowances Granted		-	-	-	285	**285**
Net operating cost for the year		(2,254,732)	-	-	-	**(2,254,732)**
Total recognised income and expense for 2009-10		**(2,253,655)**	**(112,161)**	**(241)**	**83**	**(2,365,974)**
Funding						
Drawn down		2,352,909	-	-	-	**2,352,909**
Movement in General Fund (Creditor)/Debtor		319	-	-	-	**319**
Balance at 31 March 2010		**678,290**	**250,925**	**11,448**	**112**	**940,775**

1. ACCOUNTING POLICIES

a) Authority

These accounts have been prepared in accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 appended. The particular accounting policies adopted follow guidance in the Government Financial Reporting Manual (FReM) issued by HM Treasury, which follows International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

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

b) Basis of Consolidation

As directed by the Scottish Ministers, the financial statements do not consolidate the NHS Greater Glasgow and Clyde Endowment Funds. Transactions between the Board and the NHS Greater Glasgow and Clyde Endowment Funds are disclosed as related party transactions, where appropriate, in note 27 to the financial statements.

c) Prior Year Adjustments

As indicated in Chapter 11 of the 2010-11 FReM the financial regime of health bodies has been amended to remove the Cost of Capital as from 1st April 2010. Prior year figures have been restated to reflect this change in accounting policy. The effect of this has been to remove a total of £34,761k from the comparative figures in the Statement of Comprehensive Net Expenditure, Cash Flow Statement and Statement of Changes in Taxpayers Equity together with Notes 3 and 4.

d) Going Concern

The accounts are prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future.

e) Accounting Convention

The Accounts are prepared on a historical cost basis, as modified by the revaluation of property, plant and equipment, intangible assets, inventories, available-for-sale financial assets and financial assets and liabilities at fair value.

f) Funding

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

All other income receivable by the board that is not classed as funding is recognised in the year in which it is receivable.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Non discretionary funding outwith the RRL is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, dental or ophthalmic services identified by the Scottish Government. Non discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the RRL in the Summary of Resource Outturn.

Funding for the acquisition of fixed assets received from the Scottish Government is credited to the general fund when cash is drawn down.

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in the Statement of Comprehensive Net Expenditure except where it results in the creation of a non-current asset such as property, plant and equipment.

g) Property, plant and equipment

The treatment of fixed 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.

i) Recognition

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

All assets falling into the following categories are capitalised:

- Property, plant and equipment assets which are capable of being used for a period which could exceed one year, and have a cost equal to or greater than £5,000.
- In cases where a new hospital would face an exceptional write off of items of equipment costing individually less than £5,000, the Board has the option to capitalise initial revenue equipment costs with a standard life of 10 years.
- Intangible assets which can be valued, are capable of being used in a Board's activities for more than one year and have a replacement cost equal to or greater than £5,000.
- 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.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

ii) Measurement

Valuation:

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

All assets are measured subsequently at fair value as follows:

Specialised NHS Land, buildings, equipment, installations and fittings are stated at depreciated replacement cost, as a proxy for fair value as specified in the FReM.

Non specialised land and buildings, such as offices, are stated at fair value.

Valuations of all land and building assets are reassessed by valuers under a 5-year programme of professional valuations and 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 insofar as these terms are consistent with the agreed requirements of the Scottish Government.

Non specialised equipment, installations and fittings are valued at fair value. Boards value such assets using the most appropriate valuation methodology available (for example, appropriate indices). A depreciated historical cost is used as a proxy for fair value in respect of such assets which have short useful lives or low values (or both).

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

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

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

Subsequent expenditure:

Subsequent expenditure is capitalised into an asset's carrying value when it is probable the future economic benefits associated with the item will flow to the Board and the cost can be measured reliably. Where subsequent expenditure does not meet these criteria the expenditure is charged to the Statement of Comprehensive Net Expenditure. 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 Statement of Comprehensive Net Expenditure, in which case they are recognised as income. Movements on revaluation are considered for individual assets rather than groups or land/buildings together.

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

iii) 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 have an infinite life and is not depreciated.
- Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to the Board, respectively.
- Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.
- Buildings, installations and fittings are depreciated on current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.

- Equipment is depreciated over the estimated life of the asset.
- Property, plant and equipment held under finance leases are depreciated over the shorter of the lease term and the estimated useful life.

Depreciation is charged on a straight line basis.

The following asset lives have been used:

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

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

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

Internally generated intangible assets:

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

Expenditure on research is not capitalised.

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

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

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

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

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

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

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

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

ii) 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 are measured at fair value. Where an active (homogeneous) market exists, intangible assets are carried at fair value. Where no active market exists, the intangible asset is revalued, using indices or some suitable model, to the lower of depreciated replacement cost and value in use where the asset is income generating. Where there is no value in use, the intangible asset is valued using depreciated replacement cost. These measures are a proxy for fair value.

Revaluation and impairment:
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised in income.

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

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’.

iii) 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 Statement of Comprehensive Net Expenditure 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 has been reclassified as 'Held for Sale' ceases 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	1 – 5 years

i) Non-current assets held for sale

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

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

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

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

j) Donated Assets

Non-current assets that are donated or purchased using donated funds are included in the Balance Sheet initially at the current full replacement cost of the asset. The value of donated assets is credited to the Donated Asset Reserve. Where a donation covers only part of the total cost of the asset concerned, only that part element is included in the Donated Asset Reserve.

The accounting treatment, including the method of valuation, follows the rules in the NHS Capital Accounting Manual. Gains and losses on revaluations are also taken to the donated asset reserve and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the Statement of Comprehensive Net Expenditure. Similarly, any impairment on donated assets charged to the Statement of Comprehensive Net Expenditure is matched by a transfer from the donated asset reserve. On sale of donated assets, the net book value of the donated asset is transferred from the donated asset reserve to the General Reserve.

k) 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 Statement of Comprehensive Net Expenditure. Non-current assets held for sale will include assets transferred from other categories and will reflect any resultant changes in valuation.

l) Leasing

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Board, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability. 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 annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to interest payable in the Statement of Comprehensive Net Expenditure.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to expenditure over the life of the lease.

Leases of land and buildings

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

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

m) 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 Statement of Comprehensive Net Expenditure (SOCNE) are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

n) 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 SGHD. 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 SGHD.

o) 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.

p) Losses and Special Payments

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

q) Employee Benefits

Short-term Employee Benefits

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

Pension Costs

The Board participates in the NHS Superannuation Scheme for Scotland providing defined benefits based on final pensionable pay, where contributions are credited to the Exchequer and are deemed to be invested in a portfolio of Government Securities. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the Statement of Comprehensive Net Expenditure represents the Board's employer contributions payable to the scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to Exchequer. The pension cost is assessed every five years by the Government Actuary and determines the rate of contributions required. The most recent actuarial valuation took place in the year to 31 March 2004, details of which are published by the Scottish Public Pensions Agency.

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 Statement of Comprehensive Net Expenditure at the time the Board commits itself to the retirement, regardless of the method of payment.

r) Clinical and Medical Negligence Costs
Employing health bodies in Scotland are responsible for meeting medical negligence costs up to an annual limit. Costs above this limit are reimbursed to Boards from a central fund held as part of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) by the Scottish Government.

NHS Greater Glasgow and Clyde provide for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement. Claims assessed as 'Category 3' are deemed most likely and provided for in full, those in 'Category 2' as 50% of the claim and those in 'category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and which will be recoverable from the Clinical Negligence and Other Risks Indemnity Scheme in the event of payment by an individual health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

s) Related Party Transactions
Material related party transactions are disclosed in the note 29 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 4.

t) Value Added Tax
Most of the activities of the Board are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

u) PFI Schemes
PFI/PPP transactions are accounted for in accordance with IFRIC 12, *Service Concession Arrangements,* which sets out how they should be accounted for in the private sector.

Schemes which do not fall within the HM Treasury application of IFRIC 12 are deemed to be off-balance sheet. Where the Board has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract by charge to the Statement of Comprehensive Net Expenditure. Where, at the end of the PFI contract, a property reverts to the Board, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up on the balance sheet over the life of the contract by capitalising part of the unitary charge each year.

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

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

The service charge and the finance cost interest element are charged in the Statement of Comprehensive Net Expenditure.

v) Provisions

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

w) Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in note 19 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 19, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

x) 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.

y) Financial Instruments

i) Financial Assets

<u>Classification</u>

The NHS Board classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

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

(2) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables comprise trade and other receivables and cash at bank and in hand in the balance sheet.

(3) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available for sale financial assets comprise investments.

Recognition and measurement

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

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

(1) 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 income statement.

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 Statement of Comprehensive Net Expenditure.

(2) Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the NHS Board will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 150 days overdue) are considered indicators that the loan and receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Net Expenditure. When a loan or receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the Statement of Comprehensive Net Expenditure.

(3) Available-for-sale financial assets

Available-for-sale financial assets are initially recognised and subsequently carried at fair value. Changes in the fair value of financial assets classified as available for sale are recognised in equity. When financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the Statement of Comprehensive Net Expenditure. Dividends on available-for-sale equity instruments are recognised in the Statement of Comprehensive Net Expenditure when the NHS Board's right to receive payments is established.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment.

The NHS Board assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the Statement of Comprehensive Net Expenditure. Impairment losses recognised in the Statement of Comprehensive Net Expenditure on equity instruments are not reversed through the income statement.

ii) Financial Liabilities

Classification

The NHS Board classifies its financial liabilities in the following categories: at fair value through profit or loss, and other financial liabilities. The classification depends on the purpose for which the financial liabilities were issued. Management determines the classification of its financial liabilities at initial recognition.

(1) 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.

(2) Other financial liabilities

Other financial liabilities are included in current liabilities, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current liabilities. The NHS Board's other financial liabilities comprise trade and other payables in the balance sheet.

Recognition and measurement

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

A financial liability is removed from the balance sheet when it is extinguished, that is when the obligation is discharged, cancelled or expired.

(1) 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 Statement of Comprehensive Net Expenditure.

(2) Other financial liabilities

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

z) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

Operating segments are unlikely to directly relate to the analysis of expenditure shown in notes 4 to 7 for Hospital & Community, Family Health and Other Service and Administration Costs, the basis of which relates to Scottish Government funding streams and the classification of which varies depending on Scottish Government reporting requirements.

aa) Cash and cash equivalents

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

ab) Foreign exchange

The functional and presentational currencies of the Board are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Board has assets or liabilities denominated in a foreign currency at the balance sheet date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the balance sheet date) are recognised in income or expenditure in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

ac) 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 31 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

ad) Key sources of judgement and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Board makes judgements in applying accounting policies. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are addressed below.

Provisions

The Board has provided for estimated costs relating to Pensions and Similar Obligations as well as Clinical and Medical negligence claims. Reliance is placed on significant details provided by other parties in order to establish the value of such provisions namely Scottish Public Pensions Agency and Central Legal Office respectively.

Asset Lives

During the course of 2010-11 the Board in conjunction with its' Auditors and the District Valuer has undertaken a thorough review of the methodology and lives used for non current assets. The effect of this has been to adjust the life of various building components and has led to a subsequent reduction in annual depreciation charge.

2. (a) STAFF NUMBERS AND COSTS

	Executive Board Members £'000	Non Executive Members £'000	Permanent Staff £'000	Inward Secondees £'000	Other Staff £'000	Outward Secondees £'000	2011 £'000	2010 £'000
STAFF COSTS								
Salaries and wages	679	362	1,158,185	-	-	(7,963)	**1,151,263**	1,110,167
Social security costs	83	27	97,049	-	-	(787)	**96,372**	95,297
NHS scheme employers' costs	97	4	128,068	-	-	(1,081)	**127,088**	124,169
Inward secondees	-	-	-	19,384	-	-	**19,384**	14,186
Agency staff	-	-	-	-	14,187	-	**14,187**	23,007
	859	393	1,383,302	19,384	14,187	(9,831)	**1,408,294**	1,366,826
Compensation for loss of office	-	-	592	-	-	-	**592**	140
TOTAL	**859**	**393**	**1,383,894**	**19,384**	**14,187**	**(9,831)**	**1,408,886**	1,366,966

STAFF NUMBERS (EMPLOYEES BY WHOLE TIME EQUIVALENT)	2011 ANNUAL MEAN	2010 ANNUAL MEAN
Administration Costs	**84.1**	102.6
Hospital and Community Services	**34,526.9**	35,048.4
Non Clinical Services	**103.2**	99.5
Other, including recharge Trading Accounts	**116.4**	124.6
Inward secondees	**337.5**	247.0
Agency Staff	**310.0**	591.8
Outward secondees	**(171.2)**	(202.4)
Board Total Average Staff	**35,306.9**	36,011.5
Disabled Staff	**102.0**	85.0

Note: Staff pension benefits are provided through the NHS Superannuation Scheme for Scotland.
Details of the scheme are in note 23.

2. (b) HIGHER PAID EMPLOYEES REMUNERATION

The number of employees whose remuneration fell within the following ranges is:

	2011 Number	2010 Number
Clinicians		
£ 50,000 to £ 60,000	**288**	329
£ 60,001 to £ 70,000	**252**	275
£ 70,001 to £ 80,000	**148**	201
£ 80,001 to £ 90,000	**135**	155
£ 90,001 to £100,000	**184**	129
£100,001 to £110,000	**200**	192
£110,001 to £120,000	**154**	157
£120,001 to £130,000	**155**	164
£130,001 to £140,000	**132**	124
£140,001 to £150,000	**106**	91
£150,001 to £160,000	**64**	81
£160,001 to £170,000	**52**	47
£170,001 to £180,000	**28**	23
£180,001 to £190,000	**12**	27
£190,001 to £200,000	**10**	0
£200,001 and above	**7**	8
Other		
£ 50,000 to £ 60,000	**427**	316
£ 60,001 to £ 70,000	**139**	102
£ 70,001 to £ 80,000	**40**	48
£ 80,001 to £ 90,000	**29**	14
£ 90,001 to £100,000	**14**	8
£100,001 to £110,000	**6**	5
£110,001 to £120,000	**3**	4
£120,001 to £130,000	**1**	1
£130,001 to £140,000	**1**	0

Note: During 2010-11 the Board has reviewed its' methodology for reporting remuneration within Note 2b. As a result the 2009-10 figures are restated on a like for like basis.

3. OTHER OPERATING COSTS

	Note	2011 £'000	2010 £'000
Expenditure Not Paid In Cash			
Depreciation	11	**72,466**	78,976
Amortisation	10	**83**	87
Impairments on property, plant and equipment charged to SOCNE	11	**38,670**	1,800
Revaluation loss on property, plant and equipment charged to SOCNE	11	**-**	5,000
Revaluation EC Carbon Emissions taken to Govt Grant	10	**(190)**	(150)
Loss/(Profit) on disposal of property, plant and equipment		**(58)**	702
Govt Grant Reserve net movement		**202**	83
Total Expenditure Not Paid In Cash		**111,173**	86,498
Interest Payable			
PFI Finance lease charges allocated in the year	22	**18,407**	23,245
Other Finance lease charges allocated in the year		**10**	29
Provisions - Unwinding of discount		**(3,564)**	981
Total		**14,853**	24,255
Statutory Audit			
External auditor's remuneration and expenses		**703**	744

4. HOSPITAL AND COMMUNITY HEALTH SERVICES

	2011 £'000	2010 £'000
BY PROVIDER		
Treatment in Board area of NHSScotland patients	**2,011,474**	1,910,000
Other NHSScotland bodies	**47,052**	47,407
Health bodies outside Scotland	**1,509**	1,472
Primary care bodies	**110**	117
Private sector	**17,930**	19,383
Community Care		
Support Finance	**191**	341
Resource Transfer	**120,866**	116,353
Contributions to Voluntary Bodies and Charities	**17,880**	19,920
Total NHS Scotland Patients	**2,217,012**	2,114,993
Treatment of UK residents based outside Scotland	**2,621**	1,952
Total Hospital & Community Health Service	**2,219,633**	2,116,945

5. FAMILY HEALTH SERVICE EXPENDITURE

	Unified Budget £'000	Non Discretionary £'000	Total 2011 £'000	2010 £'000
General Medical Services	169,428	-	**169,428**	166,465
Pharmaceutical Services	242,906	47,432	**290,338**	283,765
General Dental Services	686	96,531	**97,217**	97,365
General Ophthalmic Services	381	23,498	**23,879**	24,556
Total Family Health Services Expenditure	**413,401**	**167,461**	**580,862**	572,151

6. ADMINISTRATION COSTS

	2011	2010
	£'000	£'000
Board Members' Remuneration	**1,252**	1,255
Administration of Board Meetings and Committees	**498**	490
Corporate Governance and Statutory Reporting	**2,042**	2,070
Health Planning, Commissioning and Performance Reporting	**6,959**	6,469
Treasury Management and Financial Planning	**252**	264
Public Relations	**774**	854
Other	**114**	143
Total Administration Costs	**11,891**	11,545

7. OTHER NON CLINICAL SERVICES

	2011	2010
	£'000	£'000
Compensation payments - Clinical	**20,110**	18,562
Compensation payments - Other	**1,125**	2,381
Pension enhancement & redundancy	**(14,655)**	1,697
Patients' Travel Attending Hospitals	**510**	443
Health Promotion	**17,187**	16,241
Public Health	**812**	818
Public Health Medicine Trainees	**490**	601
Emergency Planning	**135**	115
Loss on disposal of Non Current Assets	**439**	741
Other	**5,560**	8,815
Total Other Non Clinical Services	**31,713**	50,414

8. OPERATING INCOME

	2011 £'000	2010 £'000
HCH Income		
NHSScotland Bodies		
SGHD	12,174	12,533
Boards	376,915	368,960
Non NHS		
Private Patients	254	224
RTA Income	3,185	2,783
Other HCH income	36,703	35,414
Total HCH Income	429,231	419,914
FHS Income		
Discretionary	4,540	5,492
Non Discretionary		
General Dental Services	13,999	13,641
General Ophthalmic Services	24	25
Total FHS Income	18,563	19,158
Administration Income	102	158
Other Operating Income		
NHSScotland Bodies	561	1,202
SGHD	1,158	-
Contributions in respect of Clinical/ medical negligence claims	20,946	19,454
Profit on disposal of Non Current Assets	497	39
Transfer from Donated Asset Reserve in respect of Depreciation	808	1,030
Interest Received	8	9
Shared Services	248	155
Other	34,680	35,204
Total Other Operating Income	58,906	57,093
Total Income	506,802	496,323
Of the above, the amount derived from NHS bodies is	377,476	370,162

9. ANALYSIS OF CAPITAL EXPENDITURE

	Note	2011 £'000	2010 £'000
EXPENDITURE			
Acquisition of Intangible Assets	10	**302**	399
Acquisition of Property, Plant and Equipment	11	**171,707**	327,743
Donated Asset Additions	11b	**1,196**	1,755
Release from Donated Asset Reserve		**(1,196)**	(1,755)
Capital Grants to Other Bodies		**-**	1,798
Loss on Disposal of Non Current Assets		**-**	702
Gross Capital Expenditure		**172,009**	330,642
INCOME			
Net book value of disposal of Property, plant and equipment	11a	**9,375**	1,599
Net book value of disposal of Donated Assets	11b	**-**	3
Capital Income		**9,375**	1,602
Net Capital Expenditure		**162,634**	329,040

Summary of Capital Resource Outturn

	2011	2010
Core Capital Expenditure included above	**146,834**	
Core Capital Resource Limit	**146,835**	
Saving against Core Capital Resource Limit	**1**	
Non Core Capital Expenditure included above	**15,800**	
Non Core Capital Resource Limit	**15,800**	
Saving against Non Core Capital Resource Limit	**-**	
Total Capital Expenditure	**162,634**	329,040
Total Capital Resource Limit	**162,635**	329,047
Saving against Total Capital Resource Limit	**1**	7

10. INTANGIBLE ASSETS

	Software Licences £'000	EC Carbon Emissions £'000	Total £'000
Cost or Valuation:			
As at 1st April 2010	674	1,095	1,769
Additions	-	302	302
Transfers	58	-	58
Revaluation	-	212	212
At 31st March 2011	**732**	**1,609**	**2,341**
Amortisation			
At 1st April 2010	539	-	539
Provided during the year	83	-	83
At 31st March 2011	**622**	**-**	**622**
Net Book Value at 1st April 2010	135	1,095	1,230
Net Book Value at 31 March 2011	**110**	**1,609**	**1,719**

10. INTANGIBLE ASSETS PRIOR YEAR

	Software Licences £'000	EC Carbon Emissions £'000	Total £'000
Cost or Valuation:			
As at 1st April 2009	931	546	1,477
Additions	-	399	399
Disposals	(257)	-	(257)
Revaluation	-	150	150
At 31st March 2010	**674**	**1,095**	**1,769**
Amortisation			
At 1st April 2009	709	-	709
Provided during the year	87	-	87
Disposals	(257)	-	(257)
At 31st March 2010	**539**	**-**	**539**
Net Book Value at 1st April 2009	222	546	768
Net Book Value at 31 March 2010	**135**	**1,095**	**1,230**

11. (a) PROPERTY, PLANT AND EQUIPMENT (Purchased Assets)

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2010	135,947	1,102,429	972	2,248	335,949	72,531	7,454	141,993	1,799,523
Additions	-	37,784	-	-	468	9,290	-	124,165	171,707
Completions	75	64,052	-	10	12,244	7,017	830	(84,228)	-
Transfers	162	5,941	-	-	(46)	-	-	(6,938)	(881)
Revaluation	425	24,239	-	-	-	-	-	698	25,362
Impairment Charge	(206)	(42,066)	-	-	-	-	-	-	(42,272)
Disposals	(2,321)	(14,553)	-	(1,173)	(9,949)	(8,936)	(126)	(317)	(37,375)
At 31 March 2011	**134,082**	**1,177,826**	**972**	**1,085**	**338,666**	**79,902**	**8,158**	**175,373**	**1,916,064**
Depreciation									
At 1 April 2010	-	73,375	27	1,778	206,423	37,293	4,295	-	323,191
Provided during the year	-	34,063	39	166	25,041	11,929	1,228	-	72,466
Transfers	-	(83)	-	-	(39)	-	-	-	(122)
Revaluation	-	1,365	-	-	-	-	-	-	1,365
Impairment Charge	-	(3,602)	-	-	-	-	-	-	(3,602)
Disposals	-	(7,938)	-	(1,173)	(9,883)	(8,894)	(112)	-	(28,000)
At 31 March 2011	**-**	**97,180**	**66**	**771**	**221,542**	**40,328**	**5,411**	**-**	**365,298**
Net book value at 1 April 2010	135,947	1,029,054	945	470	129,526	35,238	3,159	141,993	1,476,332
Net book value at 31 March 2011	**134,082**	**1,080,646**	**906**	**314**	**117,124**	**39,574**	**2,747**	**175,373**	**1,550,766**
Open market value of Land and Dwellings included above	**11,553**		**-**						
Asset financing:									
Owned	134,082	834,882	906	314	116,948	39,574	2,747	175,373	1,304,826
Finance leased	-	-	-	-	176	-	-	-	176
On balance sheet PFI contracts	-	245,764	-	-	-	-	-	-	245,764
Net book value at 31 March 2011	**134,082**	**1,080,646**	**906**	**314**	**117,124**	**39,574**	**2,747**	**175,373**	**1,550,766**

11. (a) PROPERTY, PLANT AND EQUIPMENT (Purchased Assets) - PRIOR YEAR

	Land (including under buildings)	Buildings (excluding dwellings)	Dwellings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2009	134,881	976,763	972	2,223	300,954	51,914	5,984	132,396	1,606,087
Additions	-	194,291	-	-	15,986	5,030	629	111,807	327,743
Completions	1,306	57,161	-	43	23,108	15,587	841	(98,046)	-
Revaluation	-	(115,738)	-	-	-	-	-	(4,164)	(119,902)
Impairment Charge	-	(3,081)	-	-	-	-	-	-	(3,081)
Disposals	(240)	(6,967)	-	(18)	(4,099)	-	-	-	(11,324)
At 31 March 2010	**135,947**	**1,102,429**	**972**	**2,248**	**335,949**	**72,531**	**7,454**	**141,993**	**1,799,523**
Depreciation									
At 1 April 2009	-	39,606	-	1,588	186,866	27,707	3,269	-	259,036
Provided during the year	-	44,485	27	208	23,644	9,586	1,026	-	78,976
Revaluation	-	(5,096)	-	-	-	-	-	-	(5,096)
Disposals	-	(5,620)	-	(18)	(4,087)	-	-	-	(9,725)
At 31 March 2010	**-**	**73,375**	**27**	**1,778**	**206,423**	**37,293**	**4,295**	**-**	**323,191**
Net book value at 1 April 2009	134,881	937,157	972	635	114,088	24,207	2,715	132,396	1,347,051
Net book value at 31 March 2010	**135,947**	**1,029,054**	**945**	**470**	**129,526**	**35,238**	**3,159**	**141,993**	**1,476,332**
Open market value of Land and Dwellings included above	**11,553**		**-**						
Asset financing:									
Owned	135,947	799,914	945	470	129,263	35,238	3,159	141,993	1,246,929
Finance leased	-	-	-	-	263	-	-	-	263
On balance sheet PFI contracts	-	229,140	-	-	-	-	-	-	229,140
Net book value at 31 March 2010	**135,947**	**1,029,054**	**945**	**470**	**129,526**	**35,238**	**3,159**	**141,993**	**1,476,332**

11. (b) TANGIBLE FIXED ASSETS (Donated Assets)

	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
Cost or valuation									
At 1 April 2010	160	7,273	-	137	22,860	231	24	2,261	32,946
Additions	-	-	-	-	741	-	-	455	1,196
Completions	-	1,117	-	-	-	-	-	(1,117)	-
Revaluation	-	178	-	-	-	-	-	-	178
Disposals	-	-	-	(124)	(2,544)	(59)	-	-	(2,727)
At 31 March 2011	**160**	**8,568**	-	**13**	**21,057**	**172**	**24**	**1,599**	**31,593**
Depreciation									
At 1 April 2010	-	403	-	131	20,717	223	24	-	21,498
Provided during the year	-	294	-	4	503	8	-	-	809
Revaluation	-	11	-	-	-	-	-	-	11
Disposals	-	-	-	(124)	(2,544)	(59)	-	-	(2,727)
At 31 March 2011	**-**	**708**	-	**11**	**18,676**	**172**	**24**	**-**	**19,591**
Net book value at 1 April 2010	160	6,870	-	6	2,143	8	-	2,261	11,448
Net book value at 31 March 2011	**160**	**7,860**	-	**2**	**2,381**	**-**	**-**	**1,599**	**12,002**
Open market value of Land and Dwellings included above	**-**		**-**						
Asset financing:									
Owned	160	6,557	-	2	2,423	1	-	2,691	11,834
Net book value at 31 March 2010	**160**	**6,557**	**-**	**2**	**2,423**	**1**	**-**	**2,691**	**11,834**

11. (b) TANGIBLE FIXED ASSETS (Donated Assets) - 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
Cost or valuation									
At 1 April 2009	160	8,276	-	137	22,441	231	24	1,022	32,291
Additions	-	-	-	-	142	-	-	1,613	1,755
Completions	-	-	-	-	374	-	-	(374)	-
Revaluation	-	(1,003)	-	-	-	-	-	-	(1,003)
Disposals	-	-	-	-	(97)	-	-	-	(97)
At 31 March 2010	**160**	**7,273**	-	**137**	**22,860**	**231**	**24**	**2,261**	**32,946**
Depreciation									
At 1 April 2009	-	61	-	127	20,179	211	24	-	20,602
Provided during the year	-	382	-	4	632	12	-	-	1,030
Revaluation	-	(40)	-	-	-	-	-	-	(40)
Disposals	-	-	-	-	(94)	-	-	-	(94)
At 31 March 2010	**-**	**403**	-	**131**	**20,717**	**223**	**24**	**-**	**21,498**
Net book value at 1 April 2009	160	8,215	-	10	2,262	20	-	1,022	11,689
Net book value at 31 March 2009	**160**	**6,870**	-	**6**	**2,143**	**8**	**-**	**2,261**	**11,448**
Open market value of Land and Dwellings included above	**-**		**-**						
Asset financing:									
Owned	160	6,870	-	6	2,143	8	-	2,261	11,448
Net book value at 31 March 2009	**160**	**6,870**	**-**	**6**	**2,143**	**8**	**-**	**2,261**	**11,448**

11. (c) PROPERTY, PLANT AND EQUIPMENT DISCLOSURES	**2011**	2010
	£'000	£'000
Net book value of tangible fixed assets at 31 March		
Purchased	**1,550,766**	1,476,332
Donated	**12,002**	11,448
Total	**1,562,768**	1,487,780
Net book value related to land valued at open market value at 31 March	**11,553**	11,553
Total value of assets held under:		
Finance leases	**176**	263
PFI and PPP contracts	**245,764**	229,140
Total	**245,940**	229,403
Total depreciation charged in respect of assets held under:		
Finance leases	**-**	579
PFI and PPP contracts	**4,146**	5,447
Total	**4,146**	6,026

Land and buildings were fully revalued by the Valuation Office Agency at 31 March 2009 on the basis of fair value (market value or depreciated replacement cost where appropriate). These values have been updated as at 31 March 2011 using indices and various specific property revaluations supplied by the Valuation Office Agency.

The net impact was an increase in value for Purchased Assets of £24.0m which was credited to the revaluation reserve. In 2009/10 there was a net reduction in value for Purchased Assets £117.8m of which £111m was charged to the revaluation reserve and £6.8m charged to the statement of comprehensive net expenditure.

12. INVENTORIES	**2011**	2010	2009
	£'000	£'000	£'000
Raw Materials and Consumables	**24,334**	25,334	20,244
Total Inventories	**24,334**	25,334	20,244

13. TRADE AND OTHER RECEIVABLES	**2011**	2010	2009
	£'000	£'000	£'000
Receivables due within one year			
NHSScotland			
SGHD	**399**	53	-
Boards	**28,498**	20,904	31,175
Total NHSScotland Debtors	**28,897**	20,957	31,175
NHS Non Scottish Bodies	**1,275**	1,076	875
General Fund Receivable	**1,126**	190	-
VAT recoverable	**4,059**	3,189	3,266
Prepayments	**4,616**	9,018	7,164
Accrued income	**3,016**	3,066	648
Other Receivables	**30,656**	15,159	21,007
Reimbursement of Provisions	**4,344**	11,680	17,490
Other Public Sector Bodies	**8,891**	5,267	7,789
Total Receivables due within one year	**86,880**	69,602	89,414
Receivables due after more than one year			
Prepayments	**19**	209	142
Accrued income	**-**	-	-
Other Receivables	**15,237**	19,694	24,840
Reimbursement of Provisions	**43,200**	35,825	15,150
Total Receivables due after more than one year	**58,456**	55,728	40,132
Total Receivables	**145,336**	125,330	129,546
The total receivables figure above includes a provision for impairments of :	**1,519**	1,418	2,099

Movements on the provision for impairment of receivables are as follows:	**£'000**	£'000
At 1 April 2010	**1,418**	2,099
Provision for receivables impairment	**825**	474
Receivables written off during the year as uncollectable	**(166)**	(183)
Unused amounts reversed	**(558)**	(972)
At 31 March 2011	**1,519**	**1,418**

As of 31 March 2011, receivables with a carrying value of £1,519k (2010: £1,351k) were impaired and provided for. The amount of the provision was £1,519k (2010: £1,351k). The aging of these receivables is as follows:

	£'000	£'000
3 to 6 months past due	**-**	40
Over 6 months past due	**1,519**	1,311
	1,519	**1,351**

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

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2011, receivables with a carrying value of £9,208k (2010: £14,640k) were past their due date but not impaired. The aging of receivables which are past due but not impaired is as follows:

	£'000	£'000
Up to 3 months past due	**3,372**	8,228
3 to 6 months past due	**2,693**	2,731
Over 6 months past due	**3,143**	3,681
	9,208	14,640

The receivables assessed as past due but not impaired were mainly NHS Scotland, Local Authorities and Universities and there is no history of default from these customers recently.

Concentration of credit risk is limited due to customer base being large and unrelated/government bodies. Due to this, management believe that there is no future credit risk provision required in excess of the normal provision for doubtful receivables.

The credit quality of receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available. Where no external credit rating is available, historical information about counterparty default rates is used.

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

Counterparties with external credit ratings	**£'000**	£'000
Existing customers with no defaults in the past	**9,165**	14,640
Existing customers with some defaults in the past	**43**	-
Total neither past due or impaired	**9,208**	14,640

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.

The carrying amount of receivables are denominated in the following currencies:	**£'000**	£'000
Pounds	**145,336**	125,330
	145,336	125,330

All non-current receivables are due within six years (2009/10: seven 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 £15,237k (2009/10: £19,694k)

The effective interest rate on non-current other receivables is 2.2% (2009/10: 2.2%). Pension liabities are discounted at 2.9% (2009/10: 1.8%)

14. AVAILABLE FOR SALE FINANCIAL ASSETS	2011 £'000	2010 £'000	2009 £'000
Other	**1**	1	1
Total Available For Sale Financial Assets	**1**	1	1

NHS Greater Glasgow and Clyde has subscribed to 1,000 ordinary £1 shares in TMRI Ltd, a Scottish limited company formed by four of Scotland's universities and four NHS Boards in collaboration with Wyeth Pharmaceuticals. Any investment loss would be borne by TMRI Ltd.

15. CASH AND CASH EQUIVALENTS	At 1 April 2010 £'000	At 31 March 2011 £'000	Cash Flow 2011 £'000	Cash Flow 2010 £'000
Government Banking Service account balance	859	-	(859)	344
Cash at bank and in hand	133	2,182	2,049	(473)
Total Cash - Balance Sheet	**992**	**2,182**	**1,190**	(129)
Overdrafts	(190)	(1,126)	(936)	(190)
Total Cash - Cash Flow Statement	**802**	**1,056**	**254**	(319)

Cash at bank is with major UK banks. The credit risk assocated with cash at bank is considered to be low.

16. TRADE AND OTHER PAYABLES	2011 £'000	2010 £'000	2009 £'000
Payables due within one year			
NHSScotland			
SGHD	**1,447**	-	374
Boards	**9,454**	16,281	22,378
Total NHSScotland Payables	**10,901**	16,281	22,752
NHS Non Scottish Bodies	**123**	44	13
General Fund Payable	**2,182**	992	1,121
FHS Practitioners	**68,247**	65,644	61,025
Trade Payables	**9,240**	10,504	12,992
Accruals	**166,284**	186,079	185,902
Payments received on account	**2,257**	1,164	4,474
Net obligations under Finance Leases	**109**	167	231
Net obligations under PPP/PFI Contracts	**2,663**	1,704	553
Bank overdrafts	**1,126**	190	-
Income tax and social security	**29,903**	29,936	29,178
Superannuation	**15,760**	15,770	15,459
Other Public Sector Bodies	**8,320**	3,603	9,538
Other payables	**15,197**	13,370	16,147
Total Payables due within one year	**332,312**	345,448	359,385
Payables due after more than one year			
Net obligations under Finance Leases due within 5 years	**-**	-	436
Net obligations under PPP/PFI Contracts due within 5 years	**12,954**	8,699	2,834
Net obligations under PPP/PFI Contracts due after 5 years	**227,377**	220,670	51,238
Deferred Income	**2,500**	4,336	1,938
Other payables	**4,364**	-	-
Total Payables due after more than one year	**247,195**	233,705	56,446
Total Payables	**579,507**	579,153	415,831

Borrowings included above comprise:	**2011 £'000**	2010 £'000
Bank overdrafts	**1,126**	190
Finance Leases	**109**	167
PFI Contracts	**242,994**	231,073
	244,229	231,430

The carrying amount and fair value of the non-current borrowings are as follows	**2011**	2010
Carrying Amount	**£'000**	£'000
PFI Contracts	**240,331**	229,369
	240,331	229,369
Fair Value		
PFI Contracts	**240,331**	229,369
	240,331	229,369

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

The carrying amount of payables are denominated in the following currencies:	**£'000**	**£'000**
Pounds	**579,507**	579,153
	579,507	579,153

17. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions	Clinical & Medical Negligence	EC Carbon Emissions	Other	Total at 31 March 2011	Total at 31 March 2010
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2010	62,422	49,386	909	8,022	**120,739**	141,068
Arising during the year	5,522	23,313	441	1,309	**30,585**	30,504
Utilised during the year	(4,164)	(15,193)	-	(1,708)	**(21,065)**	(21,544)
Unwinding of discount	(3,564)	-	-	-	**(3,564)**	981
Reversed unutilised	(14,755)	(6,790)	-	(157)	**(21,702)**	(30,270)
At 31 March 2011	**45,461**	**50,716**	**1,350**	**7,466**	**104,993**	120,739

The amounts shown above are stated gross and the amount of any expected reimbursements are separately disclosed as debtors in note 13.

Analysis of expected timing of discounted flows

	Pensions	Clinical & Medical Negligence	EC Carbon Emissions	Other	Total at 31 March 2011	Total at 31 March 2010
	£'000	£'000	£'000	£'000	£'000	£'000
Current	4,549	6,366	1,350	7,466	**19,731**	27,333
Non current	40,912	44,350	-	-	**85,262**	93,406
At 31 March 2011	**45,461**	**50,716**	**1,350**	**7,466**	**104,993**	120,739

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 2.9% in real terms. The Board expects expenditure to be charged to this provision for a period of up to 38 years.

Clinical & Medical

The Board holds a provision to meet costs of all outstanding and potential cliical and medical negligence claims. All legal claims notified to the Board are processed by the Scottish NHS Central Legal Office who will decide upon risk liability and likely outcome of each case. The provision contains sums for settlement awards, legal expenses and third party costs. Clinical and medical negligence cases lodged can be extremely complex. It is expected that expenditure will be charged to this provision for a period of up to 10 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.

EC Carbon Emissions

The Board participates in the UK emissions trading rights scheme. This is a Cap and Trade scheme whereby allowances are traded in an active market. Expenditure against this provision is likely to be incurred within one financial year.

Other

The Board retains provisions in respect of other long term liabilities including all non medical claims notified through the Scottish Central Legal Office. It is expected that these provisions may take up to 5 years to be fully written down.

18. MOVEMENT ON WORKING CAPITAL BALANCES

	Note	Opening Balances	Closing Balances	Net Movement 2011	2010
		£'000	£'000	£'000	£'000
INVENTORIES	12				
Balance Sheet		25,334	24,334		
Net Decrease/(Increase)				**1,000**	(5,090)
TRADE AND OTHER RECEIVABLES					
Due within one year	13	69,602	86,880		
Due after more than one year	13	55,728	58,456		
Less: Capital included in above		(22,569)	(29,451)		
Less: General Fund Debtor included in above	13	(190)	(1,126)		
		102,571	114,759		
Net Increase				**(12,188)**	(4,517)
TRADE AND OTHER PAYABLES					
Due within one year	16	345,448	332,312		
Due after more than one year	16	233,705	247,195		
Less: Capital included in above		(36,272)	(6,957)		
Less: Bank Overdraft	16	(190)	(1,126)		
Less: General Fund Creditor included in above	16	(992)	(2,182)		
Less: Lease and PFI Creditors included in above	16	(231,240)	(243,103)		
		310,459	326,139		
Net (Decrease)/Increase				**15,680**	(27,990)
PROVISIONS					
Balance Sheet	17	120,739	104,993		
Net Decrease				**(15,746)**	(20,329)
Net Decrease				**(11,254)**	(57,926)

19. CONTINGENT LIABILITIES/ASSETS

CONTINGENT LIABILITIES

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

(i) Negligence Claims

	Clinical & Medical Negligence	Employer's Liability	Third Party Liability	Total
	£'000	£'000	£'000	£'000
At 1 April 2010	22,652	1,670	-	**24,322**
Increase in value of claims	1,485	9	-	**1,494**
New claims arising during the year	5,163	1,339	-	**6,502**
Crystallised liabilities	(281)	(183)	-	**(464)**
Expired obligations	(5,047)	(376)	-	**(5,423)**
At 31 March 2011	**23,972**	**2,459**	**-**	**26,431**

(ii) Equal Pay Claims

NHS Greater Glasgow & Clyde has received 4,198 claims under the Equal Pay Act 1970 mainly from women seeking compensation for past inequalities with male colleagues, under their pay arrangements.

The basis of those claims is as follows:

- The claimant's job has been rated as being of equivalent to that of their comparator using a valid Job Evaluation Study, and/or is of equal value to that of their comparator.

- Their comparator is currently paid or has been paid more than them.

- They claim equal pay, back pay and interest.

- Back pay is claimed for the statutory maximum of 5 years.

Claims still do not provide sufficient detail about the comparator jobs to allow an estimate to be made of the likelihood of the success of the claims or of any financial impact that they may have. The NHS Scotland Central Legal Office and Equal Pay Unit are continuing to monitor the progress of all equal pay claims in NHS Scotland and the developments relating to NHS equal pay claims elsewhere that may further inform the position. They continue to advise that it is not possible to provide any financial quantification at this stage because of the lack of information. On the basis of their view the appropriate accounting treatment is to disclose the claims as a contingent liability that it is not possible to quantify.

(iii) Waste Electronic and Electrical Equipment Regulations

The Waste Electronic and Electrical Equipment Regulations 2006 came into force on 1 July 2007. Where waste arises from assets obtained prior to 13 August 2005 the Board will be responsible for the cost of collection, treatment recovery and environmentally sound disposal after 1 July 2007. If however a direct replacement is purchased then the cost of disposal will fall directly on the supplier. The Board's current accounting policy is to incur such costs as they fall due. It is not possible to quantify the potential additional costs that the Board might be exposed to in respect of disposal of equipment purchased prior to 13 August 2005 as there is no reliable disposal cost per item of equipment and it is unknown what items will be directly replaced.

CONTINGENT ASSETS

The following contingent assets have not been provided for in the Accounts:	2011	2010
	£'000	£'000
Reimbursement of Contingent Liability re Negligence Claims (from CNORIS scheme) as follows:		
Clinical & Medical Negligence	**21,273**	22,735
Employer's Liability	**1,375**	690
Woodilee Land Sale - Ransom Strip	**2,956**	2,956
Total	**25,604**	26,381

20. COMMITMENTS

Capital Commitments

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

	2011 £'000	2010 £'000
Contracted		
Maternity Phase 2	-	3,868
Acute Services Projects	3,166	12,221
Primary Care Projects	8,741	29,176
Car Park 1	-	9,291
Board Projects	2,667	36,914
ASR Enabling Works	-	1,538
New South Glasgow Hospital	618,331	103,735
RAH - 24 Chairs	-	3,416
Pet Scanner	2,100	-
Total	635,005	200,159
Authorised but not Contracted		
Acute Services Projects	6,879	119,166
Primary Care Projects	11,620	38,384
ASR Enabling Works	-	3,951
Board Projects	5,439	4,083
New South Glasgow Hospital	142,329	565,741
Laboratory Modernisation Scheme	17,392	-
Maternity Strategy Final Phase	1,908	-
Total	185,567	731,325

21. COMMITMENTS UNDER LEASES

Operating Leases

Total future minimum lease payments under operating leases are given in the table below for the each of the following periods.

Obligations under operating leases comprise:	**2011**	2010
	£'000	£'000
Buildings		
Within one year	**1,058**	708
Between two and five years (inclusive)	**565**	1,249
After five years	**2,625**	4,324
Other		
Within one year	**2,260**	2,502
Between two and five years (inclusive)	**2,323**	1,971
Amounts charged to Operating Costs in the year were:		
Hire of equipment (including vehicles)	**4,474**	4,301
Other operating leases	**4,247**	5,882
Total	**8,721**	10,183

Finance Leases

Total future minimum lease payments under finance leases are given the in the table below for the each of the following periods.

Obligations under finance leases comprise:	**2011**	2010
	£'000	£'000
Other		
Within one year	**109**	167
	109	167
Total	**109**	167

This total net obligation under finance leases is analysed in Note 16 (Trade and Other Payables)

Aggregate Rentals Receivable in the year	**2011**	2010
	£'000	£'000
Total of Operating Leases	**512**	514

22. (a) COMMITMENTS UNDER PFI CONTRACTS - OFF BALANCE SHEET

The Board has entered into the following PFI contracts.

Hospital Information System (Southern General Hospital/Victoria Infirmary)- contract commenced on 5th March 2001 with EMC Europe. On 28th February 2003 this contract was novated from the original supplier to Filetek UK Ltd and the contract was due to finish on 4th March 2009. The contract has been extended until March 2012. The estimated capital value of the contract is unquantifiable and the system is not an asset of NHSGGC.

Hospital Information System (Yorkhill Hospital)- contract with Filetek UK Ltd commenced 1st January 1997 for an initial 10 year period. The contract was extended for a 3 year period until 31st December 2009. The contract has been extended until March 2012. The estimated capital value of the contract is unquantifiable and the system is not an asset of NHSGGC.

The total amount charged in the Operating Cost Statement in respect of off balance sheet PFI/PPP deals is:

	2011	2010
	£'000	£'000
HIS - Southern General Hospital/Victoria Infirmary	**740**	689
HIS - Yorkhill Hospital	**744**	578
	1,484	1,267

The payments that there are a commitment to make during the next year analysed between these periods in which the commitment expires are:

	2011	2010
	£'000	£'000
Within one year	**1,484**	-
Between two and five years (inclusive)	**-**	1,267
	1,484	1,267

22 (b) COMMITMENTS UNDER PFI CONTRACTS - On balance Sheet

The Board has entered into the following PFI contracts.

1. Larkfield Unit - Day Hospital Elderly Care Facility. PFI contract commenced with Quayle Munro Ltd on 1 November 2000 for a period of 25 years. Estimated capital value at commencement £9.1M.

2. Southern General Hospital - Elderly Bed Facility (210 Beds). PFI contract commenced with Carillion Private Finance on 1 April 2001 for a period of 28 years. Estimated capital value at commencement £11.1M.

3. Gartnavel Royal Hospital - Mental Health Facility (117 Beds). PFI contract commenced with Robertson Capital Projects Ltd on 1 October 2007 for a period of 30 years. Estimated capital value at commencement £17.7M.

4. Stobhill Rowanbank Clinic - Mental Health Secure Care Centre (74 Beds). PFI contract commenced with Quayle Munro Ltd on 1 May 2007 for a period of 35 years. Estimated capital value at commencement £19M.

5. Stobhill Hospital - Ambulatory Care and Diagnostic Treatment Centre. PFI contract commenced with Glasgow Healthcare Facilities Ltd on 1 April 2009 for a period of 30 years. Estimated capital value at commencement £78.7M.

6. Victoria Hospital - Ambulatory Care and Diagnostic Treatment Centre. PFI contract commenced with Glasgow Healthcare Facilities Ltd on 1 April 2009 for a period of 30 years. Estimated capital value at commencement £99.3M.

7. Stobhill Hospital - Ambulatory Care and Diagnostic Treatment Centre 60 Bed extension. PFI contract commenced with Glasgow Healthcare Facilities Ltd on 25 February 2011 for a period of 30 years. Estimated capital value at commencement £15.8M.

22 (b) COMMITMENTS UNDER PFI CONTRACTS - On balance Sheet (cont)

Under IFRIC 12 the asset is treated as an asset of the Board and included in the Board's accounts as a Non current asset. The liability to pay for the property is in substance a finance lease obligation. Contractual payments therefore comprise two elements; imputed finance lease charges and service charges. The imputed finance lease obligation is as follows:

Gross Minimum Lease Payments	Larkfield	SGH Eld Bed	Gart Royal	Stb Rwbnk	Stb ACAD	Vic ACAD	Stb ACAD 60 Bed Ext	Totals	2010
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Within one year	790	1,064	1,455	1,549	6,972	8,813	1,672	22,315	**24,794**
Between two and five years (inclusive)	3,160	4,256	5,819	6,195	27,887	35,253	6,686	89,256	**99,176**
After five years	7,901	13,832	32,003	41,818	167,325	211,515	40,117	514,511	**594,228**
Balance at 31 March 2011	**11,851**	**19,152**	**39,277**	**49,562**	**202,184**	**255,581**	**48,475**	**626,082**	**718,198**

Less Interest Element	Larkfield	SGH Eld Bed	Gart Royal	Stb Rwbnk	Stb ACAD	Vic ACAD	Stb ACAD 60 Bed Ext	Totals	2010
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Within one year	(510)	(822)	(1,237)	(1,399)	(6,237)	(7,884)	(1,563)	(19,652)	**(23,090)**
Between two and five years (inclusive)	(1,826)	(3,061)	(4,775)	(5,474)	(24,306)	(30,725)	(6,135)	(76,302)	**(90,477)**
After five years	(2,395)	(5,679)	(16,279)	(24,214)	(94,333)	(119,247)	(24,987)	(287,134)	**(373,558)**
Balance at 31 March 2011	**(4,731)**	**(9,562)**	**(22,291)**	**(31,087)**	**(124,876)**	**(157,856)**	**(32,685)**	**(383,088)**	**(487,125)**

Present value of minimum lease payments	Larkfield	SGH Eld Bed	Gart Royal	Stb Rwbnk	Stb ACAD	Vic ACAD	Stb ACAD 60 Bed Ext	Totals	2010
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Within one year	280	242	218	150	735	929	109	2,663	**1,704**
Between two and five years (inclusive)	1,334	1,195	1,044	721	3,581	4,528	551	12,954	**8,699**
After five years	5,506	8,153	15,724	17,604	72,992	92,268	15,130	227,377	**220,670**
Balance at 31 March 2011	**7,120**	**9,590**	**16,986**	**18,475**	**77,308**	**97,725**	**15,790**	**242,994**	**231,073**

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

	2011	2010	2009
	£'000	£'000	£'000
Service charges	4,765	4,132	2,178
Interest charges	18,407	23,245	5,659
Total	**23,172**	**27,377**	**7,837**

Contingent rents recognised as an expense in the period were;

	2011	2010	2009
	£'000	£'000	£'000
Contingent rents	**2,882**	**1,186**	**1,181**

Note: There has been a change in methodology used to compute the interest and service elements of PFI expenditure. The effect of this is that interest charges are lower over the course of PFI contract than had previously been stated.

23. PENSION COSTS

The NHS board participates in the National Health Service Superannuation Scheme for Scotland which is a notional defined benefit scheme where contributions are credited to the Exchequer and the balance in the account is deemed to be invested in a portfolio of Government securities. The pension cost is assessed every five years by the Government Actuary; details of the most recent actuarial valuation can be found in the separate statement of the Scottish Public Pensions Agency (SPPA).

The National Health Service Superannuation Scheme for Scotland is a multi-employer scheme where the share of the assets and liabilities applicable to each employer is not identified. The NHS board will therefore account for its pension costs on a defined contribution basis as permitted by IAS 19.

For 2010-11, normal employer contributions of £127,088,000 were payable to the SPPA (prior year £124,169,000) at the rate of 13.5% (2009-10: 13.5%) of total pensionable salaries. In addition, during the accounting period the NHS board incurred additional costs of £592,000 (prior year £140,000) arising from the early retirement of staff. The most recent actuarial valuation discloses a balance of £370 million to be met by future contributions from employing authorities.

Provisions/Liabilities/Pre-payments amounting to £45,639,000 are included in the Balance Sheet and reflect the difference between the amounts charged to the Statement of Comprehensive Net Expenditure and the amounts paid directly.

Changes to the scheme were implemented from 1 April 2008. Existing staff, and those joining the scheme up to 31 March 2008, will keep the benefits of the existing scheme but will be given the choice to transfer to the new scheme.

Existing scheme:

The scheme provides benefits on a “final salary” basis at a normal retirement age of 60. Annual benefits are normally based on 1/80th of the best of the last three years pensionable pay for each year of service. In addition, a lump sum equivalent to three years’ pension is payable on retirement. Members pay tiered contribution rates ranging from 5% to 8.5% of pensionable earnings. Pensions are increased in line with the Consumer Price Index.

On death, pensions are payable to the surviving spouse at a rate of half the member’s pension. On death in service, the scheme pays a lump-sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse’s pension. The enhancement depends on length of service and cannot exceed 10 years. Child allowances are payable according to the number of dependant children and whether there is a surviving parent who will get a scheme widow/widower’s pension. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately where the member has more than 2 years service. Where service exceeds 5 years, the pension is calculated using specially enhanced service, with a maximum enhancement of 10 years.

Members aged 50 or above may take voluntary early retirement and receive a reduced pension. Alternatively, if the employer agrees to this the member will be able to retire on the full pension and lump sum which they have earned.

New 2008 arrangements:

The scheme provides benefits on a “final salary” basis at a normal retirement age of 65. Pension will have an accrual rate of 1/60th and be calculated on the basis of the average of the best consecutive three years pensionable pay in the ten years before retirement. There is an option to exchange part of Pension benefits for a cash lump sum at retirement, up to 25% of overall Pension Value. Members pay tiered contribution rates ranging from 5% to 8.5% of pensionable earnings. Pensions and allowances are index linked to protect their value.

Members aged 55 or above may take voluntary early retirement and receive a reduced pension. Alternatively, if the employer agrees to this the member will be able to retire on the full pension and lump sum which they have earned.

	2011	2010
	£’000	£’000
Pension cost charge for the year	**127,088**	124,169
Additional Costs arising from early retirement	**592**	140
Provisions/Liabilities/Pre-payments included in the Balance Sheet	**45,461**	62,422

24. EXCEPTIONAL ITEMS AND PRIOR YEAR ADJUSTMENTS

Prior year adjustments which have been recognised in these Accounts are:

	Dr. £'000	Cr. £'000
Adjustment		
Cost of Capital		
General Fund	**34,761**	**-**
SOCNE (Clinical Services Costs - Hospital & Community)	**-**	**34,761**

25. RESTATED SOCNE

	Previous Accounts	Adjustment 1	These Accounts
	£'000	£'000	£'000
Clinical Services Costs			
Hospital and Community	2,151,706	(34,761)	2,116,945
Less: Hospital and Community Income	419,914	-	419,914
	1,731,792	(34,761)	1,697,031
Family Health Services	572,151	-	572,151
Less: Family Health Services Income	19,158	-	19,158
	552,993	-	552,993
Total Clinical Services Costs	**2,284,785**	**(34,761)**	**2,250,024**
Administration Costs	11,545	-	11,545
Less: Administration Income	158	-	158
	11,387	-	11,387
Other Non Clinical Services	50,414	-	50,414
Less: Other Operating Income	57,093	-	57,093
	(6,679)	-	(6,679)
Net Operating Costs	2,289,493	(34,761)	2,254,732

25. RESTATED CASH FLOW STATEMENT

	Previous Accounts	Adjustment 1	These Accounts
	£'000	£'000	£'000
NET OPERATING CASHFLOW			
Net operating cost	(2,289,493)	34,761	(2,254,732)
Adjustments for non cash transactions	121,259	(34,761)	86,498
Interest payable	24,255	-	24,255
Interest receivable	(9)	-	(9)
Net movement on working capital	(57,926)	-	(57,926)
Net cash outflow from operating activities	**(2,201,914)**	-	(2,201,914)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(312,440)	-	(312,440)
Purchase of intangible assets	(399)	-	(399)
Proceeds of disposal of property, plant and equipment	9,823	-	9,823
Interest received	9	-	9
Net cash outflow from Investing Activities	**(303,007)**	-	(303,007)
FINANCING			
Funding	2,353,228	-	2,353,228
Movement in general fund working capital	(319)	-	(319)
Cash drawn down	2,352,909	-	2,352,909
Capital element of payments in respect of finance leases and on balance sheet PFI Contracts	175,948	-	175,948
Interest paid	(981)	-	(981)
Interest element of finance leases and on balance sheet PFI Contracts	(23,274)	-	(23,274)
Net cash inflow from financing	**2,504,602**	-	2,504,602
Decrease in cash in year	**(319)**	**-**	**(319)**
Net cash at 1 April	1,121	**-**	1,121
Net cash at 31 March	**802**	**-**	**802**

26. (a) FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Loans and Receivables	Assets at Fair Value through Profit and Loss	Available for Sale	Total at 31 March 2011	Total at 31 March 2010
		£'000	£'000	£'000	£'000	£'000
Assets						
Investments	14	-	-	1	**1**	1
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	13	59,075	-	-	**59,075**	44,262
Cash and cash equivalents	15	2,182	-	-	**2,182**	992
At 31 March 2011		**61,257**	**-**	**1**	**61,258**	45,255

	Note	Liabilities at Fair Value through Profit and Loss	Other Financial Liabilities	Total at 31 March 2011	Total at 31 March 2010
		£'000	£'000	£'000	£'000
Liabilities					
Finance lease liabilities	16	-	109	**109**	167
PFI Liabilities	16	-	242,994	**242,994**	231,073
Trade and other payables excluding statutory liabilities (VAT and income tax and social security)	16	-	272,976	**272,976**	281,590
At 31 March 2011		**-**	**516,079**	**516,079**	512,830

26. (b) FINANCIAL RISK FACTORS

Exposure to Risk

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

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

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

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

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

a) Credit Risk

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

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

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

The utilisation of credit limits is regularly monitored.

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

b) Liquidity Risk

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

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

	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years
	£'000	£'000	£'000	£'000
At 31 March 2011				
PFI Liabilities	2,662	2,875	10,080	227,379
Finance lease liabilities	40	-	-	-
Trade and other payables excluding statutory liabilities	273,439	-	-	-
At 31 March 2011	**276,141**	**2,875**	**10,080**	**227,379**

	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years
	£'000	£'000	£'000	£'000
At 31 March 2010				
PFI Liabilities	1,704	1,875	6,825	220,669
Finance lease liabilities	167	-	-	-
Trade and other payables excluding statutory liabilities	296,879	-	-	4,336
At 31 March 2010	**298,750**	**1,875**	**6,825**	**225,005**

c) Market Risk

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

i) Cash flow and fair value interest rate risk

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

ii) Foreign Currency Risk

The NHS Board is not exposed to foreign currency risk.

iii) Price risk

The NHS Board is not exposed to equity security price risk.

26. (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.

27. RELATED PARTY TRANSACTIONS

The Board had various material transactions with other government departments and other central government bodies. Most of these transactions have been with HM Revenue and Customs.

The Board also had the following Related Party Transactions during the year:-

Related Party	Details of Related Party Transaction	
Scottish Health Innovations Ltd	NHS Greater Glasgow and Clyde spent a total of £129,830 on various supplies	Mr D Griffin, Director of Finance, is also a non-executive Director of Scottish Health Innovations Ltd, a not for profit company that supports the development and commercialisation of innovations arising within the NHS in Scotland
TMRI Ltd	NHS Greater Glasgow and Clyde participates in a Joint Venture with three other Health Boards (Lothian, Tayside and Grampian) and four Universities. There is no requirement for NHSGGC to provide funding and no costs were incurred in 2010/11.	Mr D Griffin, Director of Finance, was also a non-executive Director of TMRI Ltd, a joint venture with four universities and four other health boards
Broomhill Dental Practice	General Dental Services	Mr C Bell, non-executive Director, is also a General Dental Practitioner at the Broomhill Dental Practice
Erskine Hospital	NHS Greater Glasgow and Clyde spent £83,324 on residential patient care, training and conference facilities and supported workshops	Mr A O Robertson OBE, Chairman, is also Vice Chair of Erskine Hospital
University of Glasgow	£3,300,322 was spent on training courses, research projects and teaching costs	Prof D H Barlow and Mr P Daniels OBE, non-executive Directors are, respectively, Executive Dean of the Faculty of Medicine, Glasgow University and Member of the University of Glasgow Court. Prof A Dominiczak is Vice Principal of Glasgow University
University of Strathclyde	£348,397 was spent on training courses and research projects	Mr R Cleland, non-executive Director, is also a Member of the University of Strathclyde Court
NHS Greater Glasgow and Clyde Endowment Funds	NHS Greater Glasgow and Clyde Endowment Funds had total fund balances of £79,106,000 in 2010/11	NHS Greater Glasgow and Clyde Endowment Funds are managed by Trustees who are also Directors of the Board.

28. SEGMENT INFORMATION

	Acute	NHS Community Partnerships	Corporate	Unallocated	Total at 31 March 2011
	£'000	£'000	£'000	£'000	£'000
Net operating cost	1,140,748	1,050,997	145,552	-	**2,337,297**
Total assets	-	-	-	1,736,340	**1,736,340**
Total liabilities	-	-	-	684,500	**684,500**
Total segment revenue	407,036	56,768	42,998	-	**506,802**
Impairment losses recognised in SOCNE	-	-	38,670	-	**38,670**
Depreciation and amortisation	64,972	7,733	(156)	-	**72,549**
Interest income	8	-	-	-	**8**
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	-	-	-	162,634	**162,634**

28. SEGMENT INFORMATION - PRIOR YEAR

	Acute	NHS Community Partnerships	Corporate	Unallocated	Total at 31 March 2010
	£'000	£'000	£'000	£'000	£'000
Net operating cost	1,147,287	952,745	154,700	-	**2,254,732**
Total assets	-	-	-	1,640,667	**1,640,667**
Total liabilities	-	-	-	699,892	**699,892**
Total segment revenue	406,347	57,216	32,760	-	**496,323**
Impairment losses recognised in SOCNE	-	-	6,800	-	**6,800**
Depreciation and amortisation	71,630	8,313	(880)	-	**79,063**
Interest income	1	-	8	-	**9**
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	-	-	-	329,040	**329,040**

29. THIRD PARTY ASSETS

	At 1 April 2010 £'000	Gross Inflows £'000	Gross Outflows £'000	At 31 March 2011 £'000
Monetary amounts such as bank balances and monies on deposit	3,824	2,473	(2,639)	**3,659**
Total Third Party Assets	**3,824**	**2,473**	**(2,639)**	**3,659**

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

30. EXIT PACKAGES

EXIT PACKAGES

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	£'000	£'000	£'000
<£10,000	-	9	9
£10,000 - £25,000	-	10	10
£25,000 - £50,000	-	2	2
£50,000 - £100,000	-	3	3
£100,000- £150,000	-	1	1
Total number exit packages by type	**-**	**25**	**25**
Total resource cost (£'000)	**-**	**592**	**592**

EXIT PACKAGES PRIOR YEAR

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	£'000	£'000	£'000
<£10,000	-	12	12
£10,000 - £25,000	-	1	1
£25,000 - £50,000	-	1	1
£50,000 - £100,000	-	1	1
Total number exit packages by type	**-**	**15**	**15**
Total resource cost (£'000)	**-**	**140**	**140**

Greater Glasgow Health Board

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of sections 86(1), (1B) and (3) of the National Health Services (Scotland) Act 1978, hereby give the following direction.

2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.

3. Subject to the foregoing requirements, the accounts shall also comply with any accounts format, disclosure and accounting requirements issued by the Scottish Ministers from time to time.

4. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.

5. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 30 December 2002 is hereby revoked.

Signed by the authority of the Scottish Ministers

Dated 8 February 2006