NHS Greater Glasgow and Clyde
Annual Accounts
for the Year Ended 31 March 2013

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2013.

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 25 June 2013.

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 Gillian Woolman, Assistant Director, Audit Services Group, 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 whose membership will be conditioned by the functions of the Board.

Members of the NHS Board are selected on the basis of their position or the particular expertise which enables them to contribute to the decision making process at a strategic level.

The 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 2012 to 31 March 2013 were as follows:

Non-Executive Members

Mr A O Robertson OBE	Chairman
Dr C Benton MBE	Non-Executive Director
Ms M Brown	Non-Executive Director
Mr G Carson	Non-Executive Director
Cllr J Coleman	Non-Executive Director; Councillor, Glasgow City Council *(resigned 30 April 2012)*
Mr P Daniels OBE	Non-Executive Director
Prof A Dominiczak	Non-Executive Director
Mr R Finnie	Non-Executive Director *(appointed 1 June 2012)*

Mr I Fraser	Non-Executive Director
Cllr J Handibode	Non-Executive Director; Councillor, South Lanarkshire Council *(resigned 30 April 2012, reappointed 20 June 2012)*
Dr M Kapasi MBE	Non-Executive Director
Cllr M Kerr	Non-Executive Director; Councillor, Glasgow City Council *(appointed 16 July 2012)*
Cllr B Lawson	Non-Executive Director; Councillor, Renfrewshire Council *(resigned 30 April 2012)*
Cllr A Lafferty	Non-Executive Director; Councillor, East Renfrewshire Council *(appointed 20 June 2012)*
Mr I Lee	Non-Executive Director
Cllr M Macmillan	Non-Executive Director; Councillor, Renfrewshire Council *(appointed 20 June 2012)*
Cllr R McColl	Non-Executive Director; Councillor, West Dunbartonshire Council *(resigned 30 April 2012)*
Cllr J McIlwee	Non-Executive Director; Councillor, Inverclyde Council *(resigned 30 April 2012, reappointed 20 June 2012)*
Ms R Micklem	Non-Executive Director *(appointed 1 June 2012)*
Cllr M O'Donnell	Non-Executive Director; Councillor, East Dunbartonshire Council *(appointed 16 July 2012)*
Dr R Reid	Non-Executive Director
Cllr M Rooney	Non-Executive Director; Councillor, West Dunbartonshire Council *(appointed 20 June 2012)*
Rev Dr N Shanks	Non-Executive Director
Mr D Sime	Employee Director
Mrs P Spencer BEM	Non-Executive Director
Cllr A Stewart	Non-Executive Director; Councillor, East Dunbartonshire Council *(resigned 30 April 2012)*
Mr B Williamson	Non-Executive Director
Mr K Winter	Non-Executive Director
Cllr D Yates	Non-Executive Director; Councillor, East Renfrewshire Council *(resigned 30 April 2012)*

Executive Members

Mr R Calderwood	Chief Executive
Dr J Armstrong	Medical Director *(appointed 1 April 2012)*
Dr L de Caestecker	Director of Public Health
Ms R Crocket	Nurse Director
Mr P James	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 NHS Board as required by IAS 24 are disclosed in Note 25.

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 found on the Board's website at www.nhsggc.org.uk.

Directors' third party indemnity provisions

Individual members of the NHS Board or the NHS Board as a group are covered by the NHS Board's Clinical Negligence and other Risks Indemnity Scheme (CNORIS) in respect of potential claims against them.

Pension Liabilities

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

Remuneration for non audit work

During the year 2012/13 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 Board 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:-

	2012/13	2011/12
Average period of credit taken	**27 days**	31 days
Percentage of invoices by volume paid within 30 days	**95%**	93%
Percentage of invoices by value paid within 30 days	**97%**	95%
Percentage of invoices by volume paid within 10 days	**84%**	82%
Percentage of invoices by value paid within 10 days	**85%**	81%

CORPORATE GOVERNANCE

The NHS Board met six times during the year to progress the business of NHS Greater Glasgow and Clyde. The NHS Board has an integrated approach to governance across clinical areas, performance management, staff and involving and engaging people in its services and developments. The NHS Board, therefore, has the following standing committees to support it, and which are directly accountable to it:

- Quality and Performance Committee
- Audit Committee
- Area Clinical Forum
- Disciplinary Committees (for primary care contractors)
- Pharmacy Practices Committee

Quality and Performance Committee

The objectives of the Quality and Performance Committee are to provide assurance to the NHS Board on performance in a number of critical areas, including:-

- the quality of services delivered to patients
- effective patient safety and governance systems
- delivery of corporate objectives, including those set out in the Local Development Plan as agreed with Scottish Government Health & Social Care Directorates
- financial planning and management
- staff and patient focused public involvement
- ensuring that learning from performance issues drives improvement

The membership of the Quality and Performance Committee comprised Mr I Lee (Convener), Dr C Benton CBE, Ms M Brown, Mr P Daniels OBE, Mr I Fraser, Cllr M Kerr, Cllr A Lafferty, Cllr J McIlwee, Ms R Micklem, Mr D Sime, Mrs P Spencer BEM, Mr B Williamson and Mr K Winter.

The Quality and Performance Committee met on six occasions during the year. As well as the members of the Committee, meetings were attended by other NHS Board members and senior managers.

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 Mr K Winter, Mr P Daniels OBE, Mr R Finnie, Dr M Kapasi MBE, Mr I Lee, Dr R Reid, Cllr M Rooney and Mr D Sime. The committee met six times during 2012/13, and was chaired by Mr K Winter.

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.

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 comprised Dr H Cameron, Ms M Darroch, Mr C Fenelon, Ms S Flower, Ms J Frederick, Dr R Groden, Dr J Ip, Mr K Irvine, Ms N McElvanney, Mr A McMahon, Mrs V Reilly, Mrs P Spencer BEM and Ms T Welbury. With the exception of Mrs P Spencer BEM, none of the other members of the forum was a member of the NHS Board. The forum met six times during 2012/13 and was chaired by Mrs P Spencer BEM.

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.

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 (Chairman), Dr C Benton MBE, Mr R Finnie, Mr E Black, Mr G Dykes, Mr C Fergusson, Mr A Fraser, Ms C Anderton, Mr K Irvine, Dr J Johnson, Mrs J Miller, Mr J Wallace, Mr I Mouat, Ms M Lynch, Mr P Hamilton, Mr A MacIntyre, Cllr L Rebecchi, and Mr S Daniels. With the exception of Mr P Daniels OBE, Dr C Benton MBE and Mr R Finnie, none of the other members of the committee is a member of the NHS Board. The committee met on 7 occasions during 2012/13.

Disclosure of Information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as each of them is aware, there is no relevant audit information of which the Board's auditors have not been made aware 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 38,000 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 with dignity and respect and provided with a continuously improving and safe environment where the health & wellbeing of staff and patients is promoted. The Board's performance against the Staff Governance Standard has been monitored throughout the year by the Board's Staff Governance Committee comprising of Non-Executive Directors, General Managers and Trade Union staff. During 2012/13, the Staff Governance Committee invited Directors to update on what their management teams were doing to uphold the Staff Governance Standard and how they responded to the results of the last national staff survey. 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. During the last year, on two occasions, the Committee also reviewed data about the incidence of violence and aggression across service areas.

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 workforce. Through a programme called Facing The Future Together (FTFT), NHS GG&C pursues an improvement and engagement agenda. FTFT is made up of the component parts Our Culture, Our Leaders, Our People, Our Patients and Our Resources. In 2012/13, NHS GG&C surveyed the workforce on a range of questions. The results have been broken down by individual service area and these areas are expected to devise local action plans to bring about improvements against a range of measures. Similarly, a new national staff survey will be performed during 2013-14

and management and staff-side colleagues will study these results. 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.

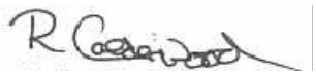
The coming years will see significant changes to the way in which we deliver our acute services, including the provision of a new children's hospital and culminating with the opening in South Glasgow, in 2015, of the largest inpatient hospital in the UK. Much effort has been invested in workforce planning 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 are ongoing through the NHSGGC Education Partnership 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.

During 2013/14 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 24.

Events after reporting date
The Board has no significant post balance sheet events to report.

The Accountable Officer authorised these financial statements for issue on 25 June 2013



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 approximately 1.2m.

The NHS Board 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 work of the NHS Board includes:

- strategy development - to develop a single Local Health Plan for the area;
- implementation of the Local Health Plan and Local Delivery Plan;
- resource allocation to address local priorities; and
- performance management of the local NHS system.

NHS Greater Glasgow and Clyde's structure comprises an Acute Division, three Community Health Partnerships (CHPs) and three Community Health and Care Partnerships (CHCPs). The CHPs are responsible for managing NHS services only, whereas the CHCPs are joint organisations formed with local authority partners, responsible for managing jointly provided services.

The majority of NHS Board's capital resource (as shown in the table on page 10) has been utilised on the new South Glasgow Hospitals Development (further details of which are given below). Other significant capital projects during the year included the refurbishment of the University Tower Building at Glasgow Royal Infirmary, the Vale Centre for Health and Care and the new Possilpark Health Centre.

The NHS Board has contracted commitments for capital expenditure in 2013/14, which have not been included in the accounts, amounting to £273.6m; details are shown in Note 20 to the financial statements.

New South Glasgow Hospital

The Board's plans for a programme of modernisation of Glasgow's hospitals was set out in the Board's Acute Services Review (ASR), which was approved by the Scottish Executive in 2002. The second phase of the modernisation programme is currently in progress, and comprises the construction of two new hospitals and a new laboratory facility on the Southern General Hospital site. The overall budget for this project is £842m, and to date £462m has been spent.

The laboratory facilities were completed on time, and under budget, in March 2012, and a phased migration of services involving approximately 700 diagnostic staff was completed in July 2012.

Construction of the new adult and children's hospitals began in December 2010. The new hospitals will achieve the co-location of adult, children's and maternity services and will modernise services, facilitating the reduction in the number of acute adult inpatient sites in Glasgow from six to three. Inpatient services will be transferred to new, state-of-the-art facilities with over 1,100 beds in single room accommodation and operating theatres fitted out with high quality equipment. The new adult hospital will be one of the largest acute hospitals in the United Kingdom.

The new children's hospital, which will be linked to the new adult hospital, will replace the Royal Hospital for Sick Children at Yorkhill. It will also be linked to the existing maternity building in order to provide the best possible care for babies and their mothers.

Building work is progressing on time and within budget. Construction is scheduled to be completed in 2015 with building commissioning and migration of clinical services following this.

There has been, and continues to be, involvement in the project by local schools and colleges. As of March 2013, 168 work placements had been provided to young people. The development is also generating employment and apprenticeship opportunities for the local community, from which 411 jobs have been filled, including 293 filled by long-term unemployed.

The New South Glasgow Hospitals Project is also helping to regenerate the local area through local businesses and social enterprises securing contracts in the construction of the new buildings. To date engagement with over 1,500 businesses has taken place to promote sub-contracting opportunities.

Patient Exemption Checking

NHS Counter Fraud Services (CFS) carried out a number of checks designed to identify cases where patients have wrongly claimed exemption from NHS charges. The results of these checks have been extrapolated by CFS in an attempt to quantify the value of NHS income lost due to patient fraud or error. The extrapolations for 2012/13 indicate a total potential fraud level of £3.8 million (compared with £3.6 million in 2011/12). 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 it is satisfied that it, in conjunction with CFS, has taken all reasonable steps to mitigate the risk of any patient exemption fraud/error occurring.

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:

	Target £'000	Actual Outturn £'000	Variance (Over)/Under £'000
Core Revenue Resource Limit	2,097,987	2,097,389	598
Non-core Revenue Resource Limit	163,155	163,125	30
Core Capital Resource Limit	320,169	320,163	6
Non-core Capital Resource Limit	0	0	0
Cash Requirement	2,543,000	2,542,673	327

Memorandum for in-year outturn *(to illustrate what the Board's financial position would have been if no surplus had been brought forward from the previous year. It should also be noted that Boards are permitted only to carry forward a surplus on core activities to the following financial year)*	**£'000**
Revenue resource Limit	628
Less: brought forward core surplus from previous financial year	(1,289)
Excess against in year Revenue Resource Limit	(661)

The CRL outturn was achieved after brokerage of £11.6m was agreed with Scottish Government Health and Social Care Directorates.

During the year, the provision for bad and doubtful debts decreased from £1.547m as at 1 April 2012, to £1.439m as at 31 March 2013; these figures are included in the note on trade and other receivables, Note 13.

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.

Sickness absence data

As at 31st March 2013, the NHS Board's sickness absence rate was 4.90% (2012 - 4.67%). Efforts continue to achieve a fair balance between managing attendance and supporting employees through ill-health.

Personal data related incidents

During the year there were a number of incidents reported relating to the confidentiality and security of personal data. Twenty five incidents related to the loss or theft of IT equipment including laptops and memory sticks, and there were eight incidents relating to potential breaches of confidentiality or unauthorised use of personal data. All incidents were investigated and appropriate action taken. All security thefts and breaches are reported quarterly to the Information Governance Steering Group and the Corporate Management Team.

Performance against key targets

The Scottish Government Health and Social Care Directorates requires NHS Boards to prepare Local Delivery Plans (LDPs), which set targets for specified indicators of performance. These are known as the HEAT targets, and cover Health improvement, Efficiency, Access and Treatment.

NHS Greater Glasgow and Clyde has developed a performance management framework to monitor performance against all key HEAT targets and standards. This framework is reviewed regularly throughout the year by the Board's Quality and Performance Committee which considers an Integrated Performance Report at each meeting.

Currently, the performance against twenty-five HEAT targets and standards is reviewed; that performance is reported in the table below. NHS Greater Glasgow and Clyde is meeting the majority of its targets, particularly in patient focussed care. Twenty-one of the targets are either being met (shown as "Green") or are within 10% of the acceptable standard (shown as "Amber"). Where performance is outwith this margin, red, the Quality and Performance Committee reviews action plans prepared to get performance back on target.

Target type	Measure	Data reported at	Status
Safe			
HT	MRSA/MSSA Bacterium (cases per 1,000 occupied bed days)	Dec' 12	**GREEN**
HT	Clostridium Difficile Infections (cases per 1,000 obd)	Dec' 12	**GREEN**
Timely			
HS	Suspicion of Cancer Referrals (62 days)	Mar'13	**GREEN**
HS	All Cancer Treatments (31 days)	Mar'13	**GREEN**
HS	18 weeks Referral To Treatment (RTT)	Mar'13	**GREEN**
HS	Drug & Alcohol Treatment: Referral To Treatment	Dec' 12	**GREEN**
HT	Faster Access to Specialist Services (Child and Adolescent Mental Health Services)	Feb'13	**GREEN**
HT	Faster Access to Psychological Therapies by March 2014	Mar'13	**ON TRAJECTORY**
HT	Admissions to Stroke Unit	Mar'13	**AMBER**
HT	Child Healthy Weight Interventions	Mar'13	**GREEN**
HS	Alcohol Brief Interventions	Mar'13	**GREEN**
HT	A&E waits to be a max of 4 hours	Apr' 13	**AMBER**
HS	New Outpatients: Max 12 weeks from referral	Mar'13	**AMBER**
Effective			
HT	Rate of attendance at A&E	Apr' 13	**GREEN**
HT	Delayed Discharge > 28 days	Apr' 13	**RED**
Efficient			
HT	Financial Performance	Mar'13	**GREEN**
HT	Carbon Emission	Dec' 12	**AMBER**
HT	Energy Consumption	Dec' 12	**GREEN**
Equitable			
HT	Smoking Cessation (Scottish Index of Multiple Deprivation)	Mar'13	**GREEN**
HT	Smoking Cessation	Mar'13	**GREEN**
HT	Antenatal Care (SIMD)	Jun' 12	**AMBER**
HT	Flouride Varnishing Applications (SIMD)	Sep' 12	**RED**
Person centred			
HS	Sickness Absence Rate	Mar'13	**RED**
HT	Emergency Bed Days for Patients aged 75 years+	Oct' 12	**AMBER**
HT	Dementia recorded on register	Mar'13	**GREEN**

Key HT – HEAT target Hs – HEAT standard
Further information on performance targets can be found on the NHSGGC website

Throughout 2012/13 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.

Sustainability and Environmental Reporting

NHS Greater Glasgow and Clyde has a clear commitment to sustainable practices. The Sustainability Planning and Implementation Group (SPIG), which is chaired by the Acute Division Chief Operating Officer and includes representation from across the whole organisation, has oversight of the Board's sustainability agenda.

The Board's Sustainability Framework covers the six categories set out in the national strategy: Facilities Management; Workforce; Transport & Travel; Procurement; Buildings; and Community Engagement. Actions to improve sustainability across these six categories are an integral part of the Board's performance framework. The Board exceeds minimum national requirements in all six categories.

The Board has a plan to meet its obligations under the Climate Change Act and other legislation. All Acute Sites are now on the Greencode Environmental Management System, and this is now being rolled out to partnership sites.

The Board has a comprehensive approach to awareness raising on environmental and sustainability issues, through the "Ecosmart" awareness campaign. This involves regular features in Staff News, Core Brief, and dedicated pages on Staffnet. Successful initiatives are acknowledged during the annual Chairman's Climate Change week and NHS Sustainability Day. NHSGGC's approach in this area in 2013 has been highlighted as an exemplar for NHS organisations.

Progress towards meeting the HEAT targets in respect of Carbon Emissions and energy consumption are reviewed at each SPIG meeting. Latest year on year comparisons show a 2.65% reduction against the energy use baseline, and a 1.66% reduction in CO2 emissions.

REMUNERATION REPORT

Remuneration Sub-committee

The Remuneration Sub-committee is a sub-committee 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 Sub-committee during 2012/13 were Mr A O Robertson OBE (Chair), Mr I Fraser, Cllr M Kerr, Mr I Lee, Rev Dr N Shanks, Mr D Sime and Mr K Winter. The Board Chief Executive and Director of Human Resources are invited to attend meetings of the Remuneration Sub-committee, where appropriate, to provide advice.

The sub-committee met three times during 2012/13, and, in accordance with Scottish Government Health Directorate 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, which is 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 2013 (31st March 2012), the annual salaries of executive board members were as follows:-

R Calderwood £162,882 (£162,882); Dr J Armstrong £130,541 (Nil); L de Caestecker £153,766 (£153,766); R Crocket £122,931 (£122,931); P James £125,000 (£96,288 - part year only).

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)	Real increase in lump sum at age 60 at 31 March (bands of £2,500)	Total accrued lump sum at age 60 at 31 March (bands of £5,000)	Cash Equivalent Transfer Value (CETV) at 31 March 2012	Cash Equivalent Transfer Value (CETV) at 31 March 2013	Real increase in CETV in year	Benefits in kind - to nearest
Remuneration of:							£'000	£'000	£'000	£100
Executive Members										
Chief Executive : R Calderwood	160 - 165	-	(0) - (2.5)	80 - 85	(5) - (7.5)	250 - 255	1,899	1,956	(53)	-
Director of Public Health : L de Caestecker	170 - 175	-	0 - 2.5	35 - 40	0 - 2.5	115 - 120	750	810	0	700
Medical Director : J Armstrong (from 01.04.12)	145 - 150	-	0 - 2.5	0 - 5	NA	NA	-	24	10	-
Nurse Director : R Crocket	135 - 140	-	0 - 2.5	40 - 45	0 - 2.5	120 - 125	836	893	(5)	-
Director of Finance : P James	145 - 150	-	0 - 2.5	0 - 5	NA	NA	18	57	24	-
Non Executive Members										
The Chair : A O Robertson	35 - 40	-	-	-	-	-	-	-	-	-
C Benton	5 - 10	-	-	-	-	-	-	-	-	-
M Brown	5 - 10	-	-	-	-	-	-	-	-	-
G Carson	5 - 10	-	-	-	-	-	-	-	-	-
J Coleman (left 30.04.12)	0 - 5	-	-	-	-	-	-	-	-	-
P Daniels	15 - 20	-	-	-	-	-	-	-	-	-
A Dominiczak	5 - 10	-	-	-	-	-	-	-	-	-
R Finnie (from 01.06.12)	5 - 10	-	-	-	-	-	-	-	-	-
I Fraser	10 - 15	-	-	-	-	-	-	-	-	-
J Handibode (left 30.04.12) (from 20.06.12)	5 - 10	-	-	-	-	-	-	-	-	-
M Kapasi	5 - 10	-	-	-	-	-	-	-	-	-
M Kerr (from 16.07.12)	5 - 10	-	-	-	-	-	-	-	-	-
A Lafferty (from 20.06.12)	10 - 15	-	-	-	-	-	-	-	-	-
B Lawson (left 30.04.12)	0 - 5	-	-	-	-	-	-	-	-	-
I Lee	20 - 25	-	-	-	-	-	-	-	-	-
M MacMillan (from 20.06.12)	5 - 10	-	-	-	-	-	-	-	-	-
R McColl (left 30.04.12)	0 - 5	-	-	-	-	-	-	-	-	-
J McIlwee (left 30.04.12) (from 20.06.12)	10 - 15	-	-	-	-	-	-	-	-	-
R Micklem (from 01.06.12)	5 - 10	-	-	-	-	-	-	-	-	-
M O'Donnell (from 16.07.12)	5 - 10	-	-	-	-	-	-	-	-	-
R Reid	5 - 10	-	-	-	-	-	-	-	-	-
M Rooney (from 20.06.12)	5 - 10	-	-	-	-	-	-	-	-	-
N Shanks	5 - 10	-	-	-	-	-	-	-	-	-
D Sime (Employee Director - this post is full time and the salary shown relates to the substantive post held)	65 - 70	-	7.5 - 10	25 - 30	25 - 27.5	75 - 80	350	569	194	-
P Spencer	5 - 10	-	-	-	-	-	-	-	-	-
A Stewart (left 30.04.12)	0 - 5	-	-	-	-	-	-	-	-	-
B Williamson	15 - 20	-	-	-	-	-	-	-	-	-
K Winter	15 - 20	-	-	-	-	-	-	-	-	-
D Yates (left 30.04.12)	0 - 5	-	-	-	-	-	-	-	-	-
Other Senior Employees										
Chief Operating Officer, Acute Division : J Grant	130 - 135	-	0 - 2.5	30 - 35	0 - 2.5	95 - 100	572	612	-4	-
							4,425	**4,921**	**166**	**700**

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	1,899	to	1,899
Director of Public Health : L de Caestecker	750	to	750
Nurse Director : R Crocket	836	to	836
Director of Finance : P James	20	to	18
Employee Director : D Sime	350	to	350
Chief Operating Officer, Acute Division : J Grant	572	to	572

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)	Real increase in lump sum at age 60 at 31 March (bands of £2,500)	Total accrued lump sum at age 60 at 31 March (bands of £5,000)	Cash Equivalent Transfer Value (CETV) at 31 March 2011	Cash Equivalent Transfer Value (CETV) at 31 March 2012	Real increase in CETV in year	Benefits in kind - to nearest
Remuneration of:							£'000	£'000	£'000	£100
Executive Members										
Chief Executive : R Calderwood	185 - 190	-	0 - 2.5	80 - 85	0 - 2.5	250 - 255	1,791	1,899	108	-
Director of Public Health : L de Caestecker	170 - 175	-	0 - 2.5	35 - 40	0 - 2.5	110 - 115	673	750	77	800
Medical Director : B N Cowan (left 10.02.12)	160 - 165	-	-	-		-	1,403	-	-	-
Nurse Director : R Crocket	135 - 140	-	0 - 2.5	35 - 40	0 - 2.5	115 - 120	766	836	70	-
Director of Finance : P James (from 01.07.11)	105 - 110	-	0 - 2.5	5 - 10	2.5 - 5.0	0 - 5	-	20	20	-
Director of Finance : D Griffin (left 30.06.11)	35 - 40	-	-	-	-	-	551	-	-	500
Non Executive Members										
The Chair : A O Robertson	35 - 40	-	-	-	-	-	-	-	-	-
C Bell (left 31.05.11)	0 - 5	-	-	-	-	-	-	-	-	-
C Benton	5 - 10	-	-	-	-	-	-	-	-	-
M Brown (from 01.04.11)	5 - 10	-	-	-	-	-	-	-	-	-
G Carson	5 - 10	-	-	-	-	-	-	-	-	-
J Coleman	5 - 10	-	-	-	-	-	-	-	-	-
P Daniels	10 - 15	-	-	-	-	-	-	-	-	-
R Dhir	15 - 20	-	-	-	-	-	-	-	-	-
A Dominiczak	5 - 10	-	-	-	-	-	-	-	-	-
I Fraser	5 - 10	-	-	-	-	-	-	-	-	-
J Handibode	5 - 10	-	-	-	-	-	-	-	-	-
M Kapasi	5 - 10	-	-	-	-	-	-	-	-	-
B Lawson (from 20.06.11)	5 - 10	-	-	-	-	-	-	-	-	-
I Lee	15 - 20	-	-	-	-	-	-	-	-	-
R Mc Coll	20 - 25	-	-	-	-	-	-	-	-	-
J Mc Ilwee	15 - 20	-	-	-	-	-	-	-	-	-
J Murray	5 - 10	-	-	-	-	-	-	-	-	-
R Reid (from 01.04.11)	5 - 10	-	-	-	-	-	-	-	-	-
N Shanks	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	0 - 2.5	45 - 50	319	350	31	-
E Smith (left 30.06.11)	5 - 10	-	-	-	-	-	-	-	-	-
P Spencer (from 20.06.11)	5 - 10	-	-	-	-	-	-	-	-	-
A Stewart	5 - 10	-	-	-	-	-	-	-	-	-
B Williamson	15 - 20	-	-	-	-	-	-	-	-	-
K Winter	10 - 15	-	-	-	-	-	-	-	-	-
D Yates	15 - 20	-	-	-	-	-	-	-	-	-
Other Senior Employees										
Chief Operating Officer, Acute Division : J Grant	130 - 135	-	0 - 2.5	30 - 35	2.5 - 5.0	95 - 100	487	572	85	300
							5,990	**4,427**	**391**	**1,600**

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	1,930	to	1,791
Director of Public Health : L de Caestecker	743	to	673
Medical Director : B N Cowan	1,500	to	1,403
Nurse Director : R Crocket	833	to	766
Director of Finance : D Griffin	606	to	551
Employee Director : D Sime	348	to	319
Chief Operating Officer, Acute Division : J Grant	552	to	487

REMUNERATION REPORT (continued)

Annualised Remuneration

	Remuneration (Bands of £5,000)	Performance Related Bonus	Benefits in kind - to nearest £100
Chief Executive : R Calderwood	160-165	-	-
Director of Public Health : L de Caestecker	150-155	-	700
Medical Director : J Armstrong (from 01.04.12)	130-135	-	-
Nurse Director : R Crocket	120-125	-	-
Director of Finance : P James (from 01.07.11)	125-130	-	-
Band of highest paid Director's total remuneration	160-165		
Workforce Median total	25.53		
Remuneration Ratio	6.37		

Annualised Remuneration Prior Year

	Remuneration (Bands of £5,000)	Performance Related Bonus	Benefits in kind - to nearest £100
Chief Executive : R Calderwood	160-165	-	-
Director of Public Health : L de Caestecker	150-155	-	800
Medical Director : B N Cowan (left 10.02.12)	165-170	-	-
Nurse Director : R Crocket	120-125	-	-
Director of Finance : P James (from 01.07.11)	120-125	-	-
Director of Finance : D Griffin (left 30.06.11)	120-125	-	500
Band of highest paid Director's total remuneration	165-170		
Workforce Median total	25.22		
Remuneration Ratio	6.64		

Note

1. The banded annualised remuneration of the highest paid director in NHSGG&C in the financial year 2012-13 was £160-£165k (prior year £165-170k). This was 6.37 (prior year 6.64) times the median remuneration of the workforce, which was £25,530 (prior year £25,215).

2. In 2012-13, 73 (prior year 54) clinical employees received remuneration in excess of the highest paid director. Remuneration ranged from £163,000 to £246,000 (prior year £167,500 to £239,000).

3. The calculation does not include agency staff costs.

R Calderwood
Chief Executive
25 June 2013

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
Chief Executive
NHS Greater Glasgow and Clyde **25 June 2013**

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 2013 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for the NHSScotland by Scottish Ministers.
- Make judgements and estimates that are reasonable and prudent.
- State where applicable accounting standards as set out in the Financial Reporting Manual have not been followed where the effect of the departure is material.
- 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.

P James
Director of Finance

A O Robertson
Chairman **25 June 2013**

GOVERNANCE STATEMENT

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with the organisation's policies and promotes achievement of the organisation's aims and objectives, including those set by Scottish Ministers. Also, I am responsible for safeguarding the public funds and assets assigned to the organisation.

Purpose of Internal Control

The system of internal control is based on an ongoing process designed to identify, prioritise and manage the principal risks facing the organisation. The system aims to evaluate the nature and extent of risks, and manage risks efficiently, effectively and economically.

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

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

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

Governance Framework

Under the terms of the Scottish Health Plan, the NHS Board is a board of governance. Its purpose is to ensure the efficient, effective and accountable governance of the local NHS system and to provide strategic leadership and direction for the system as a whole, focusing on agreed outcomes.

The NHS Board comprises the Chair, twenty-three non-executive and five executive board members; of the non-executive members, seven are Council Members nominated by each of the councils within the NHS Board area. Board members are appointed by Scottish Ministers and 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 functions of the NHS Board are detailed within the Operating and Financial Review on page 9.

The NHS Board has governance arrangements in place which provide an integrated approach to governance across clinical areas, performance management, staff and involving and engaging people in our services and developments. The Corporate Governance arrangements are described in more detail on pages 5 to 7 of the Directors' report.

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

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

In addition to the Code of Conduct for Members, the NHS Board has in place a Code of Conduct for Staff. This includes the disclosure internally or externally by staff who have concerns about patient

safety, malpractice, misconduct, wrongdoing or serious risk. We also have in place a well established complaints system, whereby members of the public can make a formal complaint to the Board regarding care or treatment provided by or through the NHS, or how services in their local area are organised if this has affected care or treatment; information on our complaints procedures is available on the NHSGGC website.

Whilst pay arrangements for NHS staff are determined under national arrangements, the pay arrangements for the NHS Board's senior managers whose posts are part of the Executive and Senior Management Cohorts are, subject to Scottish Government Health & Social Care Directorates guidance, determined by the Remuneration Sub-committee (a sub-committee of the Staff Governance Committee). The Remuneration Sub-committee ensures the application and implementation of fair and equitable systems for pay and for performance management on behalf of the NHS Board.

All NHS Board executive directors undertake a review of their development needs as part of the annual performance management and development process. A leadership development framework is in place to offer a range of development activities to meet needs identified, with additional support from the Human Resources department when required. Access to external and national programmes in line with development plan and career objectives is also in place. The Chief Executive is accountable to the Board through the Chair of the NHS Board. The Chair agrees the Chief Executive's annual objectives in line with the Board's strategic and corporate plans.

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

To ensure that the NHS Board complies with relevant legislation, regulations, guidance and policies, the Corporate Planning, Policy and Performance Team produces a monthly policy update which highlights recent publications and developments in health policy. This includes information regarding Scottish Government consultations and legislation, reports from "think tanks" and health policy organisations and UK wide developments. Internal policies are created in line with the Board's Policy Development Framework, which ensures that there is a consistent and clear approach to policy development, consultation, approval, dissemination/communication, access to documents and review, and that NHSGGC complies with relevant legislation, governance, audit and controls assurance requirements. All policies, strategies or procedures are reviewed every three years as a minimum, or sooner if there is a specific legislative or service requirement or change in guidance, law or practice.

NHS Greater Glasgow and Clyde strives to consult with all of its key stakeholders. We do this in a variety of ways. How we inform, engage and consult with patients and the public in transforming hospitals and services is an important part of how we plan for the future. To fulfil our responsibilities for public involvement, we routinely communicate with, and involve, the people and communities we serve, to inform them about our plans and performance. Public Partnership Forums, established by each CHP/CHCP, provide a mechanism for promoting the routine involvement of local people in the design and delivery of the health services they use. This process of involvement is required before we can decide to begin consultation on a proposed service change.

We meet with the Cabinet Secretary for Health, Wellbeing & Cities Strategy twice a year; the main meeting is our formal Annual Review at which we are held to account in public in respect of our performance against targets.

We also strive to engage with staff; we have well established methods of communication (Staff Newsletter, Core Briefs and Team Briefs), and also the "Facing the Future Together" initiative which allows greater engagement with staff, and encourages more staff to be involved in contributing to decision making in the areas in which they work.

NHS Greater Glasgow and Clyde is committed to working in partnership with its staff, other public sector agencies and voluntary sector bodies. The NHS Board, through its NHS Partnerships has well developed community planning processes to enable it to work effectively with local authorities and the voluntary sector to implement a whole system approach to providing patient care. This work is reported to, and monitored by, the NHS Board through its CHP and CHCP committee structure. The introduction of the Change Fund for Older Peoples Services and the forthcoming move to integrate adult health and social care services will further strengthen these relationships.

I have reviewed the UK Corporate Governance Code and believe that NHS Greater Glasgow and Clyde complies with it, with the exception that, during the year the NHS Board did not have in place arrangements for evaluation of its own performance. Plans are in place to introduce a self evaluation process in the coming year.

Review of Adequacy and Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control and the quality of data used throughout the organisation. My review is informed by:

- the executive 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; 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 Risk Management Steering Group; and
- the Information Governance Steering Group.

I have been advised of the effectiveness of the system of internal control by the Board, the Audit Committee which provides assurance to the NHS Board that an appropriate system of internal control is in place, and the Risk Management Steering Group. Plans to address weaknesses and ensure continuous improvement of the system are in place. The Board has in place a robust management structure for the production, review and monitoring of all significant performance data. Such data is scrutinised by the Corporate Management Team and at NHS Board level, to ensure its validity.

The Audit Committee's review of the system of internal control in place during 2012/13 was informed by a number of sources of assurance including the following:

- all matters considered by the Audit Committee;
- review of the NHS Board's internal control arrangements against the extant guidance by the Scottish Government Health & Social Care Directorates;
- statements of assurance from the Risk Management Steering Group, the Quality and Performance Committee in respect of clinical governance arrangements, the Staff Governance Committee, the Information Governance Steering Group and directors;
- all matters considered by the Audit Support Groups and the statements of assurance issued by them;
- reports issued by the internal auditors, including the annual statement of their independent opinion on the adequacy and effectiveness of the system of internal control;
- reports issued by Audit Scotland arising from the 2012/13 audit;
- private discussions with both internal and external auditors;
- the annual financial statements;
- third party assurances in respect of key services provided by National Services Scotland;

- regular reports on fraud, including reports from NHS Counter Fraud Services and updates in respect of the National Fraud Initiative ; and
- the report on Losses and Compensations.

Best Value

In accordance with the principles of Best Value, the board aims to foster a culture of continuous improvement. As part of this, directors and managers are encouraged to review, identify and improve the efficient and effective use of resources. The NHS Board completes a self assessment as to its effectiveness in achieving Best Value: I can confirm that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual (SFPM).

Risk Assessment

NHS Greater Glasgow and Clyde has in place a Risk Management Strategy, which accords with the SPFM. The 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. 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. All of the key areas within the organisation maintain a risk register; these local registers are scrutinised by the RMSG and, from this scrutiny, the Corporate Risk Register is reviewed and updated on an annual basis.

The Corporate Risk Register summarises the main risks identified within each of the organisational areas, and the processes by which these risks were managed, and is presented to the Audit Committee for its approval on an annual basis.

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.

NHSGGC recognises that the NHS in the UK is increasingly operating in a challenging environment, and that risk management in the NHS is changing. In light of these facts, NHSGGC intends to further review and strengthen its Risk Management Strategy and processes during the coming year.

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 who may be exposed to violence and aggression. Both moving and handling and violence and aggression training courses are based on a robust training needs analysis and the concept of risk assessment is a fundamental component of the training.

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 past year.

Information Governance

The last twelve months has continued to see significant progress in Information Governance. From October 2012 Information Governance has formed part of the Acute Mandatory Training Programme. This, together with the launch of the national e-learning module 'Safe Information Handling', ensures that staff continue to be made aware of their obligation to protect patient and staff data.

The NHSScotland Code of Practice on Protecting Patient Confidentiality was updated and reissued to all staff in May 2012.

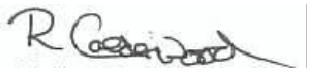
Work has continued to progress on limiting the number of non NHS mobile devices to which personal patient data can be saved as part of our data loss prevention project. The NHSScotland Code of Practice: Protecting Patient Confidentiality was updated by Scottish Government and a copy of this Code has been issued to all staff.

During the year no significant losses of patient related data were identified that required to be reported to the Data Commissioner.

The organisation continues its commitment to a process of ongoing development and improvement: developing systems in response to any relevant reviews and developments in best practice. In particular, in the period covering the year to 31 March 2013 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 includes the annual review of corporate governance.

Disclosures

During the year ended no significant control weaknesses or issues have arisen, nor have there been any significant failures in the expected standards for good governance, risk management and control.



R Calderwood
Chief Executive and Accountable Officer **25 June 2013**

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

I have audited the financial statements of Greater Glasgow Health Board for the year ended 31 March 2013 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Balance Sheet, the Statement of Cashflows and 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 2012/13 Government Financial Reporting Manual (the 2012/13 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 125 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, 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 income. 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 income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures 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. It also involves obtaining evidence about the regularity of expenditure and income. In addition, I read all the financial and non-financial information in the directors' report and accounts to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements, irregularities, 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 2013 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 2012/13 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunderby the Scottish Ministers.

Opinion on regularity

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

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 Governance Statement does not comply with guidance from the Scottish Ministers; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Gillian Woolman MA FCA
Assistant Director of Audit
Audit Scotland
18 George Street
EDINBURGH
EH2 2QU
25 June 2013

	Note	**2013** **£'000**	2012 £'000
Clinical Services Costs			
Hospital and Community	4	**2,283,703**	2,232,778
Less: Hospital and Community Income	8	**434,752**	431,281
		1,848,951	1,801,497
Family Health	5	**573,486**	586,907
Less: Family Health Income	8	**15,256**	14,951
		558,230	571,956
Total Clinical Services Costs		**2,407,181**	2,373,453
Administration Costs	6	**8,975**	10,791
Less: Administration Income	8	**15**	198
		8,960	10,593
Other Non Clinical Services	7	**78,877**	64,502
Less: Other Operating Income	8	**79,813**	56,572
		(936)	7,930
Net Operating Costs		**2,415,205**	2,391,976

	2013 **£'000**	2012 £'000
OTHER COMPREHENSIVE NET EXPENDITURE		
Net gain on revaluation of property, plant and equipment	**15,617**	(45,987)
Other Comprehensive Net Expenditure	**15,617**	(45,987)
Total Comprehensive Expenditure	**2,430,822**	2,345,989

	2013 £'000
SUMMARY OF CORE REVENUE RESOURCE OUTTURN	
Net Operating Costs	**2,415,205**
Total Non Core Expenditure (see below)	**(163,125)**
FHS Non Discretionary Allocation	**(155,502)**
Donated Assets Income	**811**
Total Core Expenditure	**2,097,389**
Core Revenue Resource Limit	**2,097,987**
Saving against Core Revenue Resource Limit	**598**

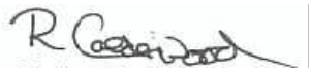
SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN	
Capital Grants to Other Bodies	**83**
Depreciation/Amortisation	**70,562**
Annually Managed Expenditure - Impairments	**50,417**
Annually Managed Expenditure - Creation of Provisions	**7,417**
Annually Managed Expenditure - Depreciation of Donated Assets	**886**
IFRS PFI Expenditure	**33,760**
Total Non Core Expenditure	**163,125**
Non Core Revenue Resource Limit	**163,155**
Saving against Non Core Revenue Resource Limit	**30**

SUMMARY RESOURCE OUTTURN	
Core Expenditure	**2,097,389**
Non Core Expenditure	**163,125**
Total Net Expenditure	**2,260,514**
Core Revenue Resource Limit	**2,097,987**
Non Core Revenue Resource Limit	**163,155**
Total Revenue Resource Limit	**2,261,142**
Saving against Total Revenue Resource Limit	**628**

	Note	2013 £'000	2012 £'000
NON CURRENT ASSETS			
Property, plant and equipment	11	**1,875,817**	1,698,796
Intangible assets	10	**51**	941
Financial assets:			
Available for sale financial assets	14	**1**	1
Trade and other receivables	13	**67,434**	55,235
Total Non Current Assets		**1,943,303**	1,754,973
CURRENT ASSETS			
Inventories	12	**21,643**	21,951
Financial assets:			
Trade and other receivables	13	**88,958**	78,341
Cash and cash equivalents	15	**584**	1,060
Assets classified as held for sale	11c	**2,360**	241
		113,545	101,593
CURRENT LIABILITIES			
Provisions	17	**(37,621)**	(33,024)
Financial liabilities:			
Trade and other payables	16	**(427,608)**	(360,405)
		(465,229)	(393,429)
Total assets less current liabilities		**1,591,619**	1,463,137
NON CURRENT LIABILITIES			
Provisions	17	**(85,077)**	(81,645)
Financial liabilities:			
Trade and other payables	16	**(256,046)**	(244,277)
		(341,123)	(325,922)
		1,250,496	1,137,215
TAXPAYERS EQUITY			
General Fund		**995,459**	839,595
Revaluation Reserve		**255,037**	297,620
		1,250,496	1,137,215

Adopted by the Board on 25 June 2013

P James
Director of Finance



R Calderwood
Chief Executive

The Notes to the Accounts, numbered 1 to 28, form an integral part of these Accounts.

	Note	2013 £'000	2012 £'000
NET OPERATING CASHFLOW			
Net operating cost		**(2,415,205)**	(2,391,976)
Adjustments for non cash transactions	3	**127,482**	114,609
Interest payable	3	**20,691**	19,499
Interest receivable	8	**(1)**	(3)
Net movement on working capital	18	**444**	42,346
Net cash outflow from operating activities		**(2,266,589)**	**(2,215,525)**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(256,507)**	(207,658)
Purchase of intangible assets		**(31)**	(178)
Proceeds of disposal of property, plant and equipment		**3,774**	13,755
Interest received		**1**	3
Net cash outflow from Investing Activities		**(252,763)**	(194,078)
FINANCING			
Funding		**2,542,917**	2,431,871
Movement in general fund working capital	SOCTE	**(244)**	(565)
Cash drawn down	SOCTE	**2,542,673**	2,431,306
Capital element of payments in respect of finance leases and on balance sheet PFI Contracts		**(2,874)**	(2,769)
Interest paid	3	**(1,252)**	153
Interest element of finance leases and on balance sheet PFI Contracts	3	**(19,439)**	(19,652)
Net cash inflow from financing		**2,519,108**	2,409,038
Decrease in cash in year		**(244)**	(565)
Net cash at 1 April	15	**491**	1,056
Net cash at 31 March	15	**247**	491

	Note	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 31 March 2012		**839,595**	**297,620**	**1,137,215**
Changes in taxpayers' equity for 2012-13				
Net loss on revaluation/indexation of property, plant and equipment	11	-	(15,617)	**(15,617)**
Impairment of property, plant and equipment	11	-	(50,006)	**(50,006)**
Impairment of intangible assets	10	-	(906)	**(906)**
Revaluation & impairments taken to operating costs	3	-	52,093	**52,093**
Transfers between reserves		28,152	(28,152)	**-**
Other non cash costs		-	5	**5**
Net operating cost for the year		(2,415,205)	-	**(2,415,205)**
Total recognised income and expense for 2012-13		**(2,387,053)**	**(42,583)**	**(2,429,636)**
Funding:				
Drawn down		2,542,673	-	**2,542,673**
Movement in General Fund (Creditor) / Debtor		244	-	**244**
Balance at 31 March 2013		**995,459**	**255,037**	**1,250,496**

PRIOR YEAR

	Note	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 31 March 2011		**784,366**	**267,076**	**1,051,442**
Changes in taxpayers' equity for 2011-12				
Net gain on revaluation/indexation of property, plant and equipment	11	-	45,987	**45,987**
Impairment of property, plant and equipment	11	-	(37,210)	**(37,210)**
Impairment of intangible assets	10	-	(881)	**(881)**
Revaluation & impairments taken to operating costs	3	-	37,982	**37,982**
Transfers between reserves		15,334	(15,334)	**-**
Net operating cost for the year		(2,391,976)	-	**(2,391,976)**
Total recognised income and expense for 2011-12		**(2,376,642)**	**30,544**	**(2,346,098)**
Funding:				
Drawn down		2,431,306	-	**2,431,306**
Movement in General Fund (Creditor) / Debtor		565	-	**565**
Balance at 31 March 2012		**839,595**	**297,620**	**1,137,215**

Note

1. The impairment charge in 2012/13 was £50,006k (prior year £37,210k). In 2012/13 this included the impairment of both Yorkhill and Queen Mother's hospitals in accordance with the acute strategy review. The impairment figure reflects the write down of these properties to their recoverable values in accordance with IAS 36.

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 (ac) below.

i) Disclosure of new accounting standards

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* requires disclosure of information on the expected impact of new accounting standards that have been issued but not yet in effect. It is anticipated that under IAS 1 *Presentation of financial statements* there will be a presentational adjustment to the Statement of Comprehensive Net Expenditure in 2013-14. There will also potentially be some minor presentational or disclosure adjustments arising as a result of changes to *IFRS 7 Financial Instruments: Disclosures* and *IFRS 10 Consolidated Financial Statements*. Changes to IAS 19 *Post-employment benefits* are not likely to have any impact due to the NHS Superannuation Scheme for Scotland being treated as a defined contribution scheme.

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 25 to the financial statements.

c) 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.

d) 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.

e) 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 capital assets received from the Scottish Government is credited to the general fund when cash is drawn down.

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

f) Property, plant and equipment

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

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

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.
- 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.

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.

Permanent decreases in asset values and impairments are charged gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund. Gains and losses on revaluation are reported in 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 to 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

g) 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 and a liability for the obligation to deliver allowances equal to emissions that have been made.

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

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

A provision is recognised for the obligation to deliver allowances equal to emissions that have been made. It is measured at the best estimate of the expenditure required to settle the present obligation at the 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.

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

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.

Permanent decreases in asset values and impairments are charged gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

Temporary decreases in asset values or impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the 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 have been reclassified as 'Held for Sale' cease to be amortised upon the reclassification.

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Asset Category	Asset Lives
Intangible Assets	1 – 5 years

h) 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.

i) 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 accounting treatment, including the method of valuation, follows the rules in the NHS Capital Accounting Manual.

j) 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.

k) Leasing

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Board, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. Assets held under finance leases are valued at their fair values and are depreciated over the remaining period of the lease in accordance with IFRS.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The minimum lease payments (annual rental less operating costs e.g. maintenance and contingent rental) are apportioned between the repayment of the outstanding liability and a finance charge. The annual finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability using either the implicit interest rate or another relevant basis of estimation such as the sum of the digits method. Finance charges are recorded as interest payable in the Statement of Comprehensive Net Expenditure. Contingent rental and operating costs are charged as expenses in the periods in which they are incurred.

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

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

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

l) 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.

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

n) 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.

o) 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.

p) 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.

q) Clinical and Medical Negligence Costs

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

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

r) Related Party Transactions

Material related party transactions are disclosed in the note 25 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 4.

s) 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.

t) PFI Schemes / HUB / NPD Schemes

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

Schemes which do not fall within the application of IFRIC 12 are deemed to be off-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.

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.

u) 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.

v) 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.

w) 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.

x) Financial Instruments

i) Financial Assets

Classification

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 Statement of Comprehensive Net Expenditure.

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

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

The 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.

y) 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.

z) 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.

aa) 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.

ab) 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 27 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

ac) 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.

2. (a) STAFF NUMBERS AND COSTS

	Executive Board Members	Non Executive Members	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	2013	2012
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
STAFF COSTS								
Salaries and wages	664	319	1,173,432	-	-	(6,680)	**1,167,735**	1,147,181
Social security costs	87	21	99,842	-	-	(660)	**99,290**	97,885
NHS scheme employers' costs	70	7	125,140	-	-	(907)	**124,310**	125,595
Inward secondees	-	-	-	17,080	-	-	**17,080**	16,828
Agency staff	-	-	-	-	14,357	-	**14,357**	11,502
	821	347	1,398,414	17,080	14,357	(8,247)	**1,422,772**	1,398,991
Compensation for loss of office	-	-	1,954	-	-	-	**1,954**	1,951
TOTAL	**821**	**347**	**1,400,368**	**17,080**	**14,357**	**(8,247)**	**1,424,726**	1,400,942

STAFF NUMBERS (EMPLOYEES BY WHOLE TIME EQUIVALENT)	2013 ANNUAL MEAN	2012 ANNUAL MEAN
Administration	**61.7**	65.6
Hospital and Community Services	**34,188.6**	34,322.8
Non Clinical Services	**102.1**	114.9
Other, including recharge Trading Accounts	**92.6**	106.8
Inward secondees	**297.4**	293.0
Agency Staff	**264.0**	223.8
Outward secondees	**(229.2)**	(204.2)
Board Total Average Staff	**34,777.2**	34,922.7
Disabled Staff	**196.0**	76.0

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

The table above is in a prescribed format and shows a reduction in staff of 145.5 whole time equivalents (WTE) during the financial year. These figures are calculated in accordance with definitions contained within the Annual Accounts manual and reflect averages calculated separately for each week in the financial year. These are then consolidated to produce a full year figure. As such they do not properly represent year-end headcount figures and are not designed to do so. They are not comparable with the Board's workforce plan or statistics, which are both used for management purposes and which record changes over a full financial year. In addition both methods include differing adjustments to the underlying payroll. The Board's workforce statistics, as used for management purposes, show that the reduction in staff during the financial year was actually 63.7 WTE, which is lower than was originally planned.

2. (b) HIGHER PAID EMPLOYEES REMUNERATION

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

	2013 Number	2012 Number
Clinicians		
£ 50,000 to £ 60,000	**304**	271
£ 60,001 to £ 70,000	**221**	223
£ 70,001 to £ 80,000	**154**	143
£ 80,001 to £ 90,000	**182**	165
£ 90,001 to £100,000	**157**	162
£100,001 to £110,000	**193**	200
£110,001 to £120,000	**175**	146
£120,001 to £130,000	**150**	164
£130,001 to £140,000	**124**	125
£140,001 to £150,000	**112**	90
£150,001 to £160,000	**75**	75
£160,001 to £170,000	**35**	40
£170,001 to £180,000	**25**	25
£180,001 to £190,000	**9**	7
£190,001 to £200,000	**8**	8
£200,001 and above	**4**	8
Other		
£ 50,000 to £ 60,000	**404**	419
£ 60,001 to £ 70,000	**148**	140
£ 70,001 to £ 80,000	**37**	41
£ 80,001 to £ 90,000	**31**	24
£ 90,001 to £100,000	**14**	15
£100,001 to £110,000	**5**	6
£110,001 to £120,000	**3**	3
£120,001 to £130,000	**2**	2
£130,001 to £140,000	**1**	1

3. OTHER OPERATING COSTS

	Note	2013 £'000	2012 £'000
Expenditure Not Paid In Cash			
Depreciation	11	**75,294**	76,489
Amortisation	10	**15**	75
Depreciation Donated Assets	11	**886**	846
Impairments on property, plant and equipment charged to SOCNE	11	**51,187**	38,955
Reversal of impairments on property, plant and equipment charged to SOCNE	11	**-**	(1,744)
Impairments on intangible assets charged to SOCNE	10	**906**	771
Funding of donated assets		**(811)**	(1,072)
Loss/(Profit) on disposal of property, plant and equipment		**-**	289
Total Expenditure Not Paid In Cash		**127,482**	114,609
Interest Payable			
PFI Finance lease charges allocated in the year	22	**19,439**	19,652
Provisions - Unwinding of discount		**1,696**	367
Long Term Debtor - Unwinding of discount		**(444)**	(520)
Total		**20,691**	19,499
Statutory Audit			
External auditor's remuneration and expenses		**583**	610

4. HOSPITAL AND COMMUNITY HEALTH SERVICES

	2013	2012
	£'000	£'000
BY PROVIDER		
Treatment in Board area of NHSScotland patients	**2,076,276**	2,021,839
Other NHSScotland bodies	**48,426**	48,938
Health bodies outside Scotland	**1,707**	1,409
Primary care bodies	**102**	104
Private sector	**15,451**	19,659
Community Care		
Support Finance	**299**	298
Resource Transfer	**119,912**	119,352
Contributions to Voluntary Bodies and Charities	**18,410**	18,259
Total NHS Scotland Patients	**2,280,583**	2,229,858
Treatment of UK residents based outside Scotland	**3,120**	2,920
Total Hospital & Community Health Service	**2,283,703**	2,232,778

5. FAMILY HEALTH SERVICE EXPENDITURE

	Unified Budget	**Non Discretionary**	**Total 2013**	2012
	£'000	**£'000**	**£'000**	£'000
Primary Medical Services	173,822	-	**173,822**	172,616
Pharmaceutical Services	228,317	45,328	**273,645**	288,645
General Dental Services	234	100,558	**100,792**	100,676
General Ophthalmic Services	355	24,872	**25,227**	24,970
Total Family Health Services Expenditure	**402,728**	**170,758**	**573,486**	586,907

6. ADMINISTRATION COSTS

	2013	2012
	£'000	£'000
Board Members' Remuneration	**1,168**	1,203
Administration of Board Meetings and Committees	**551**	504
Corporate Governance and Statutory Reporting	**1,132**	2,061
Health Planning, Commissioning and Performance Reporting	**4,799**	5,871
Treasury Management and Financial Planning	**270**	254
Public Relations	**739**	713
Other	**316**	185
Total Administration Costs	**8,975**	10,791

7. OTHER NON CLINICAL SERVICES

	2013	2012
	£'000	£'000
Compensation payments - Clinical	**39,162**	21,620
Compensation payments - Other	**3,157**	1,286
Pension enhancement & redundancy	**5,970**	5,576
Patients' Travel Attending Hospitals	**585**	516
Health Promotion	**17,201**	17,430
Public Health	**772**	843
Public Health Medicine Trainees	**311**	460
Emergency Planning	**169**	122
Loss on disposal of Non Current Assets	**17**	324
Other	**11,533**	16,325
Total Other Non Clinical Services	**78,877**	64,502

8. OPERATING INCOME

	2013	2012
	£'000	£'000
HCH Income		
NHSScotland Bodies		
SGHD	**13,604**	13,554
Boards	**382,458**	381,861
Non NHS		
Private Patients	**423**	253
RTA Income	**3,930**	3,947
Other HCH income	**34,337**	31,666
Total HCH Income	**434,752**	431,281
FHS Income		
Non Discretionary		
General Dental Services	**15,237**	14,931
General Ophthalmic Services	**19**	20
Total FHS Income	**15,256**	14,951
Administration Income	**15**	198
Other Operating Income		
NHSScotland Bodies	**1,382**	512
Contributions in respect of Clinical/ medical negligence claims	**43,812**	21,566
Profit on disposal of Non Current Assets	**64**	35
Donated Asset Additions	**811**	1,072
Interest Received	**1**	3
Shared Services	**140**	110
Other	**33,603**	33,274
Total Other Operating Income	**79,813**	56,572
Total Income	**529,836**	503,002
Of the above, the amount derived from NHS bodies is	**383,840**	382,373

9. ANALYSIS OF CAPITAL EXPENDITURE

	Note	2013 £'000	2012 £'000
EXPENDITURE			
Acquisition of Intangible Assets	10	**31**	178
Acquisition of Property, Plant and Equipment	11	**320,890**	206,002
Donated Asset Additions	11b	**811**	1,072
Gross Capital Expenditure		**321,732**	207,252
INCOME			
Net book value of disposal of Property, plant and equipment	11a	**517**	2,251
Net book value of disposal of Donated Assets	11b	**-**	16
Value of disposal of Non Current Assets held for sale	11c	**241**	-
Donated Asset Income		**811**	1,072
Capital Income		**1,569**	3,339
Net Capital Expenditure		**320,163**	203,913
Summary of Capital Resource Outturn			
Core Capital Expenditure included above		**320,163**	203,913
Core Capital Resource Limit		**320,169**	203,931
Saving against Core Capital Resource Limit		**6**	18
Non Core Capital Expenditure included above		**-**	-
Non Core Capital Resource Limit		**-**	-
Saving against Non Core Capital Resource Limit		**-**	-
Total Capital Expenditure		**320,163**	203,913
Total Capital Resource Limit		**320,169**	203,931
Saving against Total Capital Resource Limit		**6**	18

10. INTANGIBLE ASSETS

	Software Licences £'000	EC Carbon Emissions £'000	Total £'000
Cost or Valuation:			
As at 1st April 2012	521	906	1,427
Additions	31	-	31
Impairment Charge	-	(906)	(906)
At 31st March 2013	**552**	**-**	**552**
Amortisation			
As at 1st April 2012	486	-	486
Provided during the year	15	-	15
At 31st March 2013	**501**	**-**	**501**
Net Book Value at 1st April 2012	35	906	941
Net Book Value at 31 March 2013	**51**	**-**	**51**

10. INTANGIBLE ASSETS PRIOR YEAR

	Software Licences £'000	EC Carbon Emissions £'000	Total £'000
Cost or Valuation:			
As at 1st April 2011	521	1,609	2,130
Additions	-	178	178
Impairment Charge	-	(881)	(881)
At 31st March 2012	**521**	**906**	**1,427**
Amortisation			
As at 1st April 2011	411	-	411
Provided during the year	75	-	75
At 31st March 2012	**486**	**-**	**486**
Net Book Value at 1st April 2011	110	1,609	1,719
Net Book Value at 31 March 2012	**35**	**906**	**941**

Note

Opening balances for both Cost or Valuation and Amortisation have been restated to take account of various adjustments between categories. There is no overall impact on net book value for either current or prior year.

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 2012	130,775	1,332,598	971	1,589	340,880	75,657	8,554	222,763	2,113,787
Additions	-	19	-	18	3,176	2,694	119	314,864	320,890
Completions	-	29,587	-	-	17,343	5,314	1,144	(53,388)	-
Transfers (to)/from non-current assets held for sale	(735)	(1,801)	-	-	-	-	-	-	(2,536)
Revaluation	-	(15,284)	-	-	-	-	-	(2,007)	(17,291)
Impairment Charge	-	(55,817)	-	-	-	-	-	-	(55,817)
Disposals	(500)	-	-	(62)	(52,819)	-	(7)	-	(53,388)
At 31 March 2013	**129,540**	**1,289,302**	**971**	**1,545**	**308,580**	**83,665**	**9,810**	**482,232**	**2,305,645**
Depreciation									
At 1 April 2012	-	136,383	101	1,380	237,573	45,311	6,498	-	427,246
Provided during the year	-	38,173	36	96	22,398	13,415	1,176	-	75,294
Transfers (to)/from non-current assets held for sale	-	(176)	-	-	-	-	-	-	(176)
Revaluation	1	(1,740)	(3)	(3)	(5)	-	1	-	(1,749)
Impairment Charge	-	(8,860)	-	-	-	-	-	-	(8,860)
Disposals	-	-	-	(62)	(52,802)	-	(7)	-	(52,871)
At 31 March 2013	**1**	**163,780**	**134**	**1,411**	**207,164**	**58,726**	**7,668**	**-**	**438,884**
Net book value at 1 April 2012	130,775	1,196,215	870	209	103,307	30,346	2,056	222,763	1,686,541
Net book value at 31 March 2013	**129,539**	**1,125,522**	**837**	**134**	**101,416**	**24,939**	**2,142**	**482,232**	**1,866,761**
Open Market Value of Land in Land and Dwellings Included Above	**11,981**	**6,771**	**-**						
Asset financing:									
Owned	129,539	883,418	837	134	101,416	24,939	2,142	482,232	1,624,657
On-balance sheet PFI contracts	-	242,104	-	-	-	-	-	-	242,104
Net Book Value at 31 March 2013	**129,539**	**1,125,522**	**837**	**134**	**101,416**	**24,939**	**2,142**	**482,232**	**1,866,761**

Note

Opening balances for both Cost or Valuation and Depreciation have been restated to take account of various adjustments between categories. There is no overall impact on net book value for either current or prior year.

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 2011	134,082	1,181,929	971	1,724	339,344	83,042	8,042	175,373	1,924,507
Additions	-	43,729	-	-	867	-	-	161,406	206,002
Completions	148	96,726	-	18	10,737	5,799	621	(114,049)	-
Transfers (to)/from non-current assets held for sale	(75)	(189)	-	-	-	-	-	-	(264)
Revaluation	-	43,450	-	-	-	-	-	5,872	49,322
Impairment Charge	(3,040)	(33,900)	-	-	-	-	-	(5,839)	(42,779)
Impairment Reversal	-	1,778	-	-	-	-	-	-	1,778
Disposals	(340)	(925)	-	(153)	(10,068)	(13,184)	(109)	-	(24,779)
At 31 March 2012	**130,775**	**1,332,598**	**971**	**1,589**	**340,880**	**75,657**	**8,554**	**222,763**	**2,113,787**
Depreciation									
At 1 April 2011	-	101,283	65	1,410	222,200	43,468	5,295	-	373,721
Provided during the year	-	35,607	36	118	24,498	14,918	1,312	-	76,489
Transfers (to)/from non-current assets held for sale	-	(23)	-	-	-	-	-	-	(23)
Revaluation	-	3,646	-	-	-	-	-	-	3,646
Impairment Charge	-	(4,093)	-	-	-	-	-	-	(4,093)
Impairment Reversal	-	34	-	-	-	-	-	-	34
Disposals	-	(71)	-	(148)	(9,125)	(13,075)	(109)	-	(22,528)
At 31 March 2012	**-**	**136,383**	**101**	**1,380**	**237,573**	**45,311**	**6,498**	**-**	**427,246**
Net book value at 1 April 2011	134,082	1,080,646	906	314	117,144	39,574	2,747	175,373	1,550,786
Net book value at 31 March 2012	**130,775**	**1,196,215**	**870**	**209**	**103,307**	**30,346**	**2,056**	**222,763**	**1,686,541**
Open Market Value of Land in Land and Dwellings Included Above	**11,981**	**6,771**	**-**						
Asset financing:									
Owned	130,775	946,061	870	209	103,219	30,346	2,056	222,763	1,436,299
Finance leased	-	-	-	-	88	-	-	-	88
On-balance sheet PFI contracts	-	250,154	-	-	-	-	-	-	250,154
Net Book Value at 31 March 2012	**130,775**	**1,196,215**	**870**	**209**	**103,307**	**30,346**	**2,056**	**222,763**	**1,686,541**

Note

Opening balances for both Cost or Valuation and Depreciation have been restated to take account of various adjustments between categories. There is no overall impact on net book value for either current or prior year.

11. (b) TANGIBLE FIXED ASSETS (Donated 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 2012	160	9,643	-	81	19,604	36	20	781	30,325
Additions	-	116	-	-	618	-	-	77	811
Completions	-	705	-	-	69	-	-	(774)	-
Revaluation	-	(81)	-	-	-	-	-	-	(81)
Impairment Charge	-	(3,603)	-	-	-	-	-	-	(3,603)
Disposals	-	-	-	(40)	(7,863)	-	-	-	(7,903)
At 31 March 2013	**160**	**6,780**	-	**41**	**12,428**	**36**	**20**	**84**	**19,549**
Depreciation									
At 1 April 2012	-	1,029	-	81	16,904	36	20	-	18,070
Provided during the year	-	286	-	-	600	-	-	-	886
Revaluation	-	(6)	-	-	-	-	-	-	(6)
Impairment Charge	-	(554)	-	-	-	-	-	-	(554)
Disposals	-	-	-	(40)	(7,863)	-	-	-	(7,903)
At 31 March 2013	**-**	**755**	-	**41**	**9,641**	**36**	**20**	**-**	**10,493**
Net book value at 1 April 2012	160	8,614	-	-	2,700	-	-	781	12,255
Net book value at 31 March 2013	**160**	**6,025**	-	**-**	**2,787**	**-**	**-**	**84**	**9,056**
Open Market Value of Land in Land and Dwellings Included Above	**-**	**-**	**-**						
Asset financing:									
Owned	160	6,025	-	-	2,787	-	-	84	9,056
Net Book Value at 31 March 2013	**160**	**6,025**	**-**	**-**	**2,787**	**-**	**-**	**84**	**9,056**

Note

Opening balances for both Cost or Valuation and Depreciation have been restated to take account of various adjustments between categories. There is no overall impact on net book value for either current or prior year.

11. (b) TANGIBLE FIXED ASSETS (Donated 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 2011	160	8,544	-	81	20,378	207	24	1,599	30,993
Additions	-	-	-	-	829	-	-	243	1,072
Completions	-	1,061	-	-	-	-	-	(1,061)	-
Revaluation	-	338	-	-	-	-	-	-	338
Impairment Charge	-	(300)	-	-	-	-	-	-	(300)
Disposals	-	-	-	-	(1,603)	(171)	(4)	-	(1,778)
At 31 March 2012	**160**	**9,643**	-	**81**	**19,604**	**36**	**20**	**781**	**30,325**
Depreciation									
At 1 April 2011	-	684	-	79	17,997	207	24	-	18,991
Provided during the year	-	350	-	2	494	-	-	-	846
Revaluation	-	27	-	-	-	-	-	-	27
Impairment Charge	-	(32)	-	-	-	-	-	-	(32)
Disposals	-	-	-	-	(1,587)	(171)	(4)	-	(1,762)
At 31 March 2012	**-**	**1,029**	-	**81**	**16,904**	**36**	**20**	**-**	**18,070**
Net book value at 1 April 2011	160	7,860	-	2	2,381	-	-	1,599	12,002
Net book value at 31 March 2012	**160**	**8,614**	-	**-**	**2,700**	**-**	**-**	**781**	**12,255**
Open Market Value of Land in Land and Dwellings Included Above	**-**	**-**	**-**						
Asset financing:									
Owned	160	8,614	-	-	2,700	-	-	781	12,255
Net Book Value at 31 March 2012	**160**	**8,614**	**-**	**-**	**2,700**	**-**	**-**	**781**	**12,255**

Note

Opening balances for both Cost or Valuation and Depreciation have been restated to take account of various adjustments between categories. There is no overall impact on net book value for either current or prior year.

11 (c). ASSETS HELD FOR SALE

Barrhead Health Centre and Russell Institute have been presented as held for sale following approval by the Board's Property Committee. The completion date for sale is expected to be within 2013-14.

	Note	Property, Plant & Equipment £'000	Intangible Assets £'000	Total £'000
At 1 April 2012		241	-	241
Transfers (to)/from property, plant and equipment	11a	2,360	-	2,360
Disposals for non-current assets held for sale		(241)	-	(241)
As at 31 March 2013		**2,360**	**-**	**2,360**
At 1 April 2011		-	-	-
Transfers (to)/from property, plant and equipment	11a	241	-	241
As at 31 March 2012		**241**	**-**	**241**

11. (d) PROPERTY, PLANT AND EQUIPMENT DISCLOSURES	**2013**	2012
	£'000	£'000
Net book value of tangible fixed assets at 31 March		
Purchased	**1,866,761**	1,686,541
Donated	**9,056**	12,255
Total	**1,875,817**	1,698,796
Net book value related to land valued at open market value at 31 March	**11,981**	11,981
Net book value related to buildings valued at open market value at 31 March	**6,771**	6,771
Total value of assets held under:		
Finance leases	**-**	88
PFI and PPP contracts	**242,104**	250,154
Total	**242,104**	250,242
Total depreciation charged in respect of assets held under:		
Finance leases	**-**	88
PFI and PPP contracts	**4,747**	4,587
Total	**4,747**	4,675

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 2013 using indices and various specific property revaluations supplied by the Valuation Office Agency.

The net impact was a reduction in value of £15,542k for Purchased Assets and £75k for Donated Assets and these have been debited to the revaluation reserve to the extent that previous increases had been credited there. An amount of £1.1M was taken directly to operating costs as there had been no previous revaluation reserve balance for the properties concerned. In 2011-12 there was a net increase in value for Purchased Assets of £45,676k and for Donated Assets of £311k and both were credited to the revaluation reserve.

12. INVENTORIES	**2013**	2012
	£'000	£'000
Raw Materials and Consumables	**21,643**	21,951
Total Inventories	**21,643**	21,951

13. TRADE AND OTHER RECEIVABLES	**2013**	2012
	£'000	£'000
Receivables due within one year		
NHSScotland		
SGHSCD	**632**	23
Boards	**24,919**	24,121
Total NHSScotland Debtors	**25,551**	24,144
NHS Non Scottish Bodies	**1,318**	1,294
General Fund Receivable	**337**	569
VAT recoverable	**2,968**	2,096
Prepayments	**11,229**	6,280
Accrued income	**237**	306
Other Receivables	**17,524**	18,716
Reimbursement of Provisions	**26,221**	20,474
Other Public Sector Bodies	**3,573**	4,462
Total Receivables due within one year	**88,958**	78,341
Receivables due after more than one year		
Other Receivables	**10,658**	15,235
Reimbursement of Provisions	**56,776**	40,000
Total Receivables due after more than one year	**67,434**	55,235
Total Receivables	**156,392**	133,576
The total receivables figure above includes a provision for impairments of :	**1,439**	1,547
Movements on the provision for impairment of receivables are as follows:	**£'000**	£'000
At 1 April 2012	**1,547**	1,519
Provision for receivables impairment	**934**	735
Receivables written off during the year as uncollectable	**(19)**	(67)
Unused amounts reversed	**(1,023)**	(640)
At 31 March 2013	**1,439**	1,547

As of 31 March 2013, receivables with a carrying value of £1,439k (2012: £1,547k) were impaired and provided for. The amount of the provision was £1,439k (2012: £1,547k). The aging of these receivables is as follows:

	£'000	£'000
3 to 6 months past due	**582**	586
Over 6 months past due	**857**	961
	1,439	1,547

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 2013, receivables with a carrying value of £5,197k (2012: £5,242k) 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	**4,048**	2,533
3 to 6 months past due	**428**	561
Over 6 months past due	**721**	2,148
	5,197	5,242

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

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

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

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

Counterparties with no external credit rating:	**£'000**	£'000
Existing customers with no defaults in the past	**5,159**	5,199
Existing customers with some defaults in the past	**38**	43
Total neither past due or impaired	**5,197**	5,242

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	**156,392**	133,576
	156,392	133,576

All non-current receivables are due within six years (2012-13: six 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 £10,657k (2011-12: £15,235k)

The effective interest rate on non-current other receivables is 2.2% (2011-12: 2.2%). Pension liabilities are discounted at 2.35% (2011-12: 2.8%)

14. AVAILABLE FOR SALE FINANCIAL ASSETS	**2013**	2012
	£'000	£'000
Other	**1**	1
Total Available For Sale Financial Assets	**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**	**At 31 March**	**Cash Flow**	
	2012	**2013**	**2013**	2012
	£'000	**£'000**	**£'000**	£'000
Government Banking Service account balance	-	-	-	-
Cash at bank and in hand	1,060	584	(476)	(1,122)
Total Cash - Balance Sheet	**1,060**	**584**	**(476)**	(1,122)
Overdrafts	(569)	(337)	232	557
Total Cash - Cash Flow Statement	**491**	**247**	**(244)**	(565)

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	**2013**	2012
	£'000	£'000
Payables due within one year		
NHSScotland		
SGHSCD	**1,290**	-
Boards	**4,800**	6,224
Total NHSScotland Payables	**6,090**	6,224
NHS Non Scottish Bodies	**107**	413
General Fund Payable	**584**	1,060
FHS Practitioners	**67,394**	71,401
Trade Payables	**-**	2,228
Accruals	**248,868**	175,684
Payments received on account	**2,125**	2,867
Net obligations under Finance Leases	**-**	-
Net obligations under PPP/PFI Contracts	**3,106**	2,875
Bank overdrafts	**337**	569
Income tax and social security	**30,419**	30,604
Superannuation	**16,845**	15,753
Holiday pay accrual	**21,796**	20,766
Other Public Sector Bodies	**10,149**	12,392
EC Carbon Emissions Grant	**1,674**	1,734
Other payables	**18,114**	15,835
Total Payables due within one year	**427,608**	360,405
Payables due after more than one year		
Net obligations under PPP/PFI Contracts due within 2 years	**3,354**	3,105
Net obligations under PPP/PFI Contracts due after 2 years but within 5 years	**11,759**	10,887
Net obligations under PPP/PFI Contracts due after 5 years	**219,241**	223,467
Deferred income	**2,462**	2,578
Capital Retention	**2,454**	4,240
CNORIS Structured Settlements	**16,776**	-
Total Payables due after more than one year	**256,046**	244,277
Total Payables	**683,654**	604,682

Borrowings included above comprise:	**2013** **£'000**	2012 £'000
Bank overdrafts	**337**	569
PFI Contracts	**237,460**	240,334
	237,797	240,903

The carrying amount and fair value of the non-current borrowings are as follows	**2013**	2012
Carrying Amount	**£'000**	£'000
PFI Contracts	**234,354**	237,459
	234,354	237,459
Fair Value		
PFI Contracts	**234,354**	237,459
	234,354	237,459

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	**683,658**	604,682
	683,658	604,682

17. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions	Clinical & Medical Negligence	EC Carbon Emissions	Other	Total at 31 March 2013	Total at 31 March 2012
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2012	46,019	59,355	1,583	7,712	**114,669**	104,993
Arising during the year	6,980	21,954	-	1,247	**30,181**	30,473
Utilised during the year	(6,036)	(5,527)	-	(469)	**(12,032)**	(12,430)
Unwinding of discount	1,696	-	-	-	**1,696**	367
Reversed unutilised	(1,127)	(6,454)	(1,583)	(2,652)	**(11,816)**	(8,734)
At 31 March 2013	**47,532**	**69,328**	**-**	**5,838**	**122,698**	114,669

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 2013	Total at 31 March 2012
	£'000	£'000	£'000	£'000	£'000	£'000
Payable in one year	4,255	29,328	-	4,038	**37,621**	33,024
Payable between 2 - 5 years	12,240	40,000	-	1,800	**54,040**	81,645
Payable between 6 - 10 years	14,503	-	-	-	**14,503**	-
Thereafter	16,534	-	-	-	**16,534**	-
At 31 March 2013	**47,532**	**69,328**	**-**	**5,838**	**122,698**	114,669

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 2.35% in real terms. The Board expects expenditure to be charged to this provision for a period of up to 37 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 5 years. The amounts disclosed are stated gross and the amount of any expected reimbursements are shown separately as debtors in the notes to the accounts.

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. The Board's involvement with EU ETS Phase II ended in 2012-13

Other

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

18. MOVEMENT ON WORKING CAPITAL BALANCES

	Note	Opening Balances £'000	Closing Balances £'000	Net Movement 2013 £'000	2012 £'000
INVENTORIES	12				
Balance Sheet		21,951	21,643		
Net Decrease				**308**	2,397
TRADE AND OTHER RECEIVABLES					
Due within one year	13	78,341	88,958		
Due after more than one year	13	55,235	67,434		
Less: Capital included in above		(17,674)	(14,658)		
Less: General Fund Debtor included in above	13	(569)	(337)		
		115,333	141,397		
Net Increase				**(26,064)**	(574)
TRADE AND OTHER PAYABLES					
Due within one year	16	360,405	427,608		
Due after more than one year	16	244,277	256,046		
Less: Capital included in above		(5,301)	(69,684)		
Less: Bank Overdraft	16	(569)	(337)		
Less: General Fund Creditor included in above	16	(1,060)	(584)		
Less: Lease and PFI Creditors included in above	16	(240,334)	(237,460)		
		357,418	375,589		
Net Increase				**18,171**	30,847
PROVISIONS					
Balance Sheet	17	114,669	122,698		
Net Increase				**8,029**	9,676
Net Increase				**444**	42,346

19. CONTINGENT LIABILITIES/ASSETS

CONTINGENT LIABILITIES

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

(i) Negligence Claims

	Clinical & Medical Negligence £'000	Employer's Liability £'000	Third Party Liability £'000	Total £'000
At 1 April 2012	26,681	1,755	-	**28,436**
Increase in value of claims	9,480	72	-	**9,552**
New claims arising during the year	7,535	929	-	**8,464**
Crystallised liabilities	(205)	(241)	-	**(446)**
Expired obligations	(5,203)	(562)	-	**(5,765)**
At 31 March 2013	**38,288**	**1,953**	**-**	**40,241**

(ii) Equal Pay Claims

NHS Greater Glasgow & Clyde has received 3,884 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 five years).

The current position and recent developments are summarised below.

- Comparator Information

Comparators have still not been identified, with the exception of a small number of cases. Work is still ongoing by both claimants and respondents in this regard. Until comparators are identified it is not possible to identify the term which is said to breach the equality clause.

- Period of Claim

The period over which back pay for any established breach would have to be calculated is the period between dissolution of their employing Trust and 30 September 2004. For NHS Greater Glasgow & Clyde this means that the period of claim is limited to a maximum of 15 months. The limited scope of these claims was upheld by the Employment Appeal Tribunal in the test case of Foley and Ors vs Greater Glasgow Health Board (August 2012)

- Unequal Contract Term

The issue of the basis of claims was considered at the Case Management Discussion on 22 January 2013, which centred on Emmanual v City and Hackney Primary Care Trust. This was a national test case to establish, where claimant and comparators carried out work of equal value, whether there was a genuine material defence for different terms relating to pay. The Tribunal decided that the Trust had failed to demonstrate a justification in the respect of different weekend overtime rates, but had done in relation to basic pay. This was considered and noted by the Case Management Committee.

- Summary

The NHS Scotland Central Legal Office and Equal Pay Unit are continuing to monitor the progress of all equal pay claims in NHS Scotland as well as 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 available. 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:	**2013**	2012
	£'000	£'000
Reimbursement of Contingent Liability re Negligence Claims (from CNORIS scheme) as follows:		
Clinical & Medical Negligence	**35,353**	24,075
Employer's Liability	**583**	563
Woodilee Land Sale - Ransom Strip	**2,956**	2,956
Total	**38,892**	27,594

20. COMMITMENTS

Capital Commitments

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

	2013	2012
	£'000	£'000
Contracted		
Acute Services Projects	-	1,833
Primary Care Projects	6,268	1,220
Board Projects	-	3,300
New South Glasgow Hospital	254,243	466,819
Maternity Strategy	-	740
Vale Centre for Health & Care	3,135	18,668
Laboratory Modernisation Scheme	2,030	14,700
Mental Health Projects	7,961	-
Total	273,637	507,280
Authorised but not Contracted		
Acute Services Projects	2,320	12,772
Primary Care Projects	2,000	11,905
Board Projects	-	2,258
New South Glasgow Hospital	125,405	129,900
Mental Health Projects	2,718	5,900
Radiotherapy Equipment Replacement	3,355	16,125
Total	135,798	178,860

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:	2013	2012
	£'000	£'000
Buildings		
Not later than one year	1,008	810
Later than one year, not later than 2 years	128	-
Later than two year, not later than five years	359	649
Later than five years	2,704	3,051
Other		
Not later than one year	2,495	2,254
Later than one year, not later than 2 years	965	-
Later than two year, not later than five years	728	2,109
Amounts charged to Operating Costs in the year were:		
Hire of equipment (including vehicles)	4,188	4,363
Other operating leases	4,199	4,510
Total	8,387	8,873
Aggregate Rentals Receivable in the year		
Total of Operating Leases	511	513

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. After further extensions the contract ended on 31 December 2012. The estimated capital value of the contract was unquantifiable and the system was not an asset of NHSGGC's.

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 was further extended until December 2012 and now subsequently till 30 June 2013. 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:

	2013	2012
	£'000	£'000
HIS - Southern General Hospital/Victoria Infirmary	**762**	847
HIS - Yorkhill Hospital	**750**	543
	1,512	1,390

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

	2013	2012
	£'000	£'000
Within one year	**179**	937
	179	937

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

The Board has 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**	2012
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	790	1,064	1,455	1,549	6,972	8,813	1,672	**22,315**	22,315
Due within 1 to 2 years	790	1,064	1,455	1,549	6,972	8,813	1,672	**22,315**	22,315
Due within 2 to 5 years	2,370	3,192	4,364	4,646	20,916	26,439	5,015	**66,942**	66,942
Due after 5 years	6,321	11,704	29,093	38,721	153,381	193,889	36,774	**469,883**	492,197
Balance at 31 March 2013	**10,271**	**17,024**	**36,367**	**46,465**	**188,241**	**237,954**	**45,133**	**581,455**	603,769

Less Interest Element	**Larkfield**	**SGH Eld Bed**	**Gart Royal**	**Stb Rwbnk**	**Stb ACAD**	**Vic ACAD**	**Stb ACAD 60 Bed Ext**	**Totals**	2012
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	(469)	(778)	(1,204)	(1,375)	(6,114)	(7,728)	(1,541)	**(19,209)**	(19,440)
Due within 1 to 2 years	(446)	(754)	(1,185)	(1,362)	(6,045)	(7,641)	(1,528)	**(18,961)**	(19,209)
Due within 2 to 5 years	(1,182)	(2,093)	(3,432)	(3,998)	(17,660)	(22,325)	(4,493)	**(55,183)**	(56,056)
Due after 5 years	(1,633)	(4,313)	(14,012)	(21,565)	(82,643)	(104,469)	(22,007)	**(250,642)**	(268,730)
Balance at 31 March 2013	**(3,730)**	**(7,938)**	**(19,833)**	**(28,300)**	**(112,462)**	**(142,163)**	**(29,569)**	**(343,995)**	(363,435)

Present value of minimum lease payments	**Larkfield**	**SGH Eld Bed**	**Gart Royal**	**Stb Rwbnk**	**Stb ACAD**	**Vic ACAD**	**Stb ACAD 60 Bed Ext**	**Totals**	2012
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rentals due within 1 year	321	286	251	174	858	1,085	131	**3,106**	2,875
Due within 1 to 2 years	344	310	270	187	927	1,172	144	**3,354**	3,106
Due within 2 to 5 years	1,188	1,099	932	648	3,256	4,114	522	**11,759**	10,886
Due after 5 years	4,688	7,391	15,081	17,156	70,738	89,420	14,767	**219,241**	223,467
Balance at 31 March 2013	**6,541**	**9,086**	**16,534**	**18,165**	**75,779**	**95,791**	**15,564**	**237,460**	240,334

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

	2013	2012
	£'000	£'000
Service charges	5,359	5,240
Interest charges	19,439	19,652
Other charges	4,214	3,651
Total	**29,012**	**28,543**

Contingent rents recognised as an expense in the period were;

	2013	2012
	£'000	£'000
Contingent rents (included in Other charges)	**4,214**	**3,651**

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 the current year, normal employer contributions of £124,310,000 were payable to the SPPA (prior year £125,595,000) at the rate of 13.5% (prior year: 13.5%) of total pensionable salaries. In addition, during the accounting period the NHS board incurred additional costs of £2,027,000 (prior year £1,951,000) 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 amounting to £47,531,000 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.

	2013	2012
	£'000	£'000
Pension cost charge for the year	**124,310**	125,595
Additional Costs arising from early retirement	**1,954**	1,951
Provisions included in the Balance Sheet	**47,531**	46,019

24. (a) FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Loans and Receivables	Assets at Fair Value through Profit and Loss	Available for Sale	Total at 31 March 2013	Total at 31 March 2012
		£'000	£'000	£'000	£'000	£'000
Assets						
Investments	14	-	-	1	**1**	1
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	13	33,310	-	-	**33,310**	40,013
Cash and cash equivalents	15	584	-	-	**584**	1,060
At 31 March 2013		**33,894**	**-**	**1**	**33,895**	41,074

	Note	Liabilities at Fair Value through Profit and Loss	Other Financial Liabilities	Total at 31 March 2013	Total at 31 March 2012
		£'000	£'000	£'000	£'000
Liabilities					
PFI Liabilities	16	-	237,460	**237,460**	240,334
Trade and other payables excluding statutory liabilities (VAT and income tax and social security)	16	-	371,148	**371,148**	304,949
At 31 March 2013		**-**	**608,608**	**608,608**	545,283

24. (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 a minimum rating of 'A' are accepted.

Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the 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 2013				
PFI Liabilities	3,105	3,353	11,760	219,241
Trade and other payables excluding statutory liabilities	371,618	-	-	-
Totals	**374,723**	**3,353**	**11,760**	**219,241**

	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years
	£'000	£'000	£'000	£'000
At 31 March 2012				
PFI Liabilities	2,875	3,105	10,887	223,467
Trade and other payables excluding statutory liabilities	305,567	-	-	-
Totals	**308,442**	**3,105**	**10,887**	**223,467**

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.

24. (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.

25. 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	
Downs Syndrome	NHS Greater Glasgow and Clyde spent a total of £301 on supplies in the year 2012/13.	Mr I Fraser, Non Executive Director was also a Board Member of Down's Syndrome Scotland.
East Dunbartonshire Council	NHS Greater Glasgow and Clyde spent a total of £11,659k and received income of £588k in the year 2012/13.	Councillor M O'Donnell, non-executive director was also the Convener of Social Work at East Dunbartonshire Council.
East Renfrewshire Council	NHS Greater Glasgow and Clyde spent a total of £2,089k and received income of £981k in the year 2012/13.	Councillor A Lafferty, non-executive director was also the Convener of Social Work and Health at East Renfrewshire Council.
Erskine Hospital	NHS Greater Glasgow and Clyde spent £39,338 on residential patient care, training and conference facilities and supported workshops in the year 2012/13.	Mr A O Robertson OBE, Chairman, was appointed Chairman of Erskine Hospital on 1 July 2011
Glasgow City Council	NHS Greater Glasgow and Clyde spent a total of £100,982k and received income of £6,653k in the year 2012/13.	Councillor M Kerr, non-executive director was also the Executive Member for Social Care at Glasgow City Council.
Inverclyde Council	NHS Greater Glasgow and Clyde spent a total of £13,010k and received income of £1,301k in the year 2012/13.	Councillor J Mc Ilwee, non-executive director was also the Chair of Social Care at Inverclyde Council.
Renfrewshire Council	NHS Greater Glasgow and Clyde spent a total of £20,997k and received income of £2,092k in the year 2012/13.	Councillor M MacMillan, non-executive director was also the Council Leader at Renfrewshire Council.
The Notre Dame Centre	NHS Greater Glasgow and Clyde spent a total of £195,250 on various supplies in the year 2012/13.	Mr I Fraser, non-executive director was also a Board Member at The Notre Dame Centre.
West Dunbartonshire Council	NHS Greater Glasgow and Clyde spent a total of £11,137k and received income of £1,348k in the year 2012/13.	Councillor M Rooney, non-executive director was also the Council Leader at West Dunbartonshire Council.
University of Glasgow	£6,365,720 was spent on training courses, research projects and teaching costs in the year 2012/13.	Mr P Daniels OBE, non-executive Director is a Member of the University of Glasgow Court. Prof A Dominiczak non-executive director, is Vice Principal of Glasgow University
NHS Greater Glasgow and Clyde Endowment Funds	NHS Greater Glasgow and Clyde Endowment Funds had total fund balances of £85,769,000 in the year 2012/13.	NHS Greater Glasgow and Clyde Endowment Funds are managed by Trustees who are the members of the Board.

26. SEGMENT INFORMATION

	Acute	NHS Community Partnerships	Corporate	Unallocated	Total at 31 March 2013
	£'000	£'000	£'000	£'000	£'000
Net operating cost	1,078,085	1,088,147	248,973	-	**2,415,205**
Total assets	-	-	-	2,056,848	**2,056,848**
Total liabilities	-	-	-	806,352	**806,352**
Total segment revenue	396,898	64,994	67,944	-	**529,836**
Impairment losses recognised in SOCNE	-	-	-	50,417	**50,417**
Depreciation and amortisation	67,171	8,949	74	-	**76,194**
Interest income	-	-	1	-	**1**
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	-	-	-	320,163	**320,163**

26. SEGMENT INFORMATION - PRIOR YEAR

	Acute	NHS Community Partnerships	Corporate	Unallocated	Total at 31 March 2012
	£'000	£'000	£'000	£'000	£'000
Net operating cost	1,162,910	1,090,847	138,219	-	**2,391,976**
Total assets	-	-	-	1,856,566	**1,856,566**
Total liabilities	-	-	-	719,351	**719,351**
Total segment revenue	382,698	64,924	55,380	-	**503,002**
Impairment losses recognised in SOCNE	-	-	-	39,726	**39,726**
Impairment losses recognised in Reserves	-	-	-	109	**109**
Impairment reversals recognised in SOCNE	-	-	-	(1,744)	**(1,744)**
Depreciation and amortisation	69,496	7,843	71	-	**77,410**
Interest income	-	-	3	-	**3**
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	-	-	-	203,913	**203,913**

27. THIRD PARTY ASSETS

	At 1 April 2012 £'000	Gross Inflows £'000	Gross Outflows £'000	At 31 March 2013 £'000
Monetary amounts such as bank balances and monies on deposit	3,911	2,652	(2,636)	**3,928**
Total Third Party Assets	**3,911**	**2,652**	**(2,636)**	**3,928**

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

28. EXIT PACKAGES

EXIT PACKAGES **2013**

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	5	5
£10,000 - £25,000	-	21	21
£25,000 - £50,000	-	31	31
£50,000 - £100,000	-	5	5
Total number exit packages by type	**-**	**62**	**62**
Total resource cost (£'000)	**-**	**1,954**	**1,954**

EXIT PACKAGES PRIOR YEAR **2012**

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	10	10
£10,000 - £25,000	-	19	19
£25,000 - £50,000	-	29	29
£50,000 - £100,000	-	10	10
Total number exit packages by type	**-**	**68**	**68**
Total resource cost (£'000)	**-**	**1,951**	**1,951**

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