



ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2021

NHS 24

ANNUAL REPORT, ACCOUNTS and NOTES

For the year ended 31 MARCH 2021

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NHS 24

ANNUAL REPORT, ACCOUNTS and NOTES for the year ended 31 MARCH 2021

ANNUAL REPORT

A. THE PERFORMANCE REPORT

This Performance Report, which is part of the Annual Report and Accounts provides information on NHS 24, including its main objectives and potential risks to delivery.

The Overview section provides a summary of information on the NHS 24 purpose, the key risks to the achievement of objectives and the main aspects of performance during 2020/21. The Performance Report has been prepared in accordance with the government Financial Reporting Manual and complies with best practice.

Statement from the Chief Executive

NHS 24 is the national provider of a range of telephone and digital services including 111, NHS inform and Breathing Space. Working with partners across the health and care sector, NHS 24 provides health and social care information and access to urgent and out of hours care for people across Scotland. This is provided via a range of channels including telephone, website and webchat.

Over the last 12 months, NHS 24 has become a key part of the national COVID-19 pathway, has played a significant role in providing mental health support and services, as well as being the foundation of the national model for urgent care. This has resulted in a substantial increase in NHS 24 activity and services, particularly during the in hours period, where there was an 81% increase in demand year on year.

NHS 24 has transformed the way it delivers care in a very short period of time, stepping up new services to support people throughout the COVID-19 pandemic at a time when many face-to-face services have not operated in their usual way.

Going forward the organisation will build on these solid foundations to further improve the performance of our services and support the wider NHS system.

Staff across NHS 24 have played a vital role in responding to the COVID-19 pandemic in extremely challenging circumstances, by taking on new roles and adapting to new ways of working, as well as supporting the significant move to a full 24/7 model of operating.

We are extremely proud of the way everyone at NHS 24 has pulled together, alongside our partner agencies, to provide new and safe services to the people of Scotland. The following examples highlight some of our key successes over the last 12 months:

- The development of the national COVID-19 Service which streamed patients with suspected COVID-19 via NHS 24's 111 service 24/7 to one of four endpoints; self-care; 999 ambulance; speak to clinician within one hour; and speak to clinician within four hours. During 2020/21 there were 305k Covid flagged records – this equated to 24.5% of all records created.

- The co-sourcing and deployment of the non-clinical COVID-19 Helpline to provide non-clinical support for people who are not experiencing symptoms. In addition, providing further access to the Test and Protect system. There were 415,985 calls to the COVID helpline – which included 122,393 calls about flu.
- Working collaboratively to develop a new operational model and pathways to provide a national 24/7 single point of access to triage and stream demand for urgent care as part of national redesign improving access and alleviating pressure across the system. In advance of this, NHS 24 worked with NHS Ayrshire and Arran on the Urgent Care Pathfinder to inform the national roll-out of the Urgent Care Pathway. Since pathway launch 382,867 Urgent Care records were created by March 2021
- Mental Health Hub 24/7 Availability - from mid-July 2020, the Hub extended its hours of operation to provide mental health support 24 hours a day, seven days a week. In the first quarter of 2021 there has been a total call demand of 31,166 and average of 2,600 calls per week
- Significant development of digital mental health tools, including the development of over 13 mental health and well-being self-help guides
- Police Scotland Collaboration - in August 2020, the Hub roll-out of the enhanced mental health pathway with Police Scotland to facilitate the safe transfer of callers from people in distress. (circa 250 referrals per month).
- Scottish Ambulance Service Collaboration - in November 2020 NHS 24 designed a SAS service enabling SAS crews to signpost callers to the 111 service or for SAS Crews to receive live professional support.
- NHS inform (as a whole): had 68.6million unique visits, 80.6m page views. In addition NHS inform also had its busiest month ever with over 8m visits in March 2021
- Developing and producing the COVID-19 app to enable people to check their symptoms and keep up-to-date with the latest information and guidance. There were 214k downloads of the app, with 527k page views within the financial year
- Used SMS messaging to issue messages of self-care to previous NHS 24 callers (2.3m SMS sent)
- Development of a chatbot to manage COVID related questions which also linked to COVID-19 webchat. Up to the end of March 2021 this was accessed on 165,740 occasions.
- Developed a voice-bot which enabled access to the Covid symptoms self help guide via voice channel to increase accessibility into the Covid information (19,554 calls)
- Expanding the physical estate with two additional sites in the West of Scotland to provide capacity for front line staff whilst allowing them to work in a safe and physically distanced way.
- Health and Social Care Workers Helpline - In July 2020 the Scottish Government provided additional funding to ensure all health and social care workers in Scotland had access to mental health support 24 hours a day, seven days a week through a new national helpline.
- Development of accessible staff wellbeing resources in our centres, on the intranet and via our webpage to ensure staff have access to a range of wellbeing advice and services.

NHS 24 has made considerable progress delivering against its 2020 and 2020/21 Remobilisation Plans, as outlined above. However we recognise continued progress is predicated on the continued roll-out and efficacy of the vaccine and no new variants of the virus causing significant change to these assumptions. At this stage, the assumption is that NHS 24 will also need to maintain some flexibility ahead of next winter and the potential for any continued COVID-19 restrictions. In addition, there is a longer term direction of travel in continuing to support the wider health and care system in key areas of reform.

The vast majority of NHS 24's work was undertaken in a timely manner and although a smaller number of projects were not completed on time, this has been reflected in the nature of managing competing priorities in parallel, with the need to continue to respond to the ongoing pandemic.

This has been a very challenging year for NHS 24, with rapid expansion of services to meet the needs of the population. The Board members and the Executive team are extremely proud of the way everyone at NHS 24 has pulled together to provide existing services in a seamless manner while helping to build new services for the people of Scotland.

Strategic Context

In June 2019, NHS 24 commenced a review of its 2017-2022 Strategy to confirm that its strategic direction was still valid for NHS 24, the wider health and care service in Scotland and other public third and independent sector partners. The review of the NHS 24 Strategy has helped frame the development of NHS 24's remobilisation priorities to the end of 2020/21 and into 2021/22.

In light of the current COVID-19 pandemic, NHS 24 has even more reason to ensure its Strategy is thoroughly reviewed to highlight the role of NHS 24 within the broader health and care system.

Remobilisation Plans for 2020/21 set out key priorities and outcomes for the pandemic and also form a solid foundation for longer term direction of travel in continuing to support the wider health and care system in key areas of reform. NHS 24 has also identified enabling themes, to support the delivery of the plan and progression of its wider priorities.

Model of Care

In response to the COVID-19 pandemic, the increased need for mental health support and the new model for urgent care, NHS 24 has seen a substantial increase in services, workforce and digital solutions move to new models of care, 24 hours a day, seven days a week from a primarily out of hours response.

From March 2020, NHS 24 provided a national 24/7 single point of contact for those with potential Coronavirus infection to limit self-presentation and maximise infection control as part of the whole system response and Community Hub Model.

This approach was further developed as part of the national redesign of urgent care programme, where NHS 24 has been providing a single point of access to triage urgent care needs on a 24/7 basis since December 2020. The inclusion and development of urgent care is a fundamental change to the NHS 24's operational model and has required a significant increase in resource and expansion of our estate to meet predicted levels of demand. A similar triage approach is offered through the Mental Health Hub to ensure callers are routed to the right support, first time.

In order to provide high quality advice and support, our Call Handlers are supported by highly trained Clinical Supervisors on a one to five supervision model. This model is underpinned by robust clinical governance and provides safe and effective patient centred care with clear patient outcomes.

In addition, the accelerated enhancement of NHS 24's digital services, including the heavily promoted use of NHS inform for all public and professional facing content related to COVID-19, enabled

empowerment of citizens for self-supported care and signposting to relevant services. This successfully relieved pressure on face to face services elsewhere in the system.

NHS 24 Governance

The NHS 24 Executive Management Team led on the development, implementation and monitoring of the NHS 24 Remobilisation Plans for 2020/21. Formal governance is via the NHS 24 Board and is overseen by the Planning and Performance Committee.

The NHS 24 wider Governance Groups and Committees are responsible for providing assurance to the Board that appropriate structures and practices are in place and due diligence has been undertaken in regard to this. A regular reporting structure was developed to provide assurance for the plan.

Of particular importance for staff involvement is the Area Partnership Forum whose primary purpose is to discuss NHS 24 business with staff members and provide active involvement in project groups as well as ensuring Patient Focus and Public Involvement.

The Clinical Governance Committee is a statutory Committee responsible for providing assurance to the Board that appropriate clinical governance systems and processes are in place and effective throughout the organisation.

A number of the activities within the NHS 24 Remobilisation Plan 2020/21 were delegated to Programme Boards for implementation, under guidance from the Change Portfolio Board. Each Programme Board implements its delegated activities in line with the NHS 24 Programme Framework. The Change Portfolio Board ensures that these standards are consistently applied across the full range of Programme Boards.

In addition, NHS 24 maintains frequent communication with the Scottish Government (SG) Sponsor Division, with regular reporting on service performance and strategic development.

Collaboration

NHS 24 works collaboratively with other NHS Scotland Boards, Integration Joint Boards (IJBs), Local Authorities, and Voluntary and Independent sectors to ensure that its organisational capability is appropriately focussed on supporting and delivering high quality and person-centred services.

NHS 24 routinely engages with service users and public representatives through a range of fora and mediums to monitor service performance and to ensure patient and public views are reflected in all that it does.

During the year, the NHS 24 Patient Experience team have continued to be committed to providing a person-centred approach to encouraging and managing feedback from service users.

In addition, on-going development has taken place with the Public Partnership Forum and Youth Forum, which have continued to stay involved throughout 2020/21. This helps NHS 24 to improve services and ensure they are accessible to all.

Key Issues and Risks in 2020/21

All NHS Scotland bodies are subject to the requirements of the SPFM and must operate a Risk Management Strategy in accordance with relevant guidance issued by Scottish Ministers.

The unprecedented challenges faced by NHS Scotland in 200/21 has meant NHS 24 responded with a risks and opportunities approach. NHS 24 has developed new services and ways of working, while supported by an incident management structure implemented to manage the clinical, operational, workforce and communication risks. Throughout the pandemic NHS 24 has maintained its governance processes with risks reported to each Board meeting and sub-committee.

NHS 24's corporate governance structure provides assurance on the management of risk. Assurance on clinical risk is provided through the Clinical Governance Committee. Assurance on financial, programme, operational performance, reputation and stakeholder engagement risk management is provided through the Planning and Performance Committee. The Staff Governance Committee seeks assurance that NHS 24 effectively manages risks to the staff governance standards. The Audit & Risk Committee has responsibility for ensuring that the overall processes and procedure are in place to ensure effective risk management is embedded into NHS 24.

The Board approved a revised risk appetite statement in June 2020 to support decision making throughout NHS 24. NHS 24 always ensures that safe, effective, person centred care is a priority for all services. Any risks and opportunities highlighted are reviewed in line with our low clinical risk appetite.

The Board approved its strategic risk register that includes risks to stakeholder engagement with the NHS 24 strategy, providing a sustainable and skilled workforce, values and leadership. There was also significant consideration given to more immediate risks such as EU Exit. NHS 24 has engaged with Scottish Government to understand the risk and developed mitigation for any potential impact on the organisation, ensuring communication and engagement with staff throughout.

NHS 24 developed a new risk management strategy to continue improving its risk management arrangements. The strategy was informed by the internal auditor maturity review of the organisation's risk management arrangements. The report described the arrangements as being well established, and one that has an enterprise wide approach. The opportunities to further develop and embed risk management focus on aligning strategic planning, programme management and risk management to ensure appropriate information is available for decision making

Performance in 2020/21

Over the past 12 months, NHS 24 has collaborated internally, with partners, with service users and with Scottish Government to develop an enhanced performance framework better suited to NHS 24's role. Effective monitoring of performance ensures robust governance and decision-making in line with corporate objectives.

NHS 24 continued to experience high call volumes in 2020/21 (1.651million); annual demand for the 111 service prior to the COVID pandemic and Redesign of Urgent care was consistently 1.5 million. Increased volumes can be attributed in part to the COVID pandemic, however it should be noted that in December 2020 there was the launch of Redesign of Urgent Care, which further increased call volumes over the busy winter period. A further demand of almost 415,000 calls was also managed

via the COVID helpline, this handled asymptomatic calls relating to COVID information and COVID vaccination booking enquiries.

NHS 24 achieved seven of its 12 targets during 2020/21. NHS 24 did exceed in all areas of care delivered at first point of contact and P1/P2/P3 clinical key performance indicators. In addition, with the exception of Q3 (the winter period), patient experience and level of complaints, also performed well.

The main areas where issues were identified were: access service level, the average time to answer calls, calls abandoned, staff attendance and Breathing Space. It should be noted that a change in operating model to deliver a higher percentage of care at first point of contact, in response to patient feedback and clinical review, had an impact on the organisations ability to deliver the three access targets (Access Service Level, Average Time to Answer and Abandonment Rate). Ongoing recruitment issues previously mentioned and absence levels were further exacerbated by COVID absence. In addition, Breathing Space received unprecedented demand, with 2020/21 being the busiest ever year for the service.

NHS 24 moved to a service model focussed on the delivery of care at first contact, based on engagement with users of the 111 service. Care delivered at first point of contact achieved 91.0% for 2020/21 which was 16 percentage points above target. However, this is also reflected in an increase in Call Takers average handle time and reduces overall capacity to answer incoming calls.

NHS 24 successfully met all its statutory financial targets for the year and completed brokerage repayment a year early in 2020/21. The financial year saw significant investment in NHS 24 with Scottish Government investing an additional £2.6m to expand the Mental Health Hub to 24/7 working and £2.4m as first tranche in the Redesign of Urgent Care.

NHS 24's attendance rates fell below target for the year at 92.8% against 96% Scottish Government target. NHS 24 is progressing its Attendance Improvement Plan and have now developed a Health and Wellbeing Strategy and Action Plan which will support the Improvement Plan.

2. Performance Analysis

As with other Health Bodies, the finances of NHS 24 are subject to resource limit controls. Scottish Government Health and Social Care Directorate (SGH&SCD) sets three annual budget limits. These limits are:

- a) Revenue Resource Limit - a resource budget for ongoing operations;
- b) Capital Resource Limit - a resource budget for net capital investment; and
- c) Cash Requirement - a financing requirement to fund the cash consequences of the ongoing operations and the net capital investment.

NHS 24 is expected to operate within these limits and report on any variations from the limits as set.

The performance against the targets is as follows:

	Limit as set by SGH&SCD £'000	Actual outturn £'000	Variance (over)/under £'000	%
Revenue Resource Limit (RRL)	91,605	91,591	14	0.00
Of which:				
Core Revenue Resource Limit	91,346	91,332	14	0.00
Non-Core Revenue Resource Limit	259	259	0	0.00
Capital Resource Limit (CRL)	1,236	1,236	0	0.00
Of which:				
Core Capital Resource Limit	1,236	1,236	0	0.00
Cash Requirement	89,531	89,531	0	0.00

The first two limits have been split between core and non-core elements. This has been done to recognise how the Board is funded. In simple terms, the Board's day-to-day running costs are covered by 'core' funding. The Board also has to recognise other expenditure in its accounts which is determined by applying accounting standards, and the Scottish Government provides 'non-core' funding for this expenditure. Examples of 'non-core' expenditure are depreciation, other provisions, and impairment charges (where the value of an asset has been written down).

MEMORANDUM FOR IN-YEAR OUTTURN

2021
£'000

Core Revenue Resource Variance (Deficit)/Surplus in 2020-21

14

Financial flexibility: funding banked with/(provided by) Scottish Government

0

Underlying (Deficit)/Surplus against Core Revenue Resource Limit

14

Percentage

0%

An underspend of £0.014 million against RRL was achieved in 2020/21. The Board delivered an underspend of £0.098 million against its RRL in 2019/20. The £0.098 million underspend from 2019/20 was carried forward and added to the NHS 24 RRL for 2020/21, which means there was excess spend against the in-year RRL in 2020/21 of £0.84 million.

A three-year financial plan was submitted to Scottish Government by NHS 24 in March 2020. Due to the impact of the Covid-19 pandemic, the Scottish Government paused the Annual Operating and financial planning process. Recognising the exceptional nature of 2020-21 and the impact on delivery of financial recovery plans, additional non-repayable funding was provided to support in-year financial balance across all NHS Boards. In NHS 24's case, £9.5m was received for Covid-19 specific expenditure.

Commentary on the RRL

During 2020/21, NHS 24 reported an underspend of £0.014 million against the budgeted RRL of £91.6 million (£91.346 million core and £0.259 million non-core).

Commentary on the CRL

During 2020/21, the capital expenditure for NHS 24 was £1.236 million. This represents a break-even position against the Capital Resource Limit allocation of £1.236 million.

The majority of the capital spend by NHS 24 during 2020/21 was in relation to the establishment of office space at two additional sites in the year.

Financial brokerage

Following submission of a Full Business Case in December 2011, it was agreed that NHS 24 would receive financial brokerage to support the implementation phase of the new technology implementation. The brokerage received in 2011/12 was £0.320 million, £16.577 million was received in 2012/13 and a further £3.859 million in 2013/14, taking the total to £20.756 million.

NHS 24 has now repaid the brokerage in full. The repayment over financial years was as follows, £0.400 million in 2014/15, £1.050 million in 2016/17, £1.074 million in 2017/18, £6.840 million in 2018/19, £6.415 million in 2019/20 and the balance of £4.977m in 2020/21.

Accounting convention

The Annual Accounts 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 has been included as an annex to the accounts.

The statement of the accounting policies, which have been adopted, is shown at Note 1.

Under these accounting arrangements Health Boards must show liabilities for future years in their accounts without showing funding anticipated from the SGH&SCD. This has resulted in net liabilities on the Balance Sheet. The balance sheet reflects liabilities falling due in future years that are expected to be met by the receipt of funding from the Scottish Government. Accordingly the accounts have been prepared on the going concern basis.

Statement on Regularity

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.

Performance against key non-financial targets

During 2020/21, focus has remained on maximising efficiency and effectiveness in order to improve performance across all areas of frontline operations. Effective monitoring of performance ensures robust governance and decision-making in line with corporate objectives.

NHS 24 monitors performance of key performance measures on a monthly basis and reports this on an ongoing basis to the Board and to the Planning & Performance Committee through a Corporate Performance Report. In 2020/21 the "at a glance" dashboard was enhanced to provide an accessible way of reporting performance of the key targets. Performance for 2020/21 is shown below in the dashboard format.

This performance is against a backdrop of the challenges of Covid-19 on staffing levels and on the activity being received.

Measure	Key Performance Indicator - Target	Target	RAG Thresholds	Q1	Q2	Q3	Q4	2020/21 Performance
111 Service								
Patient experience - satisfaction, helpfulness, usefulness	90% of service users surveyed record overall satisfaction with the service	90%	Amber 80-90% Red <80%	93.6%	92.4%	86.8%	90.9%	91.4%
Level of complaints (could be applied to all services)	90% of complaints are responded to within 20 working days	90%	Amber 80-90% Red <80%	100.0%	100.0%	87.5%	100.0%	96.4%
Care delivered at first point of contact	75% of calls will result in direct access to the service at first point of contact	75%	Amber 65-75% Red <65%	84.5%	90.4%	93.4%	95.5%	91.0%
Calls abandoned after 30 seconds	Expressed as percentage of calls abandoned after threshold. Maintain the current measure of <5% after 30 seconds for 111 service.	5%	Amber 5-8% Red >8%	8.7%	12.5%	14.7%	19.0%	13.9%
Access Service Level within 30 seconds	Target to deliver 50% of calls answered within 30 seconds for 111 service	50%	Amber 45-50% Red <45%	52.1%	41.0%	35.8%	27.7%	38.8%
Average Time to Answer	Target to answer 111 calls within an average of 3 minutes	3m	Amber 2m 30s - 3m Red > 3 min	6m 19s	8m 12s	10m 55s	15m 23s	10m 12s
Median Time to Answer (Time at 50% of calls have been answered)	New measure			9s	1m 23s	3m 26s	7m 24s	2m 6s
Queued Calls - P1 calls responded to within 60 minutes	98% of P1 calls responded to in 60 minutes	98%	Amber 95-98% Red <95%	99.8%	100.0%	99.3%	100.0%	99.8%
Queued Calls - P2 calls responded to within 120 minutes	90% of P2 calls responded to in 120 minutes	90%	Amber 85-90% Red <85%	99.9%	100.0%	100.0%	100.0%	99.9%
Queued Calls - P3 calls responded to within 180 minutes	80% of P3 calls responded to in 180 minutes	80%	Amber 75-80% Red <75%	93.1%	91.1%	90.4%	98.7%	92.3%
Workforce								
Staff attendance rates	Achieve and maintain an average attendance rate of 96%	96%	Amber 90-96% Red < 90%	93.9%	92.6%	92.6%	92.3%	92.8%
Digital/Public Health								
Provision of self-care advice	Provide at least 30% of patients with self care advice	30%	Amber 25-30% Red <25%	32.0%	31.6%	30.2%	27.4%	30.3%
Mental Health Services								
Breathing Space	80% of Breathing Space Calls to be answered in 30 seconds	80%	Amber 70-80% Red <70%	47.5%	39.3%	58.6%	49.4%	49.0%

NHS 24 continued to experience high call volumes in 2020/21 (1.65million), with the highest demand received in a financial year. Increased volumes can be attributed in part to the COVID pandemic, however the launch of Redesign of Urgent Care in December 2020 also led to a material expansion in services, which resulted in increased call volumes to the service. As a comparison in-hours average call demand for February 2020 was 380 calls per day, which increased to 1,393 in February 2021, an increase of 267%.

NHS 24 moved to a service model focussed on the delivery of care at first contact, based on engagement with users of the 111 service. Care delivered at first point of contact achieved 91.0% for 2020/21 which was 16 percentage points above target, and this measure remained consistently above target across the year. Handling more patients without need for call back resulted in an 81% drop in P1, P2 and P3 calls and all of these measures comfortably achieved their targets for 2020/21.

An increased "care delivered at first point of contact" has had an impact on other aspects of delivery however, and all three measures relating to access – Access Level within 30 seconds, Average Time to Answer and Calls Abandoned after 30 seconds - failed to meet target. The change in NHS 24's operating model by delivering a higher Care Delivered at First point % affected the availability to answer incoming calls. It should also be noted that a key performance factor is the shortfall in clinical supervisors, which NHS 24 has, since the first wave of COVID in March/April 2020, highlighted as a significant risk. If call handlers are unable to quickly access supervision or wait extended lengths of time to do so, this increases the AHT and reduces overall capacity to answer incoming calls.

Although access in to the service has been higher than in previous years, it should be noted that the median time to answer for 2020/21 was 2 minutes 6 seconds. This meant that 710,000 patients had their call answered in 2m 6s or less. Overall patient journey – time from when phone rings to when final outcome of call is entered – reduced over the year due to fewer patients waiting extended periods of time (up to 3 hours) for a call back. Average patient journey time decreased by just under 16 minutes when comparing March 2020 to 2021.

Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
46:04	31:06	32:29	26:28	26:28	29:27	27:00	28:55	27:29	30:43	33:12	28:27	30:09

Access to Breathing Space was below the target of 80% across the year, with our lowest performance being met in Q2 (39.3%). A recruitment drive has seen Whole Time Equivalent (WTE) rise from 19.9 advisors in August 2020 to 31.9 advisors in December 2020. However the service experienced unprecedented demand with over 112,000 calls received, this was 22.4% higher than the previous year.

Breathing Space Demand			
Month	2019/20	2020/21	% Diff
Apr	6,589	8,897	35.0%
May	7,636	10,349	35.5%
Jun	7,793	9,337	19.8%
Jul	7,121	8,813	23.8%
Aug	7,283	8,594	18.0%
Sep	7,538	7,391	-2.0%
Oct	7,721	8,583	11.2%
Nov	7,616	9,319	22.4%
Dec	7,598	9,996	31.6%
Jan	8,045	12,111	50.5%
Feb	8,256	9,897	19.9%
Mar	9,077	9,688	6.7%
Total	92,273	112,975	22.4%

During 2020/21 NHS 24 continued to focus on supporting line managers through a learning and development programme, with a clear focus on how line managers manage early intervention in absence cases. As part of the "Better Working, Better Care Programme" there are a number of actions to improve the proactivity of attendance management, including looking at the current alignment of managers and teams to better monitor and address attendance issues with staff. The focus of this has been within Phase 1 of the BWBC programme, which has now been completed for 900 staff. This will help drive all workforce and capacity planning going forward. Partial implementation of Phase 2 is now underway but has been impacted due to the COVID19 pandemic.

NHS 24 are proud to employ the largest proportion of staff declaring with a disability in NHS Scotland (March 2020 annual figures). A reasonable adjustment for staff with a disability is to expect a higher percentage of absence. By working with these staff we ensure more citizens of Scotland can access work and remain in employment.

NHS 24 is progressing its Attendance Improvement Plan and has now developed a Health and Wellbeing Strategy and Action Plan which support the improvement plan. Training of all managers on the Once for Scotland Attendance Management Policy is now at 83% and work on improving reports available to managers on eESS, is progressing, as well as training for managers on the eESS system.

Payment Policy

The Scottish Government is committed to supporting the economy and business by paying bills quickly. The intention is to achieve payment of all undisputed invoices 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 (<http://www.payontime.co.uk/>) by processing suppliers invoices for payment without unnecessary delay and by settling them in a timely manner.

- In 2020/21, NHS 24's average credit taken was 35 days (2019/20 - 21 days).
- In 2020/21, NHS 24 paid 62.2% of invoices by value (2019/20 – 69.8%) and 37.0% by volume (2019/20 – 48.4%) within 10 days.
- In 2020/21, NHS 24 paid 79.1% of invoices by value (2019/20 – 85.9%) and 71.2% by volume (2019/20 – 85.0%) within 30 days.

The figures relate only to non-NHS suppliers. Performance was hindered in the first half of 2020/21 due to Covid-19 resulting in staff not being in the office as frequently which had a detrimental impact on invoices being received, signed off and paid.

Pension liabilities

The accounting policy note for pensions is provided in Note 1 and disclosure of the costs is shown in Note 16 and in the Remuneration Report.

Environmental and Sustainability Reporting

Norseman House is stand-alone shared accommodation for which NHS 24 is host board. NHS 24 monitors the environmental performance for this site.

The host board for sites where NHS 24 is co-located is responsible for monitoring environmental performance. NHS 24 continues to support and encourage local initiatives and include all sites within sustainability and carbon reduction plans to ensure estate wide commitment.

There is continued progress in improving environmental performance at Norseman House. The overall energy analysis (Electricity and Gas) for 2020/21 variance against 2019/20 demonstrates an overall emissions variance reduction of -13.74% and CO2e reduction of -58.9 (Tonnes).

The annual travel mileage, vehicle, air and rail has significantly reduced during 2020/21 which is as expected due to COVID-19 pandemic travel restrictions and the introduction of new digital technology, enabling virtual meetings.

The national boards three yearly Biodiversity report (draft) has been submitted to Scottish Government on the 01 January 2021.

The collaborative response offers a return that is reflective of measures that have been undertaken across the national board estate inclusive of NHS 24, and demonstrates the collective progress made.

<https://nhsnss.org/how-nss-works/policies-and-statements/corporate-responsibility-and-sustainability/>

NHS 24 completed and submitted the 2020/21 National Sustainability Audit Tool assessment return on the 31 March 2021, following self-assessment NHS 24 currently remain within the Bronze category. Health Facilities Scotland (HFS) will undertake a full, qualitative review of all NHS Board assessments and finalised 2020/21 scores will then be issued in June 2021

Social community, human rights, anti-corruption and anti-bribery

The Strategic Statement on Equality, Diversity and Human Rights sets out NHS 24's commitment to continue to positively contribute to a more equal society through advancing equality and good relations for patients, carers, patient representatives, other members of the public, partner organisations, staff and job applicants.

NHS 24 engages routinely with patient representatives through its established public involvement forums, which provides people with opportunities to get involved in key service developments within the organisation. Further engagement takes place with third sector organisations representing people from diverse communities and through community involvement activities locally, including delivering presentations to the public on the services that NHS 24 provides.

In April 2021, NHS 24 published its latest [Equality Mainstreaming Report](#), which sets out outcomes intended to improve access to services and employment opportunities, and reports on many of the engagement activities that its staff have undertaken.

Anti-corruption and anti-bribery matters are monitored by NHS 24's Fraud Liaison Officer and are discussed with NHS Scotland's Counter Fraud Services Team.

Approval and signing of the Performance report

The Accounting Officer authorised these financial statements for issue on 17 June 2021.

Signed


Jim Miller, Chief Executive

Date 17th June 2021

B. THE ACCOUNTABILITY REPORT

1. CORPORATE GOVERNANCE REPORT

a) The Directors' Report

Date of issue

The financial statements were approved by the Board on 17 June 2021.

Appointment of auditors

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. The Auditor General appointed Azets (previously named Scott-Moncrieff) to undertake the audit of NHS 24. 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.

Following a tendering exercise, Grant Thornton were appointed as NHS 24's internal auditor for 2 years, with an option to extend by 1 + 1 years. The first extension is in place with an option to extend for a further year, resulting in the contract running from 12 May 2018 to 11 May 2022 if the second extension is enacted.

Board membership

Under the terms of the Scottish Health Plan, NHS 24 is a board of governance whose membership will be conditioned by the functions of the Board. Members of NHS Boards are appointed on the basis of their position or the particular expertise which enables them to contribute to the decision-making process at strategic level.

The Board of NHS 24 has a collective responsibility for the performance of NHS 24.

The **Members of the Board** during the year ended 31 March 2021 and up to the date that the annual accounts were signed were as follows:

Chair	Dr Martin Cheyne
Non-Executive Members	Ms Madeline Smith, Vice Chair Dr Juliana Butler (Left 30/04/20) Mr John Glennie Mr Michael McCormick Ms Elizabeth Mallinson Mr Graham Revie, Employee Director (Left role 30/09/20) Mr Albert Tait Mr Martin Togneri Mr Alan Webb Ms Anne Gibson (Appointed 01/05/20) Mr Kenny Woods, Employee Director (Appointed 01/10/20)

Executive Directors appointed by the Minister as Board Members were:

Mrs Angiolina Foster	Chief Executive (Left role 05/04/21)
Mr Jim Miller	Chief Executive (From 05/04/21)
Dr Laura Ryan	Medical Director

Mr John Gebbie

Director of Finance (Appointed Interim 04/05/20,
Appointed Permanent 01/03/21)

Mrs Maria Docherty

Director of Nursing & Care (Appointed 09/04/20)

The responsibilities of the Members of the Board in relation to the Accounts are set out in a Statement following this Report.

The Statement of Board Members' responsibilities

Under the National Health Service (Scotland) Act 1978, NHS 24 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 NHS 24 as at 31st March 2021 and of its operating costs for the year then ended. In preparing these accounts, the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for NHS Scotland by Scottish Ministers;
- Make judgements and estimates that are reasonable;
- State where applicable accounting standards as set out in the Financial Reporting Manual (FReM) have not been followed where the effect of the departure is material; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that NHS 24 will continue to operate.

The NHS 24 Board Members are responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of NHS 24 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 NHS 24 and hence taking reasonable steps for the prevention of fraud and other irregularities.

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

Board members' and senior managers' interests

The Board maintains a Register of Interests for all board members and senior managers. The Register is held at the NHS 24 Headquarters in Caledonia House, Fifty Pitches Road, Cardonald Park, Glasgow, G51 4EB and is available on the NHS 24 website.

All interests are updated throughout the year.

Details of any interests of board members and senior staff who enter into any contracts or are potential contractors with NHS 24 are disclosed in the notes to the accounts if required. No such disclosure is required for 2020/21.

Remuneration for non-audit work

There was no remuneration for non-audit work carried out by either Azets or Grant Thornton during 2020/21.

Public Services Reform (Scotland) Act 2010

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 impose duties on the Scottish Government and listed public bodies to publish information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year.

Information on public relations, overseas travel, hospitality and entertainment, external consultancy, payments with a value in excess of £25,000, members or employees who received remuneration in excess of £150,000, sustainable economic growth, and efficiency, effectiveness and economy can be found on the NHS 24 website at: <https://www.nhs24.scot/index.php?id=reports>

Personal data related incidents reported to the Information Commissioner.

There were three incidents reported to the Information Commissioner during 2020/21. However, the ICO were satisfied with all the incident reports and opened, recorded and closed all incident reports with no further action been taken.

Disclosure of Information to Auditors

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

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 17.

Subject to Audit Opinion

The following elements of the Accountability Report are subject to Azet's audit opinion:-

- a) Single total figure of remuneration for each Executive Director and Non-Executive Director;
- b) Cash Equivalent Transfer Value (CETV) disclosures for each director;
- c) Payments to past directors, if relevant;
- d) Payments for loss of office, if relevant;
- e) Fair pay disclosures;
- e) Exit packages, if relevant; and
- f) Analysis of staff costs and numbers.

b) Statement of the Chief Executive's Responsibilities as the Accountable Officer

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 NHS 24.

This designation carries with it responsibility for:

- the propriety and regularity of financial transactions under my control;
- the economical, efficient and effective use of resources placed at the Board's disposal;
- 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 (FReM) and in particular to:

- observe the accounts direction issued by the Scottish Ministers including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make 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; and
- prepare the accounts on a going concern basis.

I confirm that the Annual Report and Accounts as a whole are fair, balanced and reasonable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as Accountable Officer as intimated in the Departmental Accountable Officer's letter to me of 2 March 2016.

c) The 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. In addition, 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 year 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 of the Board

As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control.

The NHS 24 Corporate Governance Framework defines and documents the roles and responsibilities of the Board through detailed guidance on standing orders, standing financial instructions, scheme of delegation, contract/procurement regulations and a code of conduct. The Corporate Governance Framework is reviewed on an annual basis with amendments being considered by the Audit and Risk Committee and approved by the NHS 24 Board. The latest version was approved by NHS 24 Board on 27 February 2020. Management continues to keep the framework updated as changes arise and the latest update shall be discussed at the August 2021 Audit and Risk Committee.

Board Membership

Under the terms of the Scottish Health Plan, NHS 24 is a board of governance whose membership will be conditioned by the functions of the Board. Members of NHS Boards are appointed on the basis of their position or the particular expertise which enables them to contribute to the decision-making process at strategic level.

The Board of NHS 24 has a collective responsibility for the performance of NHS 24.

NHS 24 Board

The NHS 24 Board is responsible for:

- setting the strategic direction of NHS 24.
- managing and anticipating change.
- making the most of NHS 24's resources.
- appointing the Chief Executive.

Members

Dr Martin Cheyne, Chair; Madeline Smith, Non-Executive Director, Vice Chair; Martin Togneri, Non-Executive Director; John Glennie, Non-Executive Director; Mike McCormick, Non-Executive Director; Albert Tait, Non-Executive Director; Graham Revie, Non-Executive Director (Employee Director) (to September 2020), Kenny Woods, Non-Executive Director (Employee Director) (from October 2020); Dr Julianna Butler, Non-Executive Director (left 30 April 2020); Alan Webb, Non-Executive Director; Liz Mallinson, Non-Executive Director and Whistleblowing Champion; Anne Gibson, Non-Executive Director

Angiolina Foster, Chief Executive; Dr Laura Ryan, Medical Director; Maria Docherty, Director of Nursing and Care; John Gebbie, Director of Finance

Attendees

Suzy Aspley, Chief Communications Officer; Linda Davidson, Interim Director of Workforce; Ann Marie Gallacher, Chief Information Officer; Stephanie Phillips, Director of Service Delivery; Paula Speirs, Interim Director of Service Development;

Administration

Lead Executive: Angiolina Foster; Lead Officer: Paula Speirs; Minutes: Yvonne Kerr

Quorum

Six Members (Four Non-Executive Members and two Executive Directors)

The Board of NHS 24 is supported in its responsibilities by a number of statutory and standing governance committees. These are:

Statutory Committees

- Clinical Governance Committee;
- Audit and Risk Committee;
- Staff Governance Committee; and
- Remuneration Committee.

Standing Committees

- Planning and Performance Committee.
- Integrated Governance Committee

The Board approves the terms of reference for all its committees and appoints all committee members.

Statutory Committees

Clinical Governance Committee

The Clinical Governance Committee is responsible for:

- ensuring that the quality of patient care is maintained and improved.
- developing ways of engaging effectively with staff and patients.
- providing specific reports on any problems that emerge.

Members

Madeline Smith, Non-Executive Director (Chair); John Glennie, Non-Executive Director; Albert Tait, Non-Executive Director; Dr Julianna Butler, Non-Executive Director (left 30 April 2020); Anne Gibson, Non-Executive Director; John McAnaw, Clinical Advisory Group Representative.

Attendees

Dr Martin Cheyne, Board Chair; Angiolina Foster, Chief Executive; Lynne Huckerby, Director of Service Development (to November 2020) Paula Speirs, Interim Director of Service Development (from November 2020); Stephanie Phillips, Director of Service Delivery; Anna Lamont, Associate Medical Director; Jennifer Rodgers, Clinical Lead for Dentistry; Dr Laura Ryan, Medical Director; Eileen Wallace, Public Partnership Forum; Martin McGregor, Partnership Forum Nominated Staff Representative; John Gebbie, Director of Finance; Maria Docherty, Director of Nursing and Care; Kevin McMahon, Head of Risk and Resilience; Janice Houston, Associate Director of Nursing and Care.

Administration

Lead Executive: Maria Docherty; Lead Officer: Mark Kelly; Minutes: Kay Carmichael

Quorum

Three Non-Executive Members

Audit and Risk Committee

The Audit and Risk Committee is responsible for providing assurance to the Board that appropriate governance structures are in place. It oversees:

- legal and regulatory compliance with NHS standards.
- anticipating and managing risk.

Members

Albert Tait, Non-Executive (Chair); Martin Togneri, Non-Executive Director; Mike McCormick, Non-Executive Director; Dr Julianna Butler, Non-Executive Director (left 30 April 2020); Liz Mallinson, Non-Executive Director.

Attendees

Dr Martin Cheyne, Board Chair; Angiolina Foster, Chief Executive; Damien Snedden, Deputy Director of Finance; Dr Laura Ryan, Medical Director; John Gebbie, Director of Finance; Maria Docherty, Director of Nursing and Care; Kenny Woods, Partnership Forum Nominated Staff Representative (to September 2020); Graham Revie, Partnership Forum Nominated Staff Representative (from October 2020); Grant Thornton, Internal Auditor; Scott Moncrieff, External Auditor; Paula Speirs, Interim Director of Service Development; Stephanie Phillips, Director of

Service Delivery; Kevin McMahon, Head of Risk and Resilience; Vacant, Associate Director of Planning and Performance.

Administration

Lead Executive: John Gebbie; Lead Officer: Damien Snedden; Minutes: Yvonne Kerr

Quorum

Three Non-Executive Members

Staff Governance Committee

The Staff Governance Committee provides assurance to the NHS 24 Board that staff are:

- well informed.
- appropriately trained.
- involved in decision making.
- treated fairly and consistently.
- provided with an improved and safe working environment.

Members

John Glennie, Non-Executive Director (Chair); Graham Revie, Non-Executive Director (Vice Chair) (Employee Director) (to September 2020) Kenny Woods, Non-Executive Director (Vice Chair) (Employee Director) (from October 2020); Mike McCormick, Non-Executive Director; Alan Webb, Non-Executive Director; Dr Julianna Butler, Non-Executive Director (left 30 April 2020); Liz Mallinson, Non-Executive Director.

Attendees

Dr Martin Cheyne, Board Chair; Angiolina Foster, Chief Executive; Suzy Aspley, Head of Communications; Linda Davidson, Interim Director of Workforce; Maria Docherty, Director of Nursing and Care Services; Gill McInnes, Head of HR Business Services; Pauline Docherty, Head of Employee Relations; Stephanie Phillips, Director of Service Delivery; Fred McCosh, Partnership Forum Nominated Staff Representative; Martin McGregor, Partnership Forum Nominated Staff Representative.

Administration

Lead Executive: Linda Davidson; Lead Officer: Linda Davidson; Minutes: Chantal Robinson.

Quorum

Three Non-Executive Members

Remuneration Committee

The Remuneration Committee assures the NHS 24 Board that its executive directors and senior staff are paid in accordance with NHS Scotland guidelines.

Members

Martin Togneri, Non-Executive Director (Chair); Dr Martin Cheyne, Board Chair; Madeline Smith, Non-Executive Director; Albert Tait, Non-Executive Director; Kenny Woods, Non-Executive Director.

Attendees

Angiolina Foster, Chief Executive; Linda Davidson, Interim Director of Workforce.

Administration

Lead Executive: Angiolina Foster; Lead Officer: Linda Davidson; Minutes: Chantal Robinson.

Quorum

Three Non-Executive Members

Standing Committees

Planning and Performance Committee

The Planning and Performance Committee assures the NHS 24 Board that:

- systems are in place to monitor, manage and improve performance.
- funds spent on goods, staffing and services, represent value for money.

Members

Mike McCormick, Non-Executive Director (Chair); John Glennie, Non-Executive Director; Madeline Smith, Non-Executive Director; Martin Togneri, Non-Executive Director; Alan Webb, Non-Executive Director; Anne Gibson, Non-Executive Director

Attendees

Dr Martin Cheyne, Board Chair; Angiolina Foster, Chief Executive; Dr Laura Ryan, Medical Director; John Gebbie, Director of Finance; Stephanie Phillips, Director of Service Delivery; Linda Davidson, Interim Director of Workforce; Annie Robertson, Acting Head of Strategic Planning ; Damien Snedden, Deputy Director of Finance; Maria Docherty, Director of Nursing and Care; Kevin McMahon, Head of Risk and Resilience; Sanny Gibson, Head of Information Governance and Security; Lynne Kane, Facilities Manager; Lynne Huckerby, Director of Service Development (to November 2020); Paula Speirs, Interim Director of Service Development (from November 2020); Ann-Marie Gallacher, Chief Information Officer; Suzy Aspley, Chief Communications Officer; Joseph Markey, Staff Side Representative; Procurement Manager (SAS), attends two meetings per year (from June 2020).

Administration

Lead Executive: Paula Speirs; Lead Officer: Paula Speirs; Minutes: Julie Thompson (temporary)

Quorum

Three Non-Executive Members

Integrated Governance Committee

The purpose of this Committee is to look at the relationship between the Board and its Committees and to articulate the specific 'lenses' of each Committee on areas of mutual interest. This helps ensure clarity of governance responsibility and that there are no gaps or areas of duplication.

Members

Dr Martin Cheyne, Board Chair; John Glennie, Non-Executive Director; Madeline Smith, Non-Executive Director; Mike McCormick, Non-Executive Director; Albert Tait, Non-Executive Director, Martin Togneri, Non-Executive Director.

Attendees

Angiolina Foster, Chief Executive; Lynne Huckerby, Director of Service Development (to November 2020); Paula Speirs, Interim Director of Service Development (from November 2020); John Gebbie,

Director of Finance; Maria Docherty, Director of Nursing and Care; Linda Davidson, Interim Director of Workforce

Administration

Lead Executive: Angiolina Foster; Lead Officer: Paula Speirs; Minutes: Yvonne Kerr.

Quorum

Three Non-Executive Members

The Integrated Governance Group, was established in 2019. However, it transitioned to a Committee in 2020 with the first meeting held in June 2020 and from there continues to meet twice per year. It was agreed that the IGG would evolve into a full Board Committee and Terms of Reference were approved by the NHS 24 Board in December 2020

The adequacy and effectiveness of the system of internal control is assessed by the standing committees, each providing a formal report to the NHS 24 Board on their work on an annual basis, which is first reviewed by the Audit and Risk Committee.

Board Effectiveness

The Board examines its own effectiveness in line with current practice and ensures compliance with current legislation. The Board, through defining the roles and responsibilities of members, sets out clear areas of responsibility and levels of delegated authority. Due to the on-going pandemic response, the Board Effectiveness Review, planned for February 2021 was deferred in line with the commitment to a more focused governance approach, agreed in January 2021. It is anticipated this will be scheduled for October 2021.

Every year, the Chair undertakes a performance appraisal of each of the Non-Executive Members. Similarly, each of the Executive Directors have key objectives to deliver each year and they are formally appraised by the Chief Executive, and the Chief Executive is appraised by the Chair. From these appraisals, Personal Development Plans are prepared and performance against delivery is assessed and monitored.

Governance developments during the year included:

- Due to the on-going COVID-19 pandemic response the Model Standing Orders were amended several times during 2020/21 in order to enable NHS 24 to focus its efforts on the effective national response to COVID-19, moving to a 24/7 service provision model.
- The NHS 24 Board approved a number of adjustments to the Standing Orders on 14 May 2020, to enable effective decision making whilst NHS Scotland operates under emergency powers. The key change in the governance structure was the formation of the Incident Management Team (IMT). The IMT is composed of all Directorate Leads and the group have met on a daily basis throughout the pandemic to review decisions and the overall organisation response. The group regularly report to the Executive Management Team and benefits from members who sit on both the IMT and EMT to assist accurate escalation and reporting of relevant matters. Specific COVID-19 Governance is outlined below.

- In December 2020, the NHS 24 Board agreed to revert back to the original Standing Orders and remove the temporary suspensions and amendments, with one exception. The Board agreed that Standing Order 4.2.2, which was made as a temporary amendment in June 2020, was permanently amended, reflecting the different ways of working and ability to access documents virtually via the Admincontrol Portal to ensure efficient document sharing and secure collaboration among Board members.

Due to the on-going resilience required for COVID-19, the NHS 24 Board agreed to move to a more focused governance approach in January 2021. This committed to reducing the time of Committee meetings and minimising Executive attendance, where possible, from February 2021 and continuing into May 2021. This was reviewed by the Integrated Governance Committee in May 2021 and agreed to continue the more focused process. Ongoing consideration will be given for procedures for Board Meetings.

NHS 24 monitors performance of key performance measures on a monthly basis and reports this on an ongoing basis to the Board and Planning & Performance Committee through a Corporate Performance Report. In 2020/21 the Corporate Performance Team developed an "at a glance" dashboard to provide a more accessible way of reporting performance of the key targets.

There were appointments to the EMT during the year and there have also been some revisions to the governance structures. The Chair and Chief Executive are committed to achieving excellence in both the progress and the governance of the organisation.

COVID-19 Governance

During 2020/21, the COVID-19 Incident Management Team (IMT) has continued. A programme structure for management of the pandemic was established, with associated Project and Action Logs developed. The Programme Group (COVID19 IMT) meet on a regular basis, with regular reporting and escalation of key issues and risks to the Executive Management Team. This is achieved through dynamic risk assessment and support from reasonable worst case scenario planning sessions in the Strategic Delivery Group.

COVID-19 updates are provided to each Board meeting, with any decisions highlighted within the report. In addition, an action log is kept, acting as an audit trail for all decisions made through the Incident Management Team (IMT).

NHS 24 Board and NHS 24 Governance Committees have continued to meet, as scheduled, throughout this period, with an additional Clinical Governance Committee held to bring further assurance. In addition, NHS 24 previously held full Boards every two months and development sessions each other month. Board meetings have remained the same through 2020/21, held every other month with the workshop taking place in between. The only exception in 20/21 was an additional public meeting in May 2020, the purpose of which was to ensure those who attended were sighted on the key areas of focus as we manage through COVID-19.

Financial Governance

The oversight of financial planning and financial monitoring forms part of the role of the NHS 24 Board. Financial Governance is overseen through the Audit and Risk Committee provided with assurance

via internal & external audit. Financial Performance is overseen via the Planning and Performance Committee. Regular reports on the Board's financial position are considered across these groups.

Information Governance

The Information Governance and Security Annual Report 2019-20 was presented to the NHS 24 Board on 27 August 2020. This report was initially presented to the Audit and Risk Committee and the Planning and Performance Committee as per governance arrangements, noting there were no direct financial implications from the report.

The report provides an overview of the key areas of activity for the period 2019/20 for the Information Governance and Security Team in ensuring compliance with all legislative requirements. Within the report, are a number of key points including; a Cyber Review through the Network Information System Regulations; training for team members and wider staff in Data Protection; and information and asset processes and management.

In addition, there were a number of incidents which occurred during the period of the report, these included:

- The suspected theft of equipment from a centre, this was reported to Police Scotland with lessons learned.
- A redaction and misfiling issue which was deemed to be a reportable incident and reported to the ICO with no further action.
- A report template issue which was deemed to be a reportable incident and reported to the ICO with no further action.
- An email misdirection issue was deemed to be a reportable incident and reported to the ICO with no further action.
- An outage on a national system caused an issue for NHS 24 which required a level of contingency to be invoked, this was deemed a reportable incident and reported to the Health Competent Authority.
- An issue with the SAP system which resulted in a delay in completing or saving calls this resulted in a level of contingency being invoked. This was deemed to be a reportable incident and reported to the Health Competent Authority.

Internal Audit Review of Governance 2020

Recognising the importance of an independent perspective on our governance improvement work NHS 24 commissioned its internal auditors, Grant Thornton, to conduct a review of NHS 24's Revised Governance Arrangements in response to the COVID-19 pandemic. That review concluded that the NHS 24 processes provide a reasonable level of assurance to the Audit and Risk Committee on the areas covered.

The report confirmed that the arrangements were appropriate for the circumstances to enable efficient and flexible decision making while ensuring sufficient governance continues to be exercised.

The report concurs that the revised governance arrangements are appropriate, proportionate and in line with the relevant legislation and Scottish Government principles. In addition, Grant Thornton did not identify any risks that required management action. In this section we have highlighted some key observations:

- All changes to governance processes were appropriately documented and ratified by the Board.
- The changes allowed effective decision making and oversight to be executed throughout the pandemic while allowing management to prioritise their response.
- The use of daily IMT meetings facilitated timely approval of additional spend and resource requests as the EMT continued to meet weekly.
- NHS 24's decision to maintain the schedule of Board and Committee meetings allowed decisions to be made within desired timelines.

Service Audits

In 2020/21 NHS 24 received two Service Audit reports for services that are provided by other Boards on our behalf - the National Single Instance financial ledger service (NHS A&A) and the National IT Services, including e-Payroll (NSS). Both reports received an unqualified audit opinion, however the National IT Services Service Audit did include an 'emphasis of matter'. This related to exceptions being identified across a control objective during the audit. However, as a result of additional steps taken by management, additional testing in April and May 2021 concluded that the overall control objective had been achieved.

Review of Adequacy and Effectiveness

As Accountable Officer, I am responsible for reviewing the adequacy and effectiveness of the system of internal control. My review is informed by:

- the executive directors and senior managers who are responsible for developing, implementing and maintaining internal controls across their areas supported by an annual statement of assurance from executive directors;
- the views of the Audit and Risk Committee on the effectiveness of the organisation's internal control arrangements;
- the work of the internal auditors, who submit regular reports to the Audit and Risk Committee which include their independent and objective opinion on the effectiveness of risk management, internal controls and governance processes, together with their recommendations for improvement;
- the work of the external auditors through their annual report;
- the review of performance against key performance and risk indicators;
- the maintenance of an organisation-wide risk register formally reviewed by the Executive Management Team, the Audit and Risk Committee and the full Board; and
- the performance appraisal system for all staff with personal objectives and development plans designed to support the Board in the attainment of the corporate objectives set out in the Local Delivery Plan.

On 27 August 2020, a report was submitted to the NHS 24 Board providing formal assurance from the Audit and Risk Committee that the Annual Report and Accounts for 2019/20 have been reviewed and considered fully by the Committee. The Committee also considered the various elements of the assurance pack supporting the Annual Report and Accounts, including the External and Internal Audit Annual Reports, a number of Internal Audit Reports and NHS 24 Annual Governance Reports. From this review the Committee agreed to recommend to the NHS 24 Board that the Annual Report and

Accounts for 2019/20 be approved at the August 2020 meeting. This assurance is for the year 2019/20 as the 2020/21 assurance has not yet been confirmed.

The organisation has an internal mechanism for monitoring the implementation of recommendations made by both external auditors and Audit Scotland. Updates are given to the Audit and Risk Committee, Clinical Governance Committee and Staff Governance Committee. The role of the Audit and Risk committee with regard to risk has remained unchanged during 2020/21 and therefore this committee provides additional assurance on risk as well as the internal control environment. In addition, our external auditors Azets attend the Audit and Risk Committees, to provide additional assurance. Our approach to risk management is outlined more fully below.

Additional assurance has been provided during 2020/21 via the receipt of formal reports relating to each of the governance committees. In addition, all executive directors have signed certificates of assurance demonstrating that all internal controls are working effectively in their area of responsibility.

I have taken assurance from the annual statements provided to me by my executive directors and the additional sources noted above. I conclude that appropriate arrangements are in place to address any weaknesses identified and to ensure the continuous improvement of the system.

Risk Management

All NHS Scotland bodies are subject to the requirements of the SPFM and must operate a Risk Management Strategy in accordance with relevant guidance issued by Scottish Ministers.

Throughout 2020/21 NHS 24 has continued to review and improve its risk management arrangements. A revised Risk Management Framework was approved in February 2020 by the Audit & Risk Committee. NHS 24's internal auditors conducted a maturity review of current risk management arrangements. This report described the arrangements as well established, being one that has an enterprise wide approach.

The Board conducted a strategic risk session in January 2020. A number of areas were considered within the session. This included the context of the wider health and social care landscape, strategic objectives of NHS 24, stakeholder engagement with the NHS 24 strategy, providing a sustainable and skilled workforce, values and leadership. The review considered risk velocity to determine the action required by the organisation.

There was also significant consideration given to more immediate risks such as EU Exit. NHS 24 has engaged with Scottish Government to understand the risk and developed mitigation for any potential impact on the organisation. Communication and engagement with staff on this issue has been ongoing and NHS 24 is not anticipating any immediate, or significant, disruption to services.

Key risks relating to our estate and technology changes have been mitigated by full programme management structures to understand the risk, opportunities and benefits of any decisions taken. In January 2020, NHS 24 started to prepare for the COVID-19 pandemic. This had resulted in significant demand on NHS 24 services and staff throughout. The risks and challenges have been supported by a robust incident management structure that includes risk management and service development methodology to consider the opportunities to improve as part of the recovery from COVID-19.

The Board approved a revised risk appetite statement in April 2019 to support decision making throughout NHS 24. This was considered again in January 2020 in line with the strategic risk

management process. NHS 24 always ensures that safe, effective, person centred care is a priority for all services. Any risks and issues highlighted are reviewed in line with a low clinical risk appetite. A quality improvement methodology has ensured a robust framework has been adopted to consider any risks or change that may arise.

Fraud Prevention

NHS 24 is fully committed to countering fraud and has signed a Partnership Agreement with Counter Fraud Services (CFS). This agreement outlines what should happen in the event of a fraud or other irregularity being discovered and what NHS 24 and CFS will do to counter the fraud. In particular the emphasis remains on the policy of zero tolerance of fraud and the concept of triple tracking which refers to the three main options, namely the pursuit of criminal, disciplinary and recovery option sanctions.

Staff are fully informed via NHS 24's intranet which contains instructions in respect of:

- Financial Crime Action Plan.
- What is financial crime or fraud?
- Staff Guide on Reporting Fraud.

The CFS/NHS 24 Agreement follows the principles and guidance reflected in the Scottish Government's publication "Strategy to Counter NHS Fraud in Scotland".

NHS 24's Financial Crime Action Plan outlines the policy in relation to fraud, the roles and responsibilities of key personnel, the action that should be taken if a fraud is suspected, the law in relation to the fraudulent activity and the key NHS 24 contacts for NHS 24 staff.

Actions are extremely detailed and supplemented by flow charts that outline the key steps within the organisation with the intention of embedding a culture where fraud is considered unacceptable. The Fraud Liaison Officer reports all fraud related matters within the Corporate Governance Report which is submitted, on a quarterly basis, to NHS 24's Audit & Risk Committee.

Whistleblowing Arrangements

The Board of Directors have a critical role in setting a tone and culture within NHS 24 that values the contributions of all staff, including those who identify the need for changes through speaking up. In line with the new National Whistleblowing Standards, Ms Elizabeth Mallinson was appointed, in February 2020, as a Non-Executive Member with a specific role as NHS 24 Whistleblowing Champion. Whistleblowing policy and reporting arrangements have been refreshed and the board and committees are regularly updated on progress in this area

This leadership role is recognised as a critical function of the Board of Directors when it comes to speaking up in the interest of safe and effective service delivery. In addition, NHS 24 operates a whistleblowing policy which supports staff when they wish to raise an issue or concern.

Best Value

In accordance with the principles of Best Value, the Board aims to foster a culture of continuous improvement. As part of this, executive directors and senior managers are encouraged to review,

identify and improve the efficiency and effectiveness of resource allocation. Additionally the Planning and Performance Committee provides assurance to the Board that best value is achieved from resource allocation across the organisation including for new service development and investment.

2. REMUNERATION REPORT AND STAFF REPORT

REMUNERATION REPORT

The terms of reference of the Remuneration Committee state its purpose is to provide assurance to the Board that appropriate arrangements are in place to ensure that NHS 24 meets the statutory requirements laid out in the Staff Governance Standard in respect of the remuneration of the Executive Directors (and any other staff employed under Executive or Senior Manager pay arrangements).

The Committee meets as required, with at least two meetings per year.

Remuneration

Remuneration of board members and senior employees is determined in line with directions issued by the Scottish Government. All posts at this level are subject to rigorous job evaluation arrangements and the pay scales applied reflect the outcomes of these processes. All extant policy guidance issued by the SGH&SCD has been appropriately applied and agreed by the Remuneration Committee.

Performance Appraisal

Performance appraisals for executive members are carried out in line with the guidance from the Scottish Government and overseen by the Remuneration Committee. Performance appraisal of Non Executive members is carried out by the Chair. Annual pay rises for executive directors are dependent on achieving specified levels of performance.

**BOARD MEMBERS' AND SENIOR EMPLOYEES' REMUNERATION – REMUNERATION TABLE
FOR THE YEAR ENDED 31st MARCH 2021**

Name	Gross salary (Bands of £5,000) £'000	Benefits in kind £'000	Total earnings in year (Bands of £5,000) £'000	Pension benefits £'000	Total Remuneration (Bands of £5,000) £'000
EXECUTIVE DIRECTORS					
Mrs Angiolina Foster CBE, Chief Executive	150 – 155	-	150 – 155	37.5	185 – 190
Mrs Maria Docherty, Director of Nursing & Care (Note 1)	90 – 95	-	90 – 95	72.5	165 – 170
Mr John Gebbie, Director of Finance (Note 2)	85 – 90	-	85 – 90	79.4	165 – 170
Dr Laura Ryan, Medical Director	150 – 155	-	150 – 155	45.9	195 – 200
NON EXECUTIVE DIRECTORS					
Dr Martin Cheyne Chair	25 – 30	-	25 – 30	-	25 – 30
Ms Madeline Smith, Vice Chair	5 – 10	-	5 – 10	-	5 – 10
Dr Juliana Butler (Note 3)	0 – 5	-	0 – 5	-	0 – 5
Mr John Glennie	5 – 10	-	5 – 10	-	5 – 10
Mr Michael McCormick	5 – 10	-	5 – 10	-	5 – 10
Ms Elizabeth Mallinson	5 – 10	-	5 – 10	-	5 – 10
Mr Graham Revie, Employee Director (Note 4)	35 – 40	-	35 – 40	11.7	35 – 40
Mr Kenneth Woods, Employee Director (Note 5)	10 – 15	-	10 – 15	-	10 – 15
Mr Albert Tait OBE	5 – 10	-	5 – 10	-	5 – 10
Mr Martin Togneri	5 – 10	-	5 – 10	-	5 – 10
Mr Alan Webb	5 – 10	-	5 – 10	-	5 – 10
Ms Anne Gibson (Note 6)	5 – 10	-	5 – 10	-	5 – 10
Total	-	-	-	235.3	-

Note 1 Mrs Maria Docherty was appointed as Director of Nursing & Care on 9th April 2020.

Note 2 Mr John Gebbie was appointed as Interim Director of Finance on 4th May 2020 on secondment from NHS Greater Glasgow & Clyde. He was subsequently appointed permanently to the role on 1st March 2021. The above costs are the associated costs for the time in NHS 24.

Note 3 Dr Juliana Butler left the position of Non Executive Director on 30th April 2020.

Note 4 The disclosure for Mr Graham Revie includes his role as Employee Director and his substantive post as a Team Leader. His remuneration as Employee Director only was in the band £0k - £5k. He left the Employee Director post on 30th September 2020. The table reflects the costs to 30th September 2020.

Note 5

The disclosure for Mr Kenneth Woods includes his role as Employee Director and his substantive post as a Call Handler. His remuneration as Employee Director only was in the band £0k - £5k. He was appointed the Employee Director post on 1st October 2020. The table reflects the costs from 1st October 2020.

NHS 24

BOARD MEMBERS' AND SENIOR EMPLOYEES' REMUNERATION – REMUNERATION TABLE FOR THE YEAR ENDED 31st MARCH 2020

Name	Gross salary (Bands of £5,000)	Benefits in kind	Total earnings in year (Bands of £5,000)	Pension benefits	Total Remuneration (Bands of £5,000)
	£'000	£'000	£'000	£'000	£'000
EXECUTIVE DIRECTORS					
Mrs Angiolina Foster CBE, Chief Executive	140 – 145	-	140-145	35.8	175 - 180
Mr Eddie Docherty, Director of Nursing & Care (Note 1)	40 – 45	-	40 – 45	21.5	60 – 65
Mrs Margo McGurk, Director of Finance and Performance (Note 2)	105 – 110	4.2	110 – 115	33.8	145 – 150
Dr Laura Ryan, Medical Director	145 – 150	-	145 - 150	41.6	185 - 190
NON EXECUTIVE DIRECTORS					
Ms Esther Robertson, Chair (Left 30/09/19)	10 -15	-	10 – 15	-	10 -15
Dr Martin Cheyne Chair (Appointed 01/01/20) <i>Full year equivalent</i>	5 – 10 25 – 30	-	5 – 10	-	5 – 10
Ms Madeline Smith, Vice Chair	10 – 15	-	10 – 15	-	10 - 15
Dr Juliana Butler	5 -10	-	5 – 10	-	5 – 10
Mr John Glennie	5 – 10	-	5 – 10	-	5 – 10
Mr Michael McCormick	5 – 10	-	5 – 10	-	5 – 10
Ms Elizabeth Mallinson (Note3) <i>Full year equivalent</i>	0 – 5 5 – 10	-	0 – 5	-	0 – 5
Mr Graham Revie, Employee Director (Note 4)	65 – 70	-	65 – 70	15.0	5 – 10
Mr Albert Tait OBE	5 – 10	-	5 – 10	-	5 – 10
Mr Martin Togneri	5 – 10	-	5 – 10	-	5 – 10
Mr Alan Webb	5 – 10	-	5 – 10	-	5 – 10
Total		4.2		147.7	

Note 1 The figures reflect that in relation to NHS 24 Mr Eddie Docherty is only 0.5 whole time equivalent (WTE) . Mr Docherty was on secondment from NHS Dumfries and Galloway to NHS 24. He remained a fully paid substantive employee of NHS Dumfries and Galloway and his costs were recharged on a quarterly basis to NHS 24. The figures in the table above relate solely to the NHS 24 element of his remuneration and he resigned from his post on 31st of January 2020 to take up a post with NHS Lanarkshire.

Note 2 Mrs Margo McGurk left on secondment on 31/03/20 to take up the position of Director of Finance at NHS Fife and her pensionable earnings are shown in full for the year. There was a recharge to NHS Fife of £11,787 for her services during 2019/20 and this amount is included in the secondees income figure for NHS 24.

Note 3 Ms Elizabeth Mallinson was appointed on 01/02/2020 and will be the main point of contact re any whistleblowing issues that may arise.

Note 4 The disclosure for Graham Revie includes his role as Employee Director and his substantive post as a Team Leader. His remuneration as Employee Director only was in the band £5k - £10k. His pensionable earnings in 2019/20 are broadly similar to prior year, which has resulted in minimal movement on his pension benefit in 2019/20.

BOARD MEMBERS' AND SENIOR EMPLOYEES' REMUNERATION – PENSION VALUES
FOR THE YEAR ENDED 31st MARCH 2021

Name	Accrued pension at age 60 as at 31 March 2021 (bands of £5,000)	Accrued lump sum at age 65 as at 31 March 2021 (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Real increase in lump sum at age 65 at 31 March 2021 (bands of £2,500)	Cash Equivalent Transfer Value (CETV) at 31 March 2020	Cash Equivalent Transfer Value (CETV) at 31 March 2021	Real increase in CETV in year (Note 1)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
EXECUTIVE DIRECTORS							
Mrs Angiolina Foster CBE, Chief Executive	20 – 25	-	2.5 – 5.0	-	322	379	57
Mrs Maria Docherty, Director of Nursing & Care (Note 3)	25 – 30	45 – 50	2.5 – 5.0	5 – 7.5	393	471	78
Mr John Gebbie, Director of Finance (Note 4)	30 – 35	65 – 70	2.5 – 5.0	7.5 – 10	462	545	82
Dr Laura Ryan, Medical Director	20 – 25	20 – 25	2.5 – 5.0	0 – 2.5	268	314	46
NON EXECUTIVE DIRECTORS (Note 2)							
Mr Kenneth Woods, Employee Director (Note 5)	5 – 10	5 – 10	Nil	Nil	111	102	(9)
Mr Graham Revie, Employee Director (Note 6)	25 – 30	65 – 70	0 – 2.5	2.5 – 5.0	448	489	33
Total							287

Note 1 There may be some differences between the closing prior year CETV figure and the opening current year CETV figure. The figures used were those advised by the SPPA.

Note 2 Unless also subject to an employment contract with the Board, non-executive members have no deferred pension rights under the NHS superannuation scheme for Scotland. Such members are therefore not included in the schedule of CETV transfer values above.

Note 3 Mrs Maria Docherty joined NHS 24 on April 9th 2020. The estimated pension cash equivalent transfer value (CETV) on appointment was £393,000.

Note 4 Mr John Gebbie joined NHS 24 on May 4th 2020. The estimated pension cash equivalent transfer value (CETV) on appointment was £466,000.

Note 5 Mr Kenneth Woods was appointed Employee Director on October 1st 2020. The estimated pension cash equivalent transfer value (CETV) on appointment was £106,000.

Note 6 Mr Graham Revie left the post of Employee Director on September 30th 2020. The estimated pension cash equivalent transfer value (CETV) on departing the post was £473,000.

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BOARD MEMBERS' AND SENIOR EMPLOYEES' REMUNERATION – PENSION VALUES FOR THE YEAR ENDED 31st MARCH 2020

Name	Accrued pension at age 60 as at 31 March 2020 (bands of £5,000)	Accrued lump sum at age 65 as at 31 March 2020 (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Real increase in lump sum at age 65 at 31 March 2020 (bands of £2,500)	Cash Equivalent Transfer Value (CETV) at 31 March 2019	Cash Equivalent Transfer Value (CETV) at 31 March 2020	Real increase in CETV in year (Note 1)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
EXECUTIVE DIRECTORS							
Mrs Angiolina Foster CBE, Chief Executive	15 – 20	-	2.5 – 5.0	-	265	320	55
Mr Eddie Docherty, Director of Nursing & Care (Note 2)	-	-	-	-	-	-	-
Mrs Margo McGurk, Director of Finance and Performance (Note 3)	25 – 30	85 – 90	0 – 2.5	5.0 – 7.5	599	661	72
Dr Laura Ryan, Medical Director	20 – 25	20 – 25	2.5 – 5.0	0 – 2.5	222	265	43
NON EXECUTIVE DIRECTORS (Note 4)							
Mr Graham Revie, Employee Director	20 – 25	60 – 65	0 – 2.5	2.5 – 5.0	415	446	38
Total							208

Note 1 There may be some differences between the closing prior year CETV figure and the opening current year CETV figure. The figures used were those advised by the SPPA.

Note 2 Mr Eddie Docherty who was on secondment from NHS Dumfries & Galloway left the post of Director of Nursing & Care on 31st January 2020 to take up a post with NHS Lanarkshire and as he was not employed by NHS 24 on 31st March 2020 no pension disclosure is required for NHS24.

Note 3 Mrs Margo McGurk left the post of Director of Finance & Performance on 31st March 2020 on secondment to join NHS Fife as Director of Finance and her pension movement for the full year are included above.

Note 4 Unless also subject to an employment contract with the Board, non-executive members have no deferred pension rights under the NHS superannuation scheme for Scotland. Such members are therefore not included in the schedule of CETV transfer values above.

2020/21		2019/20	
Range of staff remuneration	9 -154	Range of staff remuneration	9 -147
Highest Earning Director's Total Remuneration (£000s)	150 – 155	Highest Earning Director's Total Remuneration (£000s)	145 – 150
Median Total Remuneration	29,966	Median Total Remuneration	29,671
Ratio	5.13	Ratio	4.97
Commentary The highest earning director's pay is calculated in a different manner for the purposes of this ratio than is included in the remuneration report. This is due to the exclusion of pension costs.			

STAFF REPORT

a) Higher paid employees remuneration

2020 Number	Other employees whose remuneration fell within the following ranges Clinicians	2021 Number
3	£ 70,001 to £ 80,000	10
1	£ 80,001 to £ 90,000	1
2	£ 90,001 to £100,000	2
0	£ 100,001 to £110,000	0
0	£110,001 to £120,000	1
0	£120,001 to £130,000	0
1	£130,001 to £140,000	1
1	£140,001 to £150,000	0
0	£150,001 to £160,000	1

2020 Number	Others	2021 Number
3	£ 70,001 to £ 80,000	4
2	£ 80,001 to £ 90,000	2
2	£ 90,001 to £100,000	5
2	£100,001 to £110,000	2
1	£110,001 to £120,000	1
0	£130,001 to £140,000	0
1	£140,001 to £150,000	0
0	£150,001 to £160,000	1

b) Staff Numbers and Expenditure

	Exec Board Members £'000	Non-Executive Members £'000	Permanent Staff £'000	Inward Secondees £'000	Other £'000	Outward Secondees £'000	2021 Total £'000	2020 Total £'000
Staff Costs								
Salaries and Wages	399	122	51,862	0	0	(891)	51,492	42,109
Social Security Costs	51	5	4,776	0	0	(98)	4,734	4,005
NHS scheme employers' costs	81	2	8,465	0	0	(156)	8,392	7,290
Other Emprs Pens Scheme			38				38	22
Inward secondees	110	0	0	330	0		440	314
Agency Staff	0	0	0	0	422		422	382
Total	641	129	65,141	330	422	(1,145)	65,518	54,122

Included in the total staff costs above were costs of staff directly engaged on capital projects, charged to capital expenditure of:

NIL NIL

Staff Numbers

Whole time equivalent (WTE)	4	10	1,274	5	8	(12)	1,289	1,115
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Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of: NIL NIL

Included in the total staff numbers above were disabled staff of: 150.49 156.89

Included in the total staff numbers above were Special Advisers of: NIL NIL

Reconciliation to income and expenditure

	£'000	
Total employee expenditure as above	65,518	From staff report disclosure
Add: employee income included in Note 4	1,145	From note 4; secondees income
Total employee expenditure disclosed in Note 3	66,663	

c) Staff Composition

	2021				2020			
	Male	Female	Prefer not to say	Total	Male	Female	Prefer not to say	Total
Executive Directors	1	3	0	4	0	3	0	3
Non-Executive Directors and Employee Director	7	3	0	10	6	4	0	10
Senior Employees	8	20	0	28	4	12	0	16
Other	367	1,436	0	1,803	329	1,328	0	1,657
Total Headcount	383	1,462	0	1,845	339	1,347	0	1,686

d) Sickness absence data

	2021	2020
Sickness Absence Rate	7.19%	9.25%

The absence rate excludes Covid-19 related absence.

e) Staff policies applied during the financial year relating to the employment of disabled persons

As an equal opportunities employer, NHS 24 welcomes applications for employment from people with the protected characteristics of age, disability, gender, gender reassignment, race, religion or belief, sexual orientation, marriage and civil partnership and pregnancy and maternity. NHS 24 actively seeks to provide an environment where people with these protected characteristics can continue to contribute to the work of the organisation.

NHS 24 provides employees with information on matters of concern to them as employees through the in-house magazine, Insight, regular bulletins by email, articles on the NHS 24 intranet and the cascading of information by line managers.

NHS 24 consults employees or their representatives, so their views are taken into account in decisions affecting their interests, primarily through staff meetings and more formal discussions

in groups such as the Area Partnership Forum, Regional Partnership Fora, the Employee relations group and a range of focus groups on specific topics.

f) Exit Packages

There were three exit packages during 2020/21 (2019/20 – zero).

g) Trade Union Regulations 2017

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The data is required to be published on a website maintained by or on behalf of the employer before 31st July each year. We intend to publish this data at the following link:

<http://www.nhs24.scot/about-nhs-24/reports/corporate-reports/annual-expenditure/>

3. PARLIAMENTARY ACCOUNTABILITY REPORT

The Parliamentary Accountability report collates the key Parliamentary accountability documents into the annual report and accounts.

Losses and Special Payments

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

	No. of cases	2021 £000
Losses	5	76

In the year to 31 March 2021, the following balances in excess of £250,000 were written off:

Reference	Description	2021 £000
CNORIS	Total claims paid under the CNORIS scheme	0

In 2020/21, the Board was required to pay out £0 in respect of claims greater than £250,000 settled under the CNORIS scheme (2019/20: £529,000). Further details on the scheme can be found in note 1 (accounting policies) of the annual accounts.

The Board is also required to provide for CNORIS claims notified to it and which will be settled at a future date; details of these provisions can be found in note 11.

Approval and signing of the Accountability report

The Accounting Officer authorised these financial statements for issue on 17 June 2021.

Signed


Jim Miller, Chief Executive

Date

17 June 2021

4. AUDIT REPORT

Independent auditor's report to the members of NHS 24, the Auditor General for Scotland and the Scottish Parliament

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of NHS 24 for the year ended 31 March 2021 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2020/21 Government Financial Reporting Manual (the 2020/21 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the board's affairs as at 31 March 2021 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is 10 years. We are independent of the board in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

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

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

Risks of material misstatement

We have reported in a separate Annual Audit Report, available from the Audit Scotland website, the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities to detect material misstatements in the financial statements in respect of irregularities, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements

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

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

Statutory other information

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

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

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

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

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions

made thereunder by the Scottish Ministers; and

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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



Nick Bennett (for and on behalf of Azets Audit Services)

Exchange Place 3

Seample Street

Edinburgh

EH3 8BL

Date... 18 June 2021

NHS 24

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

FOR THE YEAR ENDED 31st MARCH 2021

2020 £'000		Note	2021 £'000
55,152	Staff costs	3a	66,663
	Other operating expenditure	3b	
11,681	Major Programmes & Technology		19,037
5,460	Property & Administration		7,054
(120)	Other health care expenditure		131
72,173	Gross expenditure for the year		92,885
(1,277)	Less operating income	4	(1,294)
70,896	Net Expenditure for the year		91,591
70,896	Comprehensive Net Expenditure		91,591

The Notes to the Accounts, numbered 1 to 18, form an integral part of these Accounts.

The decrease in the CNORIS debtor is recognised in Note 3b and Note 4. The Operating Income recognises the decrease in Note 4.

NHS 24


STATEMENT OF FINANCIAL POSITION

AS AT 31st MARCH 2021

2020 £'000		Note	2021 £'000
	Non-current assets:		
1,621	Property, plant & equipment	7a	2,600
46	Intangible assets	6a	41
<u>1,667</u>	Total non-current assets		<u>2,641</u>
	Current Assets:		
2,745	Trade and other receivables	8	2,909
2,491	Cash and cash equivalents	9	127
<u>5,236</u>	Total current assets		<u>3,036</u>
<u>6,903</u>	Total assets		<u>5,677</u>
	Current liabilities:		
(725)	Provisions	11a	(813)
	Financial Liabilities:		
(10,218)	Trade and other payables	10	(8,705)
<u>(10,943)</u>	Total current liabilities		<u>(9,518)</u>
<u>(4,040)</u>	Non-current assets less net current liabilities		<u>(3,841)</u>
	Non-current liabilities:		
(1,645)	Provisions	11a	(1,540)
<u>(1,645)</u>	Total non-current liabilities		<u>(1,540)</u>
<u>(5,685)</u>	Assets less liabilities		<u>(5,381)</u>
	Taxpayers' Equity		
(5,686)	General Fund	SoCTE	(5,382)
1	Revaluation reserve	SoCTE	1
<u>(5,685)</u>	Total taxpayers' equity		<u>(5,381)</u>

Adopted by the Board on 17th June 2021

.....  Director of Finance

.....  Chief Executive

The Notes to the Accounts, numbered 1 to 18, form an integral part of these Accounts.

NHS 24

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31st MARCH 2021

2020 £'000		Note	2021 £'000	2021 £'000
	Cash flows from operating activities			
(70,896)	Net Expenditure		(91,591)	
220	Adjustments for non-cash transactions	2b	263	
1	Add back: interest payable recognised in net operating cost	2c	1	
1,234	Movement in working capital	2d	923	
(69,441)	Net cash outflow from operating activities			(90,404)
	Cash flows from investing activities			
(83)	Purchase of property, plant and equipment		(1,490)	
	Proceeds of disposal of property, plant & equipment			
	Proceeds of disposal of intangible assets			
(83)	Net cash outflow from investing activities			(1,490)
	Cash flows from financing activities			
69,525	Funding		91,895	
1,984	Movement in general fund working capital	SoCTE	(2,364)	
71,509	Cash drawn down	SoCTE	89,531	
(1)	Interest paid		(1)	
71,508	Net Financing			89,530
1,984	Net (decrease) / increase in cash and cash equivalents in the period			(2,364)
507	Cash and cash equivalents at the beginning of the period			2,491
2,491	Cash & cash equivalents at end of the period			127
	Reconciliation of net cash flow to movement in net debt/cash			
1,984	(Decrease) / increase in cash in year			(2,364)
507	Net cash at 1 April			2,491
2,491	Net cash at 31 March			127

The Notes to the Accounts, numbered 1 to 18, form an integral part of these Accounts.

NHS 24

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

FOR THE YEAR ENDED 31st MARCH 2021

	Note	General Fund £'000	Revaltn Reserve £'000	Total Reserves £'000
Balance as at 1 April 2020		(5,686)	1	(5,685)
Changes in taxpayers' equity for 2020/21				
Net operating cost for the year	CFS	(91,591)	0	(91,591)
Total recognised income and expense for 2020/21		(91,591)	0	(91,591)
Funding:				
Drawn down		89,531	0	89,531
Movement in General Fund working capital		2,364	0	2,364
Balance at 31 March 2021		(5,382)	1	(5,381)

The Notes to the Accounts, numbered 1 to 18, form an integral part of these Accounts.

NHS 24

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

FOR THE YEAR ENDED 31st MARCH 2020

	Note	General Fund £'000	Revaltn Reserve £'000	Total Reserves £'000
Balance as at 1 April 2019		(4,315)	1	(4,314)
Changes in taxpayers' equity for 2019/20				
Net operating cost for the year	CFS	(70,896)	0	(70,896)
Total recognised income and expense for 2019/20		(70,896)	0	(70,896)
Funding:				
Drawn down		71,509	0	71,509
Movement in General Fund working capital		(1,984)	0	(1,984)
Balance at 31 March 2020		(5,686)	1	(5,685)

The Notes to the Accounts, numbered 1 to 18, form an integral part of these Accounts.

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2021

ACCOUNTING POLICIES

Note 1

1. Authority

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 appended, these Accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury, which follows International Financial Reporting Standards as adopted by the European Union (IFRS 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 24 below.

Note: Where a new international accounting standard/amendment/interpretation has been issued but not yet implemented, Boards are required to disclose in their financial statements the nature of the standard, and if possible, an estimate of its likely effect on future financial statements. HM Treasury issue a paper that sets out standards issued not yet adopted. Boards should refer to this paper when preparing their disclosure.

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

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

(b) Standards, amendments and interpretation early adopted this year

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

(c) Standards, amendments and interpretations in issue but not yet effective

IFRS 16 Leases supersedes IAS 17 Leases and is being applied by HM Treasury in the Government Financial Reporting Manual (FReM) from 1 April 2021. IFRS 16 introduces a single lessee accounting model that results in a more faithful representation of a lessee's assets and liabilities, and provides enhanced disclosures to improve transparency of reporting on capital employed.

Under IFRS 16, lessees are required to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. While no standard definition of 'low value' has been mandated, NHS Scotland have elected to utilise the capitalisation threshold of £5,000 to determine the assets to be disclosed. NHS 24 expects that its existing finance leases will continue to be classified as leases. All existing operating leases will fall within the scope of IFRS 16 under the 'grandfathering' rules mandated in the FReM for the initial transition to IFRS 16. In future years new contracts and contract renegotiations will be reviewed for consideration under IFRS 16 as implicitly identified right-of-use assets. Assets recognised under IFRS 16 will be held on the Statement of Financial Position as (i) right of-use assets which represent the Board's right to use the underlying leased assets; and (ii) lease liabilities which represent the obligation to make lease payments.

The bringing of leased assets onto the Statement of Financial Position will require depreciation and interest to be charged on the right-of-use asset and lease liability, respectively. Cash repayments will also be recognised in the Statement of Cash Flows, as required by IAS 7.

Impact of the new standard

The Board has assessed the likely impact to i) comprehensive net expenditure and ii) the Statement of Financial Position of applying IFRS 16. The figures below represent existing leases as at 31 March 2021. The standard is expected to increase total expenditure by £0.024million. Right-of-use assets totalling £5.150 million will be brought onto the Statement of Financial Position, with an associated lease liability of £5.150 million.

2. Basis of Consolidation

NHS 24 does not hold any endowment funds and therefore does not have to consolidate its financial statements in accordance with International Accounting Standard (IAS) 27.

3. Going Concern

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

4. Accounting Convention

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

5. 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.

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

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

6. Property, plant and equipment

The treatment of non-current assets in the accounts (capitalisation, valuation, depreciation, particulars concerning donated assets) is in accordance with NHS Capital Accounting Manual. Title to properties included in the accounts is held by Scottish Ministers.

6.1 Recognition

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

All assets falling into the following categories are capitalised:

- 1) 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.
- 2) 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.
- 3) Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total, or where they are part of the initial costs of equipping a new development and total over £20,000.

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

6.2 Measurement

Valuation:

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

All assets are measured subsequently at fair value as follows:

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

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 basis, as a proxy for fair value, is used 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 recognised in the revaluation reserve are reported in the Statement of Other Comprehensive Expenditure.

6.3 Depreciation

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

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

- 1) 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.
- 2) 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.
- 3) Equipment is depreciated over the estimated life of the asset.

Depreciation is charged on a straight line basis.

The following asset lives have been used:

Computer Equipment	5 years
Telecommunications Equipment	10 years
Fit out costs	10 years
Consultancy (professional fees that result in a realisable project)	5 years

7. Intangible Assets

7.1 Recognition

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

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

The main classes of intangible assets recognised are:

Internally generated intangible assets:

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

Expenditure on research is not capitalised.

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

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

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

Software:

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

Software licences:

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

Carbon Emissions (Intangible Assets):

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

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

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

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

Websites

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

7.2 Measurement

Valuation:

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

Subsequently intangible assets 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.

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'.

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.

7.3 Amortisation

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

Amortisation is charged to the statement of comprehensive net expenditure on each main class of intangible asset as follows:

- 1) Software. Amortised over their expected useful life.
- 2) Software licenses. Amortised over the shorter term of the license and their useful economic lives.

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Software	5 years
Software Licences	5 years

8. Leasing

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.

9. Impairment of non-financial assets

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

10. 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.

11. 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.

12. Employee Benefits

Short-term Employee Benefits

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

Pension Costs

The Board participates in the NHS Superannuation Scheme (Scotland). This scheme is an unfunded statutory pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and those current employees who are members of the scheme and

paying contributions at progressively higher marginal rates based on pensionable pay as specified in the regulations. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the 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 the Exchequer. The pension cost is assessed every four years by the Government Actuary and this valuation determines the rate of contributions required. The most recent actuarial valuation is published by the Scottish Public Pensions Agency and is available on their website.

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

13. 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 24 provide for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement. Claims assessed as 'Category 3' are deemed most likely and provided for in full, those in 'Category 2' as 50% of the claim and those in 'category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and which will be recoverable from the Clinical Negligence and Other Risks Indemnity Scheme in the event of payment by an individual health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

NHS 24 also provides for its liability from participating in the scheme. The Participation in CNORIS provision recognises the Board's respective share of the total liability of NHSScotland as advised by the Scottish Government and based on information prepared by NHS Boards and the Central Legal Office. The movement in the provisions between financial years is matched by a corresponding adjustment in AME provision and is classified as non-core expenditure.

14. Related Party Transactions

Material related party transactions are disclosed in the note 18 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 3.

15. Value Added Tax (VAT)

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

16. 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.

17. 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 12 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 12, 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.

18. 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.

19. Financial Instruments

Financial assets

Classification

The 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.

(a) 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 Board does not trade in derivatives and does not apply hedge accounting.

(b) 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.

(c) 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 Board becomes party to the contractual provisions of the financial instrument.

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

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

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

(b) 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 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 30 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.

(c) 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 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.

Financial Liabilities

Classification

The 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.

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

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

(b) 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.

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

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

Financial liabilities carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the statement of comprehensive net expenditure.

(b) Other financial liabilities

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

20. 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. Within NHS 24 it has been determined that the internal reporting mechanisms provided to the chief operating decision makers are clinical/frontline and corporate/non frontline.

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

21. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position. Where the Government Banking Service is using the National Westminster Bank to provide the banking services, funds held in these accounts should not be classed as commercial bank balances.

22. 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.

23. Third party assets

Assets belonging to third parties are not recognised in the accounts since the Board has no beneficial interest in them.

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

24. 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 material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are addressed below.

The Board includes a provision in its annual accounts for the year ended 31st March 2021 for Clinical and Medical negligence costs and dilapidations.

Non-current assets

The method for calculating the value of non-current assets is outlined in accounting policy numbers 6 and 7. NHS 24 will monitor its asset base in relation to the fair value of property, plant and equipment and intangible assets and the potential for impairment of property, plant and equipment and intangible assets. The depreciation policy in NHS 24 will also continue to be considered for appropriateness on an ongoing basis.

Accruals

NHS 24 will conduct an assessment of its financial records and make a judgement on when it is appropriate to accrue expenditure into the accounts. This will normally be on the basis of goods having been received, but no invoice has been provided or an invoice being received which relates to the accounting period in question.

Clinical and Medical Negligence Claims

The method for calculating the Clinical and Medical negligence costs provision is outlined in accounting policy number 13.

Dilapidations

The dilapidations provision is calculated on the basis that NHS 24 will have to return buildings that it leases from third parties to their original condition at the end of the lease period. NHS 24 has used the services of a valuer to calculate the cost of carrying out this work, and will create a provision for this value on a straight line basis for each year of the lease. NHS 24 will continue to monitor this area to ensure that the value, and in turn the amount provided to date, remain reasonable based on the latest valuation advice received.

NHS 24

NOTES TO THE ACCOUNTS

Note 2

FOR THE YEAR ENDED 31st MARCH 2021

2a. Summary of Resource Outturn (SORO)

	Note	2021 £'000	2021 £'000
SUMMARY OF CORE REVENUE RESOURCE OUTTURN			
Net Expenditure	SoCNE		91,591
Total Non-Core Expenditure (see below)			(259)
Total Core Expenditure			91,332
Core Revenue Resource Limit			91,346
Saving/(excess) against Core Revenue Resource Limit			14

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

Depreciation/Amortisation	263	
Annually Managed Expenditure – Creation of Provisions	(4)	
Total Non-Core Expenditure		259
Non-Core Revenue Resource Limit		259
Saving/ (excess) against Non-Core Revenue Resource Limit		0

SUMMARY RESOURCE OUTTURN

	Resource £'000	Expenditure £'000	Saving/ (Excess) £'000
Core	91,346	91,332	14
Non-Core	259	259	0
Total	91,605	91,591	14

NOTES TO THE CASH FLOW STATEMENT

2b. Adjustments for non-cash transactions

2020 £'000		Note	2021 £'000
	Expenditure not paid in cash		
208	Depreciation	7a	251
12	Amortisation	6	12
0	Write down of assets under construction	6	0
220	Total Expenditure not paid in cash	CFS	263

2c. Interest payable recognised in operating expenditure

	Interest Payable		
1	Bank and other interest payable		1
1	Total	CFS	1

2d. Movements in working capital

2020 Net Movement £'000		Note	Opening Balances £'000	Closing Balances £'000	2021 Net Movement £'000
TRADE AND OTHER RECEIVABLES					
356	Due within one year	8	2,744	2,909	
			2,744	2,909	
			2,744	2,909	
356	Net Decrease/(Increase)				(165)
TRADE AND OTHER PAYABLES					
3,616	Due within one year	10	10,218	8,705	
(319)	Less: Capital included in above		(362)	(109)	
(1,984)	Less: General Fund Payable included in above	10	(2,491)	(127)	
			7,365	8,469	
1,313					1,104
PROVISIONS					
(435)	Balance Sheet	11	2,370	2,353	
(435)	Net (Decrease)/Increase				(17)
1,234	NET MOVEMENT (Decrease)/Increase	CFS			923

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2021

OPERATING EXPENSES

Note 3

3a. Staff costs

2020 £'000		2021 £'000
428	Medical and Dental	793
19,359	Nursing	24,188
35,365	Other Staff	41,682
55,152	Total	66,663

SoCNE

Further detail and analysis of employee costs can be found in the Remuneration and Staff Report, forming part of the Accountability Report.

3b. Other operating expenditure

£'000		£'000
	Major Programmes & Technology	
472	Organisational Improvement / Strategic Transformation Programme	5,796
1	SCTT & European Programmes	10
10,086	Software Developments, Licences and Maintenance	9,329
1,122	Telecommunications	3,902
11,681	Total	19,037
	Property & Administration	
2,475	Property Running Costs	4,595
219	Depreciation & amortisation	263
2,766	Other administration costs	2,196
0	Compensation payments	0
5,460	Total	7,054
	Other health care expenditure	
(174)	Goods and services from other NHS SCOTLAND bodies	75
0	Loss on disposal	0
54	External auditor's remuneration – statutory audit fee	56
(120)		131
17,021	Total Other Operating Expenditure	26,222

In 2020/21 NHS 24 shared two Board Members with the Scottish Ambulance Service:

Mr Martin Togneri
Ms Madeline Smith

For transparency, of the £2.993 million expenditure with other NHS SCOTLAND bodies in 2020/21, £0.057 million, was with the Scottish Ambulance Service. Declarations of interests are made at the start of every Board and Committee meeting.

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2021

OPERATING INCOME

Note 4

2020 £'000		2021 £'000
400	SGH&SCD	589
1,473	NHS Scotland Bodies	1,304
(725)	Contributions in respect of Clinical / Medical Negligence Claims	(35)
129	Non-NHS Other	(564)
1,277	Total Income	1,294

The NHS Scotland Bodies figure recognises the money received from other Boards during the year. Some monies received are for the recharge of costs that have been incurred on behalf of other NHS Scotland bodies.

SEGMENTAL INFORMATION

Note 5

	Clinical £'000	Corporate £'000	2021 £'000
Net operating cost	62,566	29,025	91,591

PRIOR YEAR

	Clinical £'000	Corporate £'000	2020 £'000
Net operating cost	46,328	24,568	70,896

NHS 24

INTANGIBLE ASSETS

Note 6

FOR THE YEAR ENDED 31st MARCH 2021

	Note	Software Licences £'000	Information Technology Software £'000	Assets Under Construction £'000	Total £'000
Cost or valuation – at 1 April 2020		6	1,031	0	1,037
Additions		0	0	0	0
Completions		7	0	(7)	0
Transfers		0	0	7	7
As at 31 March 2021		13	1,031	0	1,044
Amortisation					
As at 1 April 2020		6	985	0	991
Provided during the year		0	12	0	12
Disposals		0	0	0	0
As at 31 March 2021		6	997	0	1,003
Net Book Value at 1st April 2020		0	46	0	46
Net Book Value at 31st March 2021	SoFP	7	34	0	41

PRIOR YEAR

	Note	Software Licences £'000	Information Technology Software £'000	Assets Under Construction £'000	Total £'000
Cost or valuation – at 1 April 2019		6	973	0	979
Additions		0	58	0	58
As at 31 March 2020		6	1,031	0	1,037
Amortisation					
As at 1 April 2019		6	973	0	979
Provided during the year		0	12	0	12
Disposals		0	0	0	0
As at 31 March 2020		6	985	0	991
Net Book Value at 1st April 2019		0	0	0	0
Net Book Value at 31st March 2020	SoFP	0	46	0	46

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2021

PROPERTY, PLANT & EQUIPMENT

Note 7a

	Note	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Cost or valuation – at 1 April 2020		1,341	1,094	3,663	415	6,513
Additions		0	0	1,037	199	1,236
Completions		316	0	0	(316)	0
Transfers		0	0	0	(7)	(7)
Disposals		0	0	0	0	0
As at 31 March 2021		1,657	1,094	4,700	291	7,742
Depreciation						
As at 1 April 2020		475	1,043	3,374	0	4,892
Provided during the year		158	19	73	0	250
Disposals		0	0	0	0	0
As at 31 March 2021		633	1,062	3,447	0	5,142
Net Book Value at 1st April 2020		866	51	289	415	1,621
Net Book Value at 31st March 2021		1,024	32	1,253	291	2,600
Asset Financing:						
Owned		1,024	32	1,253	291	2,600
Net Book Value at 31st March 2021	SoFP	1,024	32	1,253	291	2,600

NHS 24 has no land and dwelling assets held at open market value.

NHS 24 has no assets held under finance leases, hire purchase or PFI/PPP contracts. NHS 24 has no assets which fall into the category of Land and Buildings (excluding dwellings), Dwellings or Transport Equipment.

PRIOR YEAR

	Note	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Cost or valuation – at 1 April 2019		1,277	1,094	3,639	160	6,170
Additions		0	0	0	401	401
Completions		64	0	24	(146)	(58)
Transfers		0	0	0	0	0
Disposals		0	0	0	0	0
As at 31 March 2020		1,341	1,094	3,663	415	6,513
Depreciation						
As at 1 April 2019		341	1,015	3,328	0	4,684
Provided during the year		134	28	46	0	208
Disposals		0	0	0	0	0
As at 31 March 2020		475	1,043	3,374	0	4,892

Net Book Value at 1st April 2019	936	79	311	160	1,486
Net Book Value at 31st March 2020	866	51	289	415	1,621
Asset Financing:					
Owned	866	51	289	415	1,621
Net Book Value at 31 st March 2020	866	51	289	415	1,621

PROPERTY, PLANT & EQUIPMENT DISCLOSURES

Note 7b

2020 £'000		Note	2021 £'000
	Net book value of tangible fixed assets at 31 March		
1,621	Purchased		2,600
1,621	Total	SoFP	2,600

NHS 24 has no assets held under finance leases, hire purchase or PFI/PPP contracts. NHS 24 has no assets which fall in to the category of Land and Buildings.

ANALYSIS OF CAPITAL EXPENDITURE

Note 7c

2020 £'000		Note	2021 £'000
	EXPENDITURE		
401	Acquisition of Property, plant and equipment	7a	1,236
401	Gross Capital Expenditure		1,236
	INCOME		
0	Net book value of disposal of intangible assets		0
0	Net book value of disposal of property, plant & equipment		0
401	Net Capital Expenditure		1,236
	SUMMARY OF CAPITAL RESOURCE OUTTURN		
401	Core capital expenditure included above		1,236
401	Core Capital Resource Limit		1,236
0	Saving / (excess) against Core Capital Resource Limit		0
401	Total capital expenditure		1,236
401	Total Capital Resource Limit		1,236
0	Saving / (excess) against Total Capital Resource Limit		0

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2021

TRADE AND OTHER RECEIVABLES

Note 8

2020 £'000		Note	2021 £'000
	Receivables due within one year		
	NHS Scotland		
0	- SGH&SCD		0
286	- Boards		176
905	Total NHS Scotland Receivables		176
696	VAT Recoverable		1,050
1,040	Prepayments		1,148
153	Accrued Income		15
220	Other Receivables		205
350	Reimbursement of Provisions		315
2,745	Total Receivables due within one year		2,909
2,745	TOTAL RECEIVABLES	SoFP	2,909
0	The total receivables figure above includes a provision for bad debts of :		0
	WGA Classification		
286	NHS SCOTLAND		176
696	Central Government Bodies		1,050
0	Whole of Government Bodies		0
1,763	Balances with bodies external to Government		1,683
2,745	Total		2,909
£'000	Movements on the provision for impairment of receivables are as follows:		£'000
0	At 1 April		0
0	Receivables written off during the year as uncollectable		0
0	At 31 March		0

As of 31 March 2021, receivables with a carrying value of £NIL (2020: £NIL) were impaired and provided for. The amount of the provision was £NIL (2020: £NIL). The ageing of these receivables is as follows:

2019 £'000		2019 £'000
0	Over 6 months past due	0
0		0

The receivables assessed as individually impaired were mainly staff who have left the organisation owing money.

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2021, receivables of carrying value of £0k (2020: £15k) were past their due date but not impaired. The aging of receivables which are past due but not impaired is as follows:

2020 £'000		2021 £'000
15	Up to 3 months past due	0
0	3 to 6 months past due	0
0	Over 6 months past due	0
<u>15</u>		<u>0</u>

The receivables assessed as past due but not impaired were mainly Health Boards or external organisations. There is no history of default from these customers recently. Concentration of credit risk is limited due to NHS 24's receivables mainly being Health Boards and Government bodies.

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;

2020 £'000		2021 £'000
0	Counterparties with external credit ratings	0
0	Existing customers with no defaults in the past	0
<u>0</u>	Total neither past due or impaired	<u>0</u>

The maximum exposure to credit risk is the fair value of each class of receivable. The NHS Board does not hold any collateral as security.

2020 £'000		2021 £'000
2,745	The carrying amount of receivables are denominated in the following currencies:	2,909
<u>2,745</u>	Great British Pounds	<u>2,909</u>

The carrying amount of short term receivables approximates to their fair value.

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2021

CASH AND CASH EQUIVALENTS

Note 9

	Note	2021 £'000	2020 £'000
Balance at 1 April		2,491	507
Net change in cash and cash equivalent balances	CFS	(2,364)	1,984
Balance at 31 March	SoFP	<u>127</u>	<u>2,491</u>

The following balances at 31 March were held at:

Government Banking Service	92	2,375
Commercial banks and cash in hand	35	116
Balance at 31 March	<u>127</u>	<u>2,491</u>

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2020

TRADE AND OTHER PAYABLES

Note 10

2020 £'000		Note	2021 £'000
	Payables due within one year		
	NHS SCOTLAND		
818	Boards	SFR 30.0	807
818	Total NHS SCOTLAND Payables		807
2,491	General Fund Payable		127
4,512	Accruals		4,927
41	Deferred income		19
991	Income tax and social security	SFR 30.1	1,258
868	Superannuation		1,068
448	Holiday Pay Accrual		469
49	Other payables		30
10,218	Total Payables due within one year		8,705
10,218	TOTAL PAYABLES	SoFP	8,705
	WGA Classification		
818	NHS SCOTLAND	SFR 30.0	807
1,859	Central Government Bodies	SFR 30.1	2,326
7,541	Balances with bodies external to Government		5,572
10,218	Total		8,705

The carrying amount of payables are denominated in the following currencies

2020 £'000		2021 £'000
10,218	Great British Pounds	8,705
10,218	Total	8,705

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2021

PROVISIONS

Note 11a

	Pensions & Similar obligations £'000	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000	Note
At 1 April 2020	0	460	1,560	350	2,370	
Arising during the year	0	375	192	22	589	
Utilised during the year	0	(94)	(196)	0	(290)	
Unwinding of discount	0	0	0	0	0	
Reversed unutilised	0	(316)	0	0	(316)	
At 31 March 2021	0	425	1,556	372	2,353	2

The amounts shown above are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 8.

Analysis of expected timing of discounted flows

	Pensions & Similar obligations £'000	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000	
Payable in one year	0	425	388	0	813	SoFP
Payable between 2 – 5 years	0	0	946	0	946	SoFP
Payable between 6 – 10 years	0	0	80	372	452	SoFP
Thereafter	0	0	142	0	142	SoFP
At 31 March 2021	0	425	1,556	372	2,353	

Provisions – Prior Year

	Pensions & Similar obligations £'000	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000	Note
At 1 April 2019	0	1,190	1,287	328	2,805	
Arising during the year	0	185	288	22	495	
Utilised during the year	0	(803)	(15)	0	(818)	
Unwinding of discount	0	0	0	0	0	
Reversed unutilised	0	(112)	0	0	(112)	
At 31 March 2020	0	460	1,560	350	2,370	2

The amounts shown above are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 8.

Analysis of expected timing of discounted flows

	Pensions & Similar obligations £'000	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000	
Payable in one year	0	460	265	0	725	SoFP
Payable between 2 – 5 years	0	0	936	0	936	SoFP
Payable between 6 – 10 years	0	0	78	350	428	SoFP
Thereafter	0	0	281	0	281	SoFP
At 31 March 2020	0	460	1,560	350	2,370	

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.

Clinical & Medical

The Board holds a provision to meet costs of all outstanding and potential clinical and medical negligence claims. All legal claims notified to the Board are processed by the Scottish NHS Central Legal Office who will decide upon risk liability and likely outcome of each case. The provision contains sums for settlement awards, legal expenses and third party costs. Clinical and medical negligence cases lodged can be extremely complex. It is expected that expenditure will be charged to this provision for a period of up to 10 years. The amounts disclosed are stated gross and the amount of any expected reimbursements are shown separately as debtors in the notes to the accounts.

The Clinical and Medical provision is based on a review of all outstanding and potential claims for which NHS 24 may be liable. Provision is made for all claims assessed by CLO as "Category 3" plus a view on the likely outcome of "Category 2" claims. All Category 2 and 3 claims that are not provided for are disclosed as contingent liabilities in Note 12.

Participation in CNORIS

CNORIS is a risk transfer and financing scheme for NHSScotland. NHS 24 now holds a provision which relates to the recognition of the Board's respective share of the total liability of NHSScotland as advised by the Scottish Government and based on information prepared by NHS Boards and the Central Legal Office.

Other

Dilapidations - This is a provision to re-instate the properties that NHS 24 leases to their original condition in line with the terms of the lease agreements. NHS 24 has contacted the local valuer for both sites to calculate the level of investment that would be required. The provision will increase equally in each year of the lease to reach the level of investment required at the end of the lease agreement.

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2021

CLINICAL NEGLIGENCE AND OTHER RISKS IDEMNITY SCHEME (CNORIS) Note 11b

2020 £'000		Note	2021 £'000
460	Provision recognising individual claims against the NHS Board as at 31 March	11a	425
(350)	Associated CNORIS receivable at 31 March	8	(315)
1,560	Provision recognising NHS Board's liability from participating in the scheme as at 31 March	11a	1,556
1,670	Net Total Provision relating to CNORIS At 31 March		1,666

The Clinical Negligence and Other Risks Scheme (CNORIS) has been in operation since 2000. Participation in the scheme is mandatory for all NHS Boards in Scotland. The schemes allows for risk pooling of legal claims in relation to clinical negligence and other risks and works in a similar manner to an insurance scheme. CNORIS has a threshold of £25k and any claims with a value less than this are met directly from within boards' own budgets. Participants e.g. NHS Boards contribute to the CNORIS pool each financial year at a pre-agreed contribution rate based on the risks associated with their individual NHS Board. If a claim is settled the board will be reimbursed by the scheme for the value of the settlement, less a £25k "excess" fee. The scheme allows for the risk associated with any large or late in the financial year legal claims to be managed and reduces the level of volatility that individual boards are exposed to.

When a legal claim is made against an individual board, the board will assess whether a provision or contingent liability for that legal claim is required. If a provision is required then the board will also create an associated receivable recognising reimbursement from the scheme if the legal claim settles. The provision and associated receivable are shown in the first two lines above. The receivable has been netted off against the provision to reflect reimbursement from the scheme.

As a result of participation in the scheme, boards should also recognise that they will be required to make contributions to the scheme in future years. Therefore a second provision that recognises the board's share of the total CNORIS liability of NHS Scotland has been made and this is reflected in the third line above.

Therefore there are two related but distinct provisions required as a result of participation in the scheme. Both of these provisions as well as the associated receivable have been shown in the note above to aid the reader's understanding of CNORIS.

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2021

CONTINGENT LIABILITIES

Note 12

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

2020 £'000		2021 £'000
570	Clinical and medical compensation payments	510
570	TOTAL CONTINGENT LIABILITIES	510

CONTINGENT ASSETS

2020 £'000		2021 £'000
525	Clinical and medical compensation payments	475
525	TOTAL CONTINGENT ASSETS	475

Clinical and medical compensation payments

Incidents have occurred in the normal course of business that cannot be quantified with the necessary degree of certainty to allow a provision to be made.

As a consequence, a contingent liability for £510,000 has been recognised in respect of these claims. A contingent asset of £475,000 has also been recognised representing the monies that are recoverable from CNORIS in respect of the claims.

EVENTS AFTER THE END OF THE REPORTING YEAR

Note 13

There are no events to report after the end of the reporting year.

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2021

COMMITMENTS

Note 14

2020 £'000	Capital Commitments	Property, plant and equipment £'000	Intangible Assets £'000	Total 2020 £'000
	The Board has the following Capital Commitments which have not been provided for in the accounts			
	Contracted			
0	Software Implementation	0	24	24
<u>0</u>	Total	<u>0</u>	<u>24</u>	<u>24</u>
	Authorised but not Contracted			
0	Estates Business Case	850	0	850
<u>0</u>	Total	<u>850</u>	<u>0</u>	<u>850</u>

COMMITMENTS UNDER LEASES

Note 15

2020 £'000	Operating Leases	2021 £'000
	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:	
	Buildings	
1,052	Not later than one year	1,533
921	Later than one year, not later than two years	634
1,289	Later than two years, not later than five years	1,764
954	Later than five years	1,487
	Other	
34	Not later than one year	32
27	Later than one year, not later than two years	18
11	Later than two years, not later than five years	6
	Amounts charged to Operating Costs in the year were:	
63	Hire of equipment (including vehicles)	66
880	Other operating leases	1,526
<u>943</u>	Total	<u>1,592</u>

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2021

PENSION COSTS

Note 16

NHS 24 in the NHS Pension Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2016. This valuation informed an employer contribution rate from 1 April 2019 of 20.9% of pensionable pay and an anticipated yield of 9.6% employees contributions.

NHS 24 has no liability for other employers obligations to the multi-employer scheme. As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme. The scheme is an unfunded multi-employer defined benefit scheme. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where NHS 24 is unable to identify its share of the underlying assets and liabilities of the scheme.

The employer contribution rate for the period from 1 April 2019 to 31 March 2023 will be 20.9% of pensionable pay. While the employee rate applied is a variable it is anticipated to provide yield of 9.8% of pensionable pay. While a valuation was carried out as at 31 March 2016, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms was unlawfully discriminated on the grounds of age. The cost cap will be reconsidered once the final decision on a remedy and how this affects the NHS Pension Scheme (Scotland) is known and its impact fully assessed in relation to any additional costs to the scheme.

NHS 24's level of participation in the scheme is 1% based on the proportion of employer contributions paid in 2018-19.

The new NHS Pension Scheme (Scotland) 2015

From 1 April 2015 the NHS Pension Scheme (Scotland) 2015 was introduced. This scheme is a Career Average Re-valued Earnings (CARE) scheme. Members will accrue 1/54 of their pay as pension for each year they are a member of the scheme. The accrued pension is re-valued each year at an above inflation rate to maintain its buying power. This is currently 1.5% above increases to the Consumer Prices Index (CPI). This continues until the member leaves the scheme or retires. In 2017-18 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings. The normal pension age (NPA) is the same as the State Pension age. Members can take their benefits earlier but there will be a deduction for early payment.

The existing NHS Superannuation Scheme (Scotland)

This scheme closed to new joiners on 31 March 2015 but any benefits earned in either NHS 1995 or NHS 2008 sections are protected and will be paid at the section's normal pension age using final pensionable pay when members leave or retire. Some members who were close to retirement when

the NHS 2015 scheme launched will continue to earn benefits in their current section. This may affect members who were paying into the scheme on 1 April 2012 and were within 10 years of their normal retirement age. Some members who were close to retirement but did not qualify for full protection will remain in their current section beyond 1 April 2015 and join the 2015 scheme at a later date.

All other members automatically joined the NHS 2015 scheme on 1 April 2015.

Further information is available on the Scottish Public Pensions Agency (SPPA) web site at www.sppa.gov.uk.

National Employment Savings Trust (NEST)

The Pensions Act 2008 and 2011 Automatic Enrolment regulations required all employers to enrol workers meeting certain criteria into a pension scheme and pay contributions toward their retirement. For those staff not entitled to join the NHS Superannuation Scheme (Scotland), the Board utilised an alternative pension scheme called NEST to fulfil its Automatic Enrolment obligations.

NEST is a defined contribution pension scheme established by law to support the introduction of Auto Enrolment. Contributions are taken from qualifying earnings, which are currently from £6,240 up to £50,000, but will be reviewed every year by the government. The initial employee contribution is 1% of qualifying earnings, with an employer contribution of 1%. This will increase in stages to meet levels set by government.

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

Pension members can choose to let NEST manage their retirement fund or can take control themselves and alter contribution levels and switch between different funds. If pension members leave the Board they can continue to pay into NEST.

NEST Pension members can take money out of NEST at any time from age 55. If suffering from serious ill health or incapable of working due to illness members can request to take money out of NEST early. They can take the entire retirement fund as cash, use it to buy a retirement income or a combination. Additionally members can transfer their NEST retirement fund to another scheme.

NEST is run by NEST Corporation, a trustee body which is a non-departmental public body operating at arm's length from government and is accountable to Parliament through the Department for Work and Pensions.

	2020/21	2019/20
	£'000	£'000
Pension cost charge for the year	8,587	7,312

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2021

FINANCIAL INSTRUMENTS

Note 17

17a. Financial Instruments by Category

AS AT 31 MARCH 2021 Assets per balance sheet		Loans and Receivables	Total
	Note	£'000	£'000
Trade and other receivables excluding VAT, prepayments, reimbursements of provisions	8	220	220
Cash and cash equivalents	9	127	127
		347	347

AS AT 31 MARCH 2020 Assets per balance sheet		Loans and Receivables	Total
	Note	£'000	£'000
Trade and other receivables excluding VAT, prepayments, reimbursements of provisions	8	373	373
Cash and cash equivalents	9	2,491	2,491
		2,864	2,864

AS AT 31 MARCH 2021 Liabilities per balance sheet		Other financial liabilities	Total
	Note	£'000	£'000
Trade and other payables excluding statutory liabilities(VAT and income tax and social security) and superannuation	10	5,553	5,553
		5,553	5,553

AS AT 31 MARCH 2020 Liabilities per balance sheet		Other financial liabilities	Total
	Note	£'000	£'000
Trade and other payables excluding statutory liabilities(VAT and income tax and social security) and superannuation	10	7,500	7,500
		7,500	7,500

17b. 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.

The Board provides written principles for overall risk management, as well as written policies such as Standing Financial Instructions covering good practice in financial management.

a) Credit Risk

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

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

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

The utilisation of credit limits is regularly monitored.

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

b) Liquidity Risk

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

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31 March 2021				
Trade and other payables excluding statutory liabilities	8,578	0	0	0
	8,578	0	0	0

	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31 March 2020				
Trade and other payables excluding statutory liabilities	7,727	0	0	0
	7,727	0	0	0

c) Market Risk

The NHS Board has no powers to borrow and 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

As at 31st March 2021, NHS 24 has minimal exposure to foreign currency risk.

iii) Price risk

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

RELATED PARTY TRANSACTIONS

Note 18

The Board had a small number of arm's length transactions with other government departments and other central government bodies.

No board member, key manager or other related party has undertaken any material transactions with the Board during the year.



NHS 24

DIRECTION BY THE SCOTTISH MINISTERS

- 1. The Scottish Ministers, in exercise of the powers conferred by sections 86(1), (1B) and (3) of the National Health Service (Scotland) Act 1978, as read with article 5(1) of and the Schedule to the NHS 24 (Scotland) Order 2001, (S.S.I. 2001/137), and all powers enabling them in that behalf, 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: 10/02/06

