

Azets Audit Services Limited
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Re: NHS 24

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of NHS 24 ('the Board') for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

By a resolution of the Board, passed today, I am directed to confirm to you, in respect of the financial statements of the Board for the year ended 31 March 2022, the following:-

GENERAL

1. We have fulfilled our responsibilities as members of the Board for preparing financial statements in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers, the Government Financial Reporting Manual and International Financial Reporting Standards and for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the Board have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the Board, and with all other records and related information requested, including minutes of all management and Board meetings.

ADJUSTMENTS & DISCLOSURES

4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. (See appendix 1 for details of such uncorrected misstatements).
6. We have reviewed and approved all disclosures made in the financial statements and we are not aware of any other matters which require disclosure in order to comply with the requirements of the National Health Service (Scotland) Act 1978, the directions made thereunder by the Scottish Ministers and the Government Financial Reporting Manual and International Financial Reporting Standards.

INTERNAL CONTROL AND FRAUD

7. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
8. We have disclosed to you all instances of known or suspected fraud affecting the Board involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
9. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting Board's financial statements communicated by current or former employees, analysts, regulators or others.

10. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we deem necessary to address the likely effects of the COVID-19 pandemic on our system of internal controls.

ASSETS AND LIABILITIES

11. The Board has satisfactory title to all assets and there are no liens or encumbrances on the Board's assets except for those that are disclosed in the notes to the financial statements.
12. There were no changes in fixed assets during the year ended 31 March 2022 other than those disclosed in the accounts.
13. We have reviewed the residual values attached to fixed assets and confirm they are still appropriate and reasonable reflections of these assets' condition and usage.
14. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
15. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
16. We confirm that all bank accounts have been disclosed to you and are included within the financial statements.
17. We confirm that the Board has not contracted for any capital expenditure other than as disclosed in the financial statements.

ACCOUNTING ESTIMATES

18. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

LEGAL CLAIMS

19. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

LAWS AND REGULATIONS

20. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements and disclosures, including non-compliance matters:
 - a. Involving financial impropriety;
 - b. Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the Board's financial statements;
 - c. Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Board's business, its ability to continue in business, or to avoid material penalties; and
 - d. Involving management, or employees who have significant roles in internal control, or others.
21. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies, Scottish Government or Scottish Ministers concerning investigations or allegations of non-compliance, other than those already disclosed.

RELATED PARTIES

22. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and we confirm that such information is complete. We are not aware of any other matters which require disclosure in order to comply with the requirements of company law or accounting standards.

23. All transactions undertaken with group companies, including management charges, are at arm's length.

SUBSEQUENT EVENTS

24. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

GOING CONCERN

25. We believe that the Board's financial statements should be prepared on a going concern basis on the grounds that sufficient funding has been made available to the Board to support the anticipated continuation of the provision of health services.
26. We also confirm our plans for future action(s) required to enable the Board to continue as a going concern are feasible.
27. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the Board's ability to continue as a going concern need to be made in the financial statements.
28. The implications of the Covid-19 pandemic continue to create uncertainty and it is therefore difficult to evaluate the likely effect on the Board's activities and the wider economy. Our assessment at the date of approval of these accounts is that the pandemic does not create a material uncertainty related to going concern. Note 1 to the financial statements discloses matters of which we are aware that are relevant to the Board's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

DISCLOSURE OF INFORMATION TO THE AUDITOR

29. We acknowledge our legal responsibilities regarding disclosure of information to you as auditor and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.
30. Each member of the Board of Management has taken all the steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

Jim Miller

Signed on behalf of the Board by:

Jim Miller

Chief Executive

Date: 20 June 2022

The above director is signing this letter on behalf of all directors confirming that:

so far as they are each aware, there is no relevant audit information of which the Board's auditor is unaware; and each Director has taken all the steps that ought to have been taken as a director, including making appropriate enquiries of the Board's auditor for that purpose, in order to be aware of any information needed by the Board's auditor in connection with preparing their report and to establish that the Board's auditor is aware of that information.

ANNUAL REPORT AND ACCOUNTS

The background of the cover features several large, overlapping geometric shapes. On the left, there is a large pink circle partially overlapping a smaller light blue circle. At the bottom, a large dark blue semi-circle is visible. On the right side, there is a large, light blue circular area filled with thin, parallel diagonal lines.

FOR THE YEAR ENDED
31 MARCH 2022



Delivering a healthier Scotland together Connecting, caring, collaborating

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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 financial year 2021/22. The Performance Report has been prepared in accordance with the Scottish Government Financial Reporting Manual and complies with best practice.

STATEMENT FROM THE CHIEF EXECUTIVE

NHS 24 has transformed the way it delivers care in a very short period of time, now providing a truly 24/7 service for the people of Scotland seeking urgent care support for both their mental and physical health.

The 111 service now delivers round the clock help to people who may need urgent care, including non life threatening A&E admission, and for those in mental health distress through the expansion of our Mental Health Hub and providing support when other services may not be available.

Providing people with this much-needed 24/7 access to help and care throughout the pandemic, also meant the 111 service experienced record-breaking call-demand, as more people recognised the value that NHS 24 provides. In response we established two new centres in Dundee and Glasgow and significantly grew our workforce to help meet this demand.

As with the rest of the population, our workforce were impacted by the pandemic and we experienced high levels of COVID-related absence. Coupled with significant fluctuations in demand, this meant that on occasions access for the public and for those delivering care via the 111 service was challenging at times.

Of paramount importance continues to be the wellbeing of colleagues, the delivery of safe and effective patient care and ongoing improvement to services wherever we can.

NHS inform continues to offer trusted advice to those accessing this service through their digital device, receiving timely, safe and accurate information at their fingertips day and night. We have grown our services and how these are delivered for people. We continue to develop innovative online support alongside our telephone services with a clear focus on accessibility and public choice.

Our 2021/22 Annual Report and Accounts highlight some of the many valuable contributions our staff across the organisation delivered to support the wider NHS and the people of Scotland.

I am immensely proud to be part of an organisation that demonstrates real professionalism and commitment in the most difficult circumstances.

ABOUT NHS 24

NHS 24 is the national provider of a range of telephone and digital services including 111, NHS inform and Breathing Space. Its services provide people across Scotland with 24/7 access to urgent care, mental health advice, and support when GP and Dental practices are closed, via a range of channels including telephone, website and webchat.

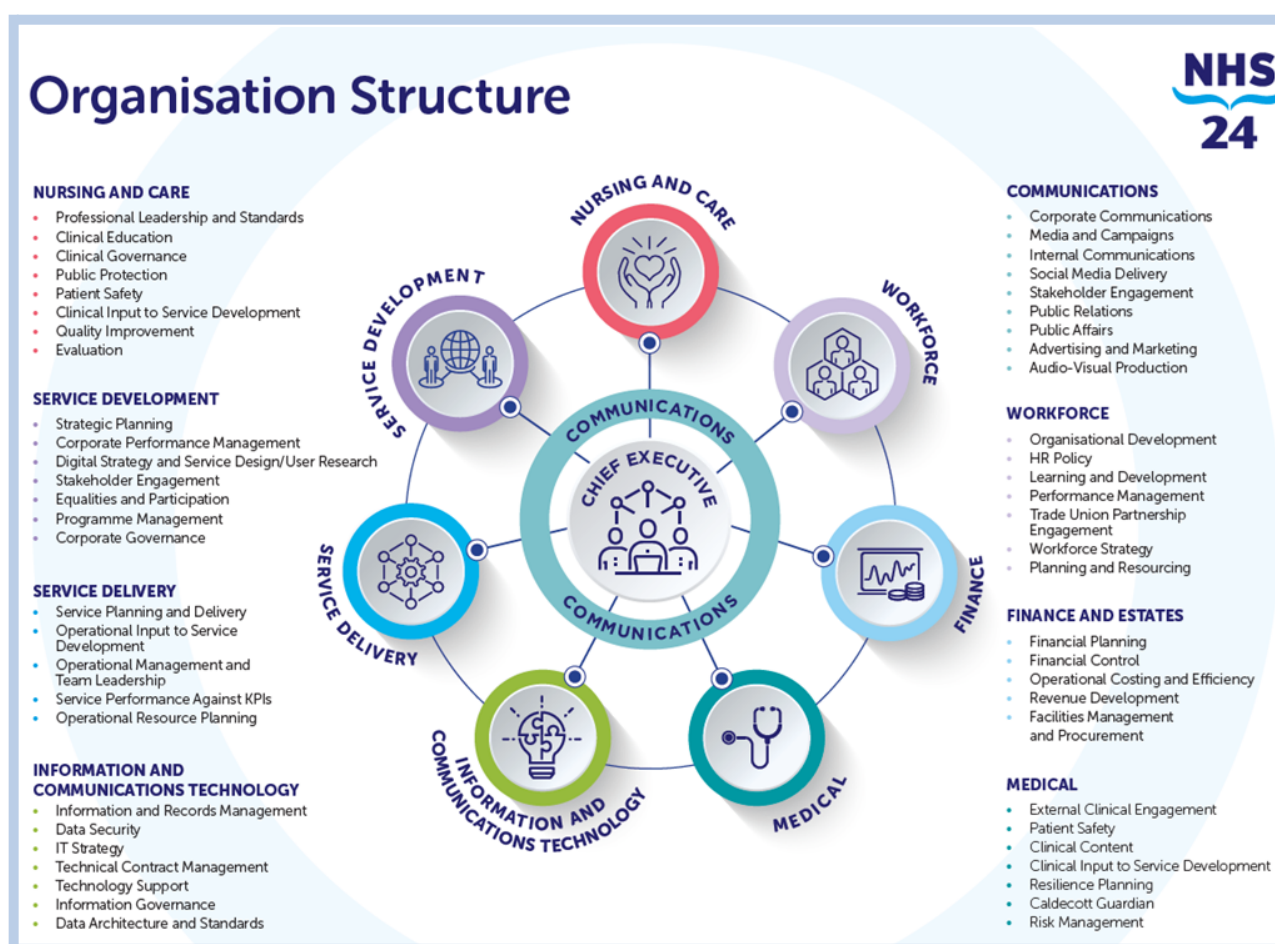
OUR PURPOSE

Helping to deliver a healthier Scotland by connecting people to health and care advice, information and support – 24/7.

OUR MISSION

Delivering a healthier Scotland together. Connecting, caring, collaborating.

NHS 24 ORGANISATION STRUCTURE



NHS 24 STRATEGIC OBJECTIVES

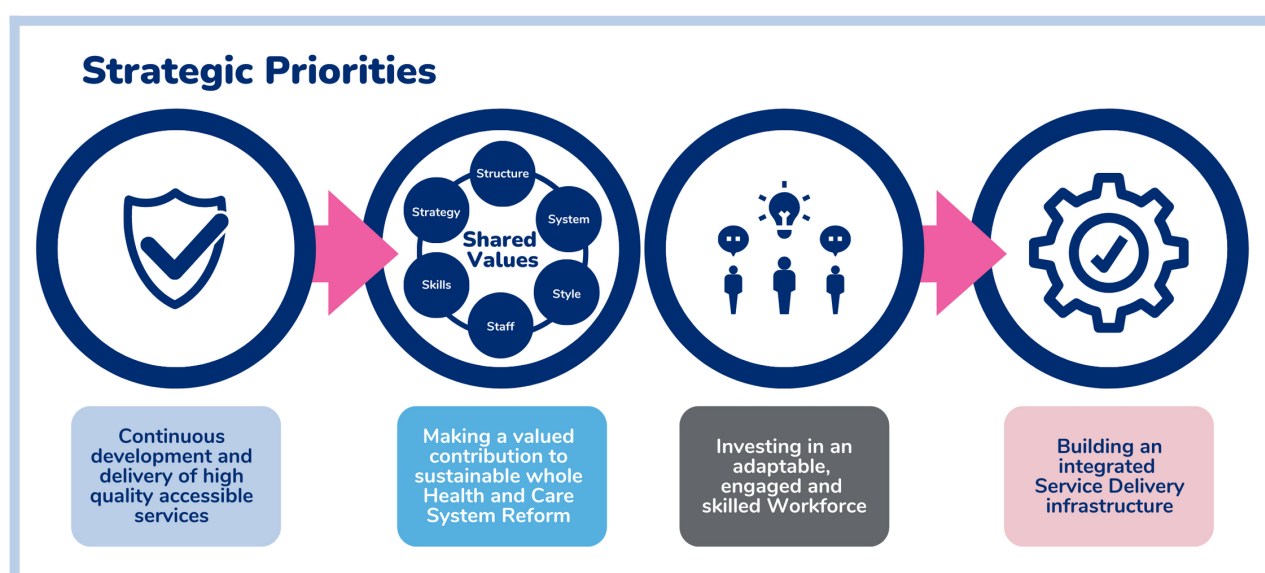
In 2019, NHS 24 commenced a review of its 2017-2022 Strategy to confirm that its

strategic direction was still valid for itself, the wider health and care service in Scotland and other public third and independent sector partners. NHS 24 developed revised strategic objectives alongside the ministerial priorities and current programmes of work. NHS 24 confirmed its two strategic objectives, as follows:

- ◆ Continuous development and delivery of high quality accessible, safe services
- ◆ Making a valued contribution to sustainable health and care system reform.

To support the delivery of these, NHS 24 also identified two enabling objectives:

- ◆ Adaptable, engaged, skilled workforce
- ◆ An integrated infrastructure to enable delivery of its services.



The review of the NHS 24 Strategy helped frame the development of NHS 24's remobilisation priorities during 2020/21 and into 2021/22.

During the summer of 2021, work commenced to gather views of stakeholders, including NHS 24 staff, and to undertake a horizon scanning exercise. However, this work was subsequently paused in September 2021 due to the third wave of COVID-19 caused by the spread of the more transmissible Delta variant.

NHS 24 is developing its broad strategic intent early in 2022/23, with a view to developing a fuller refreshed strategy throughout the year as opportunities and

dependencies become clearer and in anticipation of the pandemic moving to a more manageable state. This should fall in line with the NHS Scotland planning cycle.

NHS 24 RISKS

Close strategic, tactical and operational management of the risks by NHS 24 provided successful delivery of NHS 24 services and programmes over this period.

The uncertainty of demand and system pressures throughout the year has been a consistent high risk for NHS 24. COVID-19 and the Redesign of Urgent Care demand, as well as significant events such as COP26 has required close risk management. This has been supported by a number of actions including estates expansion, clinical recruitment, management of training capacity, and the implementation of corporate escalation measures.

Workforce capacity, capability and wellbeing have been areas of focus for the organisation throughout the previous two years. This includes infection control, staff engagement, recruitment and development. In more recent times the decommissioning of the in-hours COVID-19 pathway has been a focus of the Senior Management Team to ensure careful management of the patient journey.

NHS 24's risk management framework provides a structure to support the management of risk, with corporate governance structures in place to provide assurance on the management of risk. Regular reporting to Board and Committees have allowed effective management, communication, and challenge on risks in line with NHS 24's risk appetite.

PERFORMANCE SUMMARY

NHS Scotland faced another year of uncertainty and challenge during 2021/22. Throughout 2021/22 NHS 24 has continued to collaborate with Scottish Government to develop an interim performance framework better suited to NHS 24's role. Effective monitoring of performance ensures robust governance and improved decision-making in line with corporate objectives.

In the context of rapid expansion and growth for NHS 24, the significant level of demand, particularly the rapid and unpredictable fluctuation in COVID-19 demand has, at times, been especially challenging and impacted on performance. Nevertheless, NHS 24 has provided safe, effective and person-centred care at all times and sought to ensure services remained accessible throughout.

REF.	MEASURE	DESCRIPTION	TARGET	2021/22
1.	Patient Qualitative Measures			
1.1	Patient Experience	% of service users surveyed record overall satisfaction with the service	90%	85.6%
1.2	Complaints	% of complaints responded to within 20 working days	95%	91.3%
2.	Patient Telephony Access			
2.1	Care Delivered at First Point of Contact	% of calls triaged on initial inbound call	90%	95.0%
2.2	% Calls Answered within Threshold	% of calls answered within 5 minutes	50%	25.9%
2.3	% Calls Abandoned After Threshold	% of calls abandoned after 5 minutes	10%	15.1%
2.4	Median Time to Answer (mm:ss)	Time at mid point (50%) of calls answered	05:00	13:13
2.5	90th Percentile Time to Answer (mm:ss)	Time at 90% of calls answered	30:00	48:41
2.6	NHS 24 Patient Journey	Time after IVR is selected (phone begins to ring) to when final endpoint is set	30:00	33:59
3.	Access to Health Information Services			
3.1	% Answered in 5 minutes	% of calls answered within 5 minutes	50%	85.6%
4.	Digital			
4.1	NHS inform - Core Service (excl COVID-19)	No. of unique page views on core NHS inform website (excluding COVID-19 related activity)	N/A	95,135,474
4.2	COVID-19 Content (as per C19 Dashboard)	No. of unique page views related to COVID-19 content on NHS inform website	N/A	27,131,839
4.3	NHS inform - COVID-19 vaccinations microsite	No. of unique page views related to COVID-19 vaccinations microsite on NHS inform website	N/A	37,022,796
4.4	Scotland Service Directory	No. of unique page views related to Scotland Service Directory on NHS inform website	N/A	2,656,853
5.	Staff Attendance Rate			
5.1	Staff Attendance	Average attendance of staff	96%	91.6%

The table above, which is signed off by both NHS 24 and Scottish Government (although awaiting final sign off from the Cabinet Secretary), outlines performance against NHS 24's suite of performance indicators. NHS 24 has continued to deliver access to urgent and unscheduled care despite extended wait times on occasion, to access the service, notably at peak weekend periods. Alignment and expansion of the organisational workforce to respond to this increased demand has been a key area of focus throughout and performance has continued to improve as capacity has increased.

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
- 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	ACTUAL OUTTURN	VARIANCE (OVER)/UNDER	
	£'000	£'000	£'000	%
Revenue Resource Limit (RRL)	100,546	100,443	103	0.10
Of which:				
Core Revenue Resource Limit	98,953	98,850	103	0.10
Non-Core Revenue Resource Limit	1,593	1,593	0	0.00
Capital Resource Limit (CRL)	3,062	3,062	0	0.00
Of which:				
Core Capital Resource Limit	3,062	3,062	0	0.00
Cash Requirement	98,651	98,651	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 2021/22	<u>103</u>
Financial flexibility: funding banked with/(provided by) Scottish Government	<u>0</u>
Underlying (Deficit)/Surplus against Core Revenue Resource Limit	103
Percentage	0.1%

COMMENTARY ON THE RRL

An underspend of £0.103 million against RRL was achieved in 2021/22. The Board delivered an underspend of £0.014 million against its RRL in 2020/21. The £0.014 million underspend from 2020/21 was carried forward and added to the NHS 24 RRL for 2021/22, which means there was an underspend against the in-year RRL in 2021/22 of £0.89 million.

A one-year financial plan was submitted to Scottish Government by NHS 24 on 31 March 2021. Due to the impact of the COVID-19 pandemic, the Scottish Government paused the three year Annual Operating and financial planning process. Recognising the exceptional nature of 2021/22 and the impact on delivery of financial plans, additional non-repayable funding was provided to support in-year financial balance across all NHS Boards. NHS 24 received £3.7 million.



COMMENTARY ON THE CRL

During 2021/22, the capital expenditure for NHS 24 was £3.062 million. This represents a break-even position against the Capital Resource Limit allocation of £3.062 million.

The majority of the capital spend by NHS 24 during 2021/22 was further expansion and upgrading of contact centre capacity.

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.

STRATEGIC OBJECTIVES

NHS 24 has made considerable progress on delivering against the 2021/22 Remobilisation Plan, whilst recognising that many of the actions will be carried forward

into 2022/23 and become part of the development of NHS 24's longer-term strategy. NHS 24's key priorities are outlined below:

- ◆ Providing a quality service to the public
- ◆ Supporting our workforce and their wellbeing
- ◆ Ongoing management and recovery from COVID-19
- ◆ Investing in our ICT and estate infrastructure
- ◆ Continued development of national urgent care pathways
- ◆ Development of NHS 24's suite of mental health services
- ◆ Expanding digital access of care
- ◆ Tackling public health and health inequalities
- ◆ Delivery of telephony access to national Forensic Medical Examination Service
- ◆ Transforming our ways of working
- ◆ Working together to develop our organisation and culture.



DETAILED ANALYSIS

Supporting our workforce and their wellbeing

NHS 24 had to expand its workforce quickly due to the development of the national COVID-19 pathway, the expansion of the Mental Health Hub, the Redesign of Urgent Care and the closure of dental practices caused by the pandemic. As a result, NHS 24 required to accommodate a 40% increase in workforce at the same time as managing a 44% reduction in seating capacity due to COVID-19 physical distancing restrictions. In delivering this, over 500 people were recruited in 2020/21, the majority of whom were employed on a temporary basis with significant numbers moving into permanent call handler roles as NHS 24's baseline establishment increased, with two new centres in Dundee and Glasgow opened.

NHS 24 has identified that work will be taken forward in three broad areas to support workforce recovery and build resilience:

- supporting our workforce through improved people services
- transforming our ways of working and planning
- working together to develop our organisational culture.

This is in addition to the focus on recruitment that will continue beyond the end of 2021/22.

Recruitment targets were agreed as part of Remobilisation Plans with progress continually monitored to measure actual, projections and turnover against these. Recruitment continues to present a challenge, recognising this is set against dynamic and fast-paced job markets at a national level.

SKILL SETS	SERVICE	WTE TARGET AT YEAR END	MARCH 2022	DIFFERENCE TO TARGET
Call Handlers	111	667	569.39	-97.61
Nurse Practitioners/ Clinical Supervisors	111	182.5	151.90	-30.60
Psychological Wellbeing Practitioner	111	123	68.00	-55.00
Mental Health Nurse Practitioners	111	30	22.16	-7.84

In terms of the urgent care pathway, significant recruitment has been a focus of effort during 2021/22 and this will continue into 2022/23 to reach the funded level of

workforce to meet the increased demand resulting from this new pathway. 80% of capacity was in place by the end of March 2022.

NHS 24 opened two new centres in Glasgow and Dundee in 2021/22, as well as relocating a centre within Clydebank. Recruitment of mental health staff has been particularly challenging, however the hub was operational in Dundee at the end of March 2022. Over 100 staff have been recruited to deliver '111' and the expanded Mental Health Hub in Dundee. Clinical Supervisor recruitment was particularly successful for Dundee, with more staff expected to be recruited and trained in the new year.

Attendance management continues to be an area of focus. There has been a significant impact and resource loss associated with COVID-19 special leave, but NHS 24 recognises there is a need to improve the organisation's short and long-term sickness absence.

ABSENCE TYPE	MARCH 2022	ROLLING YEAR
Sickness Absence	7.11%	8.41%
COVID-19 Absence	7.91%	5.13%

In line with the attendance management plan, several initiatives and measures have been put in place, aligned with national policy. To strengthen the organisational approach NHS 24 has put in place Wellbeing Team Managers, who support line managers, but also support staff directly maintaining communication e.g. changes to COVID-19 guidance for testing and isolation.

In addition to the work focussing on attendance, other work is being taken forward to support staff health and wellbeing. This includes a full review of NHS 24's Occupational Health Service provision as the current contract is due to expire in 2022. NHS 24's Health and Wellbeing Strategy has also been reviewed and a new mental health app – Thrive – launched, which provides access to a wide range of support including CBT and coaching assistance. As part of the work to support staff to return to work and manage the impact of long COVID, a review of the internal physiotherapy service is underway and new approaches to the case management of long COVID are being developed.

Work is being taken forward to develop a new approach to strategic workforce planning. This will oversee strategic workforce planning, including establishment management,

forecasting, redeployment, and job evaluation, aligned to organisational strategy, operational service delivery and organisational capacity. It will also provide oversight and guidance on the introduction of new skillsets and influence future training. A full review of recruitment and retention will be undertaken to transform the recruitment journey of staff at all levels. This will look to enhance the organisation's recruitment marketing, including developing NHS 24's employer brand, creating an attraction strategy, and promoting NHS 24 as an aspirational employer. It will explore all avenues that support the recruitment of clinical staff from the UK and international markets and consider the development of internal and external nursing banks.

Ongoing management and recovery from COVID-19

Throughout the pandemic, NHS 24 developed its role to provide trusted information and services to best meet the needs of citizens and to support the wider system, safely and effectively managing and streaming demand to the right care, right place, right time. This saw NHS 24 move from a predominantly out-of-hours service to delivering 24/7 services which required extensive expansion of workforce and estate at pace and scale and whole system collaboration to meet key deliverables.

111 Service

The 111 service provides urgent care and advice when GP's, pharmacies or dental practices are closed or any time information, signposting or support is required about COVID-19. The COVID-19 Pathway forms one part of NHS 24's 111 service.

NHS 24's 111 service saw its highest ever demand in 2021/22 with just over 2 million calls made to the service (2,060,976). The months from April through to November 2021 were extremely busy and, in fact, each month received its highest ever volume of calls in nearly 20 years of service history.

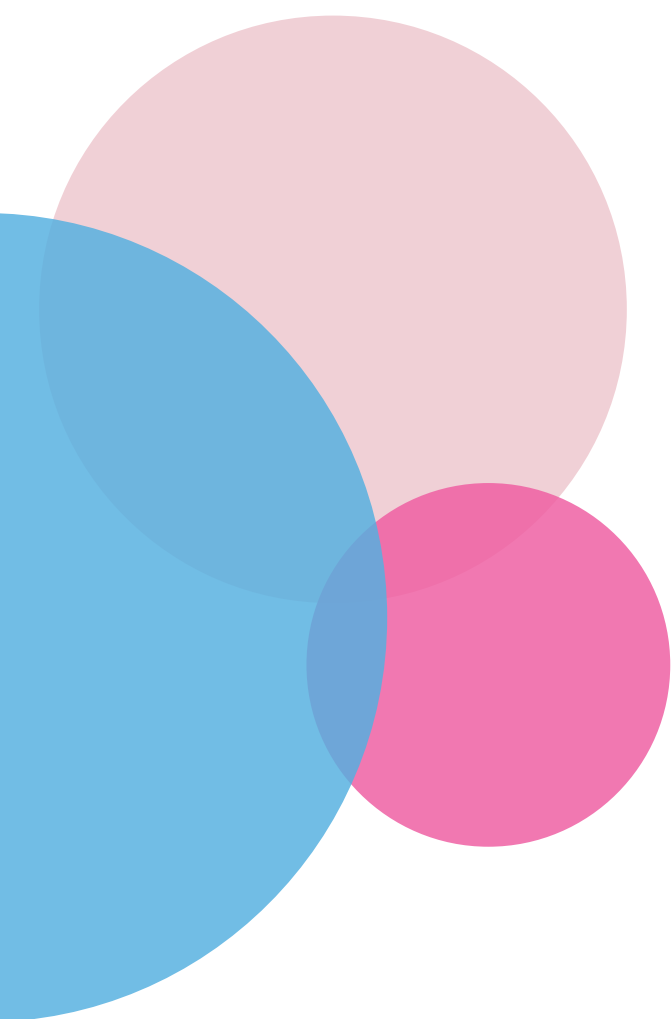
CALL TYPE	CALLS OFFERED	% SPLIT
Urgent Care	1,548,550	75%
COVID-19	247,866	12%
Mental Health Hub	138,327	7%
Dental	126,233	6%
Total	2,060,976	100%


When using the 111 number four key services can be accessed. Calls made to the service and their split of volume is outlined on the previous page and below.

COVID-19

NHS 24 did not scale back its core services during the pandemic, and, in fact, focussed on not only continuation but expansion of these services. Throughout the course of the pandemic, NHS 24 Remobilisation Plans have adjusted to fluctuation in the prevalence and acuity of each wave of COVID-19 and continued to deliver and adjust services in response and this continued to be reflected during 2021/2022.

Overall, the COVID-19 service accounted for 21% of all contact records for 111, however, COVID-19 demand fluctuated from 4,000 to 8,000 calls per week at peak times. 80% of COVID-19 flagged records resulted in a GP Telephone Advice outcome, with 9% Self Care, thus directing calls to the right part of the system, to ensure right care at the right time.





NHS 24 continues to work closely with Scottish Government and Public Health Scotland to provide a trusted source of information, advice and support covering all aspects of COVID-19 through NHS inform. This includes current guidance, access to booking test and protect and vaccinations as well as other bespoke digital products, including symptom checkers and self-help guides.

This information is also used as the basis for the support and guidance provided to citizens who call the National Coronavirus Helpline set up and managed by NHS 24 on behalf of Scottish Government, which also provides telephony support to those unable to access online booking for testing. During 2021/22 the COVID-19 Helpline (managed by Ascensos) supported over 250,000 calls.

The rapid fluctuation of demand continues to present challenges. This is a complex issue due to a combination of demand increase, notably during in-hours periods, the expansion of new and existing services requiring recruitment across the year of hundreds of additional staff to deliver, and the challenges of maintaining and expanding the service throughout the pandemic. However, NHS 24 has continued to deliver access to urgent and unscheduled care despite extended wait times on occasion to access the service, notably at peak weekend periods.

The decommissioning of the national COVID-19 pathway at the end of March 2022, led to key changes in NHS 24's service model. This required integrating with normal out-of-hours outcomes, referring in-hours callers back to their own GP, and transferring call operator staff to permanent call handlers able to deliver the full '111' service. This decommissioning was supported by a national communication by Scottish Government and NHS 24 played a key role in supporting this.

The musculoskeletal (MSK) advisory service provided by NHS 24 was the only service paused during the pandemic and is not expected to be restarted in its previous format. Staff within this service were redeployed to support the COVID-19 pathway and have since either moved into a '111' call handler role or been offered the opportunity to do so. NHS 24 is co-chairing the MSK workstream within phase two of the national Redesign of Urgent Care programme and, as such, any future service, workforce, or pathway through NHS 24 will be aligned to this work.

COVID-19 Vaccination programme

The initial COVID-19 vaccination programme had uptake for NHS 24 staff at 90.8% (dose one) and 87.9% (dose two). The COVID-19 booster and Flu vaccination programme commenced in November 2021 for those staff who received the COVID-19 vaccines within NHS 24. This was to ensure a six-month gap between dose two and the booster and saw a 56.3% uptake for COVID-19 and a 54.6% uptake for flu. NHS 24 remains committed to the wellbeing of staff and plans are in place for a vaccination programme for 2022/23.

Continued development of national urgent care pathways

Expansion of the '111' service to be available 24/7, resulted in an overall increase in demand, notably in-hours where callers can access the national COVID-19 pathway, Mental Health Hub, and urgent care pathway.

NHS 24 continues to support the national Redesign of Urgent Care (RUC) programme, specifically in continuing to offer access through '111' to local Board Flow Navigation Centres (FNC's) and support the overall reduction in presentations to Emergency Departments (ED) building on the success through 2021/22.

There were over 500,000 patients who selected the Urgent Care option via NHS 24's telephony IVR option (549,572). 450,000 calls were answered and 23% were directed to Flow Navigation Centres, 14% referred to Emergency Departments and a further 3% resulted in a 999 outcome. 19% of calls resulted in an Out of Hours pathway (Home Visit, Out of Hours GP or GP Telephone Advice) with a further 12% referred to their own GP. This meant that 28% of call records resulted in self-care advice for the caller or no onward referral from NHS 24.

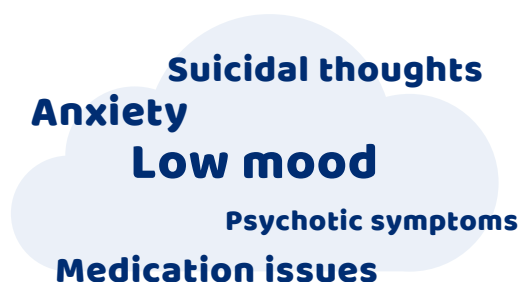
NHS 24 is actively involved in the delivery of phase 2 of the RUC programme, working in partnership with Scottish Government to clarify the role and pathways through NHS 24, primarily in respect of urgent mental health care, MSK, and pharmacy. NHS 24 is also inputting to workstreams working with SAS, supporting the interface with in-hours primary care into the urgent care pathway, and in ensuring technical/digital interfaces enable the flow of patients into local board systems.

Development of NHS 24's suite of mental health services

The Mental Health Hub, provided through the 111 service, has seen a significant increase in demand since opening 24/7 in July 2020, this has been supported by additional Scottish Government investment. In 2021/22 there were 137,915 calls to all services within the Mental Health Hub with 86,346 calls answered.

During 2021/22, over 72,000 records were managed via the Mental Health Hub, this was the highest ever in the service's short history and a 31% increase on the previous year (55,000). One of the key successes of the Mental Health Hub is that 47% of all records resulted in self-care, helping reduce the burden across the wider health and care system. In addition, the Mental Health Hub has a number of patients who call the service regularly, and specifically 47 patients have contacted the service more than 100 occasions across the year.

People call the Mental Health Hub for a wide range of reasons; however, Suicidal Thoughts is the largest call reason to the Hub which accounts for 31% of its records. This is followed by Anxiety (17%), Low Mood (13%), Psychotic Symptoms (9%) and Medication Issues (7%). These top 5 call reasons accounted for 78% of the records for the year 2021/2022 and have underpinned some of NHS 24's mental health service development.



The expansion of NHS 24's Mental Health Hub has resulted in increased collaboration with health boards, and beyond health services, notably the collaboration between NHS 24, Police Scotland, and SAS to deliver an enhanced pathway for those in mental health distress. This has reduced attendances by Police Scotland and emergency departments with a fraction under 60% of calls resulting in self-care support and advice. NHS 24's Mental Health Hub generated around 5,076 Distress Brief Intervention (DBI) outcomes in Scotland, continuing to strengthen links with the third sector. DBI is an initiative which provides quick, connected and compassionate support to people experiencing distress in the community.

Breathing Space is NHS 24's free phone service for anyone in Scotland feeling low, anxious or depressed. Individuals over 16 can phone the service free on 0800 83 85 87, Monday to Friday: 6.00 pm to 2.00 am and the service is available 24 hours at weekends. NHS 24 trained advisors at Breathing Space are available to listen and offer information and advice. During 2021/22 NHS 24 developed the ability to transfer calls to the Mental Health Hub increasing integration between internal services and broadening support for individuals. Calls offered during 2021/22 have risen to a new high, with a 4% increase on the previous year.

The Mental Health Hub offers an enhanced pathway for those in mental health distress and offers a unique service bridging the gap between primary and acute care that has become an established whole system contributor, highly valued by those accessing it. Demand for this service has been substantial and work continues to expand this service in Dundee, building capacity and ensuring those in need are able to access the service.

Recognising the impact of the pandemic on health and social care staff, Scottish Government asked NHS 24 to establish a dedicated national Wellbeing Helpline to complement local board provision, to ensure staff from across the sector have access to mental health support 24 hours a day, seven days a week.

A range of online mental health resources have also been developed through NHS inform, and NHS 24 has proactively supported the national Scottish Government campaigns, such as 'Clear your Head'.

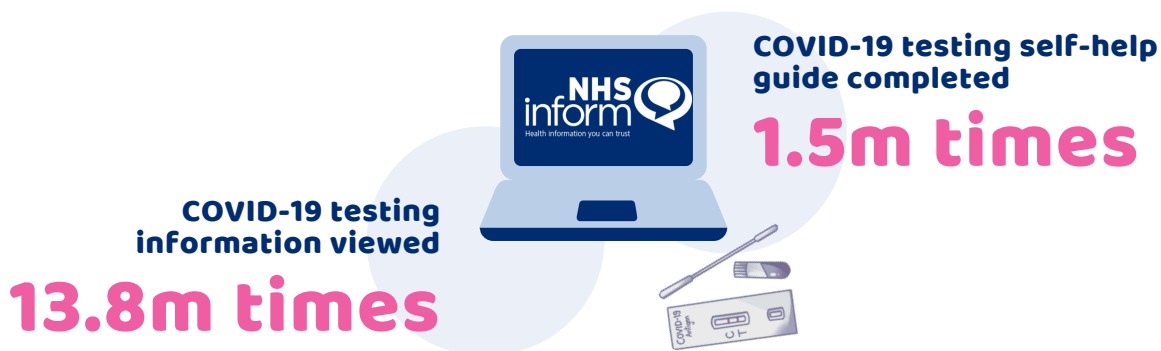
Expanding digital access to care

NHS 24 continues to engage with the Digital Health and Care Directorate at Scottish Government in scoping its 'digital front door' vision for Scotland and any future role for NHS 24. NHS 24 will continue to innovate and design services around user needs, building on the successes including recognition and awards for NHS 24 Chatbot: winner of 'Best Public Sector Digital Product' at the Digital Technology Leaders Awards 2021, and NHS inform COVID-19 Hub: winner of the 'Best Use of Technology in Healthcare' award at the Herald Digital Awards.

NHS inform usage continues to grow with increased public awareness and trust in the information and advice available for COVID-19-related information and access to services and a range of condition-specific support, including mental health. December 2021 saw the highest ever user volumes of 12.3 million after months of continuous growth.

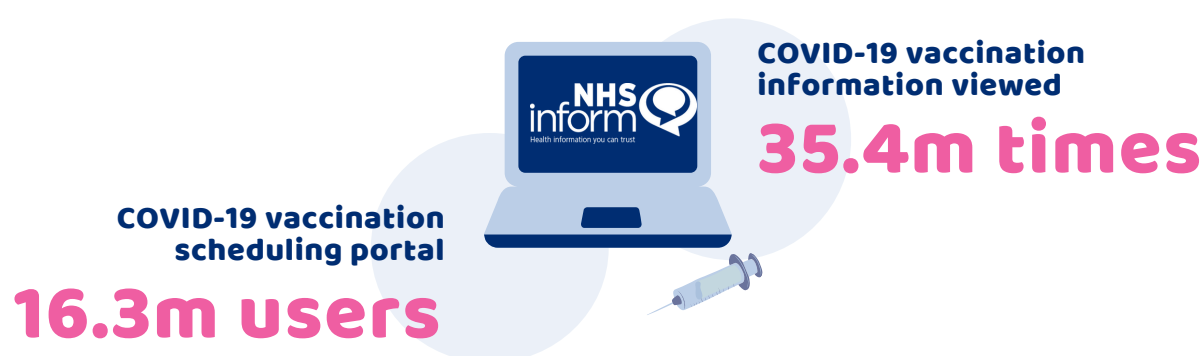
The NHS 24 Digital Team will continue to develop self-help resources in line with current priorities and promote the use of digital resources via Google adwords and paid social media campaigns, e.g. 'Pharmacy First' campaign delivered in December 2021.

NHS inform became the primary source of information around COVID-19 testing, and access to LFD and PCR testing locally and nationally. From 1 April 2021 to 31 March 2022 the testing information in total was viewed approximately 13.8 million times (page views) and the associated self-help guide completed 1.5 million times (completed guides). Access to testing and vaccination through NHS inform was developed in partnership with Public Health Scotland, Scottish Government, and the National Contact and Vaccination Service established by NHS National Services Scotland.



NHS 24 continually monitored the guidance for COVID-19 isolation and specifically tailored advice provided through the isolation self-help guide. From 1 April 2021 to 31 March 2022 the isolation guide was completed 684,000 times (completed guides). There was also work to scope and deliver the first phase of long COVID information, with a focus on common symptoms and support for clinical, social and mental health needs. From 1 April 2021 to 31 March 2022 the long COVID information in total was viewed approximately 2 million times (page views).

The Digital Team initially developed the national COVID-19 vaccine information microsite with Public Health Scotland between January and March 2020, with further development to support the introduction of the national vaccination scheduling system. From 1 April 2021 to 31 March 2022 the COVID-19 vaccine information in total was viewed approximately 35.4 million times (page views), with approximately 16.3 million users accessing the scheduling portal through NHS inform.



NHS 24 has been working with Scottish Government policy and marketing teams to develop a landing page and supporting information for the roll out of the NHS COVID-19 Status app. From 1 April 2021 to 31 March 2022 the COVID-19 Status app information in total was viewed approximately 9.4 million times (page views), with approximately 1.8 million users accessing the Google Play and Apple app store from NHS inform.

The COVID-19 chatbot has been continually developed in line with the NHS inform COVID-19 content to support users with isolation and testing as well as vaccination help. Between 1 April 2021 to 31 March 2022 the chatbot served 162,000 users. Provision of digital COVID-19 support will be maintained and aligned to any national policy developments, notably in respect of test and protect and vaccination programmes going forward.

GP.scot is commissioned by the Scottish Government to offer GP practices across Scotland an individualised website for each practice, free of charge. The site provides information online for patients – which can support them to make informed choices about their healthcare needs before requesting an appointment. 127 GP practices across Scotland use GP.scot to provide a high quality website to patients, covering a patient population of 626,207, with a further 19 practices due to come online in the near future.

In October 2021, NHS 24 developed and promoted online signposting via NHS inform to refer to services such as computerised Cognitive Behavioural Therapy, SilverCloud and Beating the Blues that has seen a marked increase in referrals and access to these tools. The 'Safer Online Suicidal Journeys' project focusses on providing online resources developed collaboratively with those with lived experience; this is due to complete in April 2022 as part of the delivery of the National Suicide Prevention Leadership Group's action plan. A new Mental Wellbeing microsite featuring videos from users with lived experience, commissioned by Scottish Government, is in development with phase 1 to be delivered by May 2022.

Tackling public health and health inequalities

NHS 24 works closely with Scottish Government and Public Health Scotland to provide a trusted source of information, advice and support, covering all aspects of COVID-19 through NHS inform. This includes current guidance and access to booking to support test and protect and vaccination and bespoke digital products, including symptom checkers and self-help guides. This information is also used as the basis for the support and guidance provided to citizens who call the National Coronavirus Helpline set-up and managed by NHS 24 on behalf of Scottish Government, which also provides telephony support to those unable to access online booking for testing.

An NHS 24 Realistic Medicine Action Plan incorporating the campaign for 'It's Okay to Ask' was approved by the Realistic Medicine Team at Scottish Government, and supported by the Clinical Governance Committee. The plan will be further embedded through the NHS 24 Public Health Framework, which is currently being developed.

As an intelligence-driven and data-rich organisation, NHS 24 has continued to share public health data with other partners and added flags to care records to enable reporting of certain vulnerable care groups. NHS 24 and Public Health Scotland are collaborating to develop augmented data sets as part of a new way of collaborating in line with national recovery. This is widely used to inform and better understand the on-going dynamic changes to citizens' health needs and health-seeking behaviours as they are impacted by the pandemic.

In addition, NHS 24 is reviewing how data on harder-to-reach groups can be used to inform whole system practice.

NHS 24 is committed to helping address the inequalities faced by people in Scotland and how it can best focus its efforts to help tackle them, as part of a fairer society. During 2021/22 NHS 24 worked closely with a range of organisations to improve accessibility. During 2021/22 NHS 24 worked with Disability Equality Scotland who carried out a survey of its members on their experience of accessing NHS 24's services, this has led to the development of an action plan for 2022/23.

The British Deaf Association (Scotland) receive regular updates on the resources available on NHS inform in British Sign Language (BSL) for inclusion within their weekly information bulletins distributed to BSL users. NHS Greater Glasgow and Clyde (NHS GG&C) are now included in these updates for distribution within the territorial board area.

On-going updates have been made to the 111 service interactive voice response (IVR) function, adding six additional community languages to the front end of the messaging. The additional languages are Polish, Arabic, Mandarin, Spanish, Romanian and Kurdish Sorani. Work is underway to accelerate the addition of the Ukrainian language to the IVR function.

NHS 24 worked closely with the Scottish Government's Marketing Team, Public Health Scotland and NHS Lothian to provide COVID-19 content in 15 community languages, easy read, audio and BSL. This was also extended to include information on the long COVID microsite.

Delivery of telephony access to the national Forensic Medical Examination (FME) service

NHS 24 has worked with the Forensic Medical Services taskforce chaired by the Chief Medical Officer to deliver a new single point of contact, self-referral pathway for Forensic Medical Examinations for victims of rape and sexual assault.

This national service was implemented across all health boards and enables those aged 16 and over to self-refer for a forensic health examination and access to healthcare and support, whether or not they wish to report to the police.


NHS 24 has worked with the task force to develop digital information and pathways and a national telephony referral access, to allow the transfer of data into local board systems for onward referral. The service went live on 1 April 2022.

Transforming our ways of working

The challenge of COVID-19 compelled NHS 24 to find new ways of working and make the best use of its technology and people's skills and experience, to provide the best possible care and support. During 2021/22 NHS 24 has been keen to build on this momentum to further develop applications and architecture to improve both the patient journey and experience and productivity and wellbeing of NHS 24 staff, wherever they are working.

Throughout the pandemic, NHS 24 continued to deliver services to the public with its centres remaining open, predominantly for frontline and service delivery teams. Non-frontline teams were asked at the start of the pandemic to work from home wherever possible.

To support non-frontline staff a homeworking group was set up to improve ways of working and highlight issues around health and wellbeing. A strategic group was also established to develop NHS 24 policy and approach to agile working aligned to the



national 'Once for Scotland Flexible Working Location' policy. In the interim, NHS 24 introduced guidance to support managers and their teams to continue to work in an agile manner.

Connect programme

The Connect programme is NHS 24's digital and technology programme. The programme delivery is phased so that it balances on-going resilience risks with developing digital innovation and technology solutions that promote an optimal patient/user journey and experience and improved workflow productivity and wellbeing for NHS 24 staff, wherever they are working.

Progress during 2021/22 included replacing and upgrading core hardware and infrastructure components and a replacement desktop/laptop build being rolled out across the entire estate for all staff. This has seen device login times being reduced in some instances from five minutes plus to around 30 seconds, a significant improvement.

In addition, considerable progress has been made in replacing and upgrading the applications and infrastructure that underpins delivery of NHS 24's core services, e.g. 111, and reporting function. It includes moving to a new on-premise data centre design with enhanced business continuity to support effective 24/7 working and a transition to cloud data storage and application delivery for some key services and systems. In addition, NHS 24 has upgraded its voice and screen recording system which will provide a foundation to deliver enhanced analytics.

Overall, the initial phase of the Connect programme ensures NHS 24 has a stable and supported technology platform upon which to deliver safe and effective patient care across Scotland.

Working together to develop our organisation and culture

NHS 24 has developed a range of support to develop workforce skills and capabilities to deliver high quality patient-facing services. This includes the launch of the Professional Development Award in Telecare in October 2021 to equip Call Handlers with knowledge and skills to embed Technology Enabled Care into health and social care practice, supporting positive health and wellbeing outcomes. Cohort 1 completed the programme at the end of January 2022 and Cohort 2 completed at the end of March 2022.

A new approach to Talent Management and Succession Planning and supporting tools was introduced in January 2022. This will be extended across the organisation as a consistent methodology during 2022. It will provide for the first time an organisational overview of identified talent and successors. In addition, an appraisal re-invigoration action plan has been developed and will seek to link appraisal to all other people processes and make it meaningful for staff.

For 2022/23 there are a number of initiatives planned, including:

- First Line 'Management Essentials' programme (April 2022)
- NHS 24 Leadership Development Framework (Spring)
- Coaching Framework and culture developed (May 2022)
- Early Careers Feeder Programmes Framework (Summer 2022)
- Digital Skills Review.

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 2021/22, NHS 24's average credit taken was 27 days (2020/21 - 35 days)
- In 2021/22, NHS 24 paid 68.8% of invoices by value (2020/21 - 62.2%) and 48.8% by volume (2020/21 - 37.0%) within 10 days
- In 2021/22, NHS 24 paid 89.1% of invoices by value (2020/21 - 79.1%) and 79.1% by volume (2020/21 - 71.2%) within 30 days.

The figures relate only to non-NHS suppliers. The 2020/21 performance figures were impacted 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.

RISK PROFILE

Risk management is an essential component to the strategic management of NHS 24. It is the process whereby the organisation methodically addresses the risks to corporate activities. Risk management is a continuous process that supports the development and implementation of the NHS 24 strategy. The integration of a risk aware culture supports the development of strategic risk management into tactical and operational objectives.

NHS 24 risk management information is aimed at supporting informed decision making; both corporate and strategic risks to help safeguard the organisation and support the development of a new strategy within NHS 24's agreed risk appetite.

The Executive Management Team Risks and Opportunities Group play a key role in this process with the risk management and strategic planning teams closely linked to support this. This group undertakes horizon scanning for future opportunities, threats and risks linked to the strategic objectives of the organisation.

In addition, the Senior Management Team manages day-to-day corporate and operational risks as they arise and review corporate risks on a regular basis as part of its role to monitor and manage operational performance to ensure safe and effective service provision.

The response to the pandemic thus far has prepared NHS 24 for future planning. Levels of demand throughout this period were unpredictable and volatile, therefore the primary focus of NHS 24 has been on the short to medium term. NHS 24's strategic risk profile considers some of the key pillars of a strategy regarding leadership and values, workforce, delivery at pace and scale, stakeholder expectations and technology.

Information on strategic planning and risk management is reported to the Planning and Performance Committee, the Audit and Risk Committee and the NHS 24 Board for assurance. Specific focus was given to strategic risk identification and risk appetite in the Board Workshop in May 2021.

Equality, diversity and human rights

NHS 24 is committed to contributing to a fairer society by promoting equality and good relations for patients, carers, patients' representatives, members of the public, partner organisations, staff and job applicants.

As part of its commitment to being a responsible employer NHS 24 will make sure its workforce has the awareness and ability to meet the different needs of Scotland's diverse population by treating people fairly, with respect and dignity, and as individuals.

NHS 24 is committed to involving people from different backgrounds and with different experiences in the design, development and improvement of its services. NHS 24 understands that giving people the opportunity to get involved will help it to deliver better services that meet the needs of the diverse Scottish population. NHS 24 is specifically looking to employ more minority ethnic staff and has set an equality outcome to achieve that. This report is produced every two years to help NHS 24 meet the requirements of the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 (as amended).

As a public authority in Scotland, NHS 24 is required to meet certain equality and diversity related duties. This requirement is included as part of the Public Sector Equality Duty in Scotland. These can be summarised as eliminating discrimination, advancing equality of opportunity, fostering good relations and considering the socio-economic impact of strategic decisions intended to tackle poverty.

NHS 24 also has a responsibility to consider the impact of its decisions in relation to people's socio-economic circumstance. To support the carrying out of these duties, NHS 24 impact assesses its services, functions, and policies. This is known as an equality and diversity impact assessment. NHS 24 publish all equality and diversity impact assessments at: <https://www.nhs24.scot/get-involved/equality-and-diversity-impact-assessments>

VOLUNTEERING WITH NHS 24

The NHS 24 Public Partnership Forum and the NHS 24 Youth Forum offer people the opportunity to volunteer to be part of its team. NHS 24 volunteers have regular opportunities to share views on the organisation's work and are able to influence strategic thinking to help NHS 24 to focus on what matters most to people.

NHS 24 PUBLIC PARTNERSHIP FORUM

NHS 24's Public Partnership Forum includes a wide range of members of the public who get together to help ensure that its services are designed with the people who use them in mind. The Public Partnership Forum meets formally four times per year, but members are offered involvement in projects throughout the year, as services are being developed.

NHS 24 YOUTH FORUM

NHS 24's Youth Forum offers similar opportunities to get involved as the Public Partnership Forum but it is specifically aimed at young people aged 16 to 26. NHS 24 recognised that young people's views were often under-represented within the organisation and so it established our Youth Forum to help give them a stronger voice.

WHISTLEBLOWING

NHS 24 is committed to the highest possible standards of openness, honesty and accountability. NHS Scotland values are care and compassion; dignity and respect; openness, honesty and responsibility; quality and teamwork. NHS 24 supports and encourages an environment where employees can raise concerns about patient safety and malpractice.

Everyone at NHS 24 has a right and duty to raise any concerns that they may have about the provision of care or services or the management of NHS 24 that are believed would be in the public interest. NHS 24 ensure that staff are able to express their concerns readily through all levels of management and to ensure that such concerns are dealt with thoroughly, fairly and consistently.

In line with the new National Whistleblowing Standards, Ms Elizabeth Mallinson was appointed, in February 2020, as a Non-Executive Board Member with a specific role as NHS 24 Whistleblowing Champion. A paper was taken to the Board in April 2021 to provide assurance that the requirements in relation to the National Whistleblowing Standards, which were implemented on 1 April 2021, were being met.

FRAUD AND FINANCIAL CRIME

NHS 24 is committed to the prevention of bribery and corruption as an important part of maintaining its reputation and the confidence of its stakeholders, particularly patients, the general public, those with whom it conducts business, and its employees.

NHS 24 do not accept bribery and corruption in the conduct of its activities and functions, either within the organisation or in relationships with any external parties. NHS 24 will not work with others who do not share its commitment to preventing bribery and corruption.

NHS 24 employees are expected to act in accordance with the NHS 24 Code of Conduct for staff. This code highlights that staff have a responsibility to report improper conduct including maladministration, fraud or misuse of public funds.

On behalf of the Auditor General for Scotland, Audit Scotland appoints the auditor to audit NHS 24's accounts. They are also responsible for carrying out 'data matching' exercises.

NHS 24 has a designated Fraud Liaison Officer, Mr Jim Martin, who works in partnership with Counter Fraud Services to reduce the risk of fraud and corruption and provides national independent assurance.

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 and Risk Committee.

Information about fraud can be found at: <https://www.nhs24.scot/about-nhs-24/national-fraud-initiative-nfi/?lang=en>

ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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

All designated Major Players (of which NHS 24 is one) are required to submit an annual report to the Sustainable Scotland Network detailing compliance with the climate change duties imposed by the Act and the Amendment order. The information returned by the board is compiled into a national analysis report, published annually, and superseding the prior requirement for public bodies to publish individual sustainability reports.

Further information on the Scottish Government's approach can be found in the Climate Change Plan 2018-2032 while national reports can be found at the following resource: <https://sustainablesotlandnetwork.org/reports>

NHS 24 is committed to operating and developing sustainable practices. As part of the Estate Strategy Business Case a key focus was to procure new sites with good Environmental Performance and ensure that all internal upgrades enhanced the environmental performance of the site and contributed to reductions in emissions. NHS 24 is working with landlords and other NHS health boards to help improve sustainability.

The NHS 24 property portfolio further expanded during 2021/22 to bring on board two new sites in Glasgow and Dundee. These sites were procured with an environmental performance rating of B-C and a number of initiatives across all sites have helped reduce emissions further. NHS 24 continues to undertake Sustainability Assessments and Climate Change Mapping in order to improve sustainability and reduce emissions.

APPROVAL AND SIGNING OF THE PERFORMANCE REPORT

The Accounting Officer authorised these financial statements for issue on 16 June 2022.

Signed Jim Miller

Date 20 June 2022

Jim Miller, Chief Executive

B. THE ACCOUNTABILITY REPORT

1. CORPORATE GOVERNANCE REPORT

a) The Directors' Report

DATE OF ISSUE

The financial statements were approved by the Board on 16 June 2022.

INFORMATION ON THE 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 two years, with an option to extend by one + one years. The first extension was in place with an option to extend for a further year, resulting in the contract running from 12 May 2018 to 11 May 2022. As the second extension was also enacted, this will ensure continuity of service until 11 May 2023 and fit in with the external audit rotation process.

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 2022 and up to the date that the annual accounts were signed were as follows:



BOARD MEMBERSHIP

Chair

Dr Martin Cheyne

Non-Executive Members

Ms Madeline Smith, Vice Chair (Left 31/08/21)
Mr John Glennie (Left 31/03/22)
Mr Michael McCormick
Ms Elizabeth Mallinson
Mr Albert Tait (Left 31/08/21)
Mr Martin Togneri
Mr Alan Webb
Ms Anne Gibson
Mr Kenny Woods, Employee Director
Ms Marieke Dwarshuis (Appointed 01/09/21)
Mr David Howie (Appointed 01/09/21)
Ms Carol Gillie (Appointed 01/09/21)

Executive Directors appointed by the Minister as Board members were:

Mrs Angiolina Foster	Chief Executive (Left 05/04/21)
Mr Jim Miller	Chief Executive (From 05/04/21)
Dr Laura Ryan	Medical Director
Mr John Gebbie	Director of Finance
Mrs Maria Docherty	Director of Nursing and Care

Appointment of new Chief Executive

Mr Jim Miller was appointed Chief Executive of NHS 24 on 5 April 2021.

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 31 March 2022 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
- ◆ 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

Details of any interests of Board members, senior managers and other senior staff in contracts or potential contractors with the health board as required by IAS 24 are disclosed in Note 18.

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: <https://www.nhs24.scot/board-and-committees/nhs-24-board/>

All interests are updated throughout the year.

REMUNERATION FOR NON-AUDIT WORK

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

There was no remuneration for non-audit work carried out by either Azets or Grant Thornton during 2021/22.

PUBLIC SERVICES REFORM (SCOTLAND) ACT 2010

The Public Services Reform (Scotland) Act 2010 was introduced to simplify and streamline the public bodies in Scotland to deliver improved public services and better outcomes for the people of Scotland.

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 to promote openness and accountability, 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.

In accordance with the Public Services Reform (Scotland) Act 2010, NHS 24 publishes the full information as required by the act on the NHS 24 website following the approval of the Directors Report and Accounts.

PERSONAL DATA RELATED INCIDENTS REPORTED TO THE INFORMATION COMMISSIONER

There was one incident reported to the Information Commissioner during 2021/22. They were satisfied with the incident report and opened, recorded and closed the incident report with no further action having 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. Each Director has completed an assurance document to confirm this.

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
- f) Exit packages, if relevant
- g) Analysis of staff costs and numbers.

b) Statement of the Accountable Officers' Responsibilities

Under Section 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accountable Officer (PAO) of the Scottish Government has appointed me as Accountable Officer of 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 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's Financial Reporting Manual have been followed and disclose and explain any material departures
- ◆ 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 the 05/04/2021.

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.

The responsibilities of Accountable Officer being transferred to myself in a Departmental Accountable Officer's letter with effect from 05/04/2021.

PURPOSE OF INTERNAL CONTROL

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

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

The process within the organisation accords with guidance from Scottish Ministers in the Scottish Public Finance Manual (SPFM) and supplementary NHS Guidance, and has been in place for the 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. At the Board meeting held on 24 February 2022, it was agreed the Framework will take account of Active Governance and the revised Blueprint for Good Governance will become available during the summer of 2022.

A review of the 2019 Framework had been undertaken and it did not highlight any material concerns. Therefore, at the February 2022 meeting of the Audit and Risk Committee it had been agreed the current Framework would continue until a review is undertaken later in the year, for presentation at the Board in December 2022.

NHS 24 BOARD

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 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; Mike McCormick, Non-Executive Director and Vice Chair Madeline Smith, Non-Executive Director, Vice Chair (left 31.08.21); Martin Togneri, Non-Executive Director; John Glennie, Non-Executive Director (left 31.03.22); Albert Tait, Non-Executive Director (left 31.08.21); Kenny Woods, Non-Executive Director (Employee Director); Alan Webb, Non-Executive Director; Liz Mallinson, Non-Executive Director and Whistleblowing Champion; Anne Gibson, Non-Executive Director; Marieke Dwarshuis, Non-Executive Director (from 01.09.21); David Howe, Non-Executive Director (from 01.09.21); Carol Gillie, Non-Executive Director (from 01.09.21); Angiolina Foster, Chief Executive (left 05.04.21); Jim Miller, Chief Executive (from 05.04.21); 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 (left August 2021); Jacqui Hepburn, Director of Workforce (from September 2021); Ann Marie Gallacher, Chief Information Officer; Stephanie Phillips, Director of Service Delivery; Paula Speirs, Interim Director of Service Development (left 17.01.22).

Administration

Lead Executive: Jim Miller; Lead Officer: John Gebbie (interim); Minutes: Board Secretary.

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
- 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 to 31.08.21); Martin Togneri, Non-Executive Director (Chair from 01.09.21); John Glennie, Non-Executive Director (to 31.03.22); Albert Tait, Non-Executive Director (to 31.08.21); Anne Gibson, Non-Executive Director; Liz Mallinson, Non-Executive Director (from 01.09.21); Marieke Dwarshuis (from 01.09.21) John McAnaw, Clinical Advisory Group Representative.

Attendees

Dr Martin Cheyne, Board Chair; Angiolina Foster, Chief Executive (to 05.04.21); Jim Miller, Chief Executive (from 05.04.21); Paula Speirs, Director of Service Development (to 14.01.22); Stephanie Phillips, Director of Service Delivery; Jennifer Rodgers, Clinical Lead for Dentistry; Dr Laura Ryan, Medical Director; Martin McGregor, Partnership Forum Nominated Staff Representative; John Gebbie, Director of Finance; Maria Docherty, Executive Director of Nursing and Care; Andrew Moore, Deputy Director of Nursing and Care; Mark Kelly, Head of Clinical Governance and Quality Improvement ; Laura Neil, Lead AHP (from 16.08.21) Kevin McMahon, Head of Risk and Resilience; Janice Houston, Associate Director of Operations and Nursing.

Administration

Lead Executive: Maria Docherty; Lead Officer: Andrew Moore; 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) (until 31.08.21) Carol Gillie, Non-Executive Director (Chair) (from 01.09.21); Martin Togneri, Non-Executive Director; Mike McCormick, Non-Executive Director; Liz Mallinson, Non-Executive Director; David Howe, Non-Executive Director (from 01.09.21), Marieke Dwarshuis, Non-Executive Director (from 01.09.21).

Attendees

Dr Martin Cheyne, Board Chair; Angiolina Foster, Chief Executive (to 05.04.21); Jim Miller, Chief Executive (from 05.04.21); Damien Snedden, Deputy Director of Finance; Dr Laura Ryan, Medical Director; John Gebbie, Director of Finance; Maria Docherty, Director of Nursing and Care; Graham Revie, Partnership Forum Nominated Staff Representative; Grant Thornton, Internal Auditor; Scott Moncrieff, External Auditor; Paula Speirs; Director of Service Development (until 14.01.22); 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) (until 31.03.22); Alan Webb, Non-Executive Director (Chair) (from 01.04.22); Kenny Woods, Non-Executive Director (Vice Chair) (Employee Director); Liz Mallinson, Non-Executive Director; Carol Gillie, Non-Executive Director (from 01.09.21).

Attendees

Dr Martin Cheyne, Board Chair; Angiolina Foster, Chief Executive (to 05.04.21); Jim Miller, Chief Executive (from 05.04.21); Suzy Aspley, Chief Communications Officer; Linda Davidson, Interim Director of Workforce, (until August 2021); Jacqui Hepburn, Director of Workforce (from September 2021); Maria Docherty, Director of Nursing and Care; 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; Marnie Westwood, Head of HR Business Services; Helen Meldrum, Head of OD, Leadership and Learning.

Administration

Lead Executive/Lead Officer: Linda Davidson (until August 2021), Jacqui Hepburn (from September 2021); 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

Liz Mallinson, Non-Executive Director (Chair); Dr Martin Cheyne, Board Chair; Madeline Smith, Non-Executive Director (until 31.08.21); Albert Tait, Non-Executive Director (until 31.08.21); Kenny Woods, Non-Executive Director; Mike McCormick, Non-Executive Director, Alan Webb, Non-Executive Director.

Attendees

Angiolina Foster, Chief Executive (to 05.04.21); Jim Miller, Chief Executive (from 05.04.21); Linda Davidson, Interim Director of Workforce (until August 2021), Jacqui Hepburn, Director of Workforce (from September 2021).

Administration

Lead Executive: Angiolina Foster (until 05.04.21) Jim Miller (from 05.04.21); Lead Officer: Linda Davidson (until August 2021), Jacqui Hepburn, Director of Workforce (from September 2021); 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 (until 31.03.22); Madeline Smith, Non-Executive Director (until 31.08.21); Alan Webb, Non-Executive Director; Anne Gibson, Non-Executive Director; David Howe, Non-Executive Director (from 01.09.21); Martin Togneri, Non-Executive Director (until 31.08.21).



Attendees

Dr Martin Cheyne, Board Chair; Angiolina Foster, Chief Executive; (until 05.04.21); Jim Miller, Chief Executive (from 05.04.21); John Gebbie, Director of Finance; Stephanie Phillips, Director of Service Delivery; Linda Davidson, Interim Director of Workforce (until August 2021); Jacqui Hepburn, Director of Workforce (from September 2021); Annie Robertson, Acting Head of Strategic Planning (until 30.11.21); Damien Snedden, Deputy Director of Finance; Kevin McMahon, Head of Risk and Resilience; Sanny Gibson, Head of Information Governance and Security; Lynne Kane, Facilities Manager; Paula Speirs, Director of Service Development (until 14.01.22); 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/Lead Officer: Paula Speirs, Director of Service Development (until 14.01.22); Steph Phillips, Director of Service Delivery (from 14.01.22), Minutes: Julie Thompson (temporary) (until 31.07.21), Gillian Phillips (from 01.08.21 – 05.10.21) Tracy McMillan (from 05.10.21) (interim).

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 (until 31.03.22); Alan Webb, Non-Executive Director; Madeline Smith, Non-Executive Director (until 31.08.21); Mike McCormick, Non-Executive Director; Albert Tait, Non-Executive Director (until 31.08.21), Martin Togneri, Non-Executive Director; Carol Gillie, Non-Executive Director (from 01.09.21).

Attendees

Angiolina Foster, Chief Executive; (until 05.04.21); Jim Miller, Chief Executive (from 05.04.21); Paula Speirs, Director of Service Development (until 14.01.22); John Gebbie, Director of Finance (Interim Exec Lead from 14.01.22).

Administration

Lead Executive: Angiolina Foster (until 05.04.21); Jim Miller (from 05.04.21); Minutes: Yvonne Kerr (until June 2021); Gillian Phillips (until October 2021); Tracy McMillan (until April 2022).

Quorum

Three Non-Executive Members.

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.

OPERATION OF THE BOARD

NHS 24's purpose is "Helping to deliver a healthier Scotland by connecting people to health and care advice, information and support – 24/7". Continuing to support a healthier Scotland will continue to be at the heart of what we do.

NHS 24 is refreshing its organisational strategy, having initiated this work in 2020/21 as part of the planned strategy refresh. During the second half of 2021, work commenced to underpin the strategy by undertaking a horizon scanning exercise and by gathering views of stakeholders, including NHS 24 staff. NHS 24 is committed to involving people from different backgrounds and with different experiences, in the design, development and improvement of our services and information on how to get involved can be found on the NHS 24 intranet and NHS 24 website.

<https://www.nhs24.scot/get-involved/>

The NHS 24 Board reviews the Standing Orders which include the Code of Conduct that the Board members must comply with, the Standing Financial Instructions and the scheme of delegation. These documents are the focus of the Board's annual review of governance arrangements.

The Board of NHS 24 is supported by its statutory and standing committees to provide assurance to the organisation through review and challenge of activities and practices across the organisation to ensure it meets its objectives and offers best value. The committees report highlights to the NHS 24 Board on a quarterly basis and the approved minutes for each committee is published as part of the wider NHS 24 Board Papers.

The Board receives regular Financial Performance Reports from The Director of Finance at its meetings, to update on progress of NHS 24 on meeting its financial targets and delivering best value as measured against the Board's approved Financial Plan. The robust processes in place for setting budgets and monitoring performance ensure that NHS 24 resources are used efficiently and effectively.

As part of its regular reporting the Board receives a Corporate Performance Report from the Director of Service Development. This provides assurance on the quality and performance of services as part of the NHS 24 performance framework which is agreed by Scottish Government.

The Board also receives regular Workforce Performance Report from the Director of Workforce relating to workforce matters and other directors on matters relevant to their areas of responsibility.

NHS 24 is committed to the highest possible standards of openness, honesty and accountability. NHS Scotland values are care and compassion; dignity and respect; openness, honesty and responsibility; quality and teamwork. NHS 24 supports and encourages an environment where employees can raise concerns about patient safety and malpractice through the National Whistleblowing Standards. The Standards are applicable across all NHS services. A paper was taken to the Board in April 2021 to provide assurance that the requirements in relation to the National Whistleblowing Standards, which were implemented on 1 April 2021, were being met.

Everyone at NHS 24 has a right and duty to raise any concerns that they may have about the provision of care or services or the management of NHS 24 that are believed would be in the public interest. NHS 24 ensure that staff are able to express their concerns readily through all levels of management and to ensure that such concerns are dealt with thoroughly, fairly and consistently.

In line with the new National Whistleblowing Standards, Ms Elizabeth Mallinson was appointed, in February 2020, as a Non-Executive Board Member with a specific role as NHS 24 Whistleblowing Champion.

As a public body NHS 24 is committed to achieving Best Value in the delivery of our services. 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. This is supported via the Change Programme and the EMT.

ASSESSMENT OF CORPORATE GOVERNANCE

COVID-19 Governance

During 2021/22, the COVID-19 Incident Management Team (IMT) continued to meet on a regular basis, its frequency was dictated by the acuity of COVID-19 variants and the prevalence of these variants in the Community.

The IMT undertook regular reporting and escalation of key issues and risks to the EMT and COVID-19 updates were provided to the NHS 24 Board. This was achieved through dynamic risk assessment, planning and review.

In addition, an action log is kept, acting as an audit trail for all decisions made through the IMT. On-going planning and co-ordination of the group was supported through planners and action logs.

Following the success of the group, NHS 24 was keen that the close cross-directorate working developed over the period of the pandemic continued and to support that, the IMT transitioned into a Senior Management Team (SMT) following the decommissioning of the COVID-19 Pathway on 31 March 2022.

Work is on-going to further develop the roles and responsibilities within this Group, however, the governance will remain the same with regular reporting and escalation of key issues and risks to the EMT.

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 and 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

At the start of the 2021/22 financial year, the Information Governance and Security report for 2020-21 was presented to the Audit and Risk Committee and the Planning and Performance Committee as per governance arrangements, noting that there were no direct financial implications from the report.

The report provides an overview of the key areas of activity for the period 2020/21 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 significant increase in both Data Subject Access and Freedom of Information requests; and automatic archival to the National Records of Scotland of the NHS 24 website.

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 and the attempted break-in to a centre, these were reported to Police Scotland with one court case pending
- Two issues relating to process, which were deemed to be reportable incidents and reported to the Information Commissioner's Office who were satisfied and had no further action
- One issue relating to misconfiguration which was deemed to be a reportable incident and reported to the Information Commissioner's Office who were satisfied and had no further action
- One technical issue which resulted in a level of contingency being invoked which was deemed to be a reportable incident and reported to the Scottish Health Competent Authority who were satisfied and had no further action.

2021/22 continued to see an increase in FOI and subject access requests and significant improvements were made to cyber security as part of the Connect programme. These will be detailed in the 2021/22 report presented to the Committees and NHS 24 Board as part of NHS 24's governance framework in 2022/23.

RISK AND INTERNAL CONTROL FRAMEWORK

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.

NHS 24 has a well-established enterprise risk management framework that has operated effectively to identify and manage the threats, risks, and opportunities during an unprecedented and challenging period for NHS Scotland as a whole. By maintaining and enhancing the organisation's risk management arrangements, reporting corporate risk information at each Board and sub-committee, has provided robust risk management information to support key decision making.

This has played a key role in the response to the COVID-19 pandemic, as well as supporting the implementation of new services, estates sites and technology. Key risks relating to workforce, technology, finance and operations remain a feature of the risk profile. With a number of steps taken to mitigate against these risks with the Connect programme, Estates programme, and SMT in place to monitor progress closely.

At a strategic level the Board undertook a strategic risk workshop session in May 2021 that considered NHS 24 strategic objectives, NHS 24 risk appetite and the wider health and social care landscape. This has continued to be developed in line with strategic planning processes as NHS 24 work towards a revised strategy.

The role of the Audit and Risk Committee with regard to risk has remained unchanged during 2021/22 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 Committee meetings, to provide additional assurance.

INTERNAL AUDIT

NHS 24's Internal Auditors submit regular reports to the Audit and Risk Committee. Each year the Chief Internal Auditor also submits an independent opinion on the adequacy and effectiveness of NHS 24's system of internal control, together with recommendations for any improvements.

In accordance with the Internal Audit Plan for 2021/22, agreed by the Audit and Risk Committee, the Internal Auditors carried out a review of the systems in place to provide assurances about the internal controls operating within NHS 24.

These included:

- Recruitment
- Staff Wellbeing
- IT Contract Management
- Risk Management
- Financial Controls/ Fraud
- Staff Rostering
- Attendance Management.

The Audit and Risk Committee reviewed the Internal Audit Annual Report in June 2021 noting that the overall opinion for 2020/21 was that reasonable assurance can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The Internal Auditors reported against progress in implementing internal audit actions six monthly within the internal audit progress paper. As part of this process the Internal Auditors validate all recommendations to ensure they are sufficiently implemented and can be closed. Internal Audit have recognised that NHS 24 had to take difficult operational decisions during the pandemic. Areas that were scaled back during the pandemic are now being restarted and relaunched for 2022/23, with improvements in the control environment being recognised as financial year 2022/23 begins.

EXTERNAL AUDIT

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. Audit Scotland submitted regular reports to the Audit and Risk Committee. I

have received these reports and have ensured that we have acted on any matters raised.

DISCLOSURES

As set out above, a comprehensive programme of work was undertaken by Internal Audit and External Audit. During the financial year, no significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards for good governance, risk management and control.

NHS 24 ANNUAL REPORT AND ACCOUNTS 2020/21

On 17 June 2021, the NHS 24 Board received the papers which were presented to enable the Board to discharge its statutory responsibilities in respect of the Annual Accounts for 2020/21. It was noted that the statements and accompanying assurance reports had been previously considered and recommended for submission to the Board by the Audit and Risk Committee.

The Chair of the Audit and Risk Committee confirmed that it provided formal assurance to the NHS 24 Board from the Audit and Risk Committee that the Annual Report and Accounts for 2020/21 had been fully and comprehensively reviewed.

The NHS Board approved the Annual Report and Accounts for 2020/21 and authorised the Chief Executive and Director of Finance to sign the Financial Statements and Letter of Representation on its behalf.

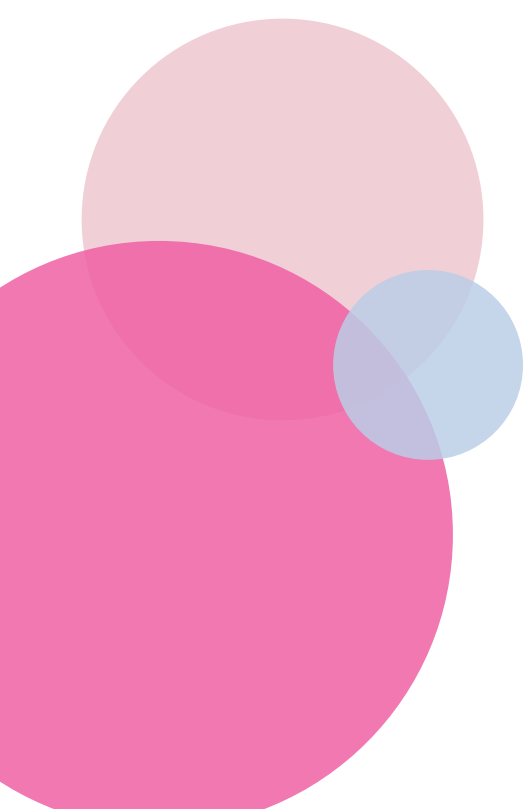
REVIEW OF ADEQUACY AND EFFECTIVENESS

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
- 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 Remobilisation Plan 2021/22.

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.



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).

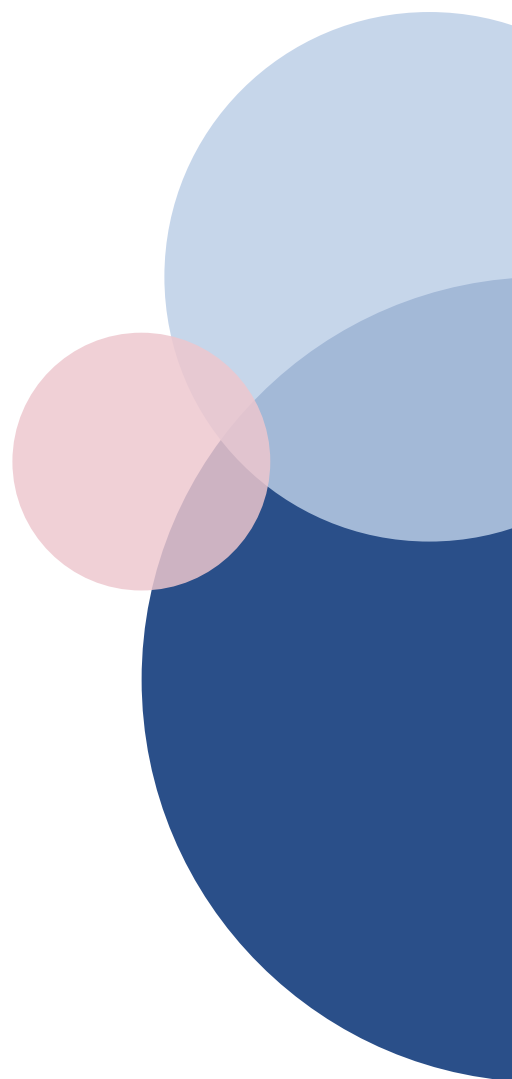
The Committee meets as required, with at least two meetings per year.

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 is 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 2022

NAME	GROSS SALARY (BANDS OF £5,000) £'000	BONUS PAYMENTS (BANDS OF £5,000) £'000	BENEFITS IN KIND £'000	TOTAL EARNINGS IN YEAR (BANDS OF £5,000) £'000	PENSION BENEFITS £'000	TOTAL REMUNERATION IN YEAR (BANDS OF £5,000) £'000
EXECUTIVE DIRECTORS						
Mr James Miller, Chief Executive (Note 1)	125 - 130	0 - 5	-	125 - 130	38.1	165 - 170
Mrs Angiolina Foster, Chief Executive (Note 2) Full year equivalent	15 - 20 145 - 150	0 - 5 0 - 5	-	15 - 20 145 - 150	9.1	25 - 30
Mrs Maria Docherty, Director of Nursing and Care	100 - 105	0 - 5	-	100 - 105	45.1	145 - 150
Mr John Gebbie, Director of Finance	100 - 105	0 - 5	-	100 - 105	54.1	155 - 160
Dr Laura Ryan, Medical Director	165 - 170	0 - 5	-	165 - 170	78.5	245 - 250
NON EXECUTIVE DIRECTORS						
Dr Martin Cheyne Chair	30 - 35	0 - 5	-	30 - 35	-	30 - 35
Ms Madeline Smith, Vice Chair (Note 3) Full Year Equivalent	0 - 5 5 - 10	0 - 5 0 - 5	-	0 - 5 5 - 10	-	0 - 5 5 - 10
Ms Marieke Dwarshuis (Note 4) Full Year Equivalent	5 - 10 5 - 10	0 - 5 0 - 5	-	5 - 10 5 - 10	-	5 - 10 5 - 10
Mr John Glennie	5 - 10	0 - 5	-	5 - 10	-	5 - 10
Mr Michael McCormick	5 - 10	0 - 5	-	5 - 10	-	5 - 10
Ms Elizabeth Mallinson	5 - 10	0 - 5	-	5 - 10	-	5 - 10
Ms Carol Gillie (Note 5) Full Year Equivalent	5 - 10 5 - 10	0 - 5 0 - 5	- -	5 - 10 5 - 10	- -	5 - 10 5 - 10
Mr Kenneth Woods Employee Director (Note 6)	35 - 40	0 - 5	-	35 - 40	31.4	65 - 70
Mr Albert Tait OBE (Note 7) Full Year Equivalent	0 - 5 5 - 10	0 - 5 0 - 5	- -	0 - 5 5 - 10	- -	0 - 5 5 - 10
Mr David Howie (Note 8) Full Year Equivalent	5 - 10 5 - 10	0 - 5 0 - 5	- -	5 - 10 5 - 10	- -	5 - 10 5 - 10
Mr Martin Togneri	5 - 10	0 - 5	-	5 - 10	-	5 - 10
Mr Alan Webb	5 - 10	0 - 5	-	5 - 10	-	5 - 10
Ms Anne Gibson	5 - 10	0 - 5	-	5 - 10	-	5 - 10
Total	-	-	-	-	256.3	-

NOTE 1

Mr James Miller joined the NHS 24 Board as Chief Executive on 5th April 2021.

NOTE 2

Mrs Angiolina Foster resigned as Chief Executive on 5th April 2021, but remained in NHS 24 in an advisory role until 14th May 2021. The information contained in the table include the period to 14th May 2021.

NOTE 3

Ms Madeline Smith left the position of Non Executive Director on 31st August 2021.

NOTE 4

Ms Marieke Dwarshuis took up the position of Non Executive Director on 1st September 2021.

NOTE 5

Ms Carol Gillie took up the position of Non Executive Director on 1st September 2021.

NOTE 6

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 £5,000 - £10,000.

NOTE 7

Mr Albert Tait OBE left the position of Non Executive Director on 31st August 2021.

NOTE 8

Mr David Howe took up the position of Non Executive Director on 1st September 2021.

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 IN YEAR (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 and 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 (Appointed 01/01/20) Full year equivalent	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	5 - 10	-	5 - 10	-	5 - 10
Total	-	-	-	235.3	-

NOTE 1

Mrs Maria Docherty was appointed as Director of Nursing and 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 and 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 £0 - £5,000. 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 £0 - £5,000. He was appointed the Employee Director post on 1st October 2020. The table reflects the costs from 1st October 2020.

BOARD MEMBERS' AND SENIOR EMPLOYEES' REMUNERATION – PENSION VALUES

FOR THE YEAR ENDED 31st MARCH 2022

NAME	ACRUED PENSION AT AGE 60 AS AT 31 MARCH 2022 (BANDS OF £5,000) £'000	ACRUED LUMP SUM AT AGE 65 AS AT 31 MARCH 2022 (BANDS OF £5,000) £'000	REAL INCREASE IN PENSION AT AGE 60 (BANDS OF £2,500) £'000	REAL INCREASE IN LUMP SUM AT AGE 65 AT 31 MARCH 2022 (BANDS OF £2,500) £'000	CASH EQUIVALENT TRANSFER VALUE (CETV) AT 31 MARCH 2021 £'000	CASH EQUIVALENT TRANSFER VALUE (CETV) AT 31 MARCH 2022 £'000	REAL INCREASE IN CETV IN YEAR (NOTE 1) £'000
EXECUTIVE DIRECTORS							
Mr James Miller, Chief Executive (Note 3)	25 - 30	40 - 45	2.5 - 5.0	0 - 2.5	480	531	51
Mrs Angiolina Foster CBE, Chief Executive (Note 4)	25 - 30	0 - 5	0 - 2.5	0 - 2.5	384	401	18
Mrs Maria Docherty, Director of Nursing and Care	25 - 30	50 - 55	2.5 - 5.0	0 - 2.5	486	541	55
Mr John Gebbie, Director of Finance (Note 4)	35 - 40	75 - 80	2.5 - 5.0	2.5 - 5.0	560	619	59
Dr Laura Ryan, Medical Director	25 - 30	25 - 30	5.0 - 7.5	2.5 - 5.0	323	396	73
NON EXECUTIVE DIRECTORS (NOTE 2)							
Mr Kenneth Woods Employee Director	5 - 10	10 - 15	0 - 2.5	2.5 - 5.0	106	136	30
Total							286

NOTE 1

There may be some differences between the closing prior year CETV figure and the opening current year CETV figure, due to changes in actuarial assumptions. 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

Mr James Miller joined NHS 24 on April 5th 2021. The estimated pension cash equivalent transfer value (CETV) on appointment was £480,000.

NOTE 4

Mrs Angiolina Foster resigned as Chief Executive on 5th April 2021, but remained in NHS 24 in an advisory role until 14th May 2021. The information contained in the table include the period to 14th May 2021.

BOARD MEMBERS' AND SENIOR EMPLOYEES' REMUNERATION – PENSION VALUES

FOR THE YEAR ENDED 31st MARCH 2021

NAME	ACRUED PENSION AT AGE 60 AS AT 31 MARCH 2021 (BANDS OF £5,000) £'000	ACRUED LUMP SUM AT AGE 65 AS AT 31 MARCH 2021 (BANDS OF £5,000) £'000	REAL INCREASE IN PENSION AT AGE 60 (BANDS OF £2,500) £'000	REAL INCREASE IN LUMP SUM AT AGE 65 AT 31 MARCH 2021 (BANDS OF £2,500) £'000	CASH EQUIVALENT TRANSFER VALUE (CETV) AT 31 MARCH 2020 £'000	CASH EQUIVALENT TRANSFER VALUE (CETV) AT 31 MARCH 2021 £'000	REAL INCREASE IN CETV IN YEAR (NOTE 1) £'000
EXECUTIVE DIRECTORS							
Mrs Angiolina Foster CBE, Chief Executive	20 - 25	-	2.5 - 5.0	-	322	379	57
Mrs Maria Docherty, Director of Nursing and 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.

2021/22		2020/21		% CHANGE
Range of staff remuneration	9 - 167	Range of staff remuneration	9 - 154	9
Highest Earning Director's Total Remuneration (£000s)	165 - 170	Highest Earning Director's Total Remuneration (£000s)	150 - 155	10
Median Total Remuneration	31,642	Median Total Remuneration	29,966	6
Ratio	5.29	Ratio	5.13	3
25th Percentile				
Median Total Remuneration	27,565	Median Total Remuneration	25,963	6
Ratio	6.07	Ratio	5.92	3
75th Percentile				
Median Total Remuneration	42,384	Median Total Remuneration	39,824	6
Ratio	3.95	Ratio	3.86	2
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

2021 NUMBER	OTHER EMPLOYEES WHOSE REMUNERATION FELL WITHIN THE FOLLOWING RANGES CLINICIANS	2022 NUMBER
10	£70,001 TO £80,000	7
1	£80,001 TO £90,000	7
2	£90,001 TO £100,000	2
0	£100,001 TO £110,000	1
1	£110,001 TO £120,000	0
0	£120,001 TO £130,000	0
1	£130,001 TO £140,000	0
0	£140,001 TO £150,000	0
1	£150,001 TO £160,000	1
0	£160,001 TO £170,000	1
0	£170,001 TO £180,000	0
0	£180,001 TO £190,000	0

2021 NUMBER	OTHERS	2022 NUMBER
4	£70,001 TO £80,000	4
2	£80,001 TO £90,000	1
5	£90,001 TO £100,000	4
2	£100,001 TO £110,000	3
1	£110,001 TO £120,000	1
0	£120,001 TO £130,000	1
0	£130,001 TO £140,000	0
0	£140,001 TO £150,000	0
1	£150,001 TO £160,000	0

b) Staff Numbers and Expenditure

STAFF COSTS	EXEC BOARD MEMBERS	NON-EXECUTIVE MEMBERS	PERMANENT STAFF	INWARD SECONDEES	OTHER	OUTWARD SECONDEES	2022 TOTAL	2021 TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and Wages	505	145	55,207	0	0	(879)	54,978	51,492
Social Security Costs	65	7	5,471	0	0	(105)	5,438	4,734
NHS Scheme employers' costs	106	7	9,794	0	0	(175)	9,732	8,392
Other Emprs Pens Scheme	0	0	36	0	0		36	38
Inward Secondees	17	0	0	508	0		525	440
Agency Staff	0	0	0	0	1,030		1,030	422
Total	693	159	70,508	508	1,030	(1,159)	71,739	65,518

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	11	1,383	5	9	(12)	1,400	1,289
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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:

138 150

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

NIL NIL

Reconciliation to income and expenditure

Total employee expenditure as above	£'000 71,739	From staff report disclosure
Add: employee income included in Note 4	1,159	From Note 4; secondees income
Total employee expenditure disclosed in Note 3	<u>72,898</u>	

c) Staff Composition

	2022				2021			
	Male	Female	Prefer not to say	Total	Male	Female	Prefer not to say	Total
Executive Directors	2	2	0	4	1	3	0	4
Non-Executive Directors and Employee Director	7	4	0	11	7	3	0	10
Senior Employees	12	17	0	29	8	20	0	28
Other	408	1,461	0	1,869	367	1,436	0	1,803
Total Headcount	429	1,484	0	1,913	383	1,462	0	1,845

d) Sickness Absence Data

	2022	2021
Sickness Absence Rate	8.41%	7.19%

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 bulletin Team Talk, 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 no exit packages during 2021/22 (2020/21 - 3).

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	2022 £000
Losses	3	126

In the year to 31 March 2022, the following balances in excess of £250,000 were written off:

REFERENCE	DESCRIPTION	2022 £000
CNORIS	Total claims paid under the CNORIS scheme	0

In 2021/22, the Board was required to pay out £0 in respect of claims greater than £250,000 settled under the CNORIS scheme (2020/21: £0). 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 16 June 2022.

Signed Jim Miller
Jim Miller, Chief Executive

20 June 2022
Date

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 2022 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Government Financial Reporting Manual (the 2021/22 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 affairs of the Board as at 31 March 2022 and of its net expenditure for the year then ended
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted by the 2021/22 FReM
- 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 2011. The period of total uninterrupted appointment is 11 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 ability of the Board to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

Risks of material misstatement

We report in our Annual Audit Report, the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

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

In preparing the financial statements, the Accountable Officer is responsible for assessing the ability of the Board to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the Board's operations.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the 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
- 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 in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

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.

Other information

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

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

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

Opinions prescribed by the Auditor General for Scotland on 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
- 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.

David Eardley (for and on behalf of Azets Audit Services)
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

21 June 2022
Date.....

David Eardley

NHS 24

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

FOR THE YEAR ENDED 31st MARCH 2022

2021 £'000		NOTE	2022 £'000
66,663	Staff costs	3a	72,898
	Other operating expenditure	3b	
	Drugs and Medical Supplies		35
19,037	Major Programmes and Technology		18,220
7,054	Property and Administration		10,241
131	Other health care expenditure		305
<u>92,885</u>	Gross expenditure for the year		<u>101,699</u>
(1,294)	Less operating income	4	(1,256)
<u>91,591</u>	Net Expenditure for the year		<u>100,443</u>
<u>91,591</u>	Comprehensive Net Expenditure		<u>100,443</u>

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

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

NHS 24
STATEMENT OF FINANCIAL POSITION
AS AT 31st MARCH 2022

2021 £'000		NOTE	2022 £'000
	Non-current assets:		
2,600	Property, plant and equipment	7a	5,249
41	Intangible assets	6	27
<u>2,641</u>	Total non-current assets		<u>5,276</u>
	Current assets:		
2,909	Trade and other receivables	8	3,723
127	Cash and cash equivalents	9	454
<u>3,036</u>	Total current assets		<u>4,177</u>
<u>5,677</u>	Total assets		<u>9,453</u>
	Current liabilities:		
(813)	Provisions	11a	(1,137)
	Financial Liabilities:		
(8,705)	Trade and other payables	10	(13,124)
<u>(9,518)</u>	Total current liabilities		<u>(14,261)</u>
<u>(3,841)</u>	Non-current assets less net current liabilities		<u>(4,808)</u>
	Non-current liabilities:		
(1,540)	Provisions	11a	(2,692)
<u>(1,540)</u>	Total non-current liabilities		<u>(2,692)</u>
<u>(5,381)</u>	Assets less liabilities		<u>(7,500)</u>
	Taxpayers' Equity		
(5,382)	General Fund	SoCTE	(7,501)
1	Revaluation reserve	SoCTE	1
<u>(5,381)</u>	Total taxpayers' equity		<u>(7,500)</u>

Adopted by the Board on 16th June 2022

John Giblin Director of Finance 20 June 2022

Jim Miller Chief Executive 20 June 2022

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 2022

2021 £'000		NOTE	2022 £'000	2022 £'000
	Cash flows from operating activities			
(91,591)	Net Expenditure	2b	(100,443)	
263	Adjustments for non-cash transactions	2c	586	
1	Add back: interest payable recognised in net operating cost		0	
923	Movement in working capital	2d	4,471	
<u>(90,404)</u>	Net cash outflow from operating activities			<u>(95,386)</u>
	Cash flows from investing activities			
(1,490)	Purchase of property, plant and equipment		(2,938)	
	Proceeds of disposal of property, plant and equipment			
<u>(1,490)</u>	Net cash outflow from investing activities			<u>(2,938)</u>
	Cash flows from financing activities			
91,895	Funding		98,324	
(2,364)	Movement in general fund working capital	SoCTE	327	
<u>89,531</u>	Cash drawn down	SoCTE	98,651	
(1)	Interest paid		0	
<u>89,530</u>	Net Financing			<u>98,651</u>
(2,364)	Net (decrease)/ increase in cash and cash equivalents in the period			327
2,491	Cash and cash equivalents at the beginning of the period			127
<u>127</u>	Cash and cash equivalents at end of the period			<u>454</u>
	Reconciliation of net cash flow to movement in net debt/cash			
(2,364)	(Decrease) / increase in cash in year			327
2,491	Net cash at 1 April			127
<u>127</u>	Net cash at 31 March			<u>454</u>

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 2022

	NOTE	GENERAL FUND £'000	REVALTN RESERVE £'000	TOTAL RESERVES £'000
Balance as at 1 April 2021		(5,382)	1	(5,381)
Changes in taxpayers' equity for 2021/22				
Net operating cost for the year	CFS	(100,443)	0	(100,443)
Total recognised income and expense for 2021/22		(100,433)	0	(100,433)
Funding:				
Drawn down		98,651	0	98,651
Movement in General Fund working capital		(327)	0	(327)
Balance at 31 March 2022		(7,501)	1	(7,500)

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.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

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 United Kingdom, 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 2022. 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 following figures represent existing leases as at 31 March 2022. The standard is expected to increase total expenditure by £0.037million. Right-of-use assets totalling £11.786 million will be brought onto the Statement of Financial Position, with an associated lease liability of £11.786 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 noncurrent 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.

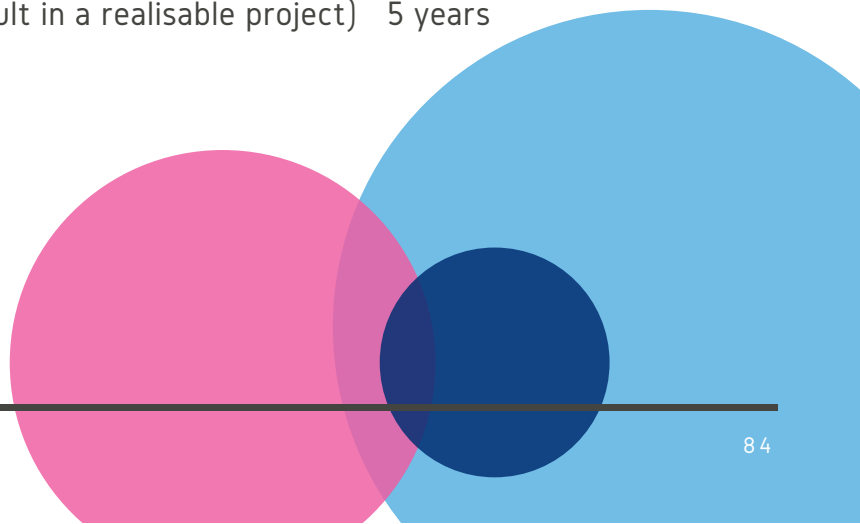
2) Buildings, installations and fittings are depreciated on current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.

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
- 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.

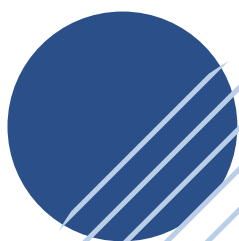
Revaluation and impairment:

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 SGH&SCD. 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 SGH&SCD.

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
- 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 retranslation 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 2022 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.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

2a. Summary of Resource Outturn (SORO)

NOTE 2

	NOTE	2022 £'000	2022 £'000
SUMMARY OF CORE REVENUE RESOURCE OUTTURN			
Net Expenditure	SoCNE		100,443
Total Non-core Expenditure (see below)			(1,593)
Total Core Expenditure			98,850
Core Revenue Resource Limit			98,953
Saving (excess) against Core Revenue Resource Limit			<u>103</u>
SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN			
Depreciation/ Amortisation		426	
Annually Managed Expenditure - Creation of Provisions		<u>1,167</u>	
Total Non-Core Expenditure			1,593
Non-Core Revenue Resource Limit			1,593
Saving/ (excess) against Non-Core Revenue Resource Limit			<u>0</u>
SUMMARY RESOURCE OUTTURN			
	Resource Expenditure		Saving/ (Excess)
	£'000	£'000	£'000
Core	98,953	98,850	103
Non-core	1,593	1,593	0
Total	<u>100,546</u>	<u>100,443</u>	<u>103</u>

NOTES TO THE CASH FLOW STATEMENT

2b. Adjustments for non-cash transactions

2021 £'000		NOTE	2022 £'000
	Expenditure not paid in cash		
251	Depreciation	7a	413
12	Amortisation	6	14
0	Write down of assets under construction		159
<u>263</u>	Total Expenditure not paid in cash	CFS	<u>586</u>

2c. Interest payable recognised in operating expenditure

	Interest payable		
1	Bank and other interest payable		0
<u>1</u>	Total	CFS	<u>0</u>



NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

2d. Movements in working capital

2021 NET MOVEMENT £'000		NOTE	OPENING BALANCES £'000	CLOSING BALANCES £'000	2022 NET MOVEMENT £'000
TRADE AND OTHER RECEIVABLES					
(165)	Due within one year	8	2,909	3,723	
			2,909	3,723	
<u>(165)</u>	Net Decrease/ (Increase)				<u>(814)</u>
TRADE AND OTHER PAYABLES					
(1,513)	Due within one year	10	8,705	13,124	
253	Less: Capital included in above		(109)	(392)	
2,364	Less: General Fund Payable included in above	10	(127)	(454)	
			8,469	12,278	
<u>1,104</u>					<u>3,809</u>
PROVISIONS					
(17)	Balance Sheet	11	2,353	3,829	
<u>(17)</u>	Net Decrease/ (Increase)				<u>1,476</u>
<u>923</u>	NET MOVEMENT (DECREASE)/INCREASE	CFS			<u>4,471</u>

OPERATING EXPENSES

3a. Staff costs

NOTE 3

2021 £'000		2022 £'000
793	Medical and Dental	878
24,188	Nursing	25,939
41,682	Other Staff	46,081
<u>66,663</u>	Total	SoCNE <u>72,898</u>

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

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
	Drug and Medical Supplies	
0	PPE and testing kits	35
0	Total	35
	Major Programmes and Technology	
5,796	Organisational Improvement/ Strategic Transformation Programme	3,605
10	SCTT and European Programmes	0
9,239	Software Developments, Licences and Maintenance	11,293
3,902	Telecommunications	3,322
<u>19,037</u>	Total	<u>18,220</u>
	Property and Administration	
4,595	Property Running Costs	7,012
263	Depreciation and Amortisation	426
2,196	Other administration costs	2,803
0	Compensation payments	0
<u>7,054</u>	Total	<u>10,241</u>
	Other health care expenditure	
75	Goods and services from other NHS Scotland bodies	89
0	Loss on disposal	159
56	External auditor's remuneration - statutory audit fee	57
<u>131</u>		<u>305</u>
<u>26,222</u>	Total Other Operating Expenditure	<u>28,801</u>

In 2021/22 NHS 24 shared two Board members with the Scottish Ambulance Service for part of the year:

Mr Martin Togneri - left Scottish Ambulance Service Board on 31/12/21

Ms Madeline Smith - left NHS 24 on 31/08/21

For transparency, of the £3.279 million expenditure with other NHS Scotland bodies in 2021/22, £0.104 million, was with the Scottish Ambulance Service. Declarations of interests are made at the start of every Board and committee meeting.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

OPERATING INCOME

NOTE 4

2021 £'000		2022 £'000
589	SGD & SCD	564
1,304	NHS Scotland bodies	1,245
(35)	Contributions in respect of Clinical/ Medical Negligence Claims	400
	Non-NHS	
(564)	Other	(953)
1,294	Total income	1,256

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	2022 £'000
Net operating cost	67,888	32,555	100,443

PRIOR YEAR

	CLINICAL £'000	CORPORATE £'000	2021 £'000
Net operating cost	62,566	29,025	91,591

INTANGIBLE ASSETS

FOR THE YEAR ENDED 31st MARCH 2022

NOTE 6

	NOTE	SOFTWARE LICENCES £'000	INFORMATION TECHNOLOGY SOFTWARE £'000	ASSETS UNDER CONSTRUCTION £'000	TOTAL £'000
Cost or valuation - at 1 April 2021		13	1,031	0	1,044
Additions		(7)	7	0	0
Disposals		(6)	(229)	0	(235)
As at 31 March 2022		0	809	0	809
Amortisation					
As at 1 April 2021		6	997	0	1,003
Provided during the year		0	14	0	14
Disposals		(6)	(229)	0	(235)
As at 31 March 2022		0	782	0	782
Net Book Value at 1st April 2021		7	34	0	41
Net Book Value at 31st March 2022	SoFP	0	27	0	27

PRIOR YEAR	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 2022		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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

PROPERTY, PLANT AND EQUIPMENT

NOTE 7a

	NOTE	PLANT AND MACHINERY £'000	INFORMATION TECHNOLOGY £'000	FURNITURE AND FITTINGS £'000	ASSETS UNDER CONSTRUCTION £'000	TOTAL £'000
Cost or valuation - at 1 April 2021		1,657	1,094	4,700	291	7,742
Additions		0	0	2,591	630	3,221
Completions		0	0	0	(74)	0
Transfers		0	0	0	0	0
Disposals		(84)	(592)	(2,447)	0	(3,123)
As at 31 March 2022		1,573	502	4,918	847	7,840
Depreciation						
As at 1 April 2021		633	1,062	3,447	0	5,142
Provided during the year		166	19	228	0	413
Disposals		(59)	(592)	(2,313)	0	(2,964)
As at 31 March 2022		740	489	1,362	0	2,591
Net Book Value at 1st April 2021		1,024	32	1,253	291	2,600
Net Book Value at 31st March 2022		833	13	3,556	847	5,249
Asset Financing:						
Owned		833	13	3,556	847	5,249
Net Book Value at 31st March 2022		833	13	3,556	847	5,249

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.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

PRIOR YEAR

	NOTE	PLANT AND MACHINERY £'000	INFORMATION TECHNOLOGY £'000	FURNITURE AND 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

PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

NOTE 7b

2021 £'000		NOTE	2022 £'000
	Net book value of tangible assets at 31 March		
2,600	Purchased		5,249
<u>2,600</u>	Total	SoFP	<u>5,249</u>

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

2021 £'000		NOTE	2022 £'000
	Expenditure		
1,236	Acquisition of Property, plant and equipment	7a	3,221
<u>1,236</u>	Gross Capital Expenditure		<u>3,221</u>
	Income		
0	Net book value of disposal of intangible assets		0
0	Net book value of disposal of property, plant and equipment		159
<u>1,236</u>	Net Capital Expenditure		<u>3,062</u>
	Summary of Capital Resource Outturn		
1,236	Core capital expenditure included above		3,062
1,236	Core Capital Resource Limit		3,062
<u>0</u>	Saving /(excess) against Core Capital Resource Limit		<u>0</u>
1,236	Total capital expenditure		3,062
1,236	Total Capital Resource Limit		3,062
<u>0</u>	Saving /(excess) against Total Capital Resource Limit		<u>0</u>

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

TRADE AND OTHER RECEIVABLES

NOTE 8

2021 £'000		NOTE	2022 £'000
	Receivables due within one year		
	NHS Scotland		
0	- SGH&SCD		0
176	- Boards		833
<u>176</u>	Total NHS Scotland Receivables		<u>833</u>
1,050	VAT Recoverable		358
1,148	Prepayments		1,442
15	Accrued Income		20
205	Other Receivables		355
315	Reimbursement of Provisions		715
<u>2,909</u>	Total Receivables due within one year		<u>3,723</u>
<u>2,909</u>	Total Receivables	SoFP	<u>3,723</u>
<u>0</u>	The total receivables figure above includes a provision for bad debts of:		<u>0</u>
	WGA Classification		
176	NHS Scotland		833
1,050	Central Government bodies		358
0	Whole of Government bodies		
1,683	Balances with bodies external to Government		2,532
<u>2,909</u>	Total		<u>3,723</u>

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2022

TRADE AND OTHER RECEIVABLES

NOTE 8

£'000		NOTE	£'000
	Movements on the provision for impairment of receivables are as follows:		
0	At 1 April		0
0	Receivables written off during the year as uncollectable		0
<u>0</u>	At 31 March		<u>0</u>

As of 31 March 2022, receivables with a carrying value of £NIL (2021: £NIL) were impaired and provided for. The amount of the provision was £NIL (2021:£NIL). The ageing of these receivables is as follows:

2021 £'000		2022 £'000
0	Over six months past due	0
<u>0</u>		<u>0</u>

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 £0 (2021: £0) were past their due date but not impaired. The aging of receivables which are past due but not impaired is as follows:

2021 £'000		2022 £'000
0	Up to three months past due	0
0	Three to six months past due	0
0	Over six months past due	0
<u>0</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;

2021 £'000		2022 £'000
	Counterparties with external credit ratings	
0	Existing customers with no defaults in the past	0
0	Total neither past due or impaired	0

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.

2021 £'000		2022 £'000
	The carrying amount of receivables are dominated in the following currencies	
2,909	Great British Pounds	3,723
2,909		3,723

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

CASH AND CASH EQUIVALENTS

NOTE 9

	NOTE	2022 £'000	2021 £'000
Balance at 1 April		127	2,491
Net change in cash and cash equivalent balances	CFS	327	(2,364)
Balance at 31 March	SoFP	454	127

The following balances at 31 March were held at:

Government Banking Service	395	92
Commercial banks and cash in hand	59	35
Balance at 31 March	454	127

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

TRADE AND OTHER PAYABLES

NOTE 10

2021 £'000		NOTE	2022 £'000
	Payables due within one year		
	NHS Scotland		
807	Boards	SFR 30.0	1,147
<u>807</u>	Total NHS Scotland Recievables		<u>1,147</u>
127	General Fund Payable		454
-	Trade Payables		3,168
4,927	Accruals		5,297
19	Deferred income		23
1,258	Income tax and social security	SFR 30.1	1,377
1,068	Superannuation		1,186
469	Holiday Pay Accrual		431
30	Other payables		41
<u>8,705</u>	Total Payables due within one year		<u>13,124</u>
<u>8,705</u>	Total Payables	SoFP	<u>13,124</u>
	WGA Classification		
807	NHS Scotland	SFR 30.0	1,147
2,326	Central Government bodies	SFR 30.1	2,563
5,572	Balances with bodies external to Government		9,414
<u>8,705</u>	Total		<u>13,124</u>
	The carrying amount of payables are denominated in the following currencies		
2021 £'000			2022 £'000
8,705	Great British Pounds		13,124
<u>8,705</u>	Total		<u>13,124</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2022

PROVISIONS

NOTE 11a

	PENSIONS AND SIMILAR OBLIGATIONS £'000	CLINICAL AND MEDICAL £'000	PARTICIPATION IN CNORIS £'000	OTHER £'000	TOTAL £'000	NOTE
At 1 April 2021	0	425	1,556	372	2,353	
Arising during the year	0	538	171	1,105	1,814	
Utilised during the year	0	(230)	(108)	0	(338)	
Unwinding of discount	0	0	0	0	0	
Reversed unutilised	0	0	0	0	0	
At 31 March 2022	0	733	1,619	1,477	3,829	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 AND SIMILAR OBLIGATIONS £'000	CLINICAL AND MEDICAL £'000	PARTICIPATION IN CNORIS £'000	OTHER £'000	TOTAL £'000	NOTE
Payable in one year	0	733	404	0	1,137	SoFP
Payable between 2 - 5 years	0	0	985	0	985	SoFP
Payable between 6 - 10 years	0	0	83	1,477	1,560	SoFP
Thereafter	0	0	147	0	147	SoFP
At 31 March 2022	0	733	1,619	1,477	3,829	

NOTES TO THE ACCOUNTS

PROVISIONS – PRIOR YEAR

	PENSIONS AND SIMILAR OBLIGATIONS £'000	CLINICAL AND 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 AND SIMILAR OBLIGATIONS £'000	CLINICAL AND MEDICAL £'000	PARTICIPATION IN CNORIS £'000	OTHER £'000	TOTAL £'000	NOTE
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	

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 and 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 - NHS 24 has used a surveyors company with experience of the sites and public sector to calculate the level of investment that would be required. This value has been recognised in the accounts to reflect the estimated level of investment required to re-instate at the expiry of the lease agreements.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

**CLINICAL NEGLIGENCE AND OTHER RISKS IDEMNITY
SCHEME (CNORIS)**

NOTE 11b

2021 £'000		NOTE	2022 £'000
425	Provision recognising individual claims against the NHS Board as at 31 March		733
(315)	Associated CNORIS receivable at 31 March		(715)
1,556	Provision recognising NHS Board's liability from participating in the scheme as at 31 March		1,619
<u>1,666</u>	Net Total Provision relating to CNORIS at 31 March		<u>1,637</u>

The Clinical Negligence and Other Risks Scheme (CNORIS) has been in operation since 2000. Participation in the scheme is mandatory for all NHS Boards in Scotland. The 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 £25,000 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 £25,000 "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.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

CONTINGENT LIABILITIES

NOTE 12

2021 £'000		2022 £'000
510	Clinical and medical compensation payments	603
<u>510</u>	Total Contingent Liabilities	<u>603</u>

CONTINGENT ASSETS

2021 £'000		2022 £'000
475	Clinical and medical compensation payments	525
<u>475</u>	Total Contingent Assets	<u>525</u>

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 £603,000 has been recognised in respect of these claims. A contingent asset of £525,000 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.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

COMMITMENTS

NOTE 14

2021 £'000		PROPERTY, PLANT AND EQUIPMENT £'000	INTANGIBLE ASSETS £'000	TOTAL 2022 £'000
	Capital Commitments			
	The Board has the following Capital Commitments which have not been provided for in the accounts			
	Contracted			
24	Software implementation	0	0	0
<u>24</u>	Total	<u>0</u>	<u>0</u>	<u>0</u>
	Authorised but not contracted			
850	Estates Business Case	0	0	0
<u>850</u>	Total	<u>0</u>	<u>0</u>	<u>0</u>

COMMITMENTS UNDER LEASES

2021 £'000		2022 £'000
	Operating leases	
	Total future minimum lease payments under operating leases are given in the table below for each of the following periods	
	Obligations under operating leases comprise:	
	Buildings	
1,533	Not later than one year	1,529
634	Later than one year, not later than two years	1,421
1,764	Later than two years, not later than five years	4,117
1,487	Later than five years	4,438
	Other	
32	Not later than one year	14
18	Later than one year, not later than two years	6
6	Later than two years, not later than five years	1
	Amounts charged to Operating Costs in the year were:	
66	Hire of equipment (including vehicles)	39
1,526	Other operating leases	1,821
<u>1,592</u>	Total	<u>1,860</u>

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

PENSION COSTS

NOTE 16

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

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 2021 is 20.9% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.6% of pensionable pay. While a valuation was carried out as at 31 March 2016, work on the cost cap valuation was suspended by the UK Government following the decision by the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that the transitional protections provided as part of the 2015 reforms unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these

announcements, the UK Government confirmed that current employer contribution rates would stay in force until 1 April 2024.

NHS 24's level of participation in the scheme is 1% based on the proportion of employer contributions paid in 2020/21.

The new NHS Pension Scheme (Scotland) 2015

From 1 April 2015 the NHS Pension Scheme (Scotland) 2015 was introduced. This scheme is a Career Average Re-valued Earnings (CARE) scheme. Members will accrue 1/54 of their pay as pension for each year they are a member of the scheme. The accrued pension is re-valued each year at an above inflation rate to maintain its buying power. This is currently 1.5% above increases to the Consumer Prices Index (CPI). This continues until the member leaves the scheme or retires. In 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.

	2021/22 £'000	2020/21 £'000
Pension cost charge for the year	9,943	8,587

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

FINANCIAL INSTRUMENTS

NOTE 17

17a. Financial instruments by Category

AS AT 31 MARCH 2022 Assets per balance sheet	NOTE	FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI £'000	TOTAL £'000
Trade and other receivables excluding VAT, prepayments, reimbursements of provisions	8	375	375
Cash and cash equivalents	9	454	454
		<u>829</u>	<u>829</u>
AS AT 31 MARCH 2021 Assets per balance sheet	NOTE	FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI £'000	TOTAL £'000
Trade and other receivables excluding VAT, prepayments, reimbursements of provisions	8	220	220
Cash and cash equivalents	9	127	127
		<u>347</u>	<u>347</u>
AS AT 31 MARCH 2022 Liabilities per balance sheet	NOTE	FINANCIAL LIABILITIES AT AMORTISED COST £'000	TOTAL £'000
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	10	9,391	9,391
		<u>9,391</u>	<u>9,391</u>
AS AT 31 MARCH 2021 Liabilities per balance sheet	NOTE	FINANCIAL LIABILITIES AT AMORTISED COST £'000	TOTAL £'000
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	10	5,553	5,553
		<u>5,553</u>	<u>5,553</u>

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.

AS AT 31 MARCH 2022 Assets per balance sheet	LESS THAN 1 YEAR £'000	BETWEEN 1 AND 2 YEARS £'000	BETWEEN 2 AND 5 YEARS £'000	OVER 5 YEARS £'000
Trade and other payables excluding statutory liabilities	11,293	0	0	0
	11,293	0	0	0

AS AT 31 MARCH 2021 Assets per balance sheet	LESS THAN 1 YEAR £'000	BETWEEN 1 AND 2 YEARS £'000	BETWEEN 2 AND 5 YEARS £'000	OVER 5 YEARS £'000
Trade and other payables excluding statutory liabilities	8,578	0	0	0
	8,578	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 2022, 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.

Board members and senior employees have control over NHS 24's financial and operating policies. The total remuneration paid to Board members and senior employees is shown in the Remuneration Report. Board members and senior employees have the responsibility to adhere to a Code of Conduct, which requires them to declare an interest in matters that may directly or indirectly influence or be thought to influence their judgement or decisions taken during the course of their work. In terms of related parties, there were no Board members or senior employees with any material declarations. Materiality for this consideration was set at £5,000.

DIRECTIONS BY THE SCOTTISH MINISTERS

The Scottish Ministers, in exercise of their functions under section 86(1) and (3) of the National Health Service (Scotland) Act 1978, in relation to the functions of Health Boards in that section which apply to NHS 24 by virtue of the NHS 24 (Scotland) Order 2001 as amended, and all other powers enabling them to do so, hereby DIRECT that:

1. NHS 24 must prepare a statement of accounts for each financial year in accordance with the accounting principles and disclosure requirements set out in the edition of the Government Financial Reporting Manual which is applicable for the financial year for which the statement of accounts is prepared.
2. In preparing a statement of accounts in accordance with paragraph 1, NHS 24 must use the NHS 24 Annual Accounts template which is applicable for the financial year for which the statement of accounts is prepared.
3. In preparing a statement of accounts in accordance with paragraph 1, NHS 24 must adhere to any supplementary accounting requirements set out in the following documents which are applicable for the financial year for which the statement of accounts is prepared –
 - (a) The NHS Scotland Capital Accounting Manual,
 - (b) The Manual for the Annual Report and Accounts of NHS Boards and for Scottish Financial Returns, and
 - (c) The Scottish Public Finance Manual.
4. A statement of accounts prepared by NHS 24 in accordance with paragraphs 1, 2 and 3, must give a true and fair view of the income and expenditure and cash flows for that financial year, and of the state of affairs as at the end of the financial year.
5. NHS 24 must attach these directions as an appendix to the statement of accounts which it prepares for each financial year.
6. In these Directions –

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

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

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

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

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

“NHS 24” is a Special Health Board for the whole of Scotland constituted under the NHS 24 (Scotland) Order 2001 (S.S.I 2001/137),

“NHS 24 Annual Accounts template” means the Excel spreadsheet issued to NHS 24 by the Scottish Ministers as a template for their statement of accounts, and

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

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



Signed by the authority of the Scottish Ministers

Dated 22 March 2022