

**NHS 24  
BOARD MEETING**

**17 JUNE 2021  
ITEM NO 11.1  
FOR ASSURANCE**

**FINANCIAL PERFORMANCE REPORT TO 31 MARCH 2021**

<b>Executive Sponsor:</b>	Director of Finance
<b>Lead Officer/Author:</b>	Head of Financial Planning and Reporting
<b>Action Required</b>	The report is presented to the NHS 24 Board for assurance.
<b>Key Points for this Committee to consider</b>	<p>This paper informs the NHS 24 Board of the financial performance for the period 1 April 2020 – 31 March 2021, subject to approval of the annual accounts.</p> <ul style="list-style-type: none"><li>• Against the final allocation letter for 2020/21, NHS 24 is reporting a slight underspend of £0.014m.</li><li>• Covid-19 related expenditure of £9.5m has been incurred in the year and funding has been received, net of any internal offsets NHS 24 contributed towards this.</li><li>• As such, NHS 24 has met its financial targets, savings targets, and concluded brokerage repayments, during financial year 2020/21.</li></ul>
<b>Governance process</b>	This presents the March 2021 Finance report presented to EMT and the Planning and Performance Committee, updated for post EMT and Committee changes.
<b>Strategic alignment and link to overarching NHS Scotland priorities and strategies</b>	This paper demonstrates progress against the NHS 24 organisational priority of meeting its financial targets and delivering best value through resource allocation.
<b>Key Risks</b>	The key operational risk related to achieving in-year financial balance while Anticipated Allocations funding remain outstanding.
<b>Financial Implications</b>	The paper details the financial position of NHS 24 and is for assurance.
<b>Equality and Diversity</b>	Financial management across NHS 24 reflects the financial plan and annual operating plan objectives which have all been assessed in line with the appropriate requirements in relation to equality and diversity.

## 1. RECOMMENDATION

- 1.1 The Board is asked to review and take assurance from this report on the NHS 24 financial performance at 31 March 2021.

## 2. INTRODUCTION

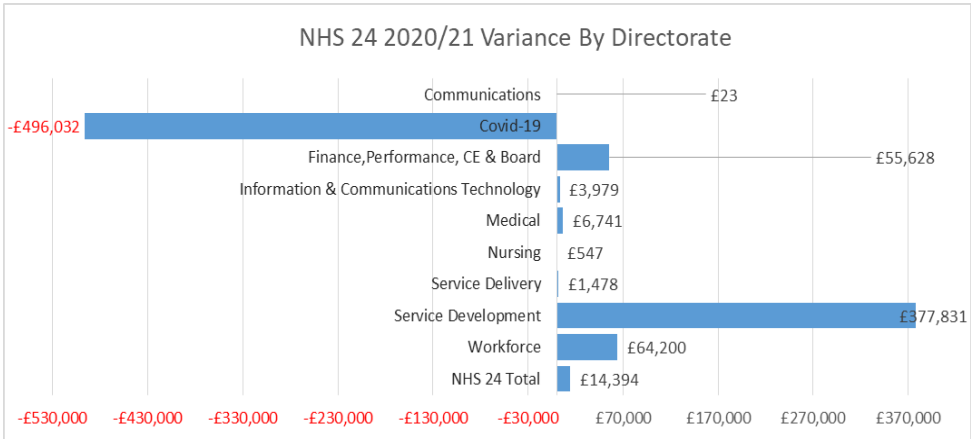
- 2.1 Scrutiny of all resource plans, revenue and capital, and the associated financial monitoring is considered by the Executive Management Team, the Planning & Performance Committee and the Board. This report summarises the revenue and capital position at 31 March 2021.

## 3. REVENUE RESOURCE LIMIT

- 3.1 In relation to the revenue resource limit, NHS 24 had an underspend of £0.014 million at March 2021 against the final SGHSCD allocation letter for 2020/21.
- 3.2 The forecast underlying underspend of £496k has been achieved, as reported in previous months, and offset against Covid-19 expenditure.
- 3.3 The full year budget is £91.6 million. This is baseline funding plus additional allocations less agreed brokerage and National Boards Saving contributions for 2020/21.
- 3.4 As such, the financial targets for the financial year 2020/21 have been achieved.
- 3.5 Summary position:

	<b>Full Year Budget 2020/21 £m</b>	<b>Budget to 31 Mar £m</b>	<b>Expend to 31 Mar £m</b>	<b>Variance to 31 Mar (Over)/Under £m</b>
RRL (exc Covid/RUC)	£79.4	£79.4	£78.9	£0.5
Covid-19 / RUC	£12.2	£12.2	£12.7	(£0.5)
<b>RRL letter</b>	<b>£91.6</b>	<b>£91.6</b>	<b>£91.6</b>	<b>£0.0</b>

3.8 The graph below shows the year to date variance by Directorate:



**4. ALLOCATIONS**

4.1 NHS 24 received all funding allocations expected in 2020/21. The funding received by NHS 24 during the year is summarised in the table below:

Funding	Amount (£)
Core Revenue Resource Limit	91,346,209
Non-Core Revenue Resource Limit	259,000
<b>Total Funding</b>	<b>91,605,209</b>

**5. COVID-19 RELATED EXPENDITURE**

5.1 NHS 24, like the rest of NHS Scotland, had to react to an unprecedented situation during the Covid-19 pandemic. Decisions had to be taken to ensure services were provided to help combat the outbreak of Covid-19 in Scotland.

5.2 Most of this expenditure was outwith the normal budget that NHS 24 was expected to work within. Internal procedures were implemented to ensure appropriate governance was achieved in every decision.

5.3 SG delegated a certain level of financial responsibility in making financial decisions in relation to Covid-19, with a view to retrospectively funding Covid-19 expenditure.

5.4 NHS 24 has incurred £9.5m of spend for financial year 2020/21. In addition to Covid-19 expenditure, a further £2.4m has been incurred to action NHS 24’s Remobilisation Plan, which is mainly the Redesign of Urgent Care, plus a further £0.75m in relation to Covid Recognition Payments to staff. This has been funded in full.

5.5 The breakdown of Covid-19 expenditure is as follows:

<b>Staff Category</b>	<b>Costs (£)</b>
Call Operators	2,336,217
Clinical Supervisors	1,176,480
Others	586,239
<b>Total Staffing</b>	<b>4,098,936</b>
<b>Non Staff Category</b>	
Coronavirus Helpline	1,840,436
Increased 111 Volumes	432,014
Other IT Costs	387,542
Estates Costs	2,643,871
Other Costs	93,648
<b>Total Non Staff Costs</b>	<b>5,397,512</b>
<b>TOTAL COVID-19 COSTS</b>	<b>9,496,448</b>
Remobilisation Costs	2,419,839
Covid Recognition Payment	750,018
Forecast Savings	(496,000)
<b>TOTAL FUNDING REQUIRED</b>	<b>12,170,305</b>

## 6. CAPITAL RESOURCE LIMIT

6.1 The capital resource limit as at 31 March 2021 is detailed below.

	<b>Full Year Budget 2020/21 £m</b>	<b>Budget to 31 Mar £m</b>	<b>Expend to 31 Mar £m</b>	<b>Variance to 31 Mar (Over) / Under £m</b>
<b>Capital Resource Limit</b>	1.236	1.236	1.236	0.00

6.2 The capital plan for 2020/21 consisted of the NHS 24 formula capital allocation, totalling £0.27 million, plus £0.5 million for Estates as a result of Covid-19 and £0.47million for the Estates Business Case.

## 7. EFFICIENCY SAVINGS

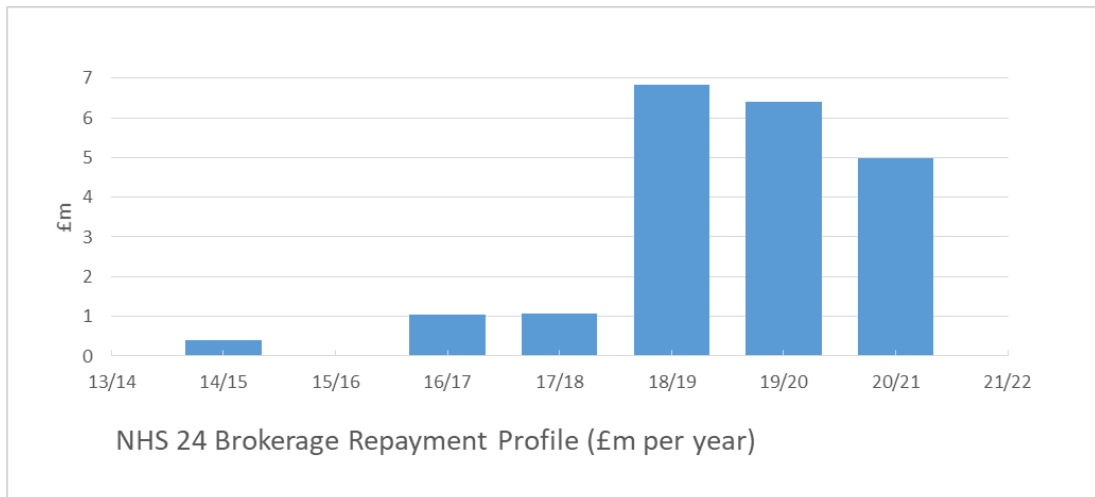
7.1 For 2020/21, NHS 24 was required to identify efficiency savings in order to achieve breakeven totalling £2.7million. These were achieved from the shift review implemented in late 2019/20 and from a vacancy factor.

7.2 In addition to the above savings target, the National Health Boards were given a collaborative target to reduce operating costs by £15 million to be reinvested

in frontline NHS Scotland priorities. The NHS 24 share of this for 2020/21 is £0.55 million. A recurrent amount of £0.24m was deducted from the baseline, with a further £0.31m removed in January.

## 8. REPAYMENT OF BROKERAGE

8.1 Total brokerage provided to NHS 24 by SGH&SCD was £20.756 million. The table below shows the actual repayments.



8.2 NHS 24 had repaid £15.779m prior to 2020/21 and had planned to repay £4.302m this financial year, clearing the £0.675m remaining balance in 2021/22.

8.3 Discussion recently took place with SG colleagues on the potential to pay off the brokerage in full this financial year. This has now been actioned with NHS 24 entering financial year 2021/22 brokerage free.