

**NHS 24
BOARD MEETING**

**21 OCTOBER 2021
ITEM NO 10.2
FOR ASSURANCE**

FINANCIAL PERFORMANCE

Executive Sponsor:	Director of Finance/John Gebbie
Lead Officer/Author:	Head of Financial Planning and Reporting/Neil Logan
Action Required	The report is presented to the NHS 24 Board for assurance.
Key Points for this Committee to consider	<p>This paper informs the NHS 24 Board of the financial performance for the period April 2021 to August 2021.</p> <ul style="list-style-type: none">• Against the August allocation letter, NHS 24 is reporting a year to date overspend of £3.23m.• However, the ledger currently anticipates allocations per the AOP that have been received in recent years and are fully expected this year. Spend incurred against these at the end of month 5, totals £3.23m and is deemed low risk as they mainly relate to Mental Health which SG Sponsor colleagues have confirmed.• Covid-19 related expenditure of £1.93m has been incurred year to date and fully funded.• The ledger is reporting an underspend of £1k.• The full year forecast is assuming a breakeven position. This assumes that SGHSCD will fund all outstanding anticipated allocations.• Appendix A shows the savings progress made to date, highlighting that there is still a lot to achieve in the coming months.
Governance process	This presents the August 2021 Finance report for the Board, prior to going to PPC. This paper was discussed at the Executive Management Meeting on 12 October 2021.
Strategic alignment and link to overarching NHS Scotland priorities and strategies	This paper demonstrates progress against the NHS 24 organisational priority of meeting its financial targets and delivering best value through resource allocation.
Key Risks	The key operational risk related to achieving in-year financial balance while Anticipated Allocations funding remain outstanding.
Financial Implications	The paper details the financial position of NHS 24.
Equality and Diversity	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 August 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.

3. REVENUE RESOURCE LIMIT

- 3.1 In relation to the revenue resource limit, NHS 24 is overspent by £3.23 million at August 2021 against its SGHSCD allocation letter.
- 3.2 This overspend is offset by anticipated allocations, mainly relating to Mental Health, to give a reported ledger underspend of £1k at month 5.
- 3.3 Year to date Covid-19 related expenditure is £1.93m. Anticipated Covid-19 expenditure is expected to be £4.9m, net of internal offsets. Funding for 50% of the anticipated Covid-19 expenditure and the full anticipated Redesign of Urgent Care amount has already been received by NHS 24.
- 3.4 A year end breakeven position for the financial year 2021/22 is forecast in anticipation of outstanding allocations being received.

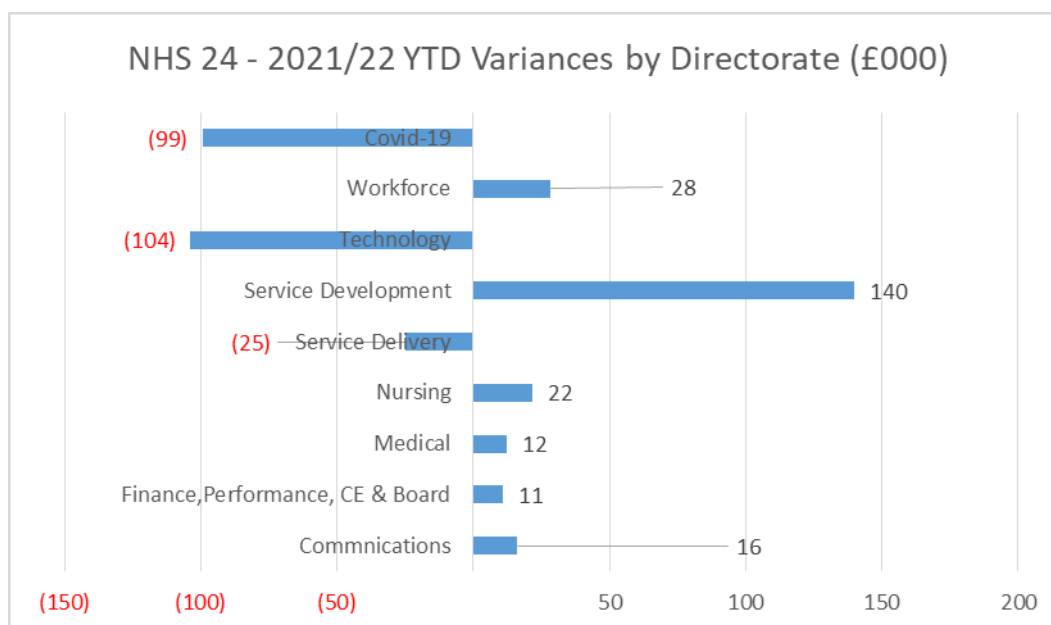
- 3.5 Summary position:

	Full Year Budget 2021/22 £m	Budget to 31 Aug £m	Expend to 31 Aug £m	Variance to 31 Aug (Over) / Under £m
RRL (exc Covid/RUC)	£76.4	£29.4	£32.5	(£3.1)
Covid/RUC Received	£15.7	£5.4	£5.5	(£0.1)
RRL letter	£92.1	£34.8	£38.0	(£3.2)
Covid-19	£ 2.2	£0.0	£0.0	£0.0
Antic'd Allocations	£11.2	£3.2	£0.0	£3.2
Financial Position	£105.5	£38.0	£38.0	£0.0

- 3.6 The Year to Date position shows an underspend in pays and non pays. Savings targets have been allocated to directorates and phased in. Some of the underspend in pay and non pays relate to savings and it is a timing adjustment in confirming and actioning the budget reductions in the accounts.

Type	Ann Bud £'m	YTD Bud £'m	YTD Act £'m	YTD Var £'m
Income	(£105.5)	(£38.0)	(£38.0)	£0.0
Pay	£65.8	£26.9	£26.3	£0.6
Non Pay	£24.1	£6.6	£6.3	£0.3
Savings	(£2.3)	(£0.9)	(£0.1)	(£0.8)
Total	(£17.9)	(£5.4)	(£5.5)	£0.1
Covid-19/RUC	£17.9	£5.4	£5.5	(£0.1)
Grand Total	£0.0	£0.0	£0.0	£0.0

3.7 The graph below shows the year to date variance.



3.8 The majority of Directorates are underspent as a result of vacant posts and less expenditure on items associated with being in the office and travel.

3.9 In Technology, there is a pressure caused by one off Agency staff while the Capacity & Capability Review posts were being filled. There is also new expenditure on items such as additional licences and the SIP Channel that relate to RUC and Mental Health that shall require funding reallocation.

3.10 The overspend in the Covid-19 cost centre, reflects the overall contribution NHS 24 is currently making towards Covid-19 costs from offsets elsewhere.

4. ADDITIONAL ALLOCATIONS

4.1 NHS 24 engage frequently with SG Sponsors and SGHSCD Finance with a view to securing all expected additional allocations.

4.2 The total additional Anticipated Allocations NHS 24 expects to receive in 2021/22 is £29.4m, including funding that SGHSCD have indicated will be given on a recurring basis. To date, NHS 24 has received £16.1m. Of the remaining £13.3m, Mental Health allocations equal £10.2m, which SG colleagues have verbally confirmed, and £2.3m relates to Covid funding to be received for the latter half of the year.

4.3 The following table shows the breakdown of the total funding expected by NHS 24:

NHS 24	
Summary of Total Funding Position as at 31 August 2021	
Description	Budget
Initial Baseline Allocation	73,820,000
Agenda for change uplift	2,220,000
Total Recurring Funding	76,040,000
Allocations Received	
Redesign of Urgent Care	13,000,000
Covid Funding (50%)	2,268,000
Covid and Flu Vaccinations	400,000
eHealth	128,877
The Health and Care (Staffing) (Scotland) Bill	34,038
Implementation of Excellence in Care	31,930
Realistic Medicines Leads and PMs	30,000
AHP Lead Post	32,642
6 Essential Actions - Building on Firm Foundations	150,000
Total Additional Allocations Received	16,075,487
Revenue Resource Limit Per August 2021 Allocation Letter	92,115,487
Allocations to be Received	
Easter & Winter Marketing	80,000
Easter & Winter Marketing	85,000
Supporting better value healthcare	40,000
Mental Health Programme Lead	100,000
Open University Nursing Students	22,500
NHS Living Life	200,000
Breathing Space	825,000
Mental Health Hub - Breathing Space	745,000
Breathing Space Transformation	587,000
Primary Care Projects (PCDS)	305,000
Mental Health Hub	1,968,000
Expansion of Mental Health	2,600,000
Enhanced Mental Health Care Pathway Project	724,680
Health & Wellbeing Helpline	280,000
Additional Mental Health	1,705,000
Advanced Clinical Support	1,000,000
Adastra	46,000
cCBT	470,000
Covid Funding (remaining 50%)	2,268,000
National Board Savings Target	(750,000)
NHS Inform Capacity	30,000
Total Additional Allocations to be Received	13,331,180
Total Allocations	105,446,667

5. COVID-19 RELATED EXPENDITURE

- 5.1 It is anticipated that SG will continue to fund Covid-19 expenditure in 2021/22 as NHS 24 continues to provide the National Covid-19 Pathway.
- 5.2 NHS 24 are currently forecasting that Covid-19 related expenditure will be in the region of £4.9m in 2021/22, net of internal offsets. The majority of costs are in relation to the Coronavirus helpline, staffing and estates costs.

5.3 Year to date expenditure to the end of August 21 for Covid-19 expenditure is £1.93m.

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

Covid-19 Expenditure	YTD Costs (£)	Forecast Costs (£)
Staff Costs	630,870	1,628,373
Coronavirus Helpline	601,408	1,440,000
ICT Costs	111,367	121,167
Call Charges	134,339	344,500
Estates Costs	452,295	1,100,960
Vaccinations	-	400,000
Total Covid Costs	1,930,279	5,035,000
Redsign of Urgent Care (RUC)	3,609,887	13,000,000
Internal Offsets	(99,000)	(99,000)
TOTAL COSTS	5,441,166	17,936,000

6. CAPITAL RESOURCE LIMIT

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

	Full Year Budget 2021/22 £m	Budget to 31 Aug £m	Expend to 31 Aug £m	Variance to 31 Aug (Over) / Under £m
Capital Resource Limit	2.2	0.00	0.00	0.00

6.2 The capital plan for 2021/22 currently consists of the NHS 24 formula capital allocation, totalling £0.27 million, plus £0.7 million for the Clydebank relocation and a further £1.2million for anticipated costs in Dundee.

7. EFFICIENCY SAVINGS

7.1 In line with the national planning guidance, annual efficiency savings targets are set and a phasing or trajectory is agreed with SGH&SCD, this forms part of the AOP. For 2021/22, NHS 24 is required to identify efficiency savings in order to achieve breakeven totalling £3.1million, of which £0.7m is our share of the national boards savings target and £2.4m internal targets.

7.2 Appendix A shows the Savings Tracker summary as it currently stands. It shows that only £195k of savings have been achieved against our internal target. However, this is a timing issue as there are significant pay and non pay underspends that should be able to be moved to savings achieved. The forecast shows that there is currently a gap across Directorate plans of £0.8m in-year, of which £0.5m is recurring. As the organisation is breaking even year to date it is highly likely savings can be achieved in-year, however, recurring plans require to be identified as a matter of urgency to ensure the organisation stays on track to live within a balanced recurring position.

Appendix A – Savings Tracker Summary

RAG status		RAG status		Savings Target		Savings Achieved		Forecast	
B	G	A	R	B	G	A	R	CYE	FYE
B	Achieved	B		191,248	178,643	191,692	179,095	191,692	179,095
G	Plan in place - high degree of certainty	G		223,317	219,857	3,611	3,611	208,317	204,857
A	Plan in place - but level of risk	A		1,207,928	18,107	0	0	1,207,928	325,106
R	Plan still being worked up, high risk	R		737,661	737,661	0	0	0	0
				2,360,154	1,154,268	195,303	182,706	1,607,937	709,058
						8%	16%	68%	61%
RAG status		RAG status		Savings Target		Savings Achieved		Forecast	
CYE	FYE	CYE	FYE	CYE	FYE	CYE	FYE	CYE	FYE
330,891	168,987	0	0	294,010	132,106	38,098	38,098	132,844	67,844
132,844	67,844	0	0	12,612	2,500	0	0	29,340	5,000
20,667	10,555	0	0	23,510	5,000	0	0	170,541	14,000
49,745	25,405	5,000	5,000	819,305	162,431	0	0	25,774	13,177
37,829	19,319	14,000	14,000	0	307,000	0	0	100,001	0
319,931	163,390	112,431	112,431	0	0	0	0	0	0
1,342,485	685,611	25,774	13,177	0	0	0	0	0	0
25,761	13,156	0	0	100,001	0	0	0	0	0
0	0	0	0	2,360,154	1,154,268	195,303	182,706	1,607,937	709,058
100,001	1	0	0						
Savings Target		Savings Target		Savings Achieved		Savings Achieved		Forecast	
CYE	FYE	CYE	FYE	CYE	FYE	CYE	FYE	CYE	FYE
103,587	103,587	26,087	26,087	88,587	88,587	109,000	109,000	109,000	109,000
109,000	109,000	0	0	27,400	27,400	27,400	27,400	27,400	27,400
27,400	27,400	27,400	27,400	0	0	1,039,060	1,039,060	0	0
1,039,060	0	0	0	118,107	18,107	0	0	118,107	325,106
118,107	18,107	0	0	0	0	0	0	0	0
0	0	0	0	174,578	158,513	141,816	129,219	175,022	158,965
0	0	0	0	788,422	737,661	0	0	50,761	0
174,578	158,513	141,816	129,219	2,360,154	1,154,268	195,303	182,706	1,607,937	709,058
788,422	737,661	0	0						
Savings Target		Savings Target		Savings Achieved		Savings Achieved		Forecast	
CYE	FYE	CYE	FYE	CYE	FYE	CYE	FYE	CYE	FYE
103,587	103,587	26,087	26,087	88,587	88,587	109,000	109,000	109,000	109,000
109,000	109,000	0	0	27,400	27,400	27,400	27,400	27,400	27,400
27,400	27,400	27,400	27,400	0	0	1,039,060	1,039,060	0	0
1,039,060	0	0	0	118,107	18,107	0	0	118,107	325,106
118,107	18,107	0	0	0	0	0	0	0	0
0	0	0	0	174,578	158,513	141,816	129,219	175,022	158,965
0	0	0	0	788,422	737,661	0	0	50,761	0
174,578	158,513	141,816	129,219	2,360,154	1,154,268	195,303	182,706	1,607,937	709,058
788,422	737,661	0	0						
Savings Target		Savings Target		Savings Achieved		Savings Achieved		Forecast	
CYE	FYE	CYE	FYE	CYE	FYE	CYE	FYE	CYE	FYE
103,587	103,587	26,087	26,087	88,587	88,587	109,000	109,000	109,000	109,000
109,000	109,000	0	0	27,400	27,400	27,400	27,400	27,400	27,400
27,400	27,400	27,400	27,400	0	0	1,039,060	1,039,060	0	0
1,039,060	0	0	0	118,107	18,107	0	0	118,107	325,106
118,107	18,107	0	0	0	0	0	0	0	0
0	0	0	0	174,578	158,513	141,816	129,219	175,022	158,965
0	0	0	0	788,422	737,661	0	0	50,761	0
174,578	158,513	141,816	129,219	2,360,154	1,154,268	195,303	182,706	1,607,937	709,058
788,422	737,661	0	0						