

**NHS 24  
BOARD MEETING**

**24 FEBRUARY 2022  
ITEM NO 10.2  
FOR ASSURANCE**

**FINANCIAL PERFORMANCE REPORT TO 31 DECEMBER 2021**

<b>Executive Sponsor:</b>	Director of Finance, John Gebbie
<b>Lead Officer/Author:</b>	Head of Financial Planning and Reporting, Neil Logan
<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 Board of the financial performance for the period April 2021 to December 2021.</p> <ul style="list-style-type: none"><li>• Against the December allocation letter, NHS 24 is reporting a breakeven position.</li><li>• NHS 24 has now received all its major additional allocations, with the exception of the enhanced mental health pathway, which has been confirmed with SGHSCD and is a timing issue. This will be offset by slippage in recruiting to full capacity across our programmes of work.</li><li>• Covid-19 related expenditure of £3.4m has been incurred year to date and fully funded.</li><li>• The full year forecast is also assuming a breakeven position.</li></ul>
<b>Governance process</b>	This paper was presented to the 14 <sup>th</sup> February Planning & Performance Committee, after virtual approval via EMT. It was presented to the 15 <sup>th</sup> February EMT.
<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>	There is a risk of moving into an underspend if recruitment plans are not met.
<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 December 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 December 2021.

## 3. REVENUE RESOURCE LIMIT

- 3.1 In relation to the revenue resource limit, NHS 24 is in a breakeven position at December 2021 against its SGHSCD allocation letter.
- 3.2 The majority of Mental Health funding was received in the November allocation letter on a recurring basis. Of the £10.65m total funding expected this year, £9.8m was received in November, with £9.38m received on a recurring/earmarked recurring basis. The term 'earmarked funds' relate to development monies received that our Sponsor Team have confirmed are recurring but won't be fully passed over on a permanent basis until posts are filled to the agreed levels.
- 3.3 Year to date Covid-19 related expenditure is £3.4m. Anticipated Covid-19 expenditure is expected to be £4.9m, net of internal offsets. NHS 24 has received sufficient funding to cover the forecast costs in relation to Covid and the Redesign of Urgent Care. Discussions are ongoing with Scottish Government colleagues about NHS 24's contribution towards these costs and the implications on funding already received.
- 3.4 The anticipated full year budget is expected to be £100.6million. This is baseline funding plus anticipated allocations less National Boards Saving contributions for 2021/22 and any slippage on allocations already received.
- 3.5 A year end breakeven position for the financial year 2021/22 is forecast.

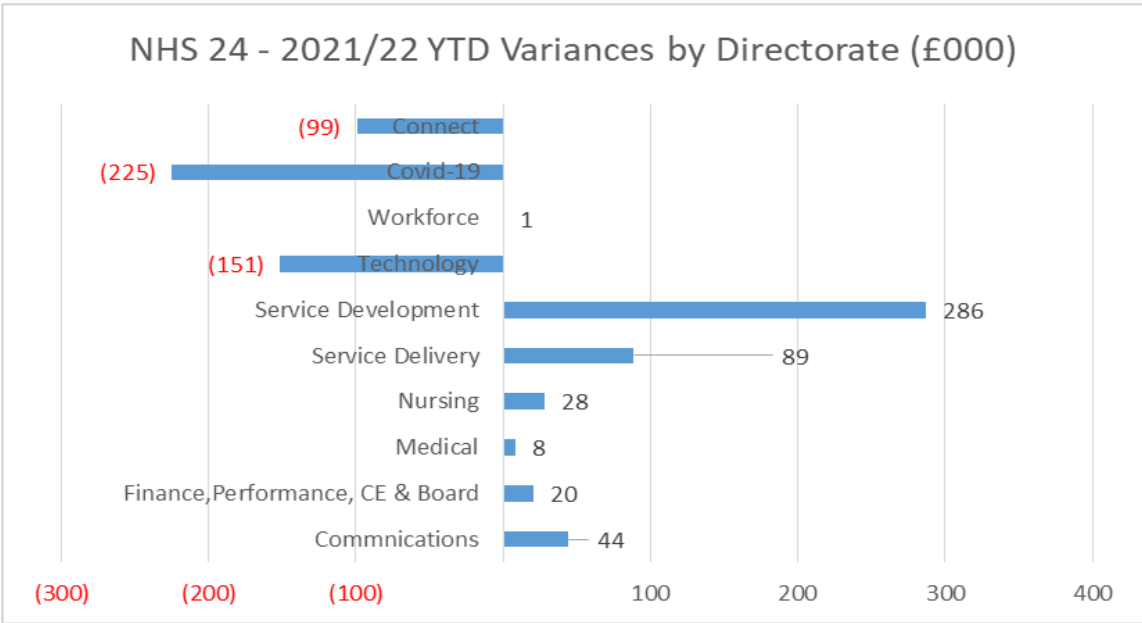
- 3.6 Summary position:

	<b>Full Year Budget 2021/22 £m</b>	<b>Budget to 31 Dec £m</b>	<b>Expend to 31 Dec £m</b>	<b>Variance to 31 Dec (Over) / Under £m</b>
RRL (exc Covid/RUC)	£88.2	£60.8	£60.6	£0.2
Covid/RUC Received	£16.7	£9.5	£9.7	(£0.2)
<b>RRL letter</b>	<b>£104.9</b>	<b>£70.3</b>	<b>£70.3</b>	<b>£0.0</b>
Antic'd Allocations	(£4.3)	£0.0	£0.0	£0.0
<b>Financial Position</b>	<b>£100.6</b>	<b>£70.3</b>	<b>£70.3</b>	<b>£0.0</b>

3.7 The Year to Date position shows an underspend in pays due to vacancies, which is contributing to covering YTD remaining savings targets still to be achieved.

Type	Ann Bud £'m	YTD Bud £'m	YTD Act £'m	YTD Var £'m
Income	(£100.6)	(£70.3)	(£70.3)	£0.0
Pay	£80.8	£53.9	£53.5	£0.4
Non Pay	£20.5	£16.8	£16.8	£0.0
Savings	(£0.7)	(£0.4)	£0.0	(£0.4)
<b>Total</b>	<b>£0.0</b>	<b>£0.0</b>	<b>£0.0</b>	<b>£0.0</b>

3.8 The graph below shows the year to date variance.



3.9 The majority of Directorates are underspent as a result of less expenditure being incurred on items associated with being in the office and travel. Vacancies, especially in Service Development, also contribute to the position.

3.10 In Technology, there is a pressure caused by Agency staff while the Capacity & Capability Review outcomes were actioned.

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

**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 majority of Anticipated Allocations have now been received. A small number are still awaited, more than offset by slippage to be returned on ring fenced allocations and our agreed savings target.

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

**NHS 24**  
**Summary of Total Funding Position as at 31 December 2021**

<b>Description</b>	<b>Budget</b>
Initial Baseline Allocation	73,820,000
Agenda for change uplift	2,220,000
Advanced Clinical Support	1,000,000
Mental Health Services	1,125,000
Mental Health Services PFG	1,500,000
Mental Health Funding	1,800,000
Medical and Dental Pay Uplift 2021-22	19,000
Further Agenda for Change Uplift 2021-22	139,000
<b>Total Recurring Funding</b>	<b>81,623,000</b>
<b>Allocations Received</b>	
Redesign of Urgent Care	13,000,000
Mental Health Services R&R	4,956,757
Covid Funding	3,460,000
Mental Health Services cCBT	375,000
Crisis Helpline	463,057
Covid and Flu Vaccinations	286,000
Winter Planning	150,000
6 Essential Actions - Building on Firm Foundations	150,000
Wellbeing Helpline	138,666
eHealth	128,877
The Health and Care (Staffing) (Scotland) Bill	34,038
AHP Lead Post	32,642
Implementation of Excellence in Care	31,930
Realistic Medicines Leads and PMs	30,000
Open University Nursing Students	20,000
Wellbeing Website	20,000
Surplus brought forward	14,000
Workforce Wellbeing	13,369
NHS Inform Maintenance	8,000
Build Recruitment Capacity	6,745
<b>Total Additional Allocations Received</b>	<b>23,319,081</b>
<b>Revenue Resource Limit Per December 2021 Allocation Letter</b>	<b>104,942,081</b>
<b>Allocations to be Received</b>	
Easter & Winter Marketing	85,000
Enhanced Mental Health Care Pathway Project	1,062,438
Anticipated RUC pass back	(3,000,000)
Covid Funding (remainder)	1,076,000
Covid Funding NHS 24	(1,076,000)
National Board Savings Target	(750,000)
Mental Health Slippage	(1,800,000)
NHS Inform Capacity	30,000
<b>Total Additional Allocations to be Received</b>	<b>(4,372,562)</b>
<b>Anticipated Allocations</b>	<b>100,569,519</b>

## 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 December 21 for Covid-19 expenditure is £3.4m.
- 5.4 The breakdown of Covid-19 expenditure is as follows:

<b>Covid-19 Expenditure</b>	<b>YTD Costs (£)</b>	<b>Forecast Costs (£)</b>
Staff Costs	960,986	1,694,373
Coronavirus Helpline	967,039	1,440,000
ICT Costs	151,371	162,465
Call Charges	322,054	454,500
Estates Costs	958,103	1,200,960
<b>Total Covid Costs</b>	<b>3,359,552</b>	<b>4,952,298</b>
Redsign of Urgent Care (RUC)	6,319,385	10,000,000
Internal Offsets	(225,000)	(1,376,000)
<b>TOTAL COSTS</b>	<b>9,453,937</b>	<b>13,576,298</b>

## 6. CAPITAL RESOURCE LIMIT

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

	<b>Full Year Budget 2021/22 £m</b>	<b>Budget to 31 Dec £m</b>	<b>Expend to 31 Dec £m</b>	<b>Variance to 31 Dec (Over) / Under £m</b>
<b>Capital Resource Limit</b>	2.36	1.46	1.46	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, £1.2million for anticipated costs in Dundee and £0.2m for Cardonald and Norseman upgrades.
- 6.3 Costs in relation to capital expenditure are expected to be in the region of £2.8m and NHS 24 is in discussions with Scottish Government colleagues

about the most appropriate way to fund the additional £0.4m pressure. The pressure is built into the revenue breakeven forecast as a virement to capital.

## 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 SGHSCD, 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 £2.36m of internal targets.

7.2 The £0.7m national board target has been achieved in full.

7.3 Against the internal £2.36m target there has been in-year achievement of £1.54m. It is anticipated in our year end forecast that NHS 24 will achieve all its savings targets in year.

Theme	CURRENT YEAR EFFECT (IN-YEAR IMPACT)				
	Target	Achieved	Ledger	To Action	Balance
Travel	(103,587)	88,587	(15,000)	0	(15,000)
Calls	(109,000)	109,000	0	0	0
Estate	(27,400)	27,400	0	0	0
Vac Factor	(1,089,821)	871,618	(218,203)	158,055	(60,148)
Technology	(118,107)	200,106	81,999	136,882	218,881
Other	0	0	0	525,392	525,392
Salaries	(244,812)	243,114	(1,698)	0	(1,698)
Unidentified	(667,427)	0	(667,427)	0	(667,427)
	<b>(2,360,154)</b>	<b>1,539,825</b>	<b>(820,329)</b>	<b>820,329</b>	<b>0</b>

7.4 However, the above table is reliant on non recurring means to achieve this. The table below demonstrates that savings targets totalling £0.46m on a recurring (full year effect) basis are likely to be unachieved as we approach the next financial year. This is currently being offset by pausing our SPRA investment plans until recurring savings are identified to ensure the organisation stays on track to live within a balanced recurring position.

Theme	FULL YEAR EFFECT (RECURRING FULL YEAR IMPACT)				
	Target	Achieved	Ledger	To Action	Balance
Travel	(103,587)	88,587	(15,000)	0	(15,000)
Calls	(109,000)	109,000	0	0	0
Estate	(27,400)	27,400	0	0	0
Vac Factor	0	0	0	0	0
Technology	(18,107)	200,106	181,999	36,881	218,880
Other	0	0	0	0	0
Salaries	(228,747)	230,517	1,770	0	1,770
Unidentified	(667,427)	0	(667,427)	0	(667,427)
	<b>(1,154,268)</b>	<b>655,610</b>	<b>(498,658)</b>	<b>36,881</b>	<b>(461,777)</b>