

<b>NHS 24 BOARD MEETING</b>		<b>28 APRIL 2022 ITEM NO 10.2 FOR ASSURANCE</b>	
<b>FINANCIAL PERFORMANCE REPORT TO 28 FEBRUARY 2022</b>			
<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 NHS 24 Board of the financial performance for the period April 2021 to February 2022.</p> <ul style="list-style-type: none"> <li>• Against the February allocation letter, NHS 24 is reporting a breakeven position.</li> <li>• NHS 24 has now received all its major additional allocations. As at February there are agreed funding returns outstanding on specific programmes to be actioned.</li> <li>• Covid-19 related expenditure of £4.0m 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 presents the February 2022 Finance report for the April EMT, prior to Planning & Performance Committee (May) and Board (April).	
<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 28 February 2022.

## 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 28 February 2022.

## 3. REVENUE RESOURCE LIMIT

- 3.1 In relation to the revenue resource limit, NHS 24 is in a breakeven position at February 2022 against its SGHSCD allocation letter.
- 3.2 Year to date Covid-19 related expenditure is £4.0m. Anticipated Covid-19 expenditure is expected to be £4.4m, net of internal offsets. NHS 24 has received sufficient funding to cover the forecast costs in relation to Covid.
- 3.3 The anticipated full year budget is expected to be £100.8million. This is baseline funding plus anticipated allocations less National Boards Saving contributions for 2021/22 and any slippage on allocations already received.
- 3.4 A year end breakeven position for the financial year 2021/22 is forecast.
- 3.5 Summary position:

	Full Year Budget 2021/22 £m	Budget to 28 Feb £m	Expend to 28 Feb £m	Variance to 28 Feb (Over) / Under £m
RRL (exc Covid/RUC)	£89.7	£75.8	£75.5	£0.3
Covid/RUC Received	£16.7	£11.8	£12.1	(£0.3)
<b>RRL letter</b>	<b>£106.4</b>	<b>£87.6</b>	<b>£87.6</b>	<b>£0.0</b>
Antic'd Allocations	(£5.6)	£0.0	£0.0	£0.0
<b>Financial Position</b>	<b>£100.8</b>	<b>£87.6</b>	<b>£87.6</b>	<b>£0.0</b>

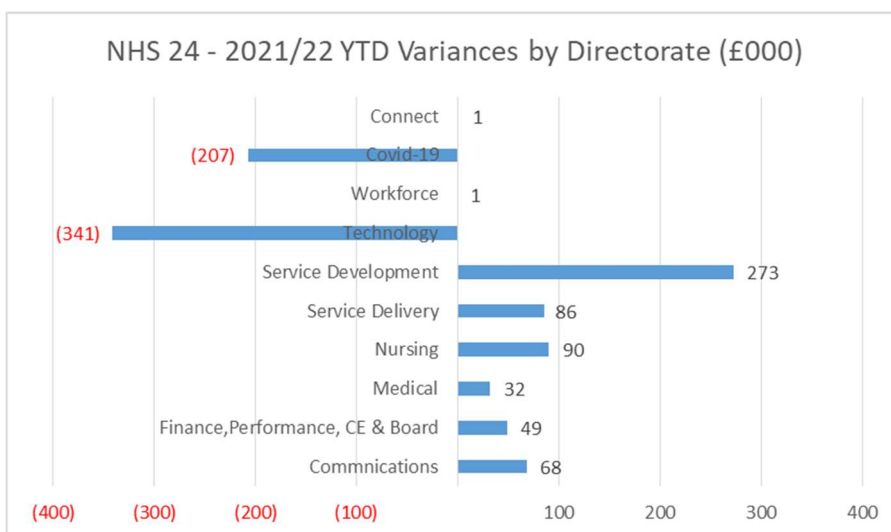
- 3.6 The Year to Date position shows an underspend in pays due to vacancies, which is offsetting non pay pressures and the remaining savings targets still to be achieved.

Type	Ann Bud £'m	YTD Bud £'m	YTD Act £'m	YTD Var £'m
Income	(£100.8)	(£87.6)	(£87.6)	£0.0
Pay	£74.6	£66.3	£65.8	£0.5
Non Pay	£26.4	£21.5	£21.8	(£0.3)

## NHS 24 GREEN

Savings	(£0.2)	(£0.2)	£0.0	(£0.2)
<b>Total</b>	<b>£0.0</b>	<b>£0.0</b>	<b>£0.0</b>	<b>£0.0</b>

3.7 The graph below shows the year to date variance.



3.8 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.

3.9 In Technology, there is a pressure caused by Agency staff while the Capacity & Capability Review outcomes were actioned and increased call charges.

3.10 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. The allocations that remain are returns due to slippage on ring fenced allocations and our agreed savings target.

Description	Budget
<b>Total Recurring Funding</b>	<b>81,623,000</b>
<b>Total Additional Allocations Received</b>	<b>24,754,649</b>
<b>Revenue Resource Limit Per February 2022 Allocation Letter</b>	<b>106,377,649</b>
<b>Allocations to be Actioned</b>	
Anticipated RUC pass back	(3,000,000)
National Board Savings Target	(750,000)
Mental Health Slippage	(1,800,000)
<b>Total Additional Allocations to be Actioned</b>	<b>(5,550,000)</b>
<b>Anticipated Allocations</b>	<b>100,827,649</b>

## 5. COVID-19 RELATED EXPENDITURE

- 5.1 The Scottish Government have continued 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 £4.4m 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 February 22 for Covid-19 expenditure is £4.0m.
- 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	1,172,736	1,292,433
Coronavirus Helpline	1,179,378	1,284,378
ICT Costs	153,712	157,687
Call Charges	343,407	381,922
Estates Costs	1,150,797	1,327,301
<b>Total Covid Costs</b>	<b>4,000,029</b>	<b>4,443,721</b>
Redsign of Urgent Care (RUC)	8,123,143	10,000,000
Internal Offsets	(275,000)	(867,423)
<b>TOTAL COSTS</b>	<b>11,848,172</b>	<b>13,576,298</b>

## 6. CAPITAL RESOURCE LIMIT

- 6.1 The anticipated capital resource limit as at 28 February 2022 is detailed below.

	<b>Full Year Budget 2021/22 £m</b>	<b>Budget to 28 Feb £m</b>	<b>Expend to 28 Feb £m</b>	<b>Variance to 28 Feb (Over) / Under £m</b>
<b>Capital Resource Limit</b>	2.36	2.36	2.37	(0.01)

- 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. The additional £0.4m pressure is expected to be funded through a transfer of funding from revenue 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 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 £2.36m 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 £2.11mm. It is anticipated in our year end forecast that NHS 24 will achieve its savings targets in full in-year.

CURRENT YEAR EFFECT (IN-YEAR IMPACT)					
Theme	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	(1,495,904)	1,443,992	(51,912)	247,955	196,043
Technology	(154,988)	200,106	45,118	0	45,118
Other	0	0	0	0	0
Salaries	(244,812)	243,114	(1,698)	0	(1,698)
Unidentified	(224,463)	0	(224,463)	0	(224,463)
	<b>(2,360,154)</b>	<b>2,112,199</b>	<b>(247,955)</b>	<b>247,955</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 £0.43m on a recurring (full year effect) basis are likely to be unachieved as we approach the new 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.

FULL YEAR EFFECT (RECURRING FULL YEAR IMPACT)					
Theme	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	(54,988)	200,106	145,118	0	145,118
Other	0	0	0	56,297	56,297
Salaries	(228,747)	230,517	1,770	14,753	16,523
Unidentified	(630,546)	0	(630,546)	0	(630,546)
	<b>(1,154,268)</b>	<b>655,610</b>	<b>(498,658)</b>	<b>71,050</b>	<b>(427,608)</b>