

NHS 24 BOARD MEETING		16 JUNE 2022 ITEM NO 10.2 FOR ASSURANCE	
FINANCIAL PERFORMANCE REPORT TO 31 MARCH 2022			
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 March 2022.</p> <ul style="list-style-type: none"> • Against the March allocation letter, NHS 24 reported a £103k underspend position. • The final allocation letter for 2021/22 had revenue funding of £100.5m and capital funding of £3.06m. • Covid-19 related expenditure of £4.48m was incurred during the year and was fully funded. 	
Governance process		This presents the March 2022 Finance report for the May EMT, prior to Planning & Performance Committee (June) and Board (June).	
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		There is a risk of moving into an underspend if recruitment plans are not met.	
Financial Implications		The paper details the financial position of NHS 24 and is for assurance.	
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 to 31 March 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 31 March 2022.

3. REVENUE RESOURCE LIMIT

- 3.1 In relation to the revenue resource limit, NHS 24 had a £103k underspend at March 2022 against its final SGHSCD allocation letter for financial year 2021/22.
- 3.2 Covid-19 related expenditure was £4.48m. NHS 24 received sufficient funding to cover the costs in relation to Covid.
- 3.3 The full year budget was £100.5million. This is baseline funding plus anticipated allocations less National Boards Saving contributions for 2021/22 and any slippage on allocations received.
- 3.4 A year end £103k underspend position for the financial year 2021/22 has been achieved.

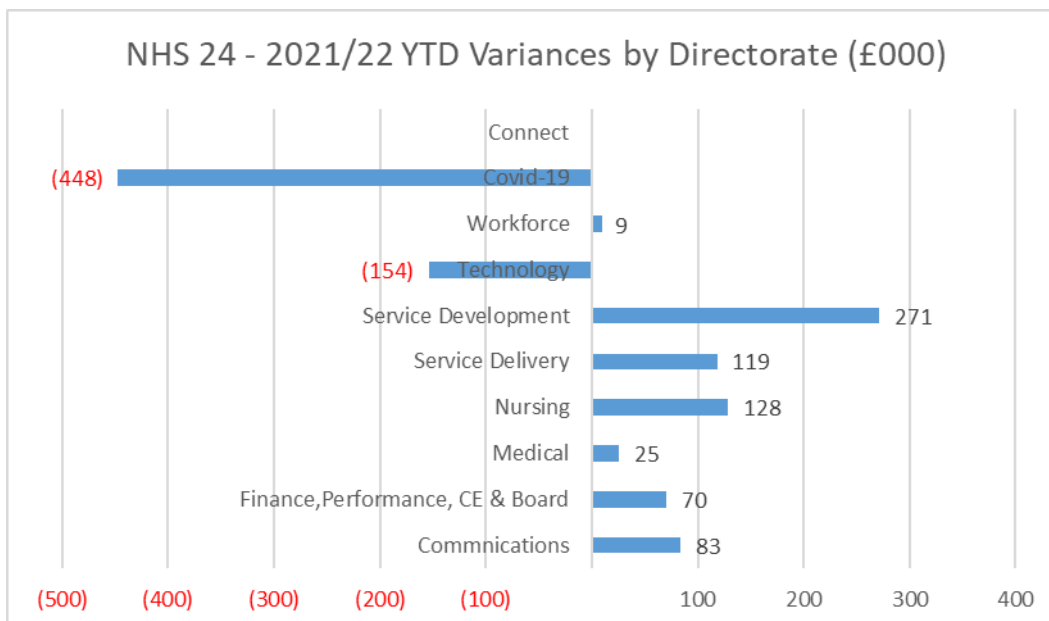
- 3.5 Summary position:

	Full Year Budget 2021/22 £m	Budget to 31 Mar £m	Expend to 31 Mar £m	Variance to 31 Mar (Over) / Under £m
RRL (exc Covid/RUC)	£87.0	£87.0	£85.9	£1.1
Covid/RUC Received	£13.5	£13.5	£14.5	(£1.0)
RRL letter	£100.5	£100.5	£100.4	£0.1
Antic'd Allocations	£0.0	£0.0	£0.0	£0.0
Financial Position	£100.5	£100.5	£100.4	£0.1

- 3.6 The Year End position shows an underspend in pays due to vacancies, which covers pressures on non pay.

Type	Ann Bud £'m	YTD Bud £'m	YTD Act £'m	YTD Var £'m
Income	(£100.5)	(£100.5)	(£100.5)	£0.0
Pay	£72.3	£72.3	£71.6	£0.7
Non Pay	£28.2	£28.2	£28.8	(£0.6)
Savings	(£0.0)	(£0.0)	£0.0	(£0.0)
Total	£0.0	£0.0	(£0.1)	£0.1

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 overall breakdown of allocations received is shown in the following table:

**NHS 24
Summary of Total Funding Position as at 31 March 2022**

Description	Budget
Total Recurring Funding	81,623,000
Total Additional Allocations Received	18,923,225
Revenue Resource Limit Per March 2021 Allocation Letter	100,546,225

5. COVID-19 RELATED EXPENDITURE

- 5.1 The Scottish Government have continued to fund Covid-19 expenditure in 2021/22 as NHS 24 continued to provide the National Covid-19 Pathway.
- 5.2 The majority of costs related to Covid-19 are the Coronavirus helpline, staffing and estates costs.
- 5.3 The expenditure for the financial year to the end of March 22 for Covid-19 expenditure is £4.48m.
- 5.4 The breakdown of Covid-19 expenditure is as follows:

Covid-19 Expenditure	2021/22 Costs (£)
Staff Costs	1,245,616
Coronavirus Helpline	1,274,386
ICT Costs	198,915
Call Charges	355,713
Estates Costs	1,405,551
Total Covid Costs	4,480,180
Internal Offsets	(734,180)
TOTAL COSTS	3,746,000

6. CAPITAL RESOURCE LIMIT

- 6.1 The capital resource limit as at 31 March 2022 is detailed below.

	Full Year Budget 2021/22 £m	Budget to 31 Mar £m	Expend to 31 Mar £m	Variance to 31 Mar (Over) / Under £m
Capital Resource Limit	3.06	3.06	3.06	(0.00)

- 6.2 The capital plan for 2021/22 consisted 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, £0.4 million for Lumina and £0.6m for Cardonald and Norseman upgrades.
- 6.3 Capital allocation of £2.36 million funding was made available for the above works. The additional £0.7 million was 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 was 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 was achieved in full.

7.3 Against the internal £2.36m target there has been in-year achievement of £2.36mm.

Theme	CURRENT YEAR EFFECT (IN-YEAR IMPACT)		Balance
	Target	Achieved	
Travel	(103,587)	88,587	(15,000)
Calls	(109,000)	109,000	0
Estate	(27,400)	27,400	0
Vac Factor	(1,495,904)	1,591,992	96,088
Technology	(154,988)	300,106	145,118
Other	0	0	0
Salaries	(244,812)	243,114	(1,698)
Unidentified	(224,463)	0	(224,463)
	(2,360,154)	2,360,199	45

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 were not achieved. This is 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)		Balance
	Target	Achieved	
Travel	(103,587)	88,587	(15,000)
Calls	(109,000)	109,000	0
Estate	(27,400)	27,400	0
Vac Factor	0	0	0
Technology	(54,988)	200,106	145,118
Other	0	56,297	56,297
Salaries	(228,747)	245,270	16,523
Unidentified	(630,546)	0	(630,546)
	(1,154,268)	726,660	(427,608)