

Three overlapping circles in dark blue, pink, and light blue are positioned in the top-left corner of the page.

Finance monthly report

Month 7

April – October 2022

Finance Report – Main Points

• External Factors

- Scottish Government (SG) has indicated funding across NHS Scotland will be challenging in 2022/23 and beyond.
- Funding of £15.1m has been received for Redesign of Urgent Care (RUC) for 2022/23. Discussions about securing recurring funding ongoing.
- Discussions also ongoing about Mental Health funding. We have received £4.4m recurrently with a further £4.9m of recurring funding still expected.
- Pay award of 2% assumed in finance plan. Current negotiations are starting at a 7% increase. NHS 24 expect any difference between finance plan and any agreement will be funded by SG. Each 1% increase adds £0.9m to costs.

• Internal Factors

- Underspend of £0.249m against Year To Date budget.
- £0.9m underspend in salaries due to vacancies across most staff categories.
- £0.6m overspend in non pay mainly due to IM&T contracts and capital charges over budget.
- Savings pressure of £0.04m due to timing in recognising some recurring savings.
- Opportunities to meet 100% of 2022/23 savings have already been identified.

Month 7 Financial Overview



Key NHS 24 financial information

Revenue Position £0.249m underspend

Capital Expenditure £0.149m

Efficiency Savings
Achieved to Date £1.713m

Key Points

Financial Position

- Baseline Allocation now received - £78.4m including uplift 2022/23. Recurring funding for RUC (£15.1m), Mental Health (£4.4m) and Advanced Clinical Support (£1.0m) also received.
- Against forecast allocation – underspent by £0.249m year to date (October 2022)
- Funding position across NHS Scotland expected to be extremely challenging in 2022/23.

Capital Expenditure

- Detailed plans for 2022/23 spend have been developed
- Funding of £0.569m included within high level plan to SG

Efficiency Savings

- Efficiencies of £2.6m required in 2022/23
- Opportunities to achieve the full £2.6m of efficiency savings have been identified.

Allocations

Description	Budget (£)
Initial Baseline Allocation	76,040,000
Medical and Dental Pay Uplift 2021-22	19,000
Further Agenda for Change Uplift 2021-22	139,000
Baseline Uplift - Letter	2,207,000
Baseline Uplift - Additional allocations MH & ACS	108,500
RUC	15,100,000
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
SARCS	697,674
COVID	317,000
SARCS Advertising	250,000
ICT - eHealth Allocation	128,877
2021-22 Surplus Brought Forward	103,000
Easter & Winter Marketing - tranche 1	59,290
Lead AHP	48,416
Realistic Medicine	50,000
Implement Health & Social Care	36,850
Excellence in Care	31,930
Open University	10,000
Funding Received as at 31 October 2022	100,771,537
Allocations To Be Received	
Baseline Uplift	100,500
Mental Health Development	3,937,419
NHS Inform Maintenance	8,000
Easter & Winter Marketing - remainder	25,410
Wellbeing Helpline	139,000
MH CBT	470,000
Enhanced Pathway	1,241,553
PCDS	305,000
Open University	10,000
National Boards Saving Target	(750,000)
A&E Development	165,000
Total Additional Allocations to be Received	5,651,882
Anticipated Allocations	106,423,419

Allocations



Forecast RRL

£106.4m

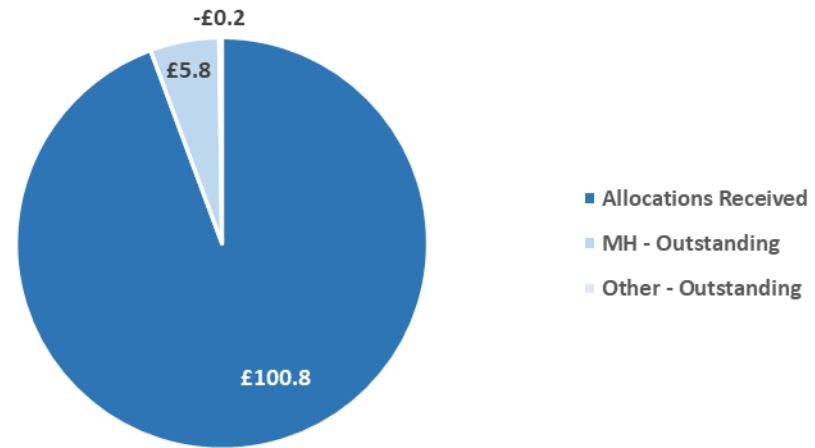
Received to Date

£100.8m

Anticipated

£5.6m

Allocation Status £m



Funding Bids

Funding bids were submitted to the Scottish Government (SG) for Mental Health and Redesign of Urgent Care (RUC).

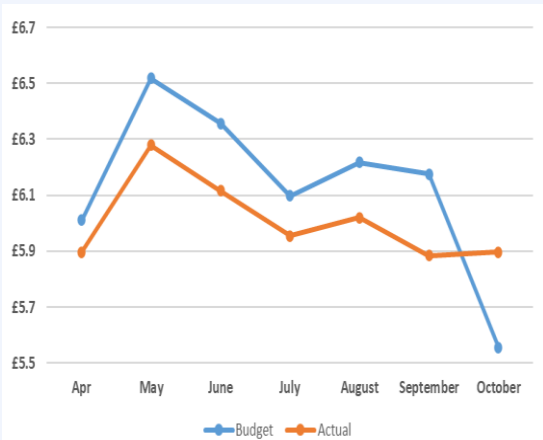
The Scottish Government have already committed to fund some of the Mental Health Hub on a recurring basis. £4.4m was added to our baseline in 22/23 as recurring funding, with a further £4.9m provisionally identified as recurring funding, with the remainder expected to be received on a non recurring basis.

An allocation of £15.1m was received in August for RUC, which will be enough to cover RUC costs in 2022/23, as we continue to recruit to full complement. However, this was received on a non-recurring basis. We will continue to discuss with SG our need to have the full £19.3m funded on a recurring basis.

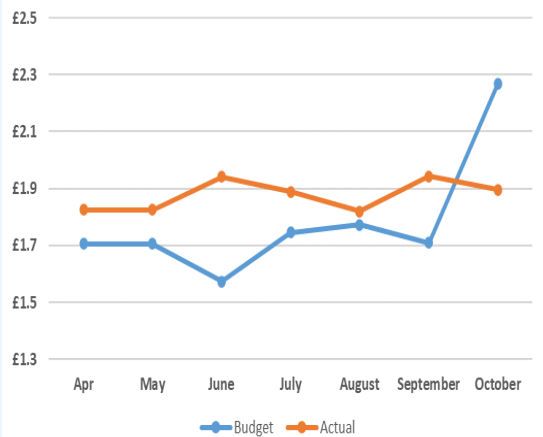
Financial Position



Pay Cost (£m)



Non Pay (£m)

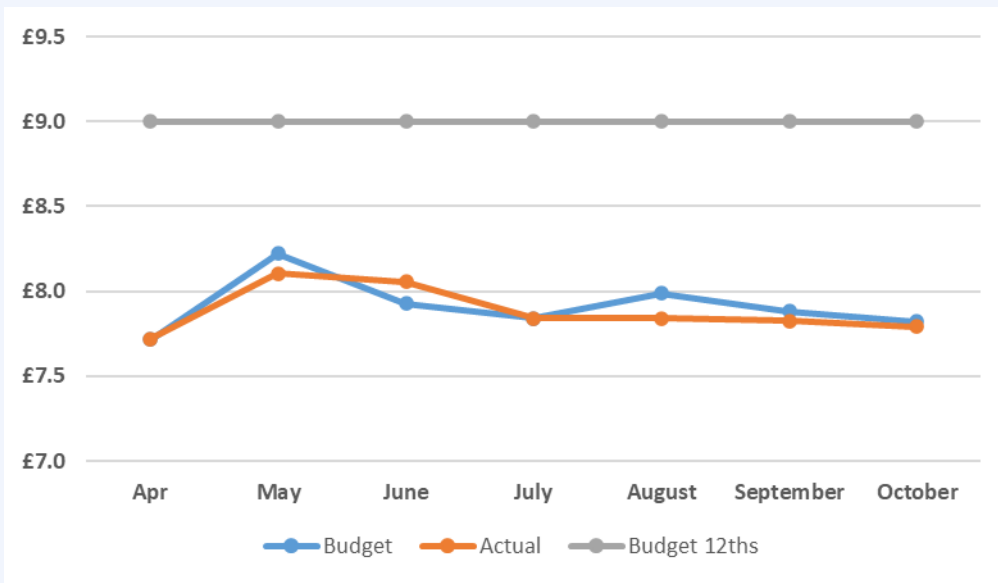


Budget
£55.421m
 % of Full Year 52.09%

Actual Spend
£55.172m
 % of Forecast 51.86%

Underspend
£0.249m
 % of YTD Budget 0.45%

Financial Position (£m)



Financial Position

The budget and actual expenditure are almost identical, indicating NHS 24 is close to break-even (£249k underspend)

Due to factors such as the pay award not yet agreed nationally and increment dates occurring throughout the year, spend does not take place in equal twelfths. The budget is phased accordingly to smooth out such impacts. The budget was also adjusted in M7 to account for RUC and Connect changes, which saw a reduction in the pay budget and increase in non pay.

Month 7 Financial Position



NHS 24 financial information – Main Categories

Pay £0.88m underspend

Non Pay £0.59m overspend

Efficiency Savings £0.04m overspend

Key Points

Pay

- Number of vacancies across NHS 24 remained unfilled
- Turnover of staff challenging
- Slightly offset by agency staff in some departments

Non Pay

- Pressure in some areas, such as IM&T contracts
- Also non recurring pressures for depreciation charges which are expected to be funded by Scottish Government

Efficiency Savings

- Slight overspend due to timing in recognising savings
- Plans are in place on savings for the year to meet £2.6m savings target

Financial position as at 31 October 2022

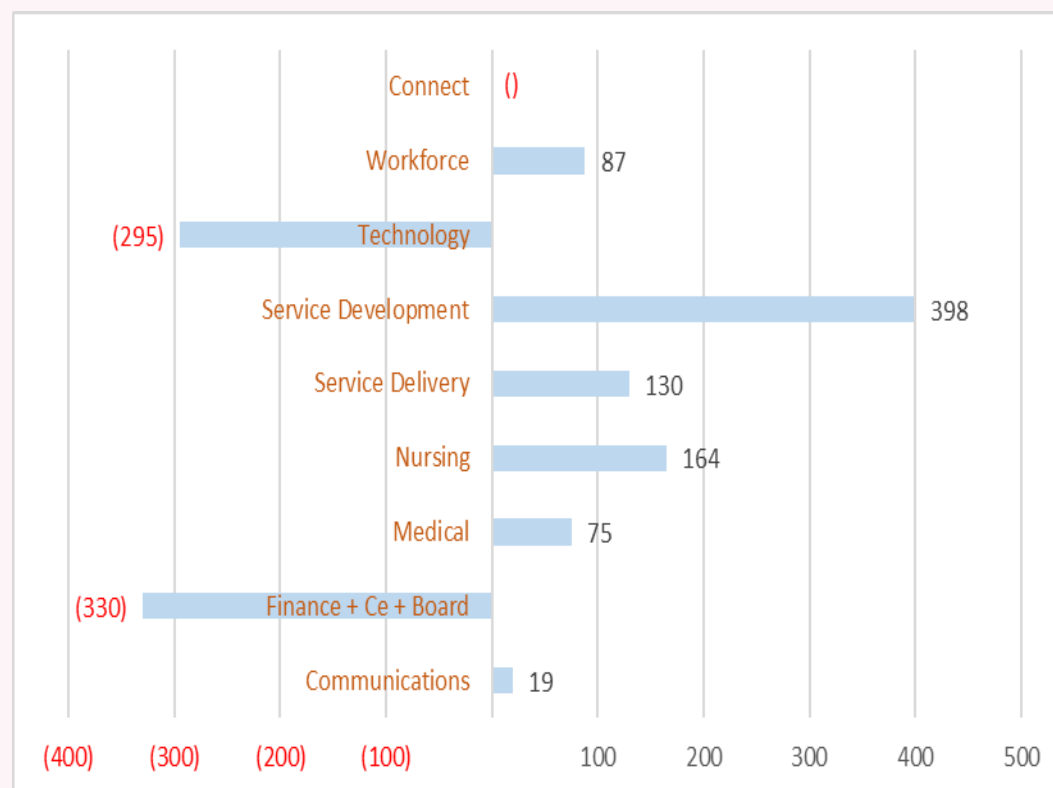
Type	Annual Budget (£m)	YTD Budget (£m)	YTD Actual (£m)	YTD Variance (£m)
Income	£106.42	£55.42	£55.42	£0.00
Pay	£89.65	£42.93	£42.05	£0.88
Non Pay	£17.69	£12.53	£13.13	(£0.59)
Remaining Savings	(£0.92)	(£0.04)	£0.00	(£0.04)
Total	£0.00	£0.00	£0.25	£0.25

Financial Position Per Directorate

MAIN POINTS

- Number of vacancies across most directorates, attributing to many being underspent.
- All efficiency savings have been allocated to Directorates and a proportion of vacancy savings allocated to non recurring savings.
- Funding has been transferred in M7 to cover Connect costs. Further costs are expected, but Connect is still expected to break-even by the end of 2022/23.
- Technology have some maintenance contracts which have seen significant increase in usage over the last couple of years. In addition, there are some agency staff working in ICT, while the Capacity and Capability Review is concluded, which is contributing to budget pressure.
- Costs in relation to estates sit within Finance as do apprenticeship levy and capital charges which are currently causing pressures. Various funding options are currently being explored to address these pressures.

Year to Date (April – October 2022) Variances Per Directorate (£000)

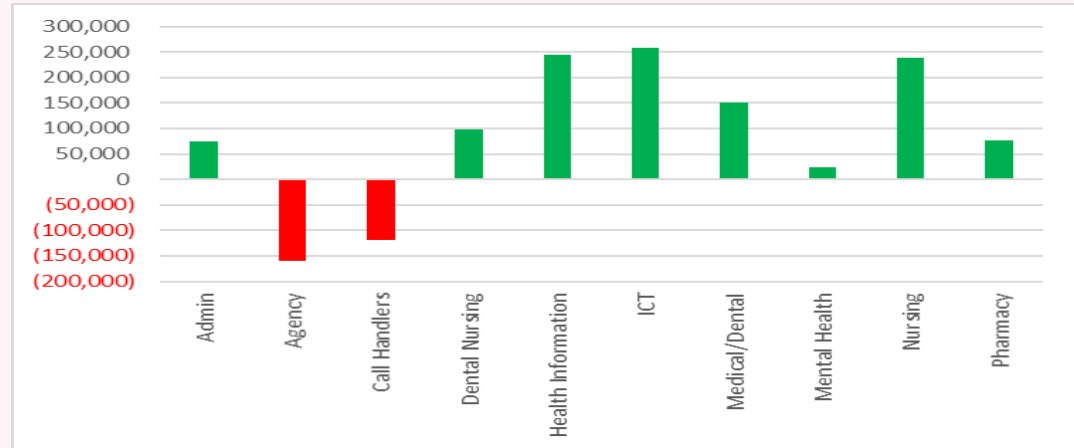


Cost Analysis – Pay

PAY

- Total pay 2022/23 pay budget £89.7m
- YTD Budget £42.9m
- YTD Actual £42.0m
- YTD Variance £0.9m
- Underspend on pay due to staff vacancies across multiple pay categories, slightly offset by an overspend on agency staff.
- Admin pay category includes (£790k) vacancy factor

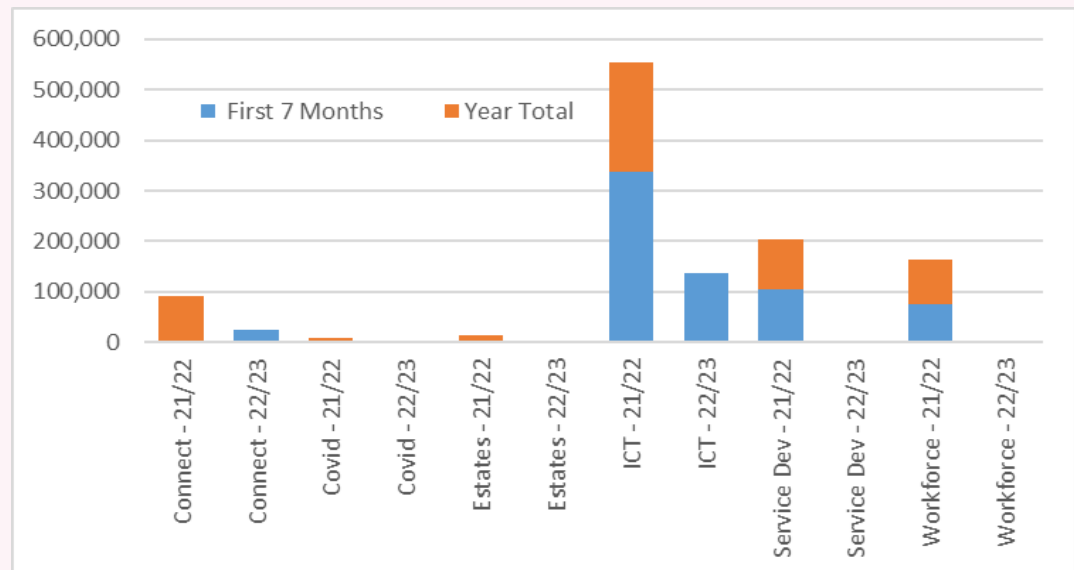
Year to Date Pay Variances Per Staffing Category



COST FOCUS - AGENCY STAFF

- Agency spend in 2021/22 totalled £1.03m.
- The year to date spend to the end of October in 2021/22 was £631k. Year to date spend for the same period in 2022/23 is £165k.
- Extrapolated forward the full year spend for 2022/23 will equate to £284k.
- Work already undertaken by Workforce Directorate to use temporary staff contracts instead of agency staff.

Agency Cost Per Area Over Financial Years

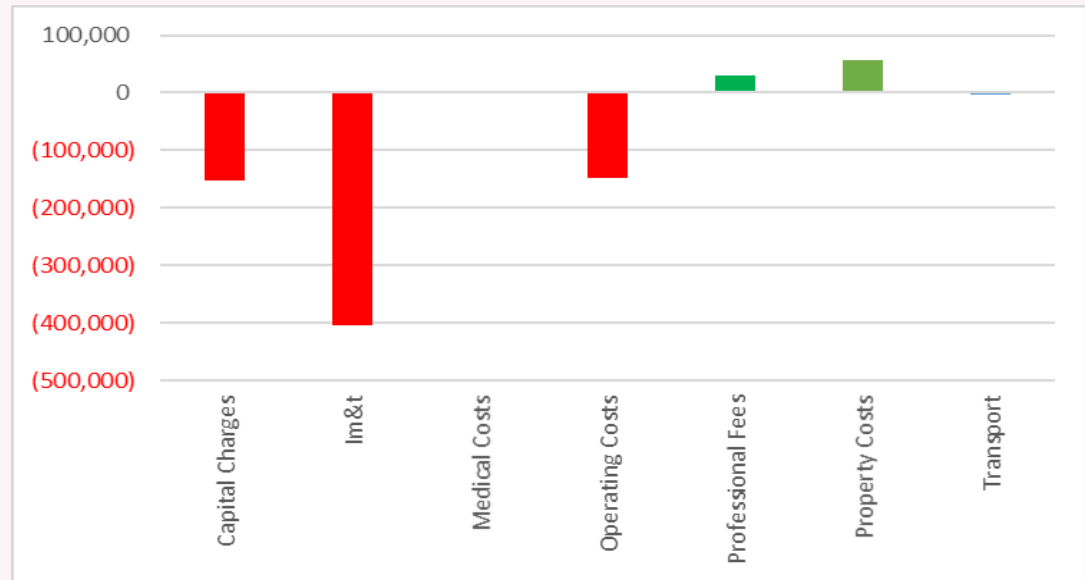


Cost Analysis – Non Pay

NON PAY

- Total pay 2022/23 non pay budget £17.7m
- YTD Budget £12.5m
- YTD Actual £13.1m
- YTD Variance (£0.6m)
- Overspend mainly on maintenance contracts within IM&T. Some material savings have already been negotiated with some suppliers and other options are also being actively investigated.
- NHS 24 are in discussion with SG about potential to fund additional depreciation which falls under Capital Charges

Year to Date Non Pay Variances Per Category



Efficiency Savings

Status of NHS 24 Efficiency Savings Targets

INTERNAL TARGETS

In order to break-even in 2022/23, NHS 24 are required to make savings of £2.6m, which is split into recurring and non recurring savings.

This is based on a 3% percentage of baseline funding.

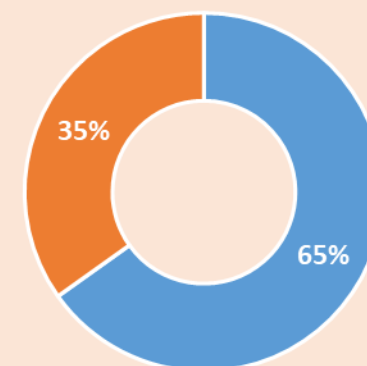
NATIONAL BOARDS TARGET

In addition to the savings target, NHS 24 also has to contribute to the £15m savings target split between National Health Boards. NHS 24's share is just over £1m and plans are in place to achieve this target.

PROGRESS AGAINST 2022/23 INTERNAL TARGETS

Savings Target	Recurring	Non Recurring
	1,276,000	1,354,000
Achieved		
Service Development Secondments	262,348	
BT CCMT Contract Reduction	182,000	
Service Delivery Vacancies	133,115	
N3 licences to IP Connect	125,000	
Joint HoC Position	100,000	
Blackberry UEM Licences	52,000	
Cardonald LED Lighting	40,000	
Occupational Health SLA	29,000	
Vacancy Factor		789,835
Total Achieved	923,463	789,835
Opportunities		
SWAN Newcastle Circuits	6,000	
Sugar Licences	22,000	
Wellbeing Managers	324,537	
Vacancy Factor		564,165
Total Opportunities	352,537	564,165
Savings to Find	-	-

PROGRESS AGAINST INTERNAL TARGETS



■ Achieved ■ Opportunities