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# Finance monthly report

**Month 5**  
April – August 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.
- Mental Health funding of £4.4m has been received recurrently with a further £4.9m of recurring funding still expected, and verbally agreed.
- Pay award of 2% assumed in finance plan. Current negotiations are starting at a 5% 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 £0.150m 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, capital charges and call charges over budget.
- Savings pressure of £0.2m due to timing in recognising some recurring savings.
- Opportunities to meet 100% of 2022/23 savings have been identified.

# Month 5 Financial Overview



Key NHS 24 financial information

Revenue Position                      £0.150m underspend

Capital Expenditure                      £0.163m

Efficiency Savings  
Achieved to Date                      £1.137m

## Key Points

### Financial Position

- Baseline Allocation now received - £78.4m including uplift 2022/23. Recurring funding for Mental Health (£4.4m) and Advanced Clinical Support (£1.0m) also received. Non recurring funding for Redesign of Urgent Care (RUC) of £15.1m received in August.
- Against forecast allocation – underspent by £0.150m year to date (August 2022)
- Funding position across NHS Scotland expected to be extremely challenging in 2022/23.

### Capital Expenditure

- Detailed plans for 2022/23 spend being 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
FME	697,674
ICT - eHealth Allocation	128,877
Realistic Medicine	30,000
Open University	10,000
<b>Funding Received as at 31 August 2022</b>	<b>99,905,051</b>
<b>Allocations To Be Received</b>	
Baseline Uplift	100,500
Mental Health	4,956,757
Mental Health Development	580,662
NHS Inform Maintenance	8,000
Easter & Winter Marketing	84,700
Wellbeing Helpline	139,000
MH CBT	470,000
Enhanced Pathway	1,241,553
FME Advertising	250,000
PCDS	305,000
Lead AHP	32,642
Implement Health & Social Care	34,038
Open University	10,000
Excellence in Care	31,930
National Boards Saving Target	(750,000)
COVID	317,000
A&E Development	165,000
<b>Total Additional Allocations to be Received</b>	<b>7,976,782</b>
<b>Anticipated Allocations</b>	<b>107,881,833</b>

## Allocations

Forecast RRL

£107.9m

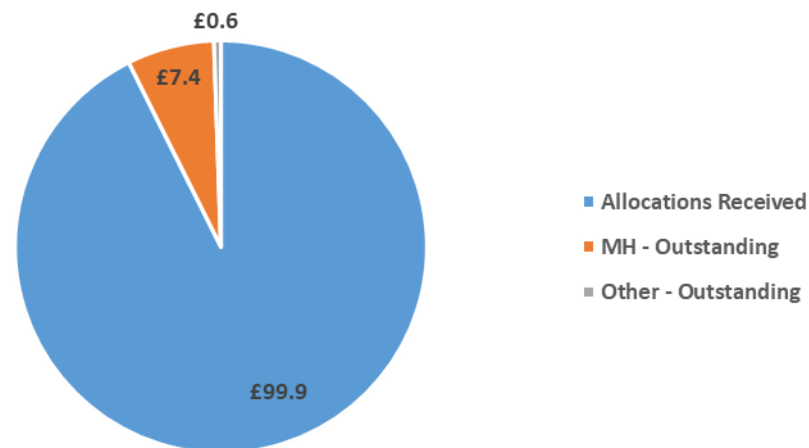
Received to Date

£99.9m

Anticipated

£8.0m

### Allocation Status £m



### Funding Bids

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

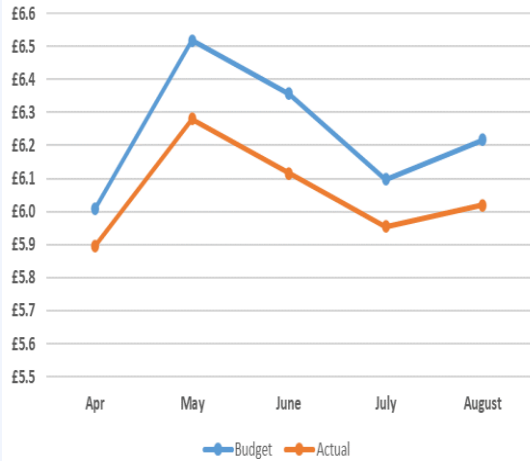
The Scottish Government have already committed to fund some of the Mental Health Hub on a recurring basis. £4.4m was added to our baseline in 22/23 as recurring funding, with a further £4.9m provisionally identified as recurring funding, with the remainder expected to be received on a non recurring basis.

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 full funding on a recurring basis.

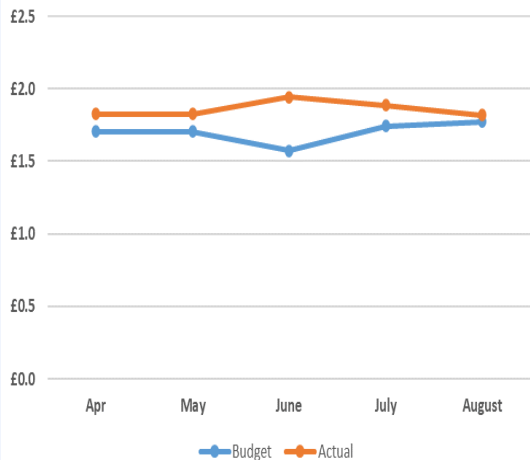
# Financial Position



## Pay Cost (£m)



## Non Pay (£m)

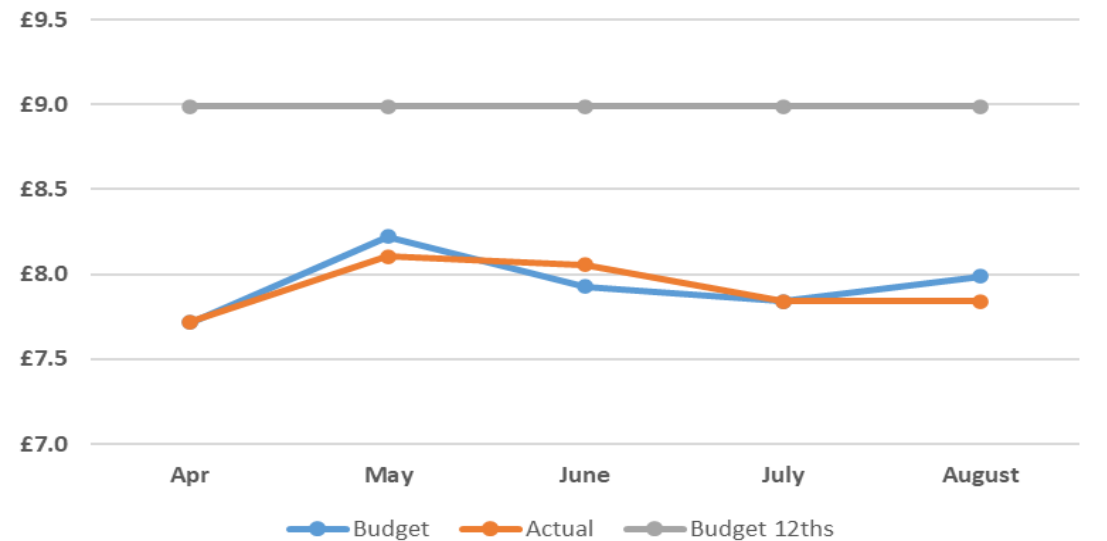


**Budget**  
**£39.684m**  
 % of Full Year 36.78%

**Actual Spend**  
**£39.534m**  
 % of Forecast 36.65%

**Underspend**  
**£0.150m**  
 % of Budget 0.38%

## Financial Position (£m)



### Financial Position

The budget and actual expenditure are almost identical, indicating NHS 24 is close to break-even (£150k underspend)

Due to factors such as the pay award not yet being agreed nationally and increment dates being throughout the year, spend does not take place in equal twelfths. The budget is phased accordingly to smooth out such impacts.

# Month 5 Financial Position



NHS 24 financial information – Main Categories

Pay £0.9m underspend

Non Pay £0.6m overspend

Efficiency Savings £0.2m 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 Language Line and Call Charges
- Also non recurring pressures for Connect and Estates

### 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 August 2022

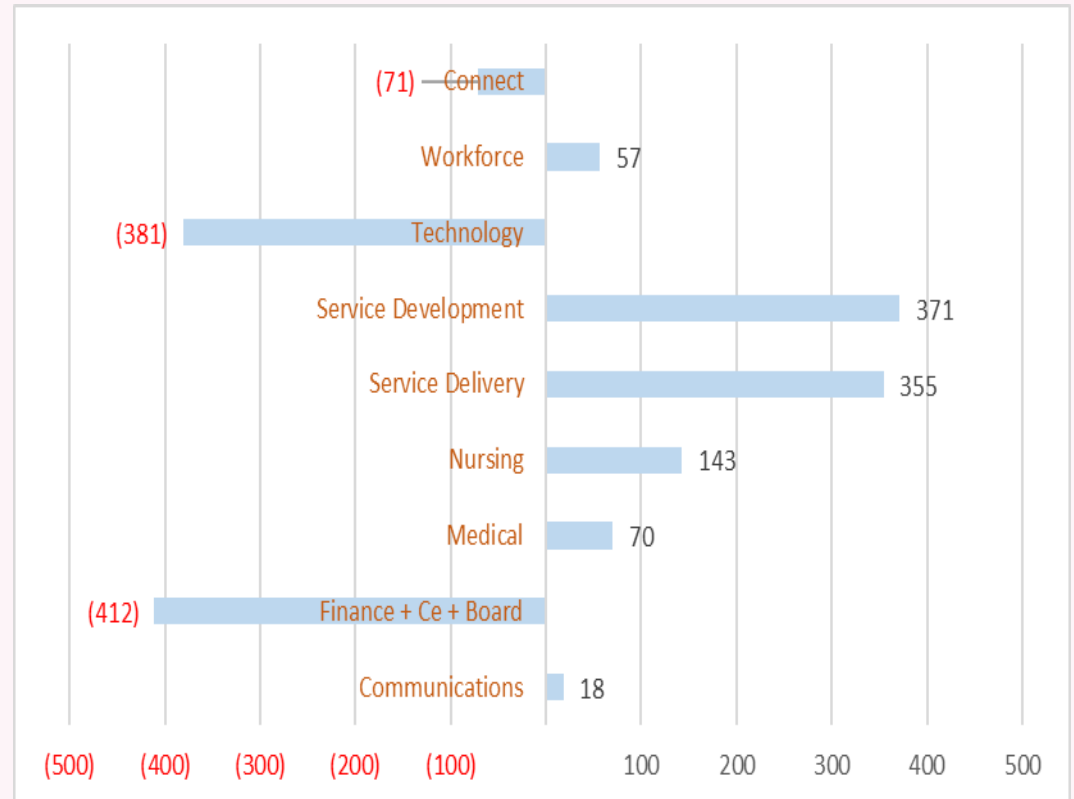
Type	Annual Budget (£m)	YTD Budget (£m)	YTD Actual (£m)	YTD Variance (£m)
Income	£107.88	£39.68	£39.68	£0.00
Pay	£91.52	£31.20	£30.27	£0.93
Non Pay	£17.85	£8.64	£9.27	(£0.63)
Remaining Savings	(£1.49)	(£0.16)	£0.00	(£0.16)
<b>Total</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.15</b>	<b>£0.15</b>

# 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.
- Connect slightly overspent year to date due to slight funding pressure. However options to address this are being considered and it is expected to break-even by the end of 2022/23
- Technology have maintenance contracts pressures and increased call charges due to 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 – August 2022) Variances Per Directorate (£000)

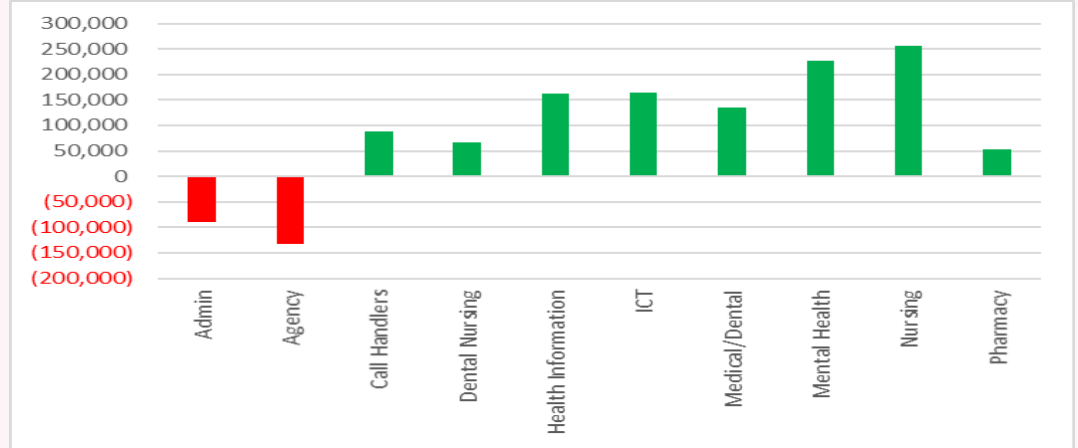


# Cost Analysis – Pay

## PAY

- Total pay 2022/23 pay budget £91.5m
- YTD Budget £31.2m
- YTD Actual £30.3m
- YTD Variance £0.9m
- Underspend on pay due to staff vacancies across multiple pay categories, slightly offset by an overspend on agency staff.

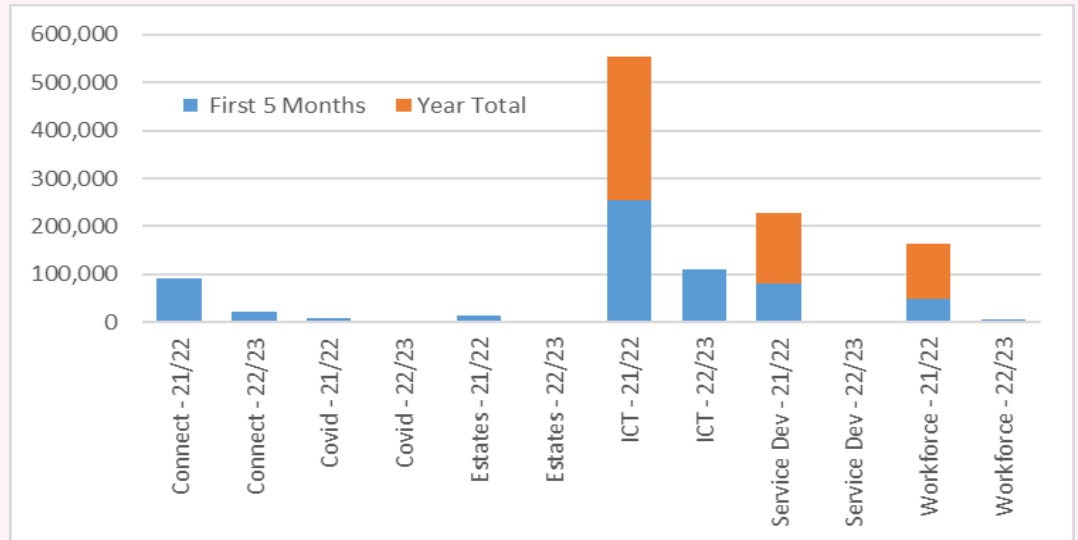
## Year to Date Pay Variances Per Staffing Category



## COST FOCUS - AGENCY STAFF

- Agency spend in 2021/22 totalled £1.03m.
- The year to date spend to the end of August in 2021/22 was £493k. Year to date spend for the same period in 2022/23 is £135k.
- Extrapolated forward the full year spend for 2022/23 will equate to £324k.

## Agency Cost Per Area Over Financial Years



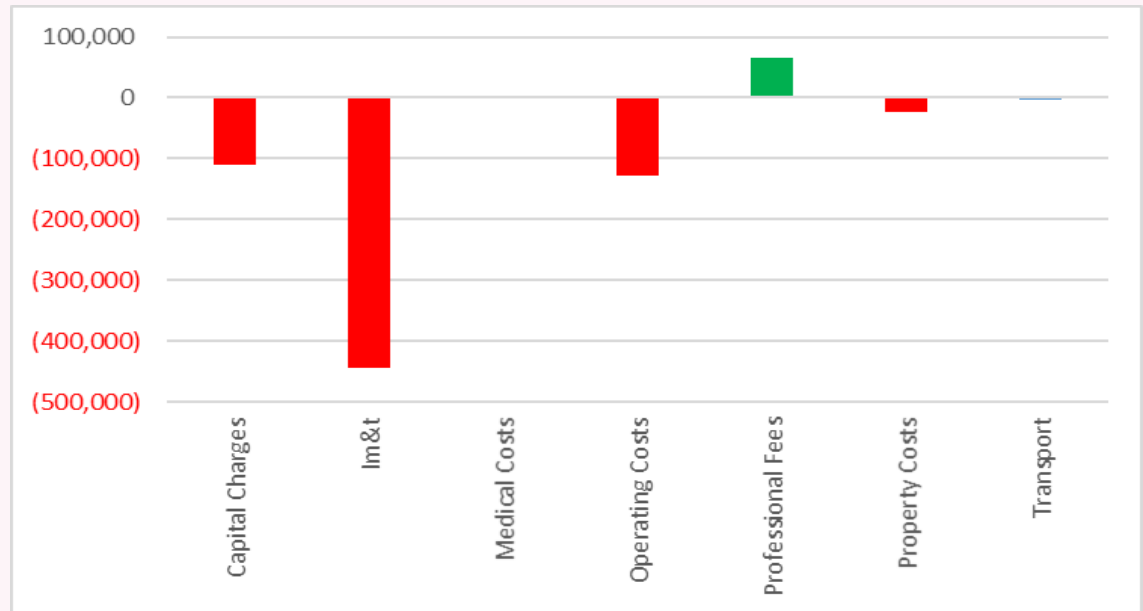


# Cost Analysis – Non Pay

## NON PAY

- Total pay 2022/23 non pay budget £17.9m
- YTD Budget £8.7m
- YTD Actual £9.3m
- YTD Variance (£0.6m)
- Overspend mainly on call charges within IM&T, but significant pressure building on Language Line
- NHS 24 are in discussion with SG about potential to fund additional 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.

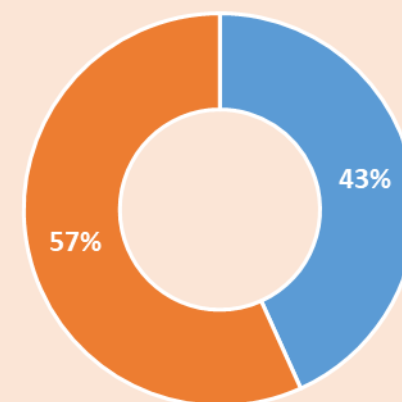
### NATIONAL BOARDS TARGET

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

<b>Savings Target</b>	<b>Recurring</b>	<b>Non Recurring</b>
	<b>1,276,000</b>	<b>1,354,000</b>
<b>Achieved</b>		
Service Development Secondments	262,348	
BT CCMT Contract Reduction	182,000	
Joint HoC Position	100,000	
Occupational Health SLA	29,000	
Vacancy Factor		564,168
<b>Total Achieved</b>	<b>573,348</b>	<b>564,168</b>
<b>Opportunities</b>		
N3 licences to IP Connect	125,000	
SWAN Newcastle Circuits	6,000	
Cardonald LED Lighting	40,000	
Blackberry UEM Licences	52,000	
Sugar Licences	22,000	
Wellbeing Managers	325,000	
Service Delivery Vacancies	132,652	
Vacancy Factor		789,832
<b>Total Opportunities</b>	<b>702,652</b>	<b>789,832</b>
<b>Savings to Find</b>	-	-

### PROGRESS AGAINST INTERNAL TARGETS



■ Achieved ■ Opportunities