

**NHS 24  
BOARD MEETING**

**16 DECEMBER 2021  
ITEM NO 9.2  
BD (2021/22) 028  
FOR ASSURANCE**

**FINANCIAL PERFORMANCE REPORT TO 31 OCTOBER 2021**

<b>Executive Sponsor:</b>	Director of Finance
<b>Lead Officer/Author:</b>	Head of Financial Planning and Reporting
<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 October 2021.</p> <ul style="list-style-type: none"><li>• Against the October allocation letter, NHS 24 is reporting a year to date overspend of £4.3m.</li><li>• However, the ledger currently anticipates allocations per the AOP that have been received in recent years and are fully expected this year.</li><li>• Covid-19 related expenditure of £2.6m has been incurred year to date and fully funded.</li><li>• As such, the ledger is currently reporting a break even position.</li><li>• The full year forecast is also assuming a breakeven position. This assumes that SGHSCD will fund all outstanding anticipated allocations.</li></ul>
<b>Governance process</b>	This paper has been discussed at EMT. The finance report is shared with Planning & Performance Committee and Board.
<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>	The key operational risk relates to achieving in-year financial balance while Anticipated Allocations funding remain outstanding.
<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 October 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.

## 3. REVENUE RESOURCE LIMIT

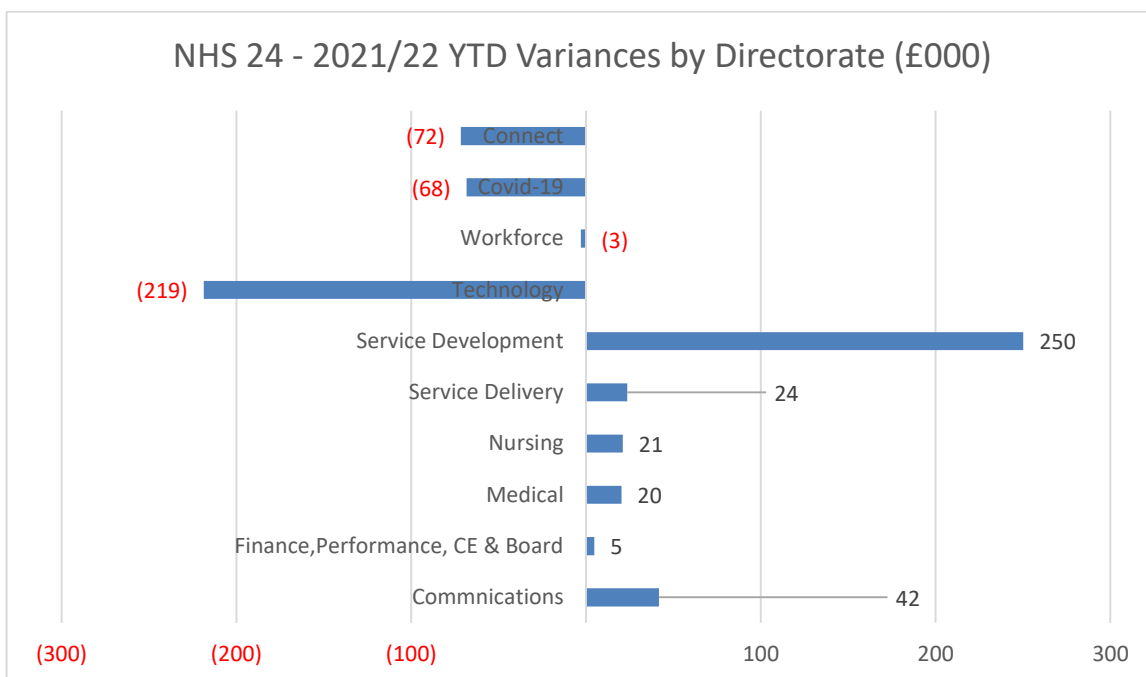
- 3.1 In relation to the revenue resource limit, NHS 24 is overspent by £4.3 million at October 2021 against its SGHSCD allocation letter.
- 3.2 This overspend is offset by anticipated allocations, mainly relating to Mental Health, to give a reported ledger break even position at month 7.
- 3.3 Year to date Covid-19 related expenditure is £2.6m. Anticipated Covid-19 expenditure is expected to be £4.9m, net of internal offsets.
- 3.4 A year end breakeven position for the financial year 2021/22 is forecast in anticipation of outstanding allocations being received.
- 3.5 Summary position:

	Full Year Budget 2021/22 £m	Budget to 31 Oct £m	Expend to 31 Oct £m	Variance to 31 Oct (Over) / Under £m
RRL (exc Covid/RUC)	£78.1	£41.9	£46.1	(£4.2)
Covid/RUC Received	£16.7	£7.4	£7.5	(£0.1)
<b>RRL letter</b>	<b>£94.8</b>	<b>£49.3</b>	<b>£53.6</b>	<b>(£4.3)</b>
Covid-19	£1.1	£0.0	£0.0	£0.0
Antic'd Allocations	£7.9	£4.3	£0.0	£4.3
<b>Financial Position</b>	<b>£103.8</b>	<b>£53.6</b>	<b>£53.6</b>	<b>£0.0</b>

- 3.6 The Year to Date position shows an underspend in pays due to vacancies, and a break even position in goods and services. Savings targets have been allocated to directorates and phased in. The majority of the pays underspend is achieving the non recurring savings target from vacancies.

Type	Ann Bud £'m	YTD Bud £'m	YTD Act £'m	YTD Var £'m
Income	(£103.8)	(£53.6)	(£53.6)	£0.0
Pay	£80.2	£42.2	£41.4	£0.8
Non Pay	£25.1	£12.2	£12.2	£0.0
Savings	(£1.5)	(£0.8)	£0.0	(£0.8)
<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.

3.9 Vacancies in Service Development are offsetting Technology pressures from Agency staff covering vacancies and additional SIP channel costs.

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 total additional Anticipated Allocations NHS 24 is expecting to receive in 2021/22 is £27.8m. To date, £9m of anticipated allocations remain outstanding, mainly Mental Health and Covid related.

4.3 The following table shows the breakdown of the total funding expected by NHS 24:

Description	Budget
Initial Baseline Allocation	73,820,000
Agenda for change uplift	2,220,000
Advanced Clinical Support	1,000,000
<b>Total Recurring Funding</b>	<b>77,040,000</b>
<b>Allocations Received</b>	
Redesign of Urgent Care	13,000,000
Covid Funding	3,460,000
Crisis Helpline	323,057
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
< £100k allocations	166,724
<b>Total Additional Allocations Received</b>	<b>17,803,324</b>
<b>Revenue Resource Limit Per September 2021 Allocation Letter</b>	<b>94,843,324</b>
<b>Allocations to be Received</b>	
Easter & Winter Marketing	165,000
Supporting better value healthcare	40,000
Open University Nursing Students	12,500
NHS Living Life	200,000
Breathing Space	2,157,000
Primary Care Projects (PCDS)	305,000
Mental Health Hub	6,514,116
Enhanced Mental Health Care Pathway Project	724,680
Anticipated RUC pass back	(2,000,000)
Adastra	46,000
cCBT	470,000
Covid Funding (remainder)	1,076,000
National Board Savings Target	(750,000)
NHS Inform Capacity	30,000
<b>Total Additional Allocations to be Received</b>	<b>8,990,296</b>
<b>Anticipated Allocations</b>	<b>103,833,620</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 October 21 for Covid-19 expenditure is £2.6m.

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	786,627	1,628,373
Coronavirus Helpline	759,416	1,440,000
ICT Costs	114,167	121,167
Call Charges	186,739	344,500
Estates Costs	767,512	1,100,960
Vaccinations	-	286,000
<b>Total Covid Costs</b>	<b>2,614,461</b>	<b>4,921,000</b>
Redsign of Urgent Care (RUC)	4,796,417	11,000,000
Internal Offsets	(68,317)	(99,000)
<b>TOTAL COSTS</b>	<b>7,342,561</b>	<b>15,822,000</b>

## 6. CAPITAL RESOURCE LIMIT

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

	<b>Full Year Budget 2021/22 £m</b>	<b>Budget to 31 Oct £m</b>	<b>Expend to 31 Oct £m</b>	<b>Variance to 31 Oct (Over) / Under £m</b>
<b>Capital Resource Limit</b>	2.2	0.74	0.74	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 and a further £1.2million for anticipated costs in Dundee.

## 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 £2.4m internal targets.

7.2 The table below shows that at present the organisation is on target to achieve 80% of the in-year target and 60% of the full year effect target. At present pays are underspent by £0.8m offsetting the vacancy factor amber target. The

forecast shows that there is currently a recurring gap across Directorate plans of £0.5m full year effect. Recurring plans require to be identified as a matter of urgency to ensure the organisation stays on track to live within a balanced recurring position.

Theme	Savings Target		Savings Achieved		Forecast	
	CYE	FYE	CYE	FYE	CYE	FYE
Travel	103,587	103,587	88,587	88,587	88,587	88,587
Calls	109,000	109,000	109,000	109,000	109,000	109,000
Estate	27,400	27,400	27,400	27,400	27,400	27,400
Technology	118,107	18,107	200,106	200,106	336,988	236,987
Other	0	0	0	0	0	0
Salaries	244,812	228,747	243,114	230,517	243,114	230,517
Unallocated	718,188	667,427	0	0	50,761	0
	<b>1,321,094</b>	<b>1,154,268</b>	<b>668,207</b>	<b>655,610</b>	<b>855,850</b>	<b>692,491</b>
Vac Factor	1,039,060	0	155,062	0	1,041,202	0
	<b>2,360,154</b>	<b>1,154,268</b>	<b>823,269</b>	<b>655,610</b>	<b>1,897,052</b>	<b>692,491</b>
					<b>80%</b>	<b>60%</b>