

<p>NHS 24 BOARD MEETING</p> <p style="text-align: right;">26 OCTOBER 2023 ITEM NO 10.2 FOR ASSURANCE</p> <p style="text-align: center;">MONTH 06 – FINANCE REPORT</p>	
Executive Sponsor:	John Gebbie, Director of Finance
Lead Officer/Author:	Neil Logan, Head of Financial Planning and Reporting
Action Required	Board members are asked to take assurance from the Month 6 Finance Report which shows the financial position of NHS 24 as at 30 September 2023.
Key Points for this Committee to consider	<p>A breakeven position is reported at the six month mark of the financial year.</p> <p>Pays are underspent due to vacancies offsetting a small pressure within non pay areas.</p> <p>Efficiency plans are currently ahead of schedule and on track to deliver in full this financial year.</p>
Governance process	This paper has been discussed at the Executive Management Team prior to submission to the Board
Strategic alignment and link to overarching NHS Scotland priorities and strategies	This paper demonstrates how the NHS 24 is on track to meet its statutory financial goals.
Key Risks	There are a number of allocations that are currently anticipated however this is deemed low risk due to being highlighted to the Sponsor Team.
Financial Implications	This paper details the financial position of NHS 24 and that it is on track to meet its financial objectives for 2023/24.
Equality and Diversity	The services NHS 24 provide is in line with its operating plan which have all been assessed in line with the appropriate requirements in relation to equality and diversity.

Three overlapping circles in the top-left corner: a large dark blue circle, a medium pink circle, and a small light blue circle.

Finance monthly report

Month 6

April 2023 – September 2023

Finance Report – Main Points

• External Factors

- Scottish Government (SG) has indicated funding across NHS Scotland will again be challenging in 2023/24.
- As a result, NHS 24 have been asked to contribute additional efficiencies in 2023/24 to help contribute to pressures experienced by NHS services across Scotland.
- Funding letters for 2023/24 to date have included £91.5m of recurring and £1.6m of non recurring funding.
- Total funding for 2023/24 is expected to be £113.4m and the Finance team are working closely with SG to secure the remaining funding as early as possible.

• Internal Factors

- NHS 24 is showing a slight underspend of £56k against its Year To Date budget.
- £69k underspend in salaries due to vacancies.
- £13k overspend in non pay mainly due to increased use of legal fees.
- Regular efficiency savings are currently ahead of schedule with 61% of savings achieved year to date.
- Opportunities to meet the remaining 39% of 2023/24 savings have been identified and are being progressed.

Month 6 Financial Position



Pay £0.07m underspend

Key Points

Pay

- Number of vacancies across NHS 24 remained unfilled
- Savings from vacancies have largely been offset by £1.0m towards the total £2m additional SG contribution request
- Uplift for 2023-24 pay award included in pay budget

Non Pay £0.01m overspend

Non Pay

- Pressure in non pay mainly relates to legal costs.

Efficiency Savings £0.0m breakeven

Efficiency Savings

- Efficiency savings have been issued to directorates with 61% of required target met.
- Plans for the remaining 39% are developed and progressing.

Financial position as at 30 September 2023

Type	Annual Budget (£m)	YTD Budget (£m)	YTD Actual (£m)	YTD Variance (£m)
Income	£113.38	£53.72	£53.72	£0.00
Pay	£89.76	£43.29	£43.22	£0.07
Non Pay	£24.94	£10.43	£10.44	(£0.01)
Remaining Savings	(£1.33)	£0.00	£0.00	£0.00
Total	£0.00	£0.00	£0.06	£0.06

Allocations

Forecast RRL

£113.4m

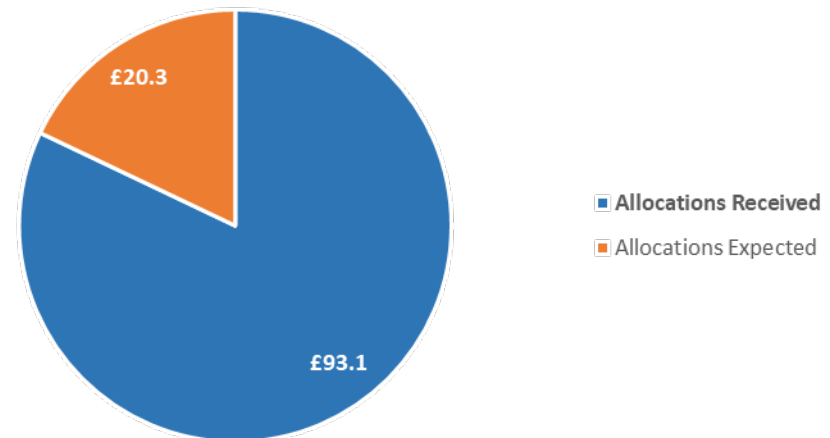
Received to Date

£93.1m

Anticipated

£20.3m

Allocation Status £m



Allocation letters received to date for 2023/24 have contained the Baseline funding for 2023/24 and the pay award uplifts for 2022/23 and 2023/24 for baseline funded staff. The uplift for the one-off Agenda for Change pay awards were also received along with some other small allocations which were expected.

Following discussions with SG, there is a commitment to transfer £10.7m of the £16.7m RUC funding to baseline, with the remaining £6.0m dependent on progression on recruitment.

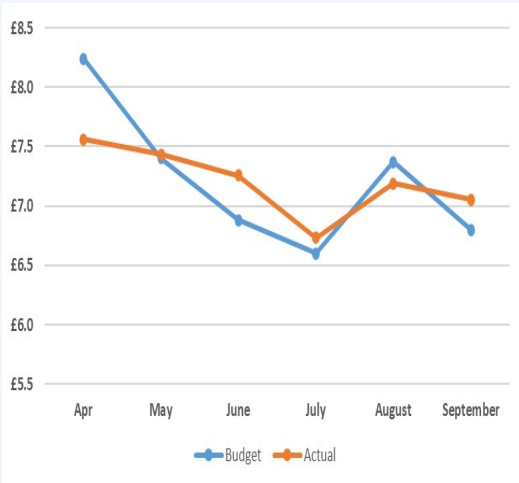
Discussions continue on a regular basis to work towards baselining the remaining non-recurring Mental Health funding.

Description	Budget (£)
Initial Baseline Allocation	83,173,500
Baseline Uplift - Letter	1,762,500
Baseline Uplift - Agenda for Change 22/23	5,000,000
Pay Award 2023-24	1,442,000
Pay Award 2023-24 - One off payments	843,000
SARCS	465,297
ICT - eHealth Allocation	125,011
Easter & Winter Marketing	84,700
Realistic Medicine	50,000
Implement Health & Social Care	42,758
Excellence in Care & Audiology	42,930
Sexual Health & BBV Tranche 1	14,530
Open University	10,000
Allocations Received Per Sept Allocation Letter	93,056,226
RUC	13,083,187
Mental Health cCBT	470,000
Mental Health Hub	5,989,308
Enhanced Pathway	1,368,555
2022/23 Underspend c/f	795,000
Carry Forward Reduction	(800,000)
Additional Savings Target	(600,000)
Tech Refresh Saving	(600,000)
PCDS	75,000
Anticipated additional depreciation	397,086
Lead AHP	20,782
Medical Pay Award	32,000
Open University	10,000
Sexual Health & BBV Remainder	45,470
Vaccine Funding	35,000
Total Additional Allocations to be Received	20,321,388
Anticipated Funding as at 30 September 2023	113,377,614

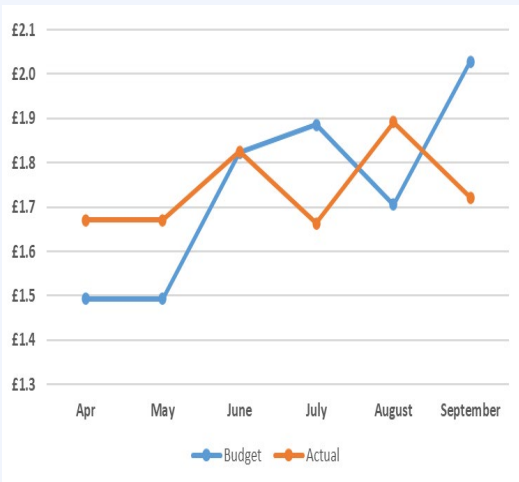
Financial Position



Pay Cost (£m)



Non Pay (£m)

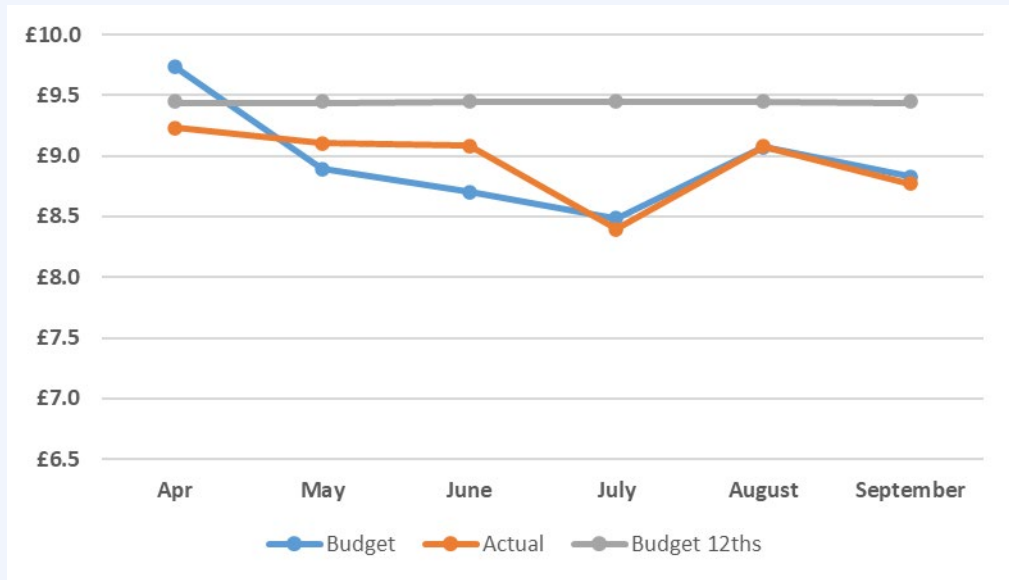


Budget
£53.72m
 % of Full Year 47.4%

Actual Spend
£53.66m
 % of Forecast 47.3%

Underspend
£0.06m
 % of YTD Budget 0.1%

Financial Position (£m)



Financial Position

The financial position shows a slight underspend against the year to date budget. NHS 24 is expected to break-even by the end of the financial year, assuming that all expected allocations are received.

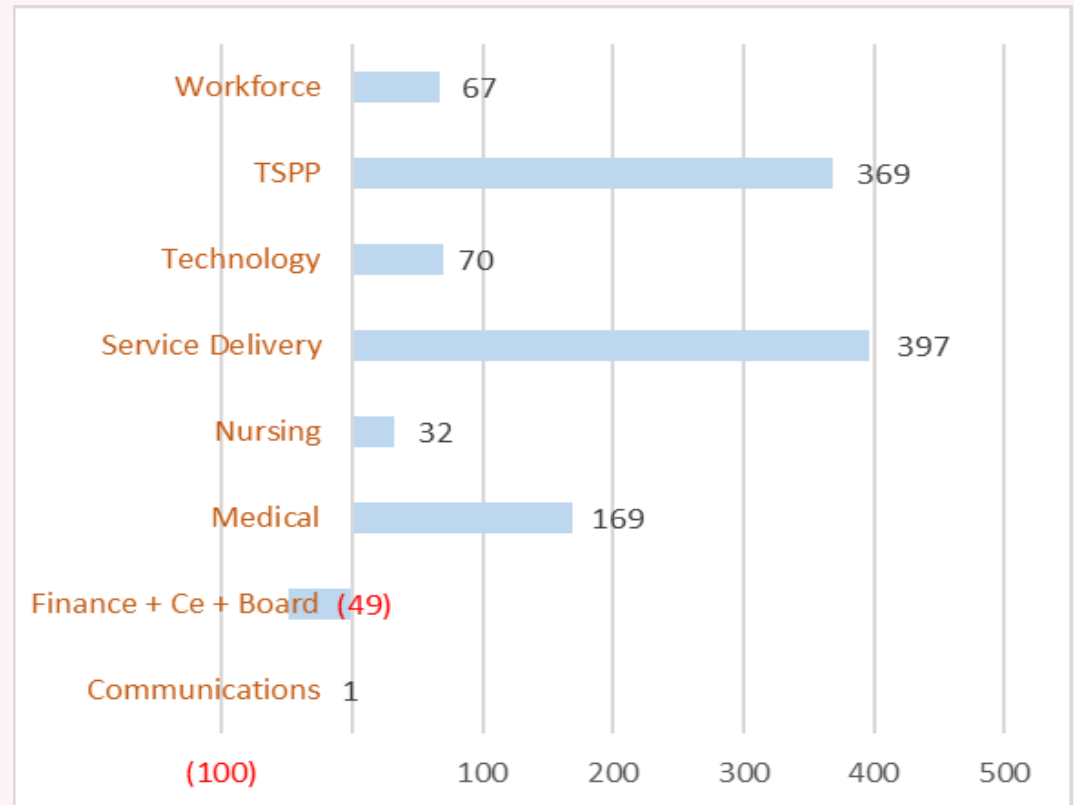
Following the 2023-24 Quarter 1 meeting with SG, NHS 24 was asked to contribute an additional £2m in 2023/24 to support services across NHS Scotland. To date 6/12ths of the £2m has been factored into the financial position.

Financial Position Per Directorate

MAIN POINTS

- The graph shows the year to date variance per directorate.
- Number of vacancies across directorates, attributing to most being underspent.
- The Finance directorate holds the budget for legal costs which is currently experiencing a pressure.

Year to Date (April 2023 – September 2023) Variances Per Directorate (£000)

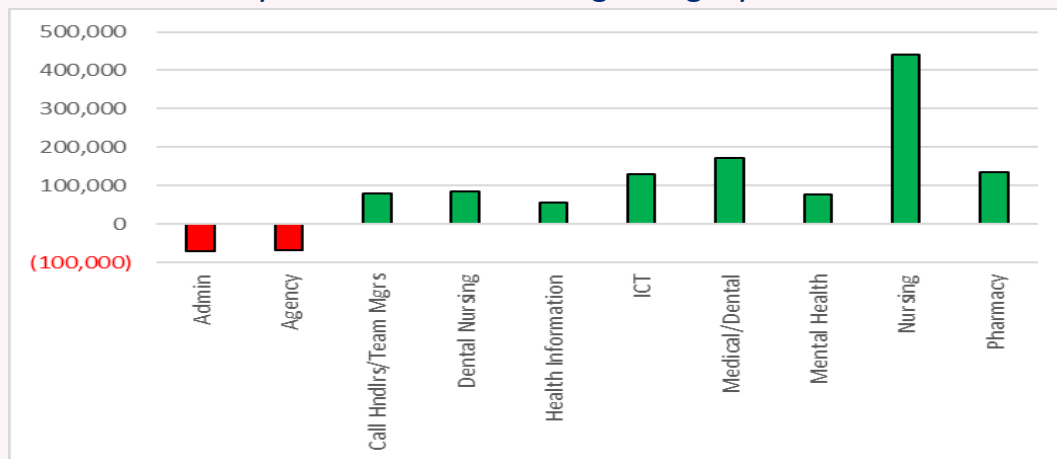


Cost Analysis

PAY

- Total 2023/24 pay budget £89.76m
- YTD Budget £43.3m
- YTD Actual £43.2m
- YTD Variance £0.06m
- Vacancy factor of (£0.7m) has been factored into pay budgets and comes through the Admin category.

Year to Date Pay Variances Per Staffing Category



NON PAY

- Total 2023/24 non pay budget £24.94m
- YTD Budget £10.43m
- YTD Actual £10.44m
- YTD Variance (£0.01m)
- Cnoris and legal fee increases included in Professional Fees
- Property cost pressure relates to cleaning costs.

Year to Date Non Pay Variances Per Category



Efficiency Savings

INTERNAL TARGETS

In order to break-even in 2023/24, NHS 24 are required to make 3% savings on baseline funding, which is split into recurring and non recurring savings.

In addition, NHS 24 has made a significant recurring efficiency on the redesign of the FME Service.

PROGRESS AGAINST TARGETS

Significant progress has been made to secure 61% of the required savings for 2023/24. Plans are in progress to secure the remaining 39% in the months ahead.

	Current Year Effect (CYE)	Full Year Effect (FYE)
Savings target per Finance Plan	(2,866,000)	(1,114,000)
Additional Target	(624,000)	(683,000)
Savings Target	(3,490,000)	(1,797,000)

Achieved

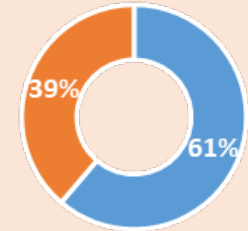
Conferencing Facilities	20,000	20,000
CMS Migration	112,000	112,000
Contract Procurement	51,461	51,461
Establishment Control	93,420	93,420
HIS Team Vacancies	303,082	303,082
Leased Car	7,154	7,154
LED Lighting	50,000	50,000
Shift Review Slippage	175,000	0
Vacancy Factor	701,000	0
Service Redesign	624,000	683,000
Total Achieved	2,137,117	1,320,117
Outstanding balance	(1,352,883)	(476,883)

In progress

Tech Refresh	200,000	200,000
Establishment Control	229,377	229,377
Mobile Phones	12,000	16,506
Shift Review Slippage	191,506	0
Hospitality	8,000	10,000
Admin Control	2,000	8,000
Text messaging contract	9,000	13,000
Vacancy Factor	701,000	0

(Under)/Over Achievement Savings	0	0
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PROGRESS AGAINST £2.87m INTERNAL TARGETS



■ Achieved ■ In Progress

ADDITIONAL SG SAVINGS TARGETS

The funding position for the NHS across Scotland remains extremely challenging for a range of reasons including high inflation. NHS 24 have therefore been asked to support an additional £2m of savings. To date, £1.0m has been factored into the financial position per the table below.

Target	Full Year	YTD
Additional Savings Target	600,000	300,000
Tech Refresh Saving	600,000	300,000
Carry Forward Reduction	800,000	400,000
Total Additional Savings	2,000,000	1,000,000