

**NHS 24
20 JUNE 2024
BOARD MEETING
ITEM NO 11.2
FOR ASSURANCE**

FINANCE PERFORMANCE REPORT – M1

Executive Sponsor: John Gebbie, Director of Finance

Lead Officer/Author: Neil Logan, Head of Financial Planning and Reporting

Action Required: The Board is asked to take assurance from the M1 Finance Report which shows the financial position of NHS 24 as at April 2024.

Key Points for this Committee to consider

This paper shows the financial position of NHS 24.

Governance process

This paper is produced for the EMT of NHS 24 prior to be reported 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.

Strategic alignment and link to Corporate Delivery Plan activity

This paper demonstrates how the NHS 24 is on track to meet its statutory financial goals.

Key Risks

There is a small risk that not anticipated allocations are received, however this is deemed small due to ongoing discussions with SGHSCD finance colleagues.

Financial Implications

This paper details the financial position of NHS 24 and that it is on track to meet its financial objectives for 2024/25.

Equality and Diversity

The services NHS 24 provide are 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 1

April 2024

Month 1 Financial Overview

Revenue Position £0.003m underspend

Capital Expenditure £0.000m

Efficiency Savings
Achieved £0.143m

Key Points

Financial Position

- Full year allocation in 2024/25 is forecast to be £120.4m
- NHS 24 is showing a slight underspend of £3k for Month 1 of financial year 2024/25.
- The financial outlook for NHS Scotland is expected to remain extremely challenging in 2024/25.

Capital Expenditure

- The Capital Formula Allocation is expected to be £0.269m as per previous years.
- There has been no capital expenditure to date in 2024/25.

Efficiency Savings

- The efficiency target for 2024/25 is £4.81m of which £2.4m is recurring savings.
- A number of savings have been identified and will be actioned in M2. To date the efficiency savings relate to vacancy factor.

Allocations

Allocations

Forecast RRL

£120.4m

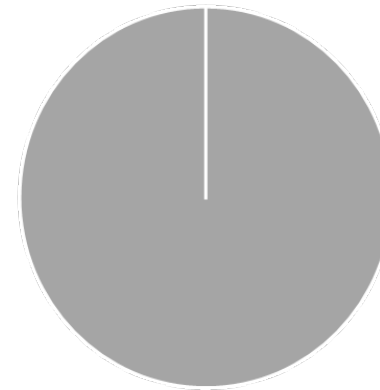
Received to Date

£0.0m

Anticipated

£120.4m

Allocation Status £m



■ Received ■ Anticipated

Allocation Letter

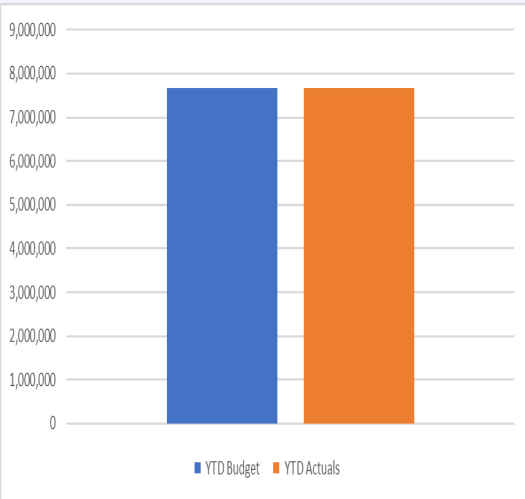
The first allocation letter is expected at the start of June. This is expected to confirm the initial baseline allocation for NHS 24 of £106.9m which includes £4.7m for Mental Health which was baselined in February 2024.

Given the challenging financial climate, the Scottish Government has committed to baselining allocations wherever possible and aim to have 80% of allocations issued by Month 3 of the financial year 2024/25

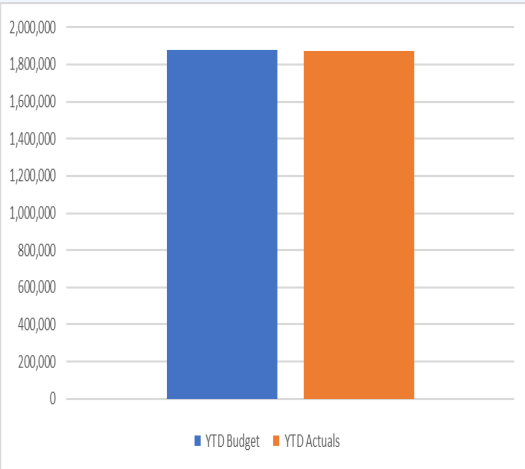
Description	Budget (£)
Initial Baseline Allocation	106,930,106
Mental Health	3,179,000
Redesign of Urgent Care	6,493,000
Nursing - OU Students	20,400
ICT - e-health strategic allocation	125,011
Nursing - Implementation of excellence in care	42,930
Nursing - Implementation of Health Staffing Act	42,758
Improvements to Forensic Medical Services	372,569
Enhanced Mental Health Care Pathway	1,368,555
ICT - Primary Care Projects (PCDS)	75,000
Realistic Medicine Clinical Lead and PM	50,000
Pension Increases	1,264,000
Depreciation	397,086
Total	120,360,415

Financial Position

Pay Cost (£)



Non Pay (£)

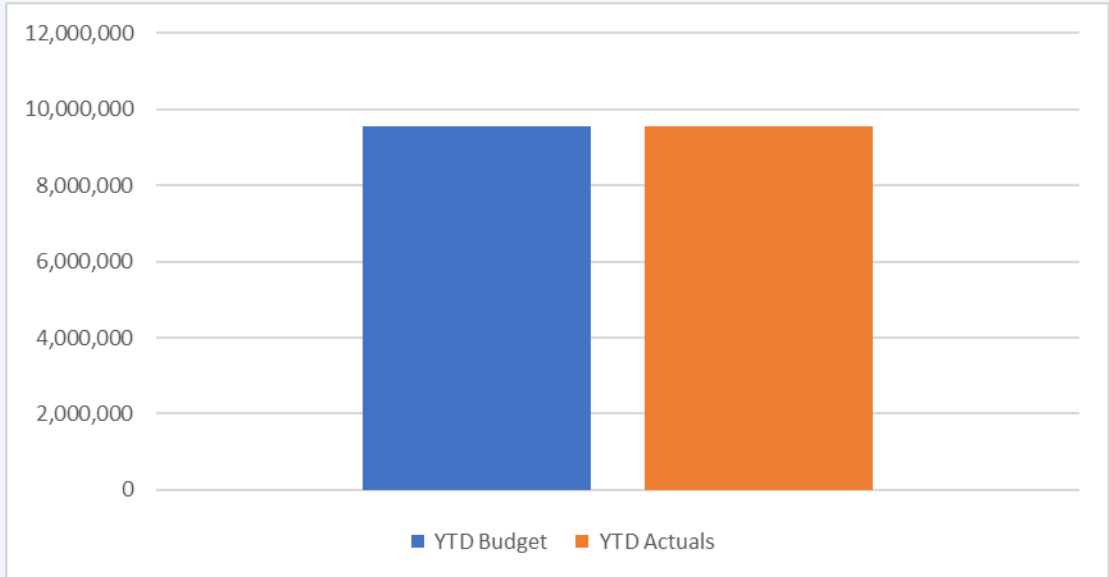


Budget
£9.55m
 % of Full Year 7.94%

Actual Spend
£9.55m
 % of Forecast 7.94%

Underspend
£0.0m
 % of YTD Budget 0.0%

Financial Position (£)



Financial Position

The financial position shows a very slight underspend for the first month of financial year 2024/25.

Month 1 Financial Position



NHS 24 financial information – Main Categories

Pay £0.01m overspend

Non Pay £0.01m underspend

Efficiency Savings £0.0m breakeven

Key Points

- Number of vacancies across NHS 24. However, this has been offset by the effect of the reduction in the working week.
- For M1, non pay expenditure is progressing in line with budget.
- The efficiency savings target for 2024/25 is £4.8m. To date vacancy factor savings of £0.14m have been achieved.

Financial position as at 30 April 2024

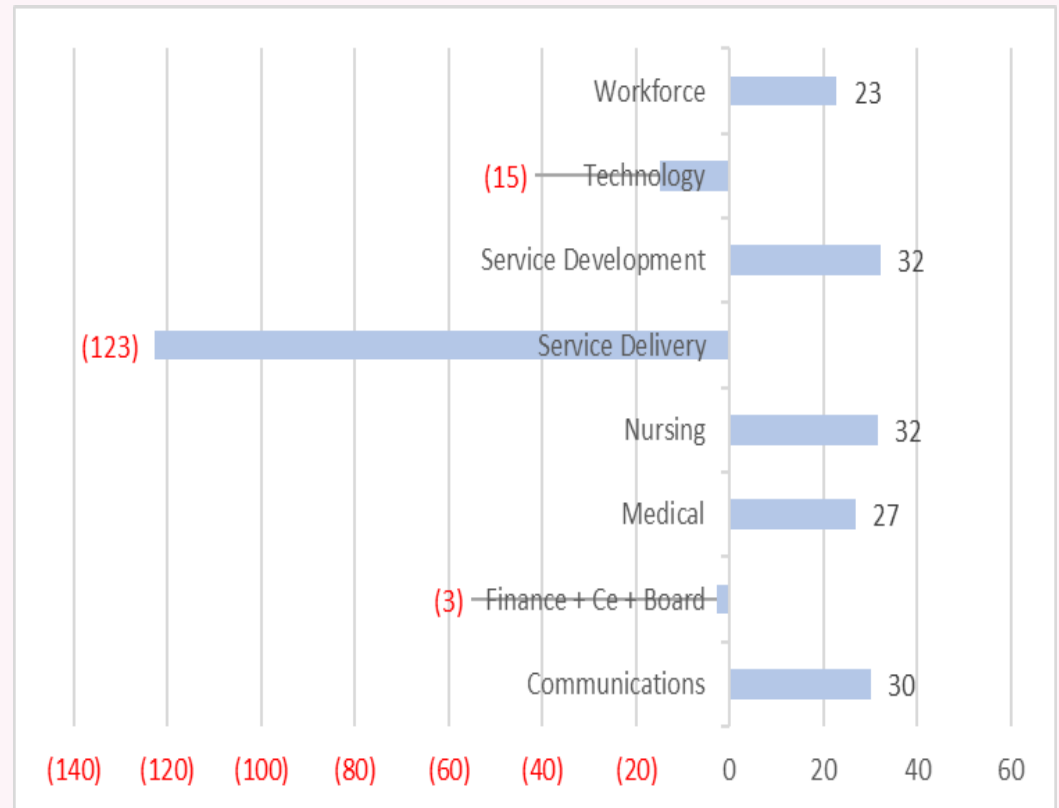
Type	Annual Budget (£m)	Budget (£m)	Actual (£m)	YTD Variance (£m)
Income	120.36	9.55	9.55	-
Pay	98.71	7.67	7.68	- 0.01
Non Pay	21.65	1.88	1.87	0.01
Total	0.00	0.00	0.00	- 0.00

Financial Position Per Directorate

MAIN POINTS

- The graph shows the year to date variances per directorate for financial year 2024/25 with a small underspend overall.
- There are a number of vacancies across directorates, attributing to most being underspent.
- Service Delivery has seen the largest financial impact in relation to the reduction in working week (RWW). NHS 24 anticipate additional funding to cover the additional RWW costs.

Year to Date (April 2024) Variances Per Directorate (£)

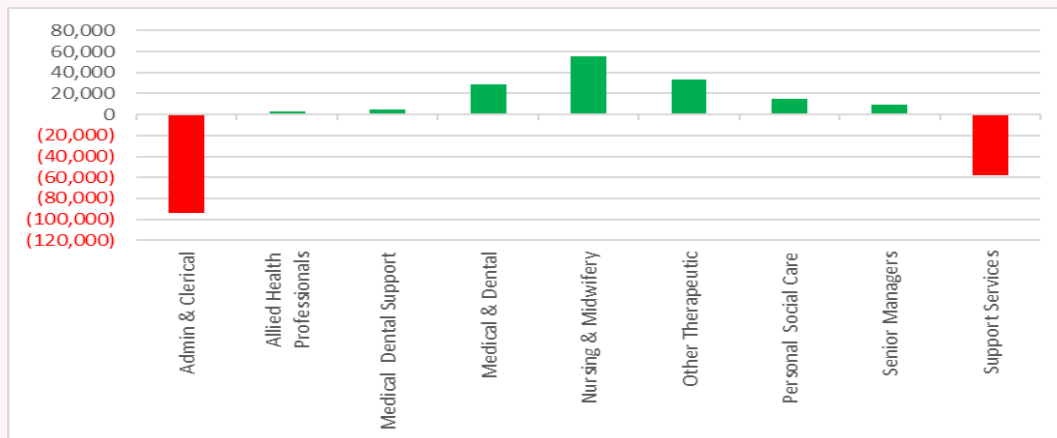


Cost Analysis

PAY

- Total 2024/25 pay budget is £98.71m. The year to date budget is £7.67m with actual spend of £7.68m, providing a slight overspend of £0.01m
- The Admin & Clerical section includes Call Handlers and Team Managers who have been most affected by the reduction in working week.
- Support services include agency costs.

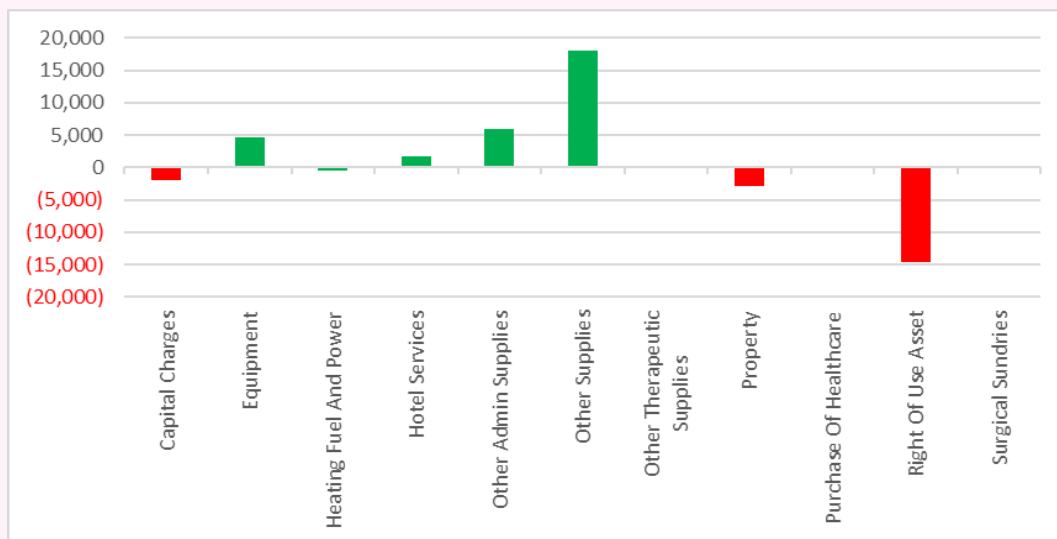
Year to Date Pay Variances Per Staffing Category



NON PAY

- Total 2024/25 non pay budget is £21.65m. The year to date budget is £1.88m with actual spend of £1.87m, providing a slight underspend of £0.01m.
- The overspend in Right of Use Asset is offset by an underspend in Other Supplies, which includes rent of premises.

Year to Date Non Pay Variances Per Category



Efficiency Savings

EFFICIENCY TARGETS

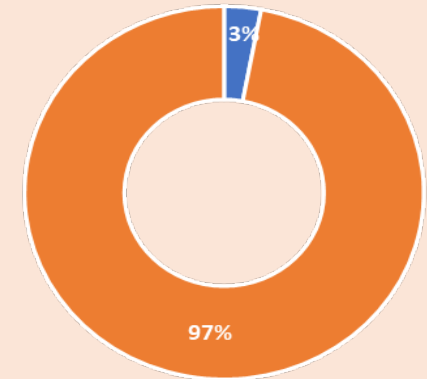
In order to break-even in 2024/25, NHS 24 are required to make savings of £4.8m.

PROGRESS AGAINST TARGETS

For Month 1, efficiency savings relating to vacancy factor have been realised. Significant work has been made on other savings and the expectation is these will be actioned in the second month of the financial year.

	Current Year Effect (CYE)	Full Year Effect (CYE)
Target	(4,805,359)	(2,392,000)
Anticipated		
12 Month Vacancy Savings	200,000	200,000
Virtual Queue call cost reduction	300,000	300,000
Licence review	100,000	100,000
Shift Review	800,000	800,000
Vacancy factor	1,570,359	0
Establishment Control	300,000	300,000
Service Redesign/Dept restructures	450,000	450,000
Estates income	50,000	50,000
In year slippage on programmes	300,000	0
S&V savings	592,000	192,000
Achieved		
2% vacancy factor	143,000	0
(Under)/Over Achievement Savings	0	0

PROGRESS AGAINST EFFICIENCY TARGETS



■ Achieved ■ In Progress