

**NHS 24  
BOARD MEETING**

**29 AUGUST 2024  
ITEM NO 11.2  
FOR ASSURANCE**

**FINANCE PERFORMANCE REPORT – M04**

**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 M4 Finance Report which shows the financial position of NHS 24 as at July 2024.

**Key Points for this Committee to consider**

Main points to note:

- Year to date overspend of £190k reported at month 4.
- The impact of the reduced working week accounts for £262k of this.
- Savings plans are on target, however, are currently reporting a pressure. This is mainly a timing delay between plans being signed off via the S&V group and actioned in the ledger. As such, some of the underspends within expenditure headings shall reduce when the savings are actioned.

**Governance process**

The finance report is produced for the EMT of NHS 24 prior to being reported to the Planning & Performance Committee and NHS 24 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 all 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, subject to the reduced working week costs being funded, or reduced.

**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 4

July 2024

# Month 4 Financial Overview

Revenue Position                      £0.190m overspend

Capital Expenditure                      £0.000m

Efficiency Savings  
Achieved                                      £2.316m

## Key Points

### Financial Position

- Full year allocation in 2024/25 is forecast to be £118.2m
- NHS 24 is showing an overspend of £190k for Month 4 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 £0.269m as per previous years.
- There has been no capital expenditure to date in 2024/25, however plans have been developed.

### Efficiency Savings

- The efficiency target for 2024/25 is £4.81m of which £2.4m is recurring savings.
- Savings of £2.3m have been achieved by M4.

# Allocations

## Allocations

Description	Budget (£)
Initial Baseline Allocation	106,930,700
Pension Increases	2,340,000
Improvements to Forensic Medical Services	316,465
NHS Inform	200,000
Realistic Medicine Clinical Lead and PM	50,000
Nursing - Implementation of Health Staffing Act	44,325
Nursing - Implementation of excellence in care	44,406
SHBBV Action Plan	18,360
Nursing - OU Students	15,000
<b>Total Received as at 31 July 2024</b>	<b>109,959,256</b>
Mental Health	2,203,000
Redesign of Urgent Care	4,040,065
Nursing - OU Students	15,000
ICT - e-health strategic allocation	125,011
Enhanced Mental Health Care Pathway	1,368,555
ICT - Primary Care Projects (PCDS)	75,000
Depreciation	397,086
<b>Total Anticipated by 31 March 2025</b>	<b>118,182,973</b>

Forecast RRL

£118.2m

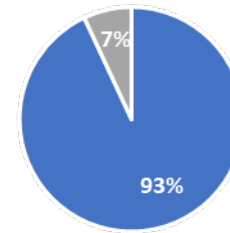
Received to Date

£110.0m

Anticipated

£8.2m

## Allocation Status £m



■ Received ■ Anticipated

### Allocation Letter

The first allocation letter was received at the start of June. It confirmed the initial baseline allocation for NHS 24 of £106.9m which included £4.7m for Mental Health which was baselined in February 2024.

The June allocation letter included an uplift to cover the increase in employers pension costs as well as funding for the Forensic Medical Service. There was also funding to facilitate work on the NHS inform review as well as a number of smaller allocations.

In July, the Realistic Medicine allocation was received to bring the total funding received to date to £110m or 93% of the total expected for 2024/25.

# Month 4 Financial Position

Pay £0.16m underspend

Non Pay £0.03m underspend

Efficiency Savings £0.37m overspend

## Key Points

- Number of vacancies across NHS 24. However, this has been offset by the effect of the reduction in the working week (£0.26m) and timing around efficiencies being taken.
- For M4, non pay expenditure is largely progressing in line with budget.
- To date, efficiency targets of £1.60m have been phased in year to date with £1.23m of this being achieved. The balance will be reduced in the coming months as efficiencies are actioned after review by the S&V group.

## Financial position as at 31 July 2024

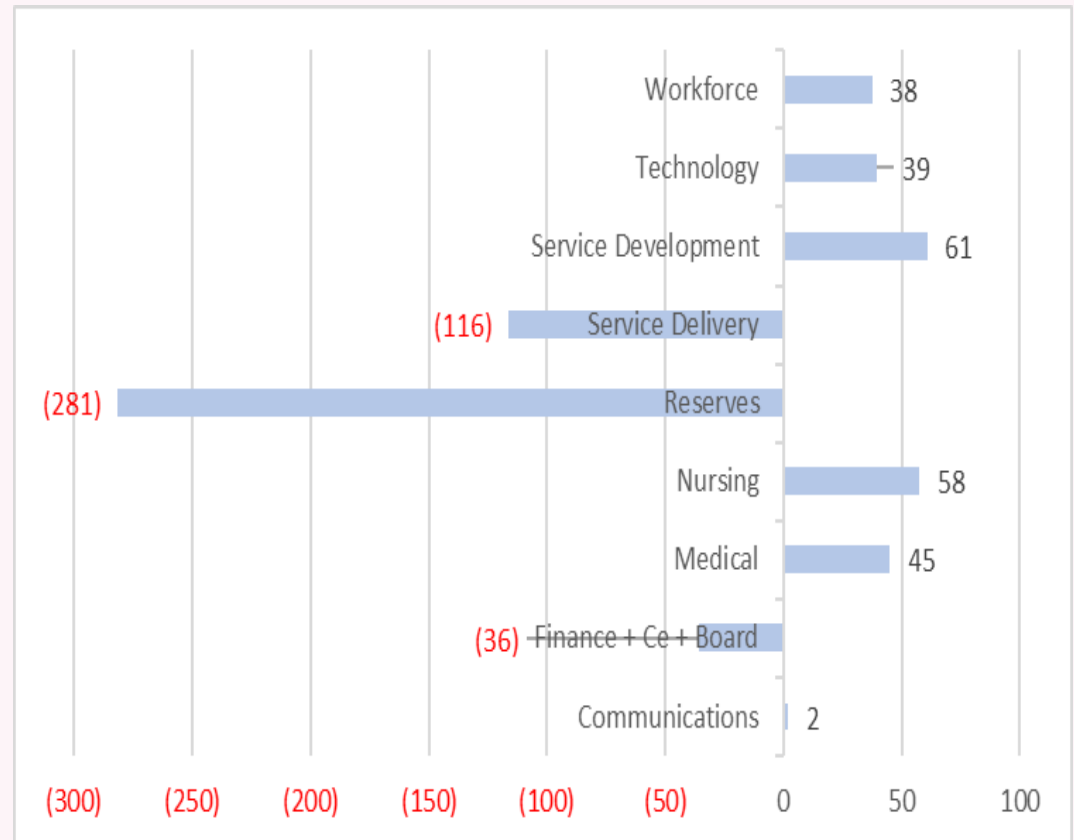
Type	Annual Budget (£m)	YTD Budget (£m)	YTD Actual (£m)	YTD Variance (£m)
SG Income	118.18	37.17	37.17	0.00
Pay	95.57	30.52	30.37	0.16
Non Pay	23.91	7.02	6.99	0.03
Efficiencies	(1.29)	(0.37)	0.00	(0.37)
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.19)</b>	<b>(0.19)</b>

# Financial Position Per Directorate

## MAIN POINTS

- The graph shows the year to date variances per directorate for financial year 2024/25 with a small overspend overall.
- There are a number of vacancies across directorates, attributing to most being underspent. Efficiency plans have to be actioned in a number of these areas.
- Service Delivery has seen the largest financial impact in relation to the reduction in working week (RWW). It is likely that additional funding shall be received to offset this new pressure but this is not currently included in the year to date position.
- The Reserves Directorate holds the savings target balance which is showing as an overspend until allocated out. This is partially offset by any budgets that relate to efficiency savings that are held in reserves, which will be actioned once they pass the Sustainability & Values group for approval.

Year to Date (April – July 2024) Variances Per Directorate (£'k)

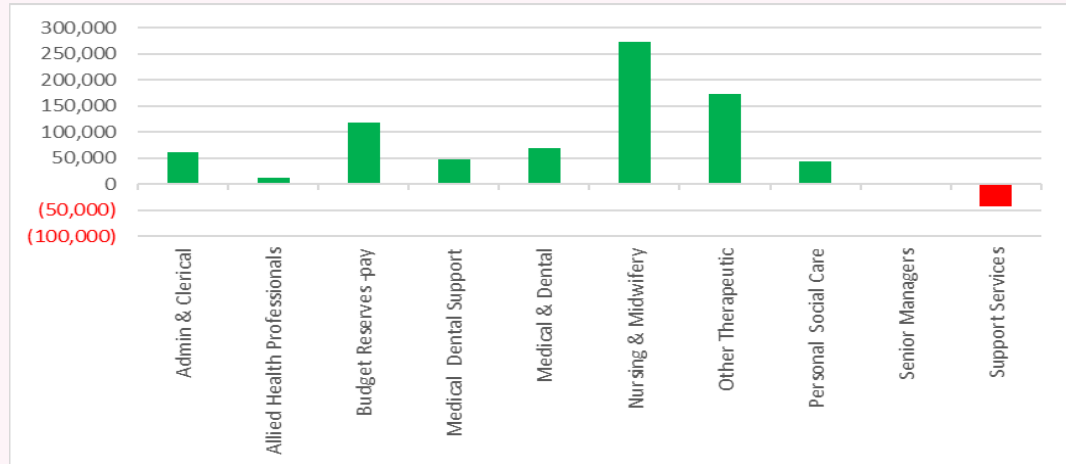


# Cost Analysis

## PAY

- Pays are showing a slight underspend of £0.16m.
- The table to the side shows the variance by job family prior to the vacancy factor (YTD £601k), which is mainly being achieved via nurse and pharmacist vacancies.
- The impact of the reduced working week is mainly hitting admin where Call Handlers sit.
- The Support Services costs include secondees costs which are offset by vacancy savings in the Medical & Dental category.

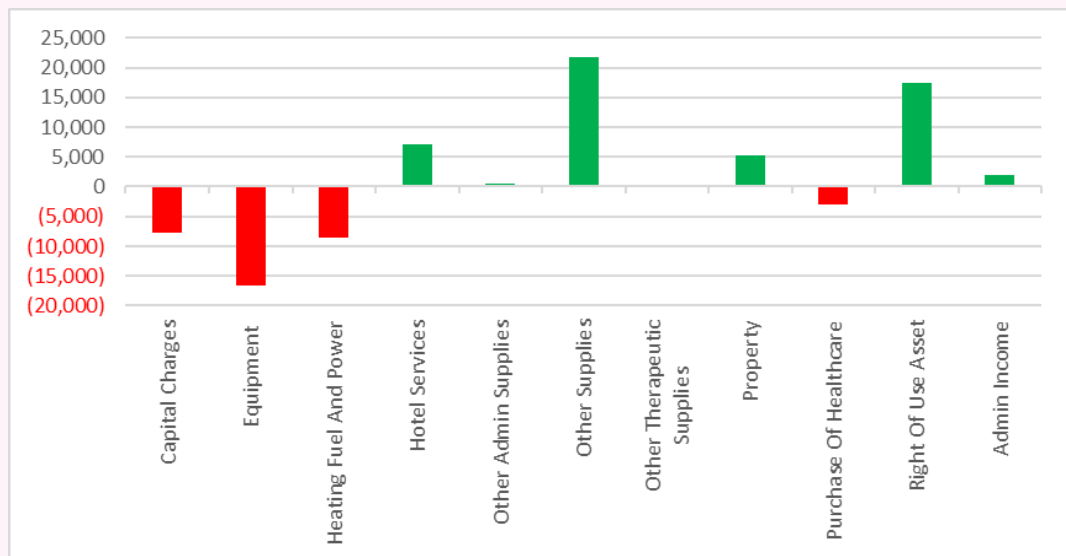
Year to Date Pay Variances Per Staffing Category



## NON PAY

- Non pays are £0.03m underspent.
- During M4, funding for inflationary pressures, previously held in reserves, was released resulting in the non pays budget close to break even. There are a number of over and under variances being worked through to understand the pressures and also the efficiencies potential.

Year to Date Non Pay Variances Per Category





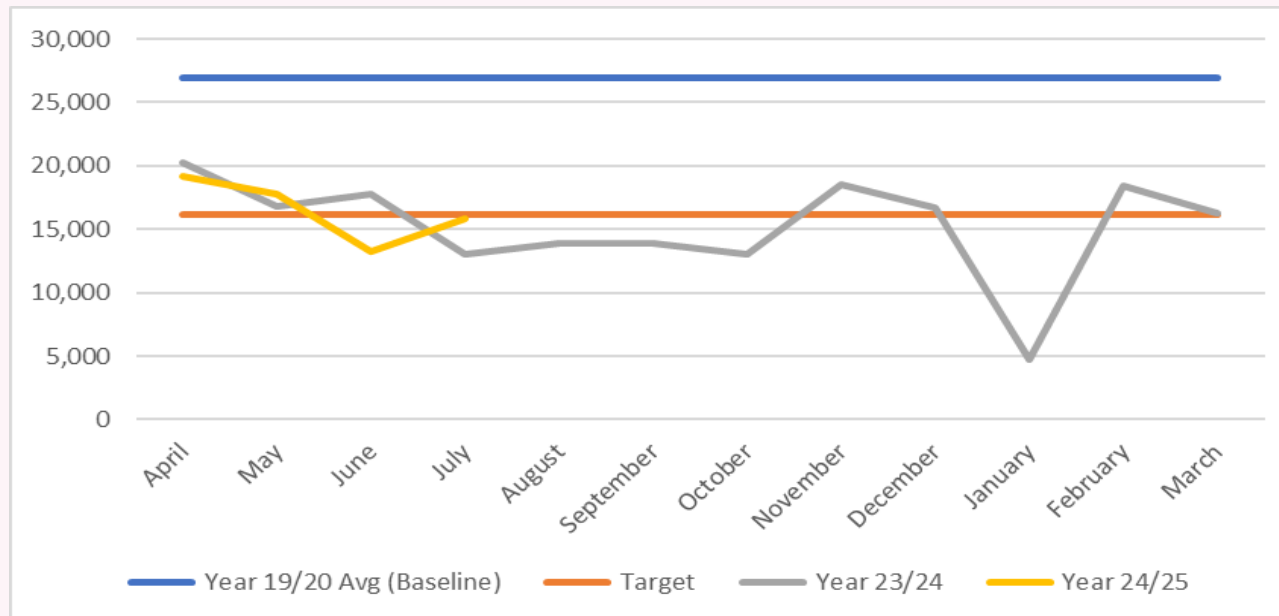
# Sustainability & Value - Mileage Analysis

## TARGET

- The Sustainability & Values group calculated a target by taking the 2019/20 mileage as a baseline and applying a 40% reduction.
- The target is 16,181 miles per month, totalling 194k miles for the financial year.

## PROGRESS

- The graph below shows the mileage for financial year 2023/24 and 2024/25 to date against the target.
- In 2023/24 a total of 183k miles were claimed. In 2024/25, year to date the average is 16,490 miles per month, which is an improvement on the previous year and 39% achievement.



# Efficiency Savings

## EFFICIENCY TARGETS

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

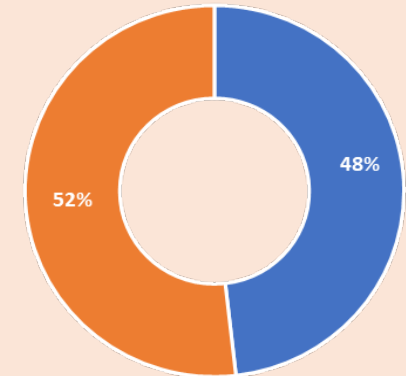
## PROGRESS AGAINST TARGETS

To date, a number of savings have been achieved, accounting for 48% of the overall target.

Opportunities to achieve the remaining 52% are assessed on an on going basis and actioned when appropriate.

	Current Year Effect (CYE)	Full Year Effect (FYE)
	£	£
Target	(4,805,359)	(2,392,000)
<b>Anticipated</b>		
Virtual Queue call cost reduction	206,408	206,408
Licence review	34,296	34,296
Vacancy factor	1,142,136	0
Establishment Control	256,870	256,870
Service Redesign/Dept restructures	125,000	125,000
Estates income	20,000	20,000
In year slippage on programmes	188,143	0
S&V savings	516,841	116,841
<b>Total - Anticipated</b>	<b>2,489,694</b>	<b>759,415</b>
<b>Achieved</b>		
2% vacancy factor	571,223	0
In year slippage on programmes	111,857	0
Shift Review	835,103	835,103
Virtual Queue call cost reduction	93,592	93,592
Service Redesign/Dept restructures	200,000	200,000
12 Month Vacancy Savings	375,110	375,110
Licence review	65,704	65,704
Contract Review	63,076	63,076
<b>Total Achieved</b>	<b>2,315,665</b>	<b>1,632,585</b>
<b>(Under)/Over Achievement Savings</b>	<b>0</b>	<b>0</b>

## PROGRESS AGAINST EFFICIENCY TARGETS



■ Achieved ■ In Progress