

**NHS 24  
BOARD MEETING  
19 DECEMBER 2024  
ITEM NO: 10.2  
FOR ASSURANCE**

**FINANCE PERFORMANCE REPORT – M07**

**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 M7 Finance Report which shows the financial position of NHS 24 as at October 2024.

**Key Points for the Board/Committee/EMT to consider:**

- Year to date underspend of £36k reported at month 7.
- This is the assumption that anticipated allocations totalling £4.96m are received.
- Savings plans on target, however, are reporting a pressure. This is mainly a timing delay between plans being signed off via the S&V group and actioned in the ledger with the current underspends reducing 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 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.

**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 dark blue, pink, and light blue are positioned in the top-left corner of the slide.

# Finance Monthly Report

## Month 7

October 2024

# Month 7 Financial Overview

## Revenue Position

£0.036m underspend

## Capital Expenditure

£0.002m

## Efficiency Savings Achieved

£3.818m

### Key Points

#### Financial Position

- Full year allocation in 2024/25 is forecast to be £123.9m
- NHS 24 is showing a slight underspend of £36k for Month 7 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 minimal capital expenditure to date in 2024/25, however plans have been developed.

#### Efficiency Savings

- The efficiency target for 2024/25 is £5.27m of which £2.85m is recurring savings.
- Savings of £3.8m have been achieved by M7.

# Allocations

## Allocations

| Description                                     | Budget (£)         |
|---|--------------------|
| Initial Baseline Allocation                     | 106,930,700        |
| AfC Pay Award 24/25                             | 5,444,000          |
| Pension Increases                               | 2,340,000          |
| Mental Health                                   | 2,203,000          |
| Enhanced Mental Health Care Pathway             | 1,369,382          |
| 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 October 2024</b>     | <b>118,975,638</b> |
| Redesign of Urgent Care                         | 4,040,065          |
| Medic Pay Award                                 | 93,000             |
| Nursing - OU Students                           | 15,000             |
| ICT - e-health strategic allocation             | 125,011            |
| ICT - Primary Care Projects (PCDS)              | 75,000             |
| Digital - GP.Scot                               | 219,720            |
| Depreciation                                    | 397,086            |
| <b>Total Anticipated by 31 March 2025</b>       | <b>123,940,520</b> |

Forecast RRL

£123.9m

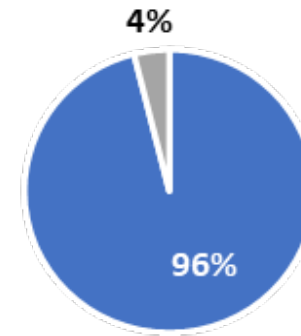
Received to Date

£119.0m

Anticipated

£4.9m

## 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. A further £2.2m of Mental Health funding was added to the baseline funding in August 2024, taking the total baseline funding for core Mental Health Services to £12.7m.

Funding for the pay award for Agenda for Change staff was added to the Baseline in the October letter.

NHS 24 and Scottish Government have been progressing discussions about Redesign of Urgent Care (RUC) and are hopeful of receiving this funding in the near future.

# Month 7 Financial Position

Pay £0.754m underspend

Non Pay Breakeven

Efficiency Savings £0.718m overspend

## Key Points

- Number of vacancies across NHS 24. However, this will be offset when some efficiencies have gone through the appropriate process and are realised.
- For M7, non pay expenditure is largely progressing in line with budget.
- To date, efficiency targets of £3.47m have been phased in year to date with £2.75m 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 October 2024

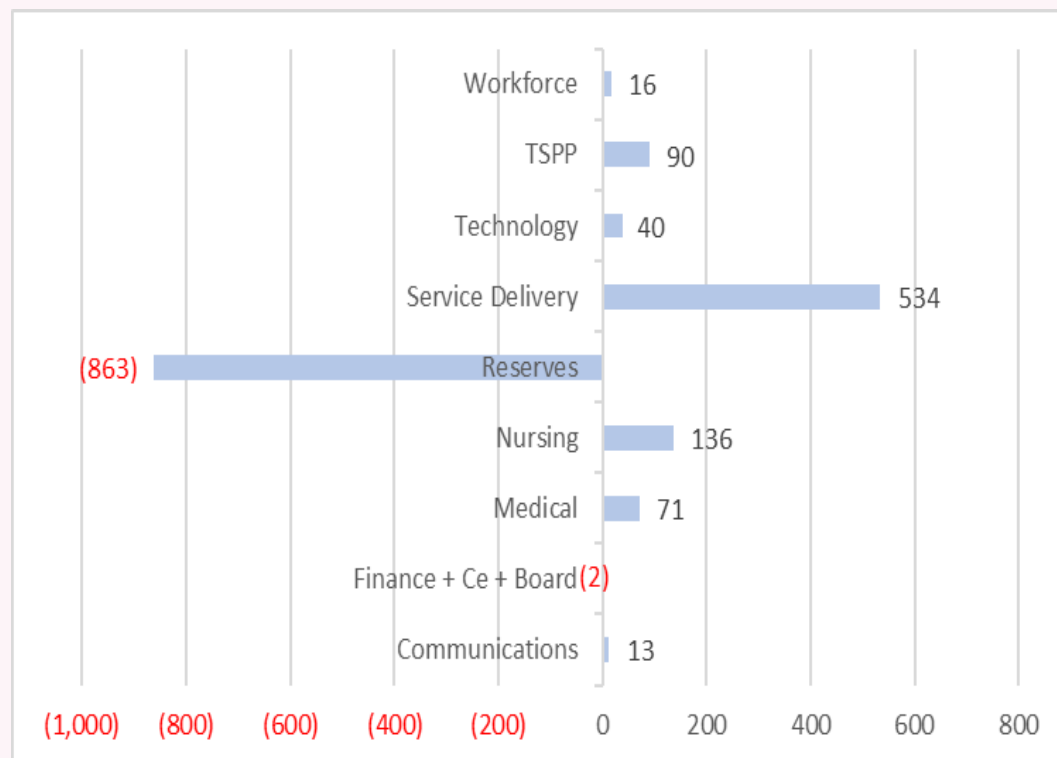
| Type         | Annual Budget (£m) | YTD Budget (£m) | YTD Actual (£m) | YTD Variance (£m) |
|--------------|--------------------|-----------------|-----------------|-------------------|
| SG Income    | 123.94             | 65.78           | 65.78           | 0.00              |
| Pay          | 100.58             | 54.13           | 53.38           | 0.75              |
| Non Pay      | 24.08              | 12.36           | 12.36           | (0.00)            |
| Efficiencies | (0.72)             | (0.72)          | 0.00            | (0.72)            |
| <b>Total</b> | <b>0.00</b>        | <b>0.00</b>     | <b>0.04</b>     | <b>0.04</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 underspend 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.
- 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 – Oct 2024) Variances Per Directorate (£'k)

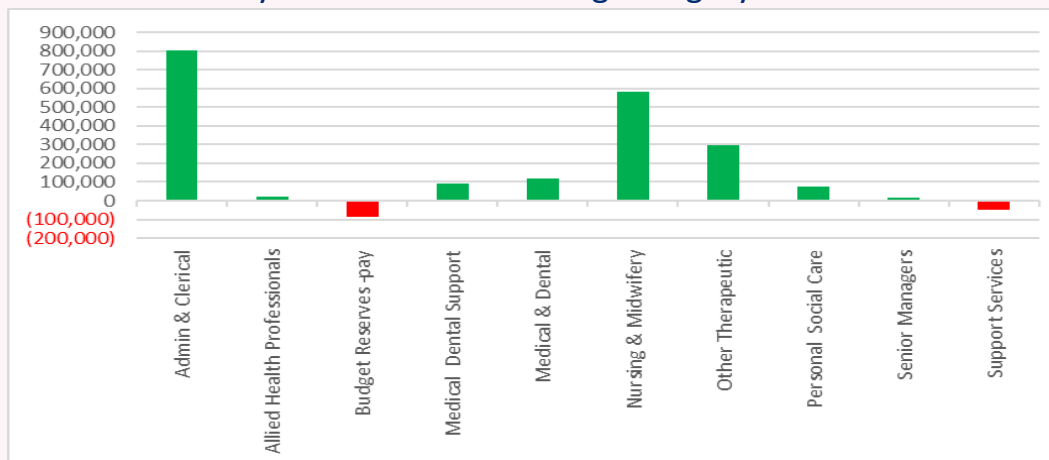


# Cost Analysis

## PAY

- Pays are showing an underspend of £0.75m.
- The table to the side shows the variance by job family prior to the vacancy factor (YTD £1.1m), which is mainly being achieved via admin & clerical, nurse and pharmacist vacancies.
- The Support Services costs include secondees costs which are offset by vacancy savings in the Medical & Dental category.

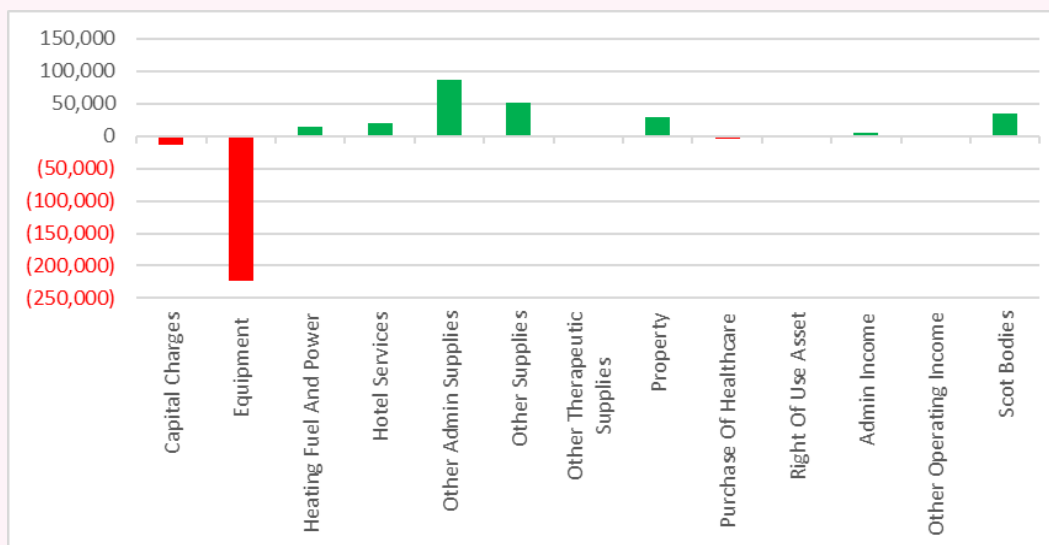
Year to Date Pay Variances Per Staffing Category



## NON PAY

- Non pays are in a break-even position year to date.
- Funding for inflationary pressures, previously held in reserves, was released earlier in the financial year 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



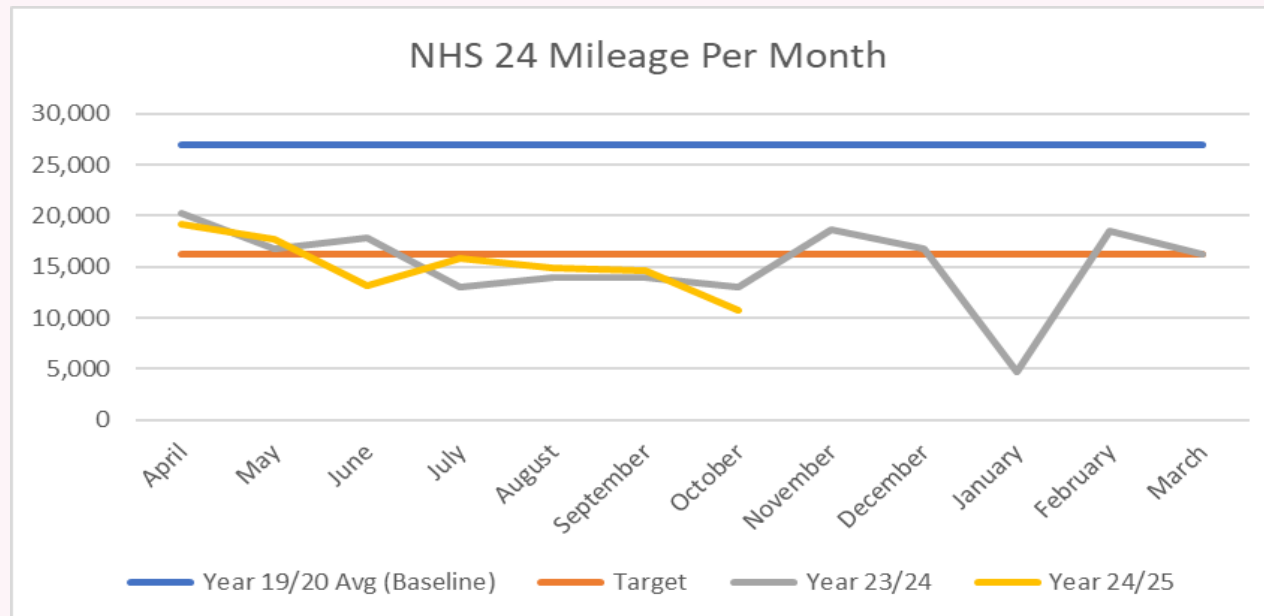
# Sustainability & Value - Mileage Analysis

## 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 15,173 miles per month, which is an improvement on the previous year and 44% reduction achievement.





# Efficiency Savings

## EFFICIENCY TARGETS

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

In addition, recurring savings have been made from remodelling the FME service and absorbing the Protected Learning Time requirements within existing resource.

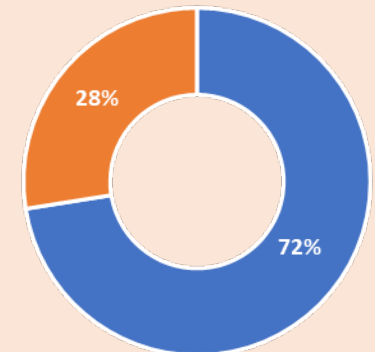
## PROGRESS AGAINST TARGETS

To date, a number of savings have been achieved, accounting for 72% of the overall target.

Opportunities to achieve the remaining 28% are assessed on an on-going basis and actioned when appropriate.

|   | Current Year<br>Effect (CYE)<br>£ | Full Year Effect<br>(FYE)<br>£ |
|---|-----------------------------------|--------------------------------|
| Target                                  | (4,805,359)                       | (2,392,000)                    |
| Additional - FME                        | (148,832)                         | (148,832)                      |
| Additional - PLT                        | (312,591)                         | (312,591)                      |
| <b>Total Target</b>                     | <b>(5,266,782)</b>                | <b>(2,853,423)</b>             |
| <b>Anticipated</b>                      |                                   |                                |
| Vacancy factor                          | 722,544                           | 0                              |
| Restructure                             | 178,823                           | 178,823                        |
| Estates income                          | 4,718                             | 11,323                         |
| In year slippage on programmes          | 150,000                           | 0                              |
| Security Review                         | 13,986                            | 55,944                         |
| S&V savings                             | 378,525                           | 53,041                         |
| <b>Total - Anticipated</b>              | <b>1,448,596</b>                  | <b>299,131</b>                 |
| <b>Achieved</b>                         |                                   |                                |
| 2% vacancy factor                       | 990,815                           | 0                              |
| In year slippage on programmes          | 273,079                           | 0                              |
| Shift Review                            | 835,103                           | 835,103                        |
| Virtual Queue call cost reduction       | 93,592                            | 93,592                         |
| Service Redesign/Dept restructures      | 325,000                           | 325,000                        |
| Training Modules                        | 152,066                           | 152,066                        |
| 12 Month Vacancy Savings                | 418,370                           | 418,370                        |
| Licence review                          | 162,366                           | 162,366                        |
| FME                                     | 148,832                           | 148,832                        |
| Practice Learning Time                  | 312,591                           | 312,591                        |
| Travel Review                           | 43,296                            | 43,296                         |
| Contract Review                         | 63,076                            | 63,076                         |
| <b>Total Achieved</b>                   | <b>3,818,186</b>                  | <b>2,554,292</b>               |
| <b>(Under)/Over Achievement Savings</b> | <b>0</b>                          | <b>0</b>                       |

## PROGRESS AGAINST EFFICIENCY TARGETS



■ Achieved ■ In Progress