

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.



Finance Monthly Report

Month 7

October 2024

Month 7 Financial Overview

Revenue Position

£0.036m underspend

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

£0.002m

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 Achieved

£3.818m

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
Total Received as at 31 October 2024	118,975,638
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
Total Anticipated by 31 March 2025	123,940,520

Forecast RRL

£123.9m

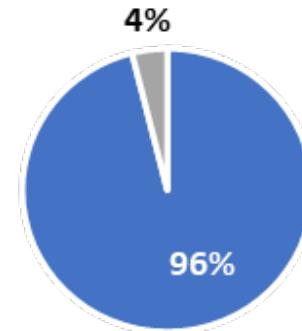
Received to Date

£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

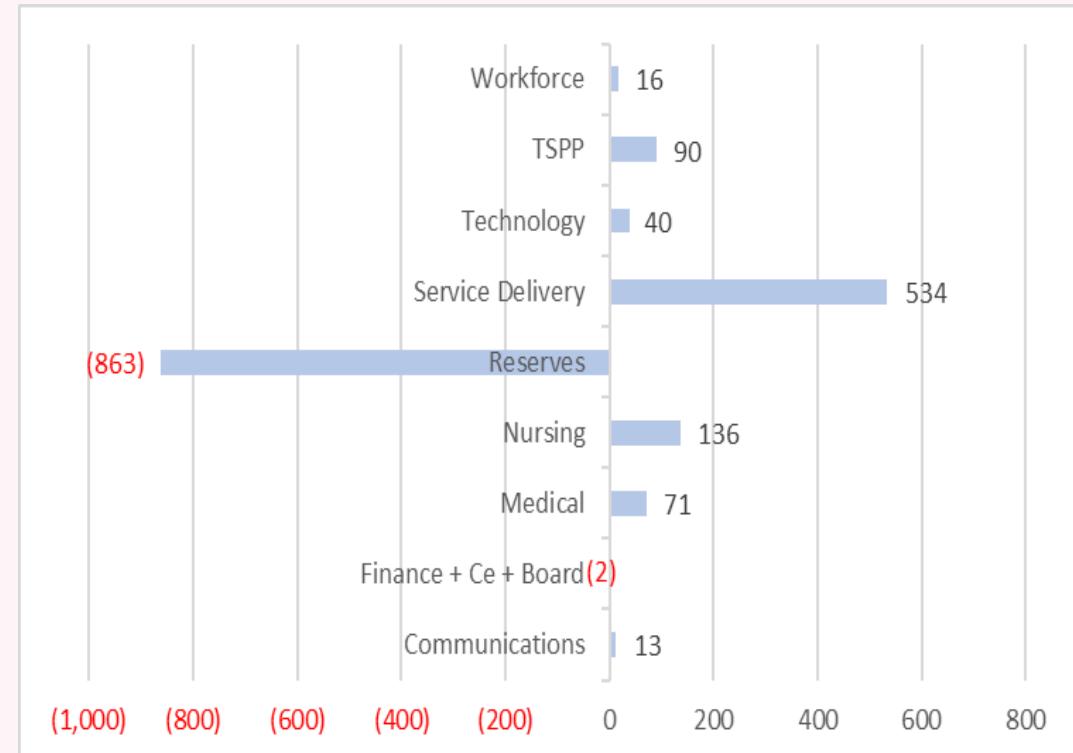
Type	Annual Budget (£m)	YTD Budget (£m)	YTD Actual (£m)	YTD Variance (£m)
SG Income	123.94	65.78	65.78	0.00
Pay	100.58	54.13	53.38	0.75
Non Pay	24.08	12.36	12.36	(0.00)
Efficiencies	(0.72)	(0.72)	0.00	(0.72)
Total	0.00	0.00	0.04	0.04

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)

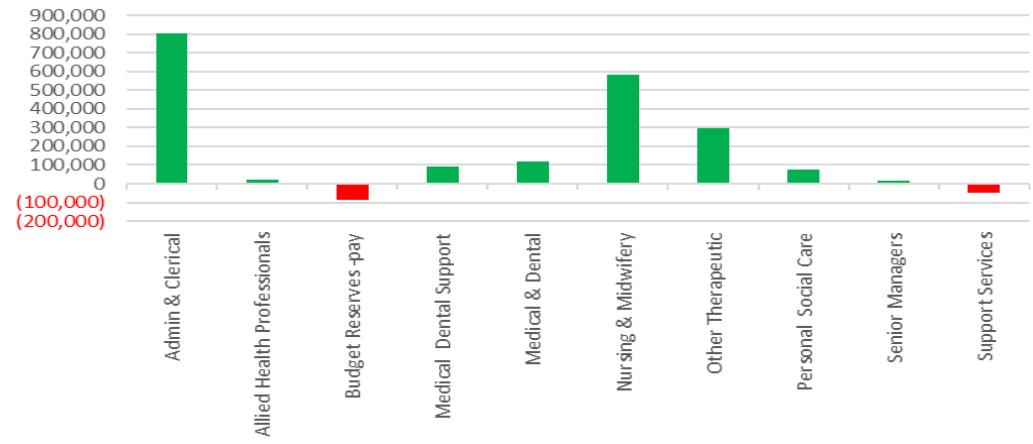


Cost Analysis

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 secondee costs which are offset by vacancy savings in the Medical & Dental category.

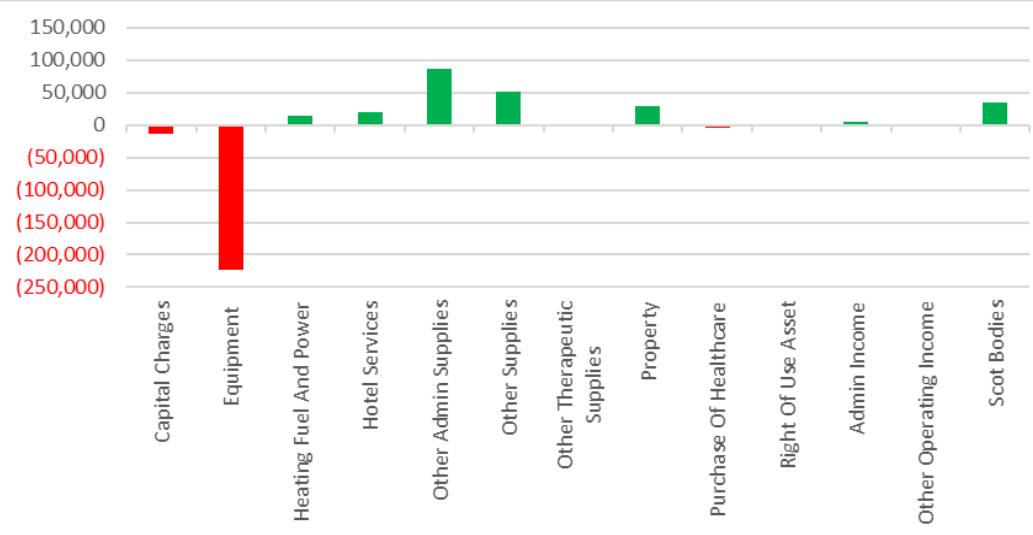
Year to Date Pay Variances Per Staffing Category



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



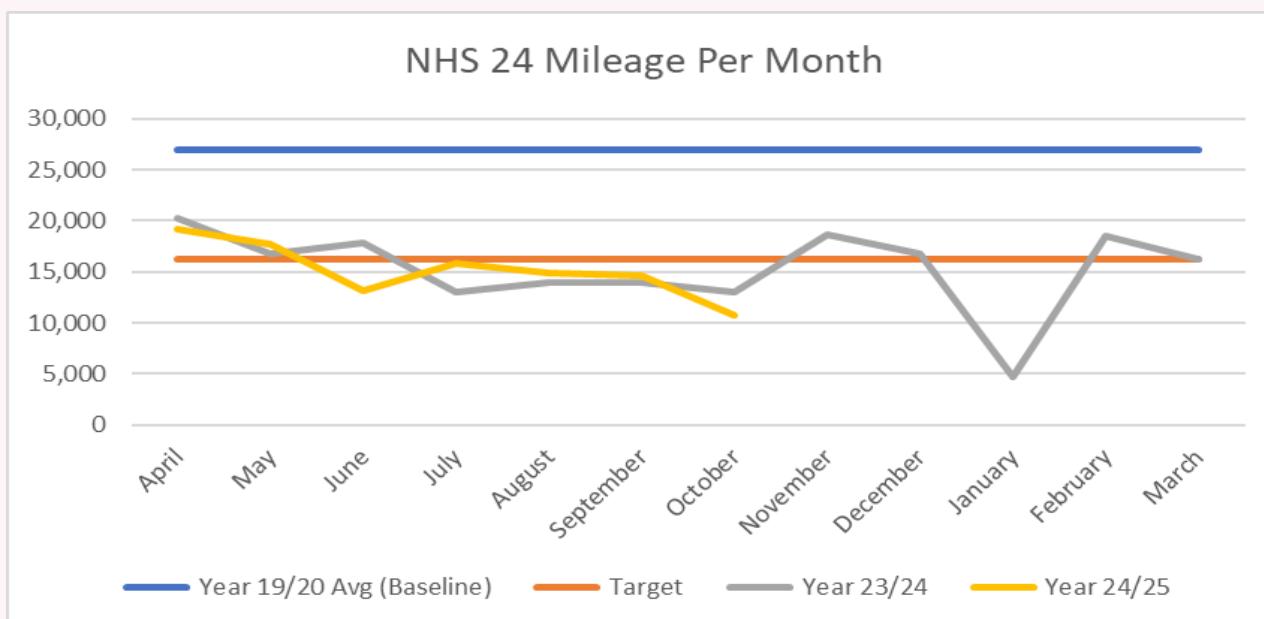
Sustainability & Value - Mileage Analysis

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 Effect (CYE) £	Full Year Effect (FYE) £
Target	(4,805,359)	(2,392,000)
Additional - FME	(148,832)	(148,832)
Additional - PLT	(312,591)	(312,591)
Total Target	(5,266,782)	(2,853,423)

Anticipated

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
Total - Anticipated	1,448,596	299,131

Achieved

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
Total Achieved	3,818,186	2,554,292

(Under)/Over Achievement Savings	0	0
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PROGRESS AGAINST EFFICIENCY TARGETS

