



NOT PROTECTIVELY MARKED

Public Board Meeting

27 May 2020

Item 07

THIS PAPER IS FOR DISCUSSION

SUMMARY FINANCIAL PERFORMANCE TO 31 MARCH 2020

Lead Director Author	Julie Carter, Director of Finance, Logistics and Strategy Maria McFeat, Deputy Director of Finance
Action required	The Board is asked to note: <ul style="list-style-type: none">• The draft financial position to the end of March 2020 subject to audit• The efficiency savings position to the end of March 2020
Key points	<ol style="list-style-type: none">1. As reported to the April Board development session the financial position to the end of March 2020 is break even (reporting a £34,000 surplus). This is subject to audit adjustments and the final position will be reported through the annual accounts.2. Efficiency savings of £12.7 million have been delivered against a target of £12.7 million for the period.3. Note that additional expenditure of £1.7 million has been incurred as a result of the Service COVID-19 mobilisation plan from mid-February to end of March and is highlighted to Board members. Additional income has been received to cover these costs.
Timing	During the financial year the Board has been provided with monthly updates on the financial position and the final year end position is in line with these forecasts and our financial plan.
Link to Corporate Objectives	The Corporate Objective this paper relates to is Goal 6 - Develop a model that is financially sustainable and fit for purpose in 2020.
Contribution to the 2020 vision for Health and Social Care	Efficient and effective use of resources is important to the Service to enable it to deliver change in service delivery to meet the aspirations of the 2020 vision.

Benefit to Patients	Efficient and effective use of resources enables the Service to provide the best level of safe and effective care to patients as it can within the resources available.
Equality and Diversity	An Equality Impact Assessment (EQIA) was conducted and presented to the Board in March 2019 when the budget for 2019/20 was set.

SCOTTISH AMBULANCE SERVICE BOARD

FINANCIAL PERFORMANCE TO 31 MARCH 2020

JULIE CARTER, DIRECTOR OF FINANCE, LOGISTICS & STRATEGY

This paper sets out the draft financial position at 31 March 2020 for the Scottish Ambulance Service.

The Board is asked to note:

- the draft financial position to the end of March 2020 for the financial year 2019/20. This is subject to audit and will be reported as a final position in the annual accounts. Any change in position will be highlighted to the Board.
- the key messages as highlighted this includes the key risks and management of these for 2019/20 and then focusing on the issues moving into 2020.
- a specific section on COVID-19 financial implications including the key financial risks emerging as a result of the COVID-19 response

Key messages

The month 12 position is reporting a break even position (currently reporting a £34,000surplus), as at March 2020 (this includes both core and non-core expenditure)

- The draft year-end position is in line with the financial plan trajectory which forecast break even against Core Revenue Resource Limit by the end of March 2020. A challenging efficiency programme was achieved with total savings of £12.7 million delivered. It has been noted however that £5 million of the savings are non-recurring. The non-recurring savings over the last 2 years have been of a similar level and the 2020-23 financial plan describes how we are working to move into a more financially sustainable position. Work has also taken place in this financial year of improved recording of efficiency savings and this will be further developed in 2020. The Best Value Programme has also been fully embedded in 2019/20 and continues to be a key feature of the 2020-23 financial plan.
- Due to the COVID-19 crisis a pressure of an additional £1.7 million of expenditure has been incurred over the last 6 weeks of the financial year as a result of the Service's response to the COVID-19 coronavirus. This has been reported to Scottish Government and additional funding has been received in our final allocation letter for financial year 2019/20. The reported outturn position reflects this additional allocation.

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The March 2020 break even position consists of:

- Income – under target to date by £0.1 million
- Core Expenditure – under spend to date of £0.1 million
- Efficiency savings target for the financial year 2019/20 of £12.7 million was fully achieved. The pace of savings delivery increased in recent months, with these continued improvements anticipated as plans were fully implemented. In addition, an accelerated process was put in place with the Best Value operational group, who met monthly, with weekly calls in place to discuss progress and weekly updates provided to the Executive Team. It has been reported previously that £5 million of these savings were non-recurring and the balance of £7.7 million recurring savings.

Key actions agreed in this period

1. Board members are aware that there is additional funding in place from Scottish Government to support expenditure due to the COVID-19 virus. We have reported additional costs of £1.7 million in 2019/20 including £1 million of costs associated with PPE and additional staff costs. Plus, an additional £0.7 million relating to the annual leave accrual as has been seen in most Health Boards as a greater number of annual leave days forecast for 2020. For 2020 COVID-19 financial impact we have estimated at a very high level additional costs of up to £21 million and this is being reviewed and updated on a weekly basis.

ACTION: We have been working closely with SG colleagues who have put in place a weekly COVID-19 finance reporting update. This describes the projected additional COVID-19 costs. The Service's submission to SG is also used for the weekly Board update. This is described further in this report and will be a key section of the 2020 financial reporting.

Finance position as at March 2020

Introduction

This section of the paper provides details of the financial results for the period ending March 2020. In line with most Boards, the reliance on non-recurring savings continues to be a feature in this financial year and our 2020-23 Financial Plan addresses this issue. In 2019/20 the financial targets have been achieved with focus on delivery of efficiency plans in addition to more detailed tracking of savings and a review of Service internal cost control processes and delegated limits.

For the purpose of understanding the financial data tabled within this report the following guidelines are provided:

- All Income budget and actual figures are presented as credit values (in brackets), a positive variance value against income reflects an improved performance against income plan whereas a negative variance is reflective of an underperformance contrary to income plan.
- All Expenditure budget and actual values are shown as positive figures; a

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positive variance value against expenditure reflects a favourable under-spend against budget plan whereas a negative variance is reflected of an adverse performance on budget plan.

SUMMARY OF YEAR TO DATE POSITION

Table 1 reports that the draft revenue position for the financial year to the end of March 2020 is break even, made up of the following:

- Income – under budget by £0.1 million
- Expenditure Pay – under budget by £0.2 million
- Expenditure Supplies – over budget by £0.1 million
- Savings – target fully achieved
- Expenditure Non-core – break even

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Table 1 – Scottish Ambulance Service high level overview

**SCOTTISH AMBULANCE SERVICE BOARD
REVENUE RESOURCE ANALYSIS
YEAR TO 31 MARCH 2020**

	Full Year Budget £'000	Year to Date			Current Month		
		Budget £'000	Actual £'000	Variance £'000	Budget £'000	Actual £'000	Variance £'000
Income							
Revenue Allocation	296,150	296,150	296,150		28,317	28,317	
Health Board	5,368	5,368	5,317	(51)	217	115	(102)
Other Healthcare	856	856	846	(10)	75	149	74
Fleet	206	206	136	(70)	17	9	(8)
Staff Car Deductions	315	315	243	(72)	26	15	(11)
Other Operating	1,974	1,974	2,093	119	130	217	87
Total Income	304,869	304,869	304,784	(85)	28,782	28,822	40
Expenditure							
Accident & Emergency	199,687	199,687	195,974	3,714	16,965	16,132	833
Non Emergency Service	24,330	24,330	24,366	(36)	2,018	2,056	(38)
Air Ambulance	15,940	15,940	15,956	(16)	1,730	1,807	(77)
Overheads	50,142	50,142	53,650	(3,508)	8,069	8,623	(554)
Total Expenditure	290,099	290,099	289,946	153	28,782	28,618	164
Core Expenditure Variance			68				204
Non Core Expenditure							
Depreciation (DEL)	14,000	14,000	14,000	0	1,388	1,388	0
Depreciation (Donated)	100	100	90	10	18	8	10
Ame Other Provisions	(300)	(300)	(300)	0	(300)	(300)	0
AME Impairments	970	970	1,014	(44)	970	950	20
Total Non Core Expenditure	14,770	14,770	14,804	(34)	2,076	2,046	30
Surplus / Deficit			34				234

Table 2 – Income and Expenditure

Table 2 provides the year to date position between service and support directorates

SCOTTISH AMBULANCE SERVICE BOARD

INCOME AND EXPENDITURE SUMMARY

YEAR TO 31 MARCH 2020

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
Service Delivery Directorate	Income	(6,747)	(6,603)	(144)	-2%	(348)	(198)	(150)	-43%
	Salaries	206,090	205,335	755	0%	16,658	16,831	(172)	-1%
	Supplies	39,791	40,308	(517)	-1%	4,188	3,814	374	9%
	Sav Target	(1,178)	0	(1,178)		(98)	0	(98)	
	Sav Realised	4,691	0	4,691		914	0	914	
				3,607				868	
Support Services Directorates	Income	(1,972)	(2,031)	59	3%	(117)	(307)	190	163%
	Salaries	22,682	23,220	(538)	-2%	2,715	3,598	(883)	-33%
	Supplies	36,305	35,886	419	1%	6,472	6,421	52	1%
	Sav Target	(11,542)	0	(11,542)		(622)	0	(622)	
	Sav Realised	8,029	0	8,029		630	0	630	
				(3,573)				(633)	
SCOTTISH AMBULANCE SERVICE	Income	(8,719)	(8,634)	(85)	-1%	(465)	(505)	40	9%
	Salaries	228,772	228,555	216	0%	19,374	20,429	(1,055)	-5%
	Supplies	76,096	76,194	(98)	0%	10,660	10,234	426	4%
	Sav Target	(12,720)	0	(12,720)		(720)	0	(720)	
	Sav Realised	12,720	0	12,720		1,544	0	1,544	
				34				234	

Table 3 – Service Delivery

Service delivery is £3.6 million favourable against budget at 31 March 2020. Savings of £4.69 million have been realised against directorates' targets of £1.1 million to date, giving a net savings surplus of £3.5 million at month 12.

Pay costs are £0.8 million under spent over all service areas, with vacancies mainly within the West Region and National Operations Directorate as we continue to recruit to our Control Centre expansion and Enhanced Specialist Operations teams - budgets from our strategy development from Developing Frontline Leaders and Managers, Specialist and Advanced Paramedic initiatives have now been allocated.

Non pay costs are reporting a £0.5 million over budget to date with the largest overspend areas being Property Running costs (£0.44 million). This is explained in more detail later in the report.

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Table 3

SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE - SERVICE DELIVERY
YEAR TO 31 MARCH 2020

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
NORTH REGION	Income	(1,079)	(1,092)	13	1%	(111)	(118)	7	6%
	Salaries	34,884	34,686	198	-1%	2,798	2,833	(35)	1%
	Supplies	3,823	4,009	(186)	5%	341	300	41	-12%
	Sav Target	(191)	0	(191)		(16)	0	(16)	
	Sav Realised	629	0	629		191	0	191	
				463					
EAST REGION	Income	(1,316)	(1,339)	23	2%	(32)	41	(72)	-228%
	Salaries	55,835	55,744	91	0%	4,497	4,512	(16)	0%
	Supplies	6,080	6,310	(230)	4%	560	434	125	-22%
	Sav Target	(300)	0	(300)		(25)	0	(25)	
	Sav Realised	1,264	0	1,264		312	0	312	
				848					
WEST REGION	Income	(3,631)	(3,484)	(147)	-4%	(226)	(174)	(52)	-23%
	Salaries	77,313	77,139	174	0%	6,320	6,437	(118)	2%
	Supplies	8,158	8,401	(243)	3%	786	676	110	-14%
	Sav Target	(419)	0	(419)		(35)	0	(35)	
	Sav Realised	2,723	0	2,723		412	0	412	
				2,087					
NATIONAL OPS	Income	(720)	(688)	(32)	-4%	20	53	(33)	161%
	Salaries	38,058	37,766	292	-1%	3,044	3,048	(4)	0%
	Supplies	21,730	21,587	142	-1%	2,501	2,403	97	-4%
	Sav Target	(268)	0	(268)		(22)	0	(22)	
	Sav Realised	75	0	75		0	0	0	
				210					
TOTAL SERVICE DELIVERY	Income	(6,747)	(6,603)	(144)	-2%	(348)	(198)	(150)	-43%
	Salaries	206,090	205,335	755	0%	16,658	16,831	(172)	1%
	Supplies	39,791	40,308	(517)	1%	4,188	3,814	374	-9%
	Sav Target	(1,178)	0	(1,178)		(98)	0	(98)	
	Sav Realised	4,691	0	4,691		914	0	914	
				3,607					

Table 4 – Support Services Directorates

Support services are being reported as £3.6 million over budget. The Finance & Logistics savings target includes the Best Value Programme target of £7.8 million and the Service-wide cost control target of £2.0 million. Aside of this, support services have confirmed forecast savings of £1.1 million against their savings target of £0.6 million.

SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE BY DIRECTORATE
YEAR TO 31 MARCH 2020

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
BOARD AND CHIEF EXECUTIVE	Income	(41)	(39)	(2)	-4%	(7)	(1)	(7)	-90%
	Salaries	1,901	1,815	86	-5%	149	108	42	-28%
	Supplies	263	155	108	-41%	97	10	87	-90%
	Sav Target	(28)	0	(28)		(2)	0	(2)	
	Sav Realised	40	0	40		18	0	18	
		204				137			
FINANCE AND LOGISTICS	Income	(1,756)	(1,868)	112	6%	(102)	(289)	187	183%
	Salaries	10,198	10,854	(655)	6%	1,079	1,946	(866)	80%
	Supplies	31,484	31,212	271	-1%	4,832	4,880	(47)	1%
	Sav Target	(11,342)	0	(11,342)		(605)	0	(605)	
	Sav Realised	7,615	0	7,615		514	0	514	
		(3,999)				(818)			
HUMAN RESOURCES	Income	(45)	(42)	(2)	-5%	(4)	(3)	(1)	-28%
	Salaries	2,053	2,048	6	0%	162	168	(6)	3%
	Supplies	854	959	(105)	12%	70	161	(91)	130%
	Sav Target	(45)	0	(45)		(4)	0	(4)	
	Sav Realised	46	0	46		15	0	15	
		(102)				(86)			
MEDICAL	Income	(18)	(13)	(5)	-29%	(2)	(1)	(1)	-46%
	Salaries	1,987	1,965	22	-1%	203	162	41	-20%
	Supplies	416	511	(95)	23%	90	66	24	-27%
	Sav Target	(25)	0	(25)		(2)	0	(2)	
	Sav Realised	220	0	220		0	0	0	
		116				62			
CARE QUALITY AND STRATEGIC DEVELOPMENT	Income	(105)	(62)	(43)	-41%	(2)	(14)	12	699%
	Salaries	5,503	5,440	63	-1%	405	433	(28)	7%
	Supplies	2,139	1,926	213	-10%	249	195	54	-22%
	Sav Target	(97)	0	(97)		(8)	0	(8)	
	Sav Realised	104	0	104		77	0	77	
		241				107			
INFECTION CONTROL	Income	(6)	(6)	(0)	-1%	(1)	(0)	(0)	-51%
	Salaries	1,039	1,100	(61)	6%	717	782	(65)	9%
	Supplies	1,150	1,123	28	-2%	1,133	1,108	25	-2%
	Sav Target	(6)	0	(6)		(0)	0	(0)	
	Sav Realised	6	0	6		6	0	6	
		(33)				(36)			
TOTAL SUPPORT SERVICES	Income	(1,972)	(2,031)	59	3%	(117)	(307)	190	163%
	Salaries	22,682	23,220	(538)	2%	2,715	3,598	(883)	33%
	Supplies	36,305	35,886	419	-1%	6,472	6,421	52	-1%
	Sav Target	(11,542)	0	(11,542)		(622)	0	(622)	
	Sav Realised	8,029	0	8,029		630	0	630	
		(3,573)				(633)			

Table 5 – Detailed Income Analysis

Details of the financial performance analysed into specific income and funding sources are noted in the table below. This includes scrutiny of the key movements and pressure areas.

SCOTTISH AMBULANCE SERVICE BOARD
INCOME INCLUDING ALLOCATIONS
YEAR TO 31 MARCH 2020

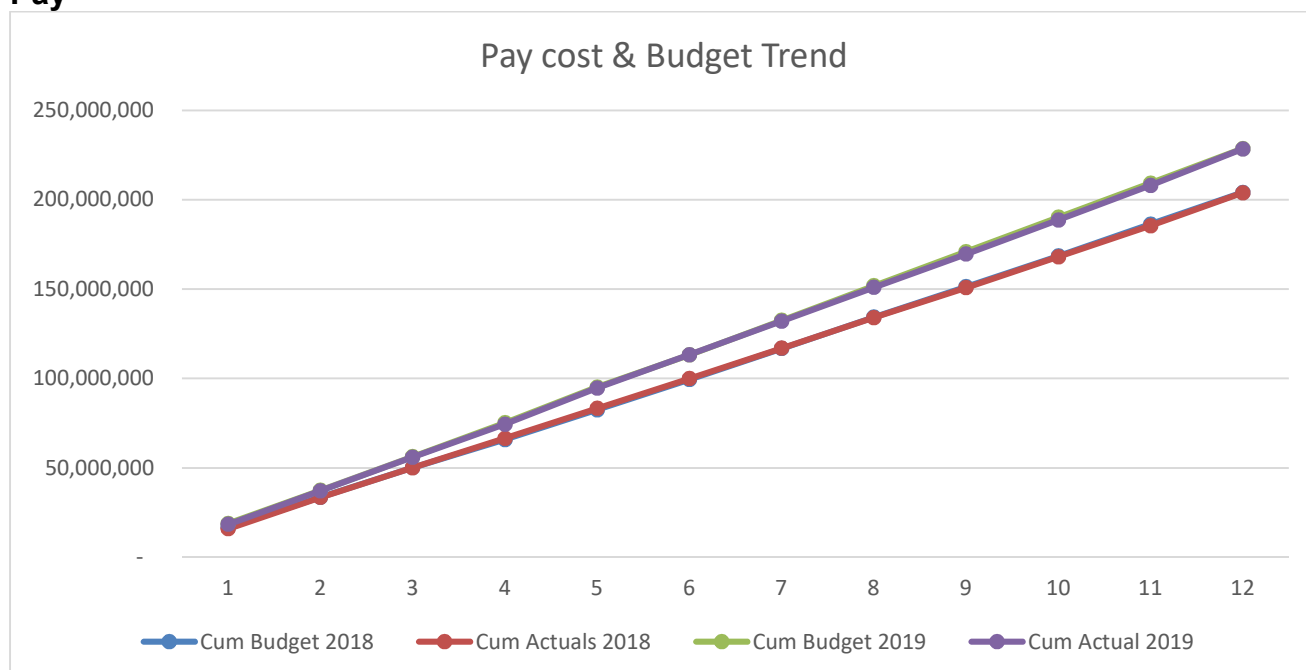
	Full Year Budget £'000	Year to Date		
		Budget £'000	Actual £'000	Variance £'000
Income				
Revenue Allocation	296,150			
Baseline Allocations	271,295			
Recurring Allocations	420			
Non-Recurring Allocations	24,435			
Fleet Income	206	206	136	(70)
Health Board	5,368	5,368	5,317	(51)
Other Healthcare	856	856	846	(10)
Other Operating	1,974	1,974	2,093	119
Staff Car Deductions	315	315	243	(72)
Total Income	304,869	8,719	8,634	(85)

Total income (including funding) to date is £0.08 million behind target, but improved from last month's adverse variance of £0.13 million.

The original financial plan assumed revenue funding allocations of £286 million. Adjustments are made on a monthly basis to the budget to include any additional allocations as they are notified to the Boards from Scottish Government and other NHS Boards.

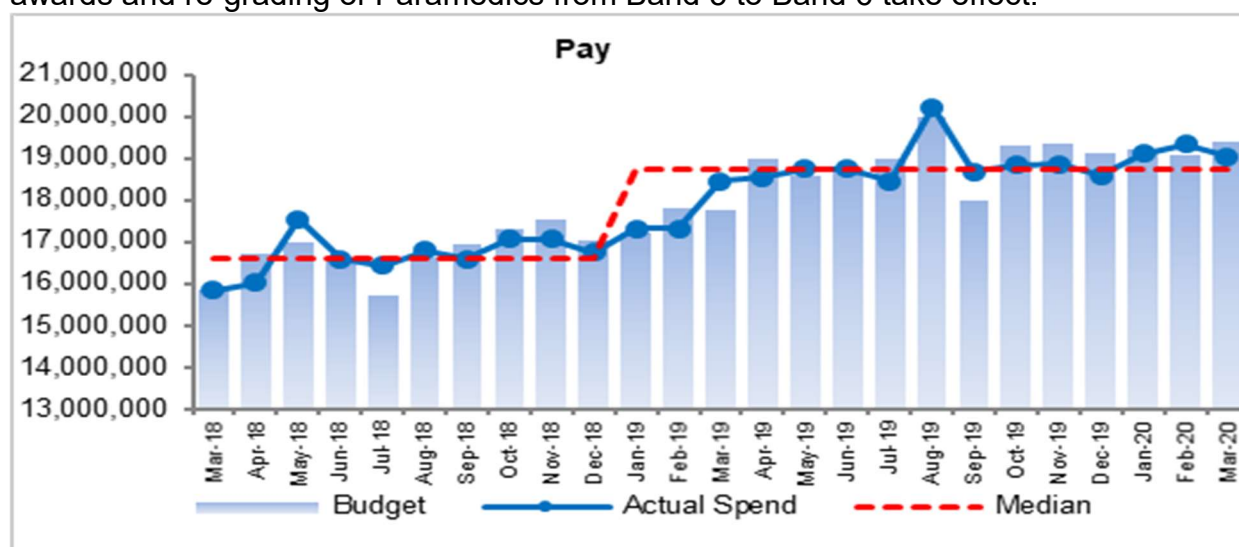
Detailed Expenditure Analysis

Pay



The pay graph above reflects both year to date budget and year to date actual spend for financial year 2018/19 and 2019/20. As can be seen, the trend shows 2019 costs as expected exceeding 2018 values, due to increased WTE as a result of our developments, Agenda for Change pay award, incremental drift and the superannuation increase applied from April 2019.

The chart below has a trend analysis from April 2017 where the effects of the pay awards and re-grading of Paramedics from Band 5 to Band 6 take effect.



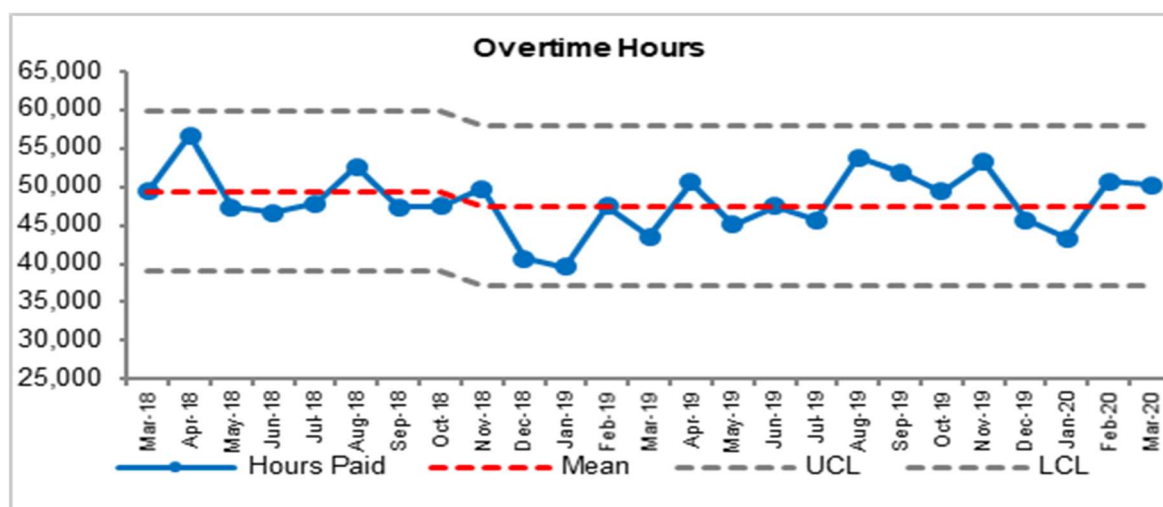
This confirms pay costs as one of our key pressure areas.

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Table 6

**SCOTTISH AMBULANCE SERVICE BOARD
STAFF AND OVERTIME SUMMARY
YEAR TO 31 MARCH 2020**

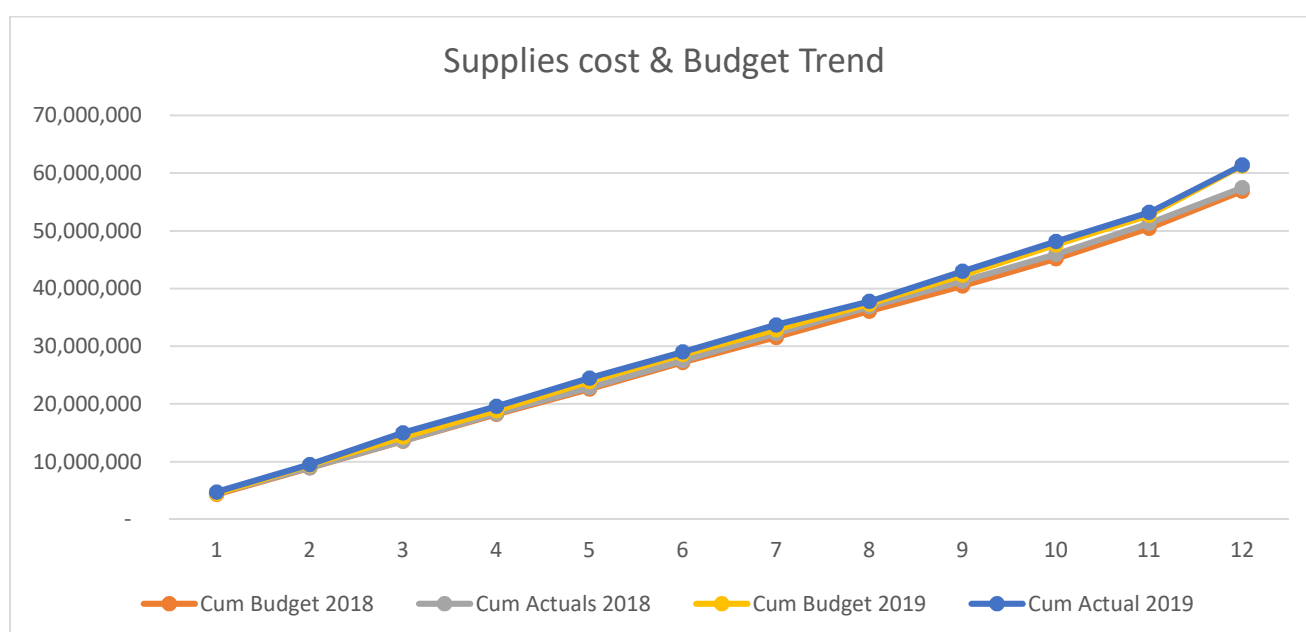
		East Region	North Region	West Region	National Ops	Service Delivery
Current Year	Average WTE	1,215	694	1,661	753	4,324
	Overtime Hours	150,309	115,281	243,229	68,946	577,765
	Overtime Cost (£'000)	3,370	2,580	5,369	1,437	12,756
Prior Year	Average WTE	1,213	685	1,683	712	4,293
	Overtime Hours	147,715	114,599	229,942	66,964	559,220
	Overtime Cost (£'000)	3,278	2,593	5,013	1,092	11,976
Variance	Average WTE	3	10	(22)	42	32
	Overtime Hours	2,594	682	13,287	1,982	18,545
	Overtime Cost (£'000)	92	(13)	356	345	780



The trend in overtime hours for the last financial year is demonstrated in the graph above. Significant work has been taking place over the year to put additional controls and scrutiny in the management of overtime and this has seen an improving position as part of the recovery actions by operational managers.

The sharp increase in overtime hours paid in August primarily relates to the timing of training (mandatory training and also the beginning of our Paramedic education programme) during a holiday period. As part of our continuous improvement plans the Head of Education and Professional Development will look to redesign and carefully plan mandatory training requirements to ensure that this is delivered in line with operational requirements and minimise the impact on shift cover and additional overtime costs especially over likely annual leave periods. The drop in overtime hours into December and January is on trend as per the last two years and is in part due to cohorts of trainee Ambulance Technicians completing their initial training. The increase in February in March reflects the impact on the COVID-19 activities.

Non-pay



The non-pay graph above reflects year to date budget and year to date actual spend for both 2018/19 and 2019/20. While there continues to be a cost pressure this shows there is no significant increase from 2018/19 which demonstrates the continued improved cost control processes against increased cost pressures and savings being delivered. The slight shift in the last month of the year reflects the increased spend as a result of COVID-19 pressures.

The non-pay position to date shows a (£0.06) million over spend. This reflects the year end procurement control processes, plus the impact of COVID-19 pandemic, with a number of specific cost pressures remaining:

- Air Ambulance costs (£0.03) million over budget – Major Trauma funding was released last month along with reduced activity in March to bring the Air Ambulance costs into line with budget. There has been a 10% uplift in the hourly flying charge for the fixed wing aircraft due to inflationary and exchange rate

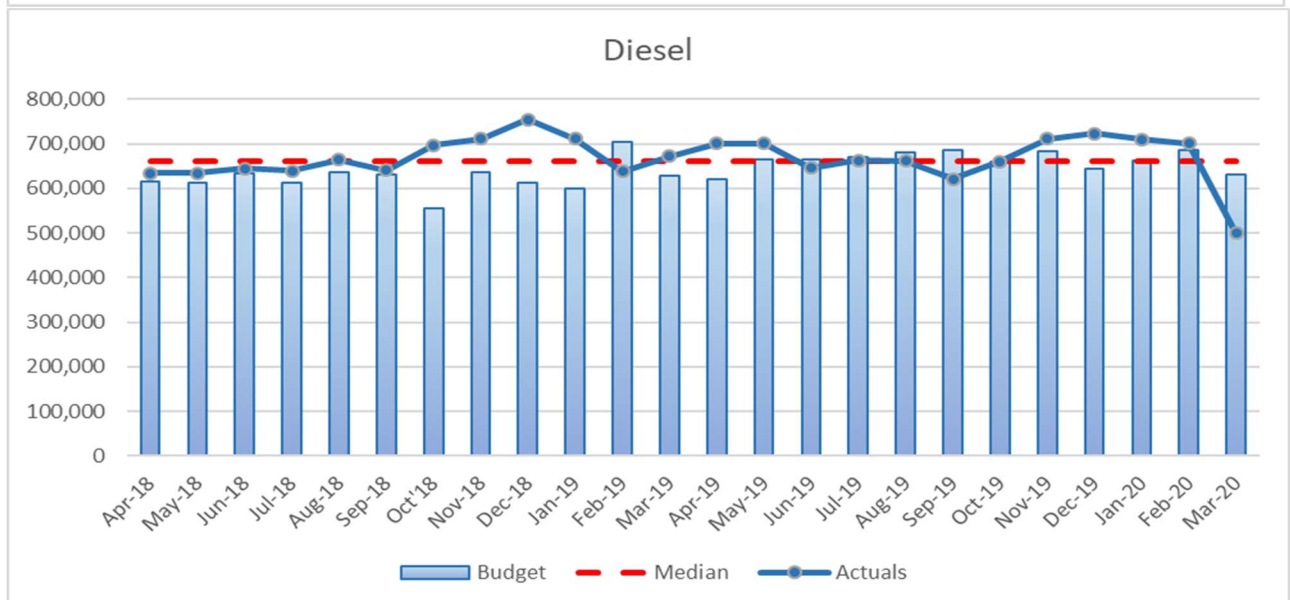
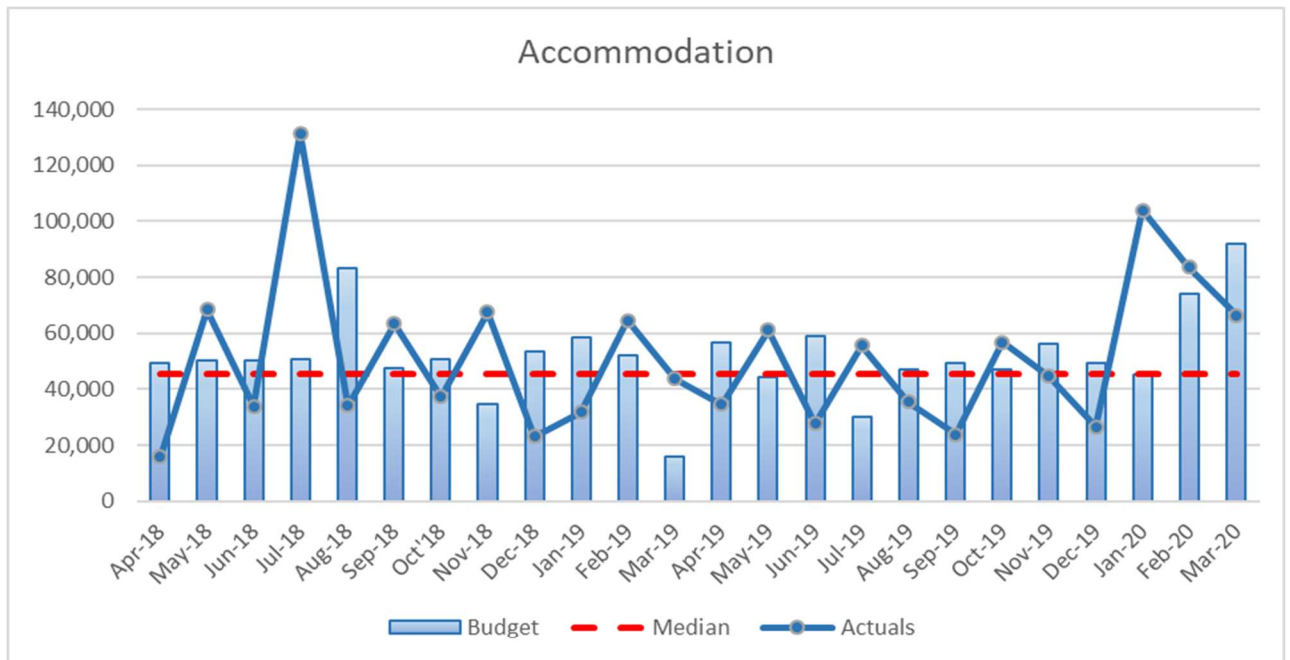
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pressures. Although total flying hours are 1% higher than the same period last year, the number of missions in this period has decreased slightly by 1%, resulting in an increase in the average length of flights

- Travel & Subsistence (£0.09) million over budget – the previous year comparative was an unfavourable outturn variance of (£0.17) million. This area was a key focus for the Best Value programme with the review of hotel bookings demonstrating a decrease in costs as anticipated (this is reflected in the graph below). It is also recognised there are additional staff and training taking place and without the additional controls being put on place this could have seen a more significant cost impact. A communication on meal breaks subsistence, which had been identified as a significant cost increase, had been issued to staff to ensure this is being applied in line with agenda for change terms and conditions.
- Property running (£0.44) million – the key items here are heat, light and power (£0.08) million where costs have increased more than 10% for both gas and electricity due to tariff rates, cleaning costs (£0.1) million over budget primarily in West Region for contract cleaning/refuse disposal costs, and COVID-19 costs, and Building Maintenance repairs (£0.16) million across the regions.
- Accommodation spend peaked again in February 2020 due to training programmes for our Specialist Operations teams however this was planned and funded through the Enhancing Specialist Response and Capabilities Programme in March 2020.
- Diesel expenditure decreased significantly during the month of March 2020, as part of the UK COVID-19 response BP UK announced free fuel to emergency service vehicles during the COVID-19 crisis. The initiative started from Saturday, 21st March 2020, and will stay in place until at least the end of April 2020. This saving has been directly off set against the COVID-19 expenditure requested from SG.

The key areas detailed above are presented in graphical form below illustrating the expenditure trends over the last two years (rolling).

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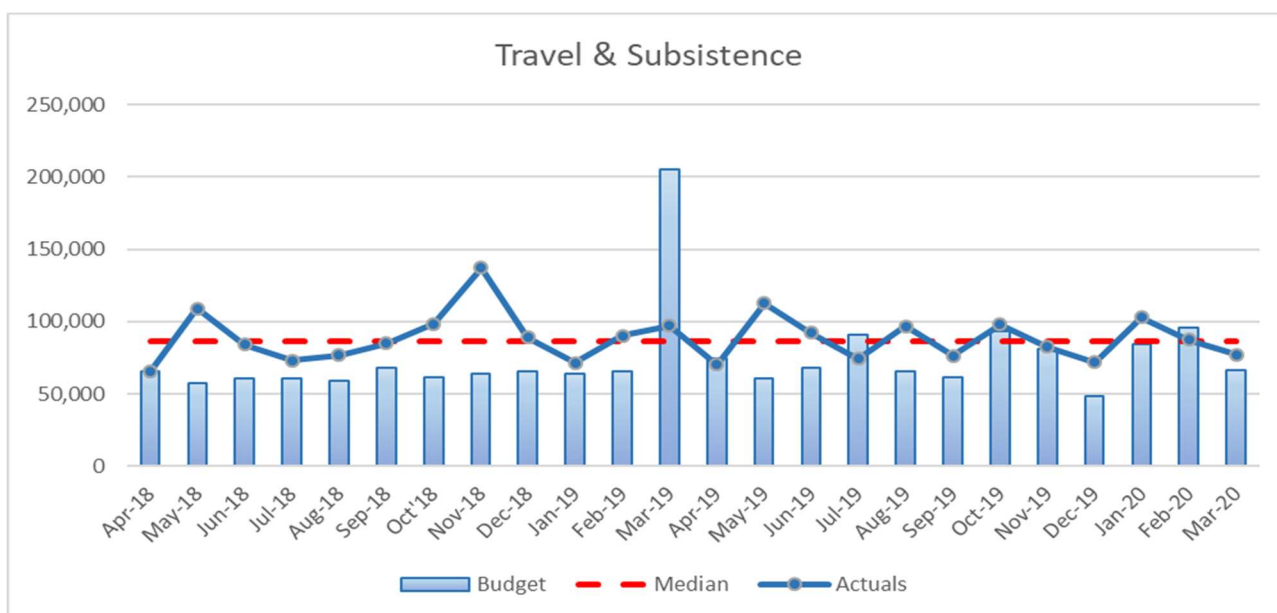
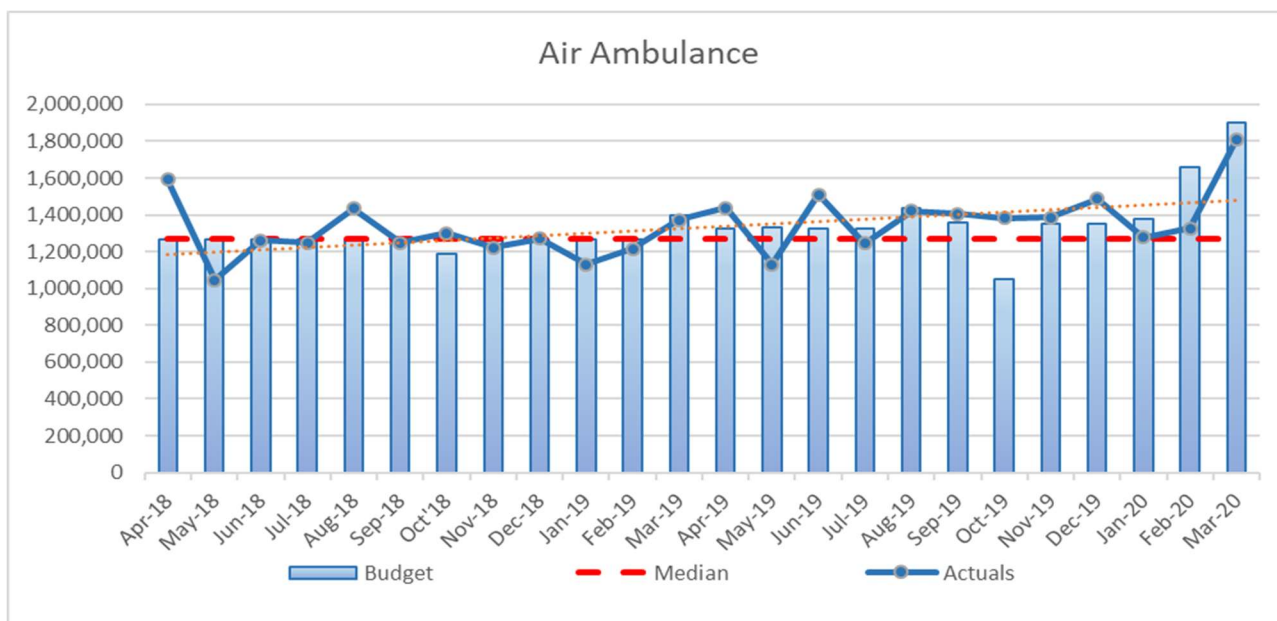


Table 7 – Strategy Investment

The Scottish Government has invested an additional £6.6 million in 2019/2020 to support the delivery of “Towards 2020: Taking Care to the Patient” bringing the total investment to date to £24.6 million.

This allows the Service to continue enhancements within Ambulance Control Centres, and to take forward Paramedic recruitment, development of advanced practice and the implementation of enhanced Developing Frontline Leaders and Managers (DFLM) time.

The table below provides a breakdown of the full investment along with the expenditure committed at this point.

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SCOTTISH AMBULANCE SERVICE BOARD
STRATEGY INVESTMENT REPORT
YEAR TO 31 MARCH 2020

	Previous Investment £'000	2019/20 Investment £'000	Total Investment £'000	Investment to Date £'000
Divisions Low Acuity	833		833	833
ACC Low Acuity	255		255	255
ACC Urgent Tier desk	120		120	120
ACC Additional Call takers	330		330	330
Ambulance Control Centres	2,840	2,512	5,352	4,324
Out of Hospital Cardiac Arrest	210	190	400	241
DFLM	650	1,250	1,900	1,900
Training - additional training staff	600		600	600
Training - additional non pay costs	312		312	312
Specialist Paramedics B6	6,908	2,798	9,706	6,803
Implementation Support	392		392	392
Workforce Development	4,400		4,400	4,400
Telehealth	150	(150)		
Total Strategy Investment	18,000	6,600	24,600	20,510

The financial plan had assumed slippage of £4.0 million against the strategy and other planned investment continues into month 12 activity. Slippage is in the region of £4.1million.

Efficiency Savings

Savings of £12.7 million were delivered against full year identified plans of £10.8 million as identified within our revised full year forecast. This detail is plotted in the graph below, split into the various savings streams.



As described within the financial plan the efficiency plans are split into three specific areas:

- **Directorate Savings Target**

Each Directorate has been allocated 0.5% Service target or 1.5% Support efficiency targets to recognise the requirement to continually review our costs and ensure reinvestment in our services to meet ongoing cost pressures. With 80 proposals valued at £1.2 million submitted initially, of which 30 have savings identified of £4.7 million. The Directorates have delivered £2.6 million of recurring savings against a target of £1.8 million. Non recurring savings of £3.2 million have been delivered. This is similar to levels from previous years.

Best Value Programme

The Service launched the Best Value Programme in May 2018 to agree a new service wide efficiency savings approach, which aims to use innovation and improvement methodology to drive systematic change and transform services to deliver better value, cost efficient services for the organisation whilst continuing to deliver high quality care. The programme crucially is also responsible for promoting forward thinking within the Service, horizon scanning and capitalising on best practice across the wider NHS, public and private sectors to create a pipeline of future efficiency opportunities to inform the build of a 3-5-year sustainable financial plan.

The £7.8 million savings target for this year was driven from 49 projects/work streams identified and agreed. An outturn position of £4.5 million of savings have been recognised, which includes savings from abstractions, sickness absence, shift over-runs, fuel initiatives and insurance recovery and meal break subsistence.

The 2020-23 financial plan recognises that during engagement with staff in 2019/20 and a review of our approach to the delivery of savings there is a need to bring all saving plans together and clearly define national programmes through the Best Value Programme and devolved accountability to the budget holders for local implementation.

The Best Value Programme will now therefore provide an overarching reporting mechanism for all locally devolved savings schemes and will lead on driving nationally identified initiatives and projects. Significant work and focus will continue on these areas as we go into 2020/21.

The management accounts team review the projects regularly with the Best Value team, and will continue to liaise with operational directors to ensure targets can be met over the course of the year, as it is recognised that some of these work streams fall into a medium and high level of delivery risk categories and a longer term impact. The updated forecast at month 6 identified a list of high priority programmes that required to deliver £2.3 million savings with and £1.3 million has been delivered against these. Again, significant work and focus will continue on these areas as we go into 2020/21.

- **Unidentified Initiatives**

The financial plan identified £1.3 million of unidentified savings. The forecast had since been reduced to a £1 million gap, and work continued to review expenditure and best practice to assess if further projects could be identified. This has been delivered through a particular focus on last quarter expenditure reviews, finalising our capital position and strong financial controls were in place in procurement and financial approvals.

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Final Year end position in line with Forecast

The financial forecast position throughout the last quarter remained very tight, the level of engagement with budget holders continued to be very positive, with the key focus on increased scrutiny and review during the final months of this financial year and a focus on next year's plans. Each region was working to action plans to deliver against their identified plans. Given the tight position, the financial forecast was being reported as part of our monthly financial position from month 6 onwards. We also continued to operate our internal escalation plan as we moved towards year end, this included monthly financial recovery meetings with key budget holders.

In addition, more regular meetings were set up with our Scottish Government colleagues to keep them up to date with the position, this was in addition to our regular financial performance reporting.

The table below therefore shows the profile of our revenue outturn and delivery of efficiency savings in comparison to trajectory during the last 6 months of the year. Overall, the revenue position was stabilised and although savings were behind target, they improved as we approached year end.

Month	Actual outturn	Trajectory	Variance	Actual	Trajectory	Variance
	Revenue Outturn			Efficiency Savings		
September	£(1.7)m	£(1.5)m	£(0.2)m	£4.0m	£5.0m	£(1.0)m
October	£(1.9)m	£(1.4)m	£(0.5)m	£5.1m	£6.5m	£(1.4)m
November	£(1.5)m	£(1.0)m	£(0.5)m	£6.2m	£8.0m	£(1.8)m
December	£(1.2)m	£(0.6)m	£(0.6)m	£7.7m	£9.5m	£(1.8)m
January	£(0.7)m	£(0.4)m	£(0.3)m	£9.4m	£11.0m	£(1.6)m
February	£(0.2)m	£(0.2)m	-	£11.2m	£12.0m	£(0.8)m
March	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m

Efficiency Savings:

Description	Financial Plan	Forecast at month 7	Forecast at month 8	Forecast at month 9	Forecast at month 10	Forecast at month 11	Forecast at month 12
Cost Pressures	£21.75m	£22.67m	£23.1m	£23.1m	£22.7m	£22.3m	£23.8m
Income Assumptions	£9.2m	£9.9m	£10.4m	£10.2m	£10.0m	£9.6m	£11.1m
Efficiency plans							
Committed plans		£5.4m	£5.4m	£5.4m	£5.4m	£5.4m	£5.4m
Cost control		£2.0m	£2.0m	£2.0m	£2.0m	£2.0m	£2.0m
Further plans		£4.3m	£4.3m	£4.3m	£4.3m	£4.3m	£4.3m
Total		£11.7m	£11.7m	£11.7m	£11.7m	£12.7m	£12.7m
Further efficiencies/cost control under review		£1.0m	£1.0m	£1.0m	£1.0m	£1.0m	£0m
Total	£12.7m	£12.7m	£12.7m	£12.7m	£12.7m	£12.7m	£12.7m

It is also important to highlight that the Service delivered its share of the £15 million equivalent to £400,000 contribution towards the National Health Boards Savings for financial year 2019/20. This was funded on a non-recurring basis from revenue using capital plan slippage in year.

COVID-19 Financial Implications

Board members are aware that there is additional funding in place from Scottish Government to support expenditure due to the COVID-19 virus. We have been working closely with SG colleagues who have put in place a weekly finance reporting update. The Service's submission to SG will be used for the weekly Board update.

The Service has incurred costs associated with this during financial year 2019/20 and by the end of March 2020 this amounted to £1.7 million.

The costs incurred in financial year 2019/20 can be broadly categorised as costs to support (a) the Strategic, Tactical and Regional response (b) costs associated with additional overtime to bridge our demand gap and (c) to provide increased volumes of PPE for staff protection, medical consumables and cleaning supplies. This is estimated at £1 million. The other significant cost is associated with the deferral of annual leave, this amount to £0.7 million.

The 2020/21 COVID-19 costs will be a key feature of our weekly Board updates and our financial reporting into 2020.

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YTD CAPITAL POSITION AS AT MONTH 12 (31 MARCH 2020)

2019/20 Capital Budget

The Service's Capital budget is made up of 2 elements:

- Formula Capital of £1.794 million
 - The Service is provided with this allocation to fund all capital projects that are not subject to approval by the SG Capital Investment Group (CIG) or has not received a separate earmarked allocation
- Earmarked Allocation
 - The Service receives earmarked allocations for Business Cases that have been approved by the CIG. In 2019/20 the following earmarked allocations have been received:
 - Defibrillator Replacement Programme £10.6 million
 - Fleet Replacement Programme £12.734 million
 - Scotstar £250,000
 - ICCS Replacement £1.2 million
 - Scottish Trauma Network £138,000
 - ECMO Vehicle £141,000

The total 2019/20 allocation was £26,025,500 and this is broken down as follows:

ALLOCATION

Received

Core Allocation	1,794,000
ICCS Replacement	1,240,000
ICCS Capital Transfer to Department of Health	(357,000)
Scotstar	250,000
Defibrillator Replacement	10,609,000
Fleet Replacement	12,734,000
Scottish Trauma Network (Amount to be confirmed)	138,500
ECMO Vehicle	141,000
Less – Capital to Revenue Transfer	(524,000)
Total Capital Allocation	26,025,500

YTD Capital Position

The Year End Capital Position is shown in the table below.

Capital receipts of £330,000 have been received as result of vehicles, equipment and property being sold for a price higher than the NBV. These receipts have been used for additional capital expenditure above the allocated budget.

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SCOTTISH AMBULANCE SERVICE
CAPITAL REPORT 2019-20
As at Month 12 (31 March 2020)

PROJECT	Approved Budget £	YTD Actuals £	Notes
Formula Capital Projects			
eHealth and ICT	453,868	397,277	
Property	70,000	52,914	
Medical Equipment	149,540	145,951	
Vehicle Accidents	92,092	419,528	
	765,000	1,015,670	
Earmarked Allocations			
Enhancing Capability	1,713,916	560,189	
Defib Replacement	10,934,000	10,886,320	Additional £325,000 from Formula Capital added to Earmarked allocation
ICCS Replacement	883,000	342,220	Budget to be confirmed
Scotstar	430,000	871,211	
Major Trauma	138,500	134,235	Budget to be confirmed
Vehicles	11,161,084	12,544,638	
	25,260,500	25,338,813	
Capital Receipts	0	(329,806)	Gain on sale of vehicles
TOTAL	26,025,500	26,024,677	

Approved and Anticipated Projects

The following table shows details of all projects that have had a mini business case approved and funding allocated from the Formula Capital Budget.

<u>Approved Projects for Formula Capital</u>	
	£
eHealth and ICT	
Video Conferencing	6,430
SASNet (Coin Replacement)	87,000
Back Up Telephony	55,000
NICE Call Recorder	172,000
Server Infrastructure	10,950
West Education Centre, Hamilton	0 Revenue Project
C3 Demand Management Module	16,742
Kirkwall Airwave Kit	26,750
LAN Equipment	15,330
C3 Auto Dispatch Module	63,666
Total- eHealth and IT	453,868
Special Projects	
Defib Replacement	325,000
Vehicle Accidents	419,528
Total - Special Projects	744,528
Property	
Cumnock	0 Revenue Project
Paisley DRC	70,000
Elgin	0 No longer Required
Total - Property	70,000
Operations	
Medical Equipment	127,780
Scotstar Neonatal Equipment	180,000
North Scotstar Equipment	21,760
Total - Equipment	329,540
Total Approved Projects	1,597,936
Total Approved Budget	1,794,000
Less Capital to Revenue Transfer	(524,000)
Add: Capital Receipts	329,806
Total Budget Available	1,599,806
Core Capital Out-turn	1,870