



NOT PROTECTIVELY MARKED

Public Board Meeting		30 March 2022
		Item 08
THIS PAPER IS FOR DISCUSSION		
SUMMARY FINANCIAL PERFORMANCE TO 28 FEBRUARY 2022		
Lead Director Author	Julie Carter, Director of Finance, Logistics and Strategy Maria McFeat, Deputy Director of Finance	
Action required	The Board is asked to discuss and note : <ul style="list-style-type: none">• The financial position to the end of February 2022• The efficiency savings position to the end of February 2022• The financial impact of COVID-19 and remobilisation to the end of February 2022• The year-end forecast	
Key points	<ol style="list-style-type: none">1. The financial position shows a break-even position against a trajectory deficit of £0.5 million, this is in line with plan and updated forecast2. Additional expenditure of £15.8 million has been incurred in this period as a result of the Service's COVID-19 remobilisation plan and offset against the funding received to date. A year end COVID-19 forecast has been agreed with Scottish Government and the Service is monitoring against this3. Efficiency savings of £10.3 million have been delivered against a target of £12.5 million for the period.4. The COVID-19 expenditure also includes an estimate of £2.0 million in respect of efficiency savings that due to operational pressures have not been realised and are likely to slip into 2022/23.5. A detailed year-end financial forecast has been undertaken. This is demonstrating a year end balanced position in line with the Service financial plan. This has been updated to include income, expenditure and savings assumptions.	

Timing	During the financial year the Board will be provided with monthly updates on the financial position and from August 2021 the final year end forecast position will also be reported. This will show the forecast costs associated with COVID-19, with remobilisation to end of March 2022 and against 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 2021/22.
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 2021 when the budget for 2021/22 was set.

SCOTTISH AMBULANCE SERVICE BOARD

FINANCIAL PERFORMANCE TO 28 FEBRUARY 2022

JULIE CARTER, DIRECTOR OF FINANCE, LOGISTICS & STRATEGY

This paper sets out the financial position at 28 February 2022 for the Scottish Ambulance Service.

The Board is asked to note:

- the financial position to the end of February 2022 for the financial year 2021/22
- a specific section on COVID-19 financial impact and funding assumptions and
- the key messages as highlighted including agreed actions
- the year-end forecast

The financial position to February 2022, reporting a break even position to date, consists of:

- Income – break even
- Core Expenditure – break even
- Efficiency savings target for the financial year is £15.35 million. To date £10.3 million of savings are being reported against a target of £12.5 million year to date. We have also estimated that £2.0 million of efficiency plans that, due to COVID-19 pressures, are at risk and likely to be delivered in 2022/23, and this is included in the COVID-19 year to date expenditure estimate. The year-end forecast assumes this total shortfall in efficiency savings as a result of COVID-19 of £2 million.
- The financial impact of COVID-19 and our remobilisation plan represents £14.5 million of additional revenue costs to the Service in this period, which includes the £2.0 million efficiency funding as noted above. This is in line with our financial plan and included within the updated £16.2 million agreed full year forecast.

Key messages

- Break even position as at 28 February 2022 (this includes both core and non-core expenditure), with core expenditure and income fairly stable. The financial plan trajectory assumed a deficit of £0.5 million at the end of February 2022. We continue to forecast a breakeven position by March 2022.
- Against our efficiency savings target of £15.35 million, we have delivered £10.3 million to date. This is against a year-to-date trajectory of £12.5 million. This, whilst not unexpected given the current priority on system pressures at this moment, remains a key focus of the best value and finance teams. We have noted that £2.0 million of savings are at risk in

Doc: 2022-03-30 Financial Performance	Page 3	Author: Deputy Director of Finance, Logistics & Strategy
Date 2022-03-30	Version 1.0	Review Date: May 2022

this period due to COVID-19 operational pressures. This has been reported as a COVID-19 expenditure in the year-to-date estimate.

- The Best Value plans have been reprioritised in line with our operational priorities and continued focus is on these programmes. There are also new programmes being added with over 25 project mandates completed to date and some of these will be rolled over to 2022/23. Monitoring reports are also being completed for the programmes that are being implemented and the weekly delivery group meeting continues to meet.
- Our remobilisation plan and COVID-19 impact represent £15.8 million of additional costs in this period, plus delivery of Mobile Testing Units with a cost £31.2 million in this year to date. Additional funding is anticipated to support these programmes in full and has been agreed with Scottish Government. These costs remain in line with our financial plan and trajectory. Full funding has now been received in respect of these allocations.
- The additional £20 million investment announced by the Cabinet Secretary for Health & Social Care on 21 September 2021 is being received over the next 5 years, and year 1 funding of £12.6 million has been reflected in the financial statements.
- A detailed financial forecast has been completed, including income and expenditure assumptions including a revised best value and efficiency trajectory. This remains forecasting a year end balanced position.

Key actions agreed in this period

1. COVID-19

The impact of COVID-19 on our financial position has been reported since February 2020. Our financial plan estimated the full year impact in 2021/22 of 'Living with COVID-19' and remobilisation to be up to £16.9 million for the year. The total costs to date are £15 million and given the current operational pressures are likely to be incurred for a longer period. A detailed full year forecast was completed and revised down slightly to £16.2 million. This was reflected in the Quarter 3 update to the Scottish Government.

ACTION: We continue to work closely with Scottish Government colleagues who have put in place formal quarterly COVID-19 finance reporting updates and monthly meetings. Our financial plan for 2021/22 continues to anticipate COVID-19 costs of £16.2 million, which we will continue to monitor and report.

Our Quarter 3 submission estimated that our 2022/23 recurring impact of COVID-19 and remobilisation remains in the region of £15.5 million, which has increased from our financial plan estimate of £11 million. A COVID-19 exit finance group has been established and has been reviewing this in detail and has further refined this cost in 2022/23 to £15 million. This was included within the Service financial plan for 2022/23 which was submitted to Scottish Government as a working draft in February 2022. This final draft financial plan will be presented to the Board for approval at the March 2022 Board meeting.

2. Delivery of our Efficiency Savings Target

The Best Value Programme has identified over £9.6 million of plans and ideas against our £15.35 million target. Devolved recurring savings plans of £4.1 million (full year) have already been implemented and are expected to deliver in full. Given the current operational pressures we have reprioritised our best value programmes and focused on those that are supporting our current operational priorities. This has resulted in some plans (to the value of £2.0 million) being temporarily halted and we have included these in our COVID-19 forecast costs the costs of non-delivery of efficiency savings of £2.0 million for year to date.

Doc: 2022-03-30 Financial Performance	Page 4	Author: Deputy Director of Finance, Logistics & Strategy
Date 2022-03-30	Version 1.0	Review Date: May 2022

Our financial plan had anticipated £12.5 million of efficiency plans being delivered in the eleven months of the year to date. Our actual plans delivered are £10.3 million, with a shortfall of £2.2 million with £2.0 million of these relating as noted previously to COVID-19 operational pressures. There still therefore remains a gap of £0.2 million as reported in our month eleven financial position.

ACTION: The Best Value operational group has been refreshed and was meeting monthly until this was temporarily halted from September 2021 due to operational pressures. The Best Value Programme policy and procedures documentation had also been updated and approved. This requires project mandates to be completed for each project. Over 25 project mandates have been completed with only 3 outstanding and likely to now transfer to 2022/23 plans. In addition, new programmes had also been identified, with mandates approved and some implementation has commenced, although recognising that current operational pressures in the system has reduced operational engagement and leadership. Executive leads have been allocated and monthly highlight reports were being completed against each programme. A weekly delivery group has also been established. The updated Best Value governance policy identified an escalation plan with reviews in July and September 2021, this has been temporarily halted, as has the monthly meetings, given the current operational pressures, although the weekly Best Value delivery group continues to meet.

Given the refocus is now on those programmes that are supporting our current pressures, we anticipate therefore an increase in reporting these through the final month to the end of March 2022 and have been reviewing our reporting and quantification of these. Our financial forecast also reflects an updated efficiency saving trajectory recognising the current pressures in the system.

3. Demand and Capacity Investment

Agreed 2021/22 funding for the addendum to the Demand and Capacity Business Case was finalised at £18.5 million. The forecast anticipated expenditure being produced in line with the delivery programme, with the implementation plan being agreed through the Demand and Capacity Steering Group and Programme Board. This includes the recruitment and training to increase resourcing and build better rosters including the addition of estates, vehicles, equipment, supplies and wrap around consultancy and support services.

ACTION: The financial plan agreed that the Service would call down this funding as implementation takes place. The first quarter report for 2021/22 has been collated and has been presented to the Scottish Government as part of the first quarter review. In addition, a finance guidance note has been agreed and issued across the Service to ensure robust scrutiny is applied to this investment to ensure it is aligned to the approved business case and current funding.

We continue to ensure regular financial reporting to Scottish Government colleagues and the Programme Board. During October 2021 the year end forecast position was reviewed, the current full year forecast assumes total spend of £18.5 million and the financial allocation was made in November 2021 on that basis. The forecast update in the Q3 reporting confirmed this position has not changed we do not anticipate any significant variation from the forecast.

The Phase 3 addendum has been completed and was presented to the Board on the 16th December 2021 and has been submitted to Scottish Government.

Doc: 2022-03-30 Financial Performance	Page 5	Author: Deputy Director of Finance, Logistics & Strategy
Date 2022-03-30	Version 1.0	Review Date: May 2022

Financial Risk considerations noted in the period

The financial risks are as follows:

Delivery of Efficiency Savings Target

Moving into financial year, this remains a significant risk given the lack of management capacity with the current focus on the current system pressures. The requirement to ensure the delivery of efficiency savings must remain a continued focus for staff and management as quality improvements and innovation in support of these pressures are currently being actioned. Significant focus is currently on tracking and reporting on these benefits.

The current full year forecast is assuming best value savings of £6.5 million being delivered by the end of March 2022, with £5.4 million reported to February 2022.

Action – A number of actions are progressing including

- Programme leads have been assigned and programme plans are being developed and agreed.
- Executive leads and finance support for each programme has also been identified
- The Best Value Programme Team aims to meet every month, although has been more challenging during the last couple of months, however regular reporting to Executive Team, Performance and Planning Steering Group and Audit Committee continues
- Updated policies and procedures have been agreed with clear escalation plans identified
- A weekly delivery group has been established to focus on providing additional support to ensure implementation, and this continues to meet during this time
- Given the current operational pressures, the plans have been prioritised to ensure the improvement programmes are focused on the key pressure areas
- New programmes have also been identified
- A pipeline of future programmes is being collated by the Quality Improvement and Strategy implementation team to support the 2022-25 financial plan

Securing COVID-19 funding in 2021/22 and recurring impact of Living with COVID-19 in future years

The financial planning for the year 2021/22 included £5.3 million of expenditure relating to Remobilisation plans in preparation for Living with COVID-19 beyond 2021/22 and COVID-19 operational expenditure of £11.6 million. Totalling £16.9 million. This has now been revised to £16.2 million. The first tranche funding of £7.85 million was received in June 2021, the second tranche of £2.1 million received October 2021. This final £6.3 million was received in the February allocation letter.

Expenditure to the end of February 2022, has identified total costs of £15.8 million and funding drawn down to this value. There are however a number of higher Service spend areas within for example medical gases, fuel costs and overtime that currently require further scrutiny to ensure all COVID-19 related expenditure has been identified, this also includes income loss. Although our forecast will continue to be reviewed on a monthly basis, we are still forecasting

Doc: 2022-03-30 Financial Performance	Page 6	Author: Deputy Director of Finance, Logistics & Strategy
Date 2022-03-30	Version 1.0	Review Date: May 2022

circa £16.2 million based on current activity. A COVID-19 exit finance group had been established with the purpose of providing detailed scrutiny of all expenditure areas to identify

- Those costs that will cease
- Those costs that will be recurring
- Those costs areas that could be redesigned

The work of this group was completed in December 2021, and a final meeting during January 2022 has concluded the 2022/23 estimated costs of £15 million and this is being reported within the 2022/23 financial plan.

Finance position as at February 2022

Introduction

This section of the paper provides details of the financial results for the period ending February 2022.

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 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.

Doc: 2022-03-30 Financial Performance	Page 7	Author: Deputy Director of Finance, Logistics & Strategy
Date 2022-03-30	Version 1.0	Review Date: May 2022

SUMMARY OF YEAR TO DATE POSITION

Table 1 reports that the revenue position for the financial year to the end of February 2022 is break even, made up of the following:

- Income – break even
- Expenditure Pay – under budget by £2.1 million
- Expenditure Supplies – over budget by £2.0 million
- Savings – behind target by £0.2 million
- Expenditure Non-core – break even

Table 1 – Scottish Ambulance Service high-level overview
SCOTTISH AMBULANCE SERVICE BOARD
REVENUE RESOURCE ANALYSIS
YEAR TO 28 FEBRUARY 2022

	Full Year Budget £'000	Year to Date			Current Month		
		Budget £'000	Actual £'000	Variance £'000	Budget £'000	Actual £'000	Variance £'000
Income							
Revenue Allocation	409,843	360,157	360,157		31,763	31,763	
Health Board	5,512	5,102	5,102	0	470	470	0
Other Healthcare	1,062	968	917	(51)	88	68	(20)
Fleet	0	0	10	10	0	0	0
Staff Car Deductions	168	158	164	6	15	15	0
Other Operating	2,263	2,222	2,277	55	183	198	15
Total Income	418,848	368,607	368,627	20	32,519	32,514	(5)
Expenditure							
Accident & Emergency	237,007	216,636	216,716	(80)	20,389	20,646	(257)
Non Emergency Service	30,090	27,643	27,218	425	2,610	2,478	132
Air Ambulance	16,087	14,644	15,282	(638)	962	966	(4)
Overheads	119,271	93,291	93,061	230	8,558	8,366	192
Total Expenditure	402,455	352,214	352,277	(63)	32,519	32,456	63
Core Expenditure Variance				(43)			58
Non Core Expenditure							
Depreciation (DEL)	16,500	14,611	14,611	0	1,351	1,351	0
Depreciation (Donated)	70	63	63	0	6	6	0
AME Provision	(577)	0	0	0	0	0	0
AME Impairments	400	0	0	0	0	0	0
Total Non Core Expenditure	16,393	14,674	14,674	0	1,357	1,357	0
Surplus / Deficit				(43)			58

Table 2 – Income and Expenditure

Table 2 provides the year-to-date position between service and support directorates and identifies some of the COVID-19 additional expenditure separately.

SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE SUMMARY
YEAR TO 28 FEBRUARY 2022

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
COVID-19	Income			0		0	0	0	
	Salaries	2,830	2,830	0		255	255	0	
	Supplies	4,350	4,350	0		133	133	0	
	Sav Target	(2,000)	0	(2,000)		0	0	0	
	Sav Realised	2,000	0	2,000		0	0	0	
				0				0	
Service Delivery Directorate	Income	(6,625)	(6,630)	5	0%	(663)	(661)	(2)	0%
	Salaries	260,855	259,066	1,789	-1%	24,521	24,227	294	-1%
	Supplies	39,366	41,851	(2,485)	6%	3,287	3,620	(333)	10%
	Sav Target	(720)	0	(720)	0%	(65)	0	(65)	0%
	Sav Realised	928	0	928	0%	0	0	0	0%
				(483)				(106)	
Support Services Directorates	Income	(1,824)	(1,840)	16	1%	(93)	(91)	(2)	-2%
	Salaries	26,055	25,715	340	-1%	2,972	2,855	117	-4%
	Supplies	33,658	33,141	517	-2%	2,706	2,725	(19)	1%
	Sav Target	(9,780)	0	(9,780)	0%	(1,435)	0	(1,435)	0%
	Sav Realised	9,347	0	9,347	0%	1,503	0	1,503	0%
				440				164	
SCOTTISH AMBULANCE SERVICE	Income	(8,449)	(8,470)	21	0%	(756)	(752)	(4)	-1%
	Salaries	289,740	287,611	2,129	1%	27,748	27,337	411	1%
	Supplies	77,374	79,342	(1,968)	-3%	6,126	6,478	(352)	-6%
	Sav Target	(12,500)	0	(12,500)		(1,500)	0	(1,500)	
	Sav Realised	12,275	0	12,275		1,503	0	1,503	
				(43)				58	

Table 3 – Service Delivery

Service delivery is over budget by £0.5 million at 28 February 2022. Pay costs (excluding COVID-19) are reporting an underspend of £1.8 million over all service areas, however it should be noted that additional pay expenditure has been incurred across all service areas as a result of COVID-19. This impact is assumed to be supported by additional funding.

Doc: 2022-03-30 Financial Performance	Page 9	Author: Deputy Director of Finance, Logistics & Strategy
Date 2022-03-30	Version 1.0	Review Date: May 2022

Air Ambulance Costs continue to show a cost pressure as a result of increased activity over the summer months, where flying hours for all 4 aircraft exceeded that of the equivalent period in 2019 (lockdown reduced activity in 2020), plus a 50% increase (excluding COVID-19 missions) in the use of the Maritime Coast Guard in the first 6 months of this year compared to the last two years. An in-depth review of the activity increases revealed factors such as the weather, no other resource available due to wider NHS demands, bariatric transfers, infection control guidelines limiting the fixed wing routine transfers from moving multiple patients to single patients resulting in additional flying hours, the 'staycation' effect along with Calmac running reduced services due to fleet mechanical problems, all playing a part. The report, completed by the operational team, anticipated this activity reducing to budget levels over the winter period and remain within balance by the end of the financial year. Note this excludes the costs of COVID-19 which is included within the £16.2 million COVID-19 costs. In line with expectations, activity from November 2021 through February 2022 has decreased to near normal anticipated levels and this continues to be closely monitored. The revised forecast is in line with the current financial position

Fuel prices continue to cause a pressure on vehicle running costs, with the average price per litre in February 2022 continuing to be around 20p above budgeted levels. The steady price rise throughout the year had stabilised from November 2021 however the current pump price indicate a further increase. This will continue to be monitored closely and has been assumed within our financial forecast.

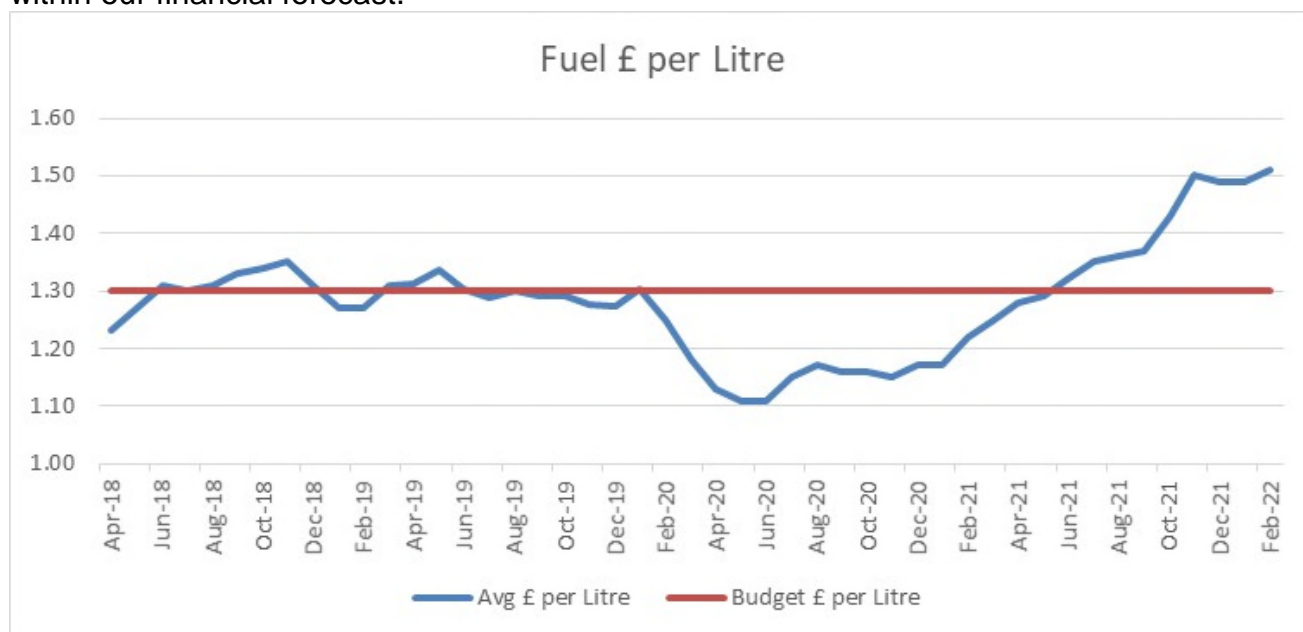


Table 3

**SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE - SERVICE DELIVERY
YEAR TO 28 FEBRUARY 2022**

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
NORTH REGION	Income	(889)	(889)	0	0%	(83)	(83)	0	0%
	Salaries	39,480	39,090	390	-1%	3,800	3,627	173	-5%
	Supplies	3,447	3,955	(508)	15%	305	388	(83)	27%
	Sav Target			0				0	
	Sav Realised			0				0	
				(118)			90		
EAST REGION	Income	(1,097)	(1,097)	0	0%	(198)	(196)	(2)	-1%
	Salaries	62,756	62,423	333	-1%	6,147	5,989	158	-3%
	Supplies	5,560	6,473	(913)	16%	564	685	(121)	21%
	Sav Target			0				0	
	Sav Realised	484		484		0		0	
				(96)			35		
WEST REGION	Income	(3,299)	(3,299)	0	0%	(285)	(285)	0	0%
	Salaries	88,477	87,561	916	-1%	8,299	8,231	68	-1%
	Supplies	6,985	8,204	(1,219)	17%	647	751	(104)	16%
	Sav Target			0				0	
	Sav Realised	208		208		0		0	
				(95)			(36)		
NATIONAL OPS	Income	(1,340)	(1,345)	5	0%	(97)	(97)	0	0%
	Salaries	70,142	69,992	150	0%	6,275	6,380	(105)	2%
	Supplies	23,374	23,219	155	-1%	1,771	1,796	(25)	1%
	Sav Target	(720)	0	(720)		(65)		(65)	
	Sav Realised	236	0	236		0		0	
				(174)			(195)		
TOTAL SERVICE DELIVERY	Income	(6,625)	(6,630)	5	0%	(663)	(661)	(2)	0%
	Salaries	260,855	259,066	1,789	-1%	24,521	24,227	294	-1%
	Supplies	39,366	41,851	(2,485)	6%	3,287	3,620	(333)	10%
	Sav Target	(720)	0	(720)		(65)	0	(65)	
	Sav Realised	928	0	928		0	0	0	
				(483)			(106)		

Table 4 – Support Services Directorates

Support services are being reported as £0.4 million under budget. The Finance, Logistics and Strategy savings target includes all Best Value Programme targets.

SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE BY DIRECTORATE
YEAR TO 28 FEBRUARY 2022

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
BOARD AND CHIEF EXECUTIVE	Income	(6)	(4)	(2)	-33%	(1)	0	(1)	
	Salaries	1,738	1,724	14	-1%	170	171	(1)	1%
	Supplies	1	11	(10)	1000%	10	12	(2)	20%
	Sav Target	(23)	0	(23)		(2)	0	(2)	
	Sav Realised	27	0	27		0	0	0	
				6					(6)
FINANCE AND LOGISTICS	Income	(1,733)	(1,758)	25	1%	(86)	(87)	1	1%
	Salaries	11,700	11,638	62	-1%	1,514	1,387	127	-8%
	Supplies	29,534	29,150	384	-1%	2,292	2,273	19	-1%
	Sav Target	(9,623)	0	(9,623)		(1,420)	0	(1,420)	
	Sav Realised	9,008	0	9,008		1,503	0	1,503	
				(144)					230
HUMAN RESOURCES	Income	(30)	(30)	0	0%	(2)	(2)	0	
	Salaries	2,233	2,186	47	-2%	256	275	(19)	7%
	Supplies	761	732	29	-4%	66	57	9	-14%
	Sav Target	(36)	0	(36)		(4)	0	(4)	
	Sav Realised	39	0	39		0	0	0	
				79					(14)
MEDICAL	Income	(13)	(5)	(8)	-62%	(1)	0	(1)	
	Salaries	2,986	2,940	46	-2%	324	318	6	-2%
	Supplies	863	906	(43)	5%	86	97	(11)	13%
	Sav Target	(15)	0	(15)		(1)	0	(1)	
	Sav Realised	84	0	84		0	0	0	
				64					(7)
CARE QUALITY AND PROF DEVELOPMENT	Income	(42)	(43)	1	2%	(3)	(2)	(1)	
	Salaries	7,398	7,227	171	-2%	708	704	4	-1%
	Supplies	2,499	2,342	157	-6%	252	286	(34)	13%
	Sav Target	(83)	0	(83)		(8)	0	(8)	
	Sav Realised	189	0	189		0	0	0	
				435					(39)
TOTAL SUPPORT SERVICES	Income	(1,824)	(1,840)	16	1%	(93)	(91)	(2)	-2%
	Salaries	26,055	25,715	340	-1%	2,972	2,855	117	-4%
	Supplies	33,658	33,141	517	-2%	2,706	2,725	(19)	1%
	Sav Target	(9,780)	0	(9,780)		(1,435)	0	(1,435)	
	Sav Realised	9,347	0	9,347		1,503	0	1,503	
				440					164

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.

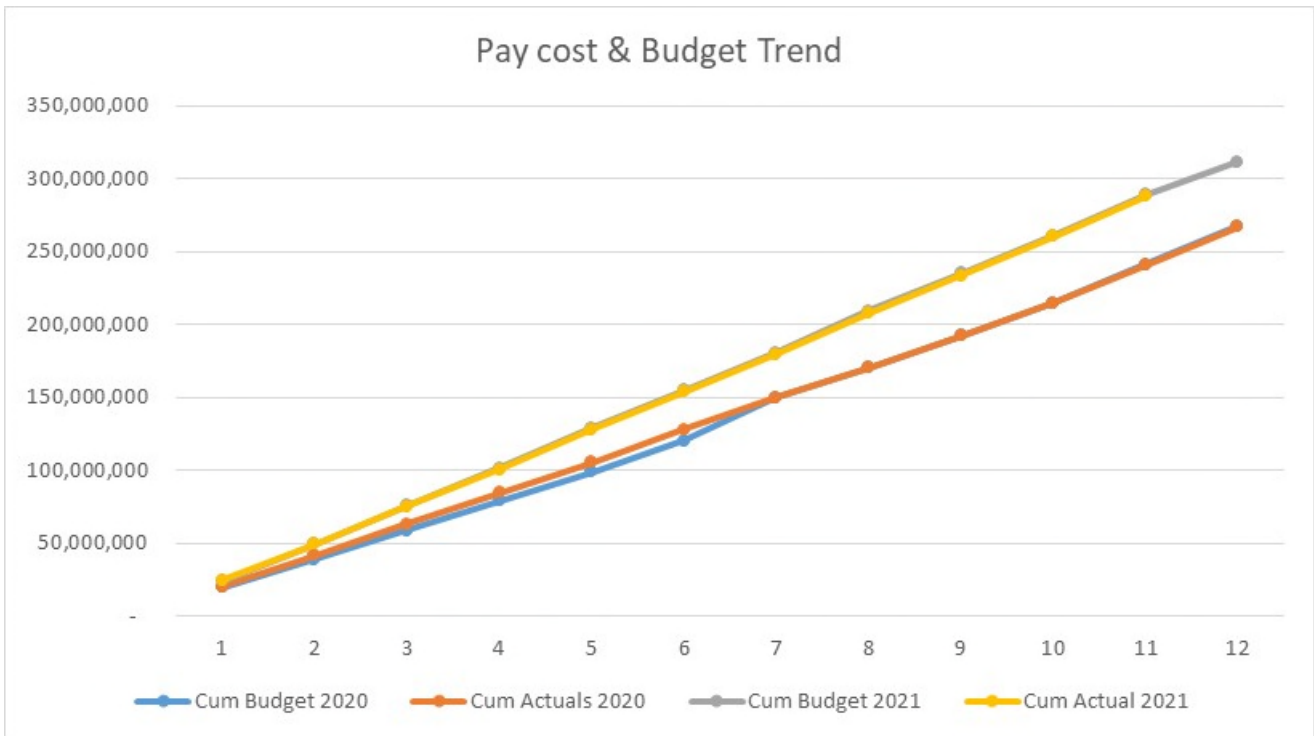
SCOTTISH AMBULANCE SERVICE BOARD
INCOME INCLUDING ALLOCATIONS
YEAR TO 28 FEBRUARY 2022

	Full Year Budget £'000	Year to Date		
		Budget £'000	Actual £'000	Variance £'000
Income				
Revenue Allocation	409,843			
Baseline Allocations	312,655			
Recurring Allocations	5,633			
Non-Recurring Allocations	91,565			
Fleet Income	0	0	10	10
Health Board	5,512	5,102	5,102	0
Other Healthcare	1,062	968	917	(51)
Other Operating	2,263	2,222	2,277	55
Staff Car Deductions	168	158	164	6
Total Income	418,848	8,450	8,470	20

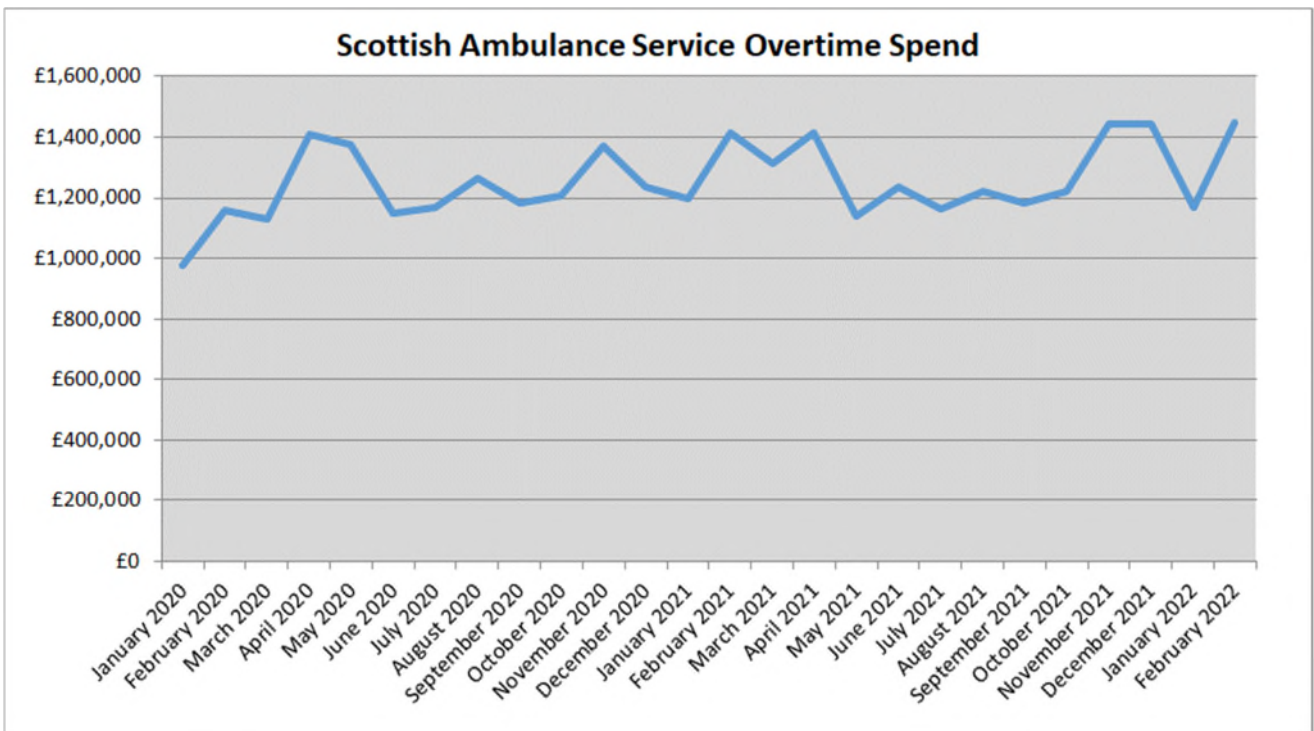
Total income (including funding) to date is break even.

The original financial plan assumed revenue funding allocations of £346 million. This has since increased to reflect funding received and committed for Mobile Testing Units, Mobile Vaccination Units, COVID-19 Remobilisation and the Service's support at COP26. Adjustments are made on a monthly basis to the budget to include any additional allocations as these are notified to the Boards from Scottish Government and other NHS Boards.

Detailed Pay analysis



The pay graph above reflects both year to date budget and year to date actual spend for financial year 2020/21 and 2021/22. As can be seen, the trend shows 2021 costs exceeding 2020 values, due to the additional staffing in the Mobile Testing Units plus impact of the pay award. Overtime cost in this current year is averaging 5.7% of the year to date pay bill compared to last year to date at 6.7%, clearly reflecting the early stages of the pandemic. The graph below shows a trend analysis of overtime costs in the last two years. The impact of COVID-19 mobilisation on the Service can be seen in the months from March 2020.



Overtime hours have also been impacted by an increase in extended duty (when a shift runs over) which can be seen in the graph below from the beginning of the summer this year. This is a direct result of hospital turnaround times reflective of the wider NHS system pressures. We were experiencing around 10,000 extended duty hours a month at the end of the year, compared to an average in 2019/20 of around 7,000 a month. We have since seen this reduce in January and February 2022 to under 9,000 hours per month.

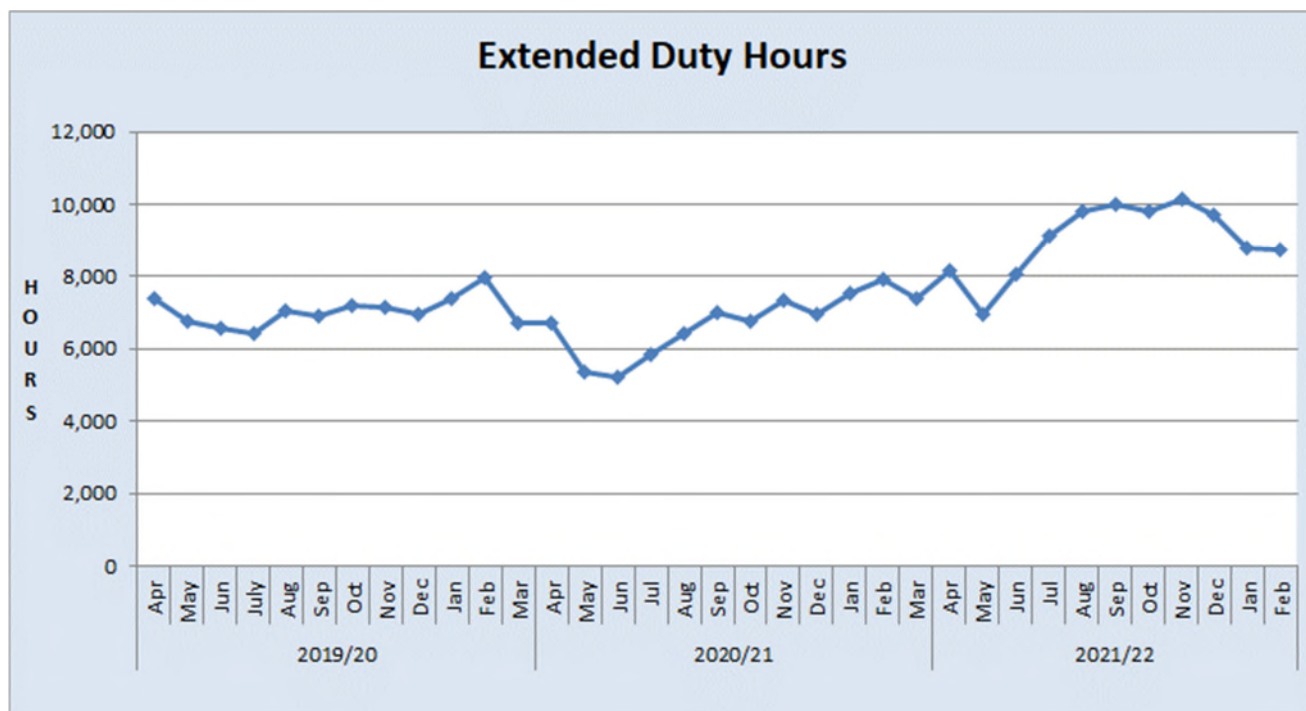


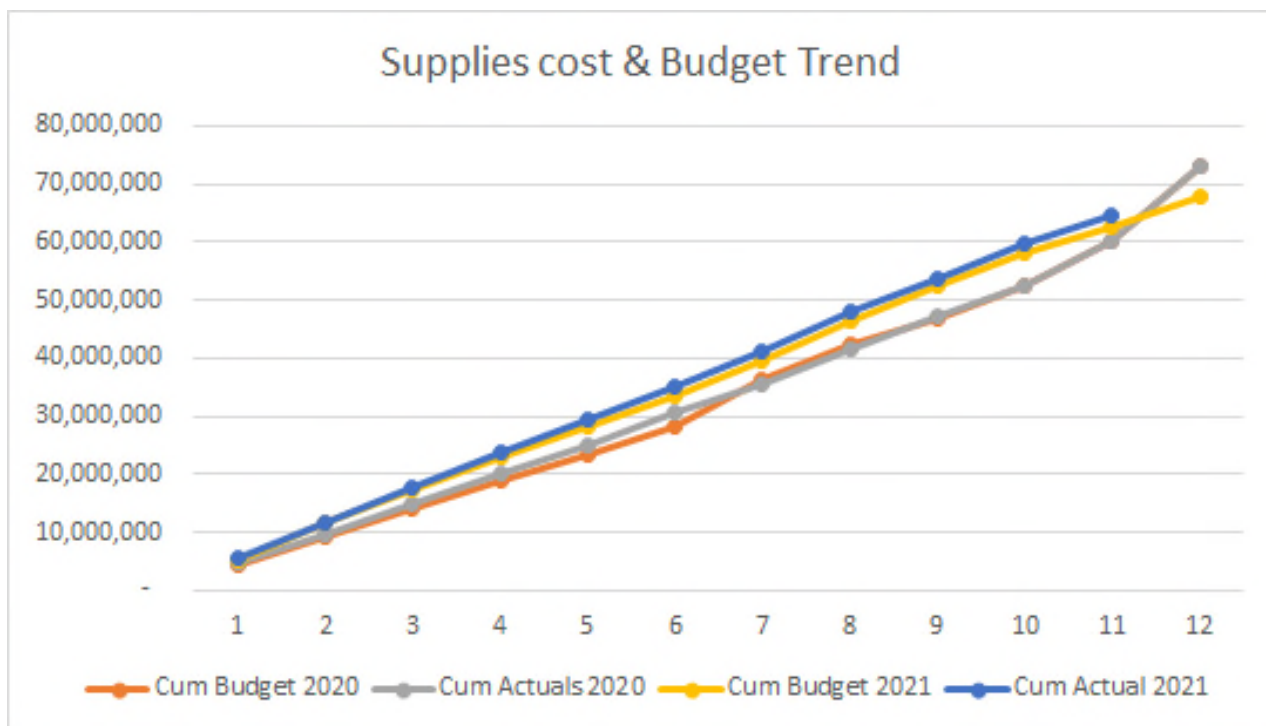
Table 6

**SCOTTISH AMBULANCE SERVICE BOARD
STAFF AND OVERTIME SUMMARY
YEAR TO 28 FEBRUARY 2022**

		East Region	North Region	West Region	National Ops	Service Delivery
Current Year	Average WTE	1,337	753	1,832	838	4,760
	Overtime Hours	124,504	117,669	221,615	66,204	529,992
	Overtime Cost (£'000)	3,503	3,311	6,169	1,886	14,869
Prior Year	Average WTE	1,235	701	1,725	800	4,461
	Overtime Hours	151,577	118,182	252,962	77,009	599,730
	Overtime Cost (£'000)	3,526	2,734	5,818	1,818	13,896
Variance	Average WTE	102	52	107	38	299
	Overtime Hours	(27,073)	(513)	(31,347)	(10,805)	(69,738)
	Overtime Cost (£'000)	(23)	577	351	68	973

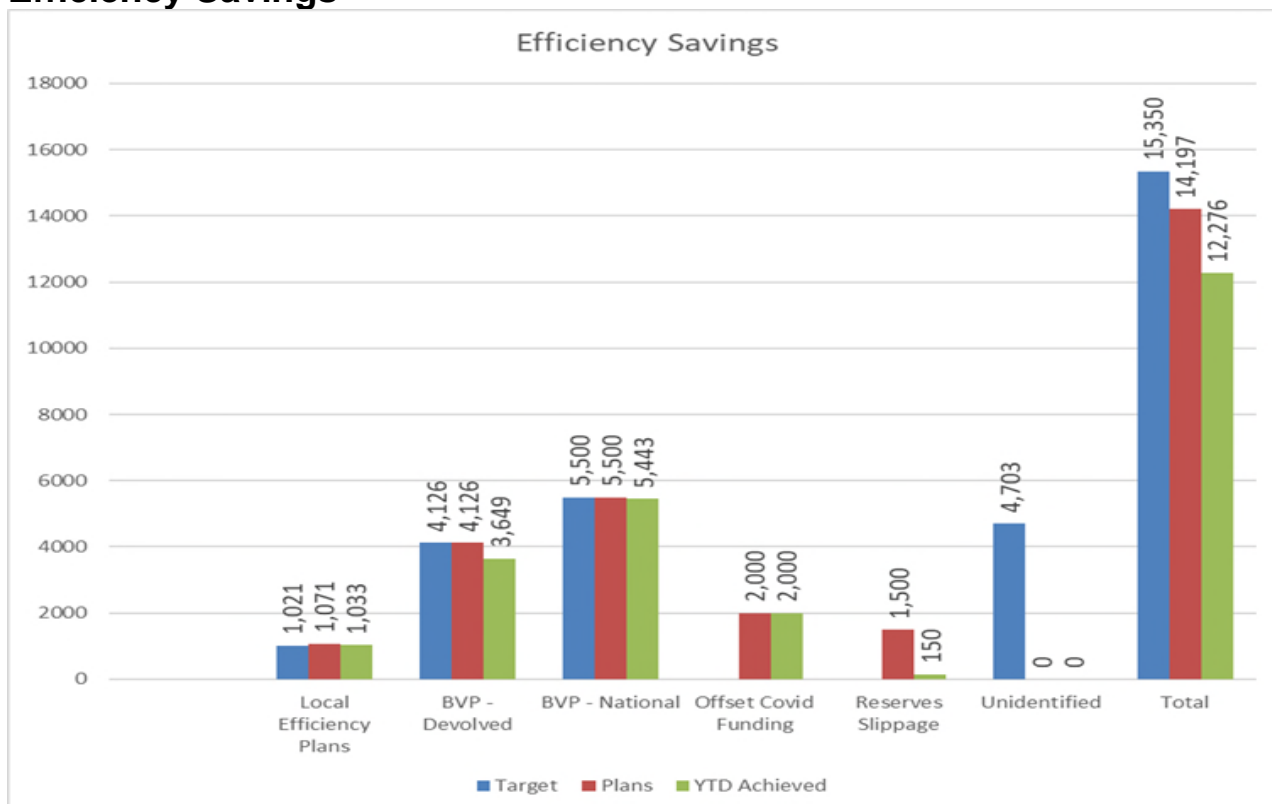
The above table illustrates an overall reduction in overtime hours compared to a year ago, which was during the 'first wave', however this is also with an additional 299 staff (whole time equivalents) in post.

Non-pay



The non-pay graph above reflects year to date budget and year to date actual spend for both 2020/21 and 2021/22. This year additional non-pay costs of £3.7 million have been incurred as a result of the Service COVID-19 remobilisation plan. A detailed breakdown of these costs can be found in the COVID-19 section below.

Efficiency Savings



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

- **Local Efficiency Target**

Support Directorates have been allocated a 1.5% recurring efficiency target to recognise the requirement to continually review our costs and ensure reinvestment in our services to meet ongoing cost pressures. In addition, some operational areas have been allocated a local target to supplement the developed best value targets. These targets equate to £1.0 million across the Service, with £1.0 million delivered to date.

- **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 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.

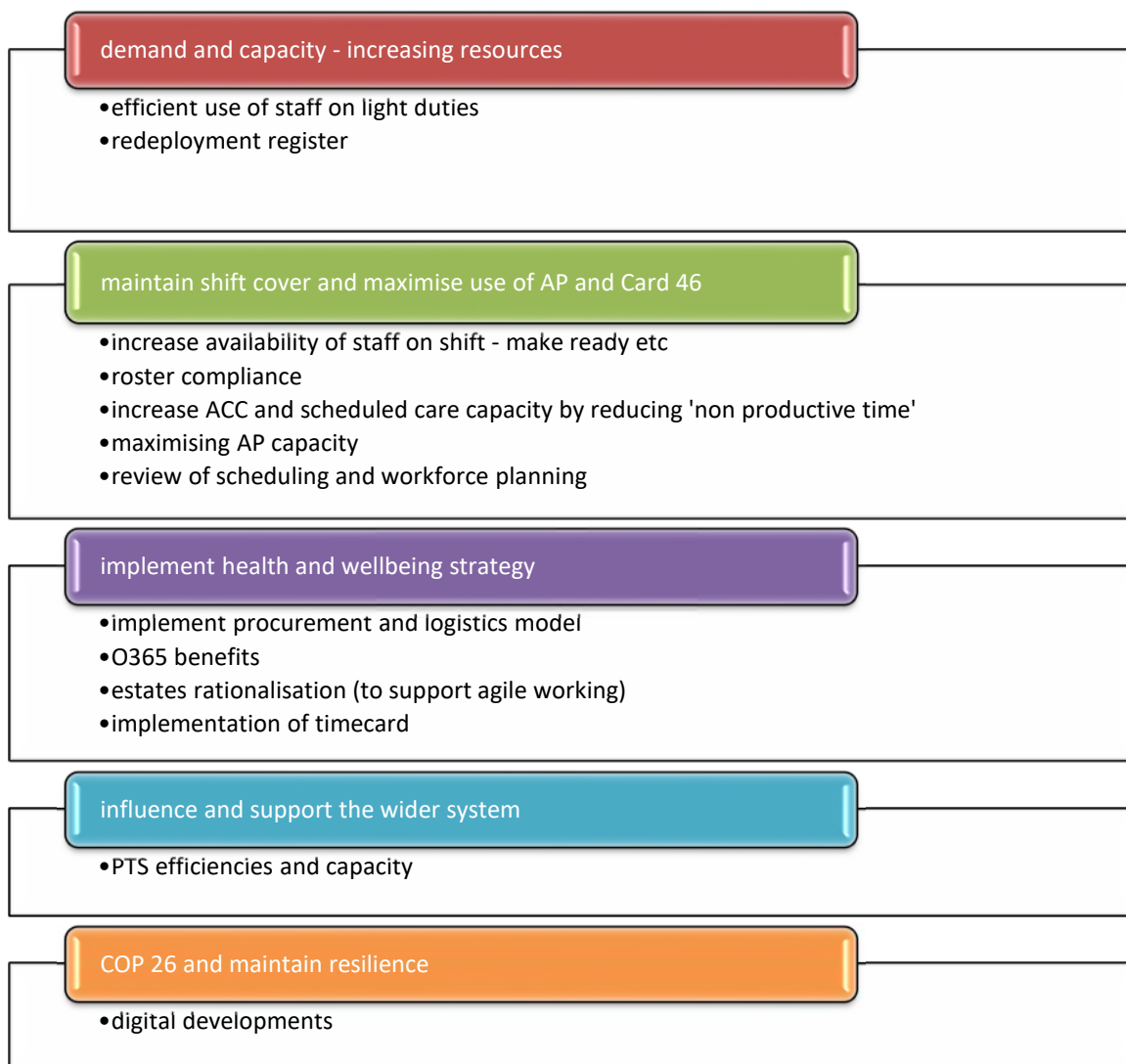
- **Devolved Targets** – Responsibility for projects that were implemented during 2020/21 and now deemed to be embedded within the Service has been devolved to budget holders. Progress of these projects are monitored throughout the year and the savings delivered at month eleven is £3.6 million against a full year forecast of £4.1 million.
- **Best Value Programmes** – More than 35 work streams had been identified with potential savings of £6.5 million that will be led by the Best Value Programme team and supporting local managers and teams. A detailed programme plan has been in place with Executive leads against each programme.

Doc: 2022-03-30 Financial Performance	Page 18	Author: Deputy Director of Finance, Logistics & Strategy
Date 2022-03-30	Version 1.0	Review Date: May 2022

Given the current operational pressures on the system it is critical that we maintain the focus on the best value programmes to drive the quality improvement and innovation. It is also important that we align the programmes to the current operational priorities namely

- demand and capacity – increasing resources
- maintain shift cover and maximise use of AP and Card 46 resources
- implement our health and wellbeing strategy
- influence and support the wider system
- COP 26 and maintain our resilience

The following shows this alignment to these priorities, identifying those that we need to maintain the focus on (and perhaps those that could slip into 2022/23).



We have identified to Scottish Government that there is likely slippage in efficiency savings that we would like to source COVID-19 monies from estimated at £2.0 million to date.

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 pandemic.

Cost incurred during 2021/22 to 28 February 2022 are outlined in the table below.

Category of Resource	£
Additional pay & staff overtime	7.7 million
Supplies and equipment (PPE, Cleaning materials, etc.)	1.1 million
Air ambulance and third party support	1.1 million
Remobilisation pay & non-pay	3.9 million
Efficiency saving underachievement	2.0 million
	15.8 million

Additional pay & staff overtime

A new process for identifying overtime costs where staff cover COVID-19 absence and in respect of an increase in extended duty have been set up for this year. Also included are temporary staff costs, including returning retired staff on bank contracts to help improve resilience and meet demand.

Air ambulance and third party support

Our delivery of the COVID-19 response has been enhanced by various third-party organisations such as Loganair, British Red Cross, Arnold Clark, and St Johns Ambulance. These organisations are providing us with services specifically to help manage the additional pressure of the current crisis through the provision of aircraft for patient transfers, Red Cross vehicles in Aberdeen, the Central belt and West Region, automated telephony services, laptop hire to enable staff to work from home, and van hire for distribution of PPE respectively.

Remobilisation 2021/22

Work is underway to support the redesign with our ambulance control centres to support call taking capability to meet national targets and support clinical decision making whilst an assessment takes place to look at how we can reduce call demand by adopting the use of digital channels and system management through the clinical hub redesign.

Our Logistics infrastructure has been redesigned to introduce a robust, sustainable, long term, cost-effective logistics and inventory management service supplying and controlling the movement of consumable stocks throughout the Service. This is aiming to minimise stock holding, ensure continuity of supply, releasing both financial and non-financial efficiencies, whilst gaining a comprehensive understanding of product mix and usage.

Digital transformation, additional support and infrastructure to support digital developments continue, along with developments on supporting new working arrangements and estates reconfiguration to maximise our space recognising the potential increase in staff offset against home working.

Other priorities include plans for investment in Health and Wellbeing, to support new ways of working for support staff and Sustainability and innovation.

Doc: 2022-03-30 Financial Performance	Page 20	Author: Deputy Director of Finance, Logistics & Strategy
Date 2022-03-30	Version 1.0	Review Date: May 2022

Mobile Testing Units

The Service is currently delivering Mobile Testing Units (MTUs) across Scotland with this service coming into effect from the end of September 2020 with plans to continue delivery of the service to the end of 2021/22.

The year-to-date expenditure (at 28 February 2022) is as follows:

	Costs
Pay	£ 27.9 million
Non Pay	£ 3.3 million
Total	£ 31.2 million

Scottish Government have approved the extension of the MTU's to the end of September 2022 and have confirmed the Service will not be required to take a financial risk on this extension. Following on from the underspend position in 2020/21 and with spend of £25.5 million year to date, we are anticipating a year end spend of £33.8 million.

Mobile Vaccination Units

The Service is currently delivering Mobile Vaccination Units (MTUs) across Scotland to support an inclusive vaccination programme delivering vaccinations to population groups who can face barriers to mainstream vaccination pathways.

The year-to-date expenditure (at 28 February 2022) is as follows:

	Costs
Pay	£317,000
Non Pay	£241,000
Total	£558,000

Estimated costs are forecast to be around £0.735 million in 2021/22. This will be fully funded by Scottish Government.

COP26

The funding envelope of £5.4 million had been approved by UK Government for Event Planning & Delivery and Specialist Capability costs. Funding will be provided on a cost recovery basis and subject to scrutiny by UK Government. We are now currently forecasting a full year outturn of £2.6 million.

The year-to-date expenditure (as at 28 February 2022) is as follows:

Doc: 2022-03-30 Financial Performance	Page 21	Author: Deputy Director of Finance, Logistics & Strategy
Date 2022-03-30	Version 1.0	Review Date: May 2022

	Costs
Pay	£1.6 million
Non Pay	£1.0 million
Total	£2.6 million

Updated Forecast Position

Given the current financial position and revised winter and COVID-19 modelling we have undertaken a detailed financial forecast, using our approved financial plan as the basis of this. The key assumptions are noted below:

Key Assumptions

- The agenda for change Pay Award has now been confirmed with a higher uplift than anticipated in our financial plan which increased our pay pressures by £6.3 million. This has been met with a further funding uplift from Scottish Government.
- The incremental pay pressure brought forward in 2021/22 from 2022/23 as a result of pay scale changes has resulted in a pay pressure of £3.5 million pressure in year. The financial plan assumed this would be fully funded and discussions are continuing with Scottish Government on this basis.
- Planning assumptions have taken account of planned recruitment and anticipated staff turnover
- Overtime costs are expected to remain high at estimated at £16.4 million for the year at an average of £1.4 million per month
- Assumptions also account for seasonality increased costs for Fuel, Utilities during the winter months and the current surge in gas and fuel prices.
- Full funding for COVID-19 expenditure is anticipated, including Mobile Testing Units and Mobile Vaccination Units
- Full funding is anticipated to recover expenditure for COP26.
- This forecast assumes the anticipated income and expenditure for the NHSS Health & Care Systems Winter Pressures £20 million announced in September 2021 will be fully funded
- All other developments in line with our financial plan is assumed to be fully funded
- Expenditure for NHSS Health & Care Systems Winter Pressures is fully funded in line with our action plan
- Underspends in allocations received for specific programs such as Demand and Capacity, COP26, ESRCP Phase II and Mobile Testing Units will be returned to Scottish Government and the respective portfolios.
- Planning assumptions have taken account of planned recruitment and anticipated staff turnover and anticipate a small level of slippage in some specific developments

This also assumes the following in relation to our Best Value Programmes:

- Risk in the delivery of savings through our Best Value programme has been impacted by COVID-19 and operational pressures and at this stage we have included an

Doc: 2022-03-30 Financial Performance	Page 22	Author: Deputy Director of Finance, Logistics & Strategy
Date 2022-03-30	Version 1.0	Review Date: May 2022

estimate of £2 million full year for unachieved savings in our COVID-19 funding forecast. This will be reviewed before the next quarterly review.

- It is assumed the £4.1 million of devolved savings will be delivered in full, this includes savings in travel and electric vehicles.
- Some Best Value workstreams have been paused while focus is maintained on those that support quality improvements with our current operational priorities and it is still anticipated that the Best Value Programme can deliver £6.55 million in the current year. Given the current pressures some of these savings may be non-recurring but this will be monitored closely.
- Local efficiency plans in support directorates are expected to deliver £1.2 million.
- Approx. £1.5 million slippage against our developments, noting this is lower than previous years and again will be closely monitored over the next few months, and is non-recurring

This revised forecast has been up updated in the attached table:

Summary of Financial Position	2021/22 Financial Plan £m	2021/22 Forecast Update £m
Carry forward recurring deficit	7.5	7.5
Pressures - Pay	12.2	£18.5
Pressures – Non Pay	1.1	£1.1
Pressures – commitments/developments	0.55	£0.55
Total Unavoidable cost pressures	13.85	£20.15
Resource Uplift	(4.3)	(£10.6)
Additional SG Funding		
- Incremental drift / scales	(1.7)	(£1.7)
Pressures to support through efficiency savings	15.35	15.35
Efficiency plans – devolved targets	4.1	4.1
Efficiency plans – 21/22 Best Value Programmes	5.0	6.55
Efficiency plans – to be identified	6.25	-
Efficiency savings – New Best Value Plans	-	
Efficiency savings – New Local efficiencies through support functions	-	1.2
Likely Slippage against some developments	-	1.5
Efficiency Plans not delivered to Covid Pressures	-	2.0
Out-turn Position	Breakeven	Breakeven

The focus on delivering the financial forecast will be accelerating the best value programmes that support quality improvements and innovations prioritised to the current priorities.

Doc: 2022-03-30 Financial Performance	Page 23	Author: Deputy Director of Finance, Logistics & Strategy
Date 2022-03-30	Version 1.0	Review Date: May 2022

YTD CAPITAL POSITION AS AT MONTH 11 (28 February 2022)

2021/22 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 Scottish Government 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 2021/22 the following earmarked allocations have been received:
 - Fleet Replacement Programme £23.9 million
 - Scotstar £0.250 million
 - Enhancing Capability Phase II £0.390 million
 - Scottish Trauma Network £0.150 million

The total 2021/22 allocation is £26.5 million. As at 31st January 2022 we have received all allocations.

YTD Capital Position

The YTD Capital Position is shown in the table below. Although only 46% of total expenditure has been incurred to date, this is a normal trend for the Service. The majority of the expenditure relates to Fleet Replacement and deliveries are planned for the last 1-2 months of the financial year as we approach year-end, the Fleet Replacement programme is progressing despite issues with the supply-chain and it is anticipated that the budget will be fully utilised.

Delivery of Phase 1 and 2 of the Enhancing Capability programme has been assessed and it has been determined that the Phase 1 budget will be utilised. Due to requirements not been finalised, the Phase 2 budget will have an under spend of £0.394 million. It has been agreed with Scottish Government that this funding will be returned.

Capital receipts of £0.106 million have been received as result of vehicles being sold for a price higher than the NBV. These receipts have been used for additional capital expenditure above the allocated budget.

Currently we have over allocated the budget by £10,000, however, there are a couple of anticipated projects that are at risk of underspending so the capital plan will break even at year end.

Doc: 2022-03-30 Financial Performance	Page 24	Author: Deputy Director of Finance, Logistics & Strategy
Date 2022-03-30	Version 1.0	Review Date: May 2022

SCOTTISH AMBULANCE SERVICE**CAPITAL REPORT 2021-22**

As at Month 11 (28 February)

PROJECT	Approved Budget	YTD Actuals	Notes
	£	£	
Formula Capital Projects			
eHealth and ICT	803,633	254,634	Vat Credit
Property	29,013	26,919	
Procurement & Logistics System	46,800	129,945	
Demand & Capacity	0	(11,855)	Vat Credit
Medical Equipment	24,425	24,425	
Vehicle Accidents	0	0	
	903,871	424,068	
Earmarked Allocations			
Enhancing Capability	1,866,943	719,315	
Covid	0	(14,654)	Vat Credit
Major Trauma	150,000	17,196	
ICCS Replacement	521,550	9,042	
Scotstar	651,342	221,082	
Vehicles	22,420,000	10,895,476	
	25,609,835	11,847,457	
Unallocated Budget	(9,614)		

Capital Receipts	(106,369)	Gain on sale of vehicles & equipment
TOTAL	26,504,092	12,165,156

Approved and Anticipated Projects

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

Approved Projects		
Project	Cost Centre	BUDGET
		£
eHealth and IT		
Airwave SC Light - Aviemore & Broadford		61,429
Digitisation of Card 45 & 46 in ACCs		153,470
Telephony - Capacity Management and Call Traffic Reporting		31,164
Telephony – Increasing Call Recording Capacity		85,752
Telephony - Additional Call Centre Licences		84,635
VM Hardware Upgrade		252,000
Database for Ambulance Cleaning Records & Respirators		41,310
Terrafox Firewall		80,913
Information Alert Module		12,960
Total- eHealth and IT		803,633
Special Projects		
Enhanced Capability		1,317,851

Procurement System	46,800
ICCS Replacement	521,550
Enhanced Capability - Additional Estates Req	159,000
Enhancing Capability Phase II	390,092
Total - Special Projects	2,435,293
Property	
Air Conditioning Cardonald	29,013
Total – Property	29,013
Operations	
Medical Equipment	24,425
Major Trauma	150,000
Scotstar	651,342
	22,420,00
Vehicles	0
	23,245,76
Total – Equipment	7
	26,513,32
Total Approved Projects	0
Unallocated Budget	(9,614)
Anticipated Projects	
Total - Anticipated Projects	
Revised Unallocated Budget	0

Key Risks

Enhancing Capability

The estates work being delivered as part of the Enhancing Capability programme has been deferred for the previous two years. The contract has been tendered but due to the impact of Covid, building supplies are in short supply and are attracting a premium cost. This has resulted in tendered costs being over the available budget. A review is being carried on the project to assess whether any cost savings can be made. In addition, due to the current Covid-19 restrictions, projects are taking longer to complete so there is a risk that the project may not complete in 2021/22. This project is considered medium risk.

There is a further risk around slippage on the Phase Two allocation in the 2021/22 financial year. This is considered medium risk. The Project deliverables have been reviewed and expected budgeted spend for the project has been assessed as £390,092, resulting in an underspend of £394,000. It has been agreed with SG that this under spent will be returned.

ICCS Replacement Project

There has been further delays to the implementation of the ICCS Replacement Project. The timelines are currently being revised to determine the impact. Initial contingency measures are being assessed in the event of the project slipping into 2022/23. This project is considered medium risk.

All other projects are expected to be delivered on time and within budget.

CONCLUSION

The underlying position for the Service is break even assuming all COVID-19 related expenditure is fully funded.

The full financial impact of COVID-19 continues to be closely monitored with the final quarterly review due in April 2021. We continue to assume all additional expenditure will be funded for the remainder of 2021/22 and funding for our forecasted £16.2 million requirement has now been received.

Efficiency savings remain a significant issue given the reduced management capacity as we are dealing with the current operational pressures. However, the requirement to ensure the delivery of our Best Value Programme through quality improvements and innovation is a continued focus and aligned to our current operational pressures. We are planning £6.5 million of best value programmes by March 2022, although this is likely to include a significant non-recurring component. A total of £5.4 million has been reported up to February. The improvement work going on over the last few months, in dealing with the operational pressures, is currently being quantified and will be reported against the £6.5 million target. This has been the key focus of the weekly Best Value delivery group.

We have carried out a detailed full year forecast including assumptions on the full year impact of COVID-19, remobilisation and an updated efficiency plans trajectory, and this will continue to be reported monthly thereafter.

Doc: 2022-03-30 Financial Performance	Page 28	Author: Deputy Director of Finance, Logistics & Strategy
Date 2022-03-30	Version 1.0	Review Date: May 2022

A breakeven budget is forecast at March 2022 in line with our financial plan.

Julie Carter
Director of Finance, Strategy and Logistics
March 2022

Doc: 2022-03-30 Financial Performance	Page 29	Author: Deputy Director of Finance, Logistics & Strategy
Date 2022-03-30	Version 1.0	Review Date: May 2022