



NOT PROTECTIVELY MARKED

Public Board Meeting		31 March 2021
		Item 09
THIS PAPER IS FOR DISCUSSION		
SUMMARY FINANCIAL PERFORMANCE TO 28 FEBRUARY 2021		
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 28 February 2021• The COVID-19 funding allocation received from Scottish Government and the COVID-19 financial update to 28 February 2021• The efficiency savings position to 28 February 2021• The updated full year financial forecast position• The work commenced in updating the 2021/22 financial plan	
Key points	<ol style="list-style-type: none">1. The financial position shows a deficit of £0.1 million against a trajectory deficit of £1.0 million.2. Funding for COVID-19 was announced by Scottish Government on 29th September 2020, to support the first tranche of the COVID-19 funds. The second tranche funding was also confirmed at the end of December 2020 - this included the funding for the unachieved efficiency savings.3. Efficiency savings of £10.5 million have been delivered against a target of £11.0 million for the period. This includes £2.0 million of efficiency savings that could not be delivered due to COVID-19 but have been offset by additional SG funding, as per note 2.4. Additional expenditure of £15.5 million has been incurred in this period as a result of the Service's COVID-19 mobilisation plan and offset against the funding confirmed.5. The full year financial forecast remains a break-even position.	

Timing	During the financial year, the Board was provided with monthly updates on the financial position. The 2021/22 financial planning cycle has also commenced with a detailed budget paper presented to the November Board, a further update in January and the draft 3-year financial plan presented to the board development session in February 2021. Following discussions with Scottish Government, the final financial plan is being presented to the March Board meeting for approval.
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 2020/21.
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 2020 when the budget for 2020/21 was set.

SCOTTISH AMBULANCE SERVICE BOARD

FINANCIAL PERFORMANCE TO 28 FEBRUARY 2021

JULIE CARTER, DIRECTOR OF FINANCE, LOGISTICS & STRATEGY

This paper sets out the financial position at 28 February 2021 for the Scottish Ambulance Service.

The Board is asked to note:

- the financial position to the end of February 2021 for the financial year 2020/21
- a specific section on COVID-19 financial impact and funding assumptions and
- the key messages as highlighted including agreed actions

The financial position to February 2021, reporting a deficit of £0.1 million to date, consists of:

- Income – under target to date by £0.2 million
- Core Expenditure – under spend to date of £0.6 million
- Efficiency savings target for the financial year 2020/21 is £12.0 million. To date, £10.5 million of savings have been recognised against a target of £11.0 million year to date, which reflects an efficiency savings gap of £0.5 million. Within the COVID-19 expenditure plan, the shortfall of £2.0 million of efficiency plans not achieved due to current COVID-19 operational demands have now been supported by Scottish Government funding.
- Additional expenditure incurred due to COVID-19 response of £17.5 million has been funded by Scottish Government this includes the efficiency plans funding as noted above.

Key messages

- Total deficit as at February 2021 of £0.1 million (this includes both core and non-core expenditure). Our Financial Plan (pre COVID-19) forecast an overspend of £1.0 million by the end of February 2021, primarily driven by the timing of delivery of efficiency savings
- The net financial overspend of £0.1 million is in line with the revised forecast and on target to deliver a balanced budget.

Doc: 2021-03-31 Financial Performance	Page 3	Author: Deputy Director of Finance
Date 2021-03-31	Version 1	Review Date: May 2021

Key actions agreed in this period

1. COVID-19

The impact of COVID-19 on our financial position has been reported since February 2020, and a detailed analysis has been undertaken over the last few months. The financial impact to month 11 is £17.5 million revenue (including unachieved efficiency savings) and the COVID-19 full year financial forecast (including remobilisation) has been revised and is now in the region of £19.4 million. This forecast includes £18.5 million revenue and £0.9 million capital. As we progress towards year end, the COVID-19 financial analysis is being reviewed and updated on a weekly basis.

ACTION: We continue to work closely with Scottish Government colleagues who have put in place a monthly COVID-19 finance reporting update. An updated COVID-19 spend and funding forecast was undertaken, and was submitted to the Scottish Government on 22 January 2021.

2. Delivery of our Efficiency Savings Target

Much of the Best Value Programme work has required to be put on hold as we have been dealing with the impact of COVID-19. Therefore, included within the additional costs of COVID-19 are an estimate of efficiency plans that we would have otherwise delivered in year and are now at risk of delivery. These estimates focus primarily on those schemes that reduced our overtime costs and managed abstractions. The key driver of our current core overspend excluding COVID-19 is primarily due to our efficiency savings shortfall.

ACTION: The Best Value Programme restarted in July 2020. The focus of the work remains in line with the financial plan, which described an efficiency target of £5.6 million through the best value programme and a gap of £1.9 million unallocated efficiency plans. This has been accelerated and is being closely aligned to the COVID-19 remobilisation plan. These plans are also being reviewed against other expenditure areas where we are seeing a reduction in spend due to sickness absence levels lower and travel costs reduced. An updated Best Value plan has been completed and agreed with workstream leads. The Best Value focus is now on 2021/22 with the impact of recurring and non-recurring savings being assessed.

3. Full year forecast and planning for 2021/22

This revised forecast now forms the basis of the financial plan for the remainder of the financial year. Our financial plan to deliver a balanced budget remains.

The draft 2021/22 financial plan has been reviewed at the Board workshop in February 2021 and has been submitted to Scottish Government at the end of February in line with agreed timescales. Discussions will progress with Scottish Government during March 2021.

Doc: 2021-03-31 Financial Performance	Page 4	Author: Deputy Director of Finance
Date 2021-03-31	Version 1	Review Date: May 2021

Financial Risk considerations noted in the period

The financial risks are as follows:

Delivery of Efficiency Savings in financial year 2020/21

This has been a significant risk given the delay in progressing with our Best Value programme and our developed efficiency plans. We have now delivered savings of £10.5 million over the eleven months against our target of £11.0 million for the same period. This includes the £2.0 million efficiency savings not achieved due to COVID-19 offset by additional COVID-19 funding of £2.0 million, therefore leaving a gap of £0.5 million. The challenge to achieve the balance of efficiency savings target remains a key focus as we go into the last month of the current financial year.

Recurring impact of Living with COVID-19 as we move into financial planning for 21/22

The financial planning process for 2021/22 is well underway and financial modelling has been undertaken considering the living with COVID-19 implications for 2021/22. Work is also progressing on our best value programme for 2021/22 and the financial impact of the remobilisation plan. There are some significant recurring costs associated with COVID-19 and remobilisation. These were described within the remobilisation plan and draft 2021/22 financial plan discussed at the Board Development session in February 2021.

Finance position as at February 2021

Introduction

This section of the paper provides details of the financial results for the period ending February 2021. The delivery of the financial plan remains a major focus of the finance team. Regular budget review meetings are in place with Service heads, as well as more detailed tracking of efficiency savings, with a new financial reporting template put in place in August. There is ongoing review of COVID-19 costs and internal cost control processes particularly as we approach year end.

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: 2021-03-31 Financial Performance	Page 5	Author: Deputy Director of Finance
Date 2021-03-31	Version 1	Review Date: May 2021

SUMMARY OF YEAR TO DATE POSITION

Table 1 reports that the revenue position for the financial year to the end of February 2021 is a deficit of £0.1 million, made up of the following:

- Income – under budget by £0.2 million
- Expenditure Pay – under budget by £0.5 million
- Expenditure Supplies – over budget by £0.1 million
- Savings – behind target by £0.5 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 2021							
	Full Year Budget £'000	Year to Date			Current Month		
		Budget £'000	Actual £'000	Variance £'000	Budget £'000	Actual £'000	Variance £'000
Income							
Revenue Allocation	341,731	308,202	308,202		32,774	32,774	
Health Board	5,415	5,006	5,006	0	555	487	(68)
Other Healthcare	1,136	1,047	906	(141)	92	93	1
Fleet	31	31	31	0	(141)	3	144
Staff Car Deductions	223	197	174	(23)	26	16	(10)
Other Operating	1,462	1,386	1,353	(33)	133	149	16
Total Income	349,998	315,869	315,672	(197)	33,439	33,522	83
Expenditure							
Accident & Emergency	210,545	192,922	191,661	1,261	20,266	19,768	498
Non Emergency Service	26,214	24,000	23,959	41	2,805	2,655	150
Air Ambulance	15,711	14,413	14,325	88	1,378	1,467	(89)
Overheads	82,338	69,344	70,639	(1,295)	8,990	9,532	(542)
Total Expenditure	334,808	300,679	300,584	95	33,439	33,422	17
Core Expenditure Variance				(102)			100
Non Core Expenditure							
Depreciation (DEL)	15,500	13,602	13,602	0	1,318	1,318	0
Depreciation (Donated)	100	69	69	0	5	5	0
AME Provision	(410)	0	0	0	0	0	0
AME Impairments	0	0	0	0	0	0	0
Total Non Core Expenditure	15,190	13,671	13,671	0	1,323	1,323	0
Surplus / Deficit				(102)			100

Table 2 – Income and Expenditure

Table 2 provides the year to date position between service and support directorates, and identifies the COVID-19 financial impact separately.

SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE SUMMARY
YEAR TO 28 FEBRUARY 2021

		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	8,061	8,061	0		(523)	(523)	0	
	Supplies	7,437	7,437	0		2,593	2,593	0	
	Sav Target	(1,998)	0	(1,998)		0	0	0	
	Sav Realised	1,998	0	1,998		0	0	0	
					0				0
Service Delivery Directorate	Income	(5,911)	(5,868)	(43)	-1%	(602)	(568)	(34)	-6%
	Salaries	212,162	211,636	526	0%	24,436	24,308	128	-1%
	Supplies	35,416	35,218	198	-1%	3,751	3,323	428	-11%
	Sav Target	(32)	0	(32)	0%	(3)	0	(3)	0%
	Sav Realised	60	0	60	0%	0	0	0	0%
					709				519
Support Services Directorates	Income	(1,755)	(1,602)	(153)	-9%	(63)	(180)	117	186%
	Salaries	20,757	20,802	(45)	0%	2,196	2,131	65	-3%
	Supplies	30,991	31,102	(111)	0%	2,682	2,912	(230)	9%
	Sav Target	(8,971)	0	(8,971)	0%	(998)	0	(998)	0%
	Sav Realised	8,469	0	8,469	0%	627	0	627	0%
					(811)				(419)
SCOTTISH AMBULANCE SERVICE	Income	(7,666)	(7,470)	(196)	-3%	(665)	(748)	83	12%
	Salaries	240,980	240,499	481	0%	26,109	25,916	193	1%
	Supplies	73,844	73,757	87	0%	9,026	8,828	198	2%
	Sav Target	(11,001)	0	(11,001)		(1,001)	0	(1,001)	
	Sav Realised	10,527	0	10,527		627	0	627	
					(102)				100

Table 3 – Service Delivery

Service delivery is £0.7 million under budget at 28 February 2021. This does not include any savings targets that are currently held centrally at a value of £5.8 million. Work to deliver the best value work streams with agreed leads and implementation plans are in place.

Pay costs (excluding COVID-19) are reporting an underspend of £0.5 million over all service areas, however it should be noted that additional pay expenditure has been

Doc: 2021-03-31 Financial Performance	Page 7	Author: Deputy Director of Finance
Date 2021-03-31	Version 1	Review Date: May 2021

incurred across all service areas as a result of COVID-19 and this has been identified separately in Table 2, and explained further later in this paper.

Table 3

SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE - SERVICE DELIVERY
YEAR TO 28 FEBRUARY 2021

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
NORTH REGION	Income	(875)	(869)	(6)	-1%	(82)	(78)	(4)	-5%
	Salaries	34,043	33,776	267	-1%	3,634	3,555	79	-2%
	Supplies	3,254	3,384	(130)	4%	339	263	76	-22%
	Sav Target			0				0	
	Sav Realised			0				0	
				131			151		
EAST REGION	Income	(829)	(826)	(3)	0%	(97)	(95)	(2)	-2%
	Salaries	54,459	54,522	(63)	0%	5,737	5,801	(64)	1%
	Supplies	5,344	5,491	(147)	3%	511	461	50	-10%
	Sav Target			0				0	
	Sav Realised			0				0	
				(213)			(16)		
WEST REGION	Income	(3,253)	(3,211)	(42)	-1%	(333)	(305)	(28)	-8%
	Salaries	76,357	76,095	262	0%	8,320	8,173	147	-2%
	Supplies	6,846	6,860	(14)	0%	682	490	192	-28%
	Sav Target			0				0	
	Sav Realised			0				0	
				206			311		
NATIONAL OPS	Income	(954)	(962)	8	1%	(90)	(90)	0	0%
	Salaries	47,303	47,243	60	0%	6,745	6,779	(34)	1%
	Supplies	19,972	19,483	489	-2%	2,219	2,109	110	-5%
	Sav Target	(32)	0	(32)		(3)		(3)	
	Sav Realised	60	0	60		0		0	
				585			73		
TOTAL SERVICE DELIVERY	Income	(5,911)	(5,868)	(43)	-1%	(602)	(568)	(34)	-6%
	Salaries	212,162	211,636	526	0%	24,436	24,308	128	-1%
	Supplies	35,416	35,218	198	-1%	3,751	3,323	428	-11%
	Sav Target	(32)	0	(32)		(3)	0	(3)	
	Sav Realised	60	0	60		0	0	0	
				709			519		

Table 4 – Support Services Directorates

Support services are being reported as £0.8 million over budget. The Finance & Logistics savings target includes all Best Value Programme targets. Aside of this, support services have exceeded combined directorate 1.5% efficiency targets of £0.6 million achieving £1.2 million of savings to date.

**SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE BY DIRECTORATE
YEAR TO 28 FEBRUARY 2021**

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
BOARD AND CHIEF EXECUTIVE	Income	(8)	(10)	2	25%	(1)	(1)	0	
	Salaries	1,548	1,513	35	-2%	131	102	29	-22%
	Supplies	101	107	(6)	6%	12	28	(16)	133%
	Sav Target	(26)	0	(26)		(3)	0	(3)	
	Sav Realised	28	0	28		0	0	0	
				33					10
FINANCE AND LOGISTICS	Income	(1,599)	(1,473)	(126)	-8%	(24)	(144)	120	500%
	Salaries	9,444	9,816	(372)	4%	980	1,022	(42)	4%
	Supplies	28,295	28,525	(230)	1%	2,451	2,703	(252)	10%
	Sav Target	(8,771)	0	(8,771)		(979)	0	(979)	
	Sav Realised	7,998	0	7,998		623	0	623	
				(36)					(530)
HUMAN RESOURCES	Income	(36)	(34)	(2)	-6%	(4)	(3)	(1)	
	Salaries	1,996	1,980	16	-1%	182	199	(17)	9%
	Supplies	700	596	104	-15%	64	64	0	0%
	Sav Target	(41)	0	(41)		(4)	0	(4)	
	Sav Realised	41	0	41		4	0	4	
				118					(18)
MEDICAL	Income	(11)	(18)	7	64%	(2)	(6)	4	
	Salaries	2,338	2,141	197	-8%	286	229	57	-20%
	Supplies	410	460	(50)	12%	17	34	(17)	100%
	Sav Target	(36)	0	(36)		(3)	0	(3)	
	Sav Realised	225	0	225		0	0	0	
				343					41
CARE QUALITY AND PROF DEVELOPMENT	Income	(101)	(67)	(34)	-34%	(32)	(26)	(6)	
	Salaries	5,431	5,352	79	-1%	617	579	38	-6%
	Supplies	1,485	1,414	71	-5%	138	83	55	-40%
	Sav Target	(97)	0	(97)		(9)	0	(9)	
	Sav Realised	177	0	177		0	0	0	
				196					78
TOTAL SUPPORT SERVICES	Income	(1,755)	(1,602)	(153)	-9%	(63)	(180)	117	186%
	Salaries	20,757	20,802	(45)	0%	2,196	2,131	65	-3%
	Supplies	30,991	31,102	(111)	0%	2,682	2,912	(230)	9%
	Sav Target	(8,971)	0	(8,971)		(998)	0	(998)	
	Sav Realised	8,469	0	8,469		627	0	627	
				(811)					(419)

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.

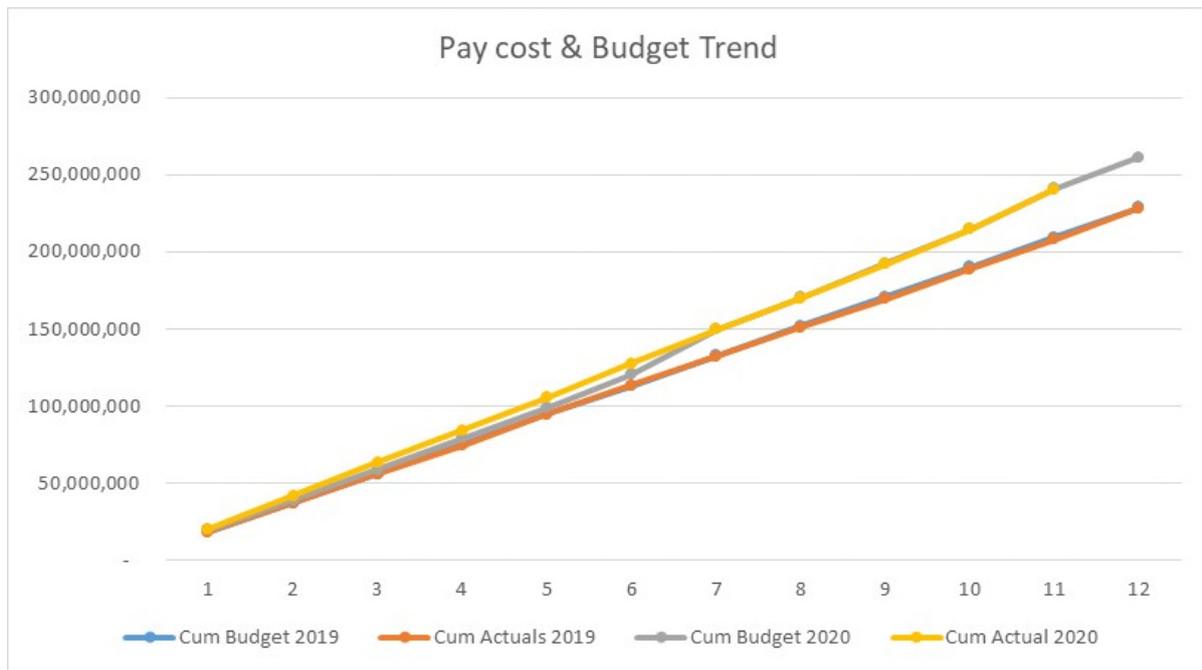
SCOTTISH AMBULANCE SERVICE BOARD
INCOME INCLUDING ALLOCATIONS
YEAR TO 28 FEBRUARY 2021

	Full Year Budget £'000	Year to Date		
		Budget £'000	Actual £'000	Variance £'000
Income				
Revenue Allocation	341,732			
Baseline Allocations	293,774			
Recurring Allocations	5,189			
Non-Recurring Allocations	42,769			
Fleet Income	31	31	31	0
Health Board	5,415	5,006	5,006	0
Other Healthcare	1,136	1,047	906	(141)
Other Operating	1,462	1,386	1,353	(33)
Staff Car Deductions	223	197	174	(23)
Total Income	349,999	7,667	7,470	(197)

Total income (including funding) to date is £0.2 million behind target.

The original financial plan assumed revenue funding allocations of £306 million. 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 2019/20 and 2020/21. As can be seen, the trend shows 2020 costs exceeding 2019 values, due to increased overtime as a result of the COVID-19 situation. Overtime cost in this current year is averaging 7.2% of the year to date pay bill compared to last year to date at 6.0%. The graph also reflects the payment in February 2021 of the £500 COVID-19 Thank You payment to NHS staff, which has been separately funded by the Scottish Government. The table below shows a trend analysis of overtime costs in the last 2 years. The impact of COVID-19 mobilisation on the Service can be seen in the months from March 2020. Table 6 below provides the detail on the uplift in average WTE from this time last year.

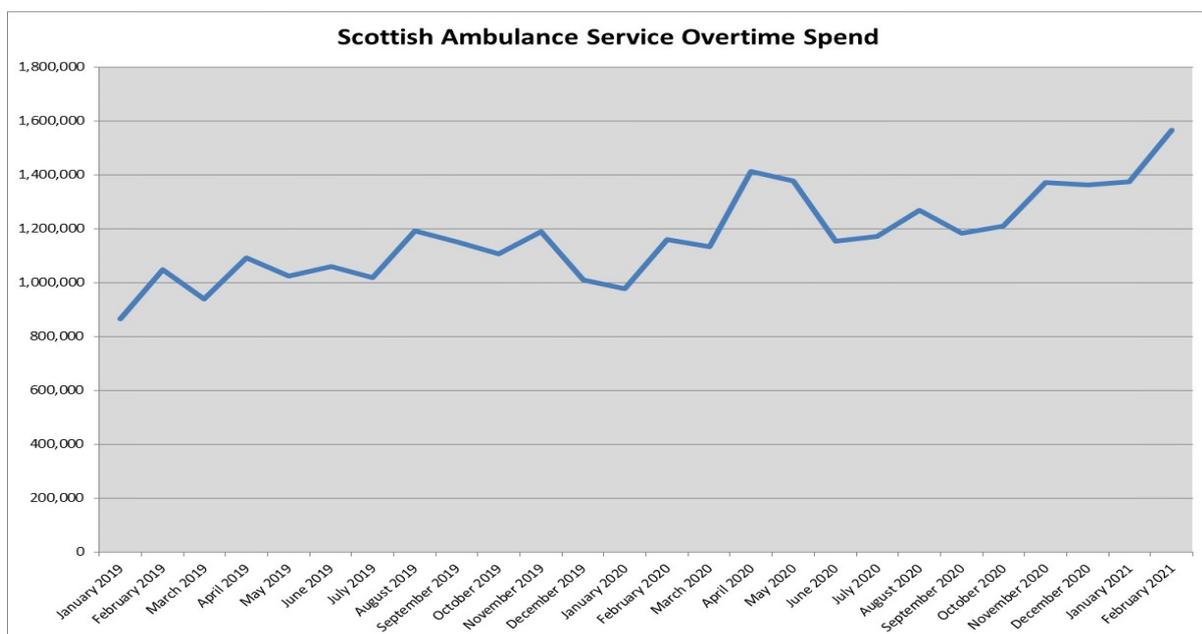


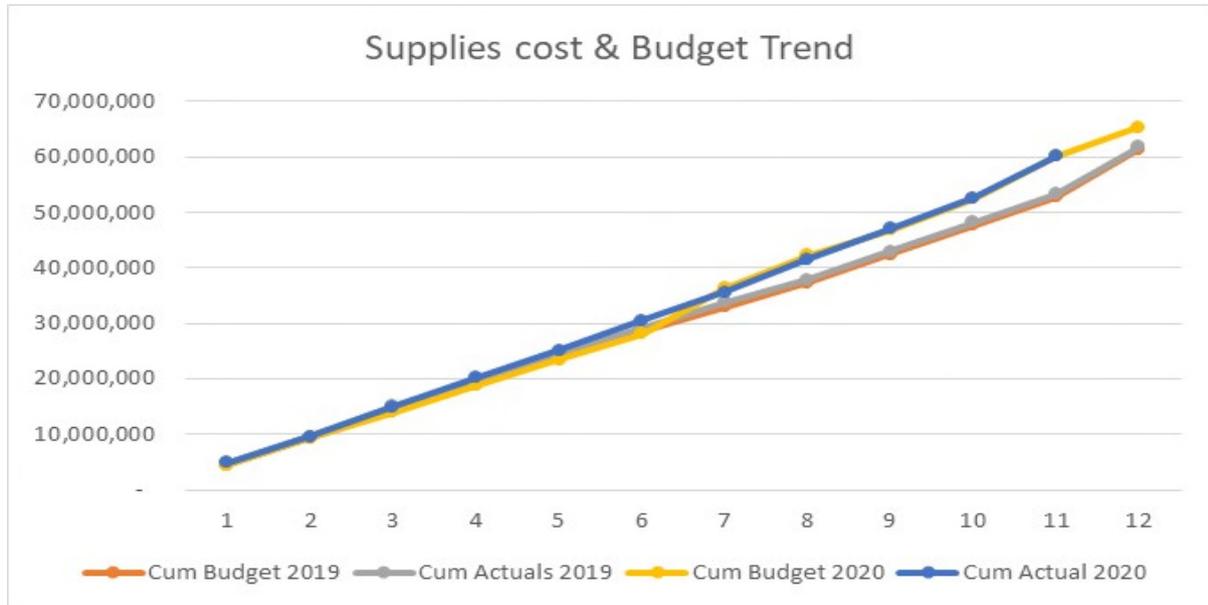
Table 6

**SCOTTISH AMBULANCE SERVICE BOARD
STAFF AND OVERTIME SUMMARY
YEAR TO 28 FEBRUARY 2021**

		East Region	North Region	West Region	National Ops	Service Delivery
Current Year	Average WTE	1,245	745	1,753	795	4,538
	Overtime Hours	151,577	118,182	252,962	77,010	599,731
	Overtime Cost (£'000)	3,526	2,734	5,818	1,818	13,896
Prior Year	Average WTE	1,140	681	1,605	757	4,183
	Overtime Hours	137,842	106,251	221,551	106,251	571,895
	Overtime Cost (£'000)	3,071	2,336	4,902	1,451	11,760
Variance	Average WTE	105	64	148	38	355
	Overtime Hours	13,735	11,931	31,411	(29,241)	27,836
	Overtime Cost (£'000)	455	398	916	367	2,136

The above table illustrates the significant increase in overtime hours due to our COVID-19 response when compared to the same period last year. This is despite abstractions rates for annual leave, sickness and CPD & Training being considerably lower than the prior year reflecting the increased pressures within the system.

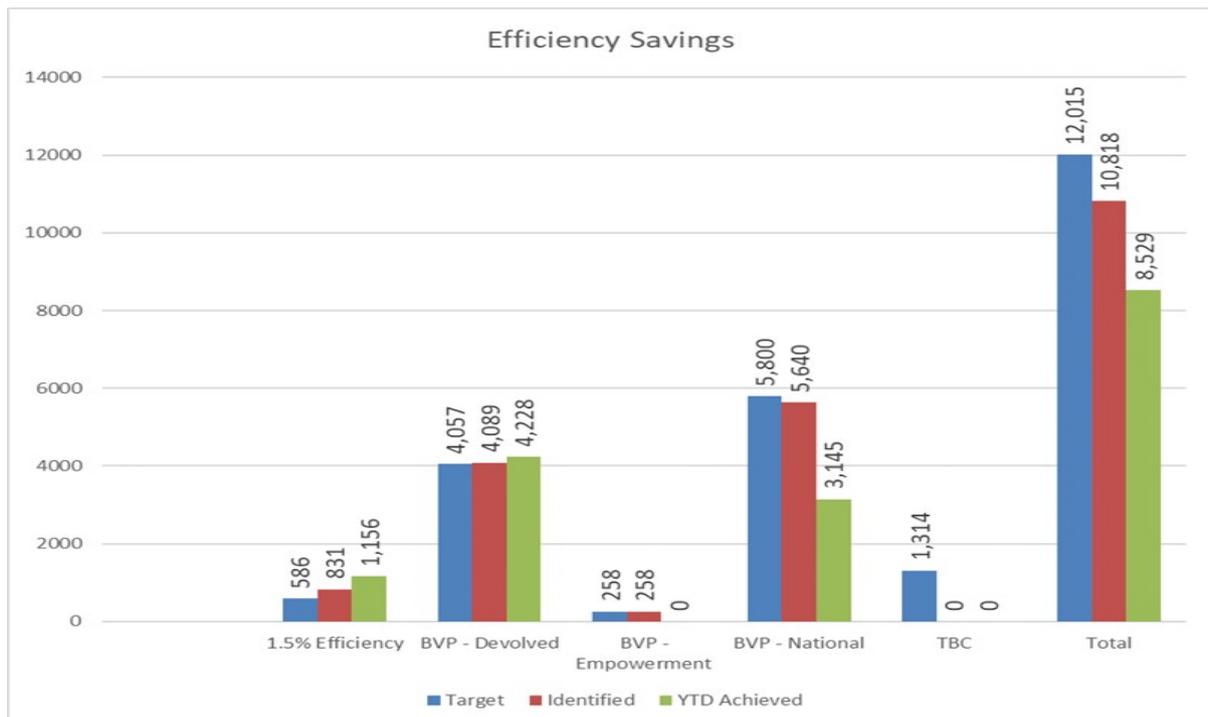
Non-pay



The non-pay graph above reflects year to date budget and year to date actual spend for both 2019/20 and 2020/21. This year additional non-pay spend of £7.4 million has been incurred as a result of the Service COVID-19 mobilisation plan. A detailed breakdown of these costs can be found in the COVID-19 section below.

Efficiency Savings

Savings of £8.5 million have been delivered against the eleven-month target of £11.0 million and against identified plans of £10.8 million.



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

- **Support Directorate Savings Target**

Support Directorates have been allocated a 1.5% efficiency target to recognise the requirement to continually review our costs and ensure reinvestment in our services to meet ongoing cost pressures. A total of £1.2 million has been delivered to date against full year target of £0.6 million.

- **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 2019/20 and now deemed to be embedded within the Service has been devolved to budget holders. Progress of these projects has been monitored however, they are expected to deliver £4.0 million on a recurring basis with an additional £0.5 million non-recurring.
- **Empowerment and raising awareness** – Projects to raise awareness and improve local management of budgets initially involving fleet and estates costs are hoped to deliver £0.2 million. Reporting on these have been developed and is in the process of being issued.
- **Best Value Programmes** – More than 30 work streams have been identified with potential savings of £5.6 million that will be led by the Best Value Programme team and supporting local managers and teams. A detailed programme plan has been developed with Executive leads against each programme. This work had been put on hold as a result of the COVID-19 response, whilst the programme team are leading on the COVID-19 demand and capacity modelling and all

Doc: 2021-03-31 Financial Performance	Page 14	Author: Deputy Director of Finance
Date 2021-03-31	Version 1	Review Date: May 2021

resources have been tied into this. This work has now restarted with an updated implementation plan now in place.

- **Unidentified Initiatives**

The financial plan identified £1.9 million of unidentified savings. This forecast had since been reduced to a £1.3 million gap due to the allocation of 1.5% efficiency targets to support directorates. Work continues to review expenditure and best practice to assess if further projects can be identified.

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. We have been working closely with Scottish Government colleagues who have put in place a regular finance reporting update. The Service's submission to Scottish Government will be used to update the board on a monthly basis, this reporting has reduced from the initial weekly Board update.

Cost incurred during 2020/21 to 28 February are outlined in the table below.

Category of Resource	£
Additional pay & staff overtime	6.1 million
Additional temporary staff incl. Louisa Jordan Phase 1	2.0 million
Supplies and equipment (PPE, Cleaning materials, etc.)	1.5 million
Air ambulance and third party support	3.8 million
Remobilisation	2.7 million
Offsetting Savings (fuel)	(0.6 million)
Efficiency saving underachievement	2.0 million
	17.5 million

Additional pay & staff overtime

On top of cover for increased levels of COVID-19 related sickness and self-isolation, additional overtime has been required to backfill staff seconded to support our COVID-19 response. These include the Strategic, Tactical and Regional Cells as well as Clinical Hubs and Ambulance Control resilience.

Additional temporary staff including NHS Louisa Jordan Phase 1

The Service had employed students from Glasgow Caledonian University on fixed term or bank contracts to support the creation of a new ambulance station at the NHS Louisa Jordan in Glasgow – they are now fully employed by the Service on the training programmes. Some recently retired staff have also returned 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, Arcus, ATOS, Arnold Clark, and St Johns Ambulance. These companies are providing us with services specifically to

Doc: 2021-03-31 Financial Performance	Page 15	Author: Deputy Director of Finance
Date 2021-03-31	Version 1	Review Date: May 2021

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.

Offsetting Savings

The Service has benefitted from the offer of free fuel from BP UK since late March 2020 until the offer ended in early June 2020, and these savings have offset the additional COVID-19 expenditure to the value of £0.6 million. BP recently rolled out the free fuel initiative again and we anticipate around £0.75 million savings.

A revised detailed year-end forecast has being completed and was submitted to Scottish Government on the 22nd January 2021. However, the effect of remobilisation will likely result in further transfers between revenue and capital.

Table 7

Health Board Spend	Revenue													Revenue	Capital	Supporting Narrative
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	2020/21	2020/21		
Personal protective equipment - note 8	197	110	266	212	(57)	(16)	81	9	5	3	151	57	1,018	46	Significant	
Deep cleans - note 8	39	5	19	10	(1)	-	3	-	2	-	1	1	79		Costs of	
Equipment & Sundries - note 6	10	11	6	(8)	1	14	6	35	(29)	3	33	15	97	575	Epi shut	
Digital, IT & Telephony Costs - note 9 and note 3	45	26	85	27	(32)	81	43	6	52	8	(8)	9	343	7	equipment	
Estates & Facilities cost including impact of physical dista	1	54	36	18	38	13	25	14	41	28	52	21	341		includes	
Additional staff overtime and enhancements - note 2 and 3	911	1,263	1,559	707	568	842	373	(708)	385	431	(690)	(1,132)	4,509		Overtime	
Additional temporary staff spend - All Other - note 2	7	54	138	158	171	125	111	107	104	94	133	100	1,302		Recruitm	
Staffing support (Non-Pay)										9	17	5	31			
Additional Travel Costs - note 6 and note 4	356	316	394	263	332	396	375	239	291	410	354	277	4,003		Costs as	
Loss of income						54							54			
Cost to 3rd Parties to Protect Services (where services are currently stopped)					58	12	12	12	(94)						IPRS Se	
Louisa Jordan costs - note 1	86	140	125	128	109	117	116	110	3	(3)			931		Costs as	
Louisa Jordan costs - note 1 NP	6	24			1	13							44		Costs as	
Flu Programme Delivery Costs						5							5		Addition	
COVID vaccine fridges, calibration and security									5			195	200			
Remobilisation								369	158	152	2,027	2,202	4,908		Remobil	
Other-Clinical Equipment Resilience - note 5												9	9	225	Lucas and Corpus devices	
Offsetting savings - Health	(275)	(311)	(72)	-		43						(750)	(1,365)			
Total	1,383	1,692	2,556	1,515	1,188	1,699	1,145	193	923	1,135	2,070	1,009	16,509	853		
Expected underachievement of savings (health)	333	333	333	333	333	333	333	333	333	(999)	-	-	1,998			
Total	1,716	2,025	2,889	1,848	1,521	2,032	1,478	526	1,256	136	2,070	1,009	18,507	853		
														19,360		

Mobile Testing Units

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

The year-to-date expenditure (at 28 February 2021) is as follows:

	Costs
Pay	£ 9.4 million
Non Pay	£ 1.0 million
Total	£ 10.4 million

In addition to the above, we have been asked from DHSC via Scottish Government to extend the current 18 MTU's until the end of August 2021 and put in place an additional 14 MTUs, taking the total to 32 MTUs. The business case recommending the extension of the 18 and the further 14 additional MTUs has been approved by the Board. In addition a further business case was approved by the Board in January 2021 to put in place a further 10 MTU's and support through Scottish Government an expansion of the current teams into smaller units covering up to 84 communities. This total investment up to the end of August 2021 is now £37.06 million.

Updated Year-end Forecast Position

Given the current financial position and the 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 Pressure areas

- Pay – there are changes to the working time directive calculation that would see overtime included in pay as if at work which will add £1.4 million to the pay bill. This was previously assumed within the Board financial plan but this has now increased to £1.6 million.
- Pay - We have assumed the funding support for the 2019/20 pay settlement recurrently in 2020/21. This remains in line with our financial plan pressure.
- Pay - Incremental pressure is significantly higher due to the regrading of ambulance paramedics and technicians in 2016/17 and we have assumed £1.7 million funding to support this.
- Full funding for COVID-19 expenditure is anticipated.
- Full funding to match expenditure for Demand and Capacity is anticipated.
- Depreciation – we forecast spend of £15.5 million with provision made internally for £13 million with the additional £2.5 million being funded by Scottish Government (not including the impact of IFRS16).

In summary therefore:

- We had developed a pre COVID-19 financial plan to deliver a balanced budget by year end
- As at February 2020/21 we have delivered £10.5 million of savings against our plan of £11 million (to month 11) with a shortfall of £0.5 million (at month 11)
- The full year savings plan required total savings of £12.0 million.
- It is assumed the £4 million devolved savings will be delivered in full, with the remaining projected savings of £6 million to be delivered. This is currently on track.
- We continue to assume the cost pressures in line with our financial plan including our pay pressures and implications of Microsoft 365.
- We continue to assume approx. £2 million slippage against our developments and this is currently in line with the plan.

Doc: 2021-03-31 Financial Performance	Page 17	Author: Deputy Director of Finance
Date 2021-03-31	Version 1	Review Date: May 2021

Planning for 2021/22 Position

A draft 2021/22 financial plan was discussed by the Board in February 2021. It is anticipated that as we continue to live with COVID-19, associated expenditure will continue into financial year 2021/22, while we remobilise our resources and plan for renewal of our services.

This plan aimed to show us, at this stage in our 2021/22 financial plan

- Another challenging financial year is forecast with a financial gap similar to 2020/21
- To deliver a balanced budget, best value programmes and efficiency plans have been approved with indicative financial values being assumed
- The financial impact of COVID-19 remains with the Service in 2021/22 and the early financial modelling has been completed including the recurring impact of remobilisation into 2022/23
- There continues to be significant operational developments and commitments required in 2021/22 linked to Service key risks including demand and capacity, paramedic education and on-call elimination.

YTD CAPITAL POSITION AS AT MONTH 11 (28 February 2021)

2020/21 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 2020/21 the following earmarked allocations have been received:
 - Fleet Replacement Programme £14.546 million
 - Scotstar £0.250 million
 - COVID-19 and EpiShuttles £0.853 million
 - Transport Scotland Funding for Electric Vehicles and Infrastructure £2.659 million

A capital transfer of £70,000 has been given to the Department of Health & Social Care to cover capital expenditure relating to the ICCS Replacement Project as the Service do not own the capital assets relating to the ICCS system.

Doc: 2021-03-31 Financial Performance	Page 18	Author: Deputy Director of Finance
Date 2021-03-31	Version 1	Review Date: May 2021

The total 2020/21 allocation is £20,031,000. All allocations of funding have now been received.

YTD Capital Position

The YTD Capital Position is shown in the table below.

Capital receipts of £65,000 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.

The Stirling Conference Centre project has now been aborted and the allocated funding of £44,000 has been taken back into unallocated funds.

The unallocated budget of £25,000 will be fully utilised during 2020/21 as Business Cases are submitted and approved by the CPGG. There are a number of anticipated projects in the pipeline and an update on the progress of these are discussed at each meeting and this allows for prioritisation of emerging developments.

It is anticipated that the Capital Budget will break-even at year-end.

Doc: 2021-03-31 Financial Performance	Page 19	Author: Deputy Director of Finance
Date 2021-03-31	Version 1	Review Date: May 2021

SCOTTISH AMBULANCE SERVICE
CAPITAL REPORT 2020-21
As at Month 11 (28 February 2021)

PROJECT	Approved Budget £	YTD Actuals £	Notes
Formula Capital Projects			
eHealth and ICT	723,232	226,277	
Logistics and Procurement System	146,346	125,543	
Property	211,955	17,009	VAT Credit
Medical Equipment	<u>853,000</u>	<u>603,061</u>	COVID-19 Equipment
	1,934,533	971,890	
Earmarked Allocations			
Enhancing Capability	1,167,851	66	
Defib Replacement	0	0	Project completed – no further funding required
ICCS Replacement	531,626	(39,168)	Adjustment to Year End Accruals
Scotstar	17,250	17,238	
Major Trauma	13,700	13,683	
Vehicles	16,286,149	10,320,914	
	18,016,576	10,312,733	
Unallocated Budget	25,091		
Capital Receipts	0	(64,450)	Gain on sale of vehicles
Capital to Revenue Transfer	54,800		
TOTAL	20,031,00	11,220,173	

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		
		£
eHealth and ICT		
ePR Enhancements		30,000
ICT Installation at Training Sites		22,000
C3 Duplicate Module and Training Expansion		76,800
LAN Replacement		48,032
Contact Centre Replacement (Telephony)		467,200
Server Replacement		79,200
Total- eHealth and IT		723,232
Special Projects		
Enhancing Capability		1,167,851
Logistics and Procurement System		146,346
Defib Replacement		0
ICCS Replacement		531,626
Total - Special Projects		1,845,823
Property		
Bo'ness Station Co-location		61,500
Co-locations		6,275
Demand & Capacity Co-Locations		120,000
Stirling Conference Centre		0
Cardonald UPS Replacement		24,180
Total - Property		211,955
Operations		
Vehicles		16,286,149
Scotstar		17,250
Major Trauma		13,700
Medical Equipment		853,000
Total - Equipment		17,170,099
Total Approved Projects		19,951,109
Total Approved Budget		20,031,000
Less Capital to Revenue Transfer		(194,800)
Add Revenue to Capital Transfer		140,000
Total Budget Available		19,976,200
Unallocated Budget		25,091
Anticipated Projects		
Revised Unallocated Budget		25,091

Budget reduced as now longer required
Capital Contribution of £70k transferred to DoH

Project aborted – funding taken back

Key Risks

ICCS Replacement Project

The project is being implemented in collaboration with the other UK Ambulance Services. Initial completion date was scheduled for December 2020, however due to the COVID-19 situation, the project has experienced some delays and completion is now expected to be Q1 2021/22. This is considered to be low risk.

COVID-19

The full allocation for the COVID-19 Capital Costs has been received in October 2020. There is no financial risk against these costs.

Enhancing Capability

Agreement has been reached between the Enhancing Capability Programme and Fleet Replacement Programme to absorb the £1.2 million in 2020/21 for Fleet Purchases and repay Enhancing Capability in 2021/22 to allow the estates projects to be funded in 2021/22.

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

CONCLUSION

The underlying position for the Service is £0.1 million behind target including COVID-19 funding received on 1st October 2020.

Efficiency savings have been accelerated to recover the shortfall in savings due to COVID-19 and these continue to be monitored closely and reviewed.

We have also carried out a detailed full year financial forecast including the full year impact of COVID-19, remobilisation and efficiency plans. A balanced financial plan is forecast.

Julie Carter

Director of Finance, Strategy and Logistics

March 2021

Doc: 2021-03-31 Financial Performance	Page 22	Author: Deputy Director of Finance
Date 2021-03-31	Version 1.0	Review Date: April 2021