



NOT PROTECTIVELY MARKED

PUBLIC BOARD MEETING

24 September 2025

Item 10

THIS PAPER IS FOR DISCUSSION

SUMMARY FINANCIAL PERFORMANCE TO 31 AUGUST 2025

Lead Director Author	Julie Carter, Director of Finance, Logistics and Strategy Maria McFeat, Deputy Director of Finance
Action required	<p>the Board is asked to discuss and note:</p> <ul style="list-style-type: none">• The financial position to the end of August 2025• The position on funded post COVID/System Pressures to the end of August 2025• Detailed analysis on overtime performance recognising the best value programme within the finance plan• The impact of the efficiency savings position to the end of August 2025• The financial risk and mitigating actions in relation to the NQP Recruitment Plan• The now updated full year forecast for revenue and capital resource limits
Key points	<ol style="list-style-type: none">1. The financial position at the end of month 5 is reporting a deficit of £2.15million.2. Post COVID/operational pressures of £2.22 million have been incurred over this period, these are offset against the non-recurring funding confirmed by Scottish Government. This funding was anticipated in the Finance Plan to be received recurrently as per discussions with Scottish Government in 2024/25.3. As a significant spend area within the Service a detailed analyses of the key drivers of Overtime costs are included4. In relation to the agreed £12.7 million efficiency savings target, to date £2.36 million has been delivered against a year-to-date target of £2.33 million and £4.24 million achieved to date against the full year target. Recognising that this is early in the financial year and delivery of savings increases as the year progresses, the full year trajectory has been assumed within the revised forecast and will be reviewed on a monthly basis.

	<p>5. The current agreed Agenda for Change reform funding is being offset against the reduced working week additional costs, of which £2.31 million has been incurred to date.</p> <p>6. The delivery of the 2025/26 financial plan is on track. The full year forecast under the likely scenario assuming delivery of the financial plan. A detailed financial forecast has been prepared with best, likely and worst-case scenarios reported and will be updated on a monthly basis.</p>
Timing	During the financial year the Board will be provided with monthly updates on the financial position and from August 2025 the final year end forecast position will also be reported on a monthly basis.
Associated Corporate Risk Identification	Risk ID 5602 – failure to achieve financial target
Link to Corporate Ambitions	<p>This paper relates to:</p> <p>We will</p> <ul style="list-style-type: none"> • Work collaboratively with citizens and our partners to create healthier and safer communities • Innovate to continuously improve our care and enhance the resilience and sustainability of our services • Improve population health and tackle the impact of inequalities • Deliver our net zero climate targets • Provide the people of Scotland with compassionate, safe and effective care when and where they need it • Be a great place to work, focusing on staff experience, health and wellbeing
Link to NHS Scotland's Quality Ambitions	This report supports the Service's national priority areas and strategy. The Finance Plan and Financial Performance supports and underpins the delivery of the Service's quality improvement objectives within the Service's Annual Delivery Plan.
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.



**Scottish
Ambulance
Service**

Working in Partnership with Universities



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SCOTTISH AMBULANCE SERVICE BOARD

FINANCIAL PERFORMANCE TO 31 AUGUST 2025

JULIE CARTER, DIRECTOR OF FINANCE, LOGISTICS & STRATEGY

This paper sets out the financial position on **31 August** 2025 for the Scottish Ambulance Service.

The financial plan projects a deficit position of £4.3 million for the year. As described within the plan this deficit assumes recurring savings delivered against the £12.7 million efficiency savings target.

The Board is asked to note the reporting against:

- The overall financial position for the **5 months to August** 2025
- The post-COVID and operational pressures, their financial impact and assumed funding
- The financial impact of the air ambulance extension additional costs, recognising this is a significant additional cost in 2025/26
- Progress against the delivery of the £12.7 million in-year savings target
- Specific reference to overtime costs in relation to the £3.8 million reduction assumed within the £12.7 million efficiency plans
- Specific key risk on the additional costs of the Reduced Working week and mitigating actions
- An update on the full year forecast

The financial position to **August 2025**, reporting a deficit position to date, consists of:

- Income – this is reporting a breakeven position
- Core Expenditure – a deficit **position of £2.15 million** against a trajectory deficit of **£2.5 million** to August 2025.
- The financial impact of post COVID-19 expenditure of **£2.22 million** in the reporting period is assumed fully funded.

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- Agenda for Change reform (reduced working week and protected learning time) **additional costs of £2.31 million**, have been incurred. **Recurring funding for the initial 30-minute working week reduction from 37.5 hours to 37 hours was received during August 2025.**
- Efficiency savings target for the financial year is £12.7 million. **To date, £2.36 million of savings has been achieved against a target to date of £2.33 million.**

Key messages

- A deficit position of **£2.15 million** as at **31 August 2025** (this includes both core and non-core expenditure, and income), this in line with the financial plan trajectory deficit **of £2.5 million** at the end of **August 2025**
- The deficit position **of £2.15 million to August 2025** is driven by the following:
 - **Overspend Pay** position of **£0.25 million**, the main driver is overtime **£2.43 million** over budget, which is mostly absorbed by underspend of **£2.1 million** in Basic Pay.
 - **Overspend** in non-pay and asset disposal costs of **£0.13 million** with lines showing early pressures such as medical costs and Air Ambulance.
 - The delivery of the Service Efficiency Savings are on target for full year, the delivery of YTD savings very slightly ahead of target by **£0.03 million.**

As mentioned above, the main drivers of the deficit position are:

- Against our efficiency savings target of £12.7 million, the target for the **5** months to August was **£2.33 million** of which **£2.36 million** was achieved. The trajectory has been phased recognising a generally slower start to the year. Overall progress of programmes is good however detailed 1-1 follow-up on progress with budget holders and Best Value leads has commenced and a fortnightly Executive team meeting is in place to maintain focus and remove barriers
- Overtime pressures is a key driver in the delivery of the £12.7 million savings plan. This is also the main component driving the Pay costs. This has been an area of significant focus and overall overtime hours and costs have decreased from the same period last year. This is being closely monitored noting there is a total of £3.8 million cost reduction anticipated towards meeting the £12.7 million savings target; savings of **£2.36 million are recognised YTD.**

Key actions agreed in this period

The key focus of the financial plan, throughout this year and the next two years will be the delivery of the Back to Balance action plan. This included the following 3 key areas

1. Delivery of the full 3% efficiency savings and best value programme
2. Reducing our overspend and high spend areas
3. Our continued role in delivery service value and improvements across the wider health and care system

1. Delivery of our Efficiency Savings Target and Best Value programmes

The 3% savings target for 2025/26 has been set at £12.7 million. A total of £9 million programmes are in progress with the balance being pursued through additional programmes

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to bridge the gap. In this period **savings of £2.36 million** have been achieved against a trajectory of **£2.33 million**. **Full year £4.24 million** has been achieved. This slow start is as we have seen in previous years, and progress will be monitored as we progress through the financial year.

ACTION: The Service will continue with the Best Value and local efficiency approach that has been embedded in previous years. This includes a key focus on service improvements that delivery financial and productivity efficiencies while balancing workforce, service delivery and performance.

The achievement of the £12.7 million efficiency plans continues to be challenging as we progress with this work, and we continue to build upon our methodology, governance and action focus to develop programmes that can be agreed and implemented over the life of the financial plan. The focus on delivery of recurring savings is crucial for the ongoing sustainability of the plan.

The existing governance structures will therefore continue into 2025/26 with the following key areas agreed.

- Best Value programmes that are a priority focus
- Carry forward projects from 24/25
- Implementation of the national 15-box grid
- Back to balance refresh of the high spend areas
- Improvement programmes that deliver wider system impacts

Programmes of work and mandates have been completed for all of the agreed programmes.

There is also a range of work ongoing in the delivery of these programmes. In addition, budget holders are finalising their local efficiency plans.

2. Overtime Costs

Given their cost significance, overtime costs are a key focus within the 2025/26 financial plan. A reduction of £3.8 million is assumed to be delivered in this financial year. Cost for the first three months of the year are lower than the same period in the last two years and significant work continues to critically review the key drivers of this and to take corrective action. This is also building upon the good work undertaken in 2024/25.

ACTION: Detailed real time reports have been developed and being actively used by the budget holders. After excluding the key drivers of hospital turnaround times and shift overruns overtime, BAU (Business as Usual) activity is lower than the last two years.

3. Post COVID pressures

The impact of COVID-19 system pressures on our financial position has been reported since February 2020. Our financial plan estimates this impact for 2025/26 to be £8.35 million for the year, **for which we have now received non-recurring funding from Scottish Government in August 2025**. Details are in Table 8 further down in the paper.

ACTION: There are a range of actions being undertaken within the Service to continually review and monitor these costs, while balancing operational service impact. Specifically, this

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includes a further review of Ambulance Control Centre staffing against demand projections and an improvement programme supporting the timed admissions development.

Financial Risk considerations noted in the period.

The key financial risks are detailed below with mitigating actions also described.

Delivery of Efficiency Savings Target including Best Value

The requirement to ensure the delivery of efficiency savings remains a continued focus for the Service. A well-established governance process is in place and has been updated for 2025/26. The financial plan identified several programmes, and significant focus is currently on implementing, tracking and reporting on these. It is also recognised that delivery of financial savings, both recurring and non-recurring becomes a greater risk in each additional year, as the ability to deliver these becomes more challenging so the focus also remains on identifying medium to long-term opportunities.

Delivery of our financial targets continues to be highlighted as a very high risk in our corporate risk register and is monitored in line with this risk profile.

Action – Several actions continue to be relevant into 2025/26:

- Focussed Program Management Office (PMO) support aligned to the high impact high priority schemes to provide additional focus and capacity. Programme Management resources have been agreed and in place
- Executive leads and finance support for each programme have been identified and agreed and included within Executive Director objectives
- Reporting Progress through the Best Value Steering Group meeting every month, with regular reporting to Executive Team, Performance and Planning Steering Group and Audit and Risk Committee
- Governance policies and procedures in place with agreed clear escalation plans identified, **these have been updated and approved at the Steering Group in August.**
- Linking our programmes to our 2030 strategy ambitions and our 5 portfolio boards for oversight, prioritisation and Board reporting.
- Monthly highlight reports completed to report on progress and project mandates completed for all programmes.
- Implementation of our ideas box to ensure all staff can identify and contribute to new ideas, noting this is also under review and linked to further work on developing staff engagement and empowerment
- A fortnightly Executive team meeting to discuss and resolve barriers to delivery and issues identified.
- Further development of dashboards sharing information widely with management and staff

In addition, the Service will continue to work closely with the NHS Scotland Finance Delivery Unit (FDU). The requirement to look at local, regional and national opportunities to move towards balance has never been greater.

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Reduction in the Working Week

As part of the Agenda for Change pay deal in 2023/24, it was agreed that the working week would reduce from 37.5 hours to 36 hours, with the reduction from 37.5 hours to 37 hours from April 2024 before reducing to 36 hours from April 2026. Transitional arrangements are in place, being implemented through accrued hours and backfilled through overtime reflecting the reduction to 37 hours. This has resulted in additional costs to the Service resulting from additional overtime and increased hourly rates driving higher pay enhancement costs. These costs were incurred throughout 2024/25 and will continue into 2025/26.

The detailed monitoring processes for this have been further developed. The total 2025/26 allocation is £6.82 million, as included in our Financial Plan which was formally signed off by Scottish Government. **This allocation was received recurrently in August 2025.** Scottish Government are currently modelling the costs to fully implement the further 60 minute reduction to 36 hours from April 2026 and confirmation of funding is not likely until after October 2025.

The following tables show the spend to date and forecast expenditure against the £6.8 million funding agreed for 2025/26.

Expenditure	1	2	3	4	5	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Project Team	34	37	36	40	36	183
M365 Team	10	9	10	13	11	53
EPDD Teams	-	-	-	-	-	-
Overtime backfill	432	159	264	354	361	1,570
Additional hourly rate	80	82	87	82	85	416
Additional staff	-	-	-	-	91	91
Rostering Software	-	-	-	-	-	-
Total	556	287	397	489	584	2,313

RWW Year-to-Date Expenditure

Expenditure	YTD	Committed	Additional	Total
	£000s	£000s	£000s	£000s
Project Team	183	255	-	438
M365 Team	53	177	-	230
EPDD Teams	-	220	-	220
Overtime backfill	1,570	-	690	2,260
Overtime backfill risk	-	-	899	899
Additional hourly rate	416	-	583	999
Additional staff	91	-	1,450	1,541
Rostering Software	-	78	-	78
Delivery Team	-	50	104	154
Total	2,313	780	3,726	6,819

RWW Forecast Full Year Expenditure

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Action

The RWW Implementation Project is up and running looking to have the Service ready to go live for the reduction to 36 hours from 1st April 2026. Plans and in year forecast are being developed and will be presented to Scottish Government in October 2025, describing our implementation plan

To date, **costs of £2.31 million** have been incurred against the funding assumed in 2025/26 relating to the reduction from 37.5 hours to 37 hours. Project implementation costs have also been agreed. In addition, investment in digital support and statutory and mandatory training is also supported. These costs associated with this programme will now be reported on a monthly basis, given this financial risk.

The impact of Newly Qualified Paramedic (NQP) Recruitment

The number of NQP's seeking employment from the universities in 2025/26 exceeds the number of vacancies and natural attrition within SAS. There is a plan in place working with Scottish Government to seek opportunities across the wider system including primary care for future years, however immediate actions need to be taken for this year with the aim to offer as many employment opportunities as possible.

Detailed work has taken place to agree the NQP recruitment plan for 3025/26 with the agreement to recruit supernumerary staff funded primarily from overtime costs and slippage in non-pay costs. This equates to a total of circa £3 million.

The financial viability of this plan is dependent on the successful delivery of overtime savings. These savings are critical to offset the cost of onboarding and training a large cohort of NQPs within existing budget parameters. Failure to achieve these savings presents several risks, including:

- **Operational pressures** that may prevent reductions in overtime.
- **Delays in NQP readiness**, which could impact service delivery and workforce resilience.
- **Budget overruns**, if planned savings are not realised.

A detailed Executive team paper has been agreed that describes the risk management actions this includes very detailed scrutiny on pay and overtime costs with a monthly report tracking progress in place ensuring that any issues can be identified as early as possible. A monthly group has also been established overseeing the different aspects of the process.

Finance outturn position as of **August 2025**

Introduction

This section of the paper provides details of the financial results for the period ending **August 2025**.

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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.

SUMMARY OF YEAR-TO-DATE POSITION

Table 1 reports that the revenue position for the financial year to the **end of August 2025** is a deficit of **£2.15 million**, made up of the following:

- Income – breakeven
- Expenditure Pay – **over budget by £0.25million**
- Expenditure Supplies – **over budget by £0.13 million**
- Savings – **ahead of target by £0.03 million**
- Expenditure non-core – break even
- Expenditure Reserves – **phased by £1.79 million** reflecting the YTD forecast deficit
- This position includes funded legacy COVID expenditure **of £2.22 million**
- This position includes funded Agenda for Change reform expenditure **of £2.31 million**

Although non pay expenditure is under budget, there are some overspent expenditure lines such as Medical Costs, Air Ambulance and Rent and Rates. This is offset mostly by the underspends on diesel which will be closely monitored.

The **month 5** position includes the AfC pay award arrears, enhancement uplifts for self-rostered posts for 2025/26, along with Medical and Dental pay award of 4.0% including arrears for 2025/26.

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Table 1 – Scottish Ambulance Service high-level overview

**SCOTTISH AMBULANCE SERVICE BOARD
REVENUE RESOURCE ANALYSIS
YEAR TO 31 AUGUST 2025**

	Full Year Budget £'000	Year to Date			Current Month		
		Budget £'000	Actual £'000	Variance £'000	Budget £'000	Actual £'000	Variance £'000
Income							
Revenue Allocation	504,095	212,919	212,919		37,990	37,990	
Health Board	6,434	3,257	3,220	(37)	678	647	(31)
Other Healthcare	613	270	296	26	56	67	11
Fleet	35	35	35	0	1	1	0
Staff Car Deductions	161	60	51	(9)	13	10	(3)
Other Operating	1,206	951	960	9	110	132	22
Total Income	512,544	217,492	217,481	(11)	38,848	38,847	(1)
Expenditure							
Accident & Emergency	328,257	138,251	140,852	(2,601)	27,790	28,356	(566)
Non Emergency Service	33,855	14,396	13,864	532	2,886	2,840	46
Air Ambulance	21,425	7,854	8,044	(190)	1,654	1,707	(53)
Overheads	104,292	32,276	32,160	116	6,518	6,239	279
Total Expenditure	487,829	192,777	194,920	(2,143)	38,848	39,142	(294)
Core Expenditure Variance			(2,154)			(295)	
Non Core Expenditure							
Depreciation (DEL)	23,900	8,879	8,879	0	1,711	1,711	0
Depreciation (Donated)	65	8	8	0	2	2	0
AME Provision	750	0	0	0	0	0	0
AME Impairments	0	0	0	0	0	0	0
Non Cash (DEL)	0	0	0	0			
Total Non Core Expenditure	24,715	8,887	8,887	0	1,713	1,713	0
Surplus / (Deficit)			(2,154)			(295)	

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 AUGUST 2025

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
Service Delivery Directorate	Income	(3,774)	(3,799)	25	1%	(761)	(762)	1	0%
	Salaries	150,283	150,054	229	0%	29,865	30,204	(339)	1%
	Supplies	17,067	17,151	(84)	0%	3,626	3,557	69	-2%
	Sav Target	(846)	0	(846)	0%	(117)	0	(117)	0%
	Sav Realised	834	0	834	0%	445	0	445	0%
				158				59	
Support Services Directorates	Income	(799)	(763)	(36)	-5%	(97)	(96)	(2)	-2%
	Salaries	14,005	14,483	(478)	3%	2,640	2,956	(316)	12%
	Supplies	22,069	22,117	(48)	0%	3,934	4,131	(197)	5%
	Sav Target	(1,482)	0	(1,482)	0%	(202)	0	(202)	0%
	Sav Realised	1,524	0	1,524	0%	722	0	722	0%
	Reserves	(1,792)	0	(1,792)		(359)	0	(359)	
				(2,312)				(354)	
SCOTTISH AMBULANCE SERVICE	Income	(4,573)	(4,562)	(11)	0%	(858)	(858)	(1)	0%
	Salaries	164,288	164,537	(249)	0%	32,505	33,160	(655)	-2%
	Supplies	39,139	39,271	(132)	0%	7,560	7,688	(128)	-2%
	Sav Target	(2,328)	0	(2,328)		(319)	0	(319)	
	Sav Realised	2,358	0	2,358		1,167	0	1,167	
	Reserves	(1,792)	0	(1,792)		(359)	0	(359)	
				(2,154)				(295)	

Table 3 – Service Delivery

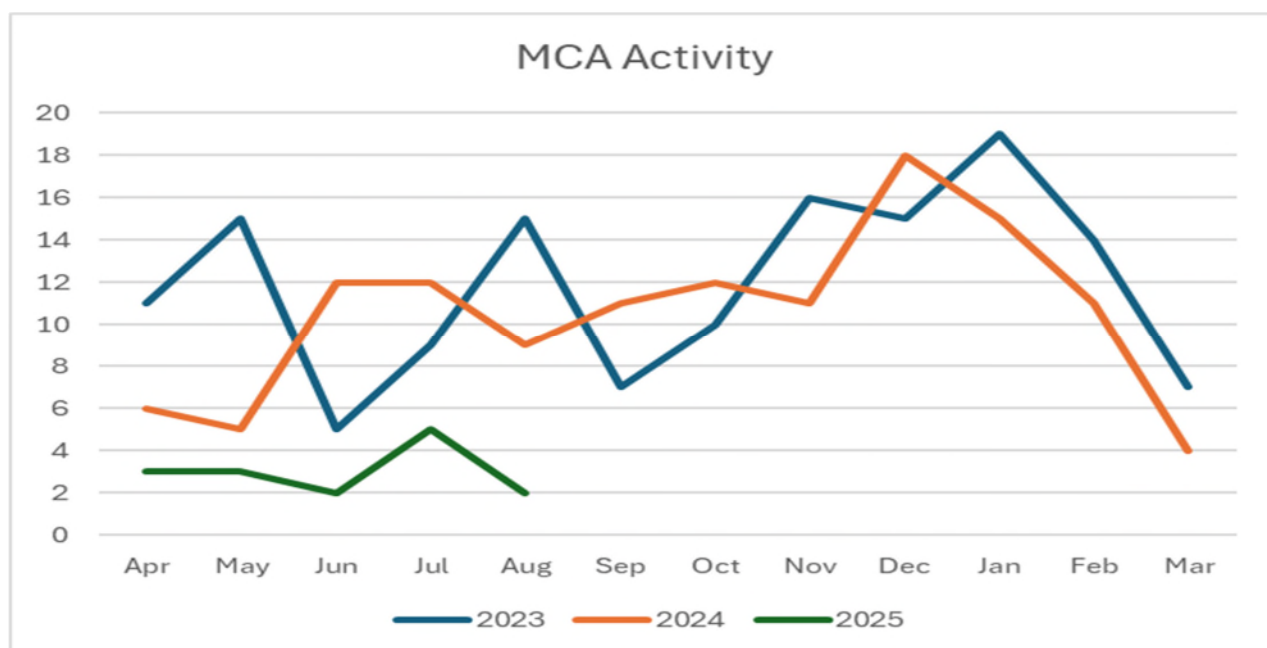
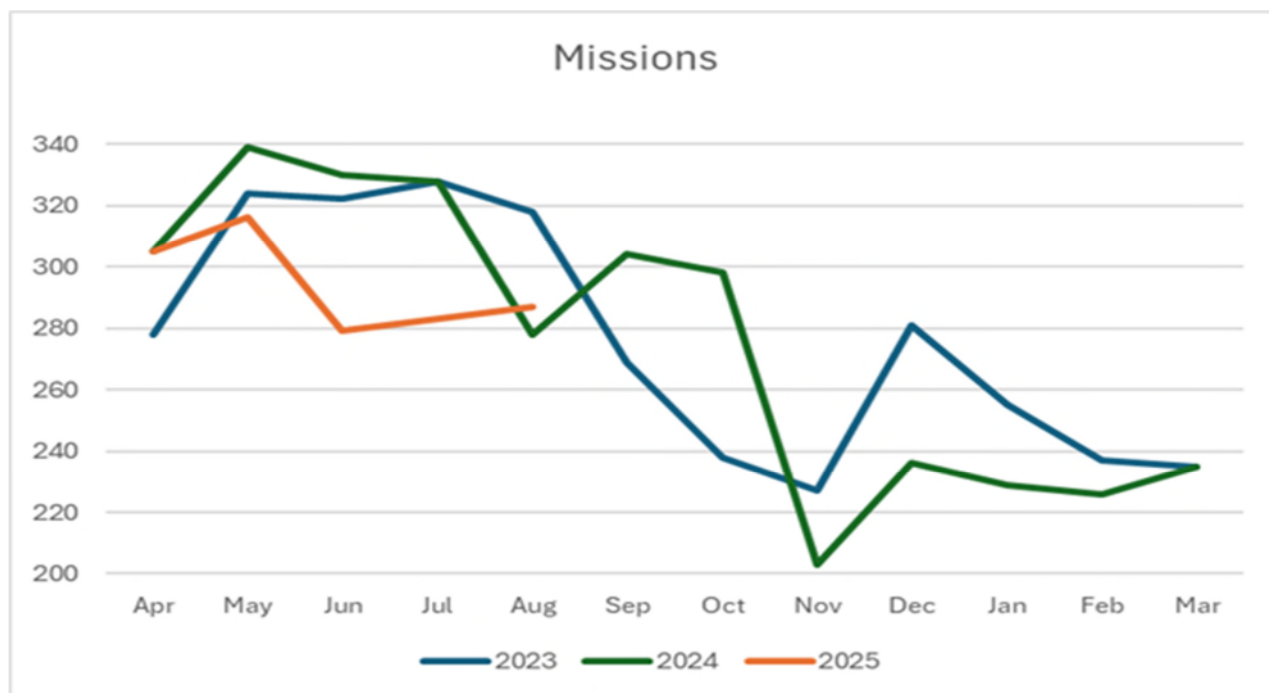
SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE BY DIRECTORATE
YEAR TO 31 AUGUST 2025

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
NORTH REGION	Income	(557)	(556)	(1)	0%	(128)	(102)	(26)	-20%
	Salaries	25,887	25,607	280	-1%	5,208	5,131	78	-1%
	Supplies	1,533	1,674	(141)	9%	327	347	(21)	6%
	Sav Target	(103)	0	(103)		(14)	0	(14)	
	Sav Realised	103	0	103		14	0	14	
				138				31	
EAST REGION	Income	(730)	(728)	(2)	0%	(146)	(145)	(1)	-1%
	Salaries	40,711	39,964	747	-2%	8,193	8,069	124	-2%
	Supplies	2,673	2,576	97	-4%	537	578	(41)	8%
	Sav Target	(207)	0	(207)		(29)	0	(29)	
	Sav Realised	207	0	207		29	0	29	
				842				82	
WEST REGION	Income	(1,871)	(1,871)	0	0%	(374)	(374)	0	0%
	Salaries	54,996	55,661	(665)	1%	10,757	11,175	(419)	4%
	Supplies	3,244	3,415	(171)	5%	667	628	39	-6%
	Sav Target	(271)	0	(271)		(37)	0	(37)	
	Sav Realised	512	0	512		402	0	402	
				(595)				(15)	
NATIONAL OPS	Income	(616)	(644)	28	5%	(113)	(141)	28	25%
	Salaries	28,181	28,320	(139)	0%	5,591	5,726	(135)	2%
	Supplies	9,586	9,478	108	-1%	2,089	2,003	86	-4%
	Sav Target	(255)	0	(255)		(35)	0	(35)	
	Sav Realised	12	0	12		0	0	0	
				(246)				(57)	
BUSINESS INTELLIGENCE	Salaries	508	502	6	-1%	116	103	13	-11%
	Supplies	31	8	23	-74%	6	1	6	-100%
	Sav Target	(10)	0	(10)		(2)	0	(2)	
	Sav Realised	0	0	0		0	0	0	
				19				17	
TOTAL SERVICE DELIVERY	Income	(3,774)	(3,799)	25	1%	(761)	(762)	1	0%
	Salaries	150,283	150,054	229	0%	29,865	30,204	(339)	1%
	Supplies	17,067	17,151	(84)	0%	3,626	3,557	69	-2%
	Sav Target	(846)	0	(846)		(117)	0	(117)	
	Sav Realised	834	0	834		445	0	445	
				158				59	

Service delivery outturn is **under budget by £0.16 million** at **31 August 2025**. Pay costs are reporting an underspend **of £0.23 million** over all service areas, however it should be noted

that this includes: overtime as a result of HTAT, Card 46 timed admission staff, ambulance control centre posts, all assumed post COVID funding. This also includes RWW costs covering TOIL backfill and relief for 37.5 to 37 hours.

Air Ambulance Costs have reported a **8.6% decrease** in the number of missions in these **five** months from the same period last year. This is matched with a decrease in Maritime and Coast Guard Agency (MCGA) missions **(29)** over this period against the same period last year. This area has been a key focus of the air ambulance efficiency programme



For Diesel, which assumes £1.66 per litre, fuel prices have reduced continually since the highest point last May and with the average price per litre peaking at £1.62 in October 2023, and finishing at **£1.42 in August 2025**, we do see a continuing underspend on Diesel costs of **£0.7 million** for the **5 months** to **August 2025**.

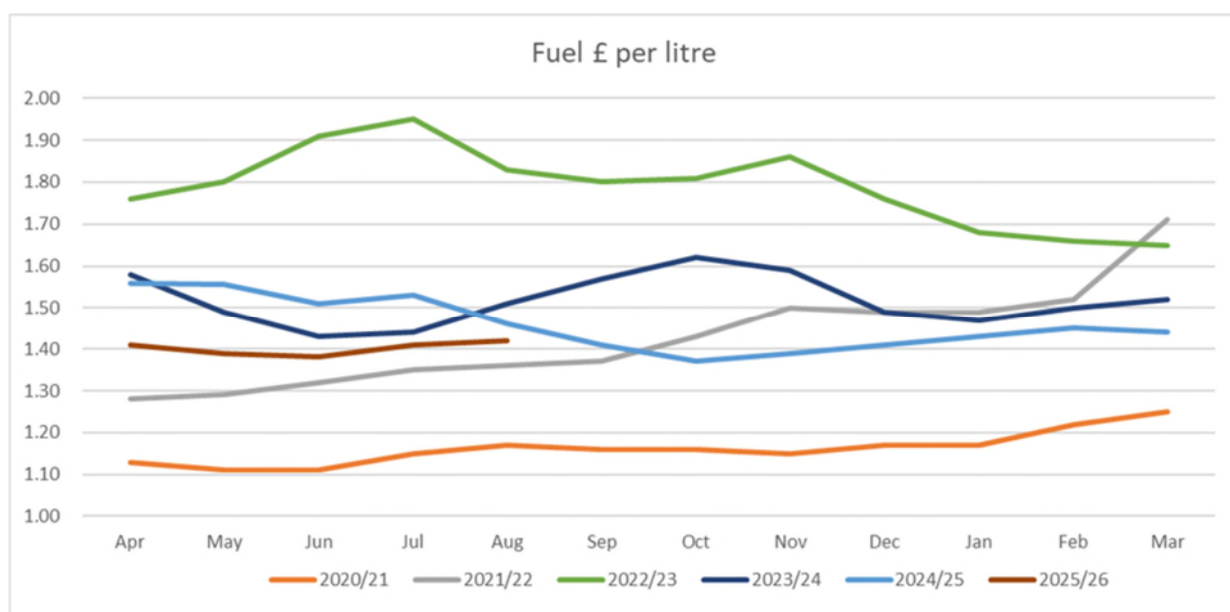
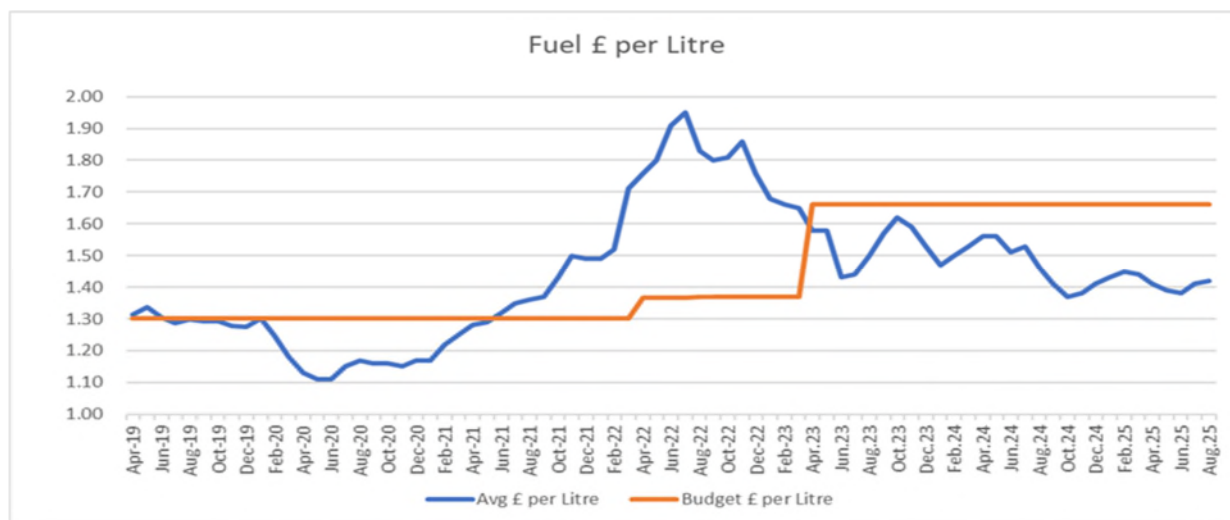


Table 4 – Support Services Directorates

Support services are being reported as **£2.31** million over budget. The main driver of this is due to the Finance, Logistics and Strategy Division hosting the Service's central cost centre, which holds the savings targets for all the Best Value Programmes (2025/26 target £7.2 million).

SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE BY DIRECTORATE
YEAR TO 31 AUGUST 2025

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
BOARD AND CHIEF EXECUTIVE	Income	(54)	(54)	0	0%	0	0	0	
	Salaries	1,059	1,151	(92)	9%	203	243	(40)	20%
	Supplies	51	57	(6)	12%	10	13	(3)	30%
	Sav Target	(15)	0	(15)		(2)	0	(2)	
	Sav Realised	0	0	0		0	0	0	
				(113)					
FINANCE AND LOGISTICS	Income	(712)	(681)	(31)	-4%	(92)	(91)	(1)	-1%
	Salaries	6,965	7,318	(353)	5%	1,311	1,506	(195)	15%
	Supplies	20,884	21,164	(280)	1%	3,692	3,873	(181)	5%
	Sav Target	(1,409)	0	(1,409)		(192)	0	(192)	
	Sav Realised	1,514	0	1,514		721	0	721	
				(1,792)					
				(2,351)					
HUMAN RESOURCES	Income	(16)	(12)	(4)	-25%	(4)	(3)	(1)	
	Salaries	1,339	1,370	(31)	2%	240	275	(35)	15%
	Supplies	371	370	1	0%	75	85	(10)	13%
	Sav Target	(28)	0	(28)		(4)	0	(4)	
	Sav Realised	0	0	0		0	0	0	
				(62)					
MEDICAL	Income	(2)	(2)	0	0%	(0)	(1)	0	
	Salaries	1,701	1,646	55	-3%	375	331	44	-12%
	Supplies	491	408	83	-17%	98	103	(5)	5%
	Sav Target	(10)	0	(10)		(1)	0	(1)	
	Sav Realised	0	0	0		0	0	0	
				128					
CARE QUALITY AND PROF DEVELOPMENT	Income	(15)	(14)	(1)	-7%	(1)	(1)	0	
	Salaries	2,941	2,996	(55)	2%	511	601	(91)	18%
	Supplies	272	118	154	-57%	59	57	1	-2%
	Sav Target	(20)	0	(20)		(3)	0	(3)	
	Sav Realised	10	0	10		1	0	1	
				88					
TOTAL SUPPORT SERVICES	Income	(799)	(763)	(36)	-5%	(97)	(96)	(2)	-2%
	Salaries	14,005	14,483	(478)	3%	2,640	2,956	(316)	12%
	Supplies	22,069	22,117	(48)	0%	3,934	4,131	(197)	5%
	Sav Target	(1,482)	0	(1,482)		(202)	0	(202)	
	Sav Realised	1,524	0	1,524		722	0	722	
				(1,792)					
				(2,312)					

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 AUGUST 2025

	Full Year Budget £'000	Year to Date		
		Budget £'000	Actual £'000	Variance £'000
Income				
Revenue Allocation	504,095			
Baseline Allocations	473,659			
Recurring Allocations	1,001			
Non-Recurring Allocations	29,435			
Fleet Income	35	35	35	0
Health Board	6,434	3,257	3,220	(37)
Other Healthcare	613	270	296	26
Other Operating	1,206	951	960	9
Staff Car Deductions	161	60	51	(9)
Total Income	512,544	4,573	4,562	(11)

Total income (including funding) to date is breakeven against budget.

The original financial plan assumed revenue funding allocations of £437 million. The above includes funding for Mobile Vaccination Units, COVID legacy, AfC Reform RWW. 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.

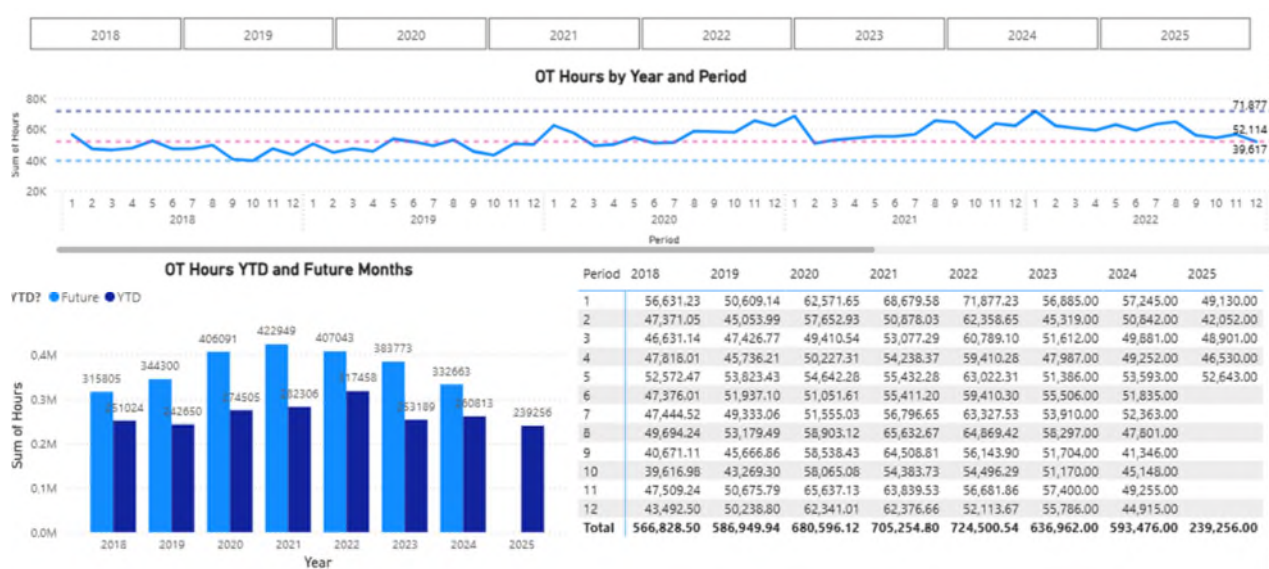
Detailed Pay analysis

The pay **overspends of £0.25 million** is driven primarily from Overtime overspend of **£2.43 million** offset by unsocial pay underspend £0.06 million and Basic Pay underspend of **£2.1 million**. The main driver of this being an underlying lower than budgeted skill mix (currently reporting at **55.5% Para / 44.5% Tech**) and vacancies (estimated A&E regional attrition rate for 2025/26 of **3.8%**), along with RWW pressures of **£2.31 million** and COVID legacy pay costs of **£2.18 million** being funded. A workforce dashboard is currently being developed to provide supporting data behind the pay underspend – this will be rolled out in due course.

As referenced previously, reducing overtime is one of the workstreams contributing towards achieving the £12.7 million savings. Overtime costs in this current year are averaging **4.7%** of the pay bill for the **5 months** compared to **5.3%** for the same period last year, reflecting a reduction in hours.

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The graph below shows a trend analysis of overtime hours in the last eight years. The impact of COVID on the Service can be seen in the early months of 2022 and with peaks during 2023 and 2024 reflecting the ongoing pressures on the Service in response to the increased hospital turnaround times.

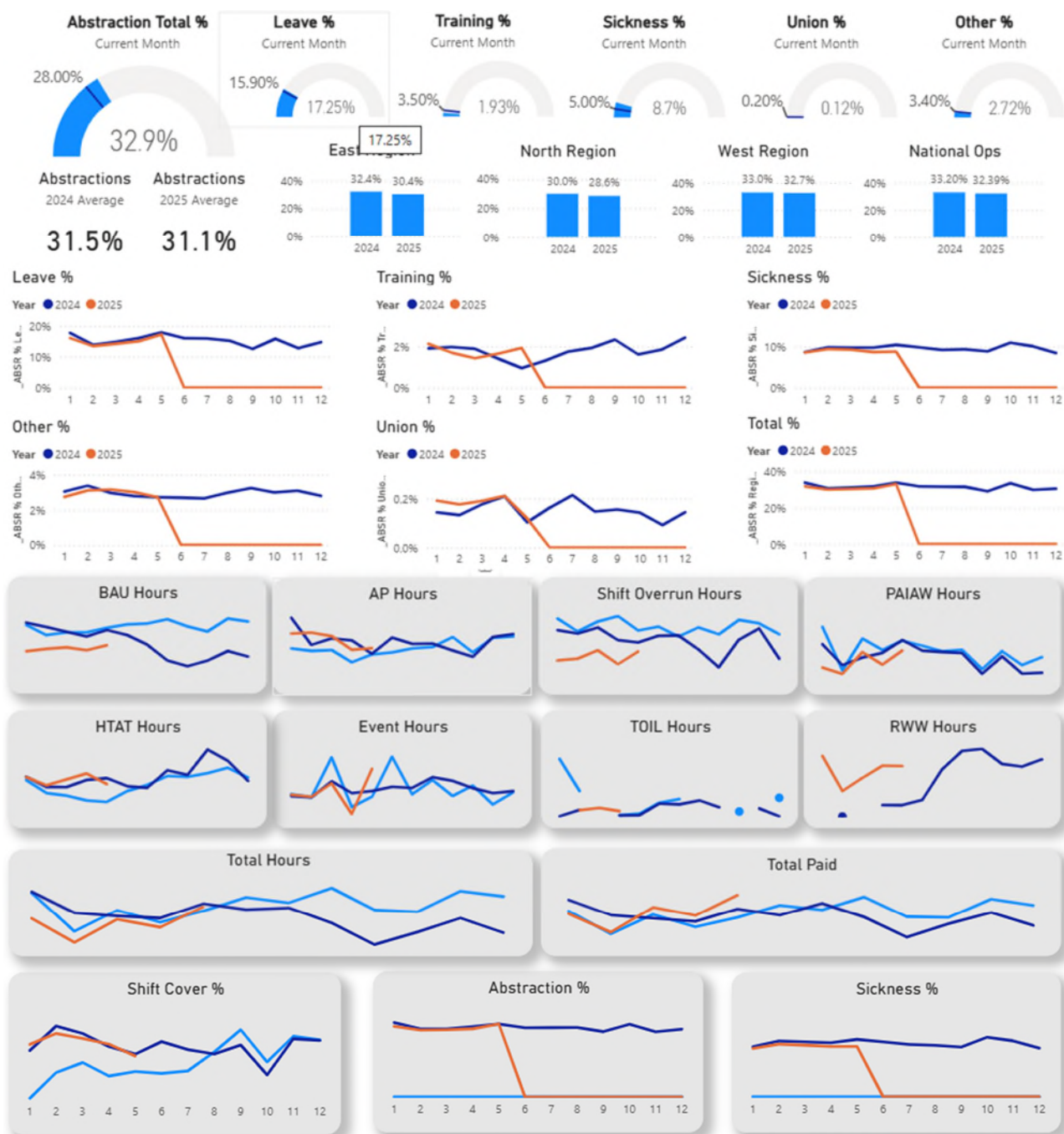


The high-level reports below show the monthly trend year on year comparison for the whole service, which breaks down the OT hours into the different drivers, plus shift cover %, abstraction % and sickness %.

These reports are available on the newly developed Overtime Dashboard that is being actively used by budget holders.

The data in the Overtime Dashboard provides users with the trends for total OT hours, total OT paid, shift cover and abstractions. The total overtime (both hours and payments) is broken down into different categories such as paid-as-if-at-work (PAIAW), Advanced Paramedics, shift overruns, HTAT (both C3 and co-horting crews), event cover, TOIL and RWW. This then leaves what we categorise as BAU OT. From this data we can see that from a YTD position:

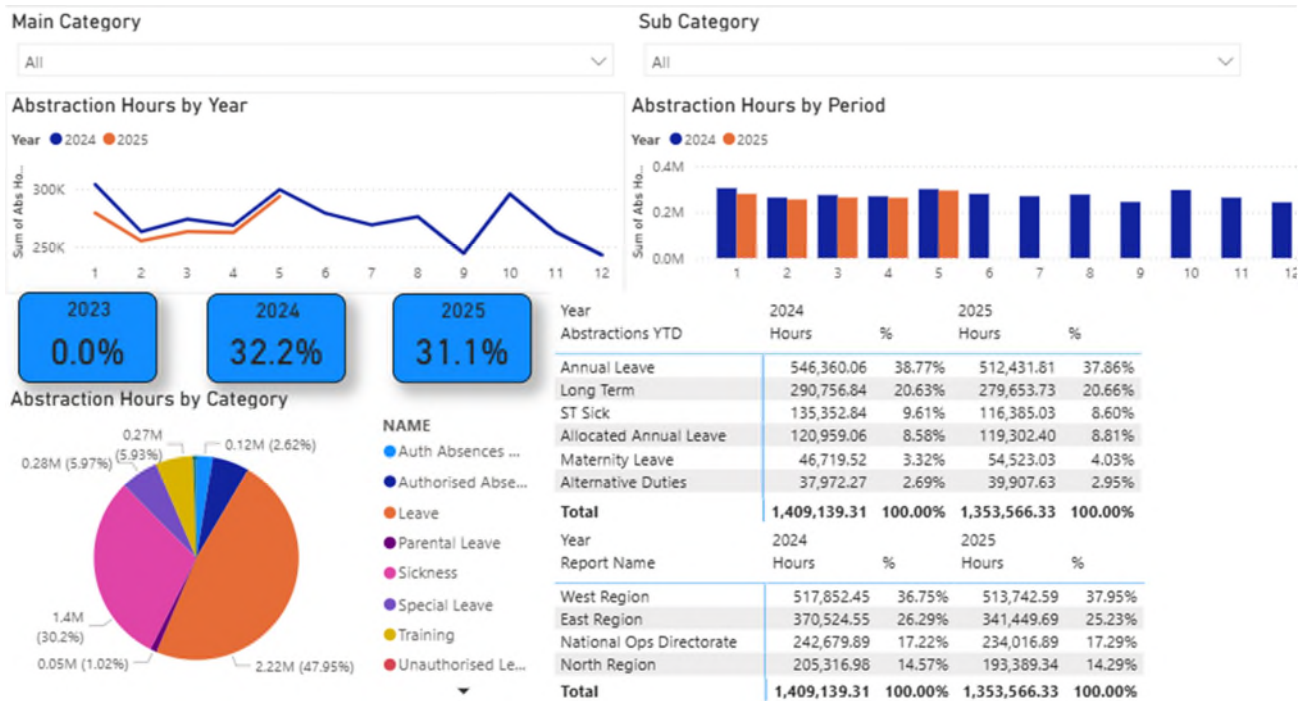
- the OT hours paid are **8.27%** lower than the same period last year
- Shift cover monthly average has decreased **by 0.2%**
- Abstractions YTD average has reduced **by 0.4%**



Although costs have gone down in-month, HTAT continue to create a cost pressure post COVID and are being picked up within the legacy COVID costs with now associated funding.

The charts above show, at a glance, the main categories driving the OT pressure. The abstraction data provides a breakdown of the main categories and also now allows budget holders to delve into the subcategories within each right down to dates/shift times/shift length/pay number. The table below shows an extract of the abstraction data that is now being presented to budget holders. This allows for greater focus on 'planned and controllable abstractions'.

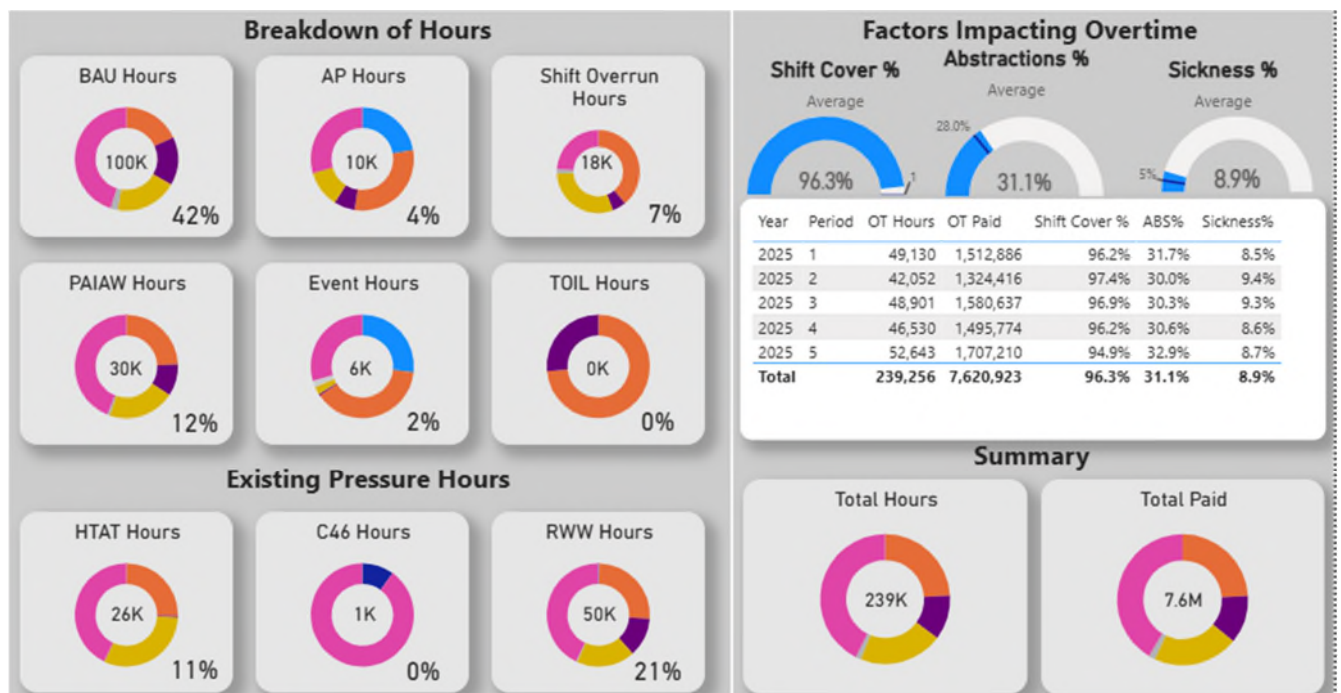
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In addition, a snapshot of the summary dashboard summarises the key factors driving the overtime costs below:

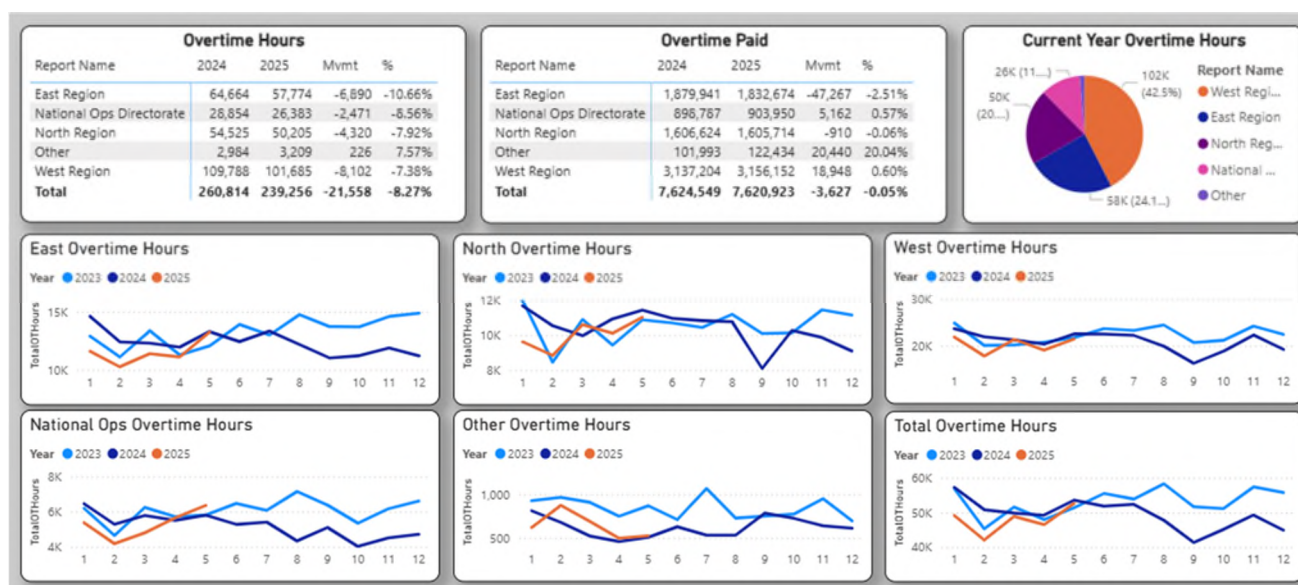
- Shift overruns
- abstractions (regional)
- sickness absence

Noting that the additional controls put in place are having an impact through the BAU hours reduction. Given the fragility of this, and acknowledging the continued operational pressures, the scrutiny on the improved controls will continue.



Current actions being progressed are

- Sickness absence Best Value programme including a detailed absence management action plan that incorporates a range of best practice ideas from other public bodies
- Management and workforce planning guidance for the updated overtime policy
- Continued development of reporting to assist in the improved management of abstractions. This now allows budget holders to drill down into all detailed categories and assess dates/shift times for each abstraction. This allows review of regional variation and allows budget holders to consider how the cost of abstractions could be reduced.



The above table illustrates an overall decrease in overtime hours within the Service Delivery Regions, compared to the equivalent prior year period.

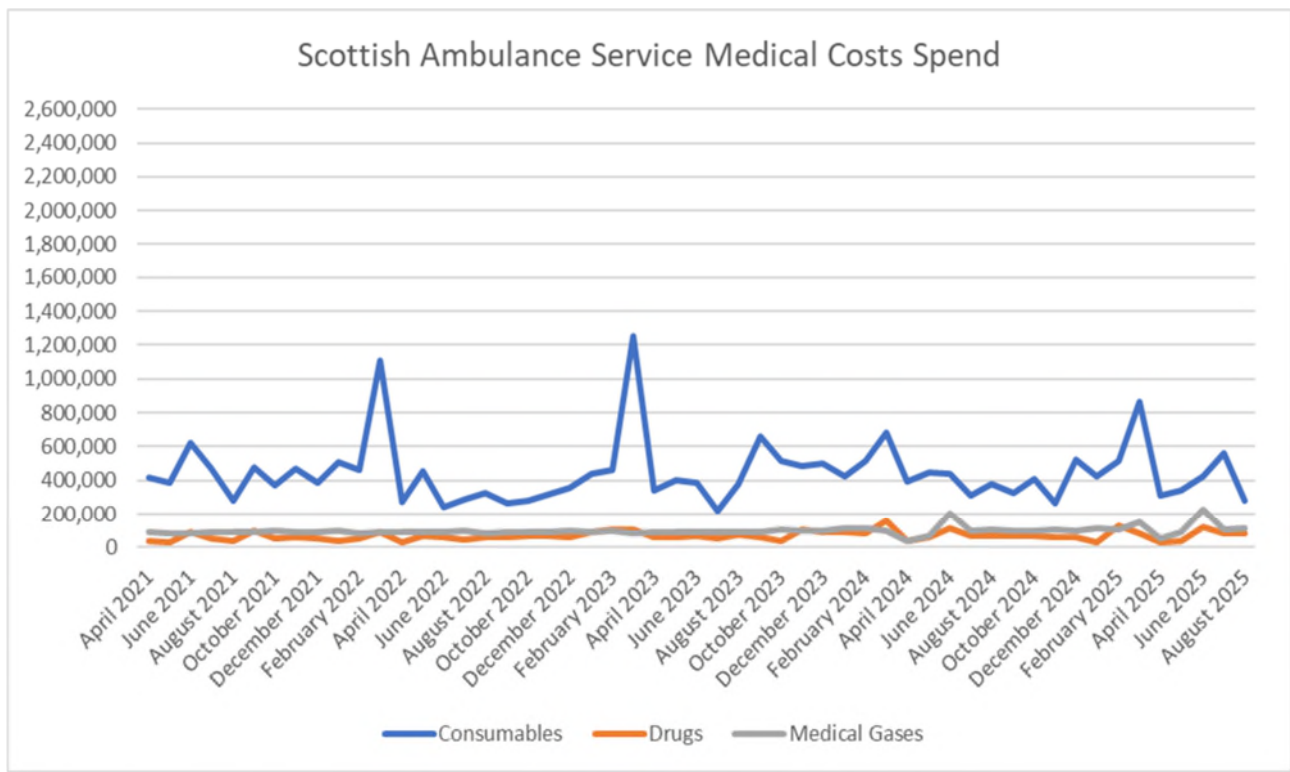
Non-pay

The non-pay overspend at **£0.13 million** represents the effect of Diesel running costs at £0.7 million underspent, against Medical costs, Air Ambulance and Rent & Rates ongoing pressures which are currently being reviewed. There are a number of additional cost pressures currently ongoing due to inflationary uplifts – contract cleaning, additional contractual arrangements and these are also being closely monitored. The Air Ambulance extension and mobilisation costs are fully funded with no pressures emerging; however the existing contract represents an overspend which we are monitoring closely

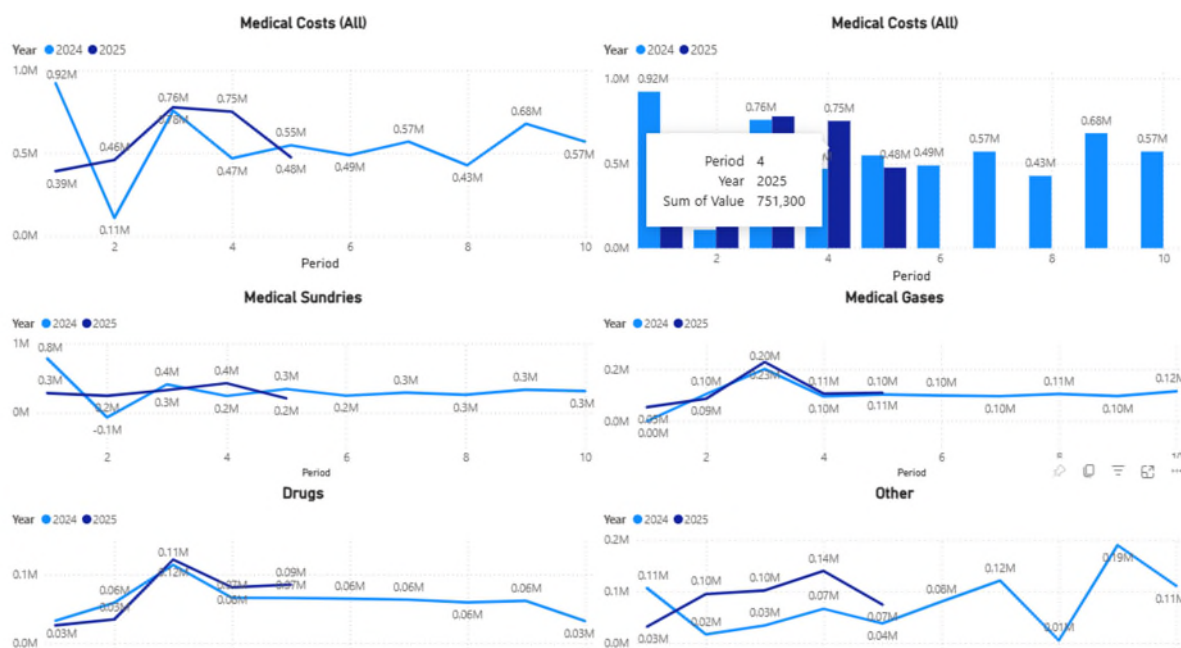
- Air Ambulance Costs have reported a **8.6%** decrease in the number of missions in these five months from the same period last year, offset by higher flying hours reflecting in an overspend within variable costs. There is a slight decrease in Maritime and Coast Guard Agency (MCGA) missions (**29**) over this period against the same period last year. Fixed costs include the uplift for the extension contract, which have been funded for – the variable costs in relation to the extension has been funded in full, but will also be monitored over the course of the year. There is also a very small new pressure relating to the introduction of the Sustainable Aviation Fuel Levy from January 2025, the impact of this will continue to be monitored.

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- Medical costs have in the last couple of years been an area of pressure, and as can be seen from the graph below, costs have been fairly consistent - the creation of the stock hubs for controlling medical supplies has been a factor in this. A best value programme is in place for 2025/26 with agreed efficiency plans.



To support the efficiency plan and to monitor the costs detailed further analysis has been put in place to support the clinical lead and budget holders. The data below demonstrates further analysis of the Medical Costs to date:



Work is in place to review medical gas usage, and the 'other' category is currently being reviewed in detail.

Efficiency Savings

As described within the financial plan, the savings target for 2025/26 is £12.7 million. The plan assumes full delivery of the 3% efficiency savings target in order to meet the £4.35 million deficit.

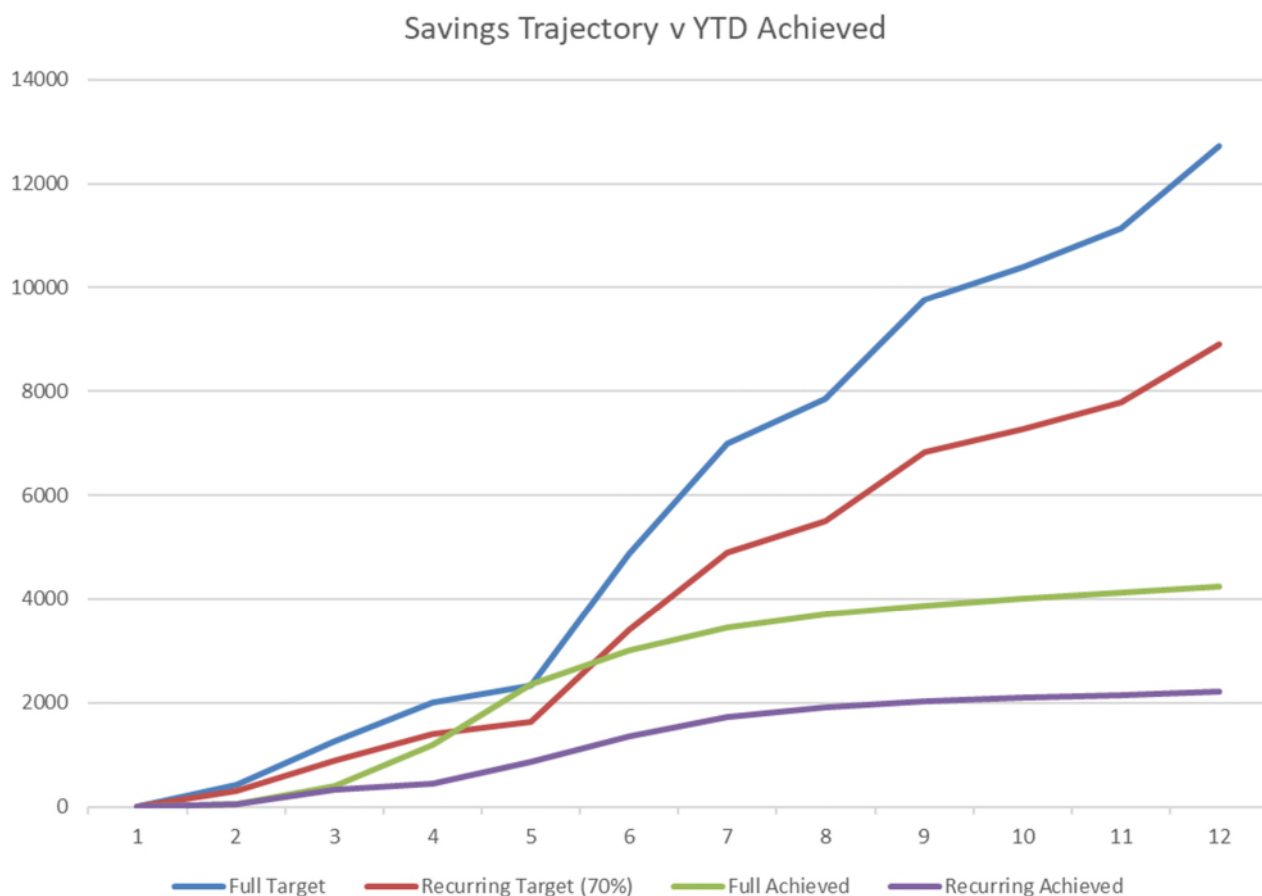
Reference is also made to the 15-box grid which sets out 15 areas of focus for Boards to progress, with national programmes of work supporting these areas to be implemented at a local level. Details of our progress against these are being reviewed by the fortnightly focused finance executive meetings. These areas have also been incorporated within the Best Value Programme.

A detailed tracking of efficiency savings plans, and delivery is presented to the Best Value Steering Group, the Performance and Planning Steering Group and the Audit and Risk Committee.

Although we are on track to date, achieving full year savings targets is still a risk, as savings plans start to come in from the various budget heads, although a number of Budget areas are still to submit their plans.

The chart below shows the revised savings trajectory over the financial year, which accommodates a more consistent pace as the year progresses. Also showing is our recurring savings achieved against a 70% marker.

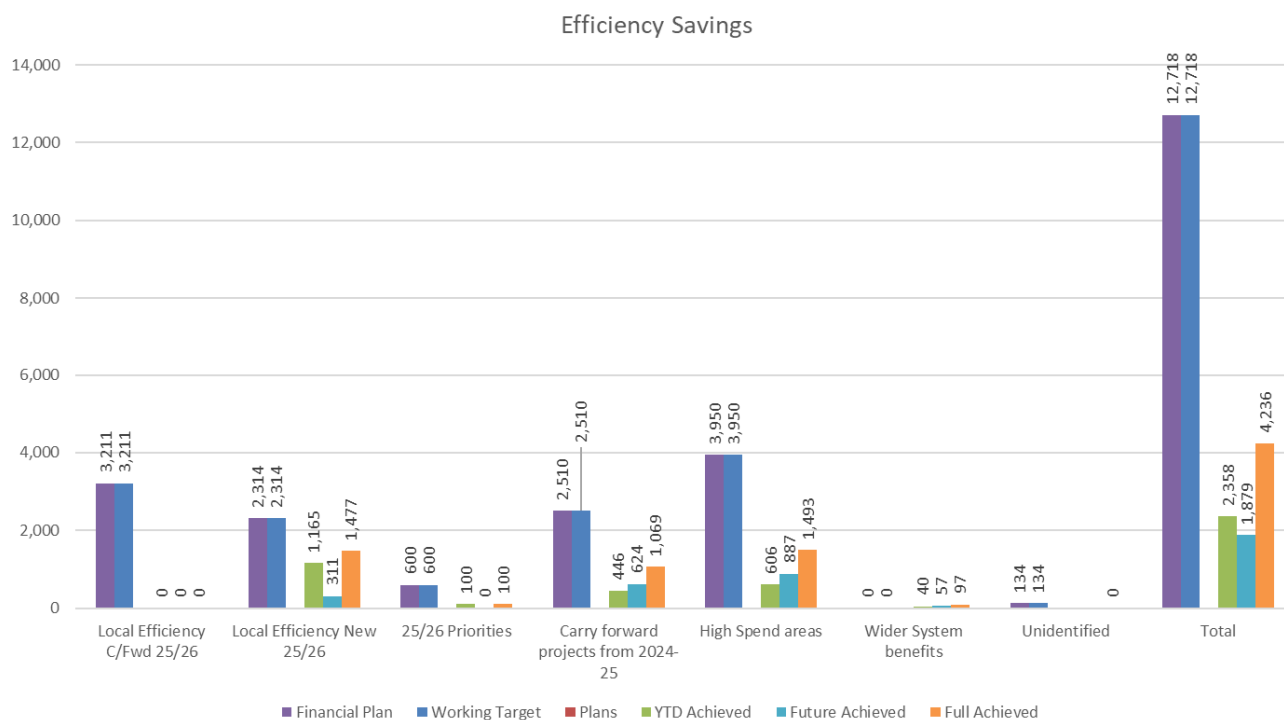
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Delivery of our financial targets is also highlighted as a very high risk in our corporate risk register and is monitored in line with this risk profile.

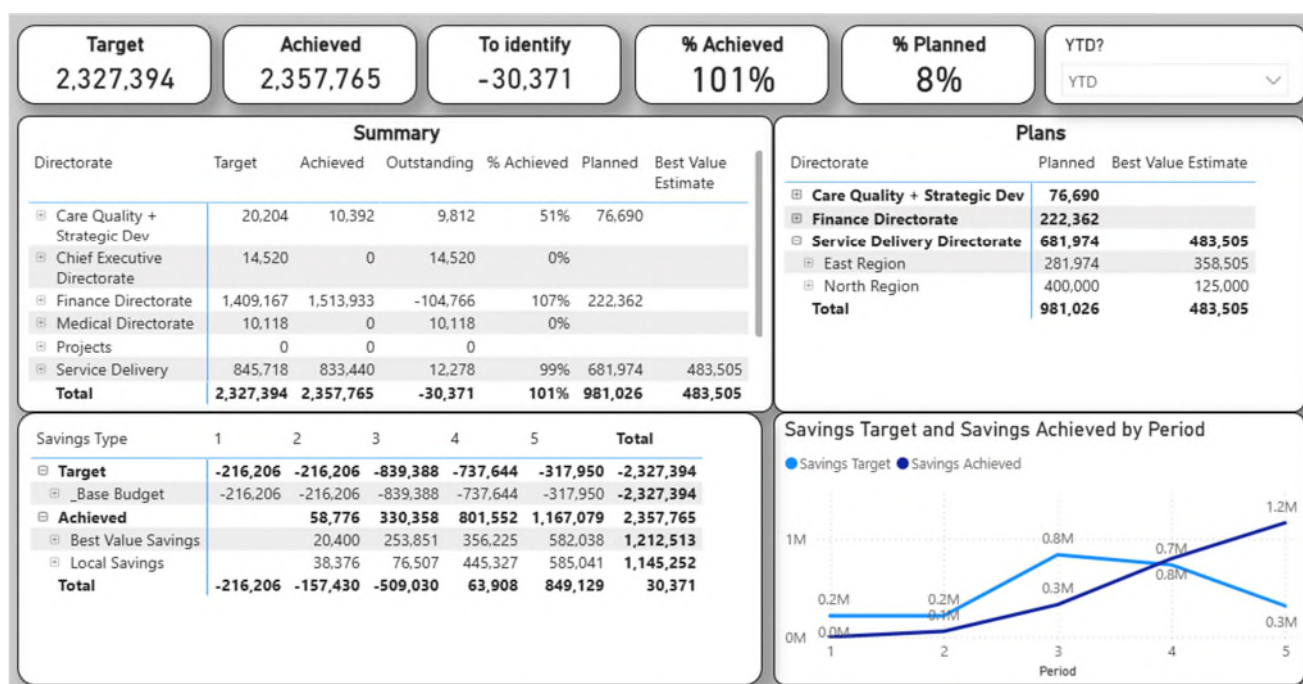
Savings of **£2.36 million** has been achieved to date, with **£1.17 million** within local efficiencies and **£1.19 million** within BV schemes, as detailed in the graph below:

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The local savings delivered have largely been in the East Region, future plans have been received from the East Region, North Region and a range of other budget holders. Plans **were** due to be submitted by all other teams by the end of August, **these remain in development to be submitted before the end of September.**

A financial reporting dashboard has also been developed and this has been rolled out to all budget holders.



Progress against the likely forecast at month 5 is as detailed in the **dashboard extract** and table below

Table 7

Efficiency Savings Schemes	Financial Plan £m	Updated Forecast at Month 5			
		25/26 Assumed Forecast £m	FY Efficiencyes Delivered £m	% Achieved	Actions Update
Local Efficiency	2.0	5.5	1.5	27%	Budget holders are working through local expenditure plans to identify all other efficiency gains including productivity and cost avoidance
25/26 Priorities	0.6	0.6	0.1	17%	Scheduled care savings planned
C/Fwd Projects from 24/25	2.5	2.5	1.1	43%	This includes Medical Gases, HCP online booking, e-payslips among other schemes c/fwd from last year
High Spend Areas	3.9	4.0	1.5	38%	This includes £3.8m for OT – split between Reduction in Sickness absence and Policy related & Management Control
Unidentified	3.7	0.1	-	0%	To be identified (assumed non recurring at the moment)
	12.7	12.7	4.1	33%	

Post COVID-19 Financial Implications

Members are aware of the funding risk to support expenditure due to post COVID-19 pandemic and system pressures in prior years. Our 2025/26 financial plan has assumed a costs of £8.35 million for ongoing COVID activity, and recurring funding has been agreed.

Included in the revised estimated full year pressures were:

- Overtime £4.2 million - an ongoing pressure on ED in line with prior years relating to hospital turnaround times

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- PPE £0.4 million – maintenance of hoods still being used and face fit testing also being incurred
- 999 Call handlers £1.25 million – additional wte requirement for Call handlers beyond 120 wte, to meet attrition peaks and troughs of the staffing requirements for the 3 call centres due to rising demand.
- Card 46 (timed admissions) £2.5 million - relating to both unfunded posts and the provision of Taxis via the Integrated Clinical Hub to cover resources transferring patients to accident and emergency following the appropriate clinical risk assessment.

Costs for the year against these cost headings are noted below in Table 8:

Table 8

£ million	Planning assumptions for 2025/26	Month 5 Updated Planning assumption 2025/26	Actual Month 5 2025/26	Notes
Overtime including 0.5% sickness	4.200	1.750	0.919	This is primarily driven by shift overruns relating to hospital turnaround times
PPE	0.400	0.167	0.011	Spend to date - face mask supplies. PPE hood replacement & face fitting will be covered.
999 call handlers	1.250	0.521	0.406	This is in line with plan, with the increase in costs being driven by increased demand
Card 46 (timed admissions)	2.500	1.042	0.881	This showed lower costs than anticipated with fewer staff numbers for Card 46 and use of taxis being monitored. This avoids A&E conveyance.
Total Covid	8.350	3.479	2.217	Overall, this is broadly in line with plan, but specific actions in place to review and monitor these

Full year Forecast

A detailed full year financial forecast has been prepared and is reported in Table 9 below. At this early stage in the year, best and worst-case scenarios are provided along with the likely forecast against the approved financial plan.

The forecast builds on work undertaken in previous years and assumes

- Expenditure in line with spend to date and recognising seasonal trends
- All Scottish Government allocations received as planned with associated expenditure
- The additional investment agreed for recruitment of Newly Qualified Paramedics during 2025/26 and offset by a reduction in overtime expenditure due to the increase in workforce. This has been flexed slightly for the worst-case scenario.
- The worst-case scenario also recognises the risk that the savings target may not be delivered in full, with full delivery of savings assumed in the best and likely case. The split of recurring and non-recurring has also been assumed at this early stage
- Inflationary pressures in line with the financial plan and recognising expenditure to date have been assumed with the best-case scenario assuming that these may not fully materialise.

The likely forecast remains a deficit of £4.3 million in line with the financial plan, with no material change in previous assumptions aside of the NQP recruitment. The best case assumes a reduction of the deficit to £2.54 million and the worst case assumes the deficit will increase to £8.10 million.

Table 9

Updated Forecast Summary	Financial Plan	Forecast		
		Best	Likely	Worst
	£m	£m	£m	£m
Brought forward deficit	10.60	10.60	10.60	10.60
Pressures – Pay	19.08	19.08	19.08	19.08
Emerging Pressure – NQP Recruitment		2.20	2.20	2.20
Pressures – Non Pay	6.31	4.10	5.86	6.31
Emerging Pressure – NQP Non pay		0.45	0.45	0.60
Baseline Funding uplift	(12.70)	(12.70)	(12.70)	(12.70)
60% National Insurance Funding	(3.77)	(3.77)	(3.77)	(3.77)
National Board Sustainability Funding	(2.52)	(2.52)	(2.52)	(2.52)
Gap before Efficiencies	17.00	17.44	19.20	19.80
3% Efficiency Savings – Recurring	(12.70)	(10.00)	(9.00)	(7.0)
3% Efficiency Savings – Non Recurring		(2.70)	(3.70)	(3.70)
3% Efficiency Saving Total	(12.70)	(12.70)	(12.70)	(10.70)
Overtime Reduction – NQP Recruitment		(2.20)	(2.20)	(1.00)
25/26 Net Gap	4.30	2.54	4.30	8.10
Air Ambulance extension – costs		4.70	4.70	4.70
Air Ambulance extension – funding		(4.70)	(4.70)	(4.70)
Air Ambulance Mobilisation - costs		4.80	4.80	4.80
Air Ambulance Mobilisation – funding		(4.80)	(4.80)	(4.80)
COVID System Pressures – costs		8.35	8.35	8.35
COVID System Pressures – funding		(8.35)	(8.35)	(8.35)
25/26 Forecast Outturn Deficit	4.30	2.54	4.30	8.10

This will be reviewed and updated on a monthly basis.

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2025/26 YTD CAPITAL POSITION AS AT MONTH 5 (31/08/2025)

2025/26 Capital Budget

The Service's is anticipating a full year capital budget of £25.69 million made up of the following elements:

• Formula Capital	£1,884,000
• Earmarked Allocations	£21,634,000
• Physical Condition Works – BCP	£660,000
• EV Charging Infrastructure	<u>£1,510,000</u>
Total Capital Funding	£25,688,000

The Service is provided with formula capital 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. This will primarily be utilised to fund Vehicle Accidents, ICT and Property projects during 2025/26.

The Service receives earmarked allocations for Business Cases that have been approved by the CIG. In 2025/26 the following earmarked allocations are anticipated:

• Fleet Replacement Programme	£21,384,000
• Scotstar Equipment Replacement	£250,000

In addition, the Service has been successful in applying for funding from the Scottish Government to fund electric vehicle infrastructure with £1.51 million anticipated for 2025/26, and further approval has been granted for Physical Condition Works through the Business Continuity Planning process totalling £0.66 million.

YTD Capital Position as at Month 5

The YTD capital position is shown in the table below. Year to date expenditure totals **£0.70 million**. Most capital expenditure occurs in Quarter 3 and 4 of the financial year

The unallocated budget excluding anticipated projects of **£0.77 million** is expected to be fully utilised during 2025/26. On disposal of assets, the Service can receive a capital receipt which it can utilise as additional funding during the year. Year to date capital receipts total **£0.21 million** which has resulted from the disposal of vehicles.

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

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SCOTTISH AMBULANCE SERVICE
CAPITAL REPORT 2025/26
As at **31st August 2025**

PROJECT	Approved Budget £	YTD Actuals £	Notes
Formula Capital Projects			
eHealth and ICT	0	27,884	
Property and Special Projects	1,174,676	(63,261)	
Vehicle Accidents	600,000	258,719	
	1,774,676	223,341	
Earmarked Allocations			
Scotstar	250,000	54,841	
Vehicles including Transport Scotland	22,894,000	423,922	
	23,144,000	478,763	
Unallocated Budget	769,324		
Capital Receipts	205,171	0	
TOTAL	25,893,171	702,104	

Approved and Anticipated Projects

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

SCOTTISH AMBULANCE SERVICE
CAPITAL PLAN 2025/26
As at **31st AUGUST 2025**

ALLOCATION

Received

Anticipated

Core Allocation	1.88
ScotSTAR project	0.25
EV Infrastructure	1.51
Physical Condition Works - BCP	0.66

Fleet Replacement - Core	19.44
Fleet Replacement -Contingency	1.94
Total Capital Allocation	25.69
Capital Receipts	0.20
Total Available Capital Budget	25.89
EXPENDITURE	
<u>Approved Projects</u>	
Project	BUDGET
Property	
Physical Condition Works - BCP	0.66
Physical Condition Works - Core	0.51
Total Property	1.17
Operations	
Vehicles plus Contingency	21.38
EV Infrastructure	1.51
Scotstar - Paediatric Baby Pods	0.01
ScotSTAR - Hamilton ventilator x 2	0.06
ScotSTAR - Draeger Oxylog Ventilator	0.01
ScotSTAR - McGrath GEN2 Video Laryngoscope x 8	0.01
ScotSTAR - MEQU M Warmer Kit+ x 6	0.03
Vehicle Accidents	0.26
Total - Operations	23.28
Total Approved Projects	24.45
<u>Anticipated Projects</u>	
Vehicle Accidents	0.38
Corti Software	0.30
Contingency	0.30
Forres Water Supply	0.02
ScotSTAR	0.12
Total - Anticipated Projects	1.12
Revised Unallocated Budget	0.32

CONCLUSION

For the 5 months to August 2025, the Service reports a deficit of £2.15 million. This is in line with the RRL trajectory deficit of £2.5 million. Costs remain fairly stable with the significant focus continued on the progression of the agreed efficiency plans.

A detailed full year forecast for 2025/26 has been undertaken and a summary is included in this paper showing a best, likely and worst-case scenario. The likely scenario assumes delivery of the financial plan. This will be reported monthly thereafter.

The financial risks are described as noted and will be closely monitored during the financial year.

Julie Carter
Director of Finance, Strategy and Logistics
September 2025

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