



NOT PROTECTIVELY MARKED

PUBLIC BOARD MEETING

**30 July 2025
Item 10**

THIS PAPER IS FOR DISCUSSION

SUMMARY FINANCIAL PERFORMANCE TO 30 JUNE 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 June 2025• The position on funded post COVID/System Pressures to the end of June 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 June 2025
Key points	<ol style="list-style-type: none">1. The financial position at the end of month 3 is reporting a deficit of £1.56 million.2. Post COVID/operational pressures of £1.38 million have been incurred over this period, these are offset against the recurring funding agreed by Scottish Government in 2024/253. 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 £0.39 million has been delivered against a year-to-date target of £1.27 million and £1.47 million achieved to date against the full year target. Recognising that this is early in the financial year, the full year trajectory has been assumed within the revised forecast and is updated within the paper.5. The delivery of the 2025-26 financial plan is on track. Work is in progress to complete a detailed financial forecast which is due to be completed by the end of July. This will be reported each month thereafter.6. The current agreed Agenda for Change reform funding is being offset against the reduced working week additional costs, of which £1.24 million has been incurred to date.

Timing	During the financial year the Board will be provided with monthly updates on the financial position and from July 2025 the final year end forecast position will also be reported.
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.



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SCOTTISH AMBULANCE SERVICE BOARD

FINANCIAL PERFORMANCE TO 30 JUNE 2025

JULIE CARTER, DIRECTOR OF FINANCE, LOGISTICS & STRATEGY

This paper sets out the financial position on 30 June 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 full recurring funding for COVID related pressures of £8.35 million, Agenda for Change reform pay costs, and 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 3 months to June 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

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

- Income – this is reporting a breakeven position
- Core Expenditure – a deficit position of £1.56 million against a trajectory deficit of £1.50 million to June 2025.
- The financial impact of post COVID-19 expenditure of £1.38 million in the reporting period is assumed fully funded.
- Agenda for Change reform (reduced working week and protected learning time) additional costs of £1.24 million, have been incurred and are assumed funded. No confirmation of funding has been agreed for the reduction from 37 hours to 36 hours due to be implemented from April 2026. Given the financial risk and impact of this, this will be reported separately within this finance report during this year.

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- Efficiency savings target for the financial year is £12.7 million. To date, £0.34 million of savings has been achieved against a target to date of £1.27 million.

Key messages

- A deficit position of £1.56 million as at 30 June 2025 (this includes both core and non-core expenditure, and income), this in line with the financial plan trajectory deficit of £1.50 million at the end of June 2025
- The deficit position of £1.56 million to June 2025 is driven by the following:
 - Deficit Pay position of £0.14 million, the main driver is overtime £1.50 million over budget, which is mostly absorbed by underspend of £1.57 million in Basic Pay. This position reflects a reduction in OT hours (45,860) and costs (£1.011 million) against the same period last year.
 - Underspend in non-pay and asset disposal costs of £0.57 million with offsetting lines showing early pressures such as medical costs and Air Ambulance.
 - Underachievement of the YTD Efficiency Savings Target by £0.88 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 3 months to June was £1.27 million of which £0.39 million was achieved. The trajectory has been phased recognising a generally slower start to the year. Overall progress of programmes is good however follow-up work 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 overspend. 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 savings anticipated towards meeting the £12.7 million savings target. Full year £1.01 million has been achieved, however, due to the phasing of the best value targets, only £0.19 million is 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 of programmes are in progress with the balance work is progress identifying new areas to bridge the gap. In this period savings of £0.39 million have been achieved against a trajectory of £1.27 million. Full year £1.47 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.

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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

Work has also progressed well in developing programmes and mandates for these key areas.

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 are anticipating funding from Scottish Government. 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 includes a further review of Ambulance Control Centre staffing against demand projections and an improvement programme supporting the timed admissions development.

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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 are currently being updated).
- 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 communications to staff
- 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.

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

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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 anticipated 2025/26 allocation is £6.82 million, as included in our Financial Plan which was formally signed off by Scottish Government. Noting that whilst this is received as non-recurring funding, Scottish Government have acknowledged that the additional posts required to be put in place will be recurring and it is likely the funding will be received on a recurring basis post 2025/26. 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 after October 2025.

The following table shows the spend to date against the £6.8 million funding agreed for 2025/26.

RWW Funded Pressures	1	2	3	Total
1.35% Increased Hourly Rate Funding	80,153	81,726	86,495	248,374
Relief Reduction Funding	59,664	74,539	59,764	193,967
RWW Project Team	44,125	45,955	46,665	136,745
RWW TOIL Backfill Funding	372,149	85,192	205,467	662,808
Total	556,091	287,412	398,391	1,241,894

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 £1.24 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.

Feedback from Scottish Government in response to the submission of our 2025-2028 Finance plan

SG have confirmed approval of the financial plan, based on Scottish Ambulance Service being within 1% of Core RRL in 2025-26 and continuing to work towards a balanced position by year end.

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Finance outturn position as of June 2025

Introduction

This section of the paper provides details of the financial results for the period ending June 2025

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 June 2025 is a deficit of £1.56 million, made up of the following:

- Income – breakeven
- Expenditure Pay – over budget by £0.137 million
- Expenditure Supplies – under budget by £0.569 million
- Savings – short of target by £0.882 million
- Expenditure non-core – break even
- Expenditure Reserves – phased by £1.075 million
- This position includes funded legacy COVID expenditure of £1.383 million
- This position includes funded Agenda for Change reform expenditure of £1.242 million

Although non pay expenditure is under budget, there are some overspent expenditure lines such as Air Ambulance, legal fees, accommodation and professional subscriptions. This is offset mostly by the underspends on diesel which will be closely monitored.

The month 3 position includes the AfC pay award for 2025/26 of 4.25%.

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Table 1 – Scottish Ambulance Service high-level overview

**SCOTTISH AMBULANCE SERVICE BOARD
REVENUE RESOURCE ANALYSIS
YEAR TO 30 JUNE 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	504,161	134,329	134,329		36,523	36,523	
Health Board	5,947	1,893	1,874	(19)	676	669	(7)
Other Healthcare	604	163	169	6	50	39	(11)
Fleet	3	3	3	(0)	1	1	(0)
Staff Car Deductions	170	36	31	(5)	11	11	(0)
Other Operating	904	630	615	(15)	371	382	11
Total Income	511,789	137,053	137,020	(33)	37,631	37,624	(7)
Expenditure							
Accident & Emergency	324,639	80,883	82,674	(1,791)	27,855	28,467	(612)
Non Emergency Service	33,705	8,441	7,977	464	2,909	2,771	138
Air Ambulance	20,840	3,951	4,198	(247)	857	1,056	(199)
Overheads	107,891	19,063	19,016	47	6,010	6,544	(534)
Total Expenditure	487,074	112,338	113,865	(1,527)	37,631	38,838	(1,207)
Core Expenditure Variance				(1,560)			(1,214)
Non Core Expenditure							
Depreciation (DEL)	23,900	5,379	5,379	0	1,864	1,864	0
Depreciation (Donated)	65	4	4	(0)	1	1	(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	5,383	5,383	0	1,865	1,865	0
Surplus / (Deficit)				(1,560)			(1,214)

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 30 JUNE 2025									
		Cumulative to Date				Current Period			
		Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance
		£'000	£'000	£'000	%	£'000	£'000	£'000	%
Service Delivery Directorate	Income	(2,181)	(2,180)	(2)	0%	(769)	(766)	(4)	0%
	Salaries	88,011	87,979	31	0%	30,220	30,327	(107)	0%
	Supplies	9,686	9,711	(25)	0%	3,041	2,899	142	-5%
	Sav Target	(462)	0	(462)	0%	(306)	0	(306)	0%
	Sav Realised	113	0	113	0%	75	0	75	0%
				(344)				(200)	
Support Services Directorates	Income	(543)	(511)	(32)	-6%	(340)	(336)	(4)	-1%
	Salaries	8,254	8,423	(169)	2%	2,888	2,799	89	-3%
	Supplies	13,726	13,133	593	-4%	4,931	4,681	250	-5%
	Sav Target	(810)	0	(810)	0%	(533)	0	(533)	0%
	Sav Realised	276	0	276	0%	256	0	256	0%
	Reserves	(1,075)	0	(1,075)		(1,075)	0	(1,075)	
				(1,216)				(1,016)	
SCOTTISH AMBULANCE SERVICE	Income	(2,724)	(2,691)	(33)	-1%	(1,109)	(1,102)	(7)	-1%
	Salaries	96,265	96,402	(138)	0%	33,108	33,126	(18)	0%
	Supplies	23,415	22,847	568	2%	7,972	7,580	392	5%
	Sav Target	(1,272)	0	(1,272)		(839)	0	(839)	
	Sav Realised	389	0	389		331	0	331	
	Reserves	(1,075)	0	(1,075)		(1,075)	0	(1,075)	
				(1,560)				(1,216)	

Table 3 – Service Delivery

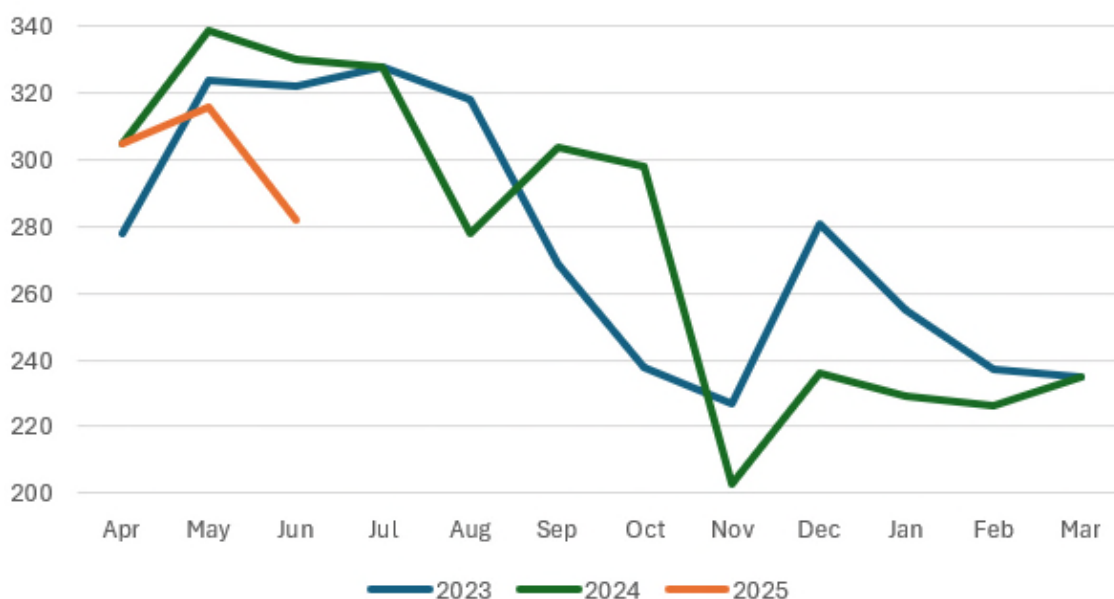
SCOTTISH AMBULANCE SERVICE BOARD									
INCOME AND EXPENDITURE BY DIRECTORATE									
YEAR TO 30 JUNE 2025									
		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
NORTH REGION	Income	(327)	(327)	0	0%	(104)	(104)	0	0%
	Salaries	15,099	15,015	84	-1%	5,182	5,179	4	0%
	Supplies	962	956	6	-1%	361	308	52	-14%
	Sav Target	(56)	0	(56)		(37)	0	(37)	
	Sav Realised	0	0	0		0	0	0	
				34					
EAST REGION	Income	(441)	(439)	(2)	0%	(173)	(171)	(2)	-1%
	Salaries	23,728	23,355	373	-2%	8,149	8,051	98	-1%
	Supplies	1,595	1,494	101	-6%	558	561	(3)	0%
	Sav Target	(113)	0	(113)		(75)	0	(75)	
	Sav Realised	113	0	113		75	0	75	
				472					
WEST REGION	Income	(1,117)	(1,117)	0	0%	(410)	(410)	0	0%
	Salaries	32,328	32,629	(301)	1%	11,134	11,307	(174)	2%
	Supplies	1,974	1,984	(10)	1%	699	640	59	-8%
	Sav Target	(148)	0	(148)		(98)	0	(98)	
	Sav Realised	0	0	0		0	0	0	
				(460)					
NATIONAL OPS	Income	(297)	(297)	0	0%	(83)	(81)	(2)	-2%
	Salaries	16,576	16,693	(118)	1%	5,652	5,693	(42)	1%
	Supplies	5,136	5,273	(137)	3%	1,416	1,386	30	-2%
	Sav Target	(139)	0	(139)		(92)	0	(92)	
	Sav Realised	0	0	0		0	0	0	
				(393)					
BUSINESS INTELLIGENCE	Salaries	279	287	(8)	3%	102	95	7	-6%
	Supplies	19	4	16	-86%	7	4	4	-61%
	Sav Target	(5)	0	(5)		(3)	0	(3)	
	Sav Realised	0	0	0		0	0	0	
				2					
TOTAL SERVICE DELIVERY	Income	(2,181)	(2,180)	(2)	0%	(769)	(766)	(4)	0%
	Salaries	88,011	87,979	31	0%	30,220	30,327	(107)	0%
	Supplies	9,686	9,711	(25)	0%	3,041	2,899	142	-5%
	Sav Target	(462)	0	(462)		(306)	0	(306)	
	Sav Realised	113	0	113		75	0	75	
				(344)					

Service delivery outturn is over budget by £0.344 million at 30 June 2025. Pay costs are reporting an underspend of £0.031 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.

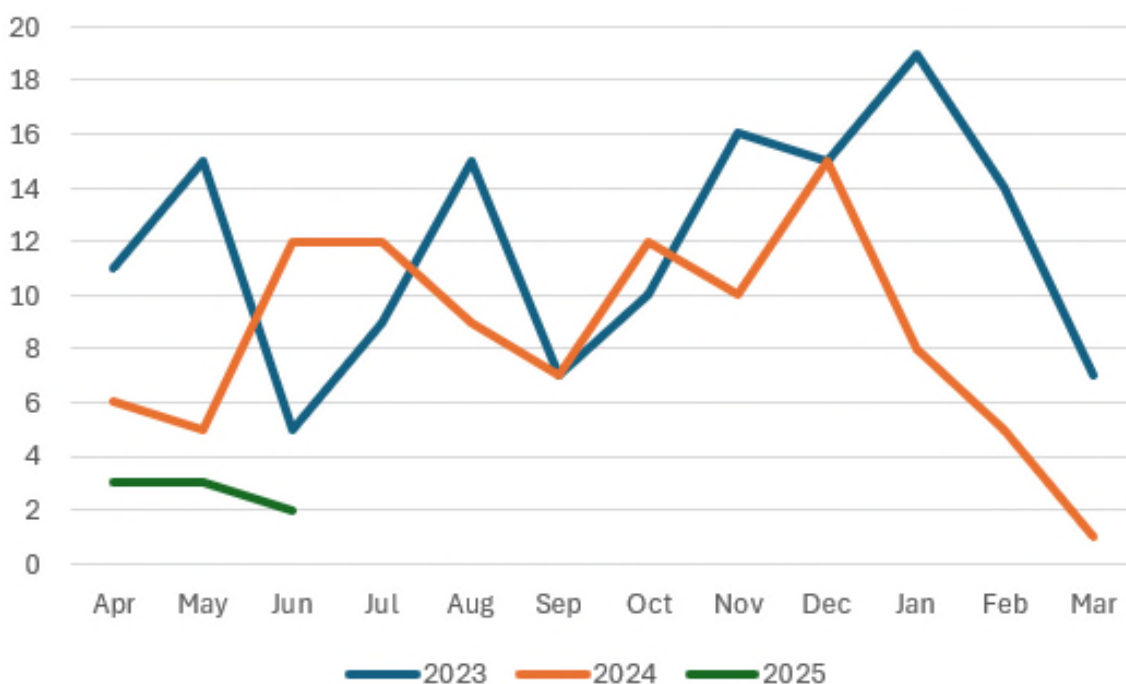
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Air Ambulance Costs have reported a 7.3% decrease in the number of missions in these three months from the same period last year, although flying hours activity is higher than budgeted for at this stage. This is matched with a decrease in Maritime and Coast Guard Agency (MCGA) missions (15) over this period against the same period last year. 72% of the chargeable MCGA missions occurred because of bariatric patient transfer/weather conditions. This area has been a key focus of the air ambulance efficiency programme.

Missions



MCA Activity



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 £1.38 in June 2025, we do see a continuing underspend on Diesel costs of £0.529 million for the 3 months to June 2025.

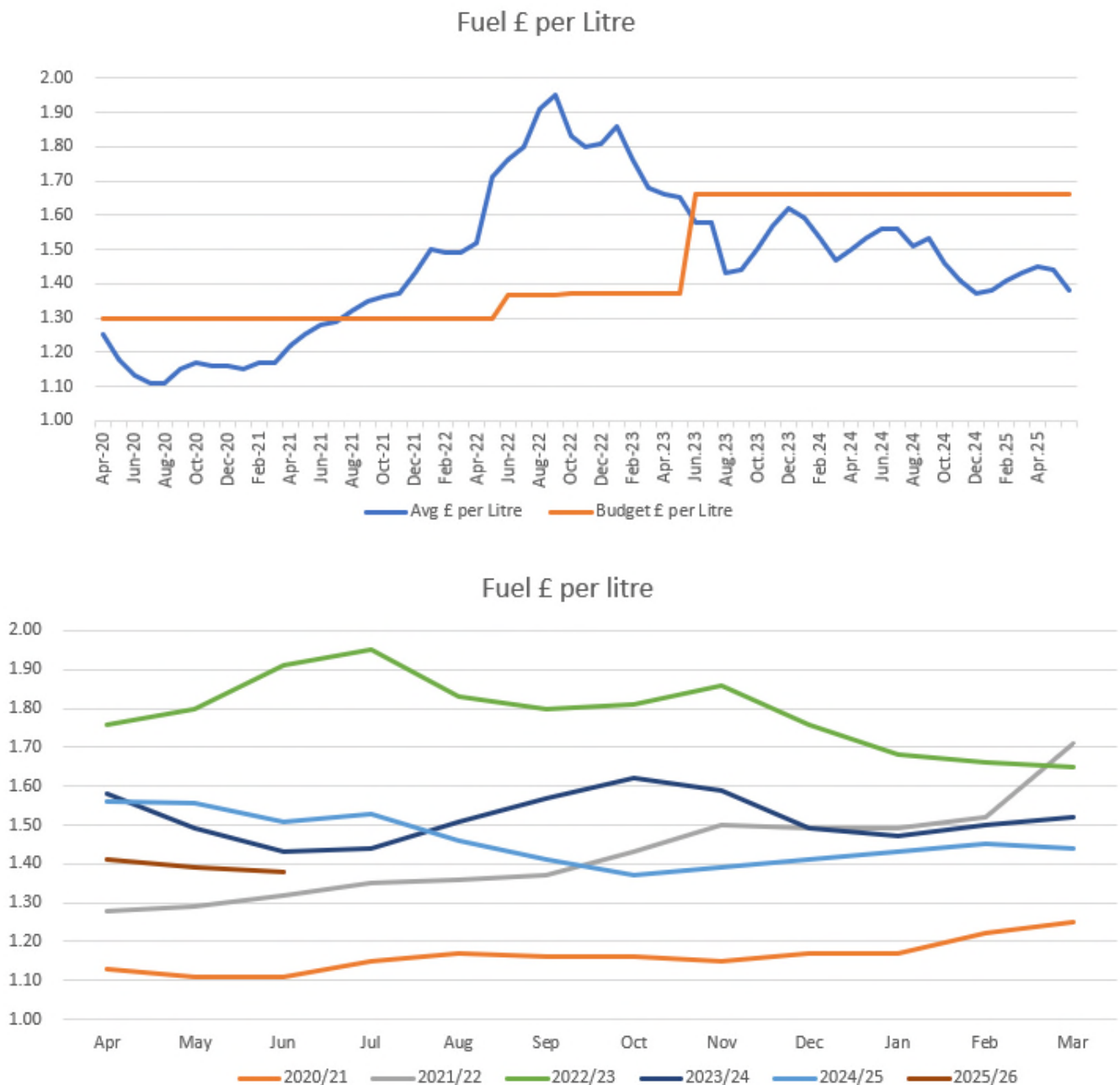


Table 4 – Support Services Directorates

Support services are being reported as £1.216 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). The finance Directorate position is £0.37 million under budget at Month 3.

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SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE BY DIRECTORATE
YEAR TO 30 JUNE 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	(41)	(41)	(0)	0%	(41)	(41)	(0)	
	Salaries	629	685	(56)	9%	239	216	23	-10%
	Supplies	30	48	(17)	57%	10	32	(21)	207%
	Sav Target	(8)	0	(8)		(5)	0	(5)	
	Sav Realised	0	0	0		0	0	0	
				(81)	(3)				
FINANCE AND LOGISTICS	Income	(479)	(450)	(29)	-6%	(294)	(292)	(2)	-1%
	Salaries	4,108	4,278	(170)	4%	1,442	1,490	(48)	3%
	Supplies	13,149	12,596	553	-4%	4,731	4,305	426	-9%
	Sav Target	(770)	0	(770)		(508)	0	(508)	
	Sav Realised	274	0	274		254	0	254	
	Reserves	(1,075)	0	(1,075)		(1,075)	0	(1,075)	
				(1,216)	(952)				
HUMAN RESOURCES	Income	(9)	(7)	(2)	-23%	(3)	(2)	(1)	
	Salaries	805	803	2	0%	269	275	(6)	2%
	Supplies	221	195	26	-12%	74	79	(5)	6%
	Sav Target	(15)	0	(15)		(9)	0	(9)	
	Sav Realised	0	0	0		0	0	0	
				11	(21)				
MEDICAL	Income	(2)	(1)	(0)	-18%	(1)	(0)	(0)	
	Salaries	1,066	1,056	10	-1%	385	365	20	-5%
	Supplies	199	231	(32)	16%	72	217	(145)	203%
	Sav Target	(6)	0	(6)		(4)	0	(4)	
	Sav Realised	0	0	0		0	0	0	
				(28)	(129)				
CARE QUALITY AND PROF DEVELOPMENT	Income	(13)	(12)	(0)	-4%	(2)	(1)	(0)	
	Salaries	1,646	1,599	47	-3%	553	451	101	-18%
	Supplies	127	63	63	-50%	44	48	(6)	13%
	Sav Target	(11)	0	(11)		(7)	0	(7)	
	Sav Realised	2	0	2		2	0	2	
				101	90				
TOTAL SUPPORT SERVICES	Income	(543)	(511)	(32)	-6%	(340)	(336)	(4)	-1%
	Salaries	8,254	8,423	(169)	2%	2,888	2,799	89	-3%
	Supplies	13,726	13,133	593	-4%	4,931	4,681	250	-5%
	Sav Target	(810)	0	(810)		(533)	0	(533)	
	Sav Realised	276	0	276		256	0	256	
	Reserves	(1,075)	0	(1,075)		(1,075)	0	(1,075)	
				(1,216)	(1,016)				

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 30 JUNE 2025

	Full Year Budget £'000	Year to Date		
		Budget £'000	Actual £'000	Variance £'000
Income				
Revenue Allocation	504,161			
Baseline Allocations	475,228			
Recurring Allocations	3,801			
Non-Recurring Allocations	25,132			
Fleet Income	3	3	3	0
Health Board	5,947	1,893	1,874	19
Other Healthcare	604	163	169	6
Other Operating	904	630	615	15
Staff Car Deductions	170	36	31	5
Total Income	511,789	2,724	2,691	45

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.

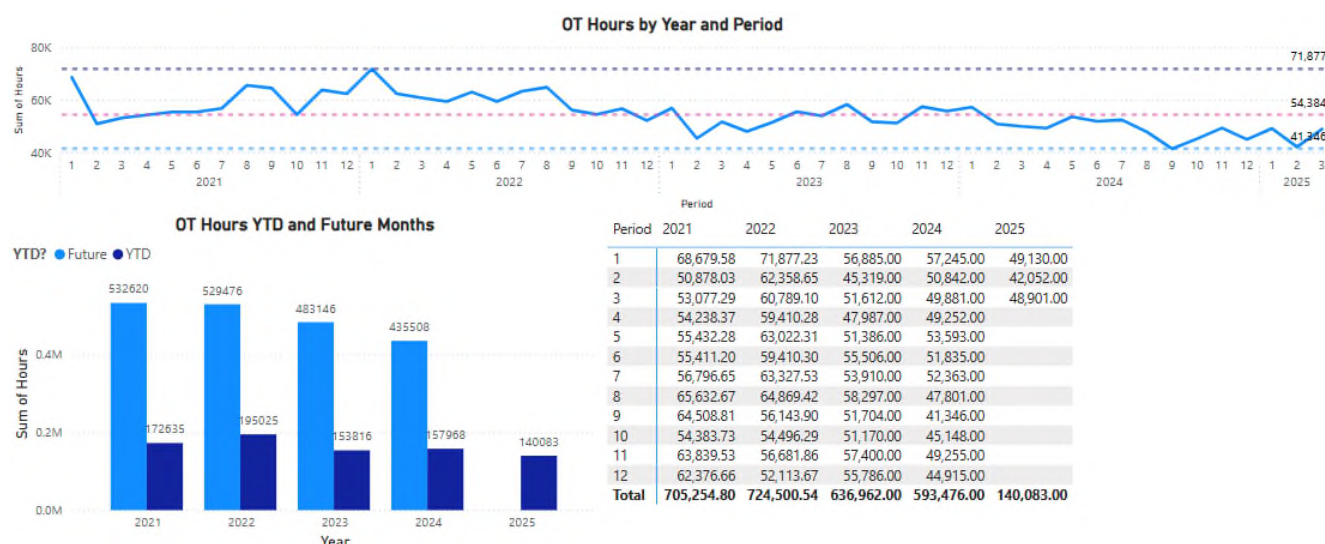
Detailed Pay analysis

The pay overspends of £0.137 million is driven primarily from Overtime overspend of £1.502 million and unsocial pay overspend £0.212 million which are offset by Basic Pay underspend of £1.568 million. The main driver of this being an underlying lower than budgeted skill mix (currently reporting at 58% Para / 42% Tech) and vacancies (estimated A&E regional attrition rate for 2025/26 of 3.4%), along with RWW pressures of £1.242 million and COVID legacy pay costs of £1.383 million being funded. However, it should be noted that this is offset by, as previously reported, Overtime as a result of HTAT pressures, shift cover, abstractions and Sickness. A workforce dashboard is currently being developed to provide supporting data behind the basic pay underspend – this will be rolled out in due course.

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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 4.58% of the pay bill for the 3 months compared to 5.27% for the same period last year, reflecting a reduction in hours.

The graph below shows a trend analysis of overtime hours in the last three 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.

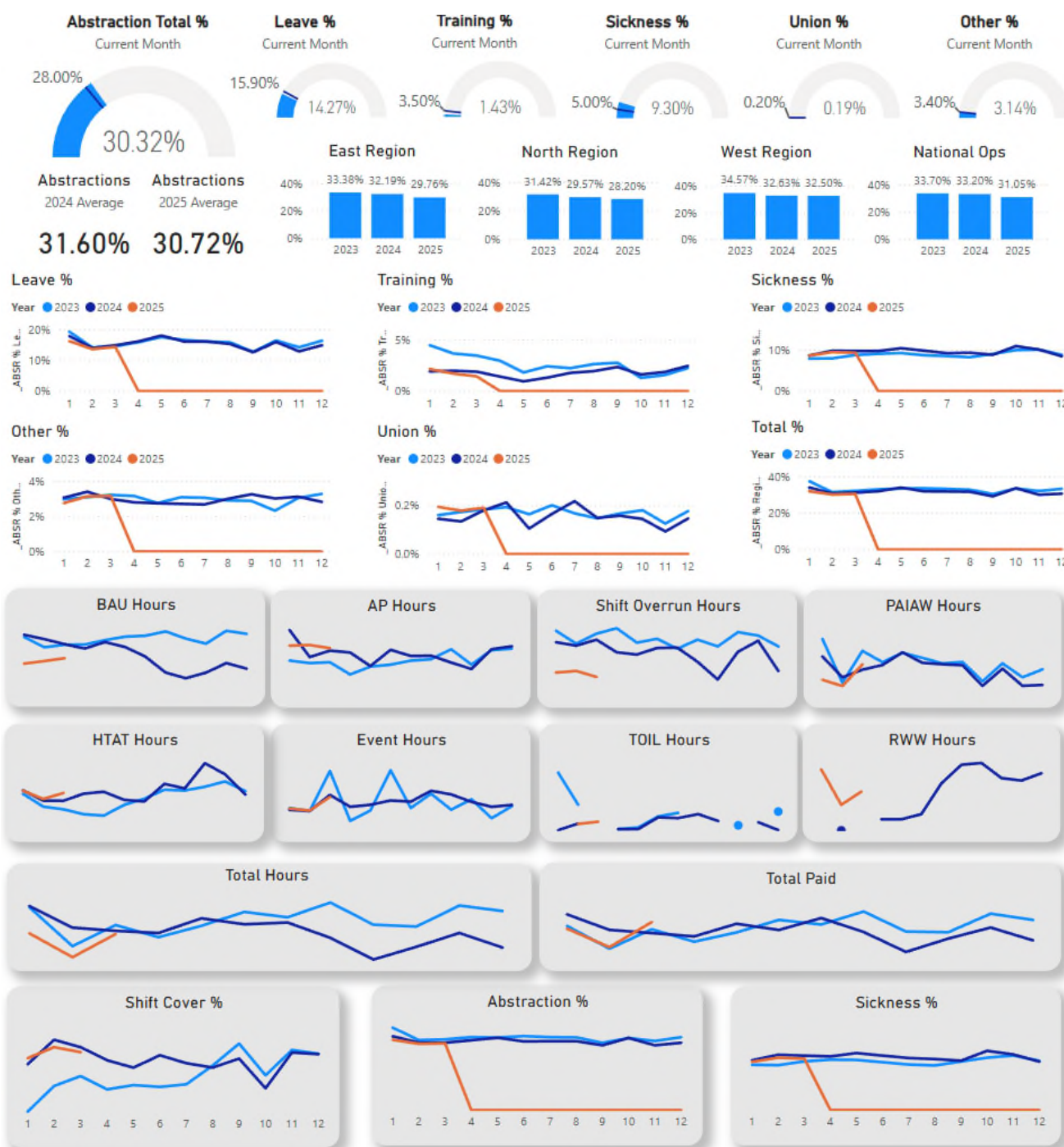


The high-level reports below show the monthly trend year on year comparison for the whole service, which breaks down the OT hours into the different drivers, plus shift cover %, abstraction % and sickness %.

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:

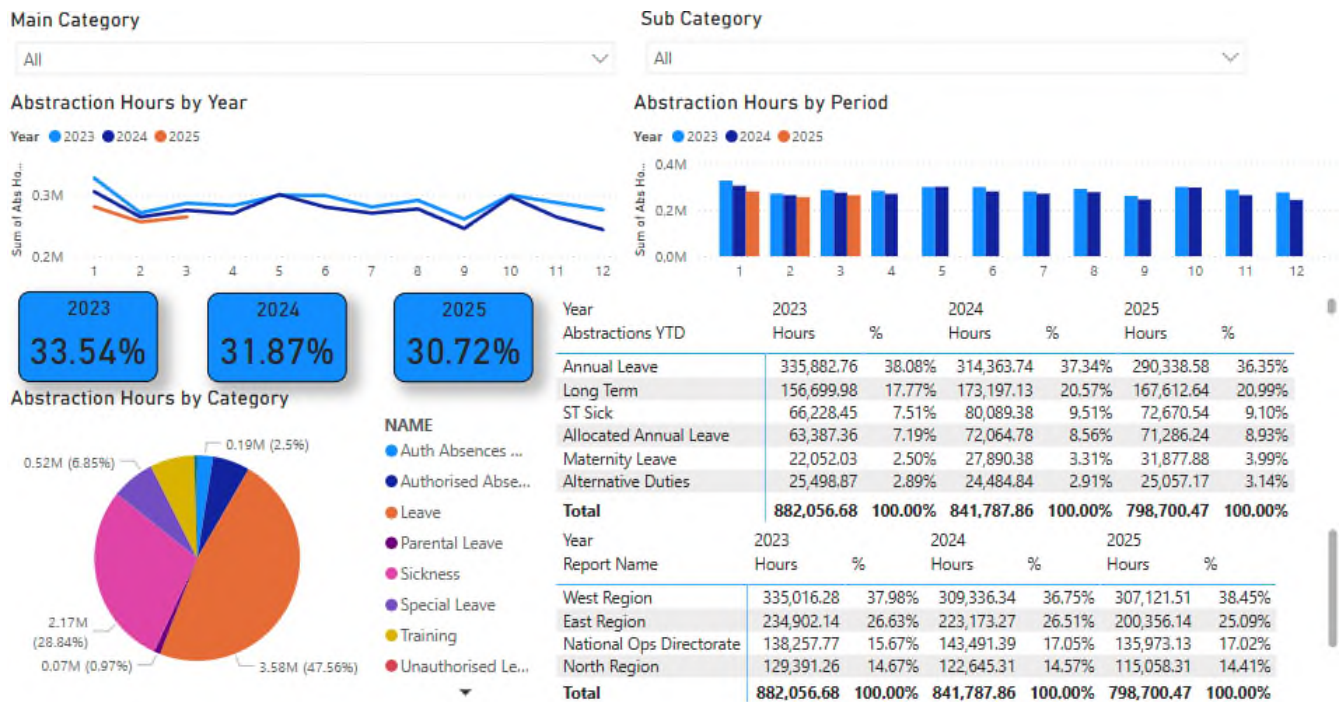
- the OT hours paid are 11.32% lower than the same period last year
- Shift cover monthly average has decreased by 0.5%
- Abstractions YTD average has increased by 0.31%



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 but also 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'.

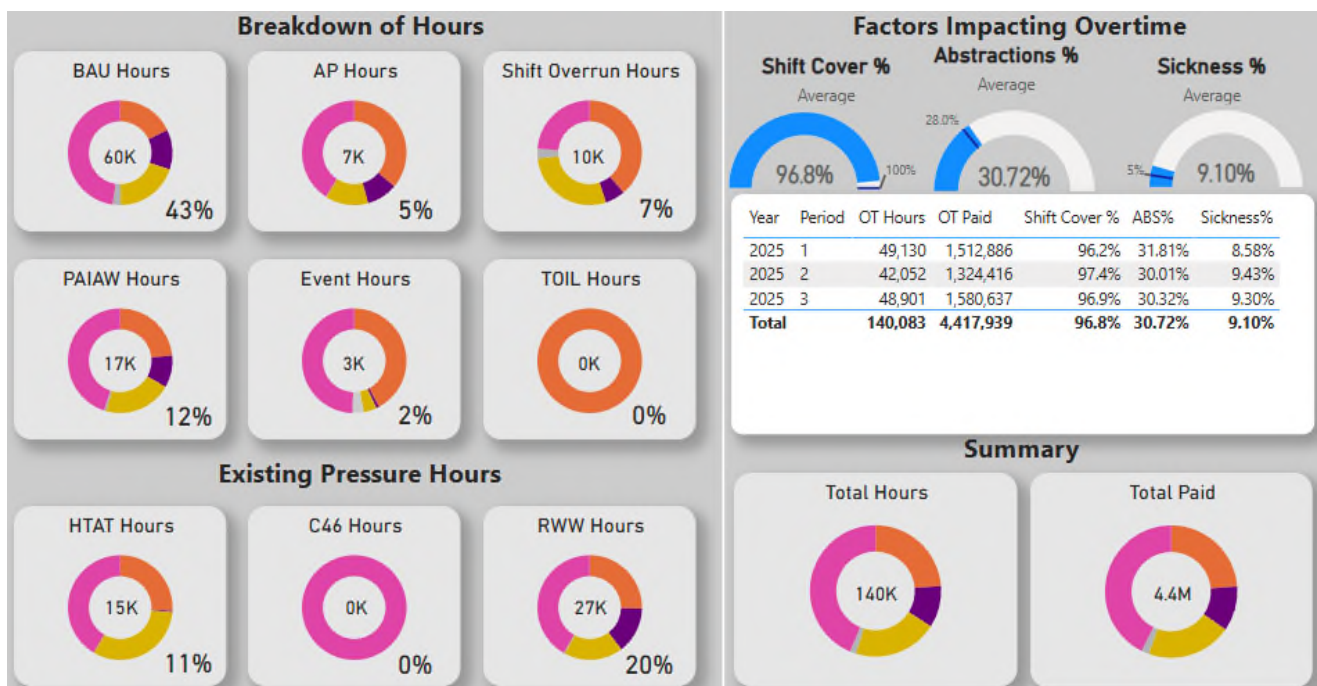
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In addition, a snapshot of the summary dashboard summarises the key factors driving the overtime costs below:

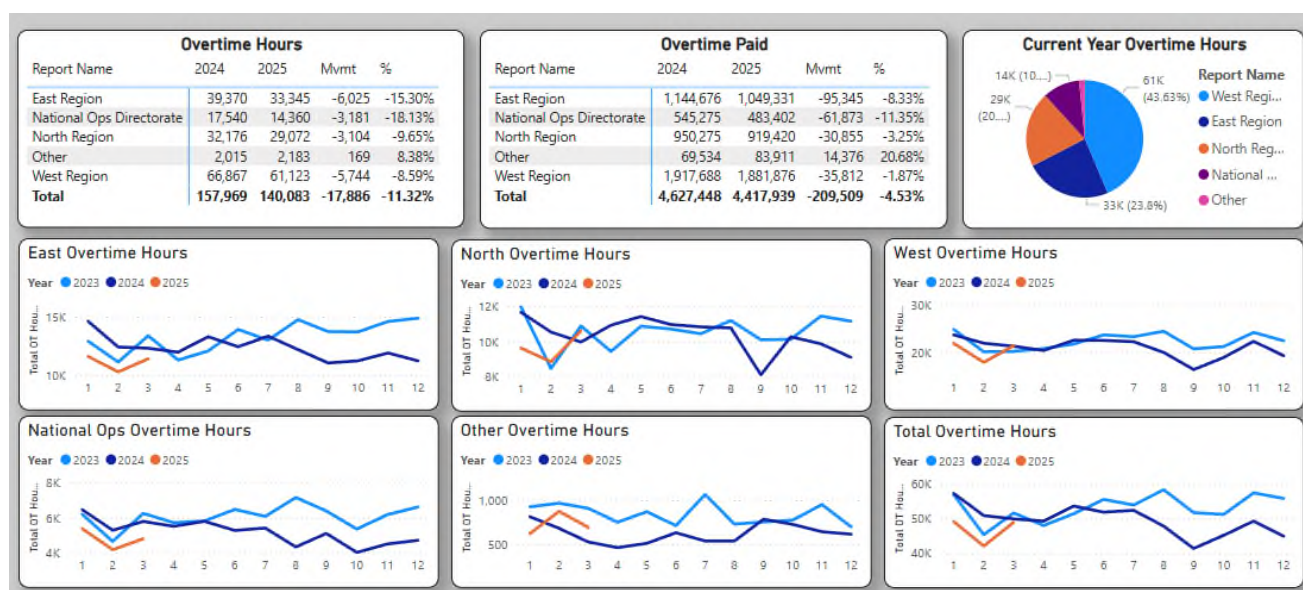
- shift cover increase
- abstractions
- sickness absence

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
- More detailed 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.

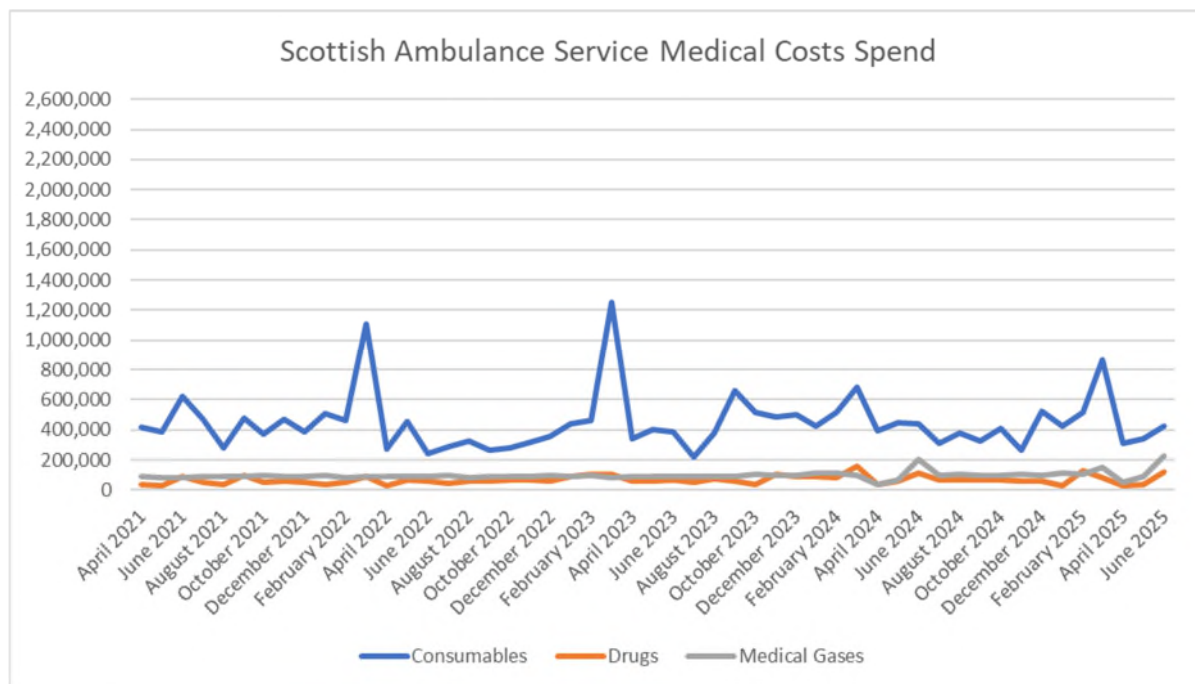
Non-pay

The non-pay underspend at £0.569 million represents the effect of Diesel running costs at £0.529 million underspent, medical costs and air ambulance ongoing pressures which are currently being reviewed. There are a number of additional cost pressures we are expecting due to inflationary uplifts – contract cleaning, additional contractual arrangements and these will also be closely monitored. The Air Ambulance extension and mobilisation costs are fully funded with no pressure emerging however the existing contract represents an overspend which is being monitored £0.22 million.

- Air Ambulance Costs have reported a 7.3% decrease in the number of missions in these three 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 (15) over this period against the same period last year. 72% of the chargeable MCGA missions occurred because of bariatric patient transfer/weather conditions. Fixed costs include the uplift for the extension contract, which have been funded for – the variable costs in relation to the extension 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.

- 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



We will continue to review all areas of cost pressures on a monthly basis through discussions with Budget holders.

Efficiency Savings

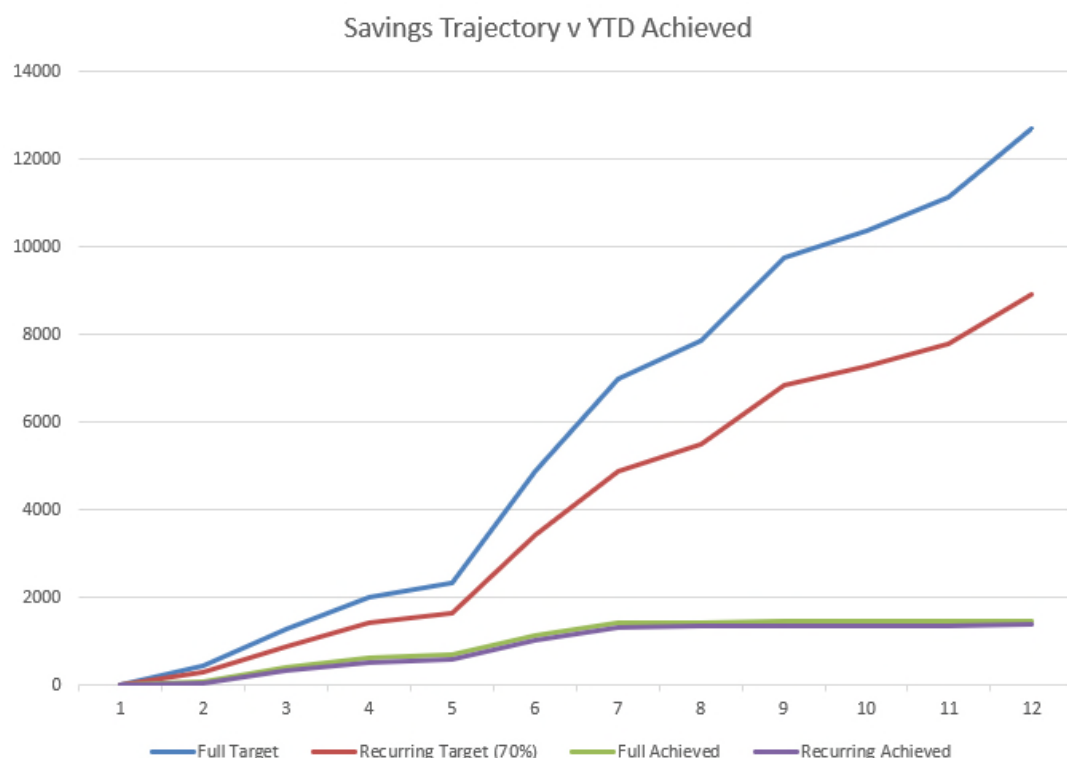
As described within the financial plan, the savings target for 2025/26 is £12.7 million. The plan assumes full delivery of the 3% efficiency savings target in order to meet the £4.35 million deficit.

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.

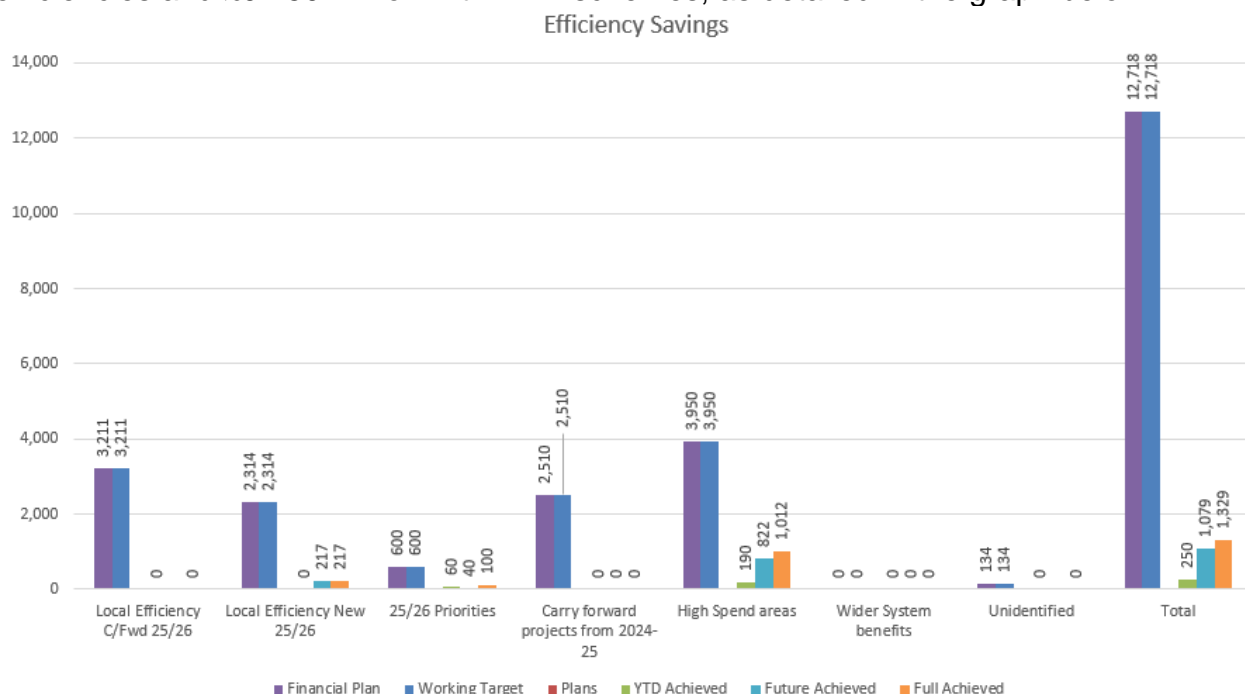
The chart below shows the revised savings trajectory over the financial year, which accommodates a more consistent pace as the year progresses. Also showing is our recurring savings achieved against a 70% marker.

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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.

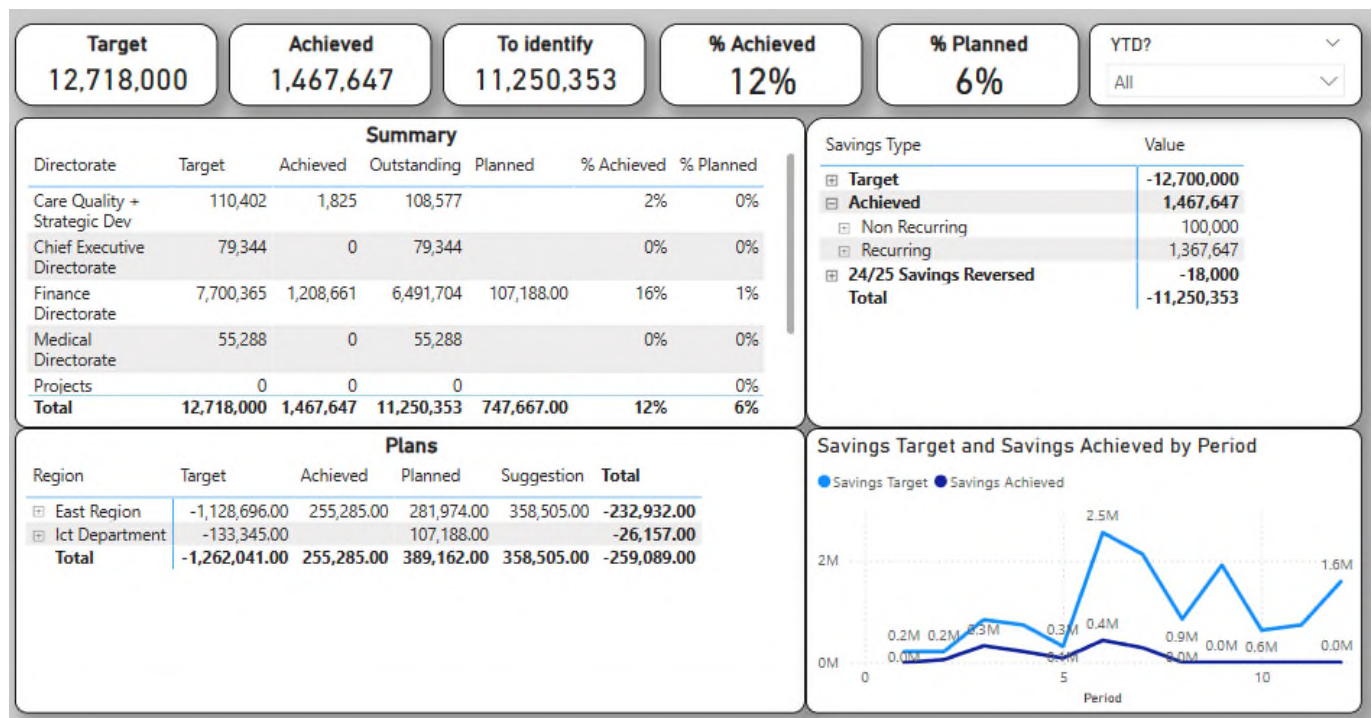
Savings of £0.389 million has been achieved to date, with £0.139 million within local efficiencies and £0.250 million within BV schemes, as detailed in the graph below:



The local savings delivered have largely been in the East Region, future plans have been received from the East Region and ICT, with plans being developed from the other operational and support services areas.

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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 3 is as detailed in the table below

Table 7

Efficiency Savings Schemes	Financial Plan £m	Updated Forecast at Month 3			
		25/26 Assumed Forecast £m	FY Efficiencies Delivered £m	% Achieved	Actions Update
Local Efficiency	2.0	5.5	0.4	6%	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 - Contracts with 3rd party support to PTS has been withdrawn on a decreasing scale over the year.
C/Fwd Projects from 24/25	2.5	2.5	-	0%	This includes Medical Gases, HCP online booking, e-payslips among other schemes c/fwd from last year
High Spend Areas	3.9	4.0	1.0	26%	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	1.5	12%
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An early review of the forecast at Q1 indicates that the Service remains on track to deliver the Financial Plan. A more detailed forecast will be added from month 4 onwards.

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
- 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:

Table 8

£ million	Planning assumptions for 2025/26	Month 3 Updated Planning assumption 2025/26	Actual Month 3 2025/26	Notes
Overtime including 0.5% sickness	4.200	1.050	0.522	This is primarily driven by shift overruns relating to hospital turnaround times
PPE	0.400	0.100	0.007	Spend to date - face mask supplies. PPE hood replacement & face fitting will be covered.
999 call handlers	1.250	0.313	0.300	This is in line with plan, with the increase in costs being driven by increased demand
Card 46 (timed admissions)	2.500	0.625	0.554	This showed lower costs than anticipated with fewer staff numbers for Card 46 and use

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				of taxis being monitored. This avoids A&E conveyance.
Total Covid	8.350	2.088	1.383	Overall, this is broadly in line with plan, but specific actions in place to review and monitor these

2025/26 YTD CAPITAL POSITION AS AT MONTH 3 (30/06/2025)

2025/26 Capital Budget

The Service's is anticipating a full year capital budget of £25.67 million made up of the following elements:

- | | |
|----------------------------------|-----------------------|
| • Formula Capital | £1.89 million |
| • Earmarked Allocations | £21.60 million |
| • Physical Condition Works – BCP | £0.66 million |
| • EV Charging Infrastructure | <u>£1.51 million</u> |
| Total Capital Funding | £25.67 million |

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 | £21.38 million |
| • ScotSTAR Equipment Replacement | £0.25 million |

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 3

The YTD capital position is shown in the table below. Year to date expenditure totals £0.185 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 £0.18 million which has resulted from the disposal of vehicles.

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

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SCOTTISH AMBULANCE SERVICE
CAPITAL REPORT 2025-26
As at 30th June 2025

PROJECT	Approved Budget £m	YTD Actuals £m	Notes
Formula Capital Projects			
eHealth and ICT	0	0	
Property and Special Projects	1.18	(0.02)	
Vehicle Accidents	0.60	0	
	1.78	(0.02)	
Earmarked Allocations			
ScotSTAR	0.25	0	
Vehicles including Transport Scotland	22.89	0.21	
	23.14	0.21	
Unallocated Budget	0.77		
Capital Receipts	0.18	0	
TOTAL	25.87	0.19	

SCOTTISH AMBULANCE SERVICE
CAPITAL REPORT 2025-26
As at 30th April 2025

PROJECT	Approved Budget £	YTD Actuals £	Notes
Formula Capital Projects			
eHealth and ICT	0	0	
Property and Special Projects	0	(28,773)	
Vehicle Accidents	650,000	0	
	650,000	(28,773)	
Earmarked Allocations			
Scotstar	250,000	0	
Vehicles including Transport Scotland	22,184,00		
	0	189,978	
	22,434,00		
	0	189,978	
Unallocated Budget	1,234,000		

Capital Receipts	0	0	Gain on sale of vehicles & property
TOTAL	24,318,00	0	161,205

Approved and Anticipated Projects

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

CAPITAL PLAN 2025-26			
As at 30th June 2025			
ALLOCATION			
<u>Received</u>			
<u>Anticipated</u>			£ms
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			0.18
Total Available Capital Budget			25.87
EXPENDITURE			
<u>Approved Projects</u>			
			BUDGET
Property			£m
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
Total - Operations			22.90
Total Approved Projects			24.07
<u>Anticipated Projects</u>			

Vehicle Accidents	0.6
Corti Software	0.3
Contingency	0.3
ScotSTAR - Equipment	0.12
Total - Anticipated Projects	1.32
Revised Unallocated Budget	0.48

CONCLUSION

For the 3 months to June 2025, the Service reports a deficit of £1.56 million. This is in line with the RRL trajectory deficit of £ £1.50 million. Costs remain fairly stable with the focus continued on the progression of the agreed efficiency plans. A detailed full year forecast is due to be completed by end July 2025 and 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
July 2025

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