



NOT PROTECTIVELY MARKED

Public Board Meeting		26 May 2021
		Item 08
THIS PAPER IS FOR DISCUSSION		
SUMMARY FINANCIAL PERFORMANCE TO 31 MARCH 2021		
Lead Director Author	Julie Carter, Director of Finance, Logistics and Strategy Maria McFeat, Deputy Director of Finance	
Action required	The Board is asked to discuss and note : <ul style="list-style-type: none">• The draft financial position to 31 March 2021 subject to audit• The efficiency savings position to 31 March 2021• The COVID-19 funding allocation received from Scottish Government and the COVID-19 financial update to 31 March 2021	
Key points	<ol style="list-style-type: none">1. The financial position to the end of March 2021 is break even (reporting a £58,000 surplus). This is subject to audit adjustments and the final position will be reported through the final annual accounts.2. Funding for COVID-19 was announced by Scottish Government on 29th September 2020, to support the first tranche of the COVID-19 funds. The second tranche funding was also confirmed at the end of December 2020; this included the funding for the unachieved efficiency savings.3. Efficiency savings of £12.0 million have been reported against a target of £12.0 million for the period. This includes £2.0 million of efficiency savings that could not be delivered due to COVID-19 but have been offset by additional SG funding, as per point 2 above.4. Additional expenditure of £16.5 million has been incurred in this period as a result of the Service's COVID-19 mobilisation plan and offset against the funding confirmed.	
Timing	During the financial year, the Board was provided with monthly updates on the financial position and from August, the final year-end forecast position was also reported. This reported on the total forecast costs including the additional costs of COVID-19, the total funding and COVID-19 funding received and progress against the remobilisation	

	<p>funding to the end of March 2021. The 2021/22 financial planning cycle has also concluded with a detailed budget paper presented to the November Board, a further update in January and the draft 3-year financial plan presented to the board development session in February 2021 and then finally approved by the Board in March and agreed by Scottish Government in April 2021. Progress against this will continue to be reported on a monthly basis.</p>
Link to Corporate Objectives	<p>The Corporate Objective this paper relates to is Goal 6 - Develop a model that is financially sustainable and fit for purpose in 2020/21.</p>
Contribution to the 2020 vision for Health and Social Care	<p>Efficient and effective use of resources is important to the Service to enable it to deliver change in service delivery to meet the aspirations of the 2020 vision.</p>
Benefit to Patients	<p>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.</p>
Equality and Diversity	<p>An Equality Impact Assessment (EQIA) was conducted and presented to the Board in March 2020 when the budget for 2020/21 was set.</p>

SCOTTISH AMBULANCE SERVICE BOARD

FINANCIAL PERFORMANCE TO 31 MARCH 2021

JULIE CARTER, DIRECTOR OF FINANCE, LOGISTICS & STRATEGY

This paper sets out the financial position at 31 March 2021 for the Scottish Ambulance Service.

The Board is asked to note:

- the draft financial position to the end of March 2021 for the financial year 2020/21. This is subject to audit and will be reported as a final position in the annual accounts. Any change in position will be highlighted to the Board.
- a specific section on COVID-19 financial impact and funding assumptions and
- the key messages as highlighted including agreed actions

The financial position to March 2021, reporting a break even position (currently a £58,000 surplus), consists of:

- Income – under target to date by £0.3 million
- Core Expenditure – under spend to date of £0.3 million
- Efficiency savings of £10.0 million have been achieved for the financial year 2020/21 against a target of £12.0 million. Within the COVID-19 expenditure plan, the shortfall of £2.0 million of efficiency plans not achieved due to current COVID-19 operational demands have been fully funded by Scottish Government on a non recurring basis.
- Additional expenditure incurred due to COVID-19 response of £18.5 million has been funded by Scottish Government. This includes the efficiency plans funding as noted above.

Key messages

- The draft year-end position is in line with the financial plan trajectory, which forecast break even against Core Revenue Resource Limit by the end of March 2021. Additional funding has supported £18.5 million of expenditure due to our Covid mobilisation and re-mobilisation plans plus £14.0 million to deliver Mobile Testing Units across Scotland.
- A challenging efficiency programme reported £12.0 million efficiency savings supported by £2.0 million of Covid funding for efficiency plans that could not be

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achieved due to the operational demands of the pandemic. £6.5 million of the savings delivered were recurring with £5.5 million non-recurring.

Key actions agreed in this period

1. COVID-19

The impact of COVID-19 on our financial position has been reported since February 2020, and a detailed analysis has been undertaken over the last few months. The full financial impact (including unachieved efficiency savings and remobilisation costs) for financial year 2021/22 was £19.4 million. This forecast includes £18.5 million revenue and £0.9 million capital.

ACTION: We continue to work closely with Scottish Government colleagues who have put in place a monthly COVID-19 finance reporting update. A forecast for 2022/23 and beyond has also been submitted as part of our financial plan submission in March 2021.

2. Delivery of our Efficiency Savings Target

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

ACTION: The Best Value Programme restarted in July 2020. The focus of the work remained in line with the financial plan, This was accelerated and was being closely aligned to the COVID-19 remobilisation plan. These plans were also being reviewed against other expenditure areas where we were seeing a reduction in spend due to sickness absence levels lower and travel costs reduced. An updated Best Value plan was then completed and agreed with workstream leads.

The Best Value focus is now on 2021/22 with the focus on delivering a recurring programme of savings.

3. Planning for 2021/22

The financial plan for 2021/22 has been approved by the Board and agreed by Scottish Government. Reporting to the Board will now commence on a monthly basis against this plan.

Financial Risk considerations noted in the period

The financial risks are as follows:

Delivery of Efficiency Savings in financial year 20/21

This has been a significant risk throughout 20/21 given the delay in progressing with our Best Value programme and our developed efficiency plans due to COVID-19 operational pressures. The focus on the delivery and the monitoring and reporting of

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this has now delivered total savings of £12 million in line with our financial plan. This includes the £2.0 million efficiency savings not achieved due to COVID-19 offset by additional COVID-19 funding of £2.0 million. The £10 million savings are split between £6.5 million recurring and £3.5 million non recurring. The non recurring savings have been carried forward into the starting position for 2021/22 and contribute to the efficiency savings target of £15 million. The focus in 2021/22 is to deliver these savings on a recurring basis.

Recurring impact of Living with COVID-19 as we move into financial planning for 2021/22

The financial planning management for 2021/22 has commenced with the 2021/22 financial plan approved by the Board and agreed with Scottish Government. Work is also progressing on our best value programme for 2021/22. There are also some significant recurring costs associated with COVID-19 and remobilisation that will be quantified and monitored in year. These will be reported monthly to the Board.

Finance position as at March 2021

Introduction

This section of the paper provides details of the financial results for the period ending March 2021.

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.

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SUMMARY OF YEAR TO DATE POSITION

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

- Income – under budget by £0.3 million
- Expenditure Pay – under budget by £0.2 million
- Expenditure Supplies – under budget by £0.1 million
- Savings – break even
- Expenditure Non-core – break even

Table 1 – Scottish Ambulance Service high-level overview

SCOTTISH AMBULANCE SERVICE BOARD REVENUE RESOURCE ANALYSIS YEAR TO 31 MARCH 2021							
	Full Year Budget £'000	Year to Date			Current Month		
		Budget £'000	Actual £'000	Variance £'000	Budget £'000	Actual £'000	Variance £'000
Income							
Revenue Allocation	348,332	348,332	348,332		40,130	40,130	
Health Board	4,857	4,857	4,716	(141)	(149)	(290)	(141)
Other Healthcare	1,869	1,869	1,674	(195)	822	768	(54)
Fleet	31	31	32	1	0	1	1
Staff Car Deductions	184	184	184	0	(13)	10	23
Other Operating	790	790	872	82	(596)	(481)	115
Total Income	356,063	356,063	355,810	(253)	40,194	40,138	(56)
Expenditure							
Accident & Emergency	211,274	211,274	210,126	1,148	18,352	18,465	(113)
Non Emergency Service	26,505	26,505	26,279	226	2,505	2,320	185
Air Ambulance	15,490	15,490	15,012	478	1,077	687	390
Overheads	87,207	87,207	88,748	(1,541)	17,863	18,109	(246)
Total Expenditure	340,476	340,476	340,165	311	39,797	39,581	216
Core Expenditure Variance				58			160
Non Core Expenditure							
Depreciation (DEL)	14,950	14,950	14,950	0	1,348	1,348	0
Depreciation (Donated)	75	75	75	0	6	6	0
AME Provision	626	626	626	0	626	626	0
AME Impairments	(454)	(454)	(454)	0	(454)	(454)	0
Non Cash DEL	390	390	390	0	390	390	0
Total Non Core Expenditure	15,587	15,587	15,587	0	1,916	1,916	0
Surplus / Deficit				58			160

Table 2 – Income and Expenditure

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

SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE SUMMARY
YEAR TO 31 MARCH 2021

		Cumulative to Date				Current Period			
		Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance
		£'000	£'000	£'000	%	£'000	£'000	£'000	%
COVID-19	Income	396	396	0		396	396	0	
	Salaries	7,293	7,285	8		(1,291)	(1,299)	8	
	Supplies	8,821	8,821	0		3,977	3,977	0	
	Sav Target	(1,998)	0	(1,998)		0	0	0	
	Sav Realised	1,998	0	1,998		0	0	0	
					8				8
Service Delivery Directorate	Income	(6,112)	(6,024)	(88)	-1%	(201)	(156)	(45)	-22%
	Salaries	234,734	234,072	662	0%	22,572	22,436	136	-1%
	Supplies	39,416	39,029	387	-1%	4,000	3,811	189	-5%
	Sav Target	(35)	0	(35)	0%	(3)	0	(3)	0%
	Sav Realised	60	0	60	0%	0	0	0	0%
					986				277
Support Services Directorates	Income	(2,014)	(1,848)	(166)	-8%	(259)	(246)	(13)	-5%
	Salaries	25,339	25,831	(492)	2%	4,582	5,029	(447)	10%
	Supplies	40,458	40,712	(254)	1%	9,467	9,610	(143)	2%
	Sav Target	(9,980)	0	(9,980)	0%	(1,009)	0	(1,009)	0%
	Sav Realised	9,956	0	9,956	0%	1,487	0	1,487	0%
					(936)				(125)
SCOTTISH AMBULANCE SERVICE	Income	(7,730)	(7,476)	(254)	-3%	(64)	(6)	(58)	-91%
	Salaries	267,366	267,188	178	0%	25,863	26,166	(303)	-1%
	Supplies	88,695	88,562	133	0%	17,444	17,398	46	0%
	Sav Target	(12,013)	0	(12,013)		(1,012)	0	(1,012)	
	Sav Realised	12,014	0	12,014		1,487	0	1,487	
					58				160

Table 3 – Service Delivery

Service delivery is £1.0 million under budget at 31 March 2021. Pay costs (excluding COVID-19) are reporting an underspend of £0.7 million over all service areas, however it should be noted that additional pay expenditure has been incurred across all service areas as a result of COVID-19 and this has been identified separately in Table 2, and explained further later in this paper.

Table 3

**SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE - SERVICE DELIVERY
YEAR TO 31 MARCH 2021**

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
NORTH REGION	Income	(932)	(935)	3	0%	(57)	(66)	9	16%
	Salaries	37,266	37,033	233	-1%	3,223	3,257	(34)	1%
	Supplies	3,535	3,712	(177)	5%	281	328	(47)	17%
	Sav Target			0				0	
	Sav Realised			0				0	
					59			(72)	
EAST REGION	Income	(903)	(903)	0	0%	(74)	(77)	3	4%
	Salaries	59,845	59,752	93	0%	5,386	5,230	156	-3%
	Supplies	5,826	5,760	66	-1%	482	269	213	-44%
	Sav Target			0				0	
	Sav Realised			0				0	
					159			372	
WEST REGION	Income	(3,518)	(3,525)	7	0%	(265)	(314)	49	18%
	Salaries	83,775	83,475	300	0%	7,418	7,380	38	-1%
	Supplies	7,535	7,755	(220)	3%	689	895	(206)	30%
	Sav Target			0				0	
	Sav Realised			0				0	
					87			(119)	
NATIONAL OPS	Income	(759)	(661)	(98)	-13%	195	301	(106)	54%
	Salaries	53,848	53,812	36	0%	6,545	6,569	(24)	0%
	Supplies	22,520	21,802	718	-3%	2,548	2,319	229	-9%
	Sav Target	(35)	0	(35)		(3)		(3)	
	Sav Realised	60	0	60		0		0	
					681			96	
TOTAL SERVICE DELIVERY	Income	(6,112)	(6,024)	(88)	-1%	(201)	(156)	(45)	-22%
	Salaries	234,734	234,072	662	0%	22,572	22,436	136	-1%
	Supplies	39,416	39,029	387	-1%	4,000	3,811	189	-5%
	Sav Target	(35)	0	(35)		(3)	0	(3)	
	Sav Realised	60	0	60		0	0	0	
					986			277	

Table 4 – Support Services Directorates

Support services are being reported as £1.0 million over budget. The Finance & Logistics savings target includes all Best Value Programme targets. Aside of this, support services exceeded combined directorate 1.5% efficiency targets of £0.6 million achieving £1.2 million of savings to date.

SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE BY DIRECTORATE
YEAR TO 31 MARCH 2021

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
BOARD AND CHIEF EXECUTIVE	Income	(11)	(11)	0	0%	(3)	(1)	(2)	
	Salaries	1,756	1,704	52	-3%	208	191	17	-8%
	Supplies	247	254	(7)	3%	146	147	(1)	1%
	Sav Target	(28)	0	(28)		(2)	0	(2)	
	Sav Realised	28	0	28		0	0	0	
				45					12
FINANCE AND LOGISTICS	Income	(1,859)	(1,710)	(149)	-8%	(260)	(237)	(23)	-9%
	Salaries	12,915	13,645	(730)	6%	3,471	3,829	(358)	10%
	Supplies	37,299	37,619	(320)	1%	9,004	9,094	(90)	1%
	Sav Target	(9,764)	0	(9,764)		(993)	0	(993)	
	Sav Realised	9,482	0	9,482		1,484	0	1,484	
				(1,481)					20
HUMAN RESOURCES	Income	(36)	(36)	0	0%	0	(2)	2	
	Salaries	2,185	2,168	17	-1%	189	188	1	-1%
	Supplies	760	804	(44)	6%	60	208	(148)	247%
	Sav Target	(44)	0	(44)		(3)	0	(3)	
	Sav Realised	44	0	44		3	0	3	
				(27)					(145)
MEDICAL	Income	(9)	(24)	15	167%	2	(6)	8	
	Salaries	2,571	2,423	148	-6%	233	282	(49)	21%
	Supplies	525	584	(59)	11%	115	124	(9)	8%
	Sav Target	(39)	0	(39)		(3)	0	(3)	
	Sav Realised	225	0	225		0	0	0	
				290					(53)
CARE QUALITY AND PROF DEVELOPMENT	Income	(99)	(67)	(32)	-32%	2	0	2	
	Salaries	5,912	5,891	21	0%	481	539	(58)	12%
	Supplies	1,627	1,451	176	-11%	142	37	105	-74%
	Sav Target	(105)	0	(105)		(8)	0	(8)	
	Sav Realised	177	0	177		0	0	0	
				237					41
TOTAL SUPPORT SERVICES	Income	(2,014)	(1,848)	(166)	-8%	(259)	(246)	(13)	-5%
	Salaries	25,339	25,831	(492)	2%	4,582	5,029	(447)	10%
	Supplies	40,458	40,712	(254)	1%	9,467	9,610	(143)	2%
	Sav Target	(9,980)	0	(9,980)		(1,009)	0	(1,009)	
	Sav Realised	9,956	0	9,956		1,487	0	1,487	
				(936)					(125)

Table 5 – Detailed Income Analysis

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

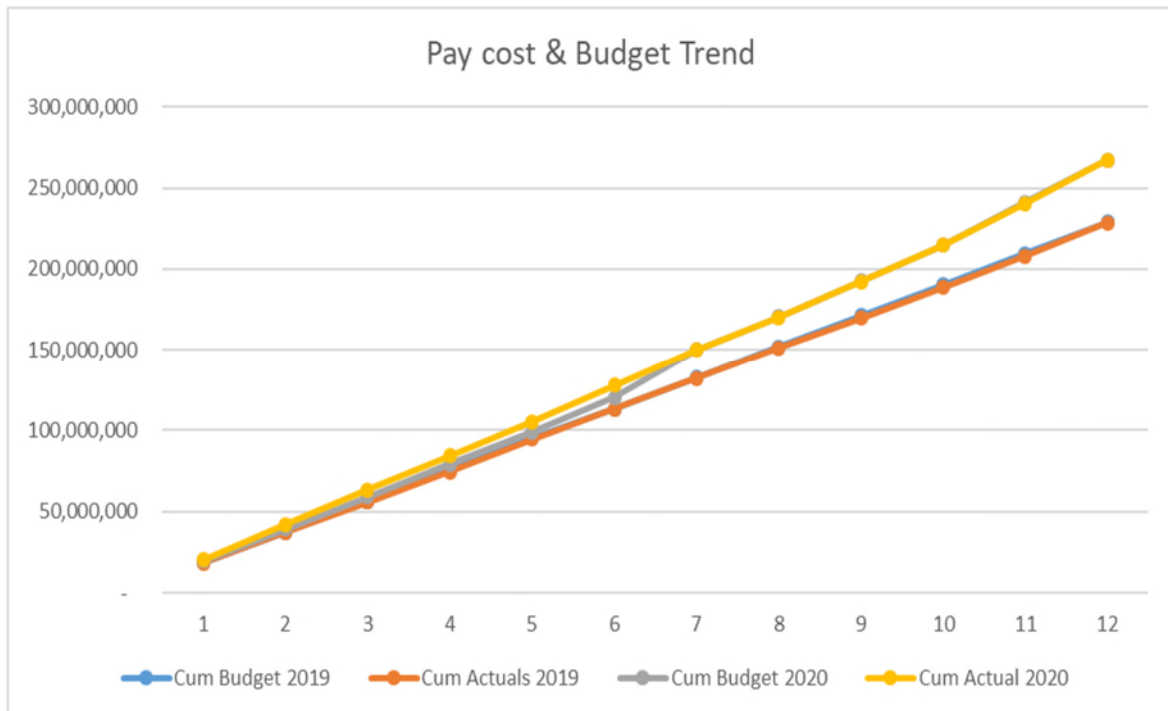
SCOTTISH AMBULANCE SERVICE BOARD
INCOME INCLUDING ALLOCATIONS
YEAR TO 31 MARCH 2021

	Full Year Budget £'000	Year to Date		
		Budget £'000	Actual £'000	Variance £'000
Income				
Revenue Allocation	348,332			
Baseline Allocations	287,174			
Recurring Allocations	5,188			
Non-Recurring Allocations	55,970			
Fleet Income	31	31	32	1
Health Board	4,857	4,857	4,716	(141)
Other Healthcare	1,869	1,869	1,674	(195)
Other Operating	790	790	872	82
Staff Car Deductions	184	184	184	0
Total Income	356,063	7,731	7,478	(253)

Total income (including funding) to date is £0.25 million behind target.

The original financial plan assumed revenue funding allocations of £306 million. Adjustments are made on a monthly basis to the budget to include any additional allocations as these are notified to the Boards from Scottish Government and other NHS Boards.

Detailed Pay analysis



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

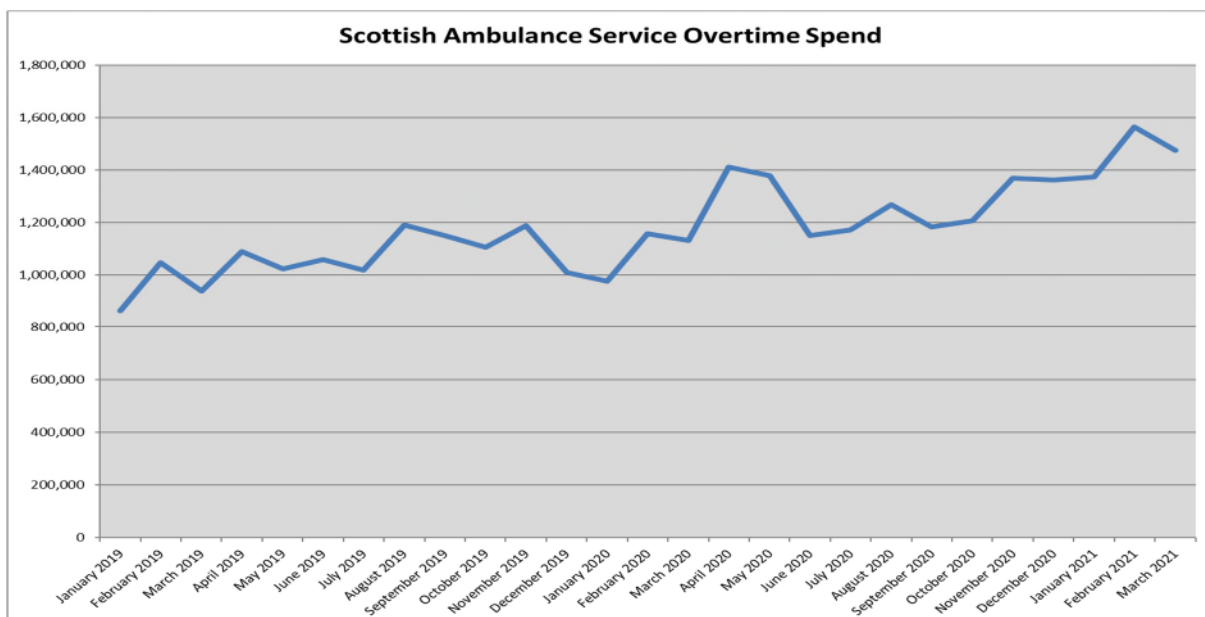


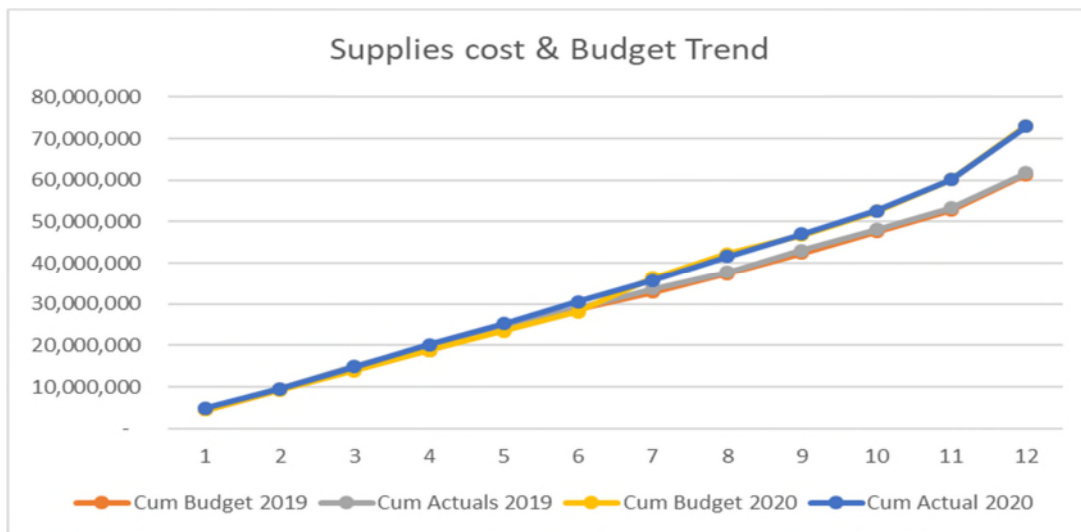
Table 6

**SCOTTISH AMBULANCE SERVICE BOARD
STAFF AND OVERTIME SUMMARY
YEAR TO 31 MARCH 2021**

		East Region	North Region	West Region	National Ops	Service Delivery
Current Year	Average WTE	1,238	703	1,731	803	4,475
	Overtime Hours	165,764	131,292	276,918	85,287	659,261
	Overtime Cost (£'000)	3,860	3,041	6,373	2,018	15,292
Prior Year	Average WTE	1,215	694	1,661	753	4,323
	Overtime Hours	150,309	115,281	243,229	68,946	577,765
	Overtime Cost (£'000)	3,348	2,536	5,390	1,596	12,870
Variance	Average WTE	23	9	70	50	152
	Overtime Hours	15,455	16,011	33,689	16,341	81,496
	Overtime Cost (£'000)	512	505	983	422	2,422

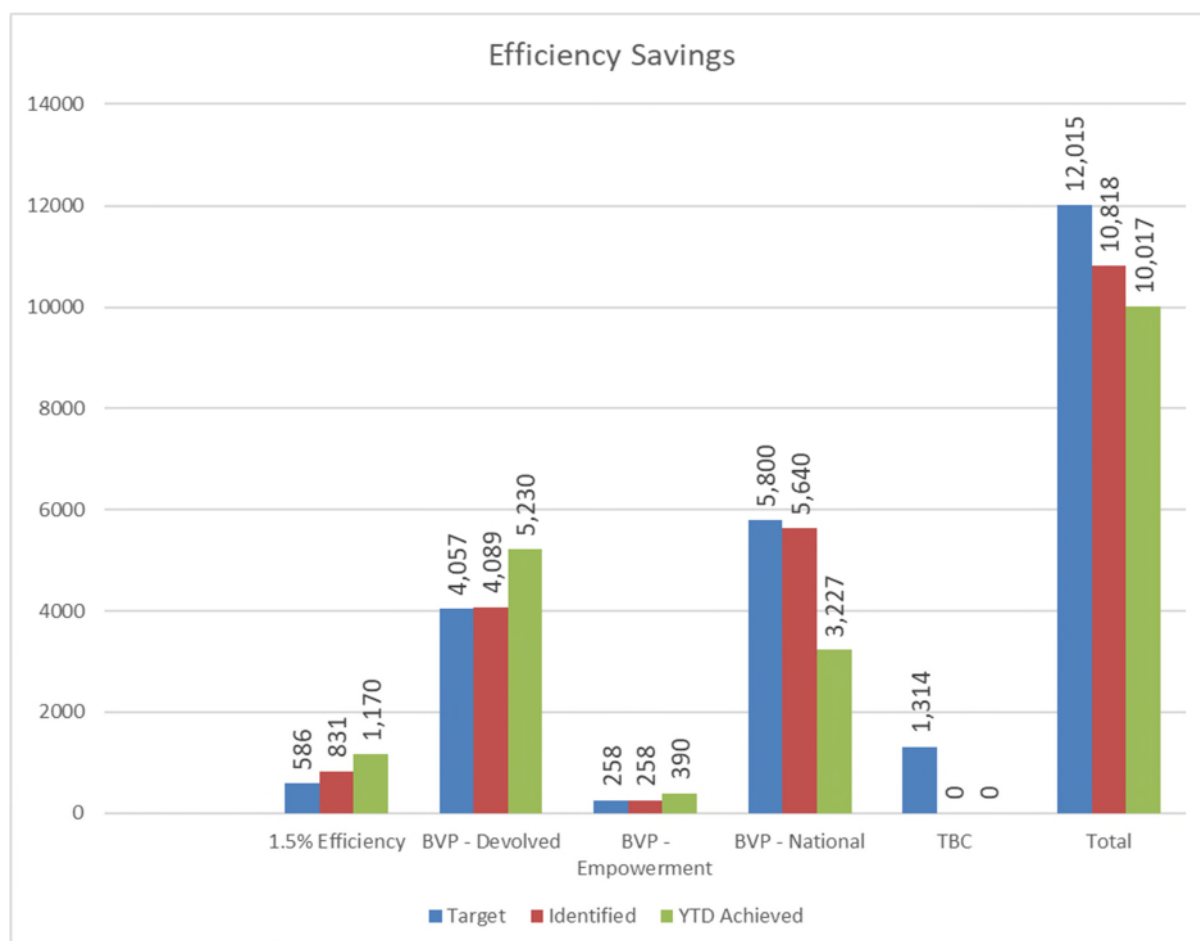
The above table illustrates the significant increase in overtime hours due to our COVID-19 response when compared to the same period last year. This is despite abstractions rates for annual leave, sickness and CPD & Training being considerably lower than the prior year reflecting the increased pressures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

Non-pay



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

Efficiency Savings



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

- **Support Directorate Savings Target**

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

- **Best Value Programme**

The Service launched the Best Value Programme in May 2018 to agree a new service wide efficiency savings approach, which aims to use innovation and

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improvement methodology to drive systematic change and transform services to deliver better value, cost efficient services for the organisation whilst continuing to deliver high quality care. The programme crucially is also responsible for promoting forward thinking within the Service, horizon scanning and capitalising on best practice across the wider NHS, public and private sectors to create a pipeline of future efficiency opportunities to inform the build of a 3-5 year sustainable financial plan.

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

The Best Value Programme will now therefore provide an overarching reporting mechanism for all locally devolved savings schemes and will lead on driving nationally identified initiatives and projects.

- **Devolved Targets** – Responsibility for projects that were implemented during 2019/20 and now deemed to be embedded within the Service has been devolved to budget holders. Progress of these projects are monitored throughout the year and the savings delivered at month 12 is £4.562 million of which £4.025 million are recurring
- **Empowerment and raising awareness** – Projects to raise awareness and improve local management of budgets initially involving fleet and estates costs have not delivered recurring savings but have delivered non recurring savings of £390,000, primarily due to COVID-19
- **Best Value Programmes** – More than 30 work streams had been identified with potential savings of £5.6 million that will be led by the Best Value Programme team and supporting local managers and teams. A detailed programme plan has been in place with Executive leads against each programme. The Best Value programmes have delivered savings of £3.2 million against the target of £5.6 million. COVID-19 funding was received for £2 million unachieved efficiency savings
- In total, therefore we have delivered savings of £12m in line with our plan, including £2 million received from non recurring COVID funding. This however includes £6.4 million recurring and £5.4 million non recurring. The £5.4 million non recurring has been carried forward into 2021/22 and included within the 2021/22 financial plan

COVID-19 Financial Implications

Board Members are aware that there is additional funding in place from Scottish Government to support expenditure due to the COVID-19 pandemic.

Cost incurred during 2020/21 to 31 March 2021 are outlined in the table below.

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Category of Resource	£
Additional pay & staff overtime	4.8 million
Additional temporary staff incl. Louisa Jordan Phase 1	2.1 million
Supplies and equipment (PPE, Cleaning materials, etc.)	2.3 million
Air ambulance and third party support	4.4 million
Remobilisation	3.5 million
Offsetting Savings (fuel)	(0.6 million)
Efficiency saving underachievement	2.0 million
	18.5 million

Additional pay & staff overtime

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

Additional temporary staff including NHS Louisa Jordan Phase 1

The Service had employed students from Glasgow Caledonian University on fixed term or bank contracts to support the creation of a new ambulance station at the NHS Louisa Jordan in Glasgow – they are now fully employed by the Service on the training programmes. Some recently retired staff have also returned on bank contracts to help improve resilience and meet demand.

Air ambulance and third party support

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

Remobilisation

Bids were sought from the wider Service to create a better infrastructure for the Service as we move forwards beyond COVID-19. Remobilisation Costs include digital transformation, additional support and infrastructure to support digital developments. Costs also encompassed supporting new working arrangements – estates reconfiguration to maximise our space recognising the potential increase in staff offset against home working.

Offsetting Savings

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

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Mobile Testing Units

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

The year-to-date expenditure (at 31 March 2021) is as follows:

	Costs
Pay	£ 12.2 million
Non Pay	£ 1.8 million
Total	£ 14.0 million

Planning for 2021/22 Position

The 2021/22 financial plan has been approved by the Board in March 2021 and agreed by Scottish Government in May 2021. It is anticipated, and described within the plan, that as we continue to live with COVID-19, associated expenditure will continue into financial year 2021/22, while we remobilise our resources and plan for renewal of our services.

The plan describes:

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

YTD CAPITAL POSITION AS AT MONTH 12 (31 March 2021)

2020/21 Capital Budget

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

- Formula Capital of £1.794 million
 - The Service is provided with this allocation to fund all capital projects that are not subject to approval by the SG Capital Investment Group (CIG) or has not received a separate earmarked allocation
- Earmarked Allocation
 - The Service receives earmarked allocations for Business Cases that have been approved by the CIG. In 2020/21 the following earmarked allocations have been received:
 - Fleet Replacement Programme £14.546 million
 - Scotstar £ 0.250 million
 - Covid and EpiShuttles £ 0.882 million
 - Transport Scotland Funding for Electric Vehicles and Infrastructure £2.659 million

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

In addition, a net transfer of £1.775 million has been transferred from revenue to cover COVID expenditure that met the capital asset criteria.

The total 2020/21 allocation is £21,834,551. All allocations of funding have now been received.

YTD Capital Position

The YTD Capital Position is shown in the table below.

Capital receipts of £89,000 have been received as result of vehicles being sold for a price higher than the NBV. These receipts have been used for additional capital expenditure above the allocated budget.

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

The Capital Budget broke-even at year-end.

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SCOTTISH AMBULANCE SERVICE
CAPITAL REPORT 2020-21
As at Month 12 (31 March 2021)

PROJECT	Approved Budget £	YTD Actuals £	Notes
Formula Capital Projects			
eHealth and ICT	706,232	1,439,407	
Demand & Capacity		1,302,837	
Logistics & Procurement System	160,306	160,308	
Property	211,955	174,314	
Medical Equipment	853,000	539,879	
Vehicle Accidents	0	389,996	
	1,931,493	4,006,741	
Earmarked Allocations			
Enhancing Capability	1,167,851	(134,637)	
Defib Replacement	0	(31,290)	
ICCS Replacement	531,626	(91,903)	
Scotstar	21,740	21,738	
Major Trauma	13,700	13,683	
Vehicles	16,338,141	18,139,772	
	18,073,058	17,917,363	
Capital Receipts	0	(89,422)	Gain on sale of vehicles & property
Capital to Revenue Transfers	1,830,000		To cover remobilisation expenditure assessed as capital
TOTAL	21,834,551	21,834,682	

Approved and Anticipated Projects

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

<u>Approved Projects</u>		
		£
eHealth and ICT		
ePR Enhancements		30,000
C3 Duplicate Module and Training Expansion		81,800
LAN Replacement		48,032
Contact Centre Replacement (Telephony)		467,200
Server Replacement		79,200
Total- eHealth and IT		706,232
Special Projects		
Remobilisation Bids		1,830,000
Enhancing Capability		1,167,851
Logistics and Procurement System		160,306
Defib Replacement		0
ICCS Replacement		531,626
Total - Special Projects		3,689,783
Property		
Bo'ness Station Co-location		61,500
Co-locations		6,275
Demand & Capacity Co-Locations		120,000
Stirling Conference Centre		0
Cardonald UPS Replacement		24,180
Total - Property		211,955
Operations		
Vehicles		16,338,141
Scotstar		21,740
Major Trauma		13,700
Medical Equipment		853,000
Total - Equipment		17,226,581
Total Approved Projects		21,834,551
Total Approved Budget		20,004,551
Less Capital to Revenue Transfer		
Add Revenue to Capital Transfer		1,830,000
Total Budget Available		21,834,551
Unallocated Budget		0

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

Project aborted – funding taken back

END OF YEAR OUT-TURN

ICCS Replacement Project

Due to the COVID-19 situation, the project has experienced some delays and completion is now expected to be Q1 2021/22. This has resulted in an under spend on the full year budget. Contingency measures were put in place to bring forward Demand & Capacity purchases from 2021/22 to allow the ICCS project to be funded in 2021/22.

COVID-19 & Remobilisation Bids

The full allocation for the Covid Capital Costs has been received in October 2020. There is no financial risk against these costs. As part of the remobilisation bids process, a number of projects were identified as being capital. Expenditure relating to these projects was transferred to capital along with a funding transfer from revenue to match the expenditure.

Enhancing Capability

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

All other projects were delivered on time and within budget.

CONCLUSION

The year-end position for the Service is break even including COVID-19 funding received from Scottish Government.

It has been a challenging position in financial year 2020/21. Focus now turns to concentrate on delivering a balanced budget within financial year 2021/22 whilst continuing to manage life with and after COVID-19 ensuring that our underlying financial position continues to move to a more secure financial footing through the robust management and delivery of our savings target through our Best Value Programme. We will maximise the opportunities to drive forward new ways of working through our remobilisation plan and the continued implementation of our Demand and Capacity additional investment.

Julie Carter

Director of Finance, Strategy and Logistics

May 2021

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