



NOT PROTECTIVELY MARKED

Public Board Meeting		28 July 2021 Item 11
THIS PAPER IS FOR DISCUSSION		
SUMMARY FINANCIAL PERFORMANCE TO 30 JUNE 2021		
Lead Director Author	Julie Carter, Director of Finance, Logistics and Strategy Maria McFeat, Deputy Director of Finance	
Action required	The Board is asked to discuss and note : <ul style="list-style-type: none">• The financial position to the end June 2021• The efficiency savings position to the end of June 2021• The financial impact of COVID-19 and remobilisation to the end of June 2021	
Key points	<ol style="list-style-type: none">1. The financial position shows a deficit of £0.9 million against a trajectory deficit of £1.5 million.2. Funding for COVID-19 to support the first Quarter activity was received this month3. Efficiency savings of £1.1 million have been delivered against a target of £3.0 million for the period.4. Additional expenditure of £5.0 million has been incurred in this period as a result of the Service's COVID-19 remobilisation plan and offset against the funding received to date. The expenditure also includes an estimate of £1.0 million in respect of efficiency savings that due to operational pressures have not been realised.	
Timing	During the financial year the Board will be provided with monthly updates on the financial position and from August 2021 the final year end forecast position will also be reported. This will show the forecast costs associated with COVID-19, with remobilisation to end of March and against our financial plan.	
Link to Corporate Objectives	The Corporate Objective this paper relates to is Goal 6 - Develop a model that is financially sustainable and fit for purpose in 2021/22	

Contribution to the 2020 vision for Health and Social Care	Efficient and effective use of resources is important to the Service to enable it to deliver change in service delivery to meet the aspirations of the 2020 vision.
Benefit to Patients	Efficient and effective use of resources enables the Service to provide the best level of safe and effective care to patients as it can within the resources available.
Equality and Diversity	An Equality Impact Assessment (EQIA) was conducted and presented to the Board in March 2021 when the budget for 2021/22 was set.

SCOTTISH AMBULANCE SERVICE BOARD

FINANCIAL PERFORMANCE TO 30 JUNE 2021

JULIE CARTER, DIRECTOR OF FINANCE, LOGISTICS & STRATEGY

This paper sets out the financial position at 30 June 2021 for the Scottish Ambulance Service.

The Board is asked to note:

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

The financial position to June 2021, reporting a deficit of £0.9 million to date, consists of:

- Income – break even
- Core Expenditure – break even
- Efficiency savings target for the financial year is £15.35 million. To date £1.1 million of savings are being reported against a target of £3.0 million year to date. At this early stage we have also estimated that £1.0 million of efficiency plans that due to COVID-19 pressures, have not been delivered and this is included in the COVID-19 year to date expenditure estimate
- The financial impact of COVID-19 and our remobilisation plan represents £5.0 million of additional revenue costs to the service in this period, which includes the £1.0 million efficiency funding as noted above. This is broadly in line with our financial plan.

Key messages

- Total deficit as at June 2021 of £0.9 million (this includes both core and non-core expenditure), with core expenditure and income fairly stable. The financial plan trajectory assumed a deficit of £1.5 million at the end of the first quarter.
- Against our challenging efficiency savings target of £15.35 million, we have delivered £1.1 million to date. This is against a year to trajectory of £3.0 million. This is not unexpected given the current operational pressures. We have noted that approx. £1 million of savings are at risk in this period due to COVID-19 operational pressures. This has been reported as a COVID-19 expenditure in the year to date estimate. The Best Value plans have been reprioritised in line with our

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operational priorities and the implementation of some plans have been paused for the moment.

- Our remobilisation plan and COVID-19 impact represent £5.0 million of additional costs in this period, plus delivery of Mobile Testing Units has cost £9.0 million in this year to date. Additional funding is anticipated to support these programmes in full. These costs remain in line with our financial plan and trajectory.

Key actions agreed in this period

1. COVID-19

The impact of COVID-19 on our financial position has been reported since February 2020. Our financial plan estimated the full year impact in 2021/22 of 'Living with COVID-19' and our Remobilisation plan to be up to £16.9 million with the first 4 months estimated costs of £10.8 million. The total costs to date are £5 million but acknowledge that some developments have not yet commenced fully and given the current operational pressures are likely to be incurred for a longer period. The forecast of £16.9 million for the 12 months therefore remains a reasonable assumption.

ACTION: We continue to work closely with Scottish Government colleagues who have put in place quarterly COVID-19 finance reporting updates. Our financial plan for 2021/22 anticipated COVID-19 costs of £16.9 million. We continue to monitor the additional costs and have developed our reporting on COVID-19 related overtime.

Scottish Government will receive a formal 1st quarter submission by 30th July based on our reported Quarter 1 figures and will continue to report to Scottish Government that our full year COVID-19 forecast is likely to be in the region of £16.9 million but will monitor this closely. An allocation of funding of £7.852 million from Scottish Government has been received to date. This is described later in the paper.

2. Delivery of our Efficiency Savings Target

The Best Value Programme has identified over £9.6 million of plans and ideas against our £15.35 million target. Plans of £4.1 million (full year) have already been implemented and are expected to deliver in full. Work has also commenced to deliver the £5 million of new identified programmes and on the remaining £5 million savings as yet unidentified. Given the current operation pressures we have reprioritised our best value programmes and focused on those that are supporting our current operational priorities. This has resulted in some plans (to the value of £1.2 million) being temporarily halted. We have also included in our COVID-19 forecast costs the costs of non delivery of efficiency savings of £1 million for the first quarter. Our financial plan had anticipated £3 million of efficiency plans being delivered in the first quarter. Our actual plans delivered are £1.1 million, with a shortfall of £1.9 million with £1 million of these relating to COVID-19 operational pressures. There still therefore remains a gap of £0.9 million as reported in our quarter 3 financial position.

ACTION: The Best Value operational group has been refreshed and meets monthly. The Best Value Programme policy and procedures documentation has been updated and approved. This requires project mandates to be completed for each project. The

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majority of mandates have been completed and some new programmes commenced. Executive leads have been allocated and plans have commenced implementation with a monthly highlight report being completed. A weekly delivery group has also been established. In addition, the gap of unidentified savings has been reduced by £1.0 million with the support services and operational services targets agreed. The updated policy identified a clear escalation plan, with a review in July and September.

The plan have been reprioritised in line with operational pressure areas and the focus will remain in these areas. This is described further in the report.

3. Demand and Capacity Investment

Agreed 2021/22 funding for the addendum to the Demand and Capacity Business Case is estimated at £21.7 million in this year. The forecast anticipated expenditure is being produced in line with the delivery programme with the implementation plan being agreed through the Demand and Capacity Steering Group and Programme Board. This includes the recruitment and training to increase resourcing and build better rosters including the addition of estates, vehicles, equipment, supplies and wrap around consultancy and support services.

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

Financial Risk considerations noted in the period

The financial risks are as follows:

Delivery of Efficiency Savings Target

This remains a significant risk given the gap of plans still to be identified with the current operational pressures and the requirement to ensure the delivery of efficiency savings is a continued focus for staff and management.

Action – A number of actions are progressing including

- Programme leads have been assigned and programme plans are being developed and agreed.
- The Best Value Programme Team meet every month and regular reporting to Executive Team, Performance and Planning Steering Group and Audit Committee continues
- Updated policies and procedures have been agreed with clear escalation plans identified
- A weekly delivery group has been established to focus on implementation
- Given the current operational pressures, the plans have been prioritised

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

The financial planning for the year 2021/22 includes £5.3 million of expenditure that relates to Remobilisation plans in preparation for Living with COVID-19 beyond 2021/22 and COVID-19 operational expenditure of £11.6 million. Totalling £16.9 million. The first tranche funding of £7.85 million was received in June 2021.

The formulae for the apportionment of the allocations is 50% of the anticipated full year allocation requested of £16.9 million at this stage, on the basis that the forecast is still uncertain, less £1.2 million of allocations that will be received via alternative SG funding routes.

SAS Covid Expenditure Forecast 2020/21	£m
Total Forecast Expenditure	16,901
Exclusions (other SG Funding Sources for PPE and Vaccination Support)	1,197
Total Forecast less exclusions	15,704
50% Allocation Received June 2021	7,852

Expenditure to the end of June 2021, has identified total costs of £5.0 million and funding drawn down to this value. There are however a number of higher Service spend areas within for example medical gases, fuel and overtime that currently require further scrutiny to ensure all COVID-19 related expenditure has been identified, this also includes income loss. These will be updated and reported at the end of the first quarter formal report for submission to Scottish Government. The forecast of £16.9 million remains a reasonable assumption with the phasing of expenditure also being reviewed.

Finance position as at June 2021

Introduction

This section of the paper provides details of the financial results for the period ending June 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 June 2021 is a deficit of £0.9 million, made up of the following:

- Income – break even
- Expenditure Pay – under budget by £0.4 million
- Expenditure Supplies – over budget by £0.4 million
- Savings – behind target by £0.9 million
- Expenditure Non-core – break even

Table 1 – Scottish Ambulance Service high-level overview

SCOTTISH AMBULANCE SERVICE BOARD REVENUE RESOURCE ANALYSIS YEAR TO 30 JUNE 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	396,993	108,866	108,866		32,173	32,173	
Health Board	4,898	1,235	1,230	(5)	374	373	(1)
Other Healthcare	1,049	271	249	(22)	95	86	(9)
Fleet	0	0	3	3	0	0	0
Staff Car Deductions	131	34	45	11	12	16	4
Other Operating	995	334	313	(21)	126	80	(46)
Total Income	404,066	110,740	110,706	(34)	32,780	32,728	(52)
Expenditure							
Accident & Emergency	226,241	56,620	56,475	145	19,266	19,299	(33)
Non Emergency Service	28,832	7,123	7,171	(48)	2,455	2,477	(22)
Air Ambulance	15,995	4,047	4,013	34	1,354	1,120	234
Overheads	114,429	24,381	25,359	(978)	9,305	8,897	408
Total Expenditure	385,497	92,171	93,018	(847)	32,380	31,793	587
Core Expenditure Variance				(881)			535
Non Core Expenditure							
Depreciation (DEL)	18,089	4,019	4,019	0	1,331	1,331	0
Depreciation (Donated)	80	17	17	0	6	6	0
AME Provision	400	0	0	0	0	0	0
AME Impairments	0	0	0	0	0	0	0
Total Non Core Expenditure	18,569	4,036	4,036	0	1,337	1,337	0
Surplus / Deficit				(881)			535

Table 2 – Income and Expenditure

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

SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE SUMMARY
YEAR TO 30 JUNE 2021

		Cumulative to Date				Current Period			
		Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance
		£'000	£'000	£'000	%	£'000	£'000	£'000	%
COVID-19	Income			0		0	0	0	
	Salaries	878	878	0		589	589	0	
	Supplies	1,994	1,994	0		854	854	0	
	Sav Target	(1,000)	0	(1,000)		(1,000)	0	(1,000)	
	Sav Realised	1,000	0	1,000		1,000	0	1,000	
					0				0
Service Delivery Directorate	Income	(1,498)	(1,463)	(35)	-2%	(483)	(464)	(19)	-4%
	Salaries	68,627	68,115	512	-1%	23,324	23,047	277	-1%
	Supplies	10,580	10,899	(319)	3%	3,541	3,539	2	0%
	Sav Target	(196)	0	(196)	0%	(65)	0	(65)	0%
	Sav Realised	37	0	37	0%	0	0	0	0%
					(1)			195	
Support Services Directorates	Income	(377)	(378)	1	0%	(127)	(94)	(33)	-26%
	Salaries	6,189	6,266	(77)	1%	2,148	2,121	27	-1%
	Supplies	8,819	8,902	(83)	1%	2,836	2,981	(145)	5%
	Sav Target	(1,804)	0	(1,804)	0%	65	0	65	0%
	Sav Realised	1,083	0	1,083	0%	426	0	426	0%
					(880)			340	
SCOTTISH AMBULANCE SERVICE	Income	(1,875)	(1,841)	(34)	-2%	(610)	(558)	(52)	-9%
	Salaries	75,694	75,259	435	1%	26,061	25,757	304	1%
	Supplies	21,393	21,795	(402)	-2%	7,231	7,374	(143)	-2%
	Sav Target	(3,000)	0	(3,000)		(1,000)	0	(1,000)	
	Sav Realised	2,120	0	2,120		1,426	0	1,426	
					(881)			535	

Table 3 – Service Delivery

Service delivery is breaking even at 30 June 2021. Pay costs (excluding COVID-19) are reporting an underspend of £0.5 million over all service areas, however it should be noted that additional pay expenditure has been incurred across all service areas as a result of COVID-19. This impact is assumed to be supported by additional funding.

Table 3

SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE - SERVICE DELIVERY
YEAR TO 30 JUNE 2021

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
NORTH REGION	Income	(237)	(235)	(2)	-1%	(83)	(81)	(2)	-2%
	Salaries	10,197	10,290	(93)	1%	3,472	3,469	3	0%
	Supplies	853	949	(96)	11%	283	279	4	-1%
	Sav Target			0				0	
	Sav Realised			0				0	
				(191)			5		
EAST REGION	Income	(168)	(170)	2	1%	(29)	(28)	(1)	-3%
	Salaries	16,248	16,166	82	-1%	5,530	5,514	16	0%
	Supplies	1,394	1,637	(243)	17%	480	538	(58)	12%
	Sav Target			0				0	
	Sav Realised			0				0	
				(159)			(43)		
WEST REGION	Income	(850)	(802)	(48)	-6%	(283)	(267)	(16)	-6%
	Salaries	23,126	22,803	323	-1%	7,907	7,741	166	-2%
	Supplies	1,795	2,140	(345)	19%	620	829	(209)	34%
	Sav Target			0				0	
	Sav Realised			0				0	
				(70)			(59)		
NATIONAL OPS	Income	(243)	(256)	13	5%	(88)	(88)	0	0%
	Salaries	19,056	18,856	200	-1%	6,415	6,323	92	-1%
	Supplies	6,538	6,173	365	-6%	2,158	1,893	265	-12%
	Sav Target	(196)	0	(196)		(65)		(65)	
	Sav Realised	37	0	37		0		0	
				419			292		
TOTAL SERVICE DELIVERY	Income	(1,498)	(1,463)	(35)	-2%	(483)	(464)	(19)	-4%
	Salaries	68,627	68,115	512	-1%	23,324	23,047	277	-1%
	Supplies	10,580	10,899	(319)	3%	3,541	3,539	2	0%
	Sav Target	(196)	0	(196)		(65)	0	(65)	
	Sav Realised	37	0	37		0	0	0	
				(1)			195		

Table 4 – Support Services Directorates

Support services are being reported as £0.9 million over budget. The Finance & Logistics savings target includes all Best Value Programme targets.

**SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE BY DIRECTORATE
YEAR TO 30 JUNE 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	(2)	(2)	0	0%	(1)	(1)	0	
	Salaries	443	446	(3)	1%	149	162	(13)	9%
	Supplies	27	12	15	-56%	9	(3)	12	-133%
	Sav Target	(6)	0	(6)		(2)	0	(2)	
	Sav Realised	0	0	0		0	0	0	
				6					(3)
FINANCE AND LOGISTICS	Income	(353)	(357)	4	1%	(118)	(85)	(33)	-28%
	Salaries	2,574	2,770	(196)	8%	924	933	(9)	1%
	Supplies	8,008	8,044	(36)	0%	2,504	2,644	(140)	6%
	Sav Target	(1,761)	0	(1,761)		80	0	80	
	Sav Realised	1,083	0	1,083		426	0	426	
				(906)					324
HUMAN RESOURCES	Income	(7)	(9)	2	29%	(2)	(3)	1	
	Salaries	545	538	7	-1%	180	174	6	-3%
	Supplies	201	188	13	-6%	73	69	4	-5%
	Sav Target	(10)	0	(10)		(4)	0	(4)	
	Sav Realised	0	0	0		0	0	0	
				12					7
MEDICAL	Income	(5)	(2)	(3)	-60%	(2)	(1)	(1)	
	Salaries	721	660	61	-8%	253	215	38	-15%
	Supplies	138	180	(42)	30%	46	94	(48)	104%
	Sav Target	(4)	0	(4)		(1)	0	(1)	
	Sav Realised	0	0	0		0	0	0	
				12					(12)
CARE QUALITY AND PROF DEVELOPMENT	Income	(10)	(8)	(2)	-20%	(4)	(4)	0	
	Salaries	1,906	1,852	54	-3%	642	637	5	-1%
	Supplies	445	478	(33)	7%	204	177	27	-13%
	Sav Target	(23)	0	(23)		(8)	0	(8)	
	Sav Realised	0	0	0		0	0	0	
				(4)					24
TOTAL SUPPORT SERVICES	Income	(377)	(378)	1	0%	(127)	(94)	(33)	-26%
	Salaries	6,189	6,266	(77)	1%	2,148	2,121	27	-1%
	Supplies	8,819	8,902	(83)	1%	2,836	2,981	(145)	5%
	Sav Target	(1,804)	0	(1,804)		65	0	65	
	Sav Realised	1,083	0	1,083		426	0	426	
				(880)					340

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.

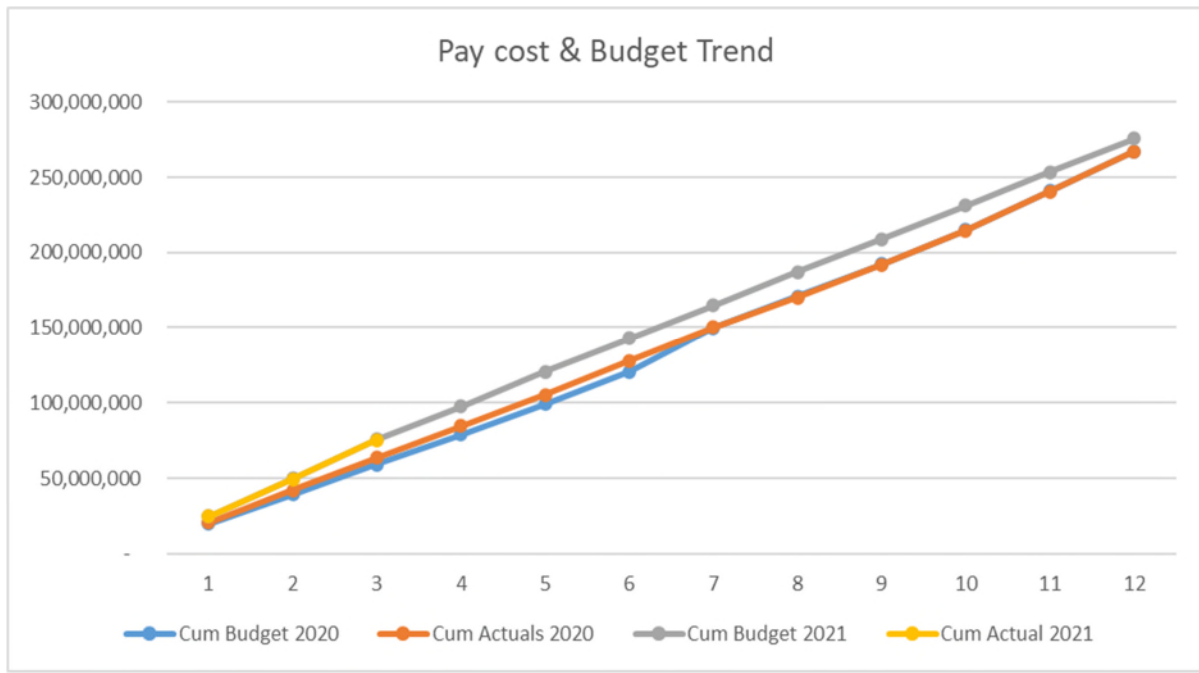
SCOTTISH AMBULANCE SERVICE BOARD
INCOME INCLUDING ALLOCATIONS
YEAR TO 30 JUNE 2021

	Full Year Budget £'000	Year to Date		
		Budget £'000	Actual £'000	Variance £'000
Income				
Revenue Allocation	396,993			
Baseline Allocations	338,428			
Recurring Allocations	1,275			
Non-Recurring Allocations	57,290			
Fleet Income	0	0	3	3
Health Board	4,898	1,235	1,230	(5)
Other Healthcare	1,049	271	249	(22)
Other Operating	995	334	313	(21)
Staff Car Deductions	131	34	45	11
Total Income	404,066	1,874	1,840	(34)

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

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

Detailed Pay analysis



The pay graph above reflects both year to date budget and year to date actual spend for financial year 2020/21 and 2021/22. As can be seen, the trend shows 2021 costs exceeding 2020 values, due to the additional staffing in the Mobile Testing Units plus impact of the pay award. Overtime cost in this current year is averaging 5.9% of the year to date pay bill compared to last year to date at 10.2%, clearly reflecting the early stages of the pandemic. The table below shows a trend analysis of overtime costs in the last two years however noting this has reduced in the last two months as shielding staff return to work. 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.

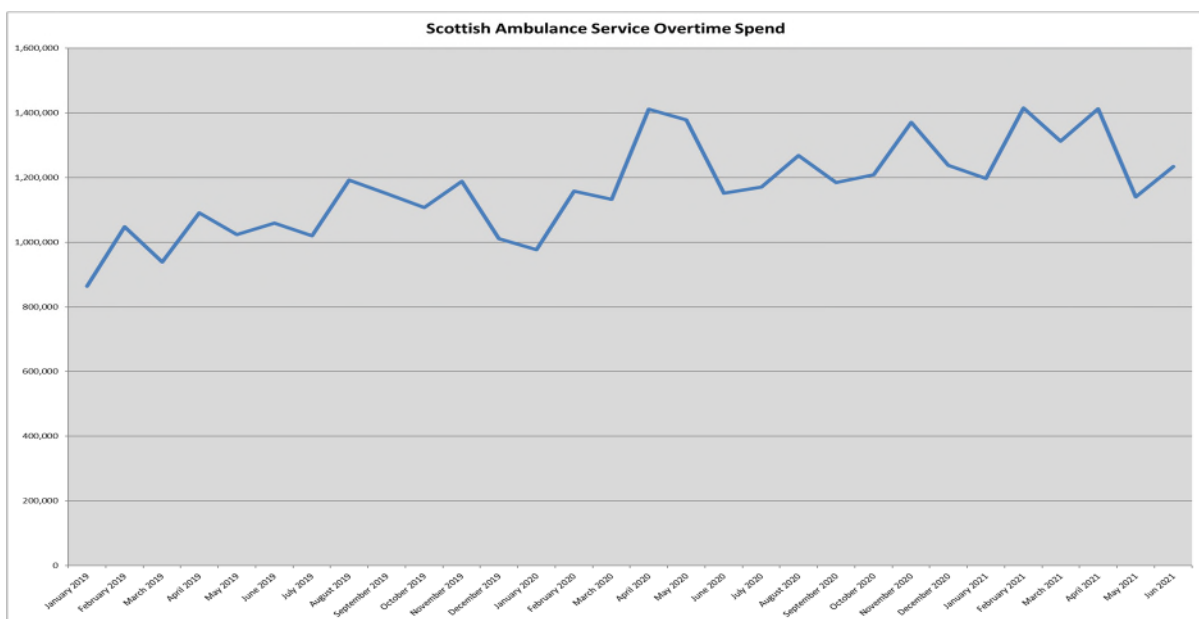


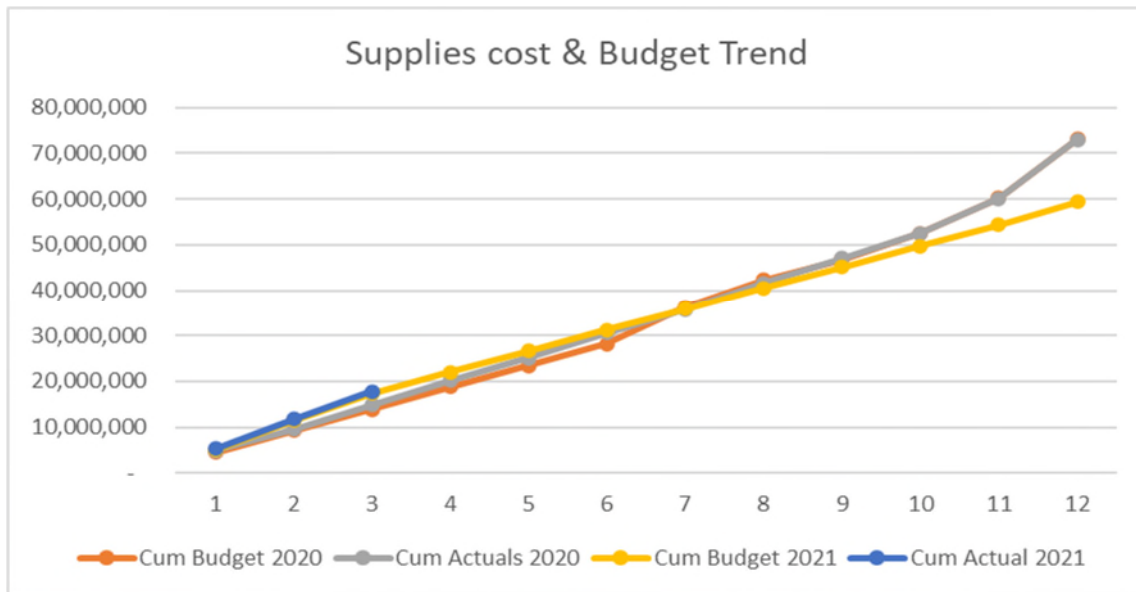
Table 6

**SCOTTISH AMBULANCE SERVICE BOARD
STAFF AND OVERTIME SUMMARY
YEAR TO 30 JUNE 2021**

		East Region	North Region	West Region	National Ops	Service Delivery
Current Year	Average WTE	1,282	731	1,795	833	4,641
	Overtime Hours	37,999	35,922	67,104	19,376	160,401
	Overtime Cost (£'000)	979	907	1,697	491	4,074
Prior Year	Average WTE	1,221	698	1,704	698	4,321
	Overtime Hours	46,040	31,321	66,592	21,396	165,349
	Overtime Cost (£'000)	1,072	715	1,525	500	3,812
Variance	Average WTE	61	33	91	135	320
	Overtime Hours	(8,041)	4,601	512	(2,020)	(4,948)
	Overtime Cost (£'000)	(93)	192	172	(9)	262

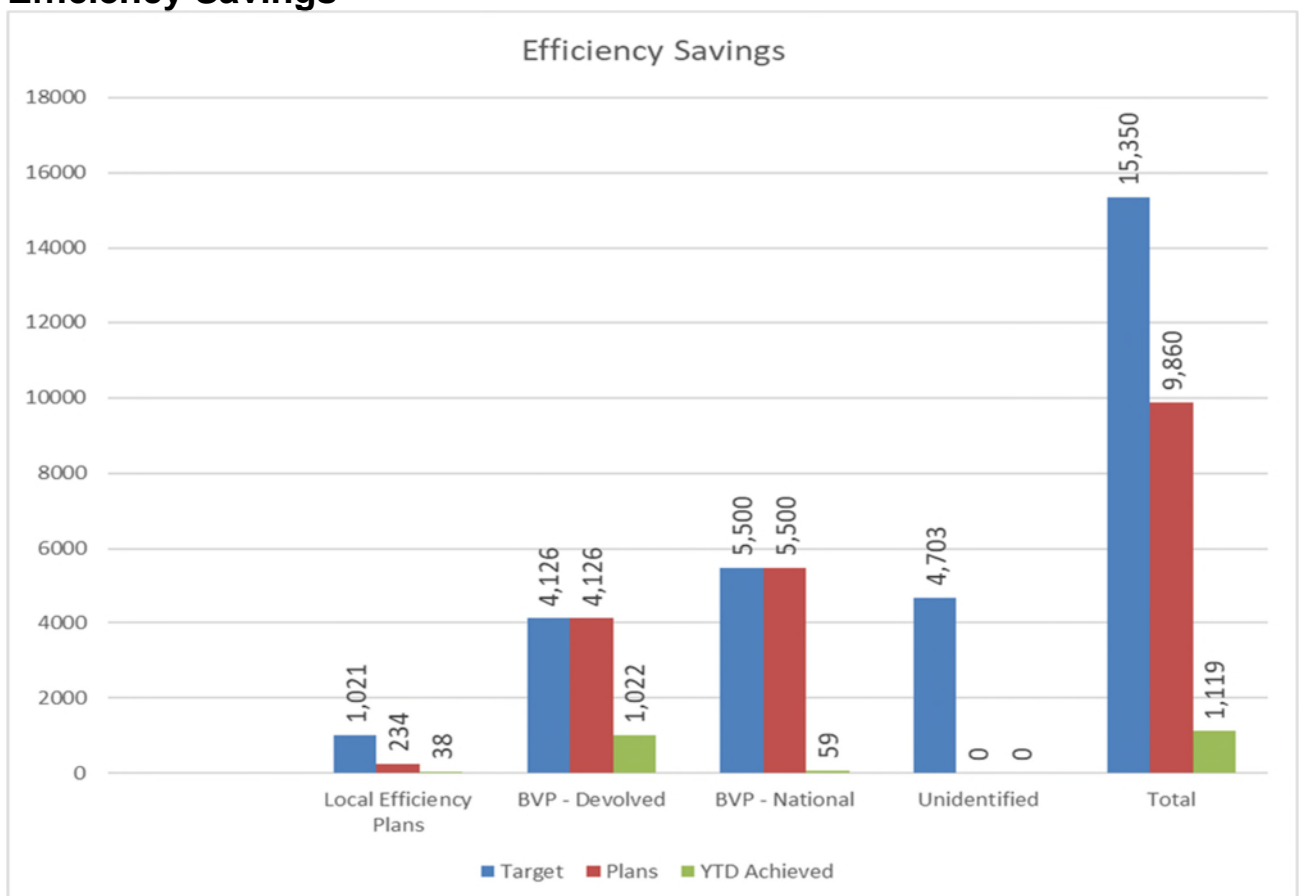
The above table illustrates an overall small reduction in overtime hours compared to a year ago, which was during the 'first wave', however this is also with an additional 320 staff (whole time equivalents) in post.

Non-pay



The non-pay graph above reflects year to date budget and year to date actual spend for both 2020/21 and 2021/22. This year additional non-pay costs of £5.0 million have been incurred as a result of the Service COVID-19 remobilisation plan. A detailed breakdown of these costs can be found in the COVID-19 section below.

Efficiency Savings



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

- **Local Efficiency Target**

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

- **Best Value Programme**

The Service launched the Best Value Programme in May 2018 to agree a new service wide efficiency savings approach, which aims to use innovation and improvement methodology to drive systematic change and transform services to deliver better value, cost efficient services for the organisation whilst continuing to deliver high quality care. The programme crucially is also responsible for promoting forward thinking within the Service, horizon scanning and capitalising on best practice across the wider NHS, public and private sectors to create a pipeline of future efficiency opportunities to inform the build of a 3-5 year sustainable financial plan.

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

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

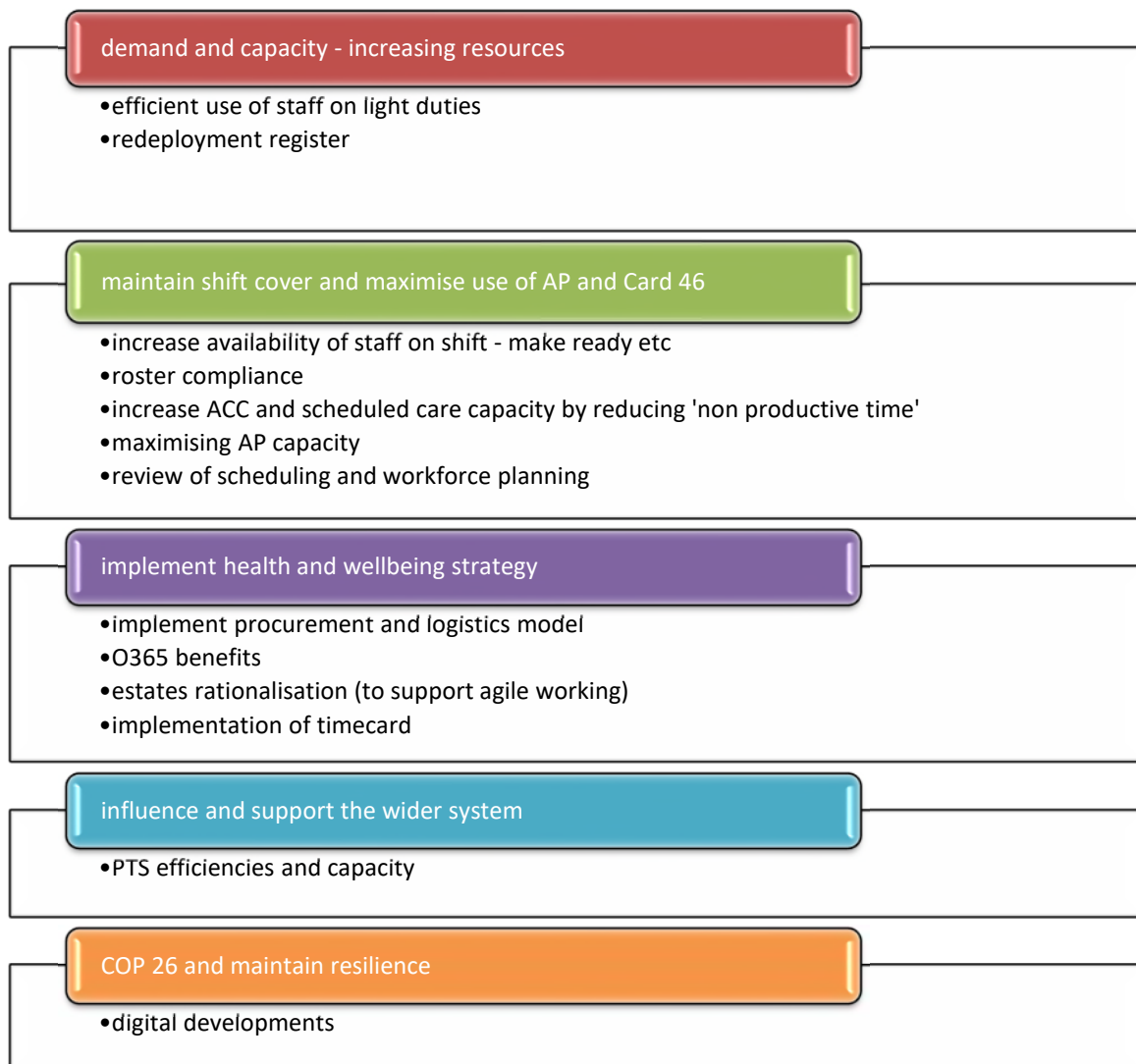
- **Devolved Targets** – Responsibility for projects that were implemented during 2020/21 and now deemed to be embedded within the Service has been devolved to budget holders. Progress of these projects are monitored throughout the year and the savings delivered at month three is £1.0 million against a full year forecast of £4.0 million.
- **Best Value Programmes** – More than 35 work streams had been identified with potential savings of £5.5 million that will be led by the Best Value Programme team and supporting local managers and teams. A detailed programme plan has been in place with Executive leads against each programme.

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

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

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



Others to potentially pause would be

- Remote call handling	£100,000
- Skills mix review NRRD	£200,000
- Events management	£300,000
- Cleaning pressures	£100,000
- Engage with police and fire	£150,000
- Equipment standardisation	£150,000
- Energy management	£250,000
- Data interface with stakeholders	£450,000

Total **£1.700m**

We have identified to Scottish Government in our Quarter 1 return that there is likely slippage in efficiency savings that we would like to source COVID-19 monies from estimated at £1 million.

COVID-19 Financial Implications

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

Cost incurred during 2021/22 to 30 June 2021 are outlined in the table below.

Category of Resource	£
Additional pay & staff overtime	1.6 million
Supplies and equipment (PPE, Cleaning materials, etc.)	0.3 million
Air ambulance and third party support	0.8 million
Remobilisation pay & non-pay	1.3 million
Efficiency saving underachievement	1.0 million
	5.0 million

Additional pay & staff overtime

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

Air ambulance and third party support

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

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Remobilisation 2021/22

Remobilisation and recovery from COVID-19 see the vaccine program starting with temporary staff brought in to provide frontline staff with their 2nd doses – it is anticipated that this should be mostly done by July 2021.

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

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

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

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

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 30 June 2021) is as follows:

	Costs
Pay	£ 7.8 million
Non Pay	£ 1.2 million
Total	£ 9.0 million

YTD CAPITAL POSITION AS AT MONTH 3 (30 JUNE 2021)

2021/22 Capital Budget

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

- Formula Capital of £1.794 million
 - The Service is provided with this allocation to fund all capital projects that are not subject to approval by the 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 £26.3 million
 - Scotstar £0.25 million
 - Enhancing Capability Phase II £0.784 million

The total 2021/22 allocation is anticipated to be £29,140,000. We received our formula capital and Enhancing Capability Phase II allocations in Month 3 (a total of £2.575 million). All other allocations are anticipated to be received by Month 6.

YTD Capital Position

The YTD Capital Position is shown in the table below. The expenditure in Quarter 1 is always typically low as most projects are in the planning stage.

Capital receipts of £9,000 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 unallocated budget of £1.5 million will be fully utilised during 2021/22 as BCs are submitted and approved by the CPGG. There are a number of anticipated projects in the pipeline and an update on the progress of these are discussed at each meeting and this allows for prioritisation of emerging developments.

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

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SCOTTISH AMBULANCE SERVICE
CAPITAL REPORT 2021-22
As at Month 3 (30 June 2021)

PROJECT	Approved Budget £	YTD Actuals £	Notes
Formula Capital Projects			
eHealth and ICT	0	(9,951)	Vat credit
Property	30,000	(5,048)	Vat Credit
Procurement & Logistics System	46,800		
Demand & Capacity		(63,424)	Vat Credit
Medical Equipment	0	0	
	76,800	(78,423)	
Earmarked Allocations			
Enhancing Capability	1,951,943	20,100	
Covid	0	(14,654)	Vat Credit
ICCS Replacement	521,550	0	
Scotstar	250,000	34,766	
Vehicles	24,812,000	36,268	
	27,535,493	76,480	
Unallocated Budget	1,527,799		
Capital Receipts	0	(9,000)	Gain on sale of vehicles
TOTAL	29,140,092	(10,943)	

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	
Total- eHealth and IT	<u>0</u>
Special Projects	
Enhancing Capability Phase I	1,167,851
Enhancing Capability Phase II	784,092
ICCS Replacement	521,550
Procurement & Logistics System	46,800
Total - Special Projects	<u>2,520,293</u>
Property	
Cardonald Air Conditioning	30,000
Total - Property	<u>30,000</u>
Operations	
Vehicles	24,812,000
Scotstar	250,000
Total - Equipment	<u>25,062,000</u>
Total Approved Projects	<u>27,612,293</u>
Total Approved Budget	29,140,092
Less Capital to Revenue Transfer	
Add: Capital Receipts	9,000
Total Budget Available	<u>29,149,092</u>
Unallocated Budget	<u>1,536,799</u>
<u>Anticipated Projects</u>	
ICT Projects	250,000
Property Projects	275,000
Procurement & Logistics Systems	315,000
Total – Anticipated Projects	<u>840,000</u>
Revised Unallocated Budget	<u>696,799</u>

Key Risks

Enhancing Capability

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

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

CONCLUSION

The underlying position for the service is £0.9 million behind target assuming all COVID-19 related expenditure is fully funded.

The full financial impact of COVID-19 continues to be closely monitored with the next formal quarterly review due at the end of July. An initial tranche of funding has been received and we continue to assume all additional expenditure will be funded for the remainder of 2021/22.

Efficiency savings remain a significant risk given the gap of plans still to be identified with the current operational pressures, however the requirement to ensure the delivery of our Best Value Programme is a continued focus and aligned to our current operational pressures.

Julie Carter

Director of Finance, Strategy and Logistics

July 2021

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