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Public Board Meeting	31 January 2024 Item 10
THIS PAPER IS FOR DISCUSSION	
SUMMARY FINANCIAL PERFORMANCE TO 31 DECEMBER 2023	

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**: • The financial position to the end of December 2023 • The financial impact of ongoing unfunded system pressures and operational commitments expenditure to the end of December 2023 The impact of the 'Back to Balance' action plan including the efficiency savings position to the end of December 2023
Key points	1. The financial position shows a deficit of £10.1 million against a revised trajectory of £9.3 million deficit, based on a £12.5 million full year outturn. Noting that the original year to date trajectory deficit of £18 million. 2. Impact of ongoing post COVID/system pressures of £7.38 million to date has been incurred in this period. No funding has been assumed for these and this is contributing to the current adverse finance position. 3. The impact of pressures associated with Operational Commitments £2.73 million also remains unfunded and contributes to the financial position. 4. In relation to local efficiency savings, the annual target is £4.85 million and to date £6.08 million has been delivered. Best value schemes identified national programme plans of £3.744 million of which £2.32 million has been delivered to date. Grip and Control has identified £0.81 million this month against a £1.0 million plan. Showing a total actual position to date of £9.2 million against a target of £9.0 million. 5. Through the back to balance plan with the focus on priority high overspend areas has delivered £0.910 million against a full year target of £6.125 million. Noting this is, however, being partially masked by new emerging cost pressures.

Timing	During the financial year the Board will be provided with monthly updates on the financial position and from August 2023 the final year end forecast position will also be reported. This will show the forecast costs to end of March 2024 and against our financial plan.
Associated Corporate Risk Identification	Risk ID 5602 – failure to achieve financial target
Link to Corporate Ambitions	This paper relates to: We will • 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
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 31 DECEMBER 2023

JULIE CARTER, DIRECTOR OF FINANCE, LOGISTICS & STRATEGY

This paper sets out the financial position at 31 December 2023 for the Scottish Ambulance Service.

The financial plan is a plan of 2 parts including 'Business As Usual' (acknowledging the unprecedented inflationary cost pressures included in this) was projecting a £4.5 million deficit with the addition of the ongoing system and post COVID pressures assumed unfunded this increased to a £19 million forecast deficit position. The full year forecast was reduced to £12.5 million and following a further detailed review this has to a forecast deficit of £9.5 million. Reasons for this are described within the paper.

The financial plan also describes the back to balance actions required in year to aim to reduce this forecast deficit position. The monthly financial reporting will also describe progress against these actions and corrective action agreed.

The Board is asked to note the reporting against:

- The overall financial position to the end of December 2023 for the financial year 2023/24
- A specific section on post COVID and system pressures, financial impact and current funding assumptions
- Any new emerging pressures
- Progress against the back to balance action plan, including an update on the delivery of savings and reducing key overspend areas
- Reprofiling of the £12 million in year savings target
- The key messages as highlighted including agreed actions
- An update on the key risks and mitigating actions in the delivery of the financial plan
- The updated forecast and predicted likely year end deficit reducing from £12.5 million to £9.5 million

The financial position to December 2023, reporting a deficit position to date, consists of:

- Income – this is reporting a breakeven position
- Core Expenditure – a deficit position of £10.1 million to the end of December 2023.

- The financial impact of post COVID-19/system pressures represents expenditure of £7.38 million, The full year forecast for post COVID system pressure costs is expected to be around £10.7 million.
- Expenditure aligned to our Service priorities and key operational commitments overspend is £2.73 million, against a forecast pressure of £4.0 million full year. Costs associated with ICCS will flow through toward the end of the financial year.
- Funding discussions in relation to these pressures and post COVID/system pressures continue with Scottish Government, although non recurring funding of £5.0 million has been received to partly support these costs.
- Efficiency savings target for the financial year is £12.0 million. To date, £9.2 million of savings are being reported against a reprofiled target of £9.0 million year to date. This is slightly ahead of trajectory and the full year trajectory continues to forecast the delivery of the full year target.
- Progress against the action plans relating to the high overspend areas has delivered £0.91 million of reduced costs up to month 9. This has been partially offset against ongoing cost pressures of £3.28 million driven by non pay pressures.

The key cost pressures in addition to the financial plan assumptions therefore is the underlying non-pay pressures of £3.28 million up to month 9.

These are summarised below:

Cost pressure	Year to date cost	Driven by:
Air Ambulance costs	£0.878m	In month due to higher Coastguard missions incurred with 50% due to weather, higher ongoing fuel costs, Coastguard charges higher than inflation rates (16% higher than previous year). Financial plan assumed for only a 9% uplift. Additional variable costs for SAS aircraft, still being analysed.
Medical costs	£1.047m	higher than anticipated inflationary pressures in medical costs (eg some drugs costs up 21%) & includes higher than anticipated volume of purchases on Instruments & Sundries. Medical gas costs overspend by £0.244 million to date
Other Operating costs	£0.632m	Includes installation and grid connections for EV charging points £0.236 million, BRC contract covered within

		COVID ongoing Card 46 commitments £0.547 million.
Property running costs	£1.145m	Includes HLP inflation costs increase in year and upsurge in property repairs program
Fuel	£(0.429)m	Minimal movement in fuel costs in month – downturn in price offset by slight increase in usage, as we hit the Winter months.

The back to balance high spend areas are reporting a lower spend of £0.91 million year to date, which is partially being offset by these higher inflationary costs.

Key messages

- Deficit position of £10.1 million as at 31 December 2023 (this includes both core and non-core expenditure) and income. The financial plan trajectory assumes a deficit of £9.3 million at the end of December 2023 based on the updated full year outturn of £9.5 million. The savings trajectory of £9.0 million after 9 months is based upon a monthly trajectory of £1.0 million savings delivered each month.
- At this stage at the end of the third quarter of the financial year, we continue to forecast a deficit position which has been revised to of £9.5 million by March 2024. This is almost all due to the post COVID pressures and discussions continue in relation to funding with Scottish Government and the back to balance action plan continues to be progressed.
- The key components driving the revised £9.5 million deficit are as follows:

    - Post COVID forecast costs of £10.7 million
    - Operational Commitments funding shortfall of £4.0 million
    - Internal management of new emerging full year pressures of £1.3 million (noting this is being reviewed on an ongoing basis)
    - Off set by additional systems pressure funding on a non-recurring basis of £5.0 million

Each of these areas are updated below:

- The financial plan assumes ongoing system pressure of £10.7 million (excluding mobile vaccination unit costs which we have funding confirmed). Costs of £7.38 million have been identified to date and are contributing to the £10.1 million deficit position. This is reporting slightly lower than plan. This also includes costs associated with longer hospital turnaround times.
- The Service 'operational commitments' pressures full year funding gap of £4.0 million relates to additional investment funding in 2023/24 of £45.0 million of which £49.0 million costs have been assumed. Costs of £2.73 million have been incurred in this year to date within these areas. Noting that the costs associated with ICCS are expected to materials towards year end. This is also contributing to the £10.1 million deficit position.
- Scottish Government provided £5.0 million of non-recurring funding towards our system pressures detailed above, of which we have now released £3.75 million to offset the related cost pressures of COVID and Operational Commitment pressures.
- Against our efficiency savings target of £12.0 million, we have delivered £9.2 million to date. This is against a revised year-to-date trajectory of £9.0 million.

- Included within the back to balance action plan, there is focused work on key overspend areas with leads identified. To the end of December 2023, a total reduction of £0.91 million has been identified against a target of £6.125 million.
- This updated 2023/24 forecast position will continue to be reviewed on an ongoing basis as we complete the third Quarter of this financial year and progress through to year end.

Key actions agreed in this period

The key focus of the financial plan is the delivery of the Back to Balance action plan. This includes 3 key areas:

1. Delivery of the efficiency savings and best value programme
2. Reduction in spend of agreed high priority overspend area
3. Recognition through funding and recognition of wider system (post COVID and committed system pressures).

1. Delivery of our Efficiency Savings Target and best value programmes

The challenging savings target for 2023/24 has been set at £12.0 million, of which the Best Value Programme has identified £3.744 million of plans. In addition, local efficiency target is set at the revised plan of £3.9 million, along with an element of undelivered carry forward of £0.81 million, for which agreement has already been received from budget holders and set against service budgets on a recurring basis. There is also continued focus on 'Grip and Control' actions planned at an estimated £1.0 million. The balance of £2.7 million of unidentified is assuming a level of non recurring slippage.

ACTION: The Best Value operational group has agreed all new mandates for financial year 2023/24 with 35 workstreams identified. Well attended monthly best value meetings are in place along with weekly targeted support meetings. Executive and Finance leads have been allocated to all programmes and monthly highlight reports have been completed against each programme. A weekly delivery group has also been established. Some delays have been identified to date but no significant issues have been identified at this stage, although recognising there remains the final quarter of the financial year remaining. A detailed best value report is presented to the Performance and Planning Steering Group at each meeting with progress to date and corrective actions. In addition, a measurement framework has been developed and is monitored on a monthly basis.

The Service is linked into the national Sustainability and Value work and updates are provided at each Best Value Steering Group meeting, including new ideas emerging from this work, which has resulted in an additional 3 new project mandates.

2. Reduction in high priority overspend areas

Programmes of work have been agreed led by Executives and Senior Managers, focusing on specific actions to reduce high spend areas, with project management support and monthly reporting on progress. A challenging target reduction of £6.125 million has been set against these areas.

ACTION – Progress against these areas is being reported to the Best Value Steering Group and are progressing albeit at different stages of implementation. Total cost reductions to month 9 are being reported £0.910 million. The finance team have also set up a formal reporting progress against each of these areas and separate from local efficiency and best value programmes, to ensure no double count of benefit. The target areas are noted below

- Overtime Reduction £3.8 million
- Travel & Accommodation review £0.2 million
- Uniform management £0.1 million
- NHS 24 Interface / HCP online booking £0.425 million
- Scheduled care and Card 46 Work plan £1.6 million

Table 9 included within the report details the progress against these.

3. (a) Post COVID pressures

The impact of COVID-19 system pressures on our financial position has been reported since February 2020. Our financial plan has estimated the full year impact in 2023/24 to be up to £10.5 million for the year, now updated slightly to £10.7 million excluding the mobile vaccinations unit costs. Discussions have been ongoing with Scottish Government to receive funding for these ongoing pressures, and given the current system pressures to date, reducing these costs will be challenging should funding not materialise, without impacting on service delivery and patient care.

ACTION: We continue to work closely with Scottish Government colleagues in progressing discussions with regard to these costs. In addition, there are a range of actions being pursued within the Service to continually review and monitor these costs, while balancing operational service impact.

4. (b) Key Operational Commitments and funding shortfall

A shortfall in funding for key Operational Commitments requiring additional investments of £49.0 million in 2023/24, against which £45.0 million of recurring funding has been confirmed, however dialogue continues with Scottish Government to seek further funding to bridge the remaining shortfall. These costs pressures are being monitored on a monthly basis in order to manage this pressure. To date, £2.73 million costs have been identified.

ACTION: Monthly monitoring alongside discussions with Scottish Government for funding. Detailed monitoring arrangements in place, with updated forecast costs being continually reviewed.

Updated Forecast as at December 2023

The full year financial forecast has been reviewed reassessing the impact of winter pressures. The following table summarises the now revised Best, Likely and Worst case scenarios for full year forecasts using current run rates and compared to our 2023/24 financial plan.

RRL Position	As per 2023/24 Financial Plan £m	Updated as per Q2 Forecast £m			Notes
		Best	Likely	Worst	
Operational Pressures	16.5	13.4	13.5	14.5	Main changes are reflect updated forecast on diesel prices
Operational commitments unfunded gap	4.0	3.5	4.0	4.0	No change to financial plan.
COVID and related system pressures	10.5	10.6	10.7	11.0	Amended to reflect updated ACC & winter forecast.
New Emerging Pressures	0.0	1.0	1.3	1.6	As identified in finance reports, driven by inflationary and volume pressures above financial planning assumptions
Gap (before efficiencies and any additional funding)	**31.0**	**28.5**	**29.5**	**31.1**	
Efficiency Savings assumed in plan	-12.0	-12.0	-12.0	-12.0	Assumed full delivery of 3%
Overspend reduction priority areas of work	0.0	-3.3	-1.9	-1.4	Details shown on table 3
Income at risk – health and wellbeing and digital	0.0	0.3	0.3	0.3	Relating to health and wellbeing funding and reduction in digital funding
Position before offsetting additional funding	*19.0*	*13.5*	*14.5*	*17.5*	
Additional Funding	0.0	-5.0	-5.0	-5.0	Offsetting current system pressures (table 4c)
RRL Outturn - deficit	**19.0**	**8.5**	**9.5**	**12.5**	

Conclusion and Next Steps

It is important to note that this updated forecast had been produced including a number of assumptions in relation to the remainder of the year including winter pressures and these are reviewed on a monthly basis, all of which have now been updated following the December position.

The updated full year forecast is now reporting a reduced forecast deficit from £19.0 million to £9.5 million deficit. This is primarily driven by:

- £5 million nonrecurring funding from Scottish Government received in August 2023
- Additional cost pressures broadly being offset by fuel cost prices lower than anticipated.
- Positive impact from the back to balance plan of £1.9 million (under likely scenario) and
- Assumed delivery of the £12.0 million efficiency plans delivery (3%)

The £9.5 million forecast deficit position continues to be primarily driven by £10.7 million system pressures that had been previously funded, with the most significant financial risk relating to the costs of turnaround times. There is work ongoing in all of these system pressure areas as noted within the paper and will be updated on a monthly basis.

The focus remains to:

- Finalise and continually review the efficiency plans trajectories. The planned trajectory has now been rephased to assume a consistent profile throughout the year as opposed to phased into the second half of the financial year. Detailed actual trajectories have been estimated against the efficiency plans.
- Finalise the 'back to balance' high overspend areas detailed forecast. These will also be clearer by the final quarter of the financial year and will be reported on a monthly basis.
- Closely monitor operational costs and trends coming out of winter and
- Continue to demonstrate the wider system impact of the unfunded system pressures in particular the clinical hub, the call handling pressures and the timed admissions work.

Financial Risk considerations noted in the period.

The financial risks are as follows:

Delivery of Efficiency Savings Target including Best Value

At this stage of the financial year, this remains a significant risk given the scale of the challenge. The requirement to ensure the delivery of efficiency savings remains a continued focus for staff and management as service quality improvements in support of these pressures are currently being actioned. Significant focus is currently on implementing, tracking and reporting on these programmes through the best value governance and escalation process.

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.

Action – A number of actions are progressing including

- Additional focussed Program Management Office support has been set up and aligned to the priority schemes to provide additional focus and capacity.
- Programme leads have been assigned and programme plans are being developed and agreed with mandates completed for all projects

- Executive leads and finance support for each programme has also been identified
- The Best Value Steering Group meet every month, and regular reporting to Executive Team, Performance and Planning Steering Group and Audit & Risk Committee continues
- Updated governance policies and procedures have been agreed with clear escalation plans identified
- A weekly Best Value Delivery Group has been established to focus on providing additional support to ensure implementation, and this continues to meet during this time
- Our best value programmes have been linked to our 2030 strategy ambitions and our 5 portfolio boards for oversight and prioritisation
- Monthly highlight reports to report on progress and project mandates for new programmes. This is also being supported by the PMO.
- Development of our ideas box to ensure those operational staff who need to deliver the benefits and changes have input to the creation and implementation of the plans and use this to generate new ideas.
- Ongoing communication of the financial position through our teams, the issues coming up and the role that everyone has to play
- Implementation of grip and control in every spend area, with additional controls maintained in higher and 'non-core' spend, a dedicated session with the finance team and the procurement team is being set up to review the current high spend areas
- Utilisation of the national sustainability and value programme to feed ideas down to our local plans, report ideas back on good practice and if necessary influence policy decisions and
- Development of our collaboration opportunities in driving efficiencies, aiming to assist in reducing the current gap against the £12.0 million target.

In addition, a senior financial analyst is in place to support the analytical and reporting requirements for all projects and their deliverables. Their primary responsibility is to provide support in working with project leads and the finance team to identify data requirements and build reports to measuring project outcomes, with a focus on cost savings. Significant progress has since been made with the development of this measurement framework and supporting reports. Delivery leads are now able to use the supporting data and charts within their highlight reports to evidence progress within their specific work streams. This measurement framework and associated best value report is presented to each Performance and Planning Steering Group meeting for discussion and action.

Securing funding in 2023/24 for post COVID pressures and operational commitments

The financial plan for the year 2023/24 included £10.5 million of expenditure relating to post COVID pressures. Discussions remain ongoing with Scottish Government, whilst funding has been received to support some of the pressure on a non recurring basis there still remains a funding gap.

Expenditure to the end of November 2023, has identified total costs of £6.66 million, which includes legacy PPE expenditure, Card 46 Timed admissions, ACC expansion, and overtime costs associated with shift overruns as a result of hospital turnaround times.

ACTION – Discussion will continue with Scottish Government and detailed ongoing cost analysis being undertaken.

Finance position as at December 2023

Introduction

This section of the paper provides details of the financial results for the period ending December 2023.

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 December 2023 is £10.1 million over budget, made up of the following:

- Income - breakeven
- Expenditure Pay – over budget by £1.06 million
- Expenditure Supplies – over budget by £4.39 million
- Savings – ahead of target by £0.20 million
- Expenditure Non-core – break even
- This position incudes unfunded COVID expenditure is £7.38 million
- This position includes unfunded Operational Commitments £2.73 million
- The position reports a net deficit position of £0.053 million.

There is however an additional £3.28 million of new non pay pressures, offset by reduction in high priority spend areas at £0.910 million. These are described further in the paper.

Table 1 – Scottish Ambulance Service high-level overview

SCOTTISH AMBULANCE SERVICE BOARD
REVENUE RESOURCE ANALYSIS
YEAR TO 31 DECEMBER 2023

	Full Year Budget £'000	Year to Date			Current Month		
		Budget £'000	Actual £'000	Variance £'000	Budget £'000	Actual £'000	Variance £'000
Income							
Revenue Allocation	428,392	317,919	317,919		33,294	33,294	
Health Board	6,087	4,818	4,818	0	638	638	0
Other Healthcare	943	796	766	(30)	71	53	(18)
Fleet	14	14	14	0	2	2	0
Staff Car Deductions	158	112	111	(1)	13	13	0
Other Operating	2,862	2,711	2,700	(11)	193	180	(13)
Total Income	438,456	326,370	326,328	(42)	34,211	34,180	(31)
Expenditure							
Accident & Emergency	296,610	223,808	221,784	2,024	24,595	24,788	(193)
Non Emergency Service	30,394	23,013	23,469	(456)	2,508	2,572	(64)
Air Ambulance	14,233	10,844	11,993	(1,149)	1,260	1,469	(209)
Overheads	73,697	45,183	55,635	(10,452)	5,848	6,028	(180)
Total Expenditure	414,934	302,848	312,881	(10,033)	34,211	34,857	(646)
Core Expenditure Variance				(10,075)			(677)
Non Core Expenditure							
Depreciation (DEL)	22,922	13,838	13,838	0	1,580	1,580	0
Depreciation (Donated)	100	48	48	0	5	5	0
AME Provision	0	0	0	0	0	0	0
AME Impairments	0	0	0	0	0	0	0
Non Cash (DEL)	500	0	0	0			
Total Non Core Expenditure	23,522	13,886	13,886	0	1,585	1,585	0
Surplus / Deficit				(10,075)			(677)

Table 2 – Income and Expenditure

Table 2 provides the year-to-date position between service and support directorates. COVID-19 expenditure and unfunded operational commitments are included within these figures.

SCOTTISH AMBULANCE SERVICE BOARD

INCOME AND EXPENDITURE SUMMARY

YEAR TO 31 DECEMBER 2023

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
Service Delivery Directorate	Income	(6,514)	(6,514)	0	0%	(761)	(761)	0	0%
	Salaries	233,099	237,373	(4,274)	2%	25,390	26,025	(635)	3%
	Supplies	30,805	33,120	(2,315)	8%	3,458	4,175	(717)	21%
	Sav Target	(3,152)	0	(3,152)	0%	(350)	0	(350)	0%
	Sav Realised	2,601	0	2,601	0%	341	0	341	0%
				(7,140)				(1,361)	
Support Services Directorates	Income	(1,939)	(1,897)	(42)	-2%	(158)	(127)	(31)	-20%
	Salaries	24,860	21,648	3,212	-13%	3,261	2,414	847	-26%
	Supplies	32,647	34,627	(1,980)	6%	3,415	3,828	(413)	12%
	Sav Target	(5,848)	0	(5,848)	0%	(650)	0	(650)	0%
	Sav Realised	6,609	0	6,609	0%	1,474	0	1,474	0%
	Reserves	(4,886)	0	(4,886)		(543)	0	(543)	
				(2,935)				684	
SCOTTISH AMBULANCE SERVICE	Income	(8,453)	(8,411)	(42)	0%	(919)	(888)	(31)	-3%
	Salaries	257,959	259,021	(1,062)	0%	28,651	28,439	212	1%
	Supplies	63,452	67,747	(4,295)	-7%	6,873	8,003	(1,130)	-16%
	Sav Target	(9,000)	0	(9,000)		(1,000)	0	(1,000)	
	Sav Realised	9,210	0	9,210		1,815	0	1,815	
	Reserves	(4,886)	0	(4,886)		(543)	0	(543)	
				(10,075)				(677)	

Table 3 – Service Delivery

Service delivery is over budget by £7.14 million at 31 December 2023. Pay costs are reporting an overspend of £4.27 million over all service areas, however it should be noted that this includes overtime as a result of system pressures, Card 46 timed admission, ambulance control centre unfunded costs and unfunded operational commitment pressures.

Air Ambulance Costs have reported a 11.1% decrease in chargeable Maritime and Coast Guard Agency (MCGA) missions to date against the same period last year, but due to higher fuel prices and beyond inflationary rates for MCGA and additional variable charge accruals for GAMA aircraft, December saw a year to date overspend of £0.88 million. December saw the highest number of all MCGA missions this year, 43, but of the 22 chargeable missions, 50% of these missions were requested due to bad weather. The average monthly MCGA missions this year after 9 months is 30.1 against last year's average of 34.22 for the same period. The budget for the current year provided for a 9% inflationary uplift, but MCGA rates have risen to 16% above prior year rates. As we go through the final quarter, all activity will be closely monitored, with an improvement programme established for air ambulance and although this is progressing well, factors such as bad weather can derail the current plans.

With an uplifted budget for Diesel, which assumes £1.66 per litre, fuel prices have reduced continually since the highest point last summer, and with the average price per litre now rising from £1.43 in July 2023 to £1.62 in October 2023 and dropping down to £1.53 during December 2023, we do see a continuing underspend on Diesel costs of £0.43 million for the 9 months to December 2023. This position may change if pump prices start to increase again over the next few months.

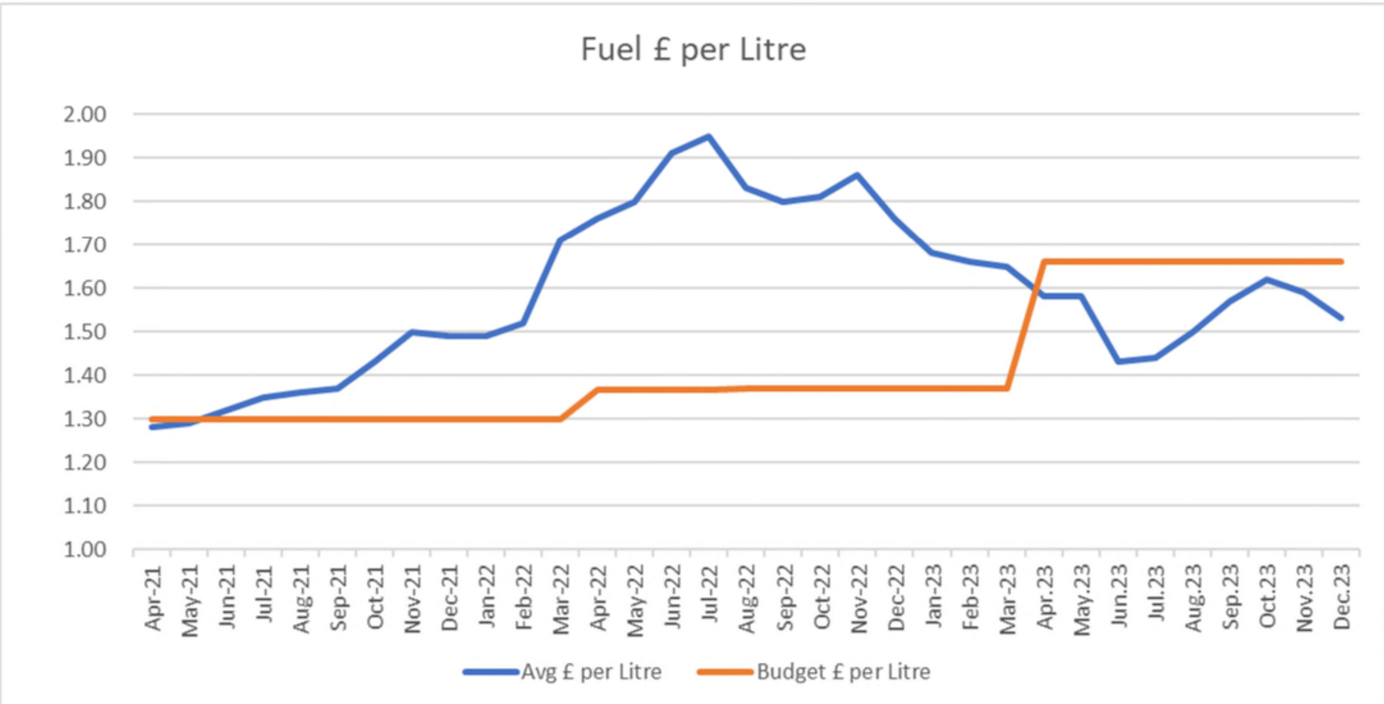


Table 3

SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE - SERVICE DELIVERY
YEAR TO 31 DECEMBER 2023

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
NORTH REGION	Income	(916)	(916)	0	0%	(86)	(86)	0	0%
	Salaries	40,241	40,621	(380)	1%	4,369	4,424	(55)	1%
	Supplies	3,238	3,737	(499)	15%	370	476	(106)	29%
	Sav Target	(433)	0	(433)		(48)	0	(48)	
	Sav Realised	584	0	584		28	0	28	
				(728)				(181)	
EAST REGION	Income	(1,243)	(1,243)	0	0%	(185)	(185)	0	0%
	Salaries	63,520	64,624	(1,104)	2%	6,800	7,078	(278)	4%
	Supplies	5,382	5,784	(402)	7%	610	816	(206)	34%
	Sav Target	(673)	0	(673)		(75)		(75)	
	Sav Realised	784	0	784		238		238	
				(1,395)				(321)	
WEST REGION	Income	(3,082)	(3,082)	0	0%	(364)	(364)	0	0%
	Salaries	87,534	89,628	(2,094)	2%	9,605	9,733	(128)	1%
	Supplies	6,922	8,109	(1,187)	17%	787	910	(123)	16%
	Sav Target	(919)	0	(919)		(102)		(102)	
	Sav Realised	878	0	878		53		53	
				(3,322)				(300)	
NATIONAL OPS	Income	(1,273)	(1,273)	0	0%	(126)	(126)	0	0%
	Salaries	41,046	41,735	(689)	2%	4,527	4,703	(176)	4%
	Supplies	15,209	15,446	(237)	2%	1,685	1,968	(283)	17%
	Sav Target	(1,106)	0	(1,106)		(123)		(123)	
	Sav Realised	355	0	355		22		22	
				(1,677)				(560)	
BUSINESS INTELLIGENCE	Salaries	758	765	(7)	1%	89	87	2	-2%
	Supplies	54	44	10	-19%	6	5	1	-17%
	Sav Target	(21)	0	(21)		(2)	0	(2)	
	Sav Realised	0	0	0		0	0	0	
				(18)				1	
TOTAL SERVICE DELIVERY	Income	(6,514)	(6,514)	0	0%	(761)	(761)	0	0%
	Salaries	233,099	237,373	(4,274)	2%	25,390	26,025	(635)	3%
	Supplies	30,805	33,120	(2,315)	8%	3,458	4,175	(717)	21%
	Sav Target	(3,152)	0	(3,152)		(350)	0	(350)	
	Sav Realised	2,601	0	2,601		341	0	341	
				(7,140)				(1,361)	

Table 4 – Support Services Directorates

Support services are being reported as £2.9 million over budget. The Finance, Logistics and Strategy savings target includes all Best Value Programme targets.

SCOTTISH AMBULANCE SERVICE BOARD

INCOME AND EXPENDITURE BY DIRECTORATE

YEAR TO 31 DECEMBER 2023

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
BOARD AND CHIEF EXECUTIVE	Income	(46)	(38)	(8)	-17%	(9)	(1)	(8)	
	Salaries	1,429	1,672	(243)	17%	187	183	4	-2%
	Supplies	91	116	(25)	27%	11	2	9	-82%
	Sav Target	(26)	0	(26)		(3)	0	(3)	
	Sav Realised	0	0	0		0	0	0	
				(302)				2	
FINANCE AND LOGISTICS	Income	(1,561)	(1,529)	(32)	-2%	(91)	(68)	(23)	-25%
	Salaries	12,577	9,303	3,274	-26%	1,452	1,108	344	-24%
	Supplies	30,471	32,269	(1,798)	6%	3,302	3,714	(412)	12%
	Sav Target	(3,967)	0	(3,967)		(441)	0	(441)	
	Sav Realised	5,222	0	5,222		1,322	0	1,322	
	Reserves	(4,886)	0	(4,886)		(543)	0	(543)	
				(2,187)				247	
HUMAN RESOURCES	Income	(25)	(25)	0	0%	(2)	(2)	0	
	Salaries	2,114	2,110	4	0%	241	238	3	-1%
	Supplies	631	631	0	0%	70	77	(7)	10%
	Sav Target	(71)	0	(71)		(8)	0	(8)	
	Sav Realised	0	0	0		0	0	0	
				(67)				(12)	
MEDICAL	Income	(247)	(247)	0	0%	(28)	(28)	0	
	Salaries	3,257	3,113	144	-4%	373	325	48	-13%
	Supplies	692	837	(145)	21%	(11)	103	(114)	-1036%
	Sav Target	(50)	0	(50)		(5)	0	(5)	
	Sav Realised	51	0	51		3	0	3	
				0				(68)	
CARE QUALITY AND PROF DEVELOPMENT	Income	(60)	(58)	(2)	-3%	(28)	(28)	0	
	Salaries	5,483	5,450	33	-1%	1,008	560	448	-44%
	Supplies	762	774	(12)	2%	43	(68)	111	-258%
	Sav Target	(1,734)	0	(1,734)		(193)	0	(193)	
	Sav Realised	1,336	0	1,336		149	0	149	
				(379)				515	
TOTAL SUPPORT SERVICES	Income	(1,939)	(1,897)	(42)	-2%	(158)	(127)	(31)	-20%
	Salaries	24,860	21,648	3,212	-13%	3,261	2,414	847	-26%
	Supplies	32,647	34,627	(1,980)	6%	3,415	3,828	(413)	12%
	Sav Target	(5,848)	0	(5,848)		(650)	0	(650)	
	Sav Realised	6,609	0	6,609		1,474	0	1,474	
	Reserves	(4,886)	0	(4,886)		(543)	0	(543)	
				(2,935)				684	

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

PERIOD TO 31 DECEMBER 2023

	Full Year Budget £'000	Year to Date Budget £'000	Year to Date Actual £'000	Year to Date Variance £'000
Income				
Revenue Allocation	428,392			
Baseline Allocations	405,104			
Recurring Allocations	0			
Non-Recurring Allocations	23,288			
Fleet Income	14	14	14	0
Health Board	6,087	4,818	4,818	0
Other Healthcare	943	796	766	(30)
Other Operating	2,862	2,711	2,700	(11)
Staff Car Deductions	158	112	111	(1)
Total Income	438,456	8,451	8,409	(42)

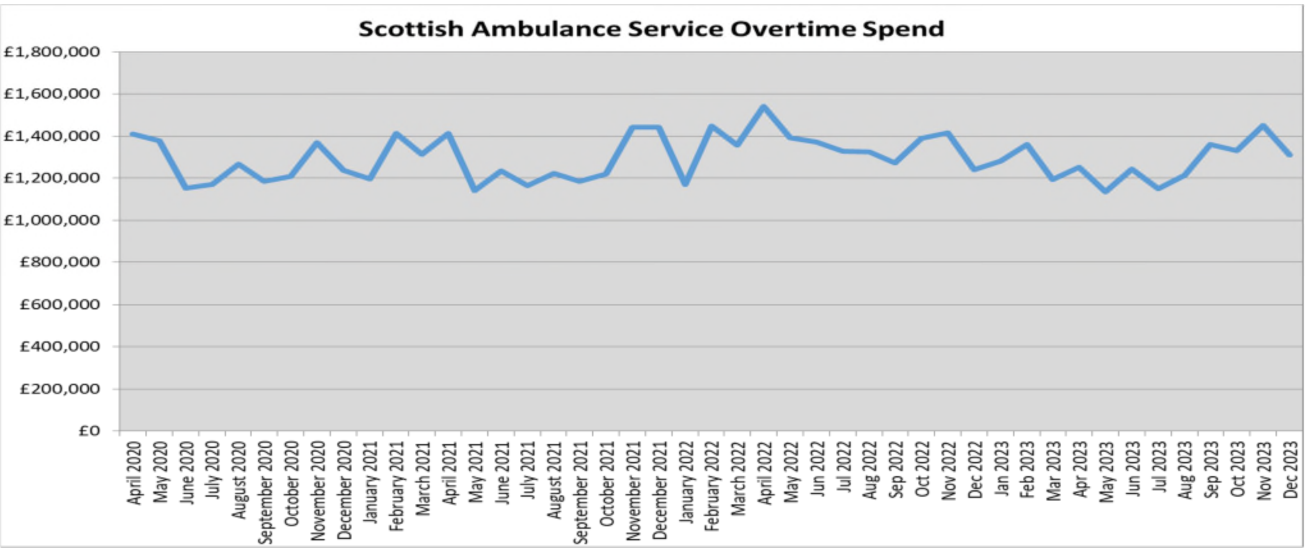
Total income (including funding) to date is breakeven against budget.

The original financial plan assumed revenue funding allocations of £410 million. This reflects funding for Mobile Vaccination Units and NHS System Pressures. 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 overspend of £1.06 million is made up primarily from Overtime £3.5 million, offset by a £2.46 million underspend from basic pay and enhancements. The main movement for Pay this month is additional funding released for costs identified through System pressures.

As referenced previously, reducing overtime is one of the areas under review for reducing the budget deficit. Overtime cost in this current year is averaging 4.8% of the year to date pay bill compared to last year to date at 5.9%. The graph below shows a trend analysis of overtime costs in the last three years. The impact of COVID-19 mobilisation on the Service can be seen in the months from March 2020 and with peaks during 2022 reflecting the ongoing pressures on the Service in response to the increased hospital turnaround times.



Overtime includes hospital turnaround times (HTAT) costs which are currently creating a cost pressure and are being picked up within the COVID/system pressure of £10.7 million as an unfunded cost pressure offset by the release of Learning in Practice accrual against costs incurred.

Table 6

SCOTTISH AMBULANCE SERVICE BOARD

STAFF AND OVERTIME SUMMARY

YEAR TO 31 DECEMBER 2023

		East Region	North Region	West Region	National Ops	Service Delivery
Current Year	Average WTE	1,425	832	1,965	858	5,080
	Overtime Hours	100,985	81,227	171,595	48,055	401,862
	Overtime Cost (£'000)	3,298	2,715	5,643	1,631	13,287
Prior Year	Average WTE	1,424	821	1,918	853	5,016
	Overtime Hours	112,567	94,699	200,620	56,624	464,510
	Overtime Cost (£'000)	3,191	2,757	5,735	1,659	13,342
Variance	Average WTE	1	11	47	5	64
	Overtime Hours	(11,582)	(13,472)	(29,025)	(8,569)	(62,648)
	Overtime Cost (£'000)	107	(42)	(92)	(28)	(55)

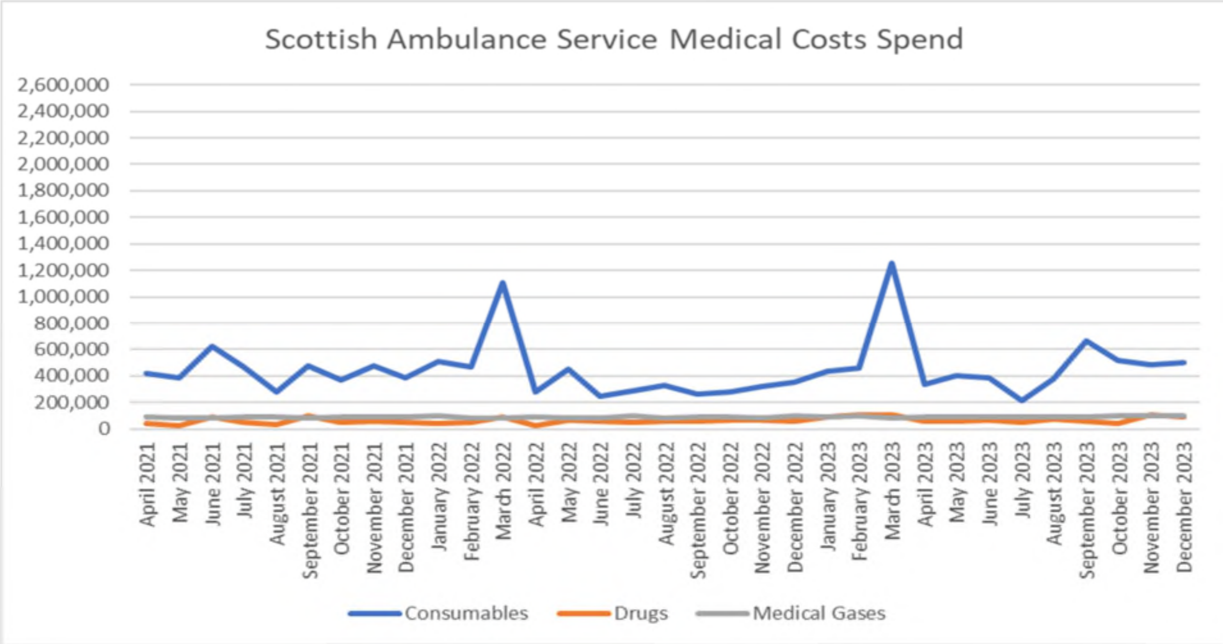
The above table illustrates an overall reduction in overtime hours compared to a year ago, with the highlight being an additional 74 staff (whole time equivalents) in post, primarily as a result of the Demand & Capacity program.

Non-pay

The non-pay overspend at £4.39 million represents an overspend beyond the £7.3 million of anticipated pressures and budget allocated driving the £4.5 million anticipated deficit. The month 9 overspend is £1.22 million reflecting a number of additional costs pressures beyond anticipated expenditure levels. These include Air Ambulance £0.88 million, Medical Costs £1.05 million, Other Operating costs £0.63 million, Property Running costs £1.15 million and Staffing Costs £0.28 million, off set by Vehicle Running £(0.43) million.

- Air Ambulance Costs report a 11.1% decrease in MCGA missions year on year to date, down from last month's reported decrease of 14.3%, but as a result of higher fuel prices and beyond inflationary rates for MCGA and additional accruals in variable activity costs for our Gama aircraft, December saw a year to date overspend of £0.88 million. The budget for the current year provided for a 9% inflationary uplift, but MCGA rates have risen to 16% above prior year rates.
- Medical costs include general medical consumables as well as defibrillator consumables, drugs and gases and repairs. Some medicine replenishment costs have increased by 21%, giving a cost pressure of over £0.06 million and Salbutamol has seen a significant cost increase resulting in a cost pressure of over £0.05 million. In September, there was a significant increase in spend for instruments & sundries, largely due to the new Stock system implementation allowing for a more accurate recording of stock issued YTD and this month shows a reduction as we start to see the impact of the new stock system. With further analysis also being undertaken, expenditure trends can be seen in the graph below, charting costs over the last two years. Note that this excludes year end pandemic stock adjustments.
- Other operating costs includes £0.23 million of Capital to Revenue for implementation and connection costs for EV charging points across stations. We anticipate further costs as we go towards the end of the financial year. Other operating costs also includes West Region British Red Cross £0.613 million as part of the post COVID cost pressures.
- Property running costs in month include £0.377 million in respect of Building maintenance as we progress through the Winter months. Also there is an ongoing potential COVID legacy purchase of paper hand towels, not budgeted for, which were part of new infection control measures introduced during COVID. We will seek advice from infection control colleagues whether this measure needs to continue or whether it can be stopped. Heat, light and power costs are also higher due primarily to Electricity prices being higher due to advance purchase of energy by NSS for 2023/24.
- Staffing costs relate to a pressure on Travel, Subsistence and Accommodation, which are both being monitored as part of the Reducing the Deficit priority areas.
- Vehicle running costs relates to the cost of diesel just below budgeted price of £1.66.

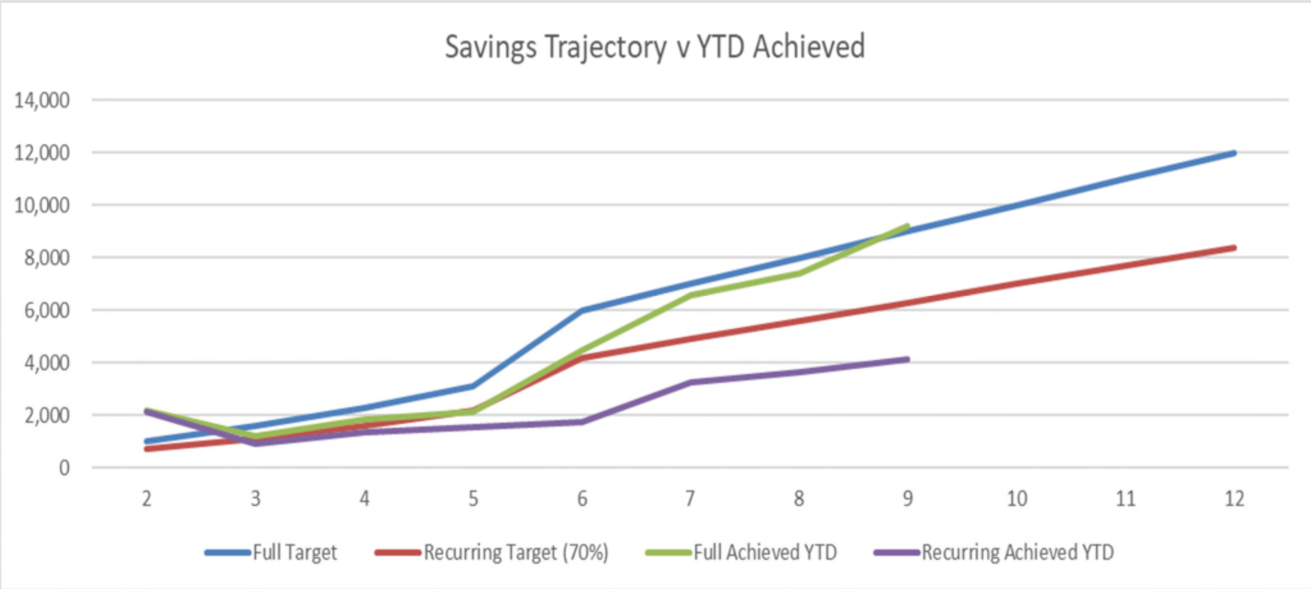
We continue to review all areas of cost pressures on a monthly basis through discussions with Budget holders as part of the £9..5 million review.



Efficiency Savings

As mentioned earlier in this paper, after 9 months of this financial year, savings achieved to date is now slightly ahead of Savings target. Of significance in recent months was the decision to re-profile the savings target away from the financial plan and assume a monthly target more evenly spread throughout the year rather than heavily weighted towards the later months.. Although achieving savings remains a significant risk, the requirement to ensure the delivery of efficiency savings remains a continued focus for staff and management as service quality improvements in support of these pressures are currently being actioned. Significant focus is currently on implementing, tracking and reporting on these programmes through the best value governance and escalation process.

The chart below shows the revised savings trajectory over the financial year, which accommodates a more consistent pace as the year progresses. At month 9, we are behind our £9.0 million target with £9.2 million savings having been identified to date. Also showing is our recurring savings achieved against a 70% marker. At this stage, a continued focus is absolutely necessary to ensure we meet our full year savings target as we enter the last quarter of the year.



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 £9.2 million has been achieved, as detailed in the graph below:

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

- **Local Efficiency Target**

  Service Directorates have been allocated a 1.0% recurring efficiency target and Support Directorates have been allocated a 1.5% recurring efficiency target, to recognise the requirement to continually review our costs and ensure reinvestment in our services to meet ongoing cost pressures. These targets equate to £3.4 million across the Service, and Service heads have already given their agreement to meet these targets on a recurring basis. A list of potential schemes have been shared with the regional leads and active work is underway with finance leads and budget holders to identify the spend areas against which these targets will be achieved from. Note that the plan was £3.4 million, which was revised to £3.9 million and has increased by a further £0.8 million from the carry forward of non recurring savings targets from prior year to £4.7 million. These are reported monthly through the Best Value Steering Group.

- **Best Value Programme**

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

  35 work streams had been identified with potential savings of £3.744 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. To date, £9.2 million savings have been achieved, with carbon reduction of £0.2 million and Medicines redesign £0.144 million. Of the EPDD review, £1.7 million is being recognised over the 12 months. In month 9, we delivered £0.148 million and £0.153 million respectively in relation to EPDD and Fleet savings. For local efficiency savings, a total of £6.08 million has been identified to date, of which £1.244 million relates to a reduction in the unsocial budget in respect of an underlying vacancy factor.

- **Grip and Control**

  This target of £1.0 million involves reviewing current practices through national program/benchmarking, and focusing on improved controls and local decision making. This month, £0.812 million has been achieved as a result grip and control review of procurement and finance processes.

Post COVID-19 Financial Implications

Board Members are aware that there is only part funding assumptions in place to support expenditure due to post COVID-19 pandemic and system pressures. Our financial plan assumes a cost pressure of £11.0 million for ongoing COVID activity, and work is progressing with the Scottish Government to obtain funding for the recurring legacy costs.

Included in the revised estimated full year £10.7 million pressures are:

- Covid Overtime £4.3 million - an ongoing pressure in line with prior years relating to hospital turnaround times
- PPE £0 million - this includes the replacement policy for replacing Hoods purchased in the first two years of the COVID pandemic
- GCU £0.6 million – costs relating to the final few months of the technician training programme, that was delayed due to COVID
- 999 Call handlers £1.8 million – additional wte requirement for Call handlers beyond 120 wte, plus agency costs in meeting the peaks and troughs of the staffing requirements for the 3 call centres due to rising demand.
- Card 46 (timed admissions) £4.0 million relating to 98 wte unfunded posts, this also includes the provision of Taxis and British Red Cross resources to cover resources transferring patients to accident and emergency following the appropriate clinical risk assessment.

Costs to date against these cost headings are noted below in Table 7:

Table 7

£ million	Planning assumptions for 2023/24	Plan Month 9 2023/24	Actual Month 9 2023/24	Month 9 Updated Planning assumption 2023/24	Notes
Overtime including 0.5% sickness	3.800	2.850	2.921	4.300	This is primarily driven by shift overruns relating to hospital turnaround times
PPE	0.700	0.525	0.000	0.000	No additional spend has been reported to date, the national stocks are currently sufficient and the work on the PPE hoods and face fitting is under review. It is anticipated spend will increase in this area during the remained of the year and this will be reflected in the full year forecast
GCU	0.400	0.400	0.495	0.600	Relates to the costs of GCU as a result of the delay due to COVID
999 call handlers	2.300	1.725	1.064	1.800	This is in line with plan with the increase in costs being planned for winter and is driven by increased demand
Card 46 (timed admissions)	3.800	2.850	2.901	4.000	This is showing higher costs than anticipated with the inclusion of British Red Cross and use of taxis, a deep dive into this is being undertaken to assess the full year costs. This avoids A&E conveyance.
Total Covid	**11.000**	**8.350**	**7.381**	**10.700**	**Overall this is broadly in line with plan, but specific actions in place to review and monitor these**

The financial plan identified a shortfall in funding related to committed operational pressures. These are noted in Table 8 below:

Table 8

Description	Planning assumptions for 2023/24	Planned expenditure M9 2023/24	Actual expenditure M9 2023/24
Elimination of On-Call	£2.000	£1.500	£1.511
Paramedics Education Programme	£0.100	£0.075	£0.431
Integrated Communications Control System replacement (ICCS)	£1.600	£1.200	£0.777
Emergency Service Network (ESN)	£0.300	£0.225	£0.012
Remaining gap against the £45m	**£4.000**	**£3.000**	**£2.730**

This is running at slightly lower than plan at this point in the year due to the delay in the ICCS/ESN program, which are now materialising and will be fully realised over the coming months.

Reducing the Financial Deficit Priory Schemes – Estimated as £6.125 million

The following table describes the priority high overspend areas and progress against these. A split by region is allowing a further deep dive into the difference in cost movements and sharing good practice. This report will be reviewed and developed over the next few months:

Table 9

<table>
<tr><th>Description</th><th>Executive Sponsor</th><th>Estimated Full year Expenditure Reduction £’000</th><th colspan="2">Current expenditure Reduction / (increase)</th></tr>
<tr><td rowspan="5">Overtime Reduction</td><td rowspan="5">West Regional Director</td><td rowspan="5">£3,800,000</td><td>North Region</td><td>£19,012</td></tr>
<tr><td>East Region</td><td>£(84,942)</td></tr>
<tr><td>West Region</td><td>£(39,201)</td></tr>
<tr><td>Nat Operations</td><td>£252,609</td></tr>
<tr><td>Reduction</td><td>£147,478</td></tr>
<tr><td>Modern Apprenticeships</td><td>Director of Workforce</td><td>-</td><td colspan="2">To be quantified</td></tr>
<tr><td rowspan="5">Travel and Accommodation</td><td rowspan="5">North Regional Director</td><td rowspan="5">£200,000</td><td>North Region</td><td>£84,990</td></tr>
<tr><td>East Region</td><td>£108,269</td></tr>
<tr><td>West Region</td><td>£54,159</td></tr>
<tr><td>Nat Operations</td><td>£28,017</td></tr>
<tr><td>Reduction</td><td>£275,434</td></tr>
<tr><td rowspan="5">Uniform Management</td><td rowspan="5">Kenny Freeburn / Ricky Panton – Head of Ambulance Services (East Region – Borders</td><td rowspan="5">£100,000</td><td>North Region</td><td>£145,129</td></tr>
<tr><td>East Region</td><td>£157,331</td></tr>
<tr><td>West Region</td><td>£196,610</td></tr>
<tr><td>Nat Operations</td><td>£(12,401)</td></tr>
<tr><td>Reduction</td><td>£486,669</td></tr>
<tr><td>NHS 24 / HCP Online Booking</td><td>Stephen Massetti / Stewart Clark</td><td>£425,000</td><td colspan="2">Programme still in progress likely go live by October 2023</td></tr>
<tr><td>Scheduled Care and Card 46 Work</td><td>Kenny Freeburn / James Wilkie</td><td>£1,600,000</td><td colspan="2">Programme commenced in June 2023</td></tr>
<tr><td>Current expenditure reduction</td><td></td><td></td><td colspan="2">Net £0.910m reduction</td></tr>
</table>

It is important to note that the current reduction in spend was assumed as an addition to the £12.0 million efficiency plans.

Mobile Vaccination Units

The Service is currently delivering Mobile Vaccination Units (MVUs) across Scotland to support an inclusive vaccination programme delivering vaccinations to population groups who can face barriers to mainstream vaccination pathways.

The year-to-date expenditure (at 31 December 2023) is as follows:

	Costs
Pay	£555,000
Non Pay	£130,000
Total	**£685,000**

Estimated costs were previously forecast to be around £1.179 million in 2023/24, but has now been revised to £1.1 million for this financial year. The funding was confirmed in our October award letter from Scottish Government.

2023/24 YTD CAPITAL POSITION AS AT MONTH 9 (31/12/2023)

2023/24 Capital Budget

The Service's Capital budget is made up of two 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 2023/24 the following earmarked allocations are anticipated:
        - Fleet Replacement Programme £19.62 million
        - Scotstar £0.25 million

- Budget Transfer of £1.36 million
    - The service has applied for funding from Transport Scotland for Electric Vehicle Infrastructure. To date, we have had £0.866 million approved and are awaiting approval of a further £0.497 million.

The total 2023/24 allocation, taking into account the aforementioned capital and budget transfers, is anticipated to be £26.42 million. The core formula capital allocation has been received. All other allocations are outstanding.

YTD Capital Position as at Month 9

The YTD capital position is shown in the table below. Year to date expenditure totals £5.01 million. Significant expenditure on vehicles is anticipated throughout the year.

The unallocated budget excluding anticipated projects of £0.170 million is expected to be fully utilised during 2023/24.

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

SCOTTISH AMBULANCE SERVICE
CAPITAL REPORT 2023-24
As at 31st December 2023

PROJECT	Approved Budget £	YTD Actuals £	Notes
Formula Capital Projects			
eHealth and ICT	1,289,463	564,836	
Property	694,600	540,572	
Medical Equipment	0	0	
Vehicle Accidents	419,624	419,624	
	2,403,688	**1,525,032**	
Earmarked Allocations			
ICCS	600,000	(148,490)	
Scotstar	166,750	135,563	
Vehicles	19,624,000	3,494,267	
Transport Scotland Budget Transfer	1,363,115	0	
	21,753,875	**3,481,341**	
Unallocated Budget	169,552	0	
Capital Receipts	53,402	0	Gain on sale of vehicles
Fleet Contingency	2,092,000	0	& property
TOTAL	**26,472,517**	**5,006,373**	

Approved and Anticipated Projects

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

SCOTTISH AMBULANCE SERVICE
DRAFT CAPITAL PLAN 2023-24
As at 1st January 2024

ALLOCATION	
Received	
Core Allocation	1,794,000
Anticipated	
ScotSTAR project	250,000
Fleet Replacement – Core	20,920,000
Fleet Replacement – Contingency	2,092,000
Total Capital Allocation	**25,056,000**
Add: Transport Scotland Budget Transfer -	
Allocation 1	865,984
Allocation 2	497,131
Total Available Capital Budget	**26,419,115**
EXPENDITURE	
Approved Projects	
Project	**BUDGET**
eHealth and IT	
ICT – Telephony	99,195
ICT – Wifi Upgrade	452,760
ICT – Airwaves Sepura Radio Terminals	374,843
ICT – ACC Switch Replacement	82,325
ICT – Datix Server Replacement	116,833
ICT – Printer Replacement	24,060
ICT – ePR Update	3,844
ICT – Terrafix Communication Servers	60,634
Total- eHealth and IT	**1,214,494**
Special Projects	
ACC Cardonald – Atrium	576,000
ICT – ICCS	600,000
Total – Special Projects	**1,176,000**
Property	

Estates – Purchase of Maybole Land	20,000
Estates- Physical Condition Works	98,600
Total – Property	**118,600**
Operations	
Vehicles plus Contingency	23,079,115
ScotSTAR -Paraid Trolley	122,320
ScotSTAR – Corpuls 4G Upgrade	23,320
Scotstar – EMRS Lucas replacement	21,120
Vehicle Accidents	419,624
Total – Equipment	**23,665,499**
Total Approved Projects	**26,174,593**
Unallocated Budget	**244,522**
Anticipated Projects	
ICT – C3 Auto Dispatch	4,752
Estates – Inverness Workshop	-
Estates – Crieff	-
Estates – Kirkconnel	-
Estates – Langholm	-
Estates – Decarbonisation and Sustainability of Estates	-
ICT – Terrafix Upgrade	-
Corti Software	-
Vehicle Accidents	239,770
Total – Anticipated Projects	**244,522**
Revised Unallocated Budget	**0**

CONCLUSION

At this final stages in the financial year, the financial position for the Service is £10.1 million behind target. The full year forecast has been reviewed and reduced from £12.5 million forecast deficit to a £9.5 million forecast deficit, broadly due to a review of costs following the November and December winter pressures and assuming full delivery of the £12 million efficiency plan. This is almost all wholly driven by the post COVID/system pressures and discussions continue with Scottish Government in relation to funding.

The key actions in delivering this the financial plan are described within the paper and the risks will be closely monitored.

Julie Carter
Director of Finance, Strategy and Logistics
January 2024