



**NOT PROTECTIVELY MARKED**

**PUBLIC BOARD MEETING**

**29 May 2024**

**Item 11**

**THIS PAPER IS FOR DISCUSSION**

**SUMMARY FINANCIAL PERFORMANCE TO 31 MARCH 2024**

<b>Lead Director Author</b>	Julie Carter, Director of Finance, Logistics and Strategy Maria McFeat, Deputy Director of Finance
<b>Action required</b>	The Board is asked to <b>discuss and note:</b> <ul style="list-style-type: none"> <li>• The financial position for the year to March 2024</li> <li>• The financial impact of ongoing unfunded system pressures and operational commitments expenditure in the year to March 2024, noting the outcome of the additional funding following positive discussions with Scottish Government.</li> <li>• The impact of the 'Back to Balance' action plan including the efficiency savings position in the year to March 2024</li> </ul>
<b>Key points</b>	<ol style="list-style-type: none"> <li>1. The financial position shows a small surplus of £0.03 million after year end adjustments and budget allocations.</li> <li>2. Impact of ongoing post COVID/system pressures of £9.68 million have been incurred in the year.</li> <li>3. In relation to local efficiency savings, the annual target was £4.74 million and to date £4.21 million has been delivered. Best value schemes of £6.95 million has been delivered to date. Grip and Control has identified £0.84 million to date against a £1.0 million plan. This has resulted in the full £12.0 million savings target has been delivered this financial year.</li> <li>4. Through the back to balance plan with the focus on priority high overspend areas has delivered £2.672 million against a full year target of £6.125 million. Noting this was partially masked by new emerging cost pressures that have been prevalent through the year.</li> </ol>
<b>Timing</b>	During the financial year the Board has been provided with monthly updates on the financial position and from August 2023 the final year end forecast position has also been reported. This showed the forecast costs to end of March 2024 and how they compared against our financial plan.

<b>Associated Corporate Risk Identification</b>	Risk ID 5602 – failure to achieve financial target
<b>Link to Corporate Ambitions</b>	<p>This paper relates to:</p> <p>We will</p> <ul style="list-style-type: none"> <li>• Work collaboratively with citizens and our partners to create healthier and safer communities</li> <li>• Innovate to continuously improve our care and enhance the resilience and sustainability of our services</li> <li>• Improve population health and tackle the impact of inequalities</li> <li>• Deliver our net zero climate targets</li> <li>• Provide the people of Scotland with compassionate, safe and effective care when and where they need it</li> <li>• Be a great place to work, focusing on staff experience, health and wellbeing</li> </ul>
<b>Benefit to Patients</b>	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.



## **NOT PROTECTIVELY MARKED**

### **SCOTTISH AMBULANCE SERVICE BOARD**

#### **FINANCIAL PERFORMANCE TO 31 MARCH 2024**

#### **JULIE CARTER, DIRECTOR OF FINANCE, LOGISTICS & STRATEGY**

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This paper sets out the financial position at 31 March 2024 for the Scottish Ambulance Service.

The financial plan was a plan of 2 parts including 'Business As Usual' (acknowledging the significant inflationary cost pressures included in this) projected a £4.5 million deficit, and with the addition of the ongoing system and post COVID pressures assumed unfunded, this increased to a £19 million forecast deficit position.

During the year the full year forecast was then reduced to £12.5 million, primarily due to the impact of the back to balance work and additional non-recurring funding of £5 million received from Scottish Government. Following the December financial position this was further reduced to £9.5 million full year forecast and finally reduced to a £8.0 million full year forecast deficit reflecting the system/COVID pressures. Non-recurring funding of £8 million was received from Scottish Government in March 2024, resulting in a breakeven position.

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

The Board is asked to note the reporting against:

- The overall financial position for the financial year 2023/24 at March 2024
- A specific section on post COVID and system pressures, financial impact and funding received
- Progress against the back to balance action plan, including an update on the delivery of savings and reducing key overspend areas
- Delivery of the £12 million in year savings target
- actions
- An update on the key risks and mitigating actions in the delivery of the financial plan, noting that these will roll over into 2024/25 and
- Including an update on feedback from Scottish Government following the submission of our 2024-2027 financial plan

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The financial outturn position to March 2024, is reporting a small surplus position of £0.03 million to date, consists of:

- Income – this is reporting a breakeven position
- Core Expenditure – a surplus position of £0.03 million to March 2024.
- The financial impact of post COVID-19/system pressures represents expenditure of £9.68 million against a forecast pressure of £10.5 million.
- Expenditure aligned to our Service priorities and key operational commitments overspend is £3.97 million, against a forecast pressure of £4.0 million full year.
- Funding discussions in relation to these pressures and post COVID/system pressures continued with Scottish Government, and further to the non-recurring funding of £5.0 million previously received, an additional non-recurring allocation of £8.0 million to support the system cost pressures was received from Scottish Government in March 2024. This then , totalled additional non-recurring income of £13.0 million in the full year.
- Efficiency savings target for the financial year was £12.0 million. We can report that £12.0 million of savings have been achieved in the year to 31 March 2024.
- Progress against the action plans relating to the high overspend areas has delivered £2.67 million of reduced costs in the year to 31 March 2024,

## Key messages

- Surplus outturn position of £0.03 million as at 31 March 2024 (this includes both core and non-core expenditure, and income). The financial plan trajectory assumed a deficit of £12.5 million at the end of March 24, although this had been revised to forecast an outturn deficit of £8.0 million in March 2024.
- The revised deficit position of £8.0 million by March 2024 was primarily due to the post COVID pressures and discussions in relation to funding with Scottish Government resulted in an additional £8.0 million non-recurring funding being awarded, in recognition of these wider system pressures.
- The key components driving the revised £8.0 million forecast deficit were as follows:
  - £4.0 million additional costs of extended hospital turnaround times
  - £1.5 million additional ambulance control staff to meet increased demand, and
  - £3.8 million additional card 46 / timed admissions resources supporting A&E demand.

## Each of these areas are updated below:

- Ongoing system pressures of £9.68 million have been identified to date. 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 related to additional investment funding in 2023/24 of £45.0 million of which £49.0 million costs had been assumed. Costs of £3.97 million has been incurred in this year to date within these areas.
- Scottish Government provided £5.0 million of non-recurring funding towards our system pressures detailed above, of which we have now released the full £5.0 million to offset the related cost pressures of COVID and Operational Commitment pressures.

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- Against our efficiency savings target of £12.0 million, we are delighted to report delivery of £12.0 million for the full year.
- Included within the back to balance action plan, work had focused on key overspend areas with leads identified. For the full year, a total reduction of £2.672 million has been identified against a target of £6.125 million.

## Key actions agreed in this period

**The key focus of the financial plan, throughout the year is the delivery of the Back to Balance action plan. This included the following 3 key areas, all of which have been achieved:**

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 had been set at £12.0 million, of which the Best Value Programme has identified £3.744 million of plans. In addition, local efficiency target was 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 was continued focus on ‘Grip and Control’ actions planned at an estimated £1.0 million. The balance of £2.7 million of unidentified assumed a level of non-recurring slippage. The action plan put in place to deliver the £12 million target savings has been presented to the Board each month and includes the following completed actions.

**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 was also established. A detailed best value report presented to the Performance and Planning Steering Group at each meeting with progress to date and corrective actions. In addition, a measurement framework had been developed and monitored on a monthly basis.

The Service continued to link into the national Sustainability and Value work and updates 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 had 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 has been reported to the Best Value Steering Group at each meeting and have been progressing throughout the year. Total cost reductions for the

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year are now reported as £2.672 million. The finance team 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 during this financial year.

### 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 had estimated the full year impact in 2023/24 to be up to £10.5 million for the year, this was reduced to a full year deficit of £8.0 million. Discussions ongoing with Scottish Government to seek funding for these ongoing pressures was agreed, and non-recurring funding of £8.0 million was received in our March 2024 allocation.

**ACTION:** Going forward into 2024/25, there are a range of actions being pursued within the Service to continually review and monitor these costs, while balancing operational service impact, as these pressures will continue into 2024/25 and this has been reflected within the 2024-2027 financial plan.

### 3 (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, These costs pressures were being monitored on a monthly basis in order to manage this pressure, a total of £3.97 million costs were identified.

**ACTION:** Monthly monitoring alongside discussions with Scottish Government for funding will continue in 2024/25 as additional funding of £5.0 million in 2023/24 was received non-recurringly. With detailed monitoring arrangements in place to continue, forecast costs will continually be reviewed.

### Financial Risk considerations noted in the period.

The financial risks that have been reported throughout the financial year are noted below, importantly, these will continue into 2024/25 financial year:

### Delivery of Efficiency Savings Target including Best Value

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 and this focus is required moving into 2024/25. Significant focus is currently on implementing, tracking and reporting on these programmes through the best value governance and escalation process. It is also recognised that the continued delivery of financial savings, both recurring and non-recurring becomes a greater risk in each additional year, as the ability to deliver these becomes more challenging.

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

**Action** – A number of actions continue to be relevant into 2024/25:

- Additional focussed Programme Management Office support will continue to be set up and aligned to the priority schemes to provide additional focus and capacity.
- Programme leads will be assigned and programme plans have been developed with mandates to be completed for all projects
- Executive leads and finance support for each programme has also been identified
- The Best Value Steering Group will continue to meet every month, and regular reporting to Executive Team, Performance and Planning Steering Group and Audit & Risk Committee remains in place
- Updated governance policies and procedures in place with clear escalation plans identified
- A weekly Best Value Delivery Group in place to focus on providing additional support to ensure implementation, and this continues to meet during this time
- The best value programmes have been linked to our 2030 strategy ambitions and our 5 portfolio boards for oversight and prioritisation
- Monthly highlight reports in place 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 staff can contribute to new ideas
- Implementation of grip and control in every spend area, with additional controls maintained in higher and 'non-core' spend,
- Utilisation of the national work including the 15 box grid 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

In addition, a senior financial analyst is in place to support the analytical and reporting requirements for all projects and their deliverables. Significant progress has since been made with the development of this measurement framework and supporting reports and this has contributed to the good progress to date. 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.

Weekly Executive team meetings have been set up to the end of March focusing solely on the actions needed to deliver the efficiency plans. This is continuing fortnightly throughout the first quarter of the financial year.

A detailed finance risk register for the 2024/25 financial year has been completed and actions in place to mitigate these risks will be described in the 2024/25 financial reporting periods.

## **Feedback from Scottish Government in response to the submission of our 2024-2027 Finance plan**

The following feedback has been received from Scottish Government in relation to the Service financial plan and noted also the action plan in place in response to these points. This has to be formally reported back to the Scottish Government by the end of June 2024.

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Scottish Government acknowledge the position outlined in the financial plan for 2024-25 and expect the Board to undertake the following actions ahead of Quarter One in year reporting:

1. *Develop options to meet any unidentified or high risk savings balances.*
2. *Continue to progress with the areas of focus set out in the 15 box grid to support the minimum 3% recurrent savings target.*
3. *Engage and take proactive involvement in supporting national programmes as they develop in 2024-25.*
4. *Develop further measures to reduce the Board's residual financial gap*
5. *Provide an update on the financial risks outlined within the financial plan to assess likelihood of these materialising and the impact these could have on the Board's outturn.*

*We will continue to engage and perform regular monitoring of the Board's financial position via the Financial Performance Return process, beginning with the 2024-25 Quarter 1 review.*

**The following actions are in progress in relation to these points:**

<b>Feedback from SG</b>	<b>Actions in Progress</b>
Develop options to meet any unidentified or high risk savings balances	Rapid work in place identifying actions and savings for those efficiency plans that have not yet got a final plan in place, including <ul style="list-style-type: none"> <li>• Work on medical gases</li> <li>• Health and safety in reducing claims</li> <li>• Occupational health review</li> <li>• Local efficiency plans</li> </ul>
Continue to progress with the areas of focus set out in the 15 box grid to support the minimum 3% recurrent savings target.	This is currently in place – areas being explored in partnership are <ul style="list-style-type: none"> <li>- Clear reduction in sickness absence in 2024/25</li> </ul>
Engage and take proactive involvement in supporting national programmes as they develop in 2024-25.	Ongoing with the Director of Finance and the Deputy Director of Finance attending the relevant groups and feeding back actions to the monthly Best Value Steering Group
Develop further measures to reduce the Board's residual financial gap.	<ul style="list-style-type: none"> <li>• Contract review processes including recent external report</li> <li>• Enhanced overtime reporting estimates</li> <li>• Enhanced Budget reporting– increasing grip and control</li> <li>• Escalation plan in place</li> </ul>



Provide an update on the financial risks outlined within the financial plan to assess likelihood of these materialising and the impact these could have on the Board's outturn.	Actions updated on a monthly basis for the risk register, and further quantification and scenarios being developed
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## Finance outturn position as at March 2024

### Introduction

This section of the paper provides details of the financial results for the period ending March 2024.

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 March 2024 is £0.029 million under budget, made up of the following:

- Income - breakeven
- Expenditure Pay – under budget by £7.36 million
- Expenditure Supplies – over budget by £7.12 million
- Savings – achieved target
- Expenditure Non-core – break even
- This position includes funded COVID expenditure of £9.68 million
- This position includes funded Operational Commitments £3.97 million

There is however an additional £5.38 million of new non pay pressures, offset by reduction in high priority spend areas at £2.672 million. These are described further in the paper.

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**Table 1 – Scottish Ambulance Service high-level overview**

**SCOTTISH AMBULANCE SERVICE BOARD  
REVENUE RESOURCE ANALYSIS  
YEAR TO 31 MARCH 2024**

	Full Year Budget £'000	Year to Date			Current Month		
		Budget £'000	Actual £'000	Variance £'000	Budget £'000	Actual £'000	Variance £'000
<b>Income</b>							
Revenue Allocation	435,107	435,107	435,107		48,914	48,914	
Health Board	6,817	6,817	6,817	0	530	530	0
Other Healthcare	272	272	266	(6)	(685)	(647)	38
Fleet	19	19	19	0	3	3	0
Staff Car Deductions	148	148	148	0	11	12	1
Other Operating	3,504	3,504	3,494	(10)	504	485	(19)
<b>Total Income</b>	<b>445,867</b>	<b>445,867</b>	<b>445,851</b>	<b>(16)</b>	<b>49,277</b>	<b>49,297</b>	<b>20</b>
<b>Expenditure</b>							
Accident & Emergency	298,576	298,576	290,878	7,698	24,215	18,203	6,012
Non Emergency Service	32,817	32,817	31,141	1,676	4,938	2,603	2,335
Air Ambulance	14,367	14,367	18,180	(3,813)	1,227	3,619	(2,392)
Overheads	78,310	78,310	83,826	(5,516)	17,846	14,828	3,018
<b>Total Expenditure</b>	<b>424,070</b>	<b>424,070</b>	<b>424,025</b>	<b>45</b>	<b>48,226</b>	<b>39,253</b>	<b>8,973</b>
<b>Core Expenditure Variance</b>				<b>29</b>			<b>8,993</b>
<b>Non Core Expenditure</b>							
Depreciation (DEL)	20,495	20,495	20,495	0	2,538	2,538	0
Depreciation (Donated)	65	65	65	0	6	6	0
AME Provision	775	775	775	0	775	775	0
AME Impairments	(284)	(284)	(284)	0	(284)	(284)	0
Non Cash (DEL)	746	746	746	0			
<b>Total Non Core Expenditure</b>	<b>21,797</b>	<b>21,797</b>	<b>21,797</b>	<b>0</b>	<b>3,035</b>	<b>3,035</b>	<b>0</b>
<b>Surplus / Deficit</b>				<b>29</b>			<b>8,993</b>

## 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 MARCH 2024**

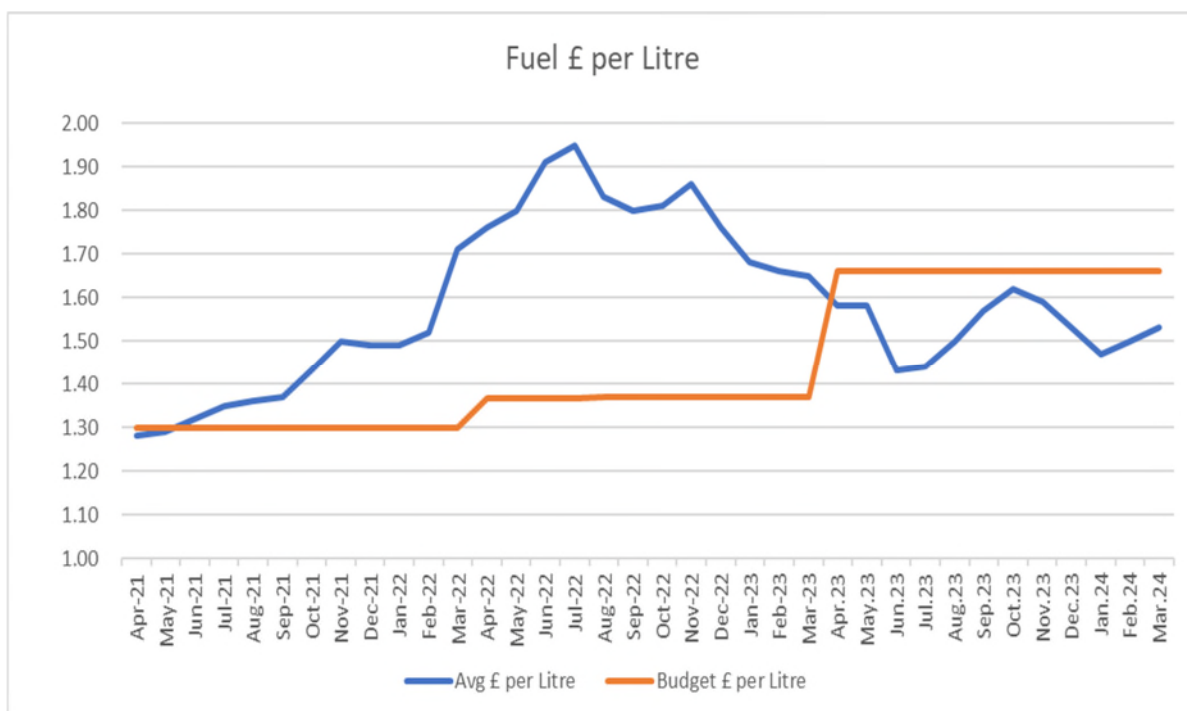
		Cumulative to Date				Current Period			
		Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance
		£'000	£'000	£'000	%	£'000	£'000	£'000	%
Service Delivery Directorate	Income	(8,948)	(8,948)	0	0%	(670)	(670)	0	0%
	Salaries	319,878	317,012	2,866	-1%	34,570	26,381	8,189	-24%
	Supplies	42,265	47,767	(5,502)	13%	4,229	6,784	(2,555)	60%
	Sav Target	(4,203)	0	(4,203)	0%	(350)	0	(350)	0%
	Sav Realised	3,240	0	3,240	0%	332	0	332	0%
					(3,599)			5,616	
Support Services Directorates	Income	(1,812)	(1,796)	(16)	-1%	306	286	20	-7%
	Salaries	35,099	30,601	4,498	-13%	4,307	3,850	457	-11%
	Supplies	48,625	50,444	(1,819)	4%	7,335	6,022	1,313	-18%
	Sav Target	(7,796)	0	(7,796)	0%	(648)	0	(648)	0%
	Sav Realised	8,761	0	8,761	0%	568	0	568	0%
	Reserves	0	0	0		1,668	0	1,668	
				3,628			3,378		
SCOTTISH AMBULANCE SERVICE	Income	(10,760)	(10,744)	(16)	0%	(364)	(384)	20	5%
	Salaries	354,977	347,613	7,364	2%	38,877	30,231	8,646	22%
	Supplies	90,890	98,211	(7,321)	-8%	11,564	12,806	(1,242)	-11%
	Sav Target	(11,999)	0	(11,999)		(998)	0	(998)	
	Sav Realised	12,001	0	12,001		900	0	900	
	Reserves	0	0	0		1,668	0	1,668	
				29			8,994		

### Table 3 – Service Delivery

Service delivery outturn is over budget by £3.6 million at 31 March 2024. Pay costs are reporting an overspend of £3.9 million over all service areas, however it should be noted that this includes, as previously reported, overtime as a result of system pressures, Card 46 timed admission, ambulance control centre unfunded costs and unfunded operational commitment pressures. The outturn position now reflects the receipt of non-recurring funding for such pressures.

Air Ambulance Costs have reported a 5.0% decrease in Maritime and Coast Guard Agency (MCGA) missions over the 12 months this year against the same period last year – also MCGA account for only 8.7% of the total missions this year against 9.0% in the same period last year. Although there has been a 1.7% reduction in total missions this year for Air Ambulance as a whole (including SCAA) against the same period last year, higher fuel prices and beyond inflationary rates for MCGA and additional variable charge accruals for GAMA aircraft have all resulted in additional costs.

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 to £1.62 in October 2023, and finishing at £1.53 in March 2024, we do see a continuing underspend on Diesel costs of £0.07 million for the 12 months to March 2024.



**Table 3**

**SCOTTISH AMBULANCE SERVICE BOARD  
INCOME AND EXPENDITURE - SERVICE DELIVERY  
YEAR TO 31 MARCH 2024**

		Cumulative to Date				Current Period			
		Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance
		£'000	£'000	£'000	%	£'000	£'000	£'000	%
NORTH REGION	Income	(1,371)	(1,371)	0	0%	(118)	(118)	0	0%
	Salaries	54,799	54,342	457	-1%	5,446	4,491	955	-18%
	Supplies	4,307	5,024	(717)	17%	352	523	(171)	49%
	Sav Target	(577)	0	(577)		(48)	0	(48)	
	Sav Realised	669	0	669		28	0	28	
				(168)			764		
EAST REGION	Income	(1,418)	(1,418)	0	0%	(6)	(6)	0	0%
	Salaries	87,535	86,495	1,040	-1%	9,328	7,297	2,031	-22%
	Supplies	7,270	8,077	(807)	11%	659	933	(274)	42%
	Sav Target	(897)	0	(897)		(74)	0	(74)	
	Sav Realised	901	0	901		39	0	39	
				237			1,722		
WEST REGION	Income	(4,611)	(4,611)	0	0%	(438)	(438)	0	0%
	Salaries	119,981	119,327	654	-1%	13,257	9,780	3,477	-26%
	Supplies	10,020	11,267	(1,247)	12%	1,500	1,136	364	-24%
	Sav Target	(1,226)	0	(1,226)		(103)	0	(103)	
	Sav Realised	1,227	0	1,227		243	0	243	
				(592)			3,981		
NATIONAL OPS	Income	(1,548)	(1,548)	0	0%	(108)	(108)	0	0%
	Salaries	56,477	55,814	663	-1%	6,374	4,722	1,652	-26%
	Supplies	20,596	23,346	(2,750)	13%	1,712	4,187	(2,475)	145%
	Sav Target	(1,475)	0	(1,475)		(123)	0	(123)	
	Sav Realised	443	0	443		22	0	22	
				(3,119)			(924)		
BUSINESS INTELLIGENCE	Salaries	1,086	1,034	52	-5%	165	91	74	-45%
	Supplies	72	53	19	-26%	6	5	1	-17%
	Sav Target	(28)	0	(28)		(2)	0	(2)	
	Sav Realised	0	0	0		0	0	0	
					43			73	
TOTAL SERVICE DELIVERY	Income	(8,948)	(8,948)	0	0%	(670)	(670)	0	0%
	Salaries	319,878	317,012	2,866	-1%	34,570	26,381	8,189	-24%
	Supplies	42,265	47,767	(5,502)	13%	4,229	6,784	(2,555)	60%
	Sav Target	(4,203)	0	(4,203)		(350)	0	(350)	
	Sav Realised	3,240	0	3,240		332	0	332	
				(3,599)			5,616		

## Table 4 – Support Services Directorates

Support services are being reported as £3.6 million under 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 MARCH 2024**

		Cumulative to Date				Current Period			
		Budget £'000	Actual £'000	Variance £'000	Variance %	Budget £'000	Actual £'000	Variance £'000	Variance %
BOARD AND CHIEF EXECUTIVE	Income	(67)	(67)	0	0%	(13)	(13)	0	
	Salaries	2,096	2,243	(147)	7%	336	187	149	-44%
	Supplies	109	137	(28)	26%	(2)	8	(10)	-500%
	Sav Target	(34)	0	(34)		(2)	0	(2)	
	Sav Realised	13	0	13		13	0	13	
				(196)		150			
FINANCE AND LOGISTICS	Income	(1,231)	(1,215)	(16)	-1%	357	340	17	-5%
	Salaries	17,994	14,088	3,906	-22%	2,063	2,431	(368)	18%
	Supplies	45,603	47,239	(1,636)	4%	6,914	5,451	1,463	-21%
	Sav Target	(7,539)	0	(7,539)		(628)	0	(628)	
	Sav Realised	8,516	0	8,516		480	0	480	
	Reserves	0	0	0		1,668	0	1,668	
				3,231		2,632			
HUMAN RESOURCES	Income	(33)	(33)	0	0%	(2)	(2)	0	
	Salaries	2,837	2,867	(30)	1%	242	237	5	-2%
	Supplies	732	763	(31)	4%	59	260	(201)	341%
	Sav Target	(94)	0	(94)		(7)	0	(7)	
	Sav Realised	108	0	108		9	0	9	
				(47)		(194)			
MEDICAL	Income	(383)	(383)	0	0%	(26)	(26)	0	
	Salaries	4,560	4,258	302	-7%	459	401	58	-13%
	Supplies	1,067	1,269	(202)	19%	165	242	(77)	47%
	Sav Target	(67)	0	(67)		(6)	0	(6)	
	Sav Realised	62	0	62		4	0	4	
				95		(21)			
CARE QUALITY AND PROF DEVELOPMENT	Income	(98)	(98)	0	0%	(10)	(13)	3	
	Salaries	7,612	7,145	467	-6%	1,207	594	613	-51%
	Supplies	1,114	1,036	78	-7%	199	61	138	-69%
	Sav Target	(62)	0	(62)		(5)	0	(5)	
	Sav Realised	62	0	62		62	0	62	
				545		811			
TOTAL SUPPORT SERVICES	Income	(1,812)	(1,796)	(16)	-1%	306	286	20	-7%
	Salaries	35,099	30,601	4,498	-13%	4,307	3,850	457	-11%
	Supplies	48,625	50,444	(1,819)	4%	7,335	6,022	1,313	-18%
	Sav Target	(7,796)	0	(7,796)		(648)	0	(648)	
	Sav Realised	8,761	0	8,761		568	0	568	
	Reserves	0	0	0		1,668	0	1,668	
				3,628		3,378			

## 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 2024**

	Full Year Budget £'000	Year to Date		
		Budget £'000	Actual £'000	Variance £'000
<b>Income</b>				
Revenue Allocation	435,108			
Baseline Allocations	400,280			
Recurring Allocations	0			
Non-Recurring Allocations	34,828			
Fleet Income	19	19	19	0
Health Board	6,817	6,817	6,817	0
Other Healthcare	272	272	266	(6)
Other Operating	3,504	3,504	3,494	(10)
Staff Car Deductions	148	148	148	0
<b>Total Income</b>	<b>445,868</b>	<b>10,760</b>	<b>10,744</b>	<b>(16)</b>

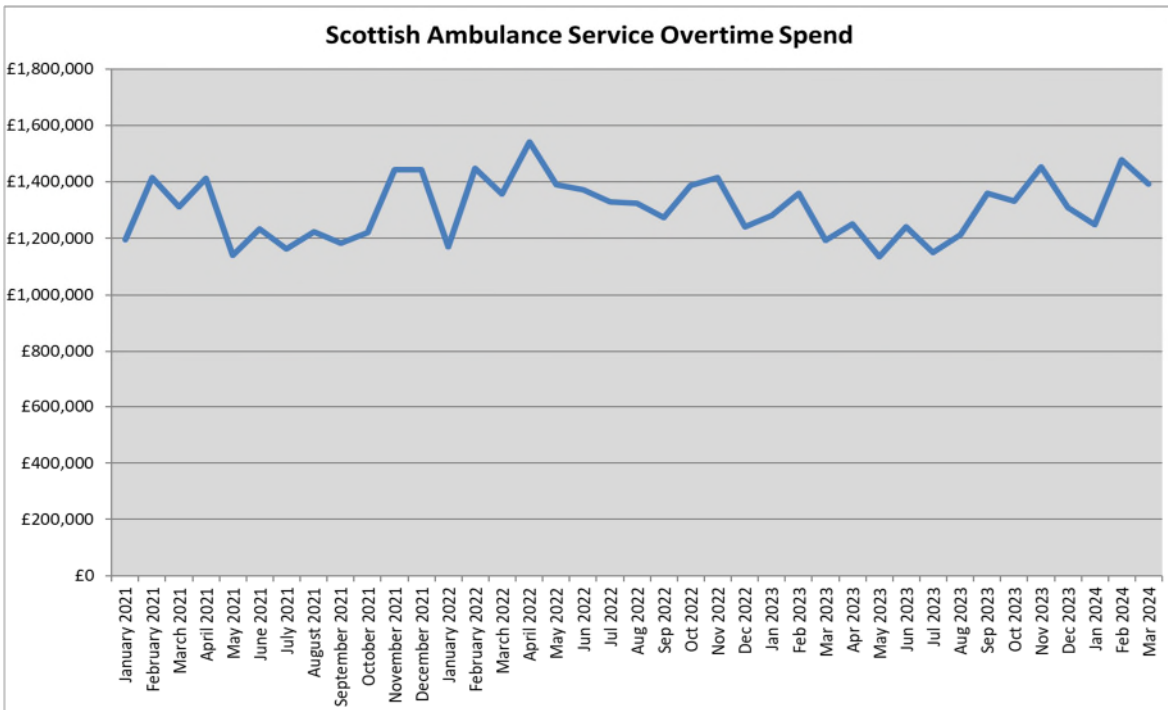
Total income (including funding) to date is breakeven against budget.

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 underspend of £7.36 million is made up primarily from Overtime £1.0 million, offset by a £8.4 million underspend from basic pay and enhancements.

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 5.0% of the full year pay bill compared to last full year at 6.0%. 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 January 2021 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 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 MARCH 2024**

		East Region	North Region	West Region	National Ops	Service Delivery
Current Year	Average WTE	1,427	834	1,961	863	5,085
	Overtime Hours	139,231	110,161	231,661	64,026	545,079
	Overtime Cost (£'000)	4,532	3,671	7,550	2,194	17,947
Prior Year	Average WTE	1,427	854	1,930	854	5,065
	Overtime Hours	146,742	123,009	263,584	69,897	603,232
	Overtime Cost (£'000)	4,250	3,649	7,709	2,105	17,713
Variance	Average WTE	0	(20)	31	9	20
	Overtime Hours	(7,511)	(12,848)	(31,923)	(5,871)	(58,153)
	Overtime Cost (£'000)	282	22	(159)	89	234

The above table illustrates an overall reduction in overtime hours compared to the equivalent prior year period, with the highlight being an additional 20 staff (whole time equivalents) in post, primarily as a result of the Demand & Capacity programme.

**Non-pay**

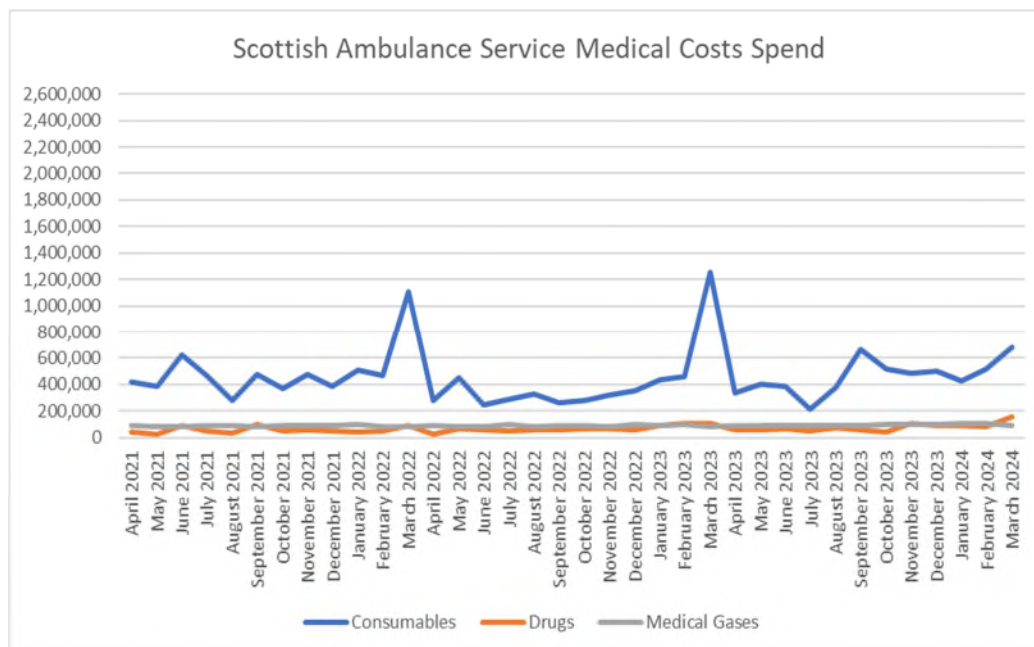
The non-pay overspend at £7.32 million represents an overspend beyond the £7.3 million of anticipated pressures and budget allocated driving the £4.5 million anticipated deficit. The month 12 in-month overspend is £1.24 million reflecting a number of additional costs pressures beyond anticipated expenditure levels. These include Air Ambulance £3.35 million, Medical Costs £1.58 million, Property Running costs £1.9 million and Staffing Costs £0.6 million, off set by Vehicle Running £(0.314) million.

- Air Ambulance Costs as noted previously are reporting, higher fuel prices and beyond inflationary rates for MCGA and additional variable charge accruals for GAMA aircraft.
- 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 £0.623 million of Capital to Revenue for implementation and connection costs for EV charging points across stations. The budget for Other operating costs has been adjusted to include non-recurring funding received, which covered West Region British Red Cross £0.799 million as part of the post COVID cost pressures. A couple of year-end adjustments are reflected in this area also including: Annual Leave accrual, a reduction of £1.7 million from prior year, and £0.496 million write off for cylinders.
- Property running costs for the full year show a cost pressure of £1.901 million in respect of Building maintenance. 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 continue to 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.

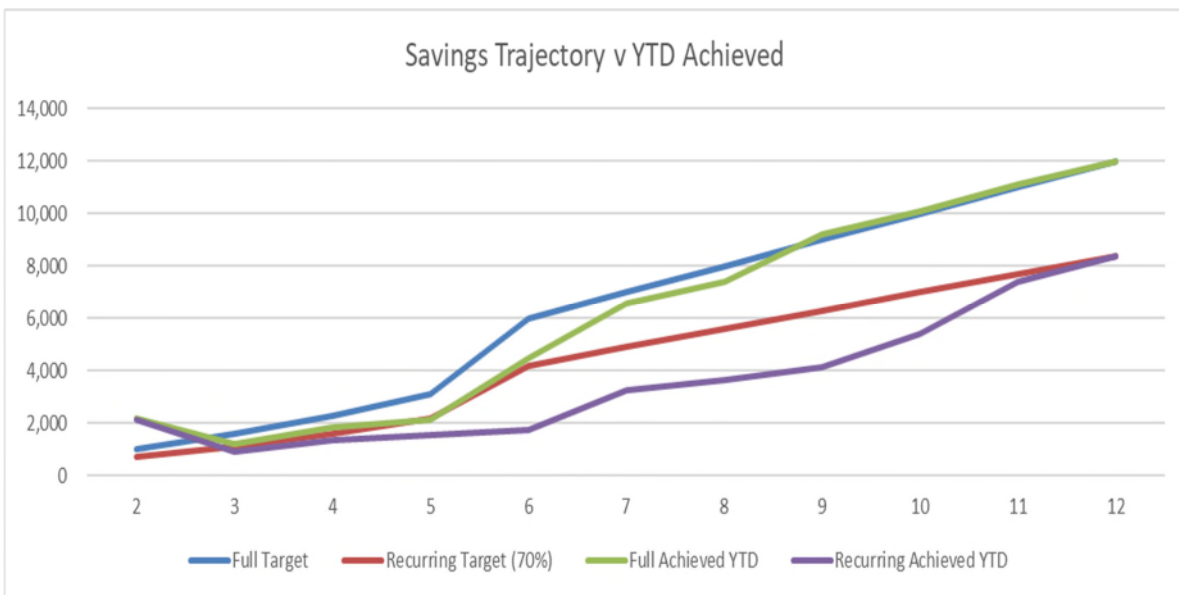
As we go into 2024/25, we will continue to review all areas of cost pressures on a monthly basis through discussions with Budget holders.



## Efficiency Savings

As mentioned earlier in this paper, at the close of this financial year, we have achieved the target of £12.0 million Savings. 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 delivery this year, 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 and required in 2024/25. Significant focus remains on implementing, tracking and reporting on these programmes through the best value governance and escalation process.

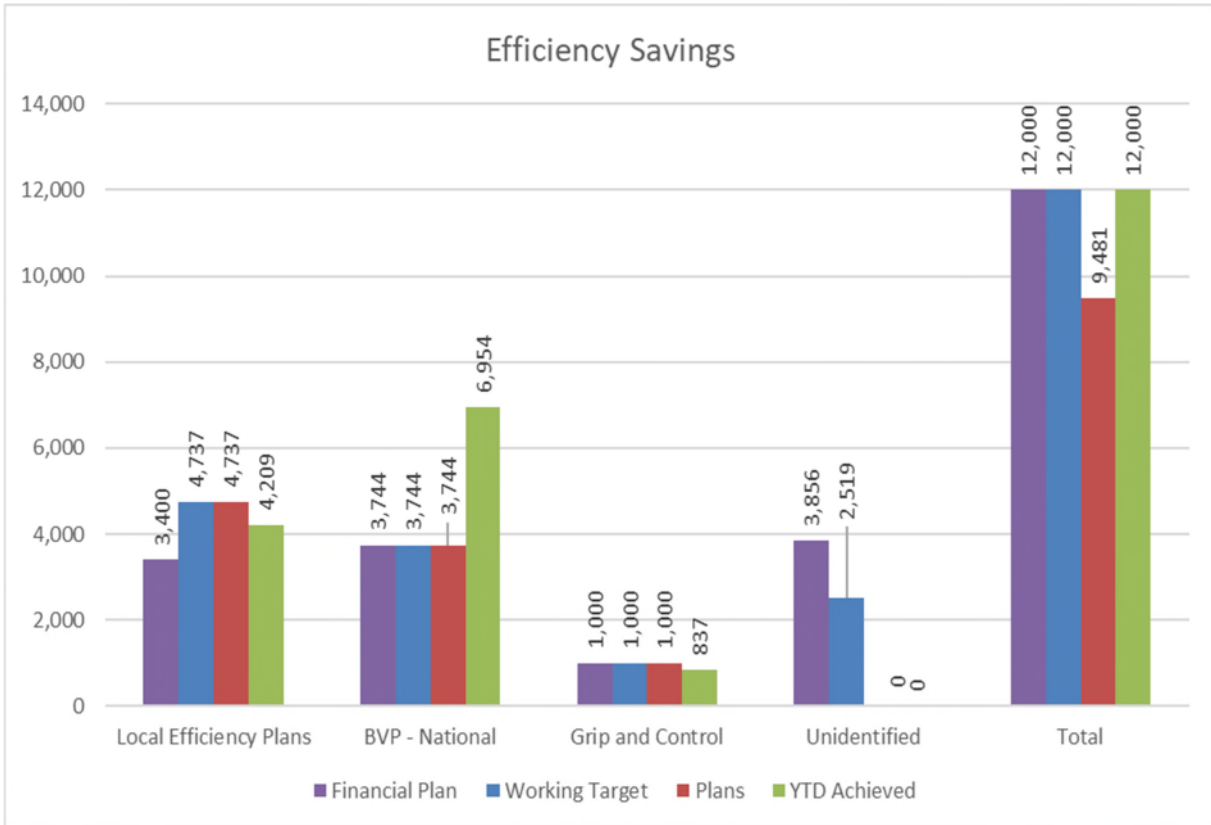
The chart below shows the revised savings trajectory over the financial year, which accommodates a more consistent pace as the year progresses. Also showing is our recurring savings achieved against a 70% marker. We are delighted to say that this target has also been met and achieved.



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 £12.00 million has been achieved, as detailed in the graph below:

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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 are 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. At the end of the financial year, £12.0 million savings have been achieved: BV activity includes carbon reduction £0.2 million, Medicines redesign £0.167 million, EPDD review £1.886 million. The Integrated Clinical Hub, Migration of training facilities and In-house ICT Service workstreams all saw BV savings of £0.34 million, £0.16 million and £0.075 million respectively for the year. And finally this month, savings of £2.541 million relating to turnover were reclassified as recurring, bringing a total recurring achieved to date for BV of £5.35 million. BV non-recurring savings were £1.6 million bringing a total overall BV achieved of £6.95 million. For local efficiency savings, a total of £4.21 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. For 2023/24, £0.837 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 2023/24 financial plan assumed a cost pressure of £11.0 million for ongoing COVID activity, and for 2024/25, this will still be predominantly recognised as a pressure, and talks with the Scottish Government to obtain funding for the recurring legacy costs will continue.

Included in the revised estimated full year pressures were:

- Covid Overtime £4.0 million - an ongoing pressure in line with prior years relating to hospital turnaround times
- GCU £0.5 million – costs relating to the final few months of the technician training programme, that was delayed due to COVID
- 999 Call handlers £1.5 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) £3.9 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 for the year against these cost headings are noted below in Table 7:

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**Table 7**

£ million	Planning assumptions for 2023/24	Month 12 Updated Planning assumption 2023/24	Actual Month 12 2023/24	Notes
Overtime including 0.5% sickness	3.800	3.800	3.914	This is primarily driven by shift overruns relating to hospital turnaround times
PPE	0.700	0.700	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.
GCU	0.400	0.400	0.495	Relates to the costs of GCU as a result of the delay due to COVID
999 call handlers	2.300	2.300	1.419	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	3.800	3.854	This showed higher costs than anticipated with the inclusion of British Red Cross and use of taxis. This avoids A&E conveyance.
<b>Total Covid</b>	<b>11.000</b>	<b>11.000</b>	<b>9.681</b>	<b>Overall this is broadly in line with plan, but specific actions in place to review and monitor these</b>

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

**Table 8**

<b>Description</b>	<b>Planning assumptions for 2023/24</b>	<b>Planned expenditure 2023/24</b>	<b>Actual expenditure 2023/24</b>
Elimination of On-Call	2.000	2.000	2.014
Paramedics Education Programme	0.100	0.100	0.581
Integrated Communications Control System replacement (ICCS)	1.600	1.600	1.363
Emergency Service Network (ESN)	0.300	0.300	0.012
<b>Remaining gap against the £45m</b>	<b>4.000</b>	<b>4.000</b>	<b>3.971</b>

### **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**

Description	Executive Sponsor	Estimated Full year Expenditure Reduction £'000	Current expenditure Reduction / (increase)	
Overtime Reduction	West Regional Director	£3,800,000	Reduction	£1,430,934
Modern Apprenticeships	Director of Workforce	-	To be quantified	
Travel and Accommodation	North Regional Director	£200,000	Reduction	£538,175
Uniform Management	Kenny Freeburn / Ricky Panton – Head of Ambulance Services (East Region – Borders and West Lothian)	£100,000	Reduction	£703,084
NHS 24 / HCP Online Booking	Stephen Massetti / Stewart Clark	£425,000	Programme still in progress likely go live by October 2023	
Scheduled Care and Card 46 Work	Kenny Freeburn / James Wilkie	£1,600,000	Programme commenced in June 2023	
<b>Current expenditure reduction</b>			<b>Net £2.672m reduction</b>	

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 March 2024) is as follows:

	<b>Costs</b>
Pay	£741,000
Non Pay	£212,000
<b>Total</b>	<b>£953,000</b>

Estimated costs were previously forecast to be around £1.179 million in 2023/24 but was revised to £0.835 million for this financial year. Funding of £1.1 million was confirmed in our October award letter from Scottish Government, and we have been advised that funding will continue to be provided for 2024/25.

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## **FINAL CAPITAL POSITION FOR 2023-24**

### **2023/24 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 2023/24 the following earmarked allocations have been received:
    - Fleet Replacement Programme £17.427 million
    - Scotstar £0.250 million

The total final 2023/24 capital budget was £20.6 million.

### **Final Capital Position**

The final capital position is shown in the table below. The final turn was an under spend of £0.009 million (0.05% of the total budget).

During the year, the Capital Programme has provided significant investment to the Service with the majority of this being for vehicles to ensure that staff are able to respond to patients and provide the care that they need.

The ICCS Replacement Project was implemented in July and is performing well. There has also been investment in ICT infrastructure and estates during the course of the year which not only replaced aging technology but also implemented innovative technological solutions to enhance service delivery and provided improved facilities for staff.

Capital receipts of £0.632 million were received as result of vehicles being sold at auction and the Aviemore site being sold to the local council. These receipts have been used for additional capital expenditure above the allocated budget.

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**SCOTTISH AMBULANCE  
SERVICE  
CAPITAL REPORT 2023-24  
Final as at 31 March 2024**

<b>PROJECT</b>	<b>Approved Budget £</b>	<b>YTD Actuals £</b>	<b>Notes</b>
<b>Formula Capital Projects</b>			
eHealth and ICT	1,323,752	1,479,524	
Property	596,000	567,853	
Medical Equipment	0	0	
Vehicle Accidents	552,042	746,093	
	<b>2,471,794</b>	<b>2,793,470</b>	
<b>Earmarked Allocations</b>			
ICCS	0	(148,490)	
Scotstar	166,760	135,554	
Vehicles	17,227,886	17,829,198	
Transport Scotland Transfer	0	0	
	<b>17,394,646</b>	<b>17,816,262</b>	
Unallocated Budget	101,446		
Capital Receipts	632,141	0	Gain on sale of vehicles & property
Fleet Contingency	0		
<b>TOTAL</b>	<b>20,600,026</b>	<b>20,609,732</b>	

## **CONCLUSION**

For 2023/24 financial year, the outturn financial position for the Service is a small surplus of £0.03 million. This was achieved primarily due to discussions with Scottish Government resulting in receiving non-recurring funding allocations for the known COVID and operational commitments discussed throughout this last year equivalent to £13 million. Our achievement in meeting the £12.0 million savings target as a result of this being a key focus for the year.

2024/25 financial year will continue to be significantly challenging as we continue to deal with the legacy of COVID and the ongoing operational commitments, new savings targets and continue discussions with Scottish Government to seek appropriate funding for these known pressures and commitments.

**Julie Carter**  
**Director of Finance, Strategy and Logistics**  
**May 2024**

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