



NOT PROTECTIVELY MARKED

SCOTTISH AMBULANCE SERVICE BOARD

31 July 2024

Item 09

THIS PAPER IS FOR DISCUSSION

SUMMARY FINANCIAL PERFORMANCE TO 30 JUNE 2024

Lead Director Author	Julie Carter, Director of Finance, Logistics and Strategy Maria McFeat, Deputy Director of Finance
Action required	The Board is asked to discuss and note: <ul style="list-style-type: none">• The financial position to the end of June 2024• The financial impact of ongoing unfunded post COVID/system pressures expenditure to the end of June 2024• More detailed analysis on demand impact and overtime performance given the best value savings assumptions within the financial plan• The impact of the overall efficiency savings position to the end of June 2024• Given the very challenging financial position a high level revised full year forecast has been completed. This is described as a best, likely and worst case scenarios.• In addition, an update on the progress of the 15 box grid issued by Scottish Government is attached as this is required to be submitted as part of the quarter 1 submission to Scottish Government.
Key points	<ol style="list-style-type: none">1. The financial position at the end of month 3 is reporting a deficit of £6.18 million.2. Impact of ongoing post COVID/operational pressures of £2.92 million have been incurred over this period3. Overtime costs continue to increase compared with the same period last year with a detailed analysis of the key drivers of this included within the paper.4. In relation to the £12.0 million efficiency savings target, to date £0.51 million has been delivered against a year to date target of £1.2 million, recognising that this is early in the financial year5. Additional recurring funding of £5 million from Scottish Government has been received in this first quarter.

	<p>6. Given the current financial challenges a first estimate of a full year forecast has been completed. At this early stage in the financial year this is presented as a best, likely and worst case position. The different scenarios represent the slower start to the year of the efficiency savings plans, additional cost pressures and the additional recurring funding received of £5 million.</p> <p>The paper also includes an update on progress against the 15 Box Grid, that support the delivery of the 3% Board efficiency savings targets.</p>
Timing	During the financial year the Board will be provided with monthly updates on the financial position and from August 2024 the final year end forecast position will also be reported.
Associated Corporate Risk Identification	Risk ID 5602 – failure to achieve financial target
Link to Corporate Ambitions	<p>This paper relates to:</p> <p>We will</p> <ul style="list-style-type: none"> • Work collaboratively with citizens and our partners to create healthier and safer communities • Innovate to continuously improve our care and enhance the resilience and sustainability of our services • Improve population health and tackle the impact of inequalities • Deliver our net zero climate targets • Provide the people of Scotland with compassionate, safe and effective care when and where they need it • Be a great place to work, focusing on staff experience, health and wellbeing
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.
Climate Change Impact Identification	This paper has identified no impacts on climate change.



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SCOTTISH AMBULANCE SERVICE BOARD

FINANCIAL PERFORMANCE TO 30 JUNE 2024

JULIE CARTER, DIRECTOR OF FINANCE, LOGISTICS & STRATEGY

This paper sets out the financial position at 30 June 2024 for the Scottish Ambulance Service.

The financial plan projects a deficit position of £18.35 million for the year. As described within the plan this deficit includes post COVID related pressures of £9.0 million, ongoing unfunded pressures of £3.1 million, air ambulance contract extension costs of £4.2 million, with the balance of £2.0 million relating to non pay pressures, all offset by the delivery of £12.0 million efficiency savings.

The Board is asked to note the reporting against:

- The overall financial position for the 3 months to June 2024
- The post-COVID and operational pressures, their financial impact and position on funding
- Progress against the delivery of the £12.0 million in-year savings target
- Specific reference to increased demand and the impact on overtime costs in relation to the £3.5 million reduction assumed within the £12.0 million efficiency plans
- Specific key risk on the additional costs of the Reduced Working week and funding assumptions
- The first pass estimate on the full year forecast outturn.
- Summary of progress against the national 15 box grid, to support the 3% efficiency plans.

The financial position to June 2024, reporting a deficit position to date, consists of:

- Income – this is reporting a breakeven position
- Core Expenditure – a deficit position of £6.18 million against a trajectory deficit of £6.0 million to June 2024. Noting that the trajectory assumed a slower start to the financial year for delivery of savings with the deficit reducing as the year progresses and savings are realised.
- The financial impact of post COVID-19 pressures represents expenditure of £2.15 million in the period against a full year pressure of £9.0 million. This is broadly in line with the financial plan.

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- Expenditure aligned to our Service delivery operational commitments overspend is £0.77 million in the period against a full year pressure of £3.1 million.
- Efficiency savings target for the financial year was £12.0 million. To date, £0.51 million of savings has been achieved against a target to date of £1.2 million. This is a significantly slower start to the year than anticipated. A number of actions are being progressed and the updated full year forecast scenarios reflect this position.

Key messages

- A deficit position of £6.18 million as at 30 June 2024 (this includes both core and non-core expenditure, and income), this in line with the financial plan trajectory deficit of £6.0 million at the end of June 2024 although noting the significantly challenging period ahead
- The deficit position to June 2024 is driven by the following:
 - Deficit Pay position of £2.2 million, of which Overtime is £2.7 million over budget showing an increase 2.8% in hours and cost from the same period last year.
 - Non-pay pressures of £1.15 million, this is after additional full year budget of £9.55 million
 - Underachievement of the Efficiency Savings Target by £0.694 million. This is against our efficiency savings target of £12.0 million, the target for the 3 months to June was £1.2 million of which £0.51 million was achieved. The trajectory has been phased recognising a generally slower start to the year.
 - Ongoing COVID legacy pressures of £2.15 million that have been identified to date. This is reporting very slightly lower than plan at this stage in the financial year.
 - The Service ‘operational commitments’ pressures £0.77 million has been incurred in this year to date, which is consistent with the financial planning.
 - Continued overtime cost pressures reflecting the increase in demand seen in the first quarter of the year. Overtime cost reduction was a key driver in the delivery of the £12.0 million efficiency plan. Overtime hours and costs have increased from the same period last year. Corrective actions are being progressed and the full year forecast scenarios assumes the impact of these actions.

Members to also note that the Service has received an additional £5 million recurring funding from Scottish Government to support the ongoing operational pressures, as described within the financial plan.

Key actions agreed in this period

The key focus of the financial plan, throughout this year will be the delivery of the Back to Balance action plan. This included the following 3 key areas

1. Delivery of the efficiency savings and best value programme
2. Focus on reductions in overspends and high spend areas
3. Recognition through funding of wider system cost pressures as a result of post COVID and committed operational services

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

The challenging savings target for 2024/25 has been set at £12.0 million. With £9.1 million plans having been agreed to date. Work continues in identifying areas to bridge the gap.

In this period savings of £0.51 million have been achieved against a year to date trajectory of £1.2 million.

ACTION: The Best Value Programme is up and running with project mandates completed for almost all of the programmes. These have been agreed by the Best Value Steering Group. The focus is on developing clear actions in the delivery of the plans. Budget have been allocated and agreed with budget holders with detailed local efficiency plans being developed. An updated governance process has also been agreed by the Best Value Steering Group with clear escalation plans also in place.

In response to the slow start to the year of efficiency plans delivery, a board oversight group and operational group has been established with the primary focus on overtime controls and operational impacts, acceleration of best value savings plans and reducing high spend areas. The oversight board includes the Executive Team and the operational group is represented by senior operational managers.

2. Overtime Costs

Overtime costs are a key focus within the 2024/25 financial plan. A reduction of £3.5 million is assumed to be delivered in this financial year. Cost for the first three months of the year are higher than the same period last year and significant work is in progress to critically review the key drivers of this and to take corrective action.

ACTION: Detailed real time reports have been developed and being actively used by the budget holders on a weekly basis. After excluding the key drivers of hospital turnaround times and shift overruns overtime, BAU (Business as Usual) usage is higher than anticipated and not reporting the planned reduction agreed within the best value programme. Shift cover has also increased. Importantly emergency call demand and emergency incidents attended has also increased by 5% for the first 3 months of the year, compared to the same period last year.

To support budget holders the weekly meeting with operational leads agrees common approaches, share best practice, agree variations and reduce unfunded shifts. In addition, the Oversight Board reviews and approves outputs from the weekly meeting and aims to put in place more sustainable solutions to deliver the plan. A number of specific actions have been agreed including

- Understanding the operational impact of reduced shift cover scenarios
- Areas of actions to support the reduction in sickness absence and
- Actions to implement the new overtime policy

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 estimates this impact for 2024/25 to be £9.0 million for the

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year. Discussions will be ongoing with Scottish Government to describe the positive impact of these actions across the wider system.

ACTION: There are a range of actions being undertaken within the Service to continually review and monitor these costs, while balancing operational service impact. Specifically, this includes benchmarking, a further review of staffing against demand projections and an improvement programme supporting the timed admissions development.

3 (b) Key Operational Commitments and funding shortfall

A shortfall in funding for key Operational Commitments requiring additional investment remains. These committed cost pressures have been monitored on a monthly basis in order to manage this pressure, and for 2024/25, a total of £0.77 million costs have been identified. These are further detailed in table 7 below.

ACTION: An additional £5 million recurring funding has been received from Scottish Government supporting these pressures.

Financial Risk considerations noted in the period.

The key financial risks are detailed below with mitigating actions also described.

Delivery of Efficiency Savings Target including Best Value

The requirement to ensure the delivery of efficiency savings remains a continued focus for the Service. A well established governance process is in place, and has been updated for 2024/25. The financial plan identified a number of programmes and significant focus is currently on implementing, tracking and reporting on these. It is also recognised that delivery of financial savings, both recurring and non recurring becomes a greater risk in each additional year, as the ability to deliver these becomes more challenging so the focus also remains on identifying medium to long-term opportunities.

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

Action – A number of actions as noted below are in place:

- focussed Program Management Office (PMO) support aligned to the high impact high priority schemes to provide additional focus and capacity.
- Executive leads and finance support for each programme have been identified and agreed and included within Executive Director objectives
- Reporting Progress through the Best Value Steering Group meeting every month, with regular reporting to Executive Team, Performance and Planning Steering Group and Audit and Risk Committee
- Updated Governance policies and procedures in place with agreed with clear escalation plans identified.
- Monthly highlight reports completed to report on progress and project mandates completed for all programmes.
- Implementation of our ideas box to ensure all staff can identify and contribute to new ideas.

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- Ongoing communication of the financial position through the Service, the issues coming up and the role that everyone has to play.
- A weekly Executive team meeting discussing and resolving challenges and issues
- A detailed performance measurement framework highlighting the progress and identifying quickly if further action is required.
- A communication plan being developed
- New ideas being added to the current list

Securing Funding in 2024/25 for post COVID pressures and recurring in future years

The 2024/25 financial plan assumed an additional £9.0 million of expenditure relating to post COVID related pressures. In addition to £3.1 million for operational pressures. During this first quarter an additional £5 million recurring funding has been received by the Service. This will offset these and other operational pressures, with the balance of the COVID pressures remaining outstanding.

Action

The back to balance plan aims to continue to describe the significant system impact on these service areas across the wider NHS system and importantly the impact on patient care if these were to be ceased. Discussions will continue with Scottish Government throughout 2024/25 as we within the Service continue to review the costs and impact of these areas with specific work taking place on reviewing demand assumptions, action plans in place to reduce hospital turnaround times and an improvement plan for timed admissions.

Reduction in the Working Week

As part of the Agenda for Change pay deal in 2023/24, it was agreed that the working week would reduce from 37.5 hours to 36 hours, with the reduction from 37.5 hours to 37 hours from April 2024. The implementation of this has commenced and an assessment of the additional costs for 2024/25 has been estimated as £5.3 million. This estimate has been provided to Scottish Government with informal confirmation of funding taken place.

This is being implemented through accrued hours and backfilled through overtime. The monitoring processes for this have been developed. Whilst there are minimal costs within this reporting period the full year costs have been estimated at £5.3 million. Whilst Scottish Government have confirmed this will be funded, the allocation as not yet been received.

Action

A paper describing the operational and financial impact is being presented to the Reduced Working Week oversight group. The costing model, in the meantime has now been shared with SG Finance and funding to this level has been verbally confirmed.

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

As noted previously, the Service as part of the first quarter finance submission to Scottish Government has been requested to submit actions against the following asks, incorporate in

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the formal quarter 1 update to the Scottish Government. This update will include this month 3 financial report including progress against the actions below. The submission will also include an update on the 15 box grid as noted later in the paper.

Feedback from SG	Actions in Progress (updated at June 2024)
Develop options to meet any unidentified or high risk savings balances	<p>Rapid work continues in identifying actions and savings for those efficiency plans that have not yet got a final plan in place and potentially new plans, including:</p> <ul style="list-style-type: none"> • Work on medical gases • Health and safety in reducing claims • Occupational health review • Detailed Local efficiency plans • Deep dive into contract management opportunities • Fuel use opportunities
Continue to progress with the areas of focus set out in the 15 box grid to support the minimum 3% recurrent savings target.	<p>This is currently in place – areas being explored in partnership are</p> <ul style="list-style-type: none"> - Clear reduction in sickness absence in 2024/25. This will also enhanced with the setup of the weekly oversight Board - Appendix 1 provides detail of progress so far and where there maybe further opportunities
Engage and take proactive involvement in supporting national programmes as they develop in 2024-25.	<p>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.</p>
Develop further measures to reduce the Board's residual financial gap.	<ul style="list-style-type: none"> • Contract review including recent external recommendations • Enhanced overtime reporting and scrutiny • Enhanced Budget reporting with new budget 'contracts' in place and increasing grip and control • Escalation plan approved and in place if required to be actioned
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.	<p>The Scottish Ambulance Service corporate risk register has 'failure to achieve financial targets' as one of our highest risks. The actions to mitigate this are updated on a monthly basis and presented to the Performance and Planning Steering Group and SAS Board meetings.</p>

Finance outturn position as at June 2024

Introduction

This section of the paper provides details of the financial results for the period ending June 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 June 2024 is a deficit of £6.18 million, made up of the following:

- Income - breakeven
- Expenditure Pay – over budget by £2.20 million
- Expenditure Supplies and asset disposal – over budget by £1.47 million
- Savings – below target by £0.694 million
- Expenditure Non-core – break even
- This position includes unfunded legacy COVID expenditure of £2.15 million
- This position includes unfunded Operational Commitments £0.77 million

This position includes £1.0 million of new non pay pressures beyond the already budgeted increase of £9.55 million which is described further in the paper, this is after offsetting underspends in Office Running £0.19 million and Diesel costs £0.24 million.

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Table 1 – Scottish Ambulance Service high-level overview

**SCOTTISH AMBULANCE SERVICE BOARD
REVENUE RESOURCE ANALYSIS
YEAR TO 30 JUN 2024**

	Full Year Budget £'000	Year to Date			Current Month		
		Budget £'000	Actual £'000	Variance £'000	Budget £'000	Actual £'000	Variance £'000
Income							
Revenue Allocation	432,640	122,481	122,481		32,180	32,180	
Health Board	5,657	1,832	1,832	0	1,537	1,537	0
Other Healthcare	600	159	137	(22)	58	58	0
Fleet	6	6	6	0	3	3	0
Staff Car Deductions	175	37	35	(2)	14	12	(2)
Other Operating	693	428	379	(49)	160	130	(30)
Total Income	439,771	124,943	124,870	(74)	33,952	33,920	(33)
Expenditure							
Accident & Emergency	290,138	72,500	75,205	(2,705)	24,735	25,313	(578)
Non Emergency Service	29,993	7,587	7,513	74	2,701	2,479	222
Air Ambulance	17,914	3,656	4,062	(406)	1,216	1,416	(200)
Overheads	76,781	16,255	19,324	(3,069)	5,300	6,658	(1,358)
Total Expenditure	414,826	99,998	106,104	(6,106)	33,952	35,866	(1,914)
Core Expenditure Variance				(6,180)			(1,947)
Non Core Expenditure							
Depreciation (DEL)	24,221	5,030	5,030	0	1,655	1,655	0
Depreciation (Donated)	65	15	15	0	5	5	0
AME Provision	0	0	0	0	0	0	0
AME Impairments	659	0	0	0	0	0	0
Non Cash (DEL)	0	0	0	0	0	0	0
Total Non Core Expenditure	24,945	5,045	5,045	0	1,660	1,660	0
Surplus / (Deficit)				(6,180)			(1,947)

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 30 JUN 2024

		Cumulative to Date				Current Period			
		Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance
		£'000	£'000	£'000	%	£'000	£'000	£'000	%
Service Delivery Directorate	Income	(2,221)	(2,221)	0	0%	(1,656)	(1,656)	0	0%
	Salaries	77,850	79,859	(2,009)	3%	26,789	26,494	295	-1%
	Supplies	9,383	9,840	(457)	5%	3,322	3,695	(373)	11%
	Sav Target	(325)	0	(325)	0%	(215)	0	(215)	0%
	Sav Realised	173	0	173	0%	148	0	148	0%
					(2,618)			(145)	
Support Services Directorates	Income	(241)	(167)	(74)	-31%	(115)	(83)	(32)	-28%
	Salaries	7,838	8,026	(188)	2%	2,646	2,817	(171)	6%
	Supplies	12,732	13,424	(692)	5%	4,106	4,520	(414)	10%
	Sav Target	(876)	0	(876)	0%	(578)	0	(578)	0%
	Sav Realised	333	0	333	0%	83	0	83	0%
	Reserves	(2,066)	0	(2,066)		(689)	0	(689)	
				(3,563)			(1,801)		
SCOTTISH AMBULANCE SERVICE	Income	(2,462)	(2,388)	(74)	-3%	(1,771)	(1,739)	(32)	-2%
	Salaries	85,688	87,885	(2,197)	-3%	29,435	29,311	124	0%
	Supplies	22,115	23,264	(1,149)	-5%	7,428	8,215	(787)	-11%
	Sav Target	(1,201)	0	(1,201)		(793)	0	(793)	
	Sav Realised	506	0	506		231	0	231	
	Reserves	(2,066)	0	(2,065)		(689)	0	(688)	
				(6,180)			(1,945)		

Table 3 – Service Delivery

Service delivery outturn is over budget by £2.62 million at 30 June 2024. Pay costs are reporting an overspend of £2.0 million over all service areas, however it should be noted that this includes, as previously reported, overtime as a result of HTAT pressures, Card 46 timed admission, ambulance control centre unfunded costs and unfunded operational commitment pressures.

Air Ambulance Costs have reported a 5.4% increase in the number of missions in these three months from the same period last year, with a slight increase in Maritime and Coast Guard Agency (MCGA) missions (9) over this period against the same period last year. 87% of the chargeable MCGA missions occurred because of weather conditions.

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 peaking at £1.62 in October 2023, and finishing at £1.51 in June 2024, we therefore are reporting a continuing underspend on Diesel costs of £0.19 million for the 3 months to June 2024.

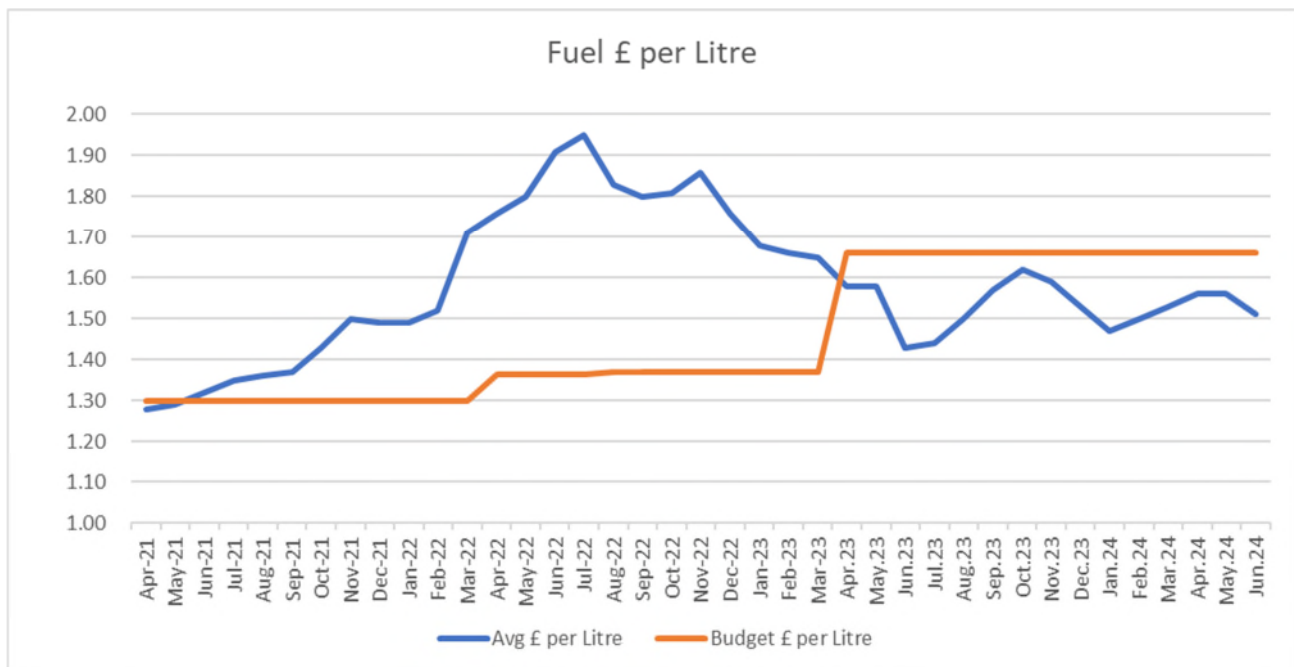


Table 3

**SCOTTISH AMBULANCE SERVICE BOARD
INCOME AND EXPENDITURE BY DIRECTORATE
YEAR TO 30 JUN 2024**

		Cumulative to Date				Current Period			
		Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance
		£'000	£'000	£'000	%	£'000	£'000	£'000	%
NORTH REGION	Income	(334)	(334)	0	0%	(140)	(140)	0	0%
	Salaries	13,410	13,814	(404)	3%	4,472	4,558	(85)	2%
	Supplies	1,008	1,025	(17)	2%	405	430	(26)	6%
	Sav Target	(29)	0	(29)		(19)	0	(19)	
	Sav Realised	0	0	0		0	0	0	
				(450)			(130)		
EAST REGION	Income	(403)	(403)	0	0%	(121)	(121)	0	0%
	Salaries	21,526	21,748	(222)	1%	7,169	7,220	(51)	1%
	Supplies	1,499	1,538	(39)	3%	456	578	(122)	27%
	Sav Target	(74)	0	(74)		(49)	0	(49)	
	Sav Realised	74	0	74		49	0	49	
				(261)			(172)		
WEST REGION	Income	(1,154)	(1,154)	0	0%	(1,275)	(1,275)	0	0%
	Salaries	29,083	29,909	(826)	3%	10,534	9,909	624	-6%
	Supplies	1,930	2,288	(358)	19%	653	858	(205)	31%
	Sav Target	(99)	0	(99)		(65)	0	(65)	
	Sav Realised	99	0	99		99	0	99	
				(1,184)			453		
NATIONAL OPS	Income	(330)	(330)	0	0%	(120)	(120)	0	0%
	Salaries	13,561	14,124	(563)	4%	4,524	4,719	(195)	4%
	Supplies	4,927	4,984	(57)	1%	1,801	1,826	(25)	1%
	Sav Target	(119)	0	(119)		(79)	0	(79)	
	Sav Realised	0	0	0		0	0	0	
				(739)			(300)		
BUSINESS INTELLIGENCE	Salaries	270	264	6	-2%	90	88	2	-2%
	Supplies	19	5	15	-79%	7	3	5	-71%
	Sav Target	(4)	0	(4)		(3)	0	(3)	
	Sav Realised	0	0	0		0	0	0	
				17			4		
TOTAL SERVICE DELIVERY	Income	(2,221)	(2,221)	0	0%	(1,656)	(1,656)	0	0%
	Salaries	77,850	79,859	(2,009)	3%	26,789	26,494	295	-1%
	Supplies	9,383	9,840	(457)	5%	3,322	3,695	(373)	11%
	Sav Target	(325)	0	(325)		(215)	0	(215)	
	Sav Realised	173	0	173		148	0	148	
				(2,618)			(145)		

Table 4 – Support Services Directorates

Support services are being reported as £3.56 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 30 JUN 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	(2)	(2)	0	0%	(1)	(1)	0	
	Salaries	552	570	(18)	3%	193	191	2	-1%
	Supplies	31	47	(16)	52%	11	25	(14)	127%
	Sav Target	(6)	0	(6)		(4)	0	(4)	
	Sav Realised	0	0	0		0	0	0	
				(40)					(16)
FINANCE AND LOGISTICS	Income	(152)	(78)	(74)	-49%	(58)	(26)	(32)	-55%
	Salaries	3,784	3,960	(176)	5%	1,203	1,386	(183)	15%
	Supplies	12,070	12,803	(733)	6%	3,800	4,499	(699)	18%
	Sav Target	(843)		(843)		(556)	0	(556)	
	Sav Realised	333		333		83	0	83	
				(2,066)					(689)
				(3,559)					(2,076)
HUMAN RESOURCES	Income	(8)	(8)	0	0%	(4)	(4)	0	
	Salaries	757	778	(21)	3%	253	307	(54)	21%
	Supplies	217	176	41	-19%	72	(110)	182	-253%
	Sav Target	(11)	0	(11)		(7)	0	(7)	
	Sav Realised	0	0	0		0	0	0	
				9					121
MEDICAL	Income	(75)	(75)	0	0%	(51)	(51)	0	
	Salaries	1,107	1,079	28	-3%	391	406	(15)	4%
	Supplies	260	262	(2)	1%	148	64	84	-57%
	Sav Target	(7)	0	(7)		(5)	0	(5)	
	Sav Realised	0	0	0		0	0	0	
				19					64
CARE QUALITY AND PROF DEVELOPMENT	Income	(4)	(4)	0	0%	(1)	(1)	0	
	Salaries	1,638	1,639	(1)	0%	606	527	78	-13%
	Supplies	154	136	18	-12%	75	42	32	-43%
	Sav Target	(9)	0	(9)		(6)	0	(6)	
	Sav Realised	0	0	0		0	0	0	
				8					104
TOTAL SUPPORT SERVICES	Income	(241)	(167)	(74)	-31%	(115)	(83)	(32)	-28%
	Salaries	7,838	8,026	(188)	2%	2,646	2,817	(171)	6%
	Supplies	12,732	13,424	(692)	5%	4,106	4,520	(414)	10%
	Sav Target	(876)	0	(876)		(578)	0	(578)	
	Sav Realised	333	0	333		83	0	83	
				(2,066)					(689)
				(3,563)					(1,801)

Table 5 – Detailed Income Analysis

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

SCOTTISH AMBULANCE SERVICE BOARD
INCOME INCLUDING ALLOCATIONS
YEAR TO 30 JUN 2024

	Full Year Budget £'000	Year to Date		
		Budget £'000	Actual £'000	Variance £'000
Income				
Revenue Allocation	432,640			
Baseline Allocations	425,416			
Recurring Allocations	957			
Non-Recurring Allocations	6,267			
Fleet Income	6	6	6	0
Health Board	5,657	1,832	1,832	0
Other Healthcare	600	159	137	(22)
Other Operating	693	428	379	(49)
Staff Car Deductions	175	37	35	(2)
Total Income	439,771	2,462	2,389	(74)

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

The original financial plan assumed revenue funding allocations of £423 million. This reflects funding for Mobile Vaccination Units. 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.

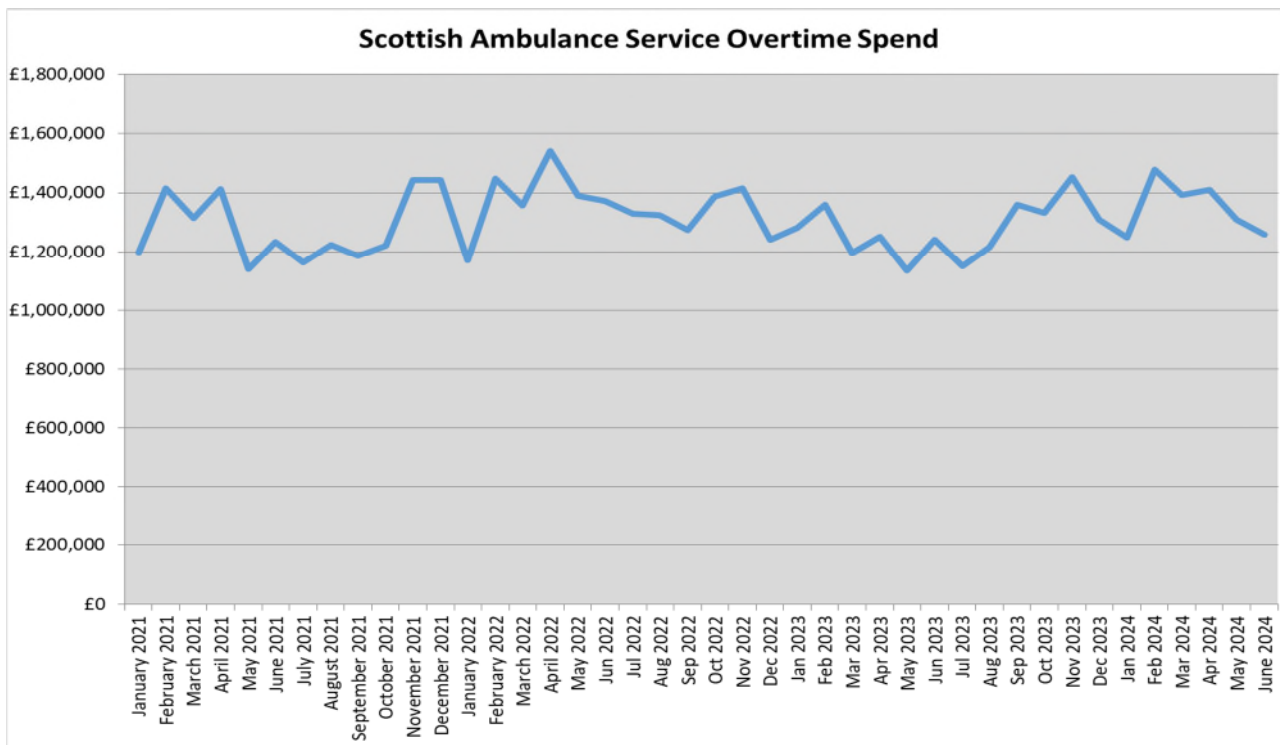
Detailed Pay analysis

The pay overspend of £2.2 million is made up primarily from Overtime costs of £2.72 million.

As referenced previously, reducing overtime is one of the areas contributing towards achieving the £12.0 million savings. Overtime costs in this current year is averaging 5.34% of the pay bill for the three months compared to 4.87% for the same period last year, reflecting both an increase in hours and cost, noting that the cost will include impacts of pay awards.

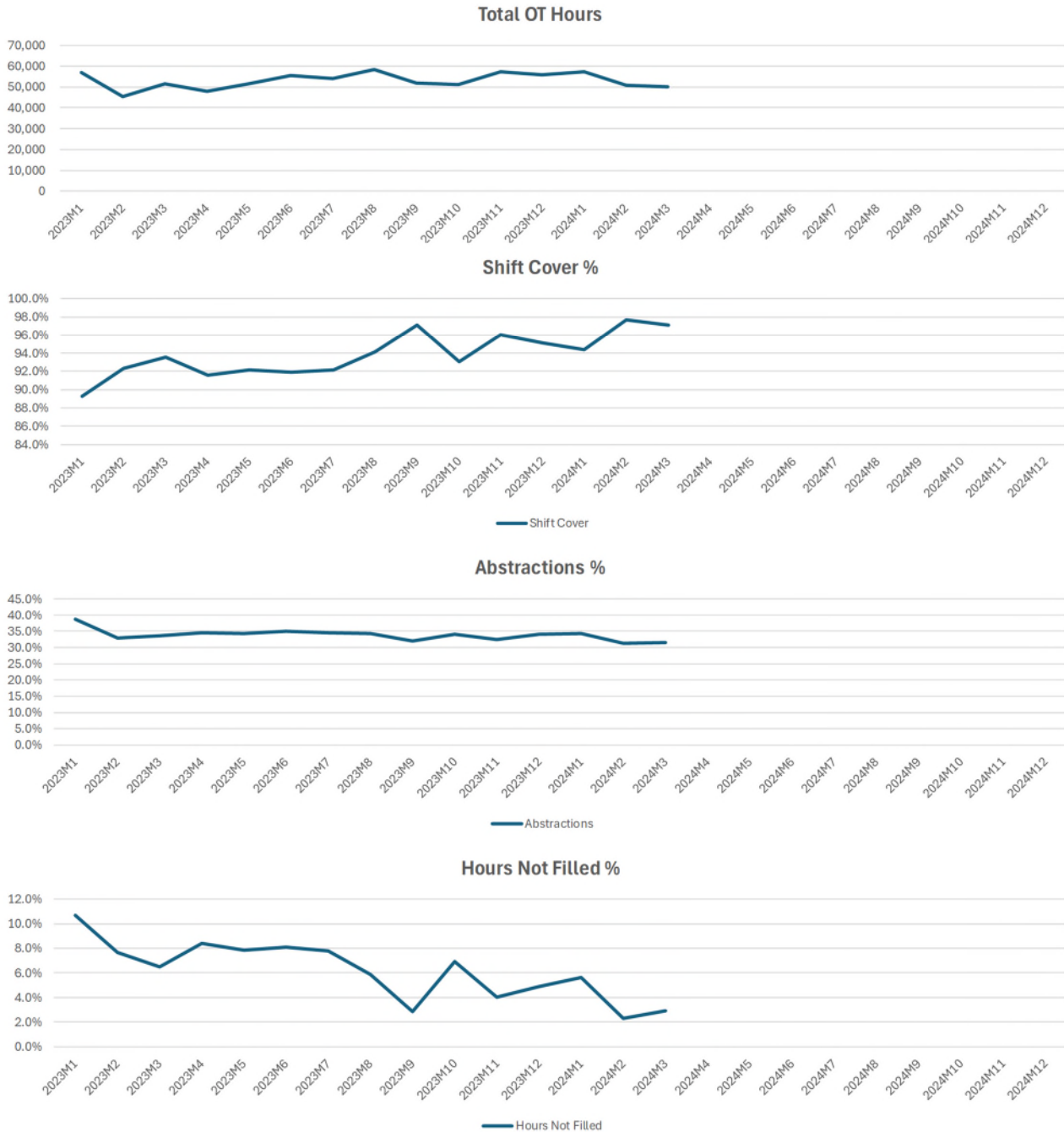
The graph below shows a trend analysis of overtime costs in the last three years. The impact of COVID on the Service can be seen in the months from January 2021 and with peaks during 2022 reflecting the ongoing pressures on the Service in response to the increased hospital turnaround times.

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The summary report below shows the month by month overtime hours, for the whole service, against the month by month shift cover %, abstraction % and hours not filled %.

SAS Overtime Report 2024 M03 - May OT Paid June High Level Review - Whole Service



Hospital turnaround times (HTAT) are currently still creating an overtime cost pressure post COVID and are being picked up within the legacy COVID costs as an unfunded cost pressure.

In addition, for the first 3 months of this year, demand in calls and emergency incidents attended have increased by 5-6% compare to the same period last year. To maintain performance against this increase in demand and hospital turnaround time pressures it has

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been necessary to increase shift cover, offsetting the ability to deliver the overtime reduction and savings in this period.

The graphs below also provides all factors driving the Overtime pressure such as Shift overruns, paid as if at work, TOIL and events. Abstractions also cover Team Leaders who assist the HALOs in the hospitals at periods of peak HTAT. Overtime also covers Maternity relief, sickness and backfill for training delivery.

The key messages from this analysis are:

- the 'Business as Usual' overtime hours have tried to excluded all of the HTAT, Events and other income or unfunded related areas. This is aimed to show the impact of the increased controls in the management of abstractions, however this good work is currently being offset by the increased sickness absence cover and maternity leave.
- While seasonal trends can show this is reducing from previous months, this remains higher than the same period last year reflecting the increased shift cover

The OT graphs below provide the breakdown of the Regional hours by Category:

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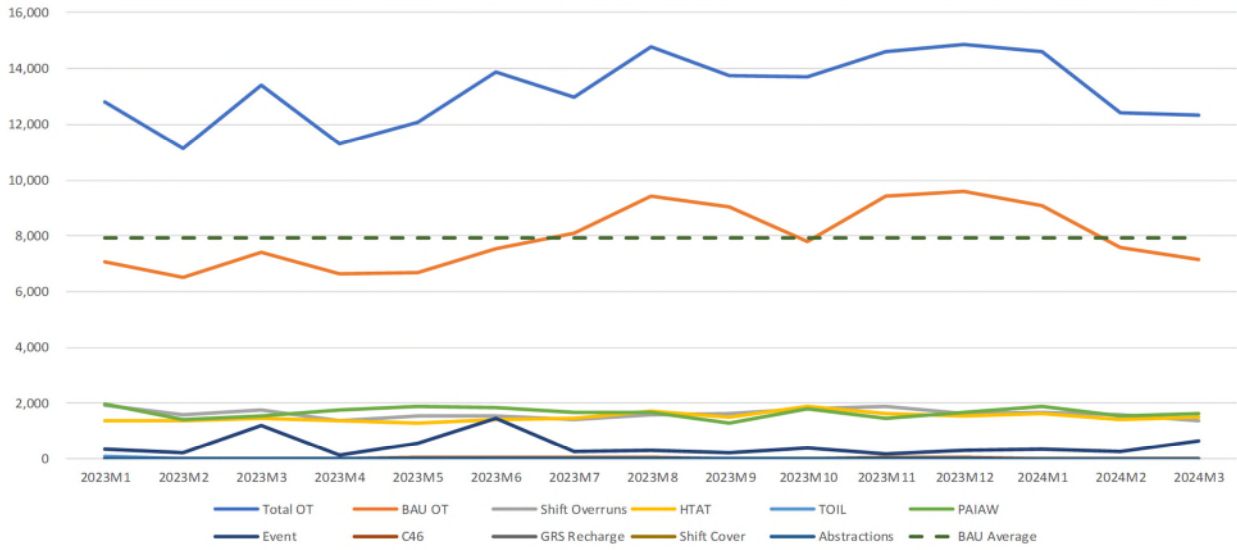
SAS Overtime Report

2024 M03 - May OT Paid June

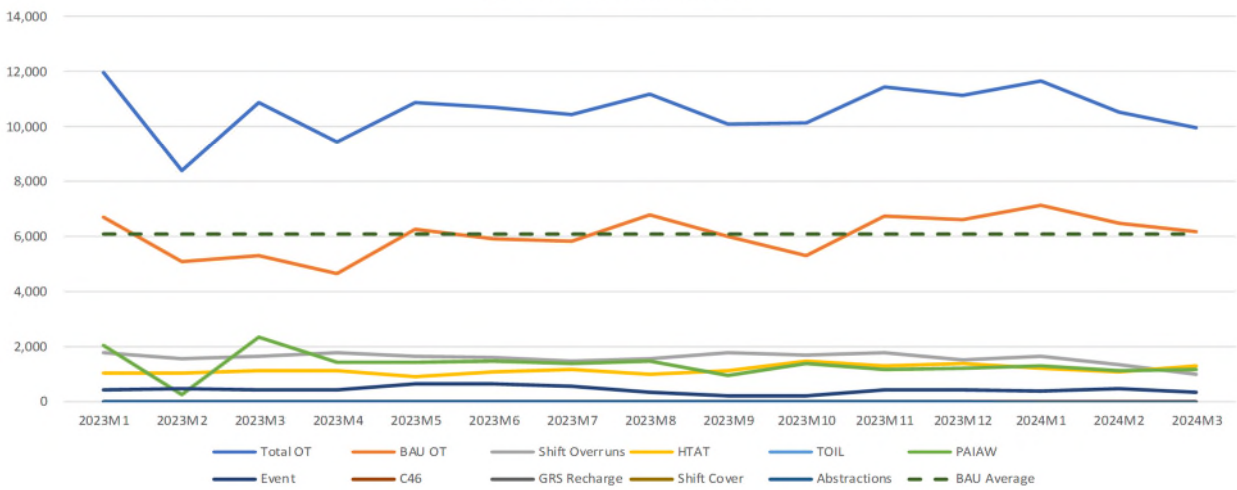
Summary of Regional Hours by Category



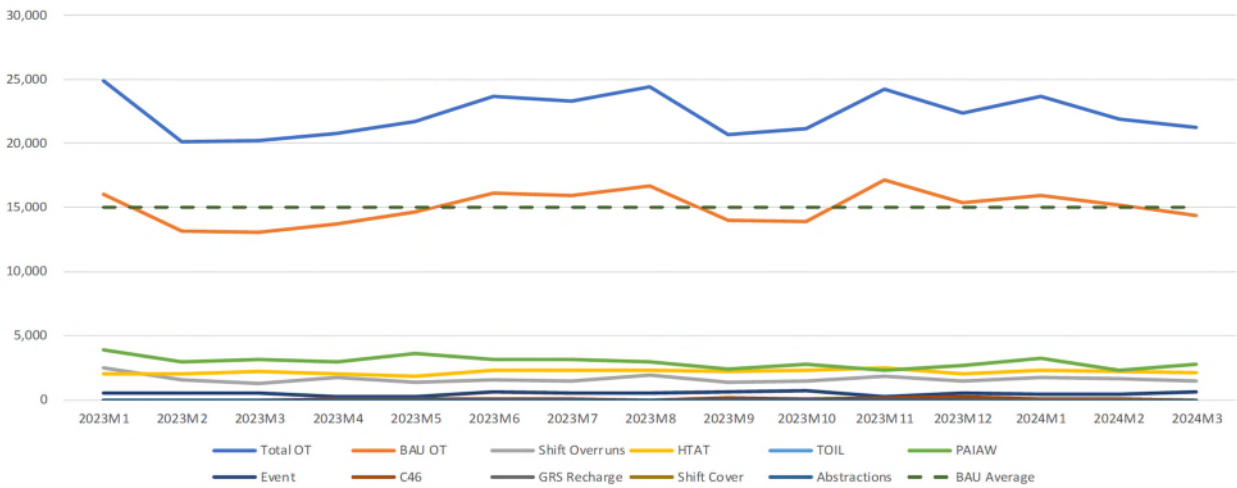
East Region Overtime Hours



North Region Overtime Hours



West Region Overtime Hours



- This is therefore showing that total overtime cost in month 1 is £1.655 million (previous year £1.532 million), month 2 this year spend is £1.493 million (previous year £1.306 million), and month 3 spend £1.467million (previous year £1.506 million) This is reporting therefore a total increase in costs of £0.269 million in the first Quarter of this year against the same period last year, and compared to an anticipated decrease of £0.875 million, the latter reflecting the £3.5 million efficiency target.
- The overall YTD position at month 3 against last YTD is that the total OT paid has increased by 6.2%.

Very detailed overtime and abstraction reports have been developed and shared with the Regions on a 'real time' basis and also provided part of the finance pack, this allows budget holders to scrutinise this at the lowest level. In addition an overtime dashboard has been created and issued to budget holders.

Given the already significant deviation from plan it is necessary to take corrective action with immediate effect. On that basis

- a weekly overtime meeting with the Regional leads to agree common approaches, share best practice, agree variations, reduce unfunded shifts, has been established and an
- An executive led Oversight Board is also established that reviews and approves outputs from the weekly meeting and develops more sustainable solutions to deliver the plan.

These have been operational from week commencing the 10th June and will be reviewed on a weekly basis. Once the plan is back on track these can be stepped down.

Current actions being progressed by these working groups include

- Shift cover scenario modelling
- Absence line review
- Sickness absence deep dive and
- Management and workforce planning guidance for the updated overtime policy

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Table 6

**SCOTTISH AMBULANCE SERVICE BOARD
STAFF AND OVERTIME SUMMARY
YEAR TO 30 JUN 2024**

		East Region	North Region	West Region	National Ops	Service Delivery
Current Year	Average WTE	1,411	838	1,933	869	5,051
	Overtime Hours	34,282	28,606	58,579	15,198	136,665
	Overtime Cost (£'000)	1,145	950	1,917	545	4,557
Prior Year	Average WTE	1,428	838	1,969	846	5,081
	Overtime Hours	32,396	26,628	55,114	14,763	128,901
	Overtime Cost (£'000)	1,053	885	1,817	510	4,265
Variance	Average WTE	(17)	0	(36)	23	(30)
	Overtime Hours	1,886	1,978	3,465	435	7,764
	Overtime Cost (£'000)	92	65	100	35	292

The above table illustrates an overall increase in overtime hours compared to the equivalent prior year period.

Non-pay

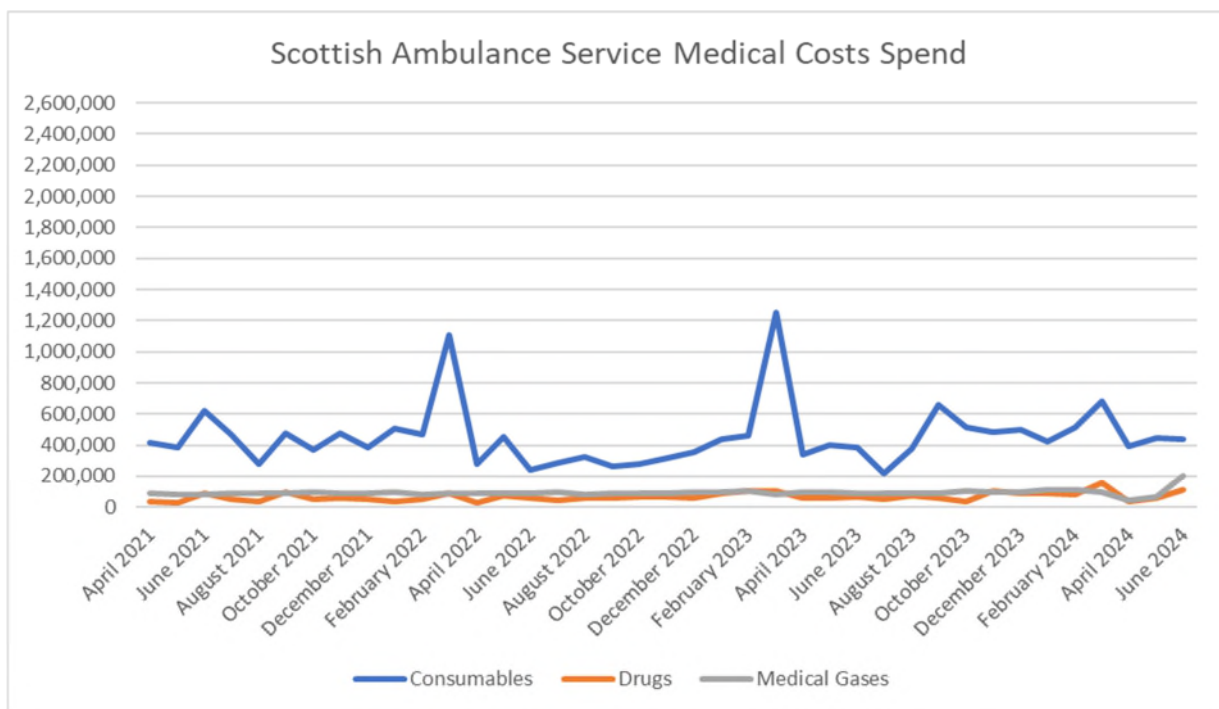
The non-pay overspend at £1.13 million represents an overspend beyond the £9.55 million of annual anticipated pressures and budget allocated, described within the financial plan. These are the pressures after offsetting the £12 million efficiency savings that drives the £18.35 million deficit as reported in the financial plan.

There are, up to month 3 now unfortunately additional costs pressures beyond anticipated expenditure levels. These are also reflected within the full year forecast.

These include Air Ambulance £0.323 million, Other Operation (medical) costs £0.471 million and vehicle maintenance costs £0.154 million.

- Air Ambulance costs note a higher number of missions in the first three months of this year, 974, against 924 in the same period last year.

- Vehicle maintenance cost overspends are being incurred due to supply chain issues of replacement vehicles. This increase is due to an increase in repairs being carried out cover replacement engines, brake systems, tyres, axles and suspension in order to maintain the current fleet whilst waiting for the delivery of replacement vehicles.
- Medical costs. In addition to the budget increase there remains an overspend of £0.215 million up to the first three months of this financial year, with medical gases being £0.089 million of this increase with a specific programme of work on medical gases taking place during 2024/25 to reduce these costs.



Efficiency Savings

As described within the financial plan, the savings target for 2024/25 is £12.0 million. The plan assumes the delivery of the 3% efficiency savings target and recognises that if COVID/system pressures cannot be mitigated or funded then the Service may need to deliver a > than 3% target. This would be extremely challenging, if not impossible, without impacting on patient care.

Reference is also made to the 15 box grid which sets out 15 areas of focus for Boards to progress, with national programmes of work supporting these areas to be implemented at a local level. Details of our progress against these are included in appendix 1. These areas have already been incorporated within the Best Value Programme. Scottish Government have requested a specific update against these areas of work to be included within the Quarter 1 financial submission.

The finance plan reports that the £12 million efficiency target will be delivered through the Back to Balance action plan incorporating the following savings schemes:

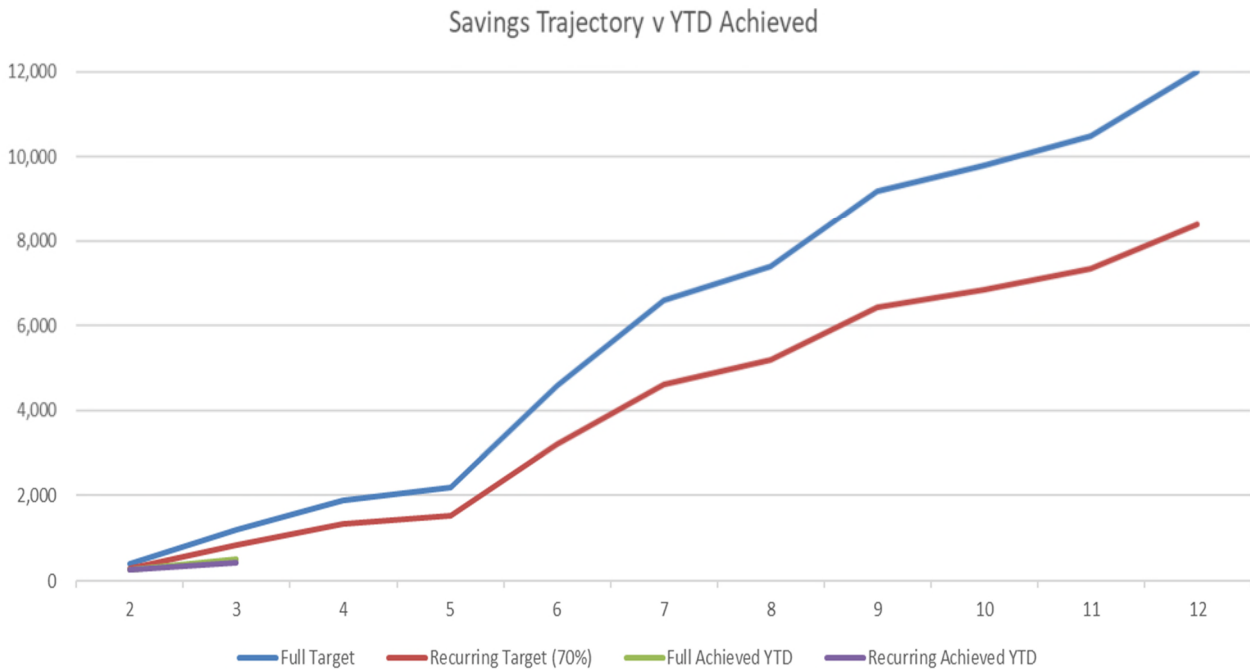
	Description	Estimated target Savings
Carried forward Programmes from 2023/24	Air Ambulance Redesign	£0.25 million
	Estate system and processes	£0.25 million
	GRS timecard (admin review)	£90k estimate
	Grangemouth relocation	£0.15 million
	ICT contract costs	£1.0 million
	Advertising	A programme of work is progressing
	Non UK Visitors	£50k estimate
	AfC review incorporating for example Compliance Rest Breaks	Hot topic discussions in partnership are progressing
Programmes focusing on high overspend areas	Overtime policy implementation	Estimate £1.0 million
	Accommodation and subsistence	£0.2 million
	Scheduled Care productivity review	£0.35 million
Best Value new areas for 2024/25	Value based clinical group focus on medicine and equipment	£0.9 million

	Medical gases	A specific programme of work is being developed
	Cost avoidance – utilisation of staff on light duties	£0.1 million
	Health and Safety work in reducing legal claims	Linked to the actions from the recent CLO/SAS workshop
	Detailed future workforce planning	A programme of work is being developed
	Events income	£50k additional income
	NHS24 Digital and collaborations	Work complete – ACC modelling working to be concluded
	Emergency Services Collaborations	Primarily related at this stage to cost avoidance
	Review of legal costs – corporate benchmarking review	£0.1 million
	Occupational Health review outputs	a mandate has been completed with additional controls in place
Review of High Spend areas	Vehicle costs and maintenance	Estimate £0.2 million
	Overtime costs and management of abstractions	£1.0 million
15box grid areas (specific to SAS but other areas within Appendix 1 are being further scoped out)	Transition to Regional Formularies	Considered by the medicines management group
	Reduce use of medicines of low clinical value	These have been reviewed and not used by the service
	Affordability of new medicines	Considered by the medicines management group
	Further agency reduction/bank optimisation	Review of bank to be discussed
	Clear reduction in sickness absence by 2024/25	£1.5m overtime saving reducing sickness absence by 1%.
Local efficiency plans	Developed by budget holders	£1.8m estimate

	Estimated planned total	£9.1 million
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This shows a total identified savings of £9.1 million (approx. 76% of the £12 million target). Work is in place to agree local plans working to a 0.5-1.5% recurring efficiency target, which has typically driven £3-£4 million per annum, although assumed 50% achievement at this stage.

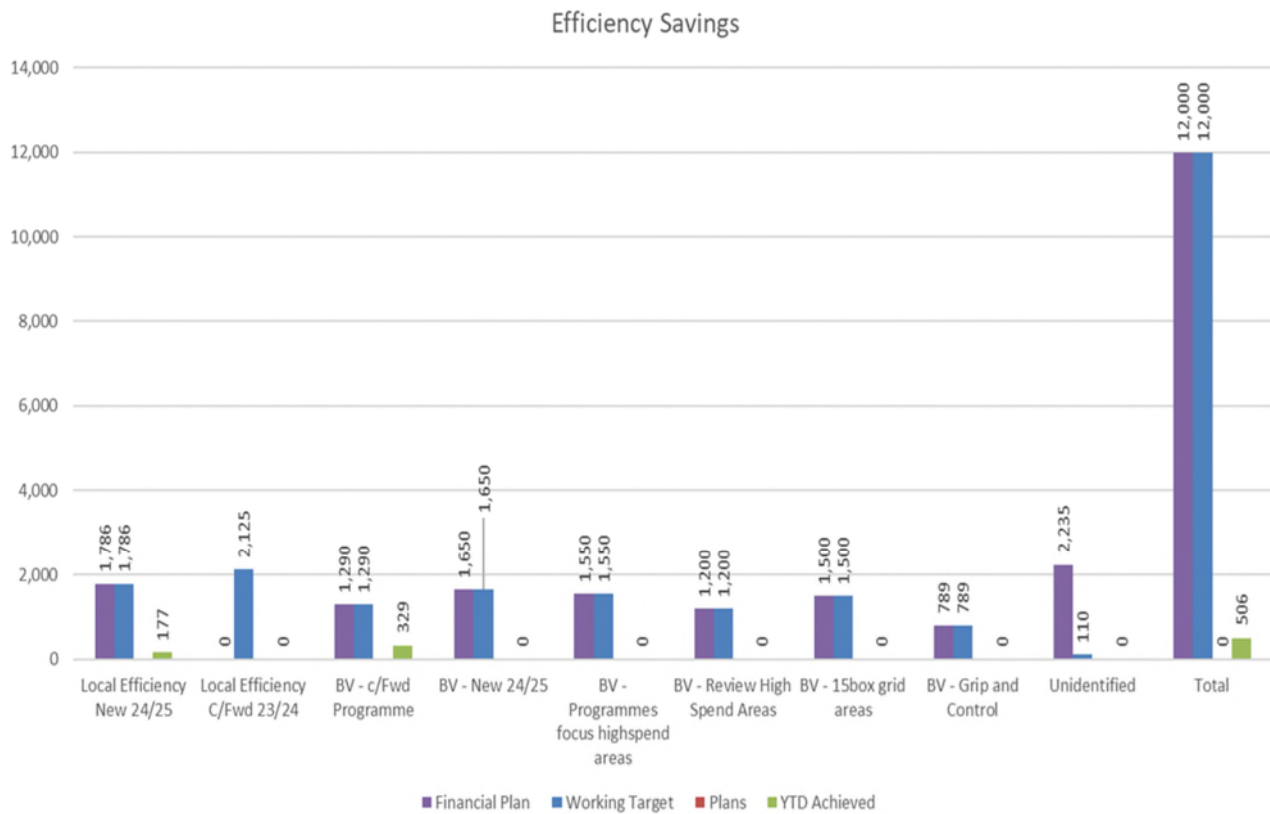
The chart below shows the revised savings trajectory over the financial year, which accommodates a more consistent pace as the year progresses.



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.

Up to month 3 savings of £0.506 million has been achieved to date, with £0.177 million within local efficiencies and £0.329 million within BV schemes, as detailed in the graph below. To date a total full year savings of £1.4 million have been recognised, which will be realised over the course of the financial year.

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The full year forecast described in the paper assumes a best, likely and worst case position in relation to the efficiency savings target.

Post COVID-19 Financial Implications

Members are aware of the funding risk to support expenditure due to post COVID-19 pandemic and system pressures. Our 2024/25 financial plan has assumed a cost pressure of £9.0 million for ongoing COVID activity, and this will be monitored on a monthly basis as a pressure, whilst funding discussions continue with the Scottish Government, noting to date these have been funded on a non recurring basis.

Included in the revised estimated full year pressures were:

- Overtime £4.2 million - an ongoing pressure on ED in line with prior years relating to hospital turnaround times
- PPE £0.4 million – maintenance of hoods still being used and face fit testing also being incurred
- 999 Call handlers £1.5 million – additional wte requirement for Call handlers beyond 120 wte, plus costs in meeting the peaks and troughs of the staffing requirements for the 3 call centres due to rising demand.
- Card 46 (timed admissions) £2.9 million - relating to 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.

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£ million	Planning assumptions for 2024/25	Month 3 Updated Planning assumption 2024/25	Actual Month 3 2024/25	Notes
Overtime including 0.5% sickness	4.200	1.050	0.933	This is primarily driven by shift overruns relating to hospital turnaround times
PPE	0.400	0.100	0.000	No additional spend has been reported to date, this will cover PPE hood replacement, and face fitting is under review.
999 call handlers	1.500	0.375	0.258	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)	2.900	0.725	0.958	This showed higher costs than anticipated with the inclusion of British Red Cross and use of taxis. This avoids A&E conveyance.
Total Covid	9.000	2.250	2.149	Overall this is broadly in line with plan, but specific actions in place to review and monitor these

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 30 June 2024) is as follows:

	Costs
Pay	£154,000
Non Pay	£51,000
Total	£205,000

Funding of £1.1 million was assumed in our Finance Plan however the Scottish Government have confirmed an allocation of £0.94 million in our Month 3 Allocation letter for 2024/25 and expenditure plans will be reviewed against this funding level.

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Draft Full year Forecast

Given the significant financial challenges within the first quarter of the financial year, a full year financial forecast has been reviewed against the financial plan based on the year-to-date position and updated assumptions on cost pressures and the delivery of efficiency savings, as known at this stage early in the financial year. This assumes:

- ❖ Using quarter one expenditure run rate and adding in reasonable assumptions, what do we anticipate our total expenditure to be by year end and a list of key assumptions.
- ❖ Forecast assumptions on efficiency savings at this stage in the financial year
- ❖ Making reasonable assumptions on our funding projections primarily for the RWW (recurring)
- ❖ Forecast spend assumptions on our cost pressures and financial plan assumptions
- ❖ Forecast spend assumptions on our COVID pressures and operational commitments
- ❖ The net financial position on a best likely and worst case basis

A comparison of the forecast modelling against our financial plan assumptions is included to show what has changed from our financial plan position (noting this is still early in the financial year).

The recently received £5 million additional recurring income from SG has been shown separately and included within the forecast.

The impact of these updates are summarised below with revised Best, Likely and Worst-case outturn scenarios are compared to the 2024/25 financial plan.

The key drivers in this forecast are:

- An increase in non pay pressures above assumptions made within the financial plan (this is shown in table 7 below)
- A reasonable estimate of efficiency savings outturn (this is shown in table 8 below)
- The additional £5 million recurring funding to support operational pressures

The updated likely forecast scenario assumes £8.8 million of efficiency savings are delivered against the £12.0 million 3% target. This is as a result of the year-to-date achievement being behind target and work is ongoing to identify further savings schemes.

Table 7

Non-Pay Pressures	Financial Plan £m	Updated Forecast at Month 3		
		Best	Likely	Worst
		£m	£m	£m
General Inflation	2.10	2.10	2.10	2.10
Air Ambulance (noting Q1 pressures)	0.50	0.50	0.90	1.30
Air Ambulance Extension – aiming to reduce the full year impact)	4.20	2.70	3.10	3.30
Drugs & Medical Consumables – recognising the pressures to date	0.90	0.90	1.50	1.70
Driver Education	0.50	0.20	0.20	0.40

Education Recruitment		0.20	0.30	0.30
Insurance including CNORIS	0.60	0.60	0.80	0.80
Legal Fees – noting the continued increase in costs	0.20	0.20	0.35	0.45
Allocate eRostering	0.30	0.30	0.30	0.30
SAER activity support	0.25	0.25	0.25	0.25
	9.55	7.95	9.80	10.90

This is showing under the likely case this is broadly in line with the plan but assumes a reduction in the air ambulance contract extension cost of £0.2 million pending negotiations with the current provider and offsetting the air ambulance accrual as reported in the 23/24 annual accounts.

The efficiency savings plan, under a likely scenario assumes the actions in place to reduce the overtime costs will have an impact and this is reflected below. In addition, an assessment is made for non recurring opportunities.

The likely position reduces the efficiency savings to £8.8m with a best case scenario being back on track with the financial plan and a worst case scenario not reflecting any financial benefit from the overtime actions.

Table 8

Efficiency Savings Schemes	Financial Plan £m	Updated Forecast at Month 3		
		Best	Likely	Worst
		£m	£m	£m
Local Efficiency Schemes	4.0	4.0	2.5	1.2
Best Value Programmes- Overtime Reduction	3.5	3.5	3.0	1.0
Best Value Programmes- ICT, PTS & Estates	2.0	2.0	2.0	2.0
Best Value Programmes- Medicines & Equipment	0.9	0.9	0.3	0.0
Unidentified	1.6			
Non-recurring efficiencies		1.6	1.0	1.0
	12.0	12.0	8.8	5.2

In summary the overall Best, Likely and Worst case position is noted below. This is compared against the financial plan.

Table 9

Forecast Summary	Financial Plan £m	Updated Forecast at Month 3		
		Best	Likely	Worst
		£m	£m	£m
Brought forward deficit	8.00	8.00	8.00	8.00
Pressures – Pay	7.70	7.70	7.70	7.70
Emerging Pay Pressure – PTS recruitment		0.70	0.70	0.70
Pressures – Non pay	9.55	7.95	9.80	10.90
Baseline Funding Uplift	(7.00)	(7.00)	(7.00)	(7.00)
Gap before Efficiencies	18.25	17.35	19.20	20.30
3% Efficiency Savings	(12.00)	(12.00)	(8.80)	(5.20)
Operational Commitments unfunded gap	3.10	3.10	3.10	3.10
Covid and related system pressures	9.00	9.00	9.00	9.00
24/25 Net Gap	18.35	17.45	22.50	27.20

Additional funding received		(5.00)	(5.00)	(5.00)
24/25 Outturn (deficit)	18.35	12.45	17.50	22.20

The updated likely forecast position is now reported a likely scenario of £17.5 million deficit. The best case scenario assuming full delivery of the efficiency savings would be reporting a £12.45 million deficit and the worst case, with further risks on the efficiency savings delivery particularly in the overtime cost reduction, forecasting a deficit of £22.2 million. This is all against a financial plan reporting a £18.35 million deficit.

The focus remains on trying to work to the best case scenario.

2024/25 YTD CAPITAL POSITION AS AT MONTH 3 (30/06/2024)

2024/25 Capital Budget

The Service's is anticipating a full year capital budget of £28.413 million made up of the following elements:

• Formula Capital	£1.794 million
• Earmarked Allocations	£25.754 million
• Transport Scotland Switch on Fleet	<u>£0.865 million</u>
Total Capital Funding	£28.413 million

The Service is provided with formula capital to fund all capital projects that are not subject to approval by the SG Capital Investment Group (CIG) or has not received a separate earmarked allocation. This will primarily be utilised to fund Vehicle Accidents, ICT and Property projects during 2024/25.

The Service receives earmarked allocations for Business Cases that have been approved by the CIG. In 2024/25 the following earmarked allocations are anticipated:

▪ Fleet Replacement Programme	£25.505 million
▪ Scotstar Equipment Replacement	£0.250 million

In addition, the Service has been successful in applying for funding from Transport Scotland to fund electric vehicle infrastructure and £0.865 million is anticipated for 2024/25.

YTD Capital Position as at Month 3

The YTD capital position is shown in the table below. Year to date expenditure totals £2.36 million. Most capital expenditure occurs in Quarter 3 and 4 of the financial year

The unallocated budget excluding anticipated projects of £0.403 million is expected to be fully utilised during 2024/25.

On disposal of assets, the Service can receive a capital receipt which it can utilise as additional funding during the year. Year to date capital receipts total £0.328 million which has resulted from the disposal of vehicles.

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

SCOTTISH AMBULANCE SERVICE			
CAPITAL REPORT 2024-25			
As at 30 June 2024			
PROJECT	Approved Budget	YTD Actuals	Notes
	£	£	
Formula Capital Projects			
eHealth and ICT	237,751	(82,809)	Vat Credits
Property	403,300	17,850	
Vehicle Accidents	750,000	0	
	1,391,051	(64,959)	
Earmarked Allocations			
Scotstar	250,000	0	
Vehicles including Transport Scotland	24,505,000	2,424,598	
	24,755,000	2,424,598	
Unallocated Budget	402,949		
Capital Receipts	328,251	0	Gain on sale of vehicles & property
Fleet Contingency	1,863,344		
TOTAL	28,740,595	2,359,639	

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	
CAPITAL PLAN 2024-25	
As at 30st June 2024	
ALLOCATION	
<u>Anticipated</u>	
Core Allocation	1,794,000
ScotSTAR project	250,000
Fleet Replacement - Core	18,640,000
Feet Replacement - Contingency	1,864,000
Fleet Replacement - Deferred from 2023/24	5,000,000
Total Capital Allocation	<u>27,548,000</u>
Add: Transport Scotland Budget Transfer -	865,000
Total Available Capital Budget	<u>28,413,000</u>
EXPENDITURE	
<u>Approved Projects</u>	
Property	
Estates - Purchase of Maybole Land	20,000
Estates - Physical Condition Works	383,300
Total - Property	<u>403,300</u>
ICT	
ICT - SWAN2	217,523
ICT - Avaya Border Controller	20,228
Total - ICT	<u>237,751</u>
Operations	
Vehicles plus Contingency & Transport Scotland	26,369,000
Total - Operations	<u>26,369,000</u>
Total Approved Projects	<u>27,010,051</u>
Unallocated Budget	1,402,949
<u>Anticipated Projects</u>	
Scotstar Equipment	250,000
Vehicle Accidents	750,000
Total - Anticipated Projects	<u>1,000,000</u>
Revised Unallocated Budget	<u>402,949</u>

CONCLUSION

For the 3 months to May 2024, the Service reports a deficit of £6.18 million. Whilst this was in line with our RRL trajectory deficit of £6.0 million, reflecting the anticipated slower start to the financial year in terms of efficiency savings due in part to the increase in demand, there remains concern in the full year progression of the efficiency plans. Given this is early in the financial year, immediate corrective action is being taken and has been described within the paper.

Recognising the significant financial challenges, a full year forecast has been completed noting:

- ❖ The £5 million additional recurring funding from Scottish Government received to support operational commitments, which had not been assumed in the financial plan.
- ❖ that further work is required to ensure the full £12 million savings target is achieved, and thus a likely shortfall in delivery is currently forecast based on the progress reported to date.

The updated likely forecast position is now reported under a likely scenario of £17.5 million deficit. The best case scenario assuming full delivery of the efficiency savings would be a £12.45 million deficit and the worst case, with further risks on the efficiency savings delivery particularly in the overtime cost reduction of a deficit of £22.2 million. This is all against a financial plan delivering the £18.35 million deficit.

Focus will remain on the delivery of the £12m savings target in line with the best case scenario.

The financial risks remain as described within the financial plan and reflected within the updated forecast.

Julie Carter
Director of Finance, Strategy and Logistics
July 2024

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APPENDIX 1

15 Box Grid for Scottish Ambulance Service

Following on from Director General letter and requirement to feedback on progress against these within the Quarter 1 financial return. The table below shows the progress to date against each of these areas.

Whilst a number of these do not relate specifically to the Scottish Ambulance Service, SAS have taken the opportunity to consider is there 'more we can do' linking it to SAS specific impacts. This is included in the 'more to do column'. We will develop these further to identify cost or operational improvements.

Areas for Action to Support 3% recurring savings

Value Based Health and Care and Prescribing				
	Action required	More information	Progress to date SAS	More we could do
1	Review the list of medicines of low and limited clinical value spend within your own Board. Consider what actions can be taken now to reduce spend in these areas ahead of the published consultation.	Public consultation is due to go live over the summer with conclusion published in autumn. Data on spend of these medicines will be monitored quarterly during 2024-25.	Clinical lead has reviewed the list and confirmed we don't use any of the medicines on the list	Medicine use in SAS is focused and can be controlled robustly. SAS can potentially further rationalise our use of medicines and equipment
2	Review developed list of procedures of limited clinical value and consider what action can be taken now to reduce activity in these areas ahead of the national list being published.	List of procedures of limited clinical value to be published over the summer. Discovery dashboard on volume of activity by Board has been sent by FDU.	Clinical lead has also reviewed and confirmed no impact for SAS	and a value based care medicines and equipment group has been established to lead this work.

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3	To review medicines wastage metrics within your Board	<p>NSS Counter Fraud Services have shared data on overprescribing in community care settings. The data has been provided to Directors of Pharmacy.</p> <p>The FDU will provide areas of overspend within prescribing budgets in early course.</p>	Clinical lead developing a range of medicines metrics to review what is available and what KPI's we currently measure and opportunities for improvement	
4	Increase the number of polypharmacy reviews in 2024-25, aiming to reduce the number of people on 8+ medicines where clinically appropriate.	<p>Information on polypharmacy reviews and an PowerBI polypharmacy dashboard has been shared.</p> <p>Data on numbers of people on 10+ medicines will be tracked quarterly.</p>	More relevant to GPs and Care of Elderly doctors. SAS potential to signpost patients back to their GPs when we attend their homes but no reported saving contribution to SAS for such work.	
5	All available medicines switches must be made as soon as possible.	<p>NSS newsletter</p> <p>Data shared from FDU</p>	Clinical lead has confirmed current medicine switches not relevant at this time however this is under continual review.	
Workforce				
	Action required	More information	Progress to date SAS	More we could do
6	Work towards registered nurse agency being by exception only by October 2024, and work towards removing agency spend on healthcare support workers entirely.	This should be achieved by complying with guidance from the Supplementary Staff Task & Finish Group.	Additional controls in place that all agency staff use to be approved by DoF/Coo. Very low numbers of agency staff in place in the ACC and phased out as vacancies are being filled.	

7	Adopt direct engagement for, at least, medical locums and Allied Health Professions. This should be extended further if possible to other staffing areas.	<p>Opportunity by Board has been collected and shared by FDU.</p> <p>Spend will be tracked through FPRs and will be discussed at quarterly finance meetings.</p>	No use of locums in SAS.
8	To achieve a meaningful and sustained reduction in sickness absence	<p>The estimated cost of sickness absence has been shared by the FDU. Scottish Government will start work with Health Boards and staff side in early course to ensure consistent adoption of best practice to reduce sickness absence across Scotland.</p>	<p>Targeted reduction set to deliver 8% sickness absence. Plus £1.5m efficiency plan agreed aiming to reduce current sickness by 1%.</p> <p>Additional work being actioned are:</p> <ul style="list-style-type: none"> - review of absence line - planning team working with Ops and HR on a deep dive into the data to highlight trends/hot spot times and areas - HR/regional teams action plans being reviewed
9	<p>Establish drivers of non-compliant rotas and create an action plan to reduce spend.</p> <p>Work to reduce non-compliant rota Jr Dr costs by 25% before the end of 2024/25 in comparison to 2023/24 spend.</p>	<p>Spend on Jr Dr non complaint rotas has been gathered and shared by the FDU.</p> <p>Discussion has taken place at FIN to share ideas and good practise.</p> <p>Spend will be monitored and discussed on a quarterly basis.</p>	Not relevant to SAS. However work to ensure medical cover in clinical hub is cost effective and productive. Productivity stats are being developed.

10	<p>Create a plan to be actioned as soon as possible to reduce headcount in central functions job family (per Turas) to pre pandemic levels.</p> <p>The plan should focus on levers available (e.g. attrition and vacancy management) and work within NHS Scotland's employment terms and conditions.</p> <p>Ensure vacancy control panels are established with regular reporting of approval rates.</p>	<p>Data on trends in this job family is shared quarterly by FDU.</p> <p>Should be viewed in line with wider work on business systems transformation.</p>	<p>Total wte costs remain broadly in line with pre pandemic levels excluding ACC, card 46 and overtime.</p> <p>Specific other spend areas are being reviewed including taxi's and consumables. A specific piece of work is underway in relation to overtime.</p>
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Service optimisation and productivity				
	Action required	More information	Progress to date SAS	More we could do
11	<p>Complete implementation of digital theatre scheduling tool before the end of 2024/25. Develop local plan to rollout across 20 specialties.</p>	<p>Digital Health and Care team within SG will continue to engage with HB Digital Leads on roll out.</p>	<p>Not applicable to SAS.</p>	<p>Digital developments that will reduce expenditure are</p> <ul style="list-style-type: none"> - NHS24 interface - Timecard - HCP - O365 implementation <p>Programmes are in place and scrutinized at DDIR and Best Value and clear timelines agreed.</p>

12	Review use of remote outpatient appointments and consider opportunities where this could improve efficiency, reduce travel costs, reduce DNA rates and reduce emissions through less travel.	Data on remote outpatient appointments for video and phone has been shared by Board by specialty. Supporting materials and information on increased use of InHealthCare and NHS Near Me can be provided via Digital Health and Care in SG.	SAS remote consultations are through our ICH. Potential to move to 'NearMe' the national platform and away from GoodSAM video which carries a small cost per call. We can capture interactions and volumes of pt contacts through ICH. There is the potential to increase if further funding became available.
13	Engage with a PLICS supplier by Q3 of 2024/25 and have an implementation plan in place for early 2025/26.	Information is available from the FDU on suppliers and next steps.	Costing workshop set up to consider areas where patient level costings would be appropriate for SAS to commence. Plan will then be developed.
14	Review specialties with the highest lengths of stay and understand from the service managers what corrective action can be taken Eg compliance with discharge before noon rates or planned discharge dates	Length of Stay benchmarking is available on Discovery and the FDU quarterly benchmarking packs. Further benchmarking on delayed discharges will be issued from SG in due course.	As part of our Realistic Medicine work we have a internal SAS 'Atlas of Variation'. This can be used to understand trends and patterns of demand and understand what lies behind variation when we identify it.
15a	Work to improve clinical waste audit scores to over 80%. NHS Boards should be actively reviewing this data for opportunities.	Data on tonnage of clinical waste and audit scores are available from NHS Assure. FDU will discuss this at quarterly finance review meetings.	Clinical waste work completed.

15b	Review opportunities to use public grant funding for energy efficiency	FDU will share any national opportunities.	Commencement of site surveys are identifying opportunities and will be collated by October/November. Successful bids have been sourced to date.
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	schemes which also provide a cost saving eg LED bulbs.			
15c	Have a plan in place for selling waste cardboard for Product Recycling Notes rather than paying to have this removed.	Further information can be obtained from NSS Assure.	Procurement team are assessing viability	
Other				
	Action required	More information	Progress to date SAS	More to do SAS?
	Review take up of epayslips for weekly and monthly payroll with a view to maximising take up and reduce printing and postage cost as soon as possible.	Information on e-payslip take up for monthly and weekly payroll has been shared by FDU.	Data has been collated on the use of epayslips with only 33% used. Agreed at BV group we will issue this information to managers to follow up with staff why not transferred over and pull out list of blockages. Smartphone access needs an ATOS fix and this is being pushed also by Grampian and GG&C.	
	Review use of Netcall or similar providers for electronic patient letters Some Boards have generated clear savings from reduced printing and posting.	Several Boards have engaged with digital letter platforms but rollout has been limited.	The vast majority of all of our comms are generated and shared electronically. However further detailed review via managers will be initiated.	
	Ensure Buyers' Guides issued by National Procurement are fully considered and implemented.	Buyers' Guides are frequently issued to procurement teams via the Hub and outline procurement-focussed savings opportunities.	Implemented through our centralized procurement team	
	Selling equipment that is unused or surplus to requirements.	Information on selling unused equipment and vendors has been	Actioned – led by Head of Logistics	

	<p>Conduct benchmarking to identify further efficiency opportunities.</p>	<p>The FDU issue a quarterly benchmarking pack that collates data from Turas and Discovery. There is also a host of new benchmarking tools available to finance teams including Discovery dashboards on polypharmacy spend, key cost pressures, and cost book data.</p>	<p>Discovery data being reviewed by Richard Combe. Will add as agenda item for BV Steering Group. Separate meeting with NHS24 and the discovery team to review data has taken place with excellent pathway information already in discovery. Agreed with NHS24 to add to the list of collaboration areas and develop further. Plus follow-up meeting with information team and others to assess how we use this currently.</p>
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