



LONDON AMBULANCE SERVICE NHS TRUST

Finance Report

For the Month Ending 30 April 2006 (Month 01)

£000s

	IN THE MONTH			ANNUAL			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%Variance</u>
Total Income	18,181	18,426	(246)U	18,181	18,426	(246)U	(1.3)U
Total Expenditure	17,678	18,006	328F	17,678	18,006	328 F	1.8 F
Trust Result	503	421	83F	503	421	83F	19.6F



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For the Month Ending 30 April 2006 (Month 01)

1. **Month**

- 1.1. The position at the end of month 1 is £82k underspent.
- 1.2. Trust income was £246k less than expected. This is as a result of there being lower levels of CBRN and Workforce Confederation income than had been estimated in the budgets.
- 1.3. Trust expenditure was £328k less than budget. This was mainly due to non pay where not all of the invoices have been received or accrued for relating to April's activity. Also there are some projects and items budgeted for (e.g. course fees) where expenditure has not yet commenced, however the budget is profiled in equal twelfths throughout the year, hence reporting an underspend. This underspend is not expected to continue for the rest of the year.

2. **Capital expenditure**

- 2.1. The capital expenditure position is not reported in month 1 as most of the projects have not started.

3. **Annual**

- 3.1. The forecast at month 1 is breakeven. A detailed forecast is not reported in month 1's board report.



LONDON AMBULANCE SERVICE NHS TRUST

Income & Expenditure - Analysis by Function

For the Month Ending 30 April 2006 (Month 01)

	IN THE MONTH			YEAR TO DATE				ANNUAL		
	Actual	Budget	Variance	Actual	Budget	Variance	%Variance	Budget		
Income	17,221	17,466	(245)U	17,221	17,466	(245)U	1.4U	205,499		
A&E Operations Cost										
Sector	11,319	11,383	63F	11,319	11,383	63F	0.6F	135,579		
Control Services	1,268	1,281	13F	1,268	1,281	13F	1.1F	14,332		
A&E Operational Support	896	935	39F	896	935	39F	4.2F	10,984		
Others	741	803	62F	741	803	62F	7.7F	9,338		
Total Operations Cost	14,224	14,402	178F	14,224	14,402	178 F	1.2F	170,234		
A&E gross surplus/(deficit)	2,997	3,063	(67)U	2,997	3,063	(67)U	2.2 U	35,265		
A&E Gross Margin	17.5%	17.6%	0.0%U	17.5%	17.6%	(0.1)U	0.8%U	17.2%		
Corporate Support										
Medical Director	35	49	14F	35	49	14F	29.2F	588		
Service Development	40	43	3F	40	43	3F	7.7F	588		
Communications	125	128	3F	125	128	3F	2.5F	1,541		
Human Resources	339	357	18F	339	357	18F	5.1F	4,315		
IM&T	585	611	26F	585	611	26F	4.3F	7,322		
Finance	1,270	1,399	129F	1,270	1,399	129F	9.2F	19,359		
Chief Executive	135	133	(1)U	135	133	(1)U	0.9U	1,594		
Total Corporate	2,529	2,722	193F	2,529	2,722	193 F	7.1F	35,308		
A&E net surplus/(deficit)	468	341	126 F	468	341	126F	37.1F	(44)		
A&E net margin	2.7%	2.0%	0.8%F	2.7%	2.0%	0.8F	39.0%F	0.0%		
PTS										
Income	960	961	(1)U	960	961	(1)U	0.1U	11,001	11,811	810F
Expenditure	933	889	(43)U	933	889	(43)U	4.8U	10,957	12,223	(1,266)U
Surplus/(Deficit)	27	71	(44)U	27	71	(44)U	61.7U	44	412	(456)U
Margin	2.9%	7.4%	(4.6)U	2.9%	7.4%	(4.6)U	61.6U	0.4%	(3.5%)	(3)U
Trust Result	495	413	82F	495	413	82F	20.0F	0		



LONDON AMBULANCE SERVICE NHS TRUST

Income & Expenditure - Analysis by Function

For the Month Ending 30 April 2006 (Month 01)

Notes

1. Income

- The adverse position stems from CBRN income and Workforce Development Confederation income. Both these streams of income are coming in at amounts less than had been previously notified.

2. A&E Sectors

- Sectors is break-even on pay and is underspent on staff related and medical consumables. The subsistence budget has been profiled to reflect the introduction of meal breaks from October 2006.

3. A&E Control

- Pay is overspent due to AFC payments, the budget will be increased in month 2 to cover these increases. Non pay is underspent as expenditure has not yet commenced on some items whereas the budget is profiled in equal twelfths throughout the year.

4. Education & Development

- Non-pay is underspent due to budget profiling, as above.

5. A&E Operational Support

- The underspend stems mostly from pay. Within Fleet there are vacancies within the workshop staff and within Logistics vacancies exist within the equipment support staff.

6. Service Development

- The favourable position stems from a lower than expected spend on non pay items within the A&E Development department.

7. Communications

- The favourable position is a result of underspends on non pay within the Media Resources and Patient & Public Involvement departments.

8. Human Resources

- The favourable position stems from an underspend on Training and course fees throughout the directorate. In addition, the organisational development budget reports an underspend as the initiatives have not yet commenced this year.

9. IM&T

- The underspend stems primarily from pay, where there are a few vacancies, mostly within the Management Information Department.

10. Finance

- The causes of the underspend are: 1) Estates maintenance and furniture expenditure is less than budget due to the timing of some invoices being paid (£100k); 2) Interest received is £25k favourable due to the higher than forecast cash balances in the month of April.

11. PTS

- Unfavourable positions on Kingston Hospital (£16k), Bromley Hospitals (£11k), University College Hospital (£6k) and PTS Central Services (£11k) make up the £45k adverse variance in Month 1.

12. Medical Director

- This is underspent on non-pay items.



LONDON AMBULANCE SERVICE NHS TRUST

Analysis by Expense Type

For the Month Ending 30 April 2006 (Month 01)

£000s

	IN THE MONTH			YEAR TO DATE				ANNUAL		
	Actual	Budget	Variance	Actual	Budget	Variance	%Variance	Forecast	Budget	Forecast Variance
Payroll Expenditure										
A&E Operational Staff	8,593	8,540	(53)U	8,593	8,540	(53)U	0.6U	0	110,398	110,398F
A&E Overtime	1,320	1,311	(10)U	1,320	1,311	(10)U	0.7U	0	5,921	5,921F
PTS Operational Staff	661	644	(17)U	661	644	(17)U	2.7U	0	7,342	7,342F
Corporate Support	3,015	3,142	127F	3,015	3,142	127F	4.0F	0	37,188	37,188F
	13,590	13,636	47 F	13,590	13,636	47 F	0.3F	0	160,849	160,849F
Non Pay Expenditure										
Staff Related	379	411	32F	379	411	32F	7.9F	0	3,809	3,809F
Staff Welfare	41	35	(6)U	41	35	(6)U	16.2U	0	424	424F
Training	9	65	56F	9	65	56F	86.4F	0	1,872	1,872F
Medical & Ambulance Equipment	38	65	26F	38	65	26F	41.0F	0	774	774F
Medical Consumables	249	270	21F	249	270	21F	7.7F	0	3,450	3,450F
Fuel & Oil	279	282	3F	279	282	3F	1.2F	0	3,622	3,622F
Third Party Transport - A&E	146	82	(65)U	146	82	(65)U	78.8U	0	1,033	1,033F
Third Party Transport - PTS	50	5	(45)U	50	5	(45)U	897.4U	0	258	258F
Vehicle Maintenance	166	168	2F	166	168	2F	1.1F	0	2,012	2,012F
Other Fleet Costs	565	648	83F	565	648	83F	12.8F	0	7,939	7,939F
Rent, rates & utilities	258	279	20F	258	279	20F	7.3F	0	3,425	3,425F
Office and Station cleaning	228	231	4F	228	231	4F	1.6F	0	2,774	2,774F
Security & Fire Safety	26	20	(6)U	26	20	(6)U	29.7U	0	245	245F
Estates Maintenance	33	34	2F	33	34	2F	4.7F	0	1,911	1,911F
Other Estates Costs	25	30	6F	25	30	6F	18.4F	0	364	364F
Telephones	226	220	(6)U	226	220	(6)U	3.0U	0	2,729	2,729F
Information Technology	78	76	(2)U	78	76	(2)U	2.5U	0	907	907F
Office & Station Expenses	91	146	55F	91	146	55F	37.5F	0	1,773	1,773F
Legal Expenses	182	194	12F	182	194	12F	6.2F	0	2,315	2,315F
Consultancy	3	38	34F	3	38	34F	91.4F	0	450	450F
Advertising & PR	5	21	15F	5	21	15F	74.5F	0	246	246F
Catering & Hospitality	12	17	6F	12	17	6F	32.3F	0	208	208F
Depreciation	553	562	8F	553	562	8F	1.5F	0	6,739	6,739F
Reserves	(8)	(16)	(8)U	(8)	(16)	(8)U	51.5F	0	397	397F
Radio Equipment	113	122	8F	113	122	8F	6.9F	0	1,485	1,485F
Others	2	0	(1)U	2	0	(1)U	1,257.2U	0	2	2F
	3,750	4,004	254 F	3,750	4,004	254 F	6.3F	0	51,164	51,164F
Financial Expenditure										
Interest Payable	11	11	0	11	11	0	0.0	0	126	126F
Interest Receivable	(33)	(8)	24F	(33)	(8)	24F	291.6U	0	(100)	(100)U
PDC Dividend	345	345	0	345	345	0	0.0	0	4,134	4,134F
Others	16	19	3F	16	19	3F	17.6F	0	231	231F
	338	366	28 F	338	366	28 F	7.6F	0	4,391	4,391F
Total Trust Expenditure	17,678	18,006	328F	17,678	18,006	328F	1.8 F	0	216,404	216,404F



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Analysis by Expense Type

For the Month Ending 30 April 2006 (Month 01)

£000s

1. **A&E Operational Staff**
 - Operational staff is overspent due to AFC payments to CTA and BETs staff. The corresponding budget increase will be actioned in month 2.
2. **A&E Overtime**
 - Overtime expenditure is as planned and the budget is under review following changes to the recruitment plan.
3. **PTS Operational Staff**
 - £17k adverse against budget relates to agency staff filling vacancies, along with a small amount of unbudgeted overtime.
4. **Corporate Support Staff**
 - The underspend stems from admin & clerical vacancies (mostly within A&E Operations), fleet maintenance staff vacancies and equipment support staff vacancies.
5. **Staff Related**
 - A&E subsistence is profiled for the introduction of meal breaks in October 2006. There are underspends on both travel and uniforms in Operations and Education.
6. **Training**
 - Training is underspent as the majority of courses are due to commence after April 2006.
7. **Medical & Ambulance equipment**
 - The main reason for the favourable variance is due to defibrillator maintenance and blanket purchase and blanket cleaning in the Logistics Department. This is because the invoices have not come in as yet for these items and the underspend is not expected to continue at this rate.
8. **Third Party Transport – A&E**
 - This is overspent both with Urgent Care and Operations and includes the use of St John and other private ambulance hire
9. **Third Party Transport – PTS**
 - Third Party transport continues to be used across contracts; the unfavourable variance relates to missed savings targets for PTS Central Services usage across contracts.
10. **Other Fleet Costs**
 - The underspend is due to primarily to accident damage costs. Expenditure has been less than forecast for the first month of the year. This is in part due to the fact that not all of April's invoices have been accounted for in the accounts as they have not all been received.
11. **Office & Station expenses**
 - Half of the favourable variance stems from A&E Operations where there are underspends on complex budgets (£8k), within the Education & Development Department (£8k) and within Logistics (£9k). The remainder of the variance stems from printing and stationary underspends across the corporate support departments. This trend is not expected to continue for the rest of the financial year.
12. **Consultancy Fees**
 - The underspend stems mostly from HR (£15k) on the Organisational Development project and IM&T (£9k) where there are some projects where the expenditure has not yet commenced.
13. **Financial Expenditure**
 - There is a favourable variance on interest receivable due to the higher than expected cash balances in April.



LONDON AMBULANCE SERVICE NHS TRUST

Analysis of Income

For the Month Ending 30th April 2006 (Month 01)

(£000s)

	IN THE MONTH			YEAR TO DATE				ANNUAL
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% Variance</u>	<u>Budget</u>
A&E Income								
A&E Services Contract	15,713	15,713	0F	15,713	15,713	0F	0.0F	188,552
CBRN Income	1,045	1,140	(95)U	1,045	1,140	(95)U	8.4U	9,323
ECP Revenue	123	122	1F	123	122	1F	(0.9)F	1,464
BETS & SCBU Income	48	48	0	48	48	0	0.0	580
A & E Long Distance Journey	40	40	0	40	40	0	0.0	475
Stadia Attendance	27	27	0U	27	27	0U	0.0U	598
Heathrow BAA Contract	34	34	0F	34	34	0F	(0.1)F	405
Resus Training Fees NHS	3	23	(20)U	3	23	(20)U	87.6U	270
Resus Training Fees Non NHS	1	23	(21)U	1	23	(21)U	94.6U	270
HEMS Funding	2	2	0F	2	2	0F	0.0F	29
	17,035	17,170	(135)U	17,035	17,170	(135)U	0.8 U	201,967
PTS Income	960	961	(1)U	960	961	(1)U	0.1 U	11,001
Other Income	186	295	(110)U	186	295	(110)U	37.2 U	3,532
Total Income	18,181	18,426	(246)U	18,181	18,426	(246)U	1.3 U	216,500

Notes

1. CBRN Income

- The £95k adverse variance on CBRN income in month 1 is due to a lower expected level of CBRN income than budgeted. This is slightly offset by deferred CBRN equipment income from the previous year.

2. Other Income

- The £110k adverse variance on Other Income is partly due to the SHA notifying the LAS of a lower level of WDC income than had been previously been advised.

LONDON AMBULANCE SERVICE NHS TRUST

Income & Expenditure - Analysis of Staff Numbers

For the Month Ending 30 April 2006 (Month 01)
(Paid WTE)

	<u>Last Month</u>	<u>This Month</u>	<u>Variance</u>
A&E Operations			
Sector	3099	3209	109
Control Services	468	437	-31
Education & Development	199	266	67
A&E Operational Support	112	93	-19
	3879	4004	125
Corporate Support			
Medical Director	8	9	1
Service Development	6	6	0
Communications	23	23	-0
Human Resources	107	98	-9
IM&T	59	57	-2
Finance	59	58	-1
Chief Executive	20	21	1
Total Corporate	281	272	-10
PTS	293	337	44
Trust Total	4453	4613	159

1. A&E Sectors

- The increase in paid WTE reflects the use of overtime and part-month effect of operational trainees from the in-house training courses. In addition it also includes 57 wtes for the additional 1.5 hours paid per week per shift.

2. A&E Control

- Paid wte reflects the use of overtime to cover EOC and UOC vacancies. This reduced in April.

3. A&E Operational Support

- The reduction stems from the payroll system assigning a wte of 0.96 to full time staff after they have been assimilated AFC rates. It is not a “real” reduction and will be manually corrected in month 2.

4. A&E Education Development & Support

- The Education Department’s paid wtes vary each month as training courses come on stream or finish in the month.

5. HR

- The HR movement is due to the changing number of staff within unproductive salaries.

6. PTS

- An increase of 43.8WTE from Month 12 reflects the increase in crew staff for the Bromley Hospitals contract.



LONDON AMBULANCE SERVICE NHS Trust

Balance Sheet
For the Month Ending 30 April 2006 (Month 1)

	<u>Mar-06</u>	<u>Apr-06</u>
	£'000s	£'000s
Fixed Assets		
Intangible assets	447	447
Tangible assets	106,271	112,436
	<u>106,718</u>	<u>112,883</u>
Current Assets		
Stocks & WIP	1,916	1,909
Debtors A&E	8,114	1,996 £159k > 60 days (7.96%), Mar - £126 > 60 days (1.59%)
Debtors PTS	959	1,957 £575k > 60 days (29.34%), Mar - £34k > 60 days (3.50%)
Prepayments, Vat Recoverable, Other Debtors	4,384	3,343
Back to Backed Debtors - PCTs	9,545	9,545
Investments - Short Term Deposits	0	10,000
Cash at Bank and in Hand	667	908
Total Current Assets	<u>25,585</u>	<u>29,658</u>
Creditors: Amounts falling due within one year		
Bank Overdraft	104	53
Creditors - NHS	2,077	1,991 PSPP - This month (80%), March (77%), Ytd (80%)
Creditors - Other	7,019	11,834 PSPP - This month (87%), March (79%), Ytd (87%)
Dividend Provision	0	345
Total Current Liabilities	<u>9,200</u>	<u>14,223</u>
Net Current Assets	16,385	15,435
Total Assets less current liabilities	123,103	128,318
Creditors: Amounts falling due after more than one year		
Provisions for Liabilities & Charges	24,539	22,630
Total Net Assets	<u>98,564</u>	<u>105,688</u>
Capital & Reserves		
Donated Assets	508	502
Income & Expenditure account	7,592	8,072
Other Reserves	-419	-419
Public Dividend Capital	49,617	49,617
Revaluation Reserve	41,266	47,916
Total Capital & Reserves	<u>98,564</u>	<u>105,688</u>



LONDON AMBULANCE SERVICE NHS Trust

Cashflow Statement
For the Month Ending 30 April 2006 (Month 1)

	<u>Apr-06</u>
	£'000s
Opening Cash Balance	563
Operating Activities	
Trust I&E	265
Depreciation	553
(Increase)/Decrease in Stocks	7
(Increase)/Decrease in Debtors	6,161
Increase/(Decrease) in Creditors	5,419
Increase/(Decrease) in Stocks	0
Other	<u>-1,898</u>
Net Cashflow from operating activities	<u>10,507</u>
Financial Activities	
Interest received	33
Interest paid	0
Other	<u>0</u>
Net Cashflow from financial activities	<u>33</u>
Capital Expenditure	
Tangible fixed assets acquired	-248
Tangible fixed assets disposed	0
Other	<u>0</u>
Net Cashflow from capital expenditure	<u>-248</u>
PDC Dividends paid	0
Financing - PDC Capital	0
Closing cash balance	<u>10,855</u>

Finance Risk Register Items - 2006/07 Risks

Risk	Priority (High, Medium or Low)	Lead Person (SMG Member)	Action Plan	Timescale
1 The trust has a savings target of 2% to be achieved in 2006/07, which may not be realised.	H	SMG	Work up realistic plans.	During 2006/07
2 There is £700k recurrent CBRN funding at risk. £8.2 was budgeted for but £7.5m has been agreed with the DOH.	H	SMG	Pursue DOH	During 2005/07
3 Trust may not manage crew overtime within budget.	H	MF	Monitor closely and manage in year	During 2006/07
4 Fuel prices in excess of the sums held in budgets, and Centrally Held Funds.	M			
5 Failing to manage and control third party expenditure.	H	MF/MD	Monitor closely and manage in year	During 2006/07
6 PTS: The demanding income levels within the central services budget may not be achieved.	M	MD	Monitor closely and manage in year	During 2006/07
7 Until more details of some capital projects are known, the levels of VAT and its recovery cannot be forecast accurately.	L			
8 Some capital projects agreed as part of the 2006/07 Capital Programme may have revenue cost implications.	L	MD	Monitor expenditure in year and identify possible revenue costs.	During 2006/07
9 Until tenders for each project are received, there is the possibility that costs will increase.	M	MD	Hold some capital back for this uncertainty	During 2006/07
10 Subsistence budget will materially overspend due to the non-introduction of meal breaks from 1st Oct 2006	H	MD		During 2006/07