

LONDON AMBULANCE SERVICE NHS TRUST

Finance Report for the Period Ending 31 December 2004

The Trust has a favourable income and expenditure variance of £1,108,156 to Month 9, which represents a favourable movement of £273,237 on the Month 8 position. A&E reports a year to date adverse variance of £661,103 and PTS an adverse year to date position of £293,070. The overspends in these two directorates are offset by favourable variances within Support Departments and Centrally Held Funds.

The favourable variance in Month 9 is primarily due to A&E Operations and Support departments. An adjustment has been made to A&E income to account for an invoice raised to Barnet Enfield and Haringey PCT to cover 2003/04 disputed contract income. Crew staff overtime was not as high in December as anticipated and the intermediate tier project is underspent in the month due to numbers of recruits being below planned. Delays in the Make Ready project has caused A&E Support to underspend in the month. Centrally Held funds and the Corporate Directorates have continued to report underspends further contributing to the favourable swing.

The Trust is currently reporting a forecast variance of £947,000 underspent. This has reduced by £398k since Month 8. The main reasons for the change are:

- A provision made for additional overtime to be worked in the last quarter of the year to maintain operational performance £100k.
- Control Services forecast has been revised to take into account the requirement to utilise third party transport £138k.
- A provision made to cover the potential risk around obtaining the full amount of Baby Emergency Transfer income and ECP income. £120k.

1. Income and Expenditure

1.1. The current revenue position of the Trust is summarised in Table 1 below.

Table 1

	This Month			Year to Date			Net Annual	Forecast
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	
Directorate								
A&E Operations								
<i>A&E Income</i>	14,643	14,556	86	130,525	130,415	111	173,911	
<i>West Sector</i>	3,566	3,645	79	32,449	32,435	(14)	43,273	
<i>East Sector</i>	5,153	5,114	(38)	46,207	45,348	(859)	60,476	(1,479)
<i>Control Services</i>	1,091	1,009	(82)	9,037	8,670	(368)	11,614	(438)
<i>Training Services</i>	645	620	(25)	4,156	4,640	484	6,216	650
<i>A&E Development</i>	218	263	45	1,103	1,052	(51)	1,314	(15)
<i>A&E Support Services</i>	248	294	46	2,010	1,950	(60)	2,948	0
<i>Fleet</i>	516	466	(51)	3,568	3,665	96	4,922	122
Total A&E	3,206	3,146	60	31,995	32,656	(661)	43,148	(1,160)
PTS Operations								
<i>PTS Income</i>	1,149	1,102	47	10,395	10,134	262	13,440	
<i>PTS Expenditure</i>	1,125	1,113	(12)	10,430	9,875	(555)	13,321	
Total PTS Operations	24	11	35	34	259	(293)	119	0
Chief Executive	105	110	5	995	989	(6)	1,319	(49)
Finance	1,197	1,220	23	10,005	10,366	360	13,702	130
Human Resources	315	367	52	2,889	3,406	517	4,568	576
IM&T	565	542	(22)	4,533	4,574	41	6,146	0
Communications	89	92	3	751	819	68	1,095	48
Medical Director	5	6	1	49	57	8	76	0
Centrally Held Funds	1,477	1,593	115	10,603	11,677	1,074	16,362	1,401
Trust Total Favourable/ (Adverse)	522	795	273	2,136	1,028	1,108	0	947

Memo:

Interest received	54	15	39	307	131	175
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2. **A&E Operations**

2.1.1. Table 1 shows that A&E Operations has an unfavourable variance of £661,103 to Month 9, and a favourable variance of £60,085 within the month.

2.1.2. The end of year forecast is £1,160,000 overspent. The main reasons are:

- Expenditure on crew staff overtime. This is assumed to increase over planned levels in the last quarter of the year to ensure performance targets are maintained.
- The use of third party transport and an under recovery in long distance income within the CAC.
- An underspend within A&E Training due to vacancies amongst training staff.

2.1.3. **A&E Income**

To date A&E income is above target at £110,519 favourable. This is mainly due to income from Barnet Enfield and Haringey PCT (£80,000) relating to the 2003/04 contract. Stadia Attendance income is favourable at £44,000 to date.

The income budget has changed in Month 9 to due to the receipt of funding for the Emergency Care Practitioner (ECP) Project from Croydon PCT. £90,000 was received in the month.

Table 2 below gives the make up of the A&E contract income in 2004/05 and shows how much of it will be recurring in 2005/06.

Table 2

	2004/05 A&E Contract	Other A&E Income	Total	Recurrent Income
	£000	£000	£000	£000
A&E Services Contract	167,678		167,678	164,578
Humanitarian Journeys (inc. in base)	(276)		(276)	(276)
Heathrow BAA Contract		166	166	166
Stadia Attendance		531	531	531
Compensation Received		70	70	70
Other Income			26	26
Depreciation on donated asset reserve			210	210
Initial Approved Budget	167,402	767	168,405	165,305
Technical Adjustments				
<i>Other Income</i>			(26)	(26)
<i>Depreciation on donated asset reserve</i>			(210)	(210)
ECP funding from Havering		79	79	0
ECP funding from Havering c/fwd from 0304		105	105	
WDC Superann funding		28	28	28
CBRN adjustment	(292)		(292)	(292)
London Weighting AFC part year	1,624		1,624	3,248
Adjustment to Generic Increase	(240)		(240)	(240)
MAIAT funding		460	460	
ECP funding Hounslow		41	41	
CBRN funding 04/05	4,100		4,100	4,100
Changing Workforce Programme		48	48	
CBRN overpayment	(300)		(300)	(300)
ECP funding from croydon		90	90	
Total	172,294	1,617	173,911	171,613

2.1.4. **Sector Services (East and West)**

To date, Sector Services report an adverse variance of £874,007. The position in the month is a favourable movement of £39,645.

The favourable swing is primarily due to pay. Overtime hours worked were less than expected for the month of December and were the lowest recorded so far this year, at 10% below the year to date average figure. In addition there are 15 vacancies within the intermediate tier posts which are further contributing to the underspend.

Overall Pay is overspent (£1,038,000) up to the end of December due to the level of overtime worked exceeding the budgeted hours.

Non-pay reports a favourable variance to Month 9 of £144,000. The biggest area of underspend is on third party accident damage.

2.1.5. **Control Services**

CAC is overspent by £367,743 to Month 9, and is overspent by £81,802 in the month.

The year to date adverse position is attributable to an under recovery of income received for carrying out long distance journeys. Increased competition from other providers has caused this income to fall this

year. This has fallen again in month 9 contributing to the adverse swing.

The use of 3rd party transport has also contributed to the overspend. However management action was taken which has ensured that this expenditure fell in the third quarter of the year.

Pay is overspent to date (£70,000). This is primarily due to overtime worked in the Control Room. 10 additional wte in the Control Room are to be funded from January 05 which should alleviate the pressures on overtime. There is an underspend in month 9 (£8,000) because of the addition of CBRN monies to fund the Clinical Telephone Advice posts.

2.1.6. **Training Services**

Training reports a year to date favourable variance of £484,006 to Month 9, and an adverse movement of £24,996 in the month.

The favourable year to date position stems from vacancies amongst the training staff and an underspend on course fees due to delays in the A&E training programme.

Pay is adverse in the month by £35,000 caused mainly by an increase in the number of trainee Ambulance Persons and Emergency Medical Dispatchers.

2.1.7. **A&E Development**

A&E Development reports a year to date overspend of £51,442. This is due to expenditure on the ECP project.

There is a favourable movement of £44,867 in the month. This arises due to budget added to account for funding received for the ECP project from the Changing Workforce Programme Initiative.

2.1.8. **A&E Support Services**

This budget includes Logistics and the Make Ready project. The variance to Month 9 is £59,754 with a favourable movement of £46,165 in the month. The main reason for the cumulative adverse variance stems from expenditure on uniforms and drugs.

Uniforms are overspent because some of the uniforms ordered last year were not delivered until the new financial year.

Drugs continue to overspend, work continues to investigate whether there is a price or volume variance (or both) compared to planned activity and price.

The favourable movement in the month stems from a delay in the roll out of the Make Ready scheme.

Fleet is reporting a year to date underspend of £59,818. This is attributed to vacancies amongst the craftsmen. In the month the overspend is due to an increase in expenditure on vehicle maintenance.

2.2. **Patient Transport Service**

2.2.1. Appendix 2 shows PTS to be £293,070 unfavourable to Month 9, the movement in the month is £35,037 favourable. The adverse year to date position stems from the use of agency staff and third party transport. Management action taken in the summer has ensured that expenditure on these two items has fallen consistently since October, however in December the expenditure on agency staff in central services increased due to problems recruiting to posts in that area. Income also reported a favourable movement in the month, due primarily to contract variation income received on several contracts in the East.

2.2.2. PTS is forecast to breakeven due the action taken above plus savings that will be made in the vehicle lease budget and the collection of old debts.

2.3. **Other Support Services**

2.3.1. Table 1 shows favourable year to date variances within all directorates except the Chief Executive. The Chief Executive Directorate is overspent to date due to recruitment costs.

2.3.2. Finance reports a favourable variance to date and in the month due to interest received. Cash balances are higher than planned as we received funding for Agenda For Change which we are not currently spending.

The forecast is £130,000 which accounts for an underspend on the budget set in 2004/05 to account for the ending in March 2004 of the back-to-back arrangements with the PCTs for staff injury benefits.

2.3.3. HR is underspent primarily due to vacancies, advertising and course fees budgets. The forecast reflects this continuing underspend.

2.3.4. IM&T's year to date underspend stems from vacancies.

2.3.5. Appendices for the Chief Executive, Communications and the Medical Director budgets have been omitted, as there are no material variances to report.

2.4. **Centrally Held Funds**

2.4.1. Table 3 summarises the position on centrally held funds at the end of Month 9.

Table 3

	Annual Budget	Funds Still Required	Funds Not Required
	£000	£000	£000
Future Depreciation	770	100	670
Price Increase Budget	(22)	0	(22)
Pay Award Budget	(0)	0	(0)
Pay Drift Reserve	655	0	655
A&E Ambulance Lease Cost Reserve	763	100	663
Employers Superannuation Increase	(343)		(343)
Development Fund	87	309	(222)
Agenda for Change Reserve	14,448	14,448	0
Contingency Reserve	4	4	0
	16,362	14,961	1,401

2.4.2. The 'Funds Still Required' column shows how much of the annual budget held centrally is expected to be spent over the rest of the year, the biggest item being the costs of Agenda for Change. The appropriate proportion of this is included in expenditure at Month 9. The 'Funds not Required' column shows how much of the budget is expected to be unused by year-end. This is reflected in the end of year forecast.

2.4.3. Fuel prices decreased in December and are expected to reduce again over the next few months, following price reduction by some retailers. However, the current unit price is above that used to set the current budget.

2.4.4. Based on current information from the national pilot sites, the overall LAS Agenda for Change budget will be sufficient. However, costs could increase beyond budget if implementation at national level changes. Particular financial risks are the grading of technicians (to be decided nationally), London Weighting and the treatment of breaks in the working week.

2.5. **Capital Expenditure**

2.5.1. The Capital Programme for 2004/05 and the capital expenditure position at Month 9 are set out in Appendix 7 below.

2.5.2. The Trust has already brokered £2,870,000 into 2005/06 to reflect projects that will happen next year rather than this. Currently there is £1,795,678 identified against projects where the spend is not committed. There is a risk that a significant proportion of this will not be spent. Discussions are taking place with the SHA to establish if further brokerage is possible.

2.5.3. The Trust will receive extra capital funds every month the Trust achieves 75% Category A performance. These extra funds are estimated to total £750,000, based on an assumption that performance may drop below 75% in three months of the year. They have now been included in the capital budget.

2.5.4. At Month 9, there is an unfavourable overall variance of £543,015. This has mainly arisen from the initial expenditure on the Intermediate Tier vehicles, which will be recovered from the lease finance provider, once the master lease is signed.

3. **Working Capital**

- 3.1. The cash balance continues to run above plan since we have received funding for Agenda For Change but it is yet to be implemented.
- 3.2. The trust debt stands at £7.9 million. The majority of this (£6.9million) relates to an invoice raised to the Department of Health for the CBRN funding. Payment will be received by the end of January.
- 3.3. There are several NHS Trusts where we are owed money relating to outstanding debts on PTS contracts. A meeting took place with the Strategic Health Authority on 8th December. Letters have been sent out to the Trusts to recover the debt, some replied with firm offers and the rest are actively being pursued.

4. **Financial Risks**

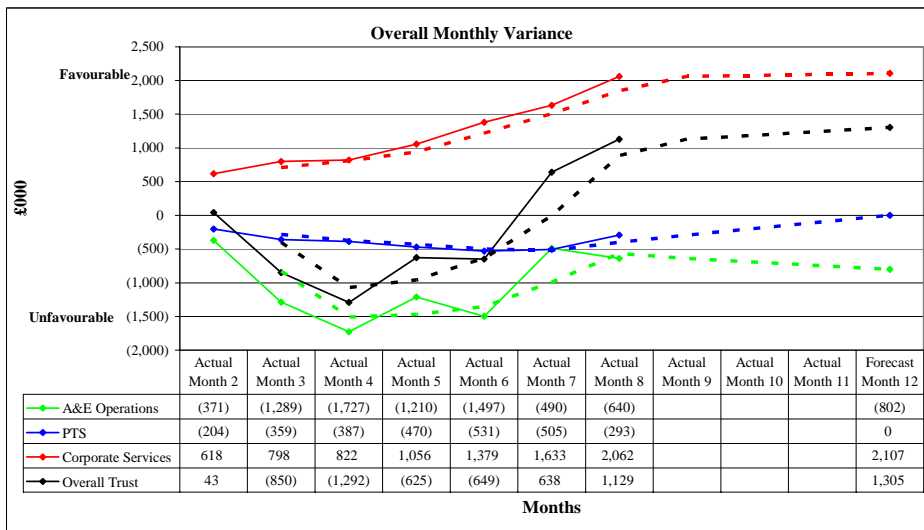
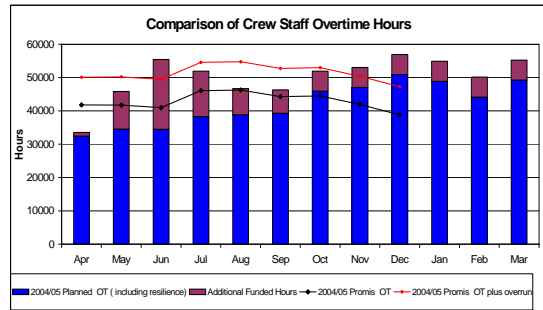
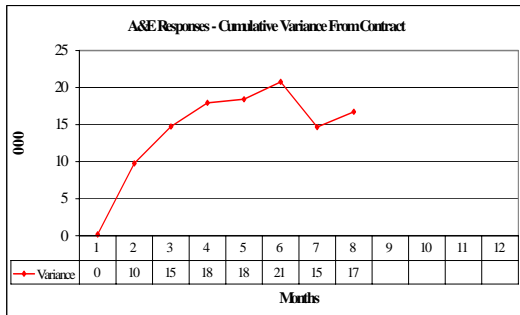
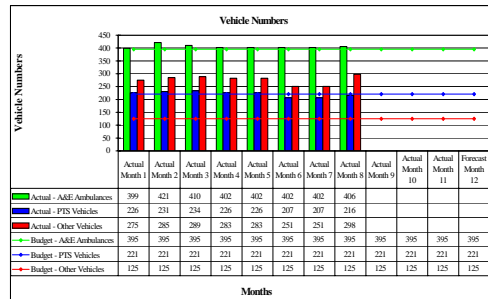
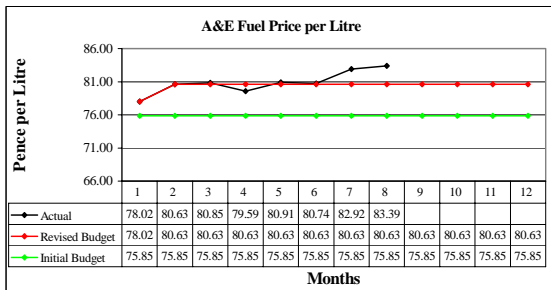
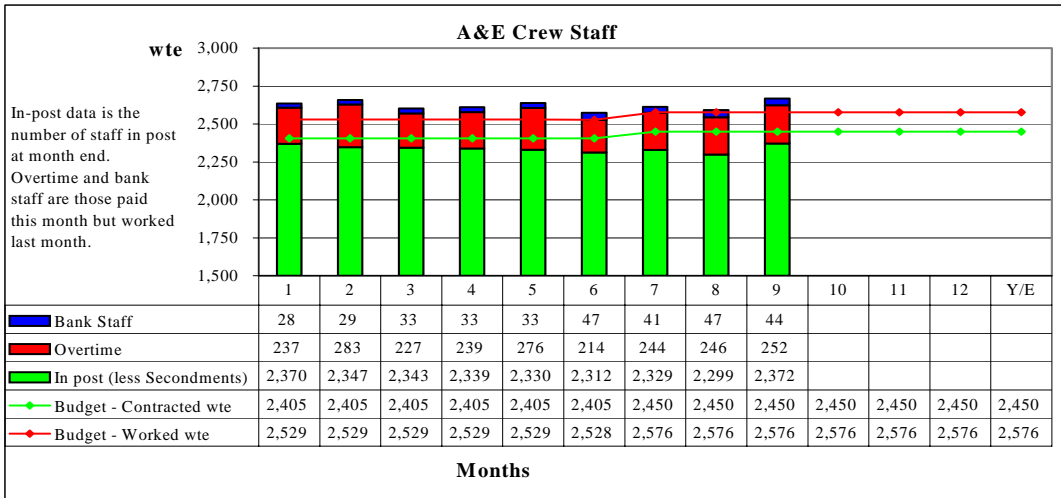
- 4.1. Appendix 10 shows the financial management risks currently facing the Trust. This enables risks identified in the finance report to be captured in a format suitable for inclusion in the risk register.

Mike Dinan

Director of Finance

18 January 2005

Key Data



Appendix 1

A&E Operations

1. Current Position

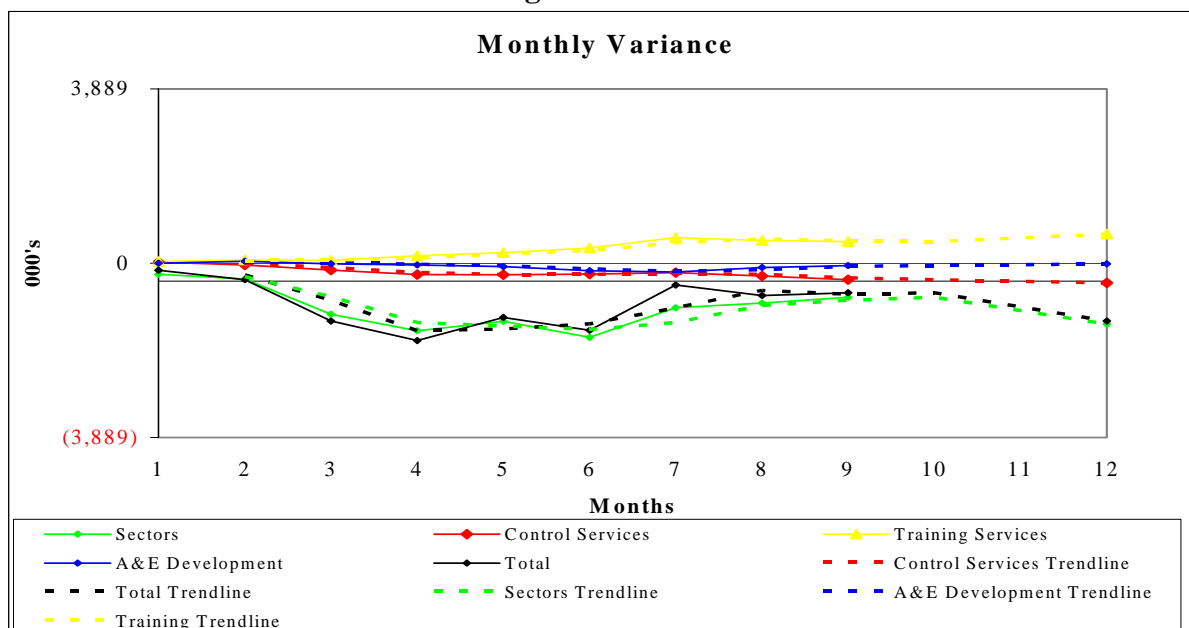
1.1. Overall, A&E has an unfavourable variance of £661,103 at Month 9. The revenue position of A&E is summarised in Table 4 below.

Table 4
Summary Revenue Position

Department	This Month			Year to Date			Net Annual Budget	Year End Forecast
	Actual	Budget	Variance	Actual	Budget	Variance		
Sector Services								
A&E Income	14,643	14,556	86	130,525	130,415	111	173,911	120
West Sector	3,566	3,645	79	32,449	32,435	(14)	43,273	
East Sector	5,153	5,114	(38)	46,207	45,348	(859)	60,476	
Total Sector Services	5,924	5,797	127	51,869	52,632	(763)	70,162	(1,479)
Control Services	1,091	1,009	(82)	9,037	8,670	(368)	11,614	(438)
Training Services	645	620	(25)	4,156	4,640	484	6,216	650
A&E Development	218	263	45	1,103	1,052	(51)	1,314	(15)
A&E Support Services	248	294	46	2,010	1,950	(60)	2,948	0
Fleet	516	466	(51)	3,568	3,665	96	4,922	122
Favourable/ (Adverse)	3,206	3,146	60	31,995	32,656	(661)	43,148	(1,160)

1.2. The year to date variance can be represented graphically as follows:

Figure 1



1.3. The table below shows manpower employed in the month.

Table 5
This Month's Summary wte Position

	Paid WTE			Month Paid £ 000's		
	Actual	Budget	Variance	Actual	Budget	Variance
Department						
Sector Services						
<i>East Sector</i>	1,703.22	1,594.06	(109.16)	4,199	4,205	6
<i>West Sector</i>	1,321.63	1,306.81	(14.82)	3,149	3,245	96
Total Sector Services	3,024.85	2,900.87	(123.98)	7,349	7,450	101
Control Services	380.32	377.41	(2.91)	962	970	8
Training Services	179.66	157.70	(21.96)	455	420	(35)
A&E Development	25.20	26.15	0.95	102	214	113
A&E Support Services	31.89	35.40	3.51	83	94	11
Fleet	78.20	59.14	(19.06)	240	213	(27)
Directorate Total	3,720.12	3,556.67	(147.90)	9,190	9,362	171

1.4. The overtime accrual this month is £875,000 for December, which is relatively low considering the bank holiday payments and additional enhanced hours. This is however supported by Promis, which recorded the lowest number of overtime hours seen for this year this month (38,802). There were two missing returns in this month's AEM1 results.

1.5. Control has a small favourable movement on pay of £7,829 in the month. This is due to vacancies within management. The YTD overspend on Control room EMD pay (£134,513) and is partially offset by a CAC Management underspend (£98,095). CBRN funding for a further 10 EMD staff begins from January to the end of the year.

2. **Income**

2.1. Income has a favourable variance of £110,519 to date. This is due mostly to Stadia Income (£44,716) and the adjusted Barnet income within the A&E contract £80,000.

3. **East Sector Services**

3.1. East Sector Services show a year to date unfavourable variance of £859,460. East Sector contains the complexes formerly in Central, North East, East Central and South East Sectors as well as the Resource Centres and Emergency Care Practitioners. It also contains the Income budgets and the efficiency savings targets for all of A&E Operations.

3.2. **Pay** – The unfavourable variance on East Sector is £888, 791 of which £1,052,452 is attributable to operational staff. The staff costs of the ECP project are £222, 044 overspent and this will continue until the end of the financial year. Several ECP projects went live in January 05 and some PCT funding will be available for these. Overall, operational crew staff were only

£25,977 adverse in the month due to low overtime and vacancies on the Intermediate Tier. The money put aside in December for Winter Pressures has been put back to February 05 as it was not wholly needed and expenditure is expected to increase in the latter part of this year as overtime is used to improve performance.

Stadia Payments to managers are underspent (£99,386) as are Administrative and Clerical Staff (£60,641). Resource Centre staff is also now favourable following the addition of budget for a DRC Co-Coordinator post with CBRN funding.

- 3.3. **Non-Pay** - Non-pay is £27,282 favourable. Other Fleet Costs are £257,280 favourable due mainly to an underspend on third party accident damage although there was a small adverse movement in the month of £12,899. Fuel for A&E vehicles continues to be a problem at £116,250 overspent due to additional cars and a lower MPG than anticipated on the Mercedes vehicles. Medical consumables are overspent due mainly to oxygen cylinder rental £43,839 which is under investigation.

4. **West Sector Services**

- 4.1. West Sector shows an unfavourable variance of £13,799 to date. West Sector contains complexes formerly within West Sector, North West and South West Sectors as well as the Decontamination team, Multi Agency Initial Assessment Team (MAIAT), EBS and Emergency Planning.
- 4.2. **Pay** – West Sector has an unfavourable variance of £149,647 on Pay, with £167,779 attributable to operational staff. There has been a large favourable movement in the month on crew staff (£81,535) due to vacancies on Intermediate Tier (£11,829) but also to reduced overtime. A reduction in unfunded cars has also contributed to the improved position. The Decontamination unit staff costs are now £38,095 favourable due to the receipt of CBRN funds.
- 4.3. **Non-Pay** - Non-pay is favourable by £115,531. Fleet is favourable by £228,831 but offset by fuel £196,992 and gas cylinder rental £32,499.

5. **Control Services**

- 5.1. Control Services shows a year to date unfavourable variance of £367,667.
- 5.2. **Income** – Income is adverse due to Long Distance Journeys (£120,906) and SCBU (£17,908).
- 5.3. **Pay** – There was a small favourable overall pay movement in the month (£7,829) due to management vacancies. EMD overtime in the control room is partially offset by management vacancies and control room pay is overspent (£57,746). There will be an increase of 10 WTE in the Control Room EMD establishment from January. Agency staff is £40,111 overspent YTD.

5.4. **Non-Pay** – Non-pay is overspent £158,483 due mainly to 3rd Party Transport (£89,017). There was an adverse movement in the month on 3rd Party Transport (£30,000) due to a correction on a control account relating to a previous year's transaction.

6. **Training Services**

6.1. Training services show a year to date underspend of £484,006

6.2. **Income** – Income is £59,782 favourable but within this Community Resus has underachieved (£32,095) while other income due to staff recharges to external bodies is favourable (£68,089). Funding was received this month for defibrillator training (£27,000) and a corresponding expenses budget needs to be set up for the rest of the year.

6.3. **Pay** – Pay is favourable £201,380 due mostly to trainer vacancies or secondments.

6.4. **Non-Pay** – Non-pay is favourable (£249,845) due to training (£87,847) and fleet costs (£133,760). Course cancellations and delays have contributed to this position.

7. **A&E Development**

7.1. A&E development shows a year to date unfavourable variance of £51,442.

7.2. The ECP project is currently overspent by £118,537 but further income from the CWP program is available (£116,942) although there is some risk that it will not be given to the LAS. Only the South East Strategic HA (£64,040) has not yet responded to the DH memorandum on ECPs and this is being followed up.

7.3. The Project Support Office (£26,850), Clinical Audit (£40,852), and Policy and Planning (£11,086) are all underspent due mainly to vacancies.

8. **A&E Support Services**

8.1. The variance is £59,754 unfavourable.

8.2. **Pay** – Pay is favourable (£26,164) due to savings on the Corporate Logistics Manager post because of the restructure.

8.3. **Non-Pay** - Non-pay is unfavourable (£88,916) but there has been a favourable movement in the month of £34,912.

- There was a favourable movement in resus maintenance £23,401 as vat exclusive invoices replaced the vat inclusive purchase order receipts in the accounts.
- Delays in the Make Ready Rollout have led to a £12,050 favourable movement in the month.

- Drugs are £122,090 overspent, year to date and the analysis of that variance is shown below. Work is still ongoing on the unresolved price volume variances.

Table 6

Cause of Variance	Year to Date Variance
	£
Order placed 2003/04 invoice 2004/05	44,000
Glucometer strip volume variance	14,526
Other price/vol variance under analysis	63,564
Total	122,090

9. **Fleet**

- 9.1. Fleet reports an overspend in Month 9 of £50,832 and year to date a favourable variance of £96,496. The cumulative monthly position is split as follows: income £12,718 favourable, pay £130,480 favourable and non-pay £46,702 adverse.
- 9.2. Fleet is underspent on pay this month by £9,899. This is due to vacancies amongst the craftsmen. High levels of overtime were worked in December to cover winter pressures but this had been budgeted for.
- 9.3. Non-pay reports an over spend in Month 8 of £59,750. The overspend is split between vehicle maintenance and vehicle recovery.

10. **Forecasts**

- 10.1. Overall, A&E Operations is forecast to be £1,160,000 overspent at the year-end..
- 10.2. Sector Services are forecast to be £1,359,000 overspent at the year-end due to the continued use of overtime and potential cost pressures on fuel. This needs to be further reviewed to reflect the increased use of overtime planned for the last 3 months in the year.. In addition a provision of £120,000 has been made to reflect the risk around CWP and SCBU income.
- 10.3. Control Services are forecast to be overspent £438,000. This is mostly due to the use of Third Party transport and the shortfall in Long Distance Journey Income. Other cost pressures in Control Services include shortfall in SCBU income, overspend on BETS staff and Easter Bank Holiday cost pressure as Easter falls early this year.
- 10.4. Training services are forecast to be £650,000 underspent but this needs to be reviewed with the budget holder following changes to the course timetable.
- 10.5. A&E development is forecast to be £ 15,000 overspent due to the Clinical support costs associated with the ECP program

- 10.6. Support Services are forecast to breakeven.
- 10.7. Fleet is forecast to be £122,000 underspent. This reflects the continuing vacancies within the maintenance staff.

Appendix 2

Patient Transport Service

1. Current Position

- 1.1. The PTS year to date position, as shown in Table 8 below, is unfavourable by £293,769. Income has a favourable variance of £261,923; pay has an unfavourable variance of £301,975 and non-pay an unfavourable variance of £253,718.
- 1.2. The centralised control and authorisation of all third party bookings and site manager action plans introduced in month 6 is continuing. Spending on third party remains lower than the first six months of the year, however agency costs for ambulance persons has increased this month. Most of this increase (£43,818) is attributable to central services; recruitment for new ambulance persons in this area has been slower than originally budgeted.

Table 7

	Average 1st Six Months	Month 7	Month 8	Month 9
Private Ambulance	£67,146	£56,752	£37,876	£62,605
Taxis	£71,553	£42,343	£39,845	£43,362
Agency AP	£64,959	£27,675	£18,236	£55,579
Agency CA	£22,741	£15,791	£32,642	£20,153
Total	£226,399	£142,561	£128,599	£181,699

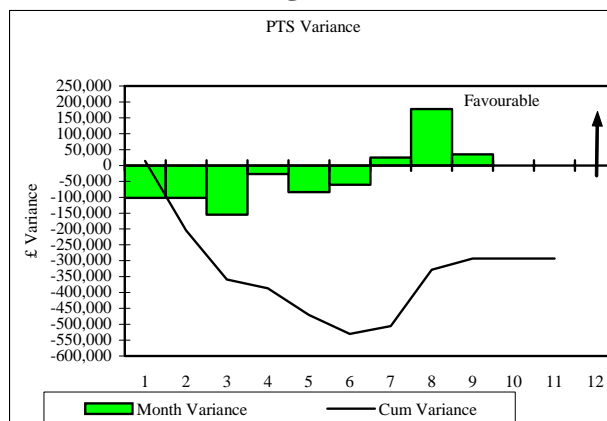
- 1.3. Table 8 forecasts that PTS should achieve the budgeted contribution by year-end, this will be achieved through the continued favourable trading position, savings in vehicle lease costs and the collection of old debts.

Table 8
Summary Revenue Position

Department	This Month			Year to Date			Net Annual Budget	Year End Forecast
	Actual	Budget	Variance	Actual	Budget	Variance		
PTS Management	45	108	63	464	841	377	1,366	
West London PTS	(60)	(68)	(8)	(242)	(737)	(495)	(1,004)	
East London PTS	(9)	(29)	(20)	(188)	(363)	(175)	(481)	
Geographical Allowance								
Directorate Total Fav/(Adv)	(24)	11	35	34	(259)	(293)	(119)	0

- 1.4. The monthly and cumulative variance can be represented graphically, as follows:

Figure 2



1.5. The Table 9 shows the manpower employed during the month of November only.

Table 9
Summary wte Position

	Paid			Month Paid £ 000's		
	Actual	Budget	Variance	Actual	Budget	Variance
Department						
PTS Management	10.08	10.00	(0.08)	37	43	6
West London PTS	180.41	189.26	8.85	358	360	2
East London PTS	152.71	158.63	5.92	339	308	(31)
Trust Total	343.20	357.89	14.69	734	711	(23)

2. **PTS Management**

Table 10

Summary Variances		
PTS Management	Variance £000	
Description	This Month	YTD
Income	1	12
Management	9	64
Unproductive Salaries	1	12
Admin & Clerical	0	0
Agency	(4)	(34)
Fleet Cost	5	107
Other	51	216
Total Fav/(Unfav)	63	376

2.1 The year to date variance is favourable by £376,289. This comprises a favourable income variance of £11,600, a favourable pay variance of £41,591 and a favourable non-pay variance of £323,097.

- 2.2 Savings continue to be made in pay expenditure, as the vacancies for business development account managers remain unfilled.
- 2.3 The favourable non-pay variance is mainly due to a £104,414 favourable variance on other fleet costs from accident repairs recharges, a £255,850 favourable variance on general reserves.
3. **West**

Table 11

Summary Variances		
PTS West	Variance £000	
<i>Description</i>	<i>This Month</i>	<i>YTD</i>
Income	7	138
Management	1	17
Control Staff	11	78
Operational Crew	9	62
Admin & Clerical	1	22
Agency	(20)	(406)
Fuel	3	25
Third Party Transport	(20)	(366)
Fleet Cost	(4)	(54)
Other	4	(10)
Total Fav/(Unfav)	(8)	(495)

- 3.1 The current year to date position is unfavourable by £494,749. Income shows a favourable variance against budget of £137,818, pay has an unfavourable variance of £227,005 and non-pay an unfavourable variance of £405,563.
- 3.2 Most of the contracts in the west are now fully established and therefore agency costs across the west region are now minimal, agency is now only used to cover three co-ordinator vacancies and has been used on the Charing Cross, Kingston and Chelsea & Westminster contracts in month 9.
- 3.3 The use of taxis and mini cabs has reduced substantially in the West area. The saving has been offset by the increased use of ACS and Central services.
- 3.4 Presentations have now been made for the Hammersmith & Charing Cross Hospitals NHS Trust and Epsom & St Helier NHS Trust tender bids.

4. **East**

Table 12

Summary Variances		
PTS East	Variance £000	
<i>Description</i>	<i>This Month</i>	<i>YTD</i>
Income	39	113
Management	2	15
Control Staff	5	41
Operational Crew	18	135
Admin & Clerical	0	3
Agency	(57)	(310)
Fuel	0	31
Third Party Transport	(25)	(168)
Fleet Cost	0	(9)
Other	(4)	(25)
Total Fav/(Unfav)	(20)	(175)

- 4.1 The current year to date position is unfavourable by £175,309. This comprises a favourable income variance of £112,505, an unfavourable pay variance of £116,561 and an unfavourable non-pay variance of £171,253.
- 4.2 There were a number of ward moves at the Chase Farm hospitals during December which resulted in an additional £11,400 of income on this contract. The remainder of the favourable income variance was due to contract variation income on the St Andrews, Queen Victoria and Whipps Cross contracts.
- 4.3 Vacancies at Central Services continue to be filled by agency drivers and have mainly contributed to the unfavourable pay variance at this area. The recruitment process is on going and candidates have now been short-listed for interviews.
- 4.4 An invitation to tender for the Barnet and Chase Farm contract has now been received. The closing date for submission is 21st January 2005.

Appendix 3

Finance and Business Planning

1. Current Position

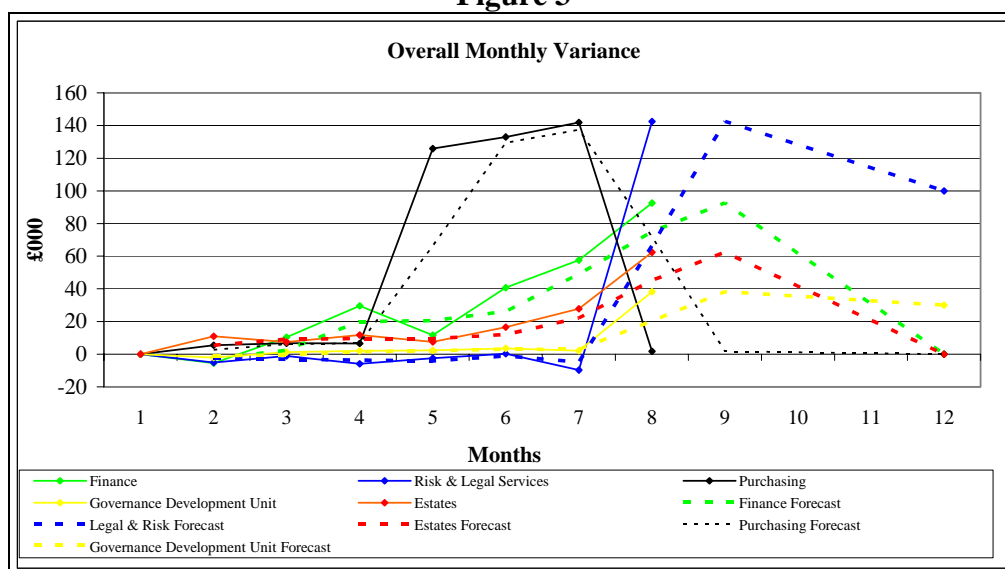
1.1. The directorate position is shown in Table 13 below. Interest received is now shown as a separate line for information.

Table 13
Summary Revenue Position

Department	This Month			Year to Date			Net Annual Budget	Year End Forecast
	Actual	Budget	Variance	Actual	Budget	Variance		
Finance								
Interest Recievable	(54)	(15)	39	(307)	(131)	175	(175)	
Finance Expenditure	406	416	11	3,730	3,697	(33)	4,946	
Total Finance	352	402	50	3,423	3,566	142	4,771	
Risk & Legal Services	87	91	4	624	770	146	1,023	100
Purchasing	28	26	(2)	237	237	(0)	316	
Governance Development Unit	115	65	(49)	382	371	(11)	504	30
Estates	615	636	21	5,339	5,422	83	7,087	
Directorate Total <i>Favourable/ (Adverse)</i>	1,197	1,220	23	10,005	10,366	360	13,702	130

1.2. The year to date variance can be represented graphically, as follows:

Figure 3



1.3. Table 14 below shows the manpower employed during the month.

Table 14**This Month's Summary wte Position**

Department	Paid WTE			Month Paid £ 000's		
	Actual	Budget	Variance	Actual	Budget	Variance
Estates	10.76	12.26	1.50	108	107	(1)
Finance	35.01	35.00	(0.01)	19	17	(2)
Governance Development Unit	8.00	9.00	1.00	34	40	6
Purchasing	7.00	8.00	1.00	46	49	3
Risk & Legal Services	6.47	5.50	(0.97)	21	23	2
Trust Total	67.24	69.76	2.52	227	235	8

2. Finance

- 2.1. Finance continues to underspend due to interest earned on our cash balances. Cash balances are higher than planned due to funding we have received for Agenda for Change, which we are not spending thus far.
- 2.2. Pay is overspent to date by £33,000. This is due to the employment of agency staff to cover vacancies within the department.

3. Legal Services

- 3.1. The year to date underspend arises since we have had only a small amount of expenditure against the new budget set in 2004/05 to account for the ending of the back to back arrangement with the PCTs. We added an additional £453,000 to the budget of which £342,000 is included up to Month 9 against a spend £177,000.

4. Governance Development Unit

- 4.1. This overspend in the month stems from the purchase of National Clinical Practice Guideline Booklets. Budget does exist for this item, however it is profiled in equal twelfths throughout the year and all the expenditure has occurred in month 9. The year to date overspend is caused by expenditure on recruitment advertising.

5. Estates

- 5.1. Estates report a cumulative underspend to month 9. This stems from vacancies within pay and an underspend on non-pay within utilities.

6. Forecast

- 6.1. The reported forecast of results from a potential underspend on the legal budget.

Appendix 4

Human Resources

1. Current Position

1.1. The current directorate position is shown in Table 15 below.

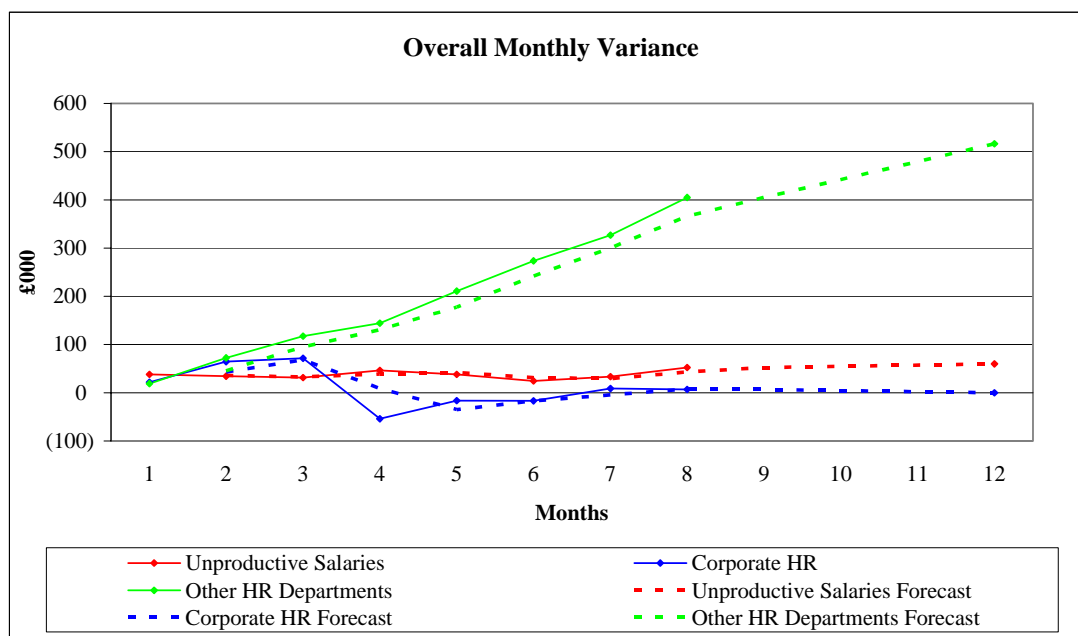
Table 15

Summary Revenue Position

Department	This Month			Year to Date			Net Annual Budget	Year End Forecast
	Actual	Budget	Variance	Actual	Budget	Variance		
Director of HR	35	13	(22)	280	125	(155)	165	(108)
Unproductive Salaries	38	52	15	403	470	67	625	60
HR Policy & Projects	18	18	0	140	151	11	206	14
Human Resources Management	67	97	30	638	847	209	1,137	205
Organisational Development	14	15	0	128	131	2	174	0
Employee Services	116	144	27	1,107	1,289	182	1,721	170
Agenda For Change	(9)	(10)	(1)	43	49	6	83	0
Education & Development	36	38	3	151	344	194	459	235
Directorate Total Favourable/ (Adverse)	315	367	52	2,889	3,406	517	4,568	576

1.2. The year to date variance can be represented graphically, as follows:

Figure 4



1.3. The Table below shows the manpower employed during the month.

Table 16

This Month's Summary wte Position

Department	Paid			Month Paid £ 000's		
	Actual	Budget	Variance	Actual	Budget	Variance
Director of Human Resources	0.00	0.00	0.00	0	7	7
Unproductive Salaries	0.00	0.00	0.00	32	50	18
HR Policy & Projects	3.00	4.00	1.00	17	22	5
Human Resources Management	16.00	22.00	6.00	64	80	16
Organisational Development	3.00	3.00	0.00	14	14	(0)
Employee Services	30.50	34.50	4.00	89	88	(1)
Agenda For Change	3.00	3.00	0.00	11	11	(1)
Education & Development	3.07	6.43	3.36	9	17	8
Trust Total	58.57	72.93	14.36	235	289	53

2. Director of HR

- 2.1. This department contains the Director of HR non-pay and Corporate HR budgets. The overspend to date results from the premature retirement cost of the Corporate HR Manager and course fees. The overspend in the month stems from consultant fees for Team building training for the AOMs. This was agreed to be funded by the Director of HR.

3. Unproductive Salaries

- 3.1. The cumulative underspend stems from the payment of early retirement pensions in Month 1, which were accrued for in 2003/04. The payment was £34,000 less than originally estimated, hence the favourable variance.
- 3.2. There have been underspends in the last two months due to a decrease in the number of people in the service being declared permanently unfit for work.

4. Human Resources Management

- 4.1. The underspend continues and stems from vacancies within the Recruitment Centre and in Human Resources Management. There is also no expenditure on the Recruitment Advertising budget in the month.

5. Employee Services

- 5.1. The underspend continues and stems from the Staff Safety and Peer Support budgets where there is budget for course and conference fees which has not been spent to date. In addition, there is a vacant childcare coordinator post.

6. Education and Development

- 6.1. The underspend stems primarily from the Workforce Development Confederation funded initiatives, which are underspending to date. There are also vacancies amongst the HR Development Officers.

7. **Forecast**

- 7.1. The forecast for HR of underspent reflects vacancies in the directorate and the payment of the premature retirement as set out in paragraph 3.1 above.

Appendix 5

IM&T

1. Current Position

1.1. The current directorate position is shown in Table 17 below.

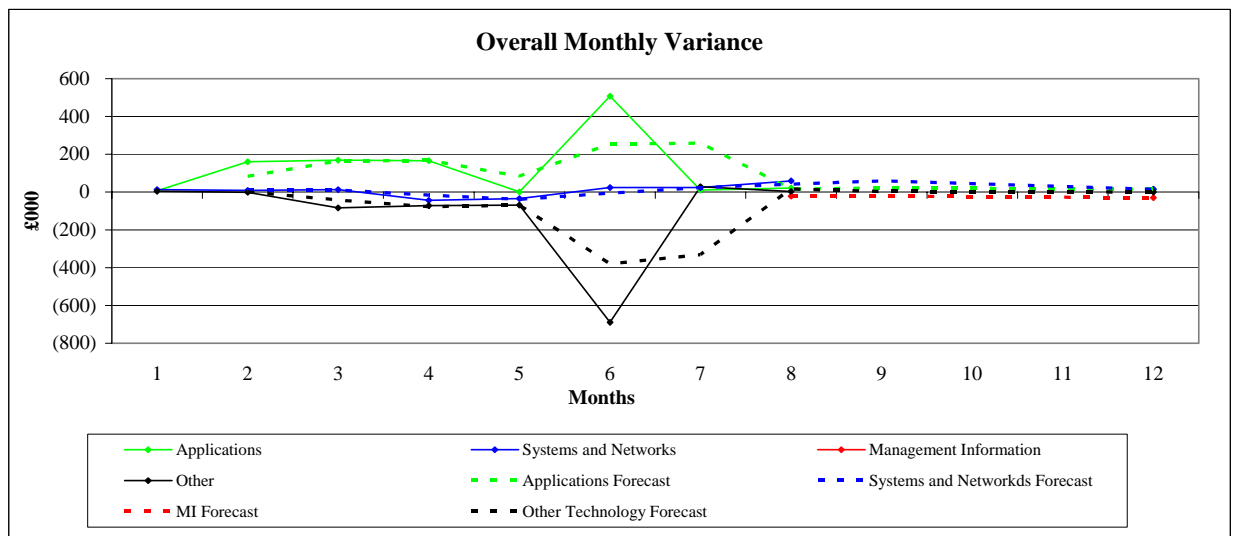
Table 17

Summary Revenue Position

Department	This Month			Year to Date			Net Annual Budget	Year End Forecast
	Actual	Budget	Variance	Actual	Budget	Variance		
Management Information	97	78	(18)	720	680	(40)	914	(30)
IM&T	0	1	1	2	7	4	25	0
Applications	93	92	(1)	606	627	21	833	15
Systems & Networks	375	371	(4)	3,205	3,260	56	4,374	15
Directorate Total <i>Favourable/ (Adverse)</i>	565	542	(22)	4,533	4,574	41	6,146	0

1.2. The year to date variances can be represented graphically, as follows:

Figure 5



1.3. Table 18 below shows the manpower employed during the month.

Table 18
This Month's Summary wte Position

	Paid WTE			Month Paid £ 000's		
	Actual	Budget	Variance	Actual	Budget	Variance
Department						
Management Information	18.70	27.08	8.38	71	70	(1)
IM&T	0.00	0.00	0.00	-20	-19	1
Applications	13.00	15.00	2.00	42	47	4
Systems & Networks	9.00	13.00	4.00	39	52	12
Trust Total	40.70	55.08	14.38	133	149	16

2. **Management Information**

- 2.1. The year to date overspend stems from the use of the microfilm service and agency staff. In the month there has been high expenditure on agency, they have been used to eliminate the backlog of work in recent weeks in the run up to the introduction of scanning. In addition, there has been expenditure on software licences for the scanners.

3. **Applications**

- 3.1. The cumulative favourable variance stems from vacancies within the Head of Applications and Information Security Officer posts.

4. **Systems & Networks**

- 4.1. The year to date underspend stems from vacancies within the department. There have been four vacancies throughout the year. These are due to be filled in the New Year.

5. **Forecast**

- 5.1. The forecast for the IM&T directorate is breakeven. This comprises vacancies within S&N and Applications and an overspend on Management Information due to the scanning project.

Appendix 6

Centrally Held Funds

1. Current Position

- 1.1. The position on Centrally Held Funds is shown in Table 19, below. These budgets include the anticipated costs of future events whose distribution to individual budgets is uncertain at present, e.g., Agenda for Change (AfC), development funds held centrally and the Contingency Reserve.

Table 19

	Annual Budget	Funds Still Required	Funds Not Required
	£000	£000	£000
Future Depreciation	770	100	670
Price Increase Budget	(22)	0	(22)
Pay Award Budget	(0)	0	(0)
Pay Drift Reserve	655	0	655
A&E Ambulance Lease Cost Reserve	763	100	663
Employers Superannuation Increase	(343)		(343)
Development Fund	87	309	(222)
Agenda for Change Reserve	14,448	14,448	0
Contingency Reserve	4	4	0
	16,362	14,961	1,401

- 1.2. Allocations made from Centrally Held Funds for Month 8 are set out in Table 20, below.

Table 20

Price Increase Budget		Pay Award Budget		Development Fund		Contingency Reserve	
Allocation	£000	Allocation	£000	Allocation	£000	Allocation	£000
Balance at Month 8	(22)	Balance at Month 8	(0)	Balance at Month 8	113	Balance at Month 8	4
Month 9 Allocations		Month 9 Allocations		Month 9 Allocations		Month 9 Allocations	
				CAC PC brackets	(2)		
				PROMIS on stations	(24)		
Balance at Month 9	(22)	Balance at Month 9	(0)	Balance at Month 9	87	Balance at Month 9	4

2. Price Increase Budget

- 2.1. This budget is held to cover the cost of price increases in year, particularly movements in fuel prices. The budget has now been exhausted by a combination of fuel price increases and the annual increase in motor insurance costs. Table 19 shows there is now a deficit of £22,004.
- 2.2. Average fuel prices increased in December but is predicted to fall in December and January because of a price war between retailers. However, the current volatility of the crude oil price makes projecting the likely movement in fuel prices problematic. Much will depend on the behaviour of pump prices

in relation to the historically high price of crude oil but it is very likely that the impact of fuel prices will lead to the budget being further exceeded.

3. **A&E Ambulance Lease Cost Reserve**

- 3.1. The revised programme of delivery for the 2004/05 tranche of new A&E ambulances indicates that there will be a non-recurring saving of £663,492 within this budget. This is available for other uses in 2004/05 only.

4. **Employers Superannuation Increase**

- 4.1. When initial budgets were approved, the paper highlighted the risk that the allocation from the DoH was likely to be £900,000 less than was required. To date allocations have been made to individual budgets to cover the cost of increasing the employer's contribution from 7% to 14%. However, a deficit of £342,859 is still shown in Table 19 with the impact of this element of AfC still to come.

5. **Development Fund**

- 5.1. The Development Fund retains a balance of £87,467. However, there is an over commitment of £222,005 as there are continuing commitments still to be funded of £309,472.
- 5.2. The status of items funded from the Development Fund is shown in Table 21.

Table 21

	ISoN Number	Allocated Budget	Funds Still Held	Funds not Required	Recurrent Commitment
Reserves B/Fwd from 2003/04					
1 Updating of the Priority Dispatch Protocols and Software		60,000	60,000		
2 Tottenham Ambulance Station additional accommodation and A&E vehicle parking		15,000	9,185	9,185	15,000
3 Tottenham Ambulance Station additional car parking		1,500	1,500	1,500	1,500
4 Hillingdon – Workshop Improvement		11,750	11,750	11,750	11,750
5 Romford – Workshop Improvement		12,925	12,925	12,925	12,925
6 Whipps Cross – Workshop Improvement		12,925	12,925	12,925	12,925
7 Equip replacement ambulances		200,000	0		200,000
8 IP Telephony Trial		6,000	6,000		6,000
9 CBRN pod storage units		50,000	0		
10 Recurrent balance of 2003/04 CBRN Funding		48,169	3,919		
Reserves Funded from 2003/4 Income					
1 CBRN Training Funds		(276,000)	(276,000)	(276,000)	
2 CBRN Combo Pens Etc.		396,000	346,000	346,000	
5 Percentage reduction across all budgets (about 0.4%)		(534,000)	0		
6 Capital Charges - Depreciation		118,000	118,000	118,000	
7 Surplus price increase funding		1,285,000	0		
Approved ISoNs					
Replacement voice recorders	ISoN 88	2,700	2,700	2,700	10,800
Provision of fallback facilities for admin systems	ISoN 97	3,300	3,300	3,300	13,300
General Asbestos Removal.	ISoN 37	118,000	118,000		
Provision of Diversity Training	ISoN 73	45,000	45,000		
S&N staff professional development	ISoN 91	29,800	0		20,800
Dynamic vehicle coverage	ISoN 93	0	0		20,562
EBS Development	ISoN 23	95,000	0		
Establish PROMIS Read Only on all main stations	ISoN 6	20,000	(3,500)		5,000
NANNY - internet filtering	ISoN 7	5,000	5,000		
Develop and Print new style PRF	ISoN 8	16,000	0		26,000
Purchase Vehicle Equipment for Make Ready Scheme	ISoN 75	46,000	0		
Purchase Equipment for Make Ready Centres	ISoN 76	33,000	0		
Estate Work to Facilitate Make Ready Centres	ISoN 77	17,000	0		
Purchase Entonox Kits	ISoN 82	25,000	0		
Purchase of manual handling equipment	ISoN 83	75,000	0		
Epaulettes	ISoN 9	27,000	0		
Resuscitation Office - Deptford	ISoN 263	20,000	0		
Streatham temporary accommodation	ISoN 257	14,100	(4,509)		1,000
Replacement PCs	ISoN 31	27,000	27,000		
Romford additional costs	ISoN 258	12,000	(9,750)		1,000
Vehicle maintenance staff training	ISoN 65	40,000	40,000		
Other Items					
PALS budget shortfall		21,223	0		
A&E Income Adjustment		240,556	0		
A&E uniform		108,454	0		
PC monitor brackets for CAC		23,500	(2,115)		
CBRN Funding		3,100,000	(80,562)		
Emergency Preparedness		1,000,000	277,904		
Modifications to ambulances		0	(88,140)		
RRU procurement (2004/05)		0	(13,894)		
FOI Costs		0	(56,271)		
Migration of paging to SMS		0	(14,725)		
Unallocated Balance / (Deficit)		(564,290)	(464,290)	(464,290)	
Total Commitments		6,007,612	87,352	(222,005)	358,562

6. **Agenda for Change Reserve**

- 6.1. This budget (£14,447,868) is held to cover the cost of Agenda for Change. The majority of the funds set aside will not be required until the year-end, at the earliest. Based on current knowledge from the Early Implementer sites it is likely that sufficient funds are available in 2004/05 to cover this cost.
- 6.2. Table 22 sets out the current estimate of costs for Agenda for Change, which will be funded from the centrally held budget.

Table 22

Estimated Total costs	Recurrent Cost	2004/05 Cost
	£000	£000
Basic Pay, Shift Allowances & Overrun Overtime (Standard Staff)	13,416	6,708
Basic Pay (Other Staff assumed at 2%)	540	270
Overtime (Estimated at 100 wtes)	1,189	595
Increase in Annual Leave (45 wte)	1,871	1,255
Change in Working Week etc. (93 wte)	4,194	2,919
Impact on Frozen Leave Provision	188	188
Sub Total - Main Funding	21,399	11,935
Funded Elsewhere		
London Weighting	3,340	1,670
Superannuation Impact	1,506	753
Total Cost	26,245	14,358

7. **Contingency Reserve**

- 7.1. The Contingency Reserve retains a balance of £3,930 after funding rent arrears for Fielden House after a rent review.

8. **Forecast**

- 8.1. Table 19 shows an uncommitted balance within Centrally Held Funds of £1,401,000. However, a substantial amount of funding will be required to cover the cost of A&E crew staff overtime. Additionally, a sum money will be required to cover the preliminary costs of introducing morphine from April 2005.

Appendix 7

Capital Expenditure

1. Introduction

- 1.1. The capital expenditure position at Month 9 is set out below together with the Capital Programme for 2004/05. Table 23 reflects the agreed brokerage of £2,870,000 into 2005/06. Also included is £750,000, which is the estimate of funds the Trust will receive from the Incentive Fund. This has been calculated assuming funding is received for 9 months of the year.
- 1.2. At present there is £1,795,678 identified against projects where the spend is not committed, business cases not approved or is not allocated against a specific project. Within this sum is an unallocated balance of £604,475 within the Unallocated Reserve. Although project managers have indicated all the earmarked funds will be spent this financial year there is a risk that this will not be spent before year-end. The Trust is only allowed to keep a capital underspending if it is less than £366,000.
- 1.3. At Month 9, there is an unfavourable overall variance of £543,015. This has arisen from the initial expenditure on the Intermediate Tier vehicles, which will be recovered from the lease finance provider and projects completed in 2003/04, see paragraph 3.1 below.
- 1.4. The column headed "Deferred to Next Year" in Table 23 indicates the projects deferred into 2005/06 or which extend into next year. These sums will be funded by the brokerage.

2. Capital Programme

- 2.1. The 2003/04 Capital Programme is attached at Table 23 and shows the following movements since the budgets were approved:
 - The programme as at November 2004 (Column [31]).
 - Approved projects (Column [32]).
 - Projects deferred to 2005/06 (Column [33]).
 - The programme as at December 2004 (Column [34]).
- 2.2. There are a number of projects, which have not yet been approved or do not have business cases. The estimated cost of these projects is identified in Table 23 as part of the section headed 'Uncommitted/Unapproved Projects'. This totals £1,795,678, which includes £604,475 in the Unallocated Reserve.

Table 23
Capital Programme as at December 2004

Cost Centre	Scheme/Project Description	Budget Holder	Total Project Approved Budget	Programme as at 30 November 04	Approved Projects	Deferred to 2005/06	Programme as at 31 December 04	Deferred to Next Year
				[31]	[32]	[33]	[34]	
				£	£	£	£	£
S91	Vehicles							
80072	Special Incident Vehicles	N Dallaturca	525,818	174,059			174,059	
80156	Replacement tender vehicles	Roy Hopkinson	350,000	112,280			112,280	
80168	Intermediate Tier Vehicles	Roy Hopkinson	966,500	0			0	
80170	2004/05 ECP Vehicles	Bamber Postance	161,227	161,227			161,227	
80201	RRU Procurement (2004-05)	ISO N 28	391,802	391,802			391,802	
S933	Minor Fleet Schemes	I Tighe	91,500	23,500			23,500	0
	Total Vehicle Projects			862,868	0	0	862,868	0
S92	Equipment							
	Total Equipment Projects			0	0	0	0	0
S93	Estates Projects							
80045	Buckhurst Hill - Disposal	Martin Nelhams	(2,100,000)	5,192			5,192	(2,100,000)
80062	Streatham Station	Martin Nelhams	1,208,287	368,559			368,559	754,937
80118	Hillingdon - Workshop Improvement	Martin Nelhams	344,000	106,586			106,586	
80140	Romford - Workshop Improvement	Martin Nelhams	640,375	611,561			611,561	
80144	Tottenham - Additional Accommodation	Martin Nelhams	315,250	296,748			296,748	
80157	Greenford - Training & team leader room	Martin Nelhams	124,222	30,000			30,000	
80158	Whipps Cross - Workshop Improvement	Martin Nelhams	520,000	505,000		(205,000)	300,000	205,000
80171	HQ - Partial replacement of window units	Martin Nelhams	146,875	146,875			146,875	
80176	Poplar Ambulance Station - Replacement	Martin Nelhams	265,000	0			0	415,000
80179	Bow Office Changes	Martin Nelhams	25,000	25,000			25,000	615,000
80185	HQ - Replacement of window (Phase 2)	ISO N 58	117,500	117,500			117,500	
80186	Becontree SOM	Martin Nelhams	130,084	130,084			130,084	
80188	Urgent Control	Martin Nelhams	175,000	175,000			175,000	
80192	Bounds Green - Additional Accommodation	Martin Nelhams	156,875	2,746			2,746	154,129
80197	Relocate Central Store	ISO N 4	235,000	100,000			100,000	135,000
80202	Transfer of Chase Farm	Martin Nelhams	726,000	726,000			726,000	
80203	Transfer of Feltham	Martin Nelhams	157,000	157,000			157,000	
80204	Relocation of Isleworth Ambulance Station	Martin Nelhams	200,000	0			0	200,000
80205	Relocation of Park Royal & Willsden	Martin Nelhams	2,142,000	0			0	2,142,000
S932	Minor Estates Projects	I Tighe	1,160,877	796,240	105,793	(70,500)	831,533	149,750
	Total Estates Projects			4,300,091	105,793	(275,500)	4,130,384	2,670,816
S94	Technology							
80035	Mobile Data Terminals	I Tighe	309,042	260,000			260,000	
S934	Minor Technology Schemes	I Tighe		365,525	(82,198)		283,327	0
	Total Technology Projects			625,525	(82,198)	0	543,327	0
	Uncommitted/Unapproved Projects							
	2004/05 Minor Estates projects			0			0	
	Access Reward Funding		100,000	16,500			16,500	
#	Additional hoists	ISO N 67	17,300	17,300	(17,300)		0	
	ARRP building works			0			0	275,000
#	Backup Servers	ISO N 96	123,375	123,375			123,375	
#	Battersea - Heating system renewal	ISO N 44		9,988			0	9,988
#	CAC - Replacement of printers	ISO N 100	20,000	20,000			20,000	
	CAC refurb	A&E40	229,000	0			0	229,000
	CAD Replacement (Business Case)		100,000	0			0	100,000
#	Camden - 2nd phase boiler up grade	Est 04	53,000	0			0	53,000
#	Chase Farm SOM	ISO N 63	71,000	0			0	200,000
#	Croydon - DRC Accommodation	ISO N 54	50,000	50,000			50,000	
#	Croydon - Room reconfiguration	ISO N 46	60,000	60,000			60,000	
#	Defibrillator Purchase - Phase 2		950,000	475,000			475,000	475,000
#	Dynamic Vehicle Coverage	ISO N 93		123,528			123,528	
#	Gold Control	ISO N 29	250,000	200,000		(200,000)	0	250,000
#	Hillingdon AOM Accommodation	ISO N 1	235,000	0			0	235,000
#	Hornchurch - Extend the accommodation	ISO N 51	20,000	20,000			20,000	
	IT & Communications		200,000	0			0	
#	Make Ready Scheme - PCs	ISO N 5	8,000	8,000			8,000	
#	Newham - Relocate messroom	ISO N 40	94,000	94,000			94,000	
#	Provision of fallback facilities for admin systems	ISO N 97	65,800	65,800			65,800	
#	Replace Asbestos Roofs		94,000	0			0	94,000
#	Romford - Workshop Additional Costs	ISO N 258	40,000	0			0	
#	Romford SOM	ISO N 2	52,875	0			0	
#	Rotherhithe facilities	A&E 41	96,350	0			0	96,350
#	Satellite station		15,000	15,000			15,000	
	SOM Building Work		211,500	0			0	
#	Specialist vehicles		378,500	120,000			120,000	258,500
	Technology Directorate ISO Ns		440,000	0			0	
	MDT Additional Costs		260,000	0			0	
#	Temporary replacement for Brixton Training vehicles	A&E 56	150,000	0			0	150,000
	Unallocated Reserve/(Level of Over Commitment)		604,475	135,270	(6,295)	475,500	604,475	
	Total Uncommitted/Unapproved Projects		1,795,678	1,543,773	(23,595)	275,500	1,795,678	2,425,838
	Total Capital Budget			7,332,257	0	0	7,332,257	5,096,654

Projects which are awaiting final approval of business cases are marked in Table 23 with an '#'. .

3. **Expenditure against Programme**

- 3.1. The Capital Expenditure Report for Month 9, Table 24, indicates the overall position as unfavourable by £543,015. This is mainly caused by:
- **Intermediate Tier Vehicles** – The spend on this project (£467,222) will be recovered from the lease funder, once chosen, hence no budget being allocated to cover this expenditure.
 - **Old Projects** – There is expenditure on a number of ‘Old Projects’. It is suspected that the majority of this expenditure is not chargeable to capital and is being investigated.

4. **Forecast**

- 4.1. The current forecast is that capital expenditure will breakeven against the Trust’s CRL. However, there is a high risk that further slippage will occur resulting in a substantial underspend. Project managers will need to ensure that those projects which have not yet started will complete their spend before the year-end.

Table 24

Cost Centre	Cost centre description	Total Project Budget	PREVIOUS YEAR'S		CURRENT YEAR			Goods Ordered/ Not Received	TOTAL PROJECT		
			Budget	Spend	Annual Budget	YEAR TO DATE			Spend	Variance	
						Budget	Spend				Variance
S91	Vehicle Projects										
80072	Special Incident Vehicles	525,818	351,759	351,759	174,059	68,452	68,452	0	720,049	550,026	(24,208)
80156	Replacement Tender Vehicles	265,500	153,220	153,219	112,280	479	479	(0)	271,096	271,576	(6,076)
80168	Intermediate Tier Vehicles	0	0	0	0	0	467,222	(467,222)	981,808	1,449,030	(1,449,030)
80170	2004/05 ECP Vehicles	161,227	0	0	161,227	66,147	66,136	11	86,214	152,350	8,877
80201	RRU Procurement 2004-05	391,802	0	0	391,802	0	0	0	212,424	212,424	179,378
S933	Minor Fleet Projects	23,500	0	0	23,500	0	0	0	23,794	23,794	(294)
	Total Vehicle Projects	1,367,847	504,979	504,978	862,868	135,078	602,289	(467,211)	2,295,385	2,659,200	(1,291,353)
S92	Equipment Projects										
	Total Equipment Projects	0	0	0	0	0	0	0	0	0	0
S93	Estates Projects										
80045	Buckhurst Hill - Disposal	27,029	21,837	20,356	5,192	5,192	5,000	192	0	25,356	1,673
80062	Streatham Improvement	1,208,287	84,791	66,779	368,559	61,013	61,013	0	3,444	886,172	322,115
80118	Hillingdon Workshop Improvem	344,000	237,414	238,103	106,586	79,001	78,604	397	0	316,706	27,294
80140	Romford - Workshop Improvement	640,375	28,814	32,639	611,561	433,197	433,197	0	0	465,836	174,539
80144	Tottenham - Additional Accommo	315,250	18,502	18,503	296,748	296,748	325,675	(28,927)	3,147	347,324	(32,074)
80157	Greenford Training & team le	110,000	80,000	80,660	30,000	20,287	20,287	0	0	100,947	9,053
80158	Whipps Cross Workshop Impro	520,000	15,000	13,492	300,000	55,199	55,199	0	0	273,691	246,309
80171	HQ Replacement Windows	146,875	0	0	146,875	108,781	108,781	0	0	108,781	38,094
80176	Poplar Ambulance Station Rep	265,000	0	0	0	0	0	0	0	265,000	0
80179	Bow Office Changes	25,000	0	0	25,000	25,000	26,940	(1,940)	0	26,940	(1,940)
80185	HQ Replacement window	117,500	0	0	117,500	0	0	0	0	0	117,500
80186	Beacontree SOM	145,084	0	0	145,084	48,000	48,000	0	999	48,999	96,085
80188	Urgent Control	175,000	0	0	175,000	69,863	69,863	0	0	69,863	105,138
80192	Bounds green additional accomod	2,746	0	0	2,746	2,746	2,746	0	0	2,746	0
80197	Relocate Central Store	235,000	0	0	100,000	0	0	0	0	135,000	100,000
80202	Transfer Of chase Farm	726,000	0	0	726,000	0	0	0	0	0	726,000
80203	Transfer of Feltham	157,000	0	0	157,000	0	0	0	0	0	157,000
S932	Minor Estates Projects	1,096,483	106,870	73,419	816,533	280,393	274,574	5,819	3,720	523,476	573,007
	Total Estates Projects	6,256,629	593,228	543,950	4,130,384	1,485,419	1,509,876	(24,457)	11,309	3,596,836	2,659,793
S94	Technology Projects										
80035	Mobile Data Terminals	3,292,114	3,032,114	3,732,437	260,000	260,000	278,830	(18,830)	786,975	3,978,146	(686,032)
S934	Minor Technology Projects	349,042	65,715	65,715	283,327	23,772	22,984	789	50,074	106,197	242,845
	Total Technology Projects	3,641,156	3,097,829	3,798,153	543,327	283,772	301,814	(18,042)	837,049	4,084,343	(443,187)
	Total Old Projects				0	0	33,304	(33,304)	882		
	Total Un Allocated Capital Funds				1,795,678						
	Total Programme	11,265,632	4,196,036	4,847,082	7,332,257	1,904,269	2,447,284	(543,015)	3,144,624	10,340,378	925,254

Working Capital

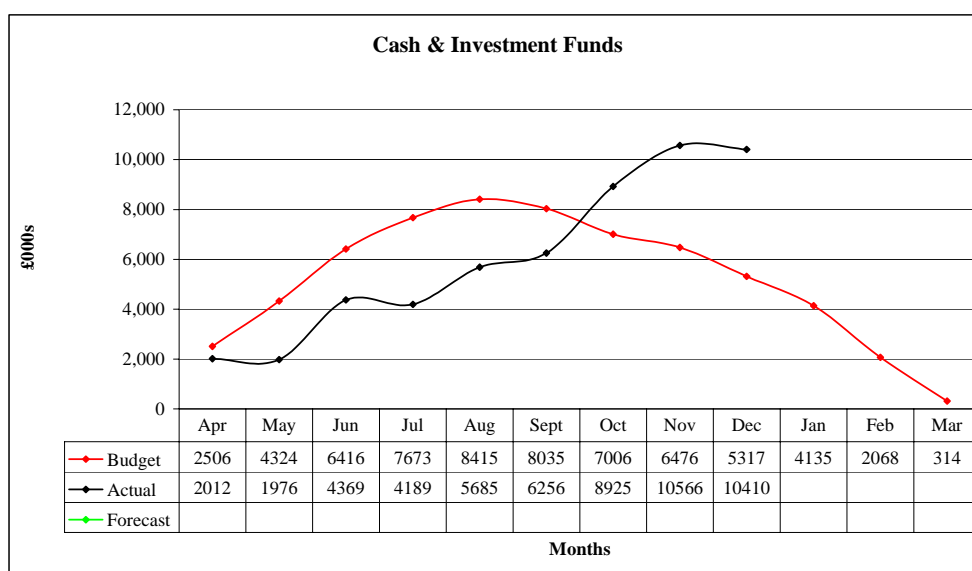
1. Introduction

- 1.1. Key financial indicators are provided below. These show performance against target.

2. Cash and Investment Funds

- 2.1. The graph shows the total liquidity position at month end, including bank accounts and investments.

Figure 6

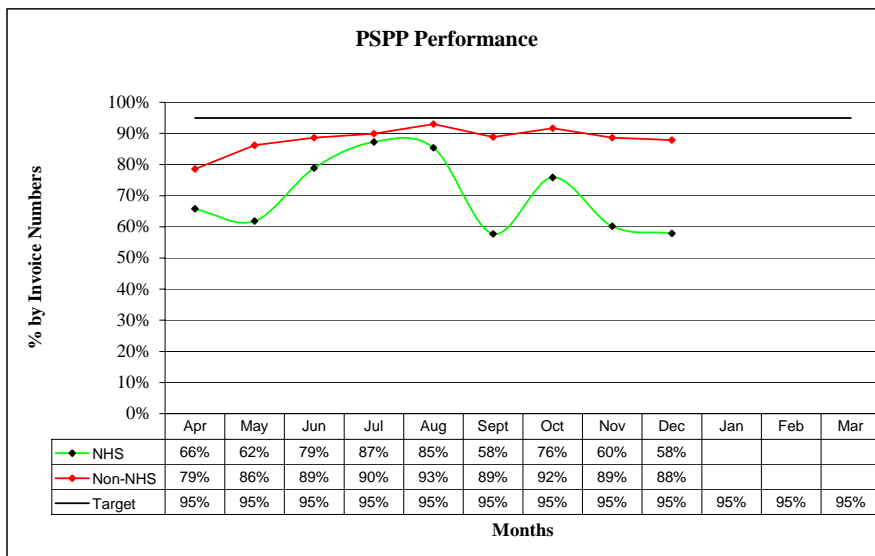


- 2.2. The Trust has exceeded its forecast cash position for December due to the delay in the implementation of agenda for change. In the forecast, we assumed that the first payments made to staff would be made in October 2004.
- 2.3. The Trust opening External Financing Limit (EFL) for 2004/05 is £22,000. The Trust brokered cash of £850,000 in 2003/04, which will be returned in 2004/05. The current EFL as at the end of December is £872,000; the forecast year-end position is £1,548,000. This amount must be drawn down from the Department of Health on or before 15th March 2005.
- 2.4. The Trust has offered cash brokerage of £920,000 to the Strategic Health Authority (SHA) due to slippage in the capital programme.

3. PSPP

- 3.1. The graph shows a comparison of the actual number of invoices paid within 30 days to a monthly target.

Figure 7

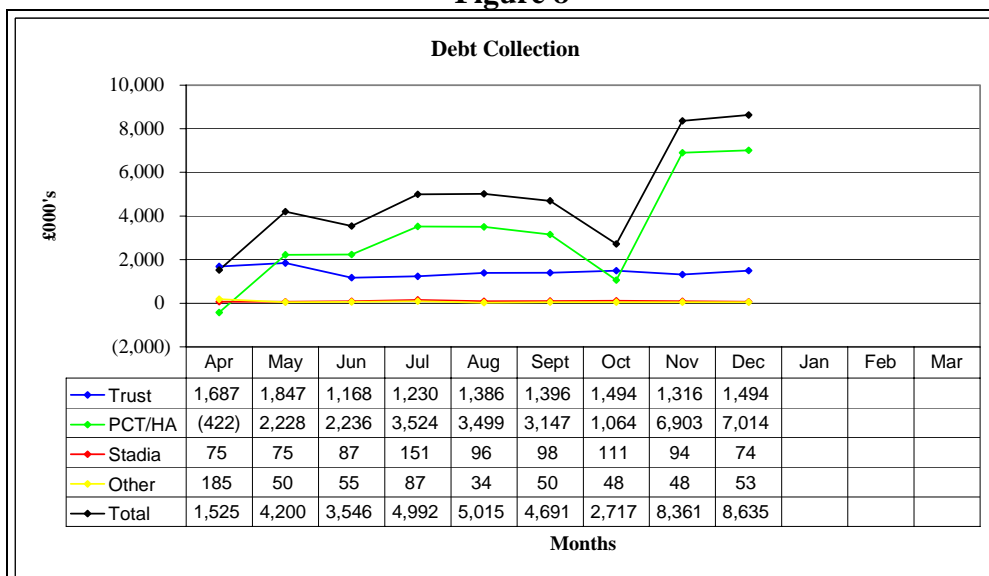


- 3.2. The Public Sector Payment Policy (PSPP) target set by the government for non-NHS suppliers is 95%; last year the Trust achieved 79% for the year. The cumulative PSPP figure for the nine months ending December 2004 is 88%.
- 3.3. The cumulative PSPP figure for NHS suppliers is 67% for the nine months ending December 2004.

4. Debt Collection

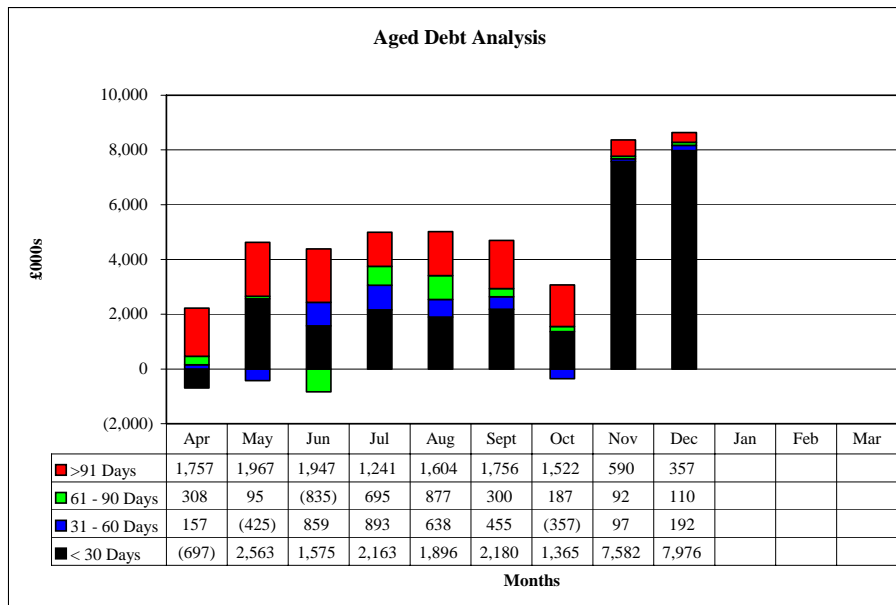
- 4.1. The graph shows debtor balances by income category: Trust, PCT/Health Authority, Stadia and other income.

Figure 8



- 4.2. The overall debtors figure has increased this month by £274,000.

Figure 9



- 4.3. The Trust has raised two invoices for £3,100,000 and £3,800,000 to Richmond PCT to meet the costs of providing CBRN. Richmond PCT has received confirmation that their resource limits are being adjusted by department of Health to allow payment to be made to the Trust. The Trust is expecting to receive payment by the end of January.
- 4.4. The Trust is also experiencing problems collecting outstanding monies due from PCTs for their liabilities under the back-to-back provisions. The Trust is currently owed £151,750.
- 4.5. There are several NHS Trusts where we are owed money relating to outstanding debts on PTS contracts. Letters have been sent out to the Trusts to recover the debt with a view to going through an arbitration process if the letters are unsuccessful. The amount being pursued is £545,673 as at 31st December of which the Trust has received £33,378 in January.

5. Summary and Proposed Action

- 5.1. PCTs and Trust debts are being actively pursued.

Appendix 9

Table 25: Monthly Budget Adjustments

	Budget as at Nov 30th 04	AFC set up costs funding	Adjust EBS devel proj profile	Addtl funding PC Brackets	ISON6 Establish PROMIS ready only	Correct enhanced hrs Nov	Intermediat e Tier	AFC Overtime PTS	December enhanced hrs	Croydon PCT ECP Contribution	NW SHA CWP funds	SWHA ECP income correct	Budget as at 31st Dec 2004
Directorate													
A&E Operations													
s10 <i>A&E Income</i>	(173,870)									(90)		49	(173,911) U
s11 <i>East Sector</i>	60,363		(70)			(10)	229		(49)	90	(79)		60,474
s12 <i>West Sector</i>	43,375		70			10	(229)		49				43,274 U
s18 <i>Control Services</i>	11,612			2									11,614
s19 <i>Training Services</i>	6,216												6,216
s21 <i>A&E Development</i>	1,284										79	(49)	1,314
s24 <i>Support Services</i>	7,869												7,869 0
Total A&E	(43,151)	0	0	2	0	0	0	0	0	0	0	0	(43,148)
PTS Operations													
<i>PTS Income</i>	(13,440)												0 (13,440)
<i>PTS Expenditure</i>	13,302							19					13,321
Total PTS Operations	(138)	0	0	0	0	0	0	19	0	0	0	0	(119) 0
Chief Executive	1,319												1,319
Finance & Business Planning	13,702												13,702
Human Resources	4,594	(26)											4,568
Technology	6,123				24								6,146
Communications	1,095												1,095
Medical Director	76												76
Reserves	16,381	26		(2)	(24)			(19)					16,362
	43,289	0	0	(2)	0	0	0	(19)	0	0	0	0	43,268
Total	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix 10

Table 26
Risk Register

Risk	Priority <i>(High, Medium or Low)</i>	Lead Person <i>(OMG Member)</i>	Action Plan	Timescale
1. The funding for the increase for Agenda for Change is not sufficient to cover the additional costs the Trust will incur.	M	WF	Manage the implementation of Agenda for Change tightly	During 2004/5
2. The funding for the increase for employers' superannuation contributions (£6,076,000) is not sufficient to cover the additional costs the Trust will incur. A further £900,000 needs to be secured.	H	PB	Influence SWLHA and DoH	Immediate
3. The budgets set to cover the changes in funding for 'back to back' and other provisions are not sufficient.	L	MD with WF	Monitor costs closely	During 2004/5
4. The trust requires savings to be achieved to both balance the budget and fund some of the critical SIP initiatives. These may not be achieved or yield sufficient funds.	H	SMG	Work up realistic plans. Make the most of other funding opportunities in 2004/5.	During 2004/5
5. Trust may not manage crew overtime down.	H	MF and PS	Monitor closely and manage in year	During 2004/5
6. Any new and unforeseen cost pressures.	M	SMG	Hold contingency reserve	During 2004/5
7. Fuel prices in excess of the sums held in budgets, and Centrally Held Funds.	H			
8. PTS: Failing to manage and control third party expenditure.	H	KA	Monitor closely and manage in year	
9. PTS: The demanding income levels within the central services budget may not be achieved.	M	KA	Monitor closely and manage in year	During 2004/5
10. Until more details of some capital projects are known, the levels of VAT and its recovery cannot be forecast accurately.	L			
11. Until tenders for each project are received, there is the possibility that costs will increase. That was the Trust's experience in 2003/04.	M	MD	Hold some capital back for this uncertainty	During 2004/5