

LONDON AMBULANCE SERVICE NHS TRUST

Finance Report for the Period Ending 28 February 2004

The Trust has a favourable income and expenditure variance of £631,280 to Month 11, which represents an adverse movement of £126,247 on the Month 10 position. A&E reports a year to date adverse variance of £1,025,030 and PTS an adverse year to date position of £304,602. The overspends in these two directorates are offset by favourable variances within Support Departments and Centrally Held Funds.

The adverse variance in Month 11 stems from A&E Operations and Finance. Pay continues to overspend within A&E Crew staff due to a high level of overtime worked in February. Information received in February from the NHS Litigation Authority and NHS Pensions Agency meant it was necessary to increase the amounts provided for third party legal claims and staff injury benefit payments. This has caused the adverse variance in the month within the Finance Directorate. These overspends have been compensated by Centrally Held Funds, HR and IM&T which have continued to report underspends, due mainly to vacancies.

The Trust is currently reporting a forecast variance of £585,000 underspent. This has increased by £206,000 since Month 10. This change has occurred due to the following:

- A&E Contract variation income of £200,000 will be received to account for 2004/05 over activity on our A&E contract.
- £195,000 additional income for the ECP project has been agreed from the North West London Workforce Development Confederation.
- The Finance forecast has been revised downwards (by £194,000) to account for the legal charges incurred in month 11.

It has been provisionally agreed with the South West London SHA that we will broker £500,000 of our year-end underspend back to the Health Authority.

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>	14,459	14,461	(2)	159,519	159,452	68	173,911	
<i>West Sector</i>	3,597	3,554	(42)	39,839	39,637	(202)	43,267	
<i>East Sector</i>	5,215	5,149	(67)	57,352	56,211	(1,141)	61,185	(1,340)
<i>Control Services</i>	1,129	1,074	(56)	11,138	10,723	(415)	11,707	(451)
<i>Training Services</i>	477	493	16	5,121	5,718	597	6,225	530
<i>A&E Development</i>	199	125	(73)	1,252	1,249	(2)	1,344	0
<u><i>A&E Operational Support</i></u>								
<i>A&E Logistics</i>	255	308	52	2,616	2,647	31	2,962	(57)
<i>Fleet</i>	480	440	(41)	4,498	4,537	39	4,980	7
Total A&E	3,107	3,319	(212)	37,704	38,729	(1,025)	42,241	(1,311)
PTS Operations								
<i>PTS Income</i>	1,153	1,102	51	12,661	12,338	323	13,440	
<i>PTS Expenditure</i>	1,155	1,104	(51)	12,698	12,071	(627)	13,366	
Total PTS Operations	2	2	0	37	267	(305)	74	0
Chief Executive	102	110	8	1,194	1,209	15	1,319	0
Finance	1,287	1,111	(176)	12,280	12,634	355	13,645	281
Human Resources	305	383	77	3,522	4,180	658	4,561	686
IM&T	514	536	22	5,616	5,686	70	6,259	0
Communications	104	92	(12)	940	1,003	62	1,095	68
Medical Director	6	6	1	58	70	11	76	0
Centrally Held Funds	1,266	1,432	167	13,153	13,942	789	15,360	861
Trust Total <i>Favourable/ (Adverse)</i>	478	352	(126)	903	272	631	0	585

Memo:

Interest received	79	15	64	435	160	275
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2. **A&E Operations**

2.1.1. Table 1 shows that A&E Operations has an unfavourable variance of £1,025,030 to Month 11, and an adverse variance of £212,045 within the month.

2.1.2. The end of year forecast is £1,311,000 overspent. The main reasons are:

- Expenditure on crew staff overtime. This is assumed to increase over planned levels in the final month of the year to ensure performance targets are maintained.
- The use of third party transport and a shortfall in long distance journey income within the CAC.
- An underspend within A&E Training due to vacancies amongst training staff and the postponement of training courses.
- Income will report a favourable variance of £450,000 at the year-end due to additional income received in month 12: contract variation income, ECP income from the NWL WDC and an over recovery on stadia income.

2.1.3. **A&E Income**

To date A&E income is above target at £67,922 favourable. This is mainly due to income from Barnet Enfield and Haringey PCT (£80,000) relating to the 2003/04 contract.

In the month, income is breakeven. The income budget has not changed in Month 11.

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 £1,342,218. The position in the month is an unfavourable movement of £108,939. The adverse movement is primarily due to pay. Overtime hours have increased by 21% compared to the Nov- Jan average.

The pay costs of the ECP project is overspent to date and this forecast to continue to the year-end.

The cumulative overspend on pay is £1,578,000. This is due mainly to the level of overtime worked exceeding the budgeted hours.

Non-pay reports a favourable variance to Month 11 of £189,000. The biggest area of underspend is on third party accident damage.

2.1.5. Control Services

CAC is overspent by £415,267 to Month 11, and is overspent by £55,661 in the month.

Income continues to under recover on long distance journeys, however the shortfall in February is lower than average by 50%. Increased competition from other providers has caused this income to fall this year.

Non-pay is also overspent due to the use of third party transport. Management action was taken to enable this expenditure to fall in the second half of the year compared to the levels in the first half of the year. Expenditure decreased again in Month 11.

Pay is overspent to date at £177,000. There is an adverse swing of £95,000 in the month due to the payment in February of bank holiday enhancements worked over the Christmas period. In addition, overtime levels continue at a high level.

2.1.6. **Training Services**

Training reports a year to date favourable variance of £597,016 to Month 11, and a favourable movement of £16,199 in the month.

The underspend continues because of vacancies amongst the training staff and an underspend on trainees' pay costs and course fees due to delays in the A&E training programme.

In the month the underspend is lower than average since Training Officers previously on secondment to other areas of the Trust have returned back to the Training School, thus causing the pay expenditure within Training to increase compared to average.

2.1.7. **A&E Development**

A&E Development reports a year to date overspend of £2,482.

There is an adverse movement of £73,491 in the month. This arises due to expenditure on accessories and equipment for the new A&E ambulances purchased in 2004/05. This budget forms part of the Project Support Department.

2.1.8. **A&E Operational Support**

This budget includes Logistics and Fleet Support. The Logistics variance to Month 11 is £30,907 with a favourable movement of £52,215 in the month.

The favourable monthly variance stems from an underspend on various non-pay items, primarily on the implementation of the Make Ready project. There was also a transfer of budget from Operations into Logistics to fund the purchase of blankets.

Fleet is reporting a year to date underspend of £39,091. This is attributed to vacancies amongst the craftsmen. There is an overspend in month 11 attributed to losses made on the sale of two ambulances.

2.2. Patient Transport Service

- 2.2.1. Appendix 2 shows PTS to be £304,602 unfavourable to Month 11, the position in month 11 was breakeven. The adverse year to date position stems from the use of agency staff and third party transport. Expenditure on these two items has reduced considerably compared to the first half of the year; the February figure is 31% lower than the first half-year average. There are only two contracts that continue to use agency staff.
- 2.2.2. PTS is forecast to breakeven at the end of the year. The vehicle leasing budget will not all be spent in 2004/05 due to the timing of the delivery of new vehicles, which will allow the breakeven position to be achieved. In addition, there are two contracts where we will invoice for excess activity earned over the year: Hammersmith and Charing Cross (£100K) and Barnet and Chase Farm (£40k).

2.3. Other Support Services

- 2.3.1. Table 1 shows favourable year to date variances within all directorates. The Chief Executive Directorate reports an underspend due to the receipt of income from the DOH for the Chief Executive secondment. The forecast has been revised to breakeven to reflect this.
- 2.3.2. Finance reports a favourable variance to date 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 adverse movement in the month stems from legal provisions made for third party claims and injury benefit payments to staff (see Finance and Business Planning Appendix). The forecast has been revised to take account of this.
- 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. Communications underspend to date stems mostly from vacancies.
- 2.3.6. 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 11.

Table 3

	Annual Budget	Funds Still Required	Funds Not Required
	£000	£000	£000
Future Depreciation	17	17	0
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	50	713
Employers Superannuation Increase	(343)		(343)
Development Fund	(51)	91	(142)
Agenda for Change Reserve	14,403	14,403	0
Contingency Reserve	4	4	0
	15,426	14,565	861

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, including advance payment of £1,000 to crew staff in March 05. The appropriate proportion of this is included in expenditure at Month 11. 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. 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 11 are set out in **Appendix 7 below**.

2.5.2. The Trust has already brokered £3,370,000 into 2005/06 to reflect projects that will happen next year rather than this. Currently there is £396,467 identified against projects where the spend is not committed.

2.5.3. The Trust has received £525,000 extra capital funds for the first six months of the year when we achieved 75% Category A performance. Any further funds due for months the performance target is achieved will be paid in 2005/06.

2.5.4. At Month 11, there is an unfavourable overall variance of £1,152,185. This has mainly arisen from the initial expenditure on the Intermediate Tier vehicles (£1,004,148), which will be recovered from the lease finance provider before the year-end.

2.5.5. The current forecast is that capital expenditure will generate a small surplus against the Trust's CRL.

3. **Working Capital**

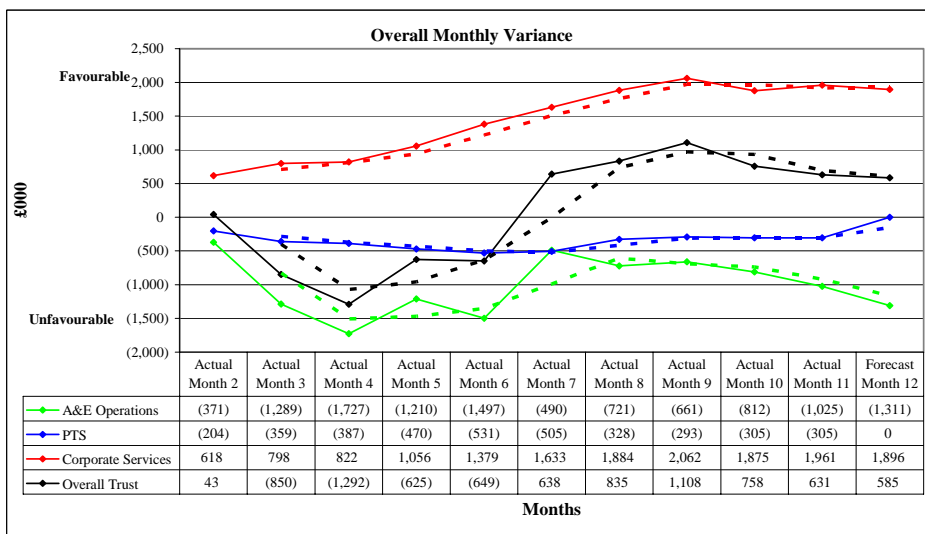
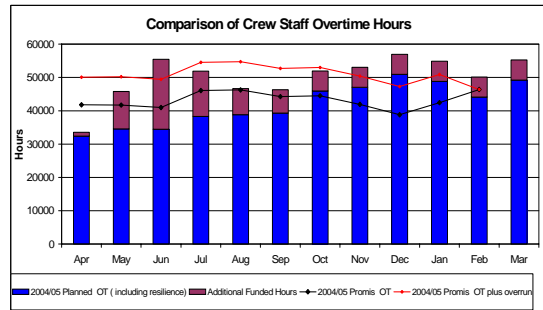
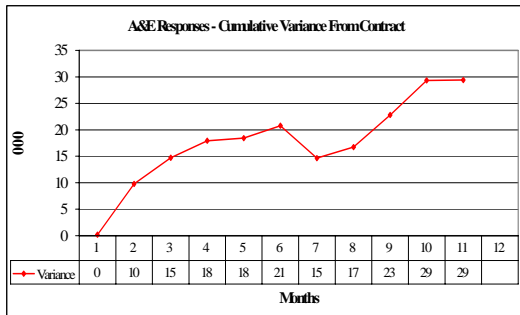
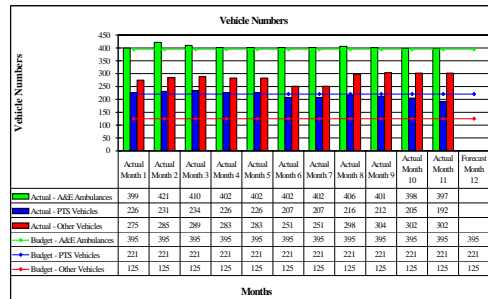
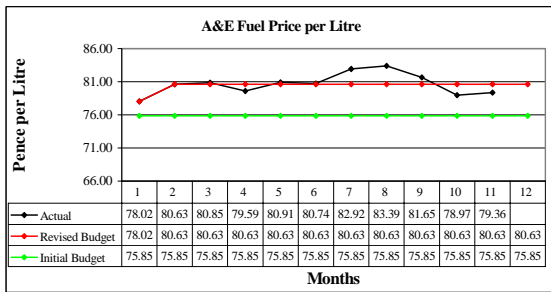
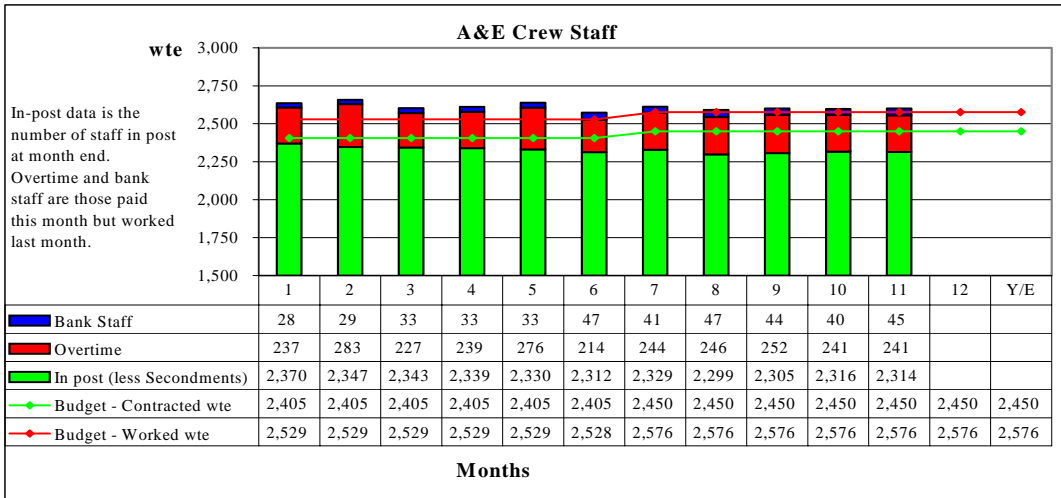
- 3.1. The cash balances continue to run at a high level since Agenda for Change has yet to be implemented. The Trust has agreed to broker £15.4 million to the Strategic Health Authority because of the delay in AFC implementation. There has also been slippage on the capital programme.
- 3.2. The trust debt stands at £2.5 million. This is mostly due to outstanding money owed on PTS contracts. We continue to pursue old outstanding debts through the arbitration process in conjunction with the SHA.

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
22 March 2005

Key Data



Appendix 1

A&E Operations

1. Current Position

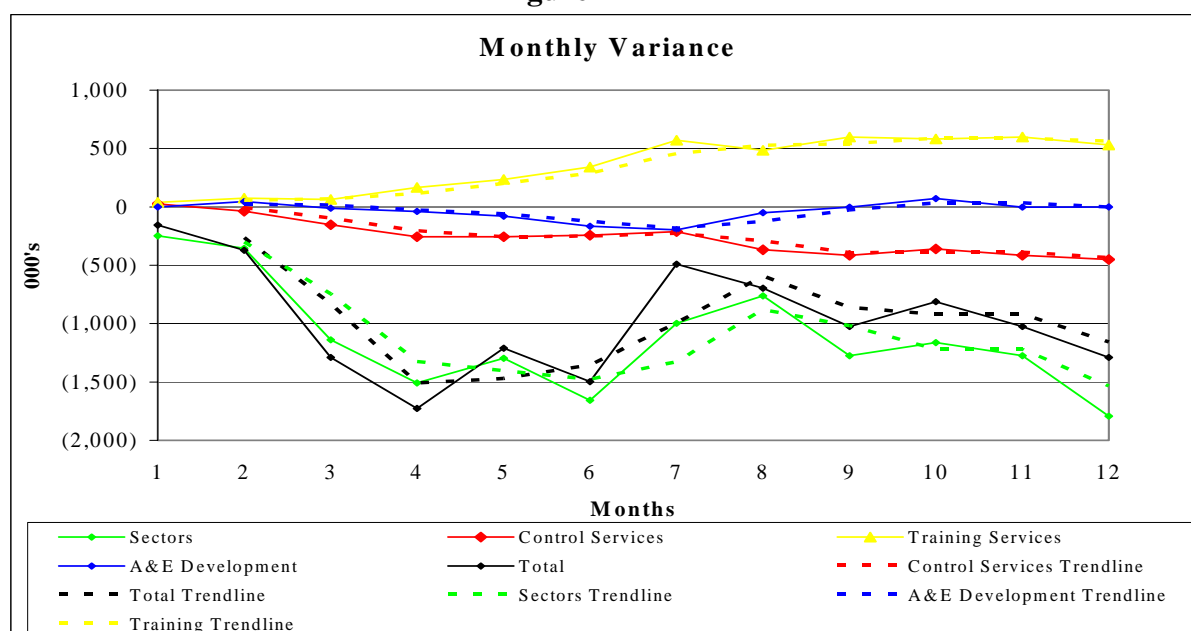
1.1. Overall, A&E has an unfavourable variance of £1,025,030 at Month 11. The revenue position of A&E is summarised in Table 4 below.

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	14,459	14,461	(2)	159,519	159,452	68	173,911	453
West Sector	3,597	3,554	(42)	39,839	39,637	(202)	43,267	
East Sector	5,215	5,149	(67)	57,352	56,211	(1,141)	61,185	
Total Sector Services	5,647	5,758	(111)	62,329	63,603	(1,274)	69,459	(1,340)
Control Services	1,129	1,074	(56)	11,138	10,723	(415)	11,707	(451)
Training Services	477	493	16	5,121	5,718	597	6,225	530
A&E Development	199	125	(73)	1,252	1,249	(2)	1,344	0
A&E Support Services	255	308	52	2,616	2,647	31	2,962	(57)
Fleet	480	440	(41)	4,498	4,537	39	4,980	7
1 Favourable/ (Adverse)	3,107	3,319	(212)	37,704	38,729	(1,025)	42,241	(1,311)

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>	1,618.82	1,586.09	(32.73)	4,229	4,163	(66)
<i>West Sector</i>	1,267.31	1,263.65	(3.66)	3,256	3,177	(79)
Total Sector Services	2,886.13	2,849.74	(36.39)	7,485	7,340	(145)
Control Services	425.65	380.52	(45.13)	1,072	977	(95)
Training Services	121.02	144.70	23.68	362	403	41
A&E Development	22.29	26.15	3.86	80	94	14
A&E Support Services	33.71	35.41	1.70	90	94	5
Fleet	76.01	59.20	(16.81)	168	213	46
Directorate Total	3,564.81	3,495.72	(53.98)	9,257	9,123	(134)

- 1.4. The overtime accrual this month is £731,994 and is relatively low as February has only 28 days. Promis indicates that daily overtime hours have increased by 21% in February compared to the average in the preceding 3 months.
- 1.5. Control has an adverse movement on pay of £95,233 in the month. This is due to the payment of Xmas Bank Holiday enhancements, high levels of overtime and an additional 12 trainees posted in late January. The YTD overspend on Control room EMD pay (£268,040) is partially offset by a CAC Management underspend (£108,119).
2. **Income**
- 2.1. Income has a favourable variance of £67,922 to date. This is due mostly to the adjusted Barnet income within the A&E contract £60,278
3. **East Sector Services**
- 3.1. East Sector Services show a year to date unfavourable variance of £1,140,679 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 £1,085,855 of which £1,242,087 is attributable to operational staff. The staff costs of the ECP project are £258,836 overspent and this will continue until the end of the financial year. Several ECP projects went live in February 05 and some PCT funding has been released into the budgets which has reduced the in month overspend to £12,977. Overall, operational crew staff were £1,242,087 adverse in the month due to bank holiday enhancements and overtime. A

further £36,194 was spent buying out bank holiday in-lieu time taking the total spend to £66,058.

Stadia Payments to managers are underspent (£124,019) as are Administrative and Clerical Staff (£91,230).

- 3.3. **Non-Pay** - Non-pay is £62,979 unfavourable. Other Fleet Costs are £254,398 favourable due mainly to an underspend on third party accident damage although there was a favourable movement in the month of £43,483. Fuel for A&E vehicles continues to be a problem at £85,280 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 £53,684. An initial detailed analysis of cylinder rental invoices shows that there is a wide range of cylinders being charged for, some of which should be obsolete. This work has been passed onto operations and logistics to review.

4. **West Sector Services**

- 4.1. West Sector shows an unfavourable variance of £201,539 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 £492,497 on Pay, with £454,894 attributable to operational staff. There is a small unfavourable variance on Decontamination unit of £4,848.
- 4.3. **Non-Pay** - Non-pay is favourable by £252,178. Fleet costs is favourable by £324,108 but offset by fuel £199,771 and gas cylinder rental £41,311. Medical equipment is also favourable by £200,048 due mainly to unrequired funds on CBRN (£198,182)

5. **Control Services**

- 5.1. Control Services shows a year to date unfavourable variance of £415,267.
- 5.2. **Income** – Income is adverse mainly due to Long Distance Journeys (£133,027).
- 5.3. **Pay** – There was an adverse overall pay movement in the month (£95,233) due to EMDS. EMD overtime in the control room was high and additional staff came in from training. This overspend is partially offset by management vacancies but control room pay is overspent (£181,016). Agency staff is £47,833 overspent YTD.
- 5.4. **Non-Pay** – Non-pay is overspent £117,054 due mainly to Private Ambulance Hire (£101,000) but overall third Party expenditure is £39,659 adverse. There are also a number of other overspends across telephones (£19,806), hire of meeting rooms (£12,383) and IT (£33,561).

6. **Training Services**

- 6.1. Training services show a year to date underspend of £597,016
- 6.2. **Income** – Income is £4,026 favourable.
- 6.3. **Pay** – Pay is favourable £316,021 due mostly to trainer vacancies earlier in the year, but this month the underspend is due mostly to unspent budget relating to salary costs of recruits due to course cancellations.
- 6.4. **Non-Pay** – Non-pay is favourable (£277,787) mostly due to training (£44,170) and fleet costs (£194,857). Course cancellations and delays have contributed to this position.

7. **A&E Development**

- 7.1. A&E development shows a year to date favourable variance of £2,482.
- 7.2. The ECP project is overspent by £23,113 and this is not expected to worsen materially as all of the CWP funding has been secured.
- 7.3. The Project Support Office (£33,619), Clinical Audit (£56,993), and Policy and Planning (£10,207) are all underspent due mainly to vacancies.

8. **A&E Support Services**

- 8.1. The variance is £30,907 unfavourable.
- 8.2. **Pay** – Pay is favourable (£42,956) due to savings on the Corporate Logistics Manager post because of the restructure.
- 8.3. **Non-Pay** - Non-pay is unfavourable (£12,048).
 - Drugs are £165,750 overspent year to date, due mostly to a less than optimal supply chain.
 - There are fortuitous underpends else which offset the drugs cost pressure. These include a reduction in maintenance spend on obsolete equipment, 03/04 year end credits, and lower than expected costs for replacement stretchers.

9. **Fleet**

- 9.1. Fleet reports an over spend in Month 11 of £40,651 and year to date a favourable variance of £39,093. The cumulative monthly position is split as follows: income £47,932 adverse, pay £219,055 favourable and non-pay £132,030 Adverse.
- 9.2. Fleet income in Month 11 reports an adverse variance of £40,413. Sale of equipment is showing a large unfavourable variance, £25,304. This is because two vehicles have been written off before they were fully depreciated; therefore, a loss was made on these vehicles.

9.3. Fleet continues to underspend on pay, £45,684 in the month. Part of this is due to an underspend on Winter Pressures. There are 14 vacancies within Fleet, most of which are covered by agency staff.

9.4. Non-pay reports an over spend in Month 11 of £45,922. This is due to expenditure on vehicle recovery and vehicle maintenance.

10. **Forecasts**

10.1. Overall, A&E Operations is forecast to be £1,311,000 overspent at the year-end.

10.2. Sector Services are forecast to be £1,793,000 overspent at the year-end due to the use of overtime and cost pressures on fuel. This forecast includes additional A&E contract variation income (£200,000) and £195,000 from the NW WDC.

10.3. Control Services are forecast to be overspent £451,000. 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 £530,000 underspent due to course cancellations and vacancies earlier in the year. The forecast has decreased from last month due to late expenditure on items to be issued to students.

10.5. A&E development is forecast to breakeven

10.6. Support Services are forecast to be £50,000 overspent due to the impact of drug costs and uniforms, which are in part offset by vacancies, and some other underspends on medical equipment.

10.7. Fleet is forecast to be £7,000 underspent. This is due to an underspend on pay due to the continuing vacancies within the maintenance staff, compensated by an under recovery of sale of equipment income.

Appendix 2

Patient Transport Service

1. Current Position

- 1.1. The PTS year to date position, as shown in Table 7 below, is unfavourable by £304,588. Income has a favourable variance of £322,554; pay has an unfavourable variance of £349,612 and non-pay an unfavourable variance of £277,552.
- 1.2. Tight control over third party spends continues and is detailed in Table 1 below.

Table 6

	Average 1st Six Months	Month 7	Month 8	Month 9	Month 10	Month 11
Private Ambulance	£67,146	£56,752	£37,876	£62,605	£46,561	£65,420
Taxis	£71,553	£42,343	£39,845	£43,362	£47,658	£38,009
Agency AP	£64,959	£27,675	£18,236	£55,579	£26,378	£39,015
Agency CA	£22,741	£15,791	£32,642	£20,153	£15,489	£12,989
Total	£226,399	£142,561	£128,599	£181,699	£136,086	£155,433

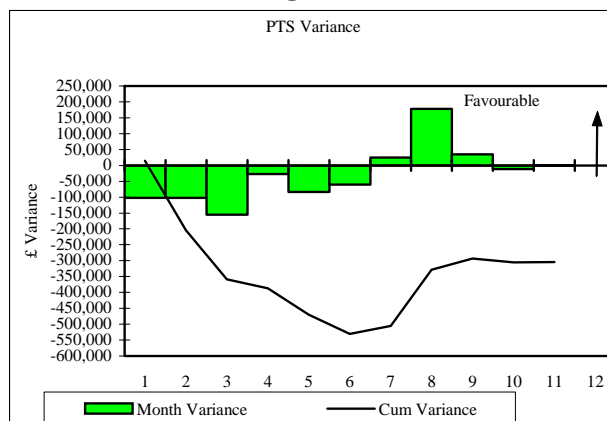
- 1.3. Table 7 forecasts that PTS should achieve the budgeted contribution by year-end, this will be achieved through the continued favourable trading position, savings in vehicle lease costs and the collection of old debts.

Table 7
Summary Revenue Position

	This Month			Year to Date			Net Annual Budget	Year End Forecast
	Actual	Budget	Variance	Actual	Budget	Variance		
Department								
PTS Management	18	108	90	537	1,057	521	1,366	
West London PTS	(47)	(78)	(32)	(325)	(896)	(571)	(978)	
East London PTS	30	(28)	(58)	(174)	(429)	(255)	(462)	
Geographical Allowance								
Directorate Total Fav/(Adv)	2	2	0	37	(267)	(305)	(74)	0

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

Figure 2



1.5. The Table 8 shows the manpower employed during the month of December only.

Table 8
Summary wte Position

	Paid			Month Paid £ 000's		
	Actual	Budget	Variance	Actual	Budget	Variance
Department						
PTS Management	7.00	10.00	3.00	33	43	10
West London PTS	181.72	187.78	6.06	357	354	(3)
East London PTS	164.18	154.17	(10.01)	348	306	(42)
Trust Total	352.90	351.95	(0.95)	738	703	(35)

2. **PTS Management**

Table 9

Summary Variances		
PTS Management	Variance £000	
Description	This Month	YTD
Income	20	32
Management	12	85
Unproductive Salaries	3	19
Admin & Clerical	0	0
Agency	(6)	(43)
Fleet Cost	17	132
Other	44	297
Total Fav/(Unfav)	90	521

2.1 The year to date variance is favourable by £520,827. This comprises a favourable income variance of £31,600, a favourable pay variance of £59,824 and a favourable non-pay variance of £429,391.

- 2.2 Income is £20,000 favourable this month due to the collection of a debt that had previously been written off.
- 2.3 Savings continue to be made in pay expenditure as the vacancies for business development account managers and process development manager remain unfilled.
- 2.4 The favourable non-pay variance is mainly due to a £131,741 favourable variance on other fleet costs from accident repairs recharges, a £352,468 favourable variance on general reserves.

3. **West**

Table 10

Summary Variances		
PTS West	Variance £000	
Description	This Month	YTD
Income	10	151
Management	7	25
Control Staff	8	96
Operational Crew	(8)	38
Admin & Clerical	1	25
Agency	(11)	(433)
Fuel	3	30
Third Party Transport	(23)	(421)
Fleet Cost	(15)	(73)
Other	(4)	(9)
Total Fav/(Unfav)	(32)	(571)

- 3.1 The current year to date position is unfavourable by £570,854. Income shows a favourable variance against budget of £150,831, pay has an unfavourable variance of £249,188 and non-pay an unfavourable variance of £472,497.
- 3.2 The use of agency staff is now minimal and has resulted in only an £11K unfavourable variance this month compared to an average 11 month variance of £39K. The only contracts now using agency are the South West London & St Georges, Chelsea & Westminster and Hammersmith Hospitals contracts.
- 3.3 The use of taxis and private ambulances has also reduced substantially in the West area. The savings have been offset by the increased use of Central services.
- 3.4 Fleet costs incurred an unfavourable variance of £14,561 due to a number of large accident repair costs this month, particularly on the Charing Cross and SWAG contracts
- 3.5 We are still awaiting news on the Hammersmith & Charing Cross Hospitals NHS Trust tender bid. We have heard that our bid for the Epsom & St Helier NHS Trust tender was unsuccessful.

4. **East**

Table 11

Summary Variances		
PTS East	Variance £000	
<i>Description</i>	<i>This Month</i>	<i>YTD</i>
Income	21	140
Management	1	20
Control Staff	0	48
Operational Crew	(7)	142
Admin & Clerical	4	7
Agency	(40)	(378)
Fuel	1	31
Third Party Transport	(33)	(222)
Fleet Cost	1	(8)
Other	(7)	(36)
Total Fav/(Unfav)	(58)	(255)

- 4.1 The current year to date position is unfavourable by £254,560. This comprises a favourable income variance of £140,124, an unfavourable pay variance of £160,249 and an unfavourable non-pay variance of £234,435.
- 4.2 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 for these posts is continuing.
- 4.3 The unfavourable variance on third party transport this month is mainly due increased private ambulance costs through Central Services. These ambulances are being used to provide resources for Urgent Care activity from CAC.
- 4.4 We are still awaiting news for the Barnet and Chase Farm tender bid.

Appendix 3

Finance and Business Planning

1. Current Position

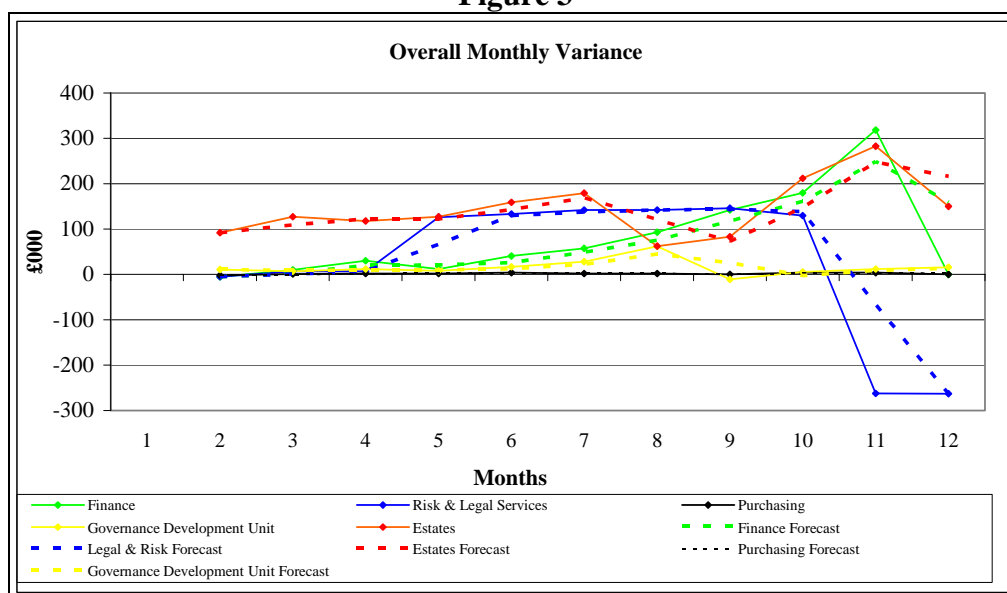
1.1. The directorate position is shown in Table 12 below. Interest received is now shown as a separate line for information.

Table 12
Summary Revenue Position

Department	This Month			Year to Date			Net Annual Budget	Year End Forecast
	Actual	Budget	Variance	Actual	Budget	Variance		
Finance								
Interest Receivable	(79)	(15)	64	(435)	(160)	275	(175)	
Finance Expenditure	349	424	75	4,494	4,538	44	4,946	
Total Finance	270	409	139	4,059	4,377	318	4,771	378
Risk & Legal Services	517	125	(392)	1,239	976	(263)	1,023	(263)
Purchasing	26	26	0	286	289	4	316	0
Governance Development Unit	27	34	6	402	414	12	448	16
Estates	446	517	71	6,294	6,577	283	7,087	150
Directorate Total <i>Favourable/ (Adverse)</i>	1,287	1,111	(176)	12,280	12,634	355	13,645	281

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

Figure 3



1.3. Table 13 below shows the manpower employed during the month.

Table 13**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	94	87	(7)
Finance	24.67	28.00	3.33	18	17	(1)
Governance Development Unit	8.00	9.00	1.00	36	40	4
Purchasing	7.00	8.00	1.00	25	31	6
Risk & Legal Services	5.80	5.50	(0.30)	24	23	(1)
Trust Total	56.23	62.76	6.53	199	198	(0)

2. Finance

- 2.1. There is a significant favourable movement in the month. This is due to a change in the method of calculating the cost of the unwinding of discount. The unwinding of the discount is a charge made to account for annual inflationary rises in injury benefit payments, which we pay out to staff who have retired on ill health grounds.

All year we had been anticipating a charge of £150,000 for the year. In fact, the total charge amounted to £165,000 of which £100,000 can be recharged to the PCTs under the back to back mechanism. The net charge for the year is therefore £65,000 and since we had been accruing up to £150,000, a favourable swing occurred in the month (£75,000)

- 2.2. Interest received continues to over recover which has further contributed to the favourable movement in the month (£64,000). Our cash balances continue to run above plan since we have yet to pay out on Agenda for Change.
- 2.3. Pay is overspent to date by £37,000. This is due to the employment of agency staff to cover vacancies and sickness within the department. In the month there was an overspend of £7,000 on pay.

3. Legal Services

- 3.1. There is a significant unfavourable movement in the month. This is due to provisions made for third party claims and new injury benefits.
- 3.2. Third party claim provisions are made each quarter based on information received from the NHS Litigation Authority. They relate to claims made by third parties (mainly employees) who have suffered injury or damages at work. In the final quarter of the financial year, £82,000 was provided for making the total for the year £180,000, against an annual budget of £143,000.
- 3.3. Provisions for new injury benefits are made each year based on information received from the NHS Pensions Agency. They relate to staff retiring on the grounds of ill health. When they retire, we must set up a provision for pension

payments to them for the rest of their life. In month 11, we were informed of £507,000 worth of provisions for five staff members, against an annual budget of £310,000.

4. **Governance Development Unit**

- 4.1. The underspend in the month stems from the vacant Head of Records Management post. The cumulative underspend is due to vacancies and an under spend on the National Clinical Practice Guidelines budget where the cost of printing the guidelines were less than anticipated.

5. **Estates**

- 5.1. Estates report a significant favourable movement of £71,000 in the month. This is due to rent and rates. We have stopped paying rent on Friar's House since it is no longer in use by the LAS. We received a refund on rates for the St Helier site and HQ Waterloo. In addition there is an underspend in the month on Building and Engineering maintenance.

6. **Forecast**

- 6.1. The reported forecast is £280,800. This has been revised downwards since month 10 due to the legal charges incurred in February, as above. The underspent position is primarily due to an over recovery on interest receivable income.

Appendix 4

Human Resources

1. Current Position

1.1. The current directorate position is shown in Table 14 below.

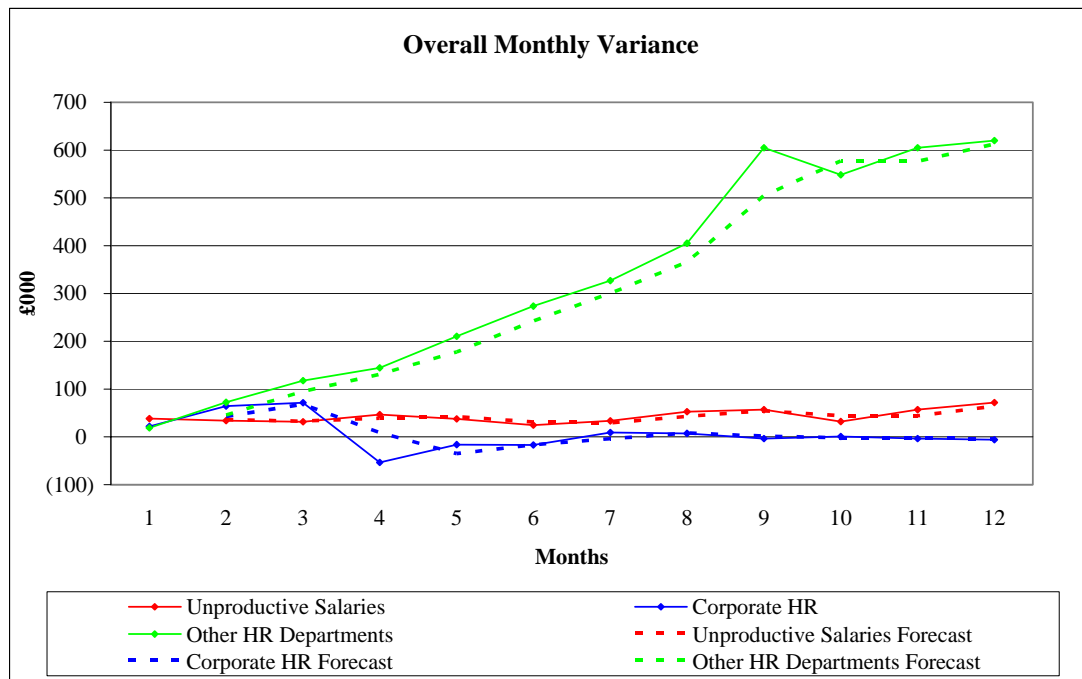
Table 14

Summary Revenue Position

Department	This Month			Year to Date			Net Annual Budget	Year End Forecast
	Actual	Budget	Variance	Actual	Budget	Variance		
Director of HR	6	13	7	271	151	(119)	165	(112)
Unproductive Salaries	27	51	25	517	574	57	625	72
HR Policy & Projects	12	18	6	165	187	23	206	29
Human Resources Management	85	94	8	788	1,034	247	1,128	255
Organisational Development	14	15	0	157	160	3	174	0
Employee Services	128	144	16	1,364	1,577	213	1,721	189
Agenda For Change	15	11	(4)	75	72	(4)	83	(6)
Education & Development	17	37	19	186	425	239	460	259
Directorate Total Favourable/ (Adverse)	305	383	77	3,522	4,180	658	4,561	686

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 15

This Month's Summary wte Position

	Paid			Month Paid £ 000's		
	Actual	Budget	Variance	Actual	Budget	Variance
Department						
Director of Human Resources	0.00	0.00	0.00	0	7	7
Unproductive Salaries	0.00	0.00	0.00	28	50	22
HR Policy & Projects	3.00	4.00	1.00	17	22	5
Human Resources Management	16.00	22.00	6.00	54	77	23
Organisational Development	3.00	3.00	0.00	14	14	(0)
Employee Services	30.50	34.50	4.00	84	88	4
Agenda For Change	2.00	1.00	(1.00)	14	11	(4)
Education & Development	3.08	6.43	3.35	10	17	7
Trust Total	57.58	70.93	13.35	221	286	65

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 underspend in the month is due to a vacant Corporate HR Manager post

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. The underspend is further contributed to by a lower number of people on maternity leave and on permanently unfit leave in February compared to previous months.

4. Human Resources Management

- 4.1. The underspend continues and stems from vacancies within the Recruitment Centre and in Human Resources Management. There has been expenditure on the Recruitment Advertising budget, £30,000 on EMT recruitment 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 hasn't all 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 £686,000 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 16 below.

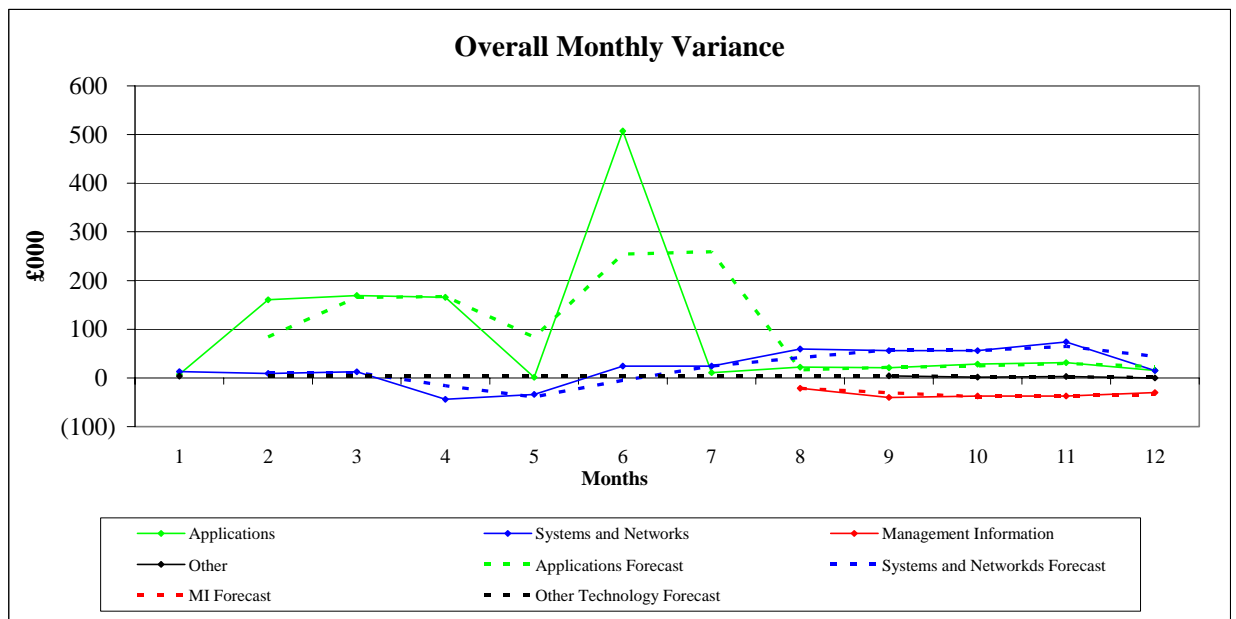
Table 16

Summary Revenue Position

Department	This Month			Year to Date			Net Annual Budget	Year End Forecast
	Actual	Budget	Variance	Actual	Budget	Variance		
Management Information	81	81	0	888	850	(37)	931	(30)
IM&T	14	15	1	59	61	3	106	0
IM&T Customer Services	65	68	3	733	764	31	833	15
Systems & Networks	353	371	18	3,936	4,010	74	4,389	15
Directorate Total Favourable/ (Adverse)	514	536	22	5,616	5,686	70	6,259	0

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

Figure 5



1.3. Table 17 below shows the manpower employed during the month.

Table 17
This Month's Summary wte Position

Department	Paid WTE			Month Paid £ 000's		
	Actual	Budget	Variance	Actual	Budget	Variance
Management Information	20.56	27.08	6.52	69	70	1
IM&T	0.00	0.00	0.00	14	13	(0)
IM&T Customer Services	13.00	15.00	2.00	42	47	5
Systems & Networks	9.00	13.00	4.00	39	52	13
Trust Total	42.56	55.08	12.52	164	182	17

2. **Management Information**

- 2.1. The year to date overspend stems from the use of the microfilm service and agency staff. Agency staff have been utilised to eliminate the backlog of work in the run up to the introduction of scanning. There was a slow down in the rate of agency use in February resulting in a breakeven position in the month.

3. **IMT Customer Services (formerly called Applications)**

- 3.1. The cumulative favourable variance stems from vacancies within the Head of IM&T Customer Services and Information Security Officer posts. The monthly favourable swing stems the Head of IM&T Customer Services vacancy.

4. **Systems & Networks**

- 4.1. The year to date underspend stems from vacancies within the department. There have been four vacancies throughout the year. In the month the underspend stems from these vacancies plus an underspend on course and conference fees. Budget was added for an ISON for staff development, which has not been spent to date.

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 18, 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 18

	Annual Budget	Funds Still Required	Funds Not Required
	£000	£000	£000
Future Depreciation	17	17	0
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	50	713
Employers Superannuation Increase	(343)		(343)
Development Fund	(51)	91	(142)
Agenda for Change Reserve	14,403	14,403	0
Contingency Reserve	4	4	0
	15,426	14,565	861

- 1.2. Allocations made from Centrally Held Funds for Month 11 are set out in Table 19, below.

Table 19

Price Increase Budget		Pay Award Budget		Development Fund		Contingency Reserve	
Allocation	£000	Allocation	£000	Allocation	£000	Allocation	£000
Balance at Month 10	(22)	Balance at Month 10	(0)	Balance at Month 10	58	Balance at Month 10	4
Month 11 Allocations		Month 11 Allocations		Month 11 Allocations		Month 11 Allocations	
				Map Lamps	(11)		
				New mirrors for AEUs	(7)		
				Fleet training	(40)		
				CAC Replacement Printers	(3)		
				Introduction of Morphine	(30)		
				Web Filtering	(18)		
Balance at Month 11	(22)	Balance at Month 11	(0)	Balance at Month 11	(51)	Balance at Month 11	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 and Table 18 shows a deficit of £22,004.

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 £713,492 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 DH 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 18.

5. **Development Fund**

- 5.1. The Development Fund has a deficit of £51,039. However, there is an over commitment of £142,193 as there are continuing commitments still to be funded of £91,154.

6. **Agenda for Change Reserve**

- 6.1. This budget (£14,402,867) 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 when an accrual for costs in the first six month of the award will be made. 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 20 sets out the current estimate of costs for Agenda for Change, which will be funded from the centrally held budget.

Table 20

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

- 6.3. There is a risk that the Trust will not receive all the funding for the London weighting component of AfC.

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 18 shows an uncommitted balance within Centrally Held Funds of £861,000.
- 8.2. A substantial amount of the uncommitted funds (£861,000) will be required to cover the cost of A&E crew staff overtime. Additionally, a further £10,000 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 11 is set out below together with the Capital Programme for 2004/05 (Table 21). Table 21 reflects the agreed brokerage of £3,370,000 into 2005/06. Also included is £525,000, which is the estimate of funds the Trust will receive from the Incentive Fund. This has been calculated assuming funding is received for 6 months of the year and is a reduction from previous estimates as the DH has announced that any further sums due will be paid in 2005/06.
- 1.2. At present there is £396,467 identified against projects where the spend is not committed. Within this sum is an unallocated balance of £272,939. 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 11, there is an unfavourable overall variance of £1,152,185. This has arisen from the initial expenditure on the Intermediate Tier vehicles (£1,004,148), which will be recovered from the lease finance provider, see paragraph 3.1 below.
- 1.4. The column headed "Deferred to Next Year" in Table 21 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 21 and shows the following movements since the budgets were approved:
 - The programme as at January 2005 (Column [41]).
 - Approved projects (Column [42]).
 - Projects deferred to 2005/06 (Column [43]).
 - The programme as at February 2005 (Column [44]).

Table 21
Capital Programme as at February 2004

Cost Centre	Scheme/Project Description	Budget Holder	Total Project Approved Budget	Programme as at 31 January 05	Approved Projects	Deferred to 2005/06	Programme as at 31 January 05	Deferred to Next Year
				[41]	[42]	[43]	[44]	
				£	£	£	£	£
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)	Roy Hopkinson	391,802	391,802			391,802	
S933	Minor Fleet Schemes	Michael Boyne	125,904	57,904		(34,404)	23,500	34,404
	Total Vehicle Projects			897,272	0	(34,404)	862,868	34,404
S92	Equipment							
80055	Defibrillator Purchase	Mark Whitbread	950,000	475,000			475,000	475,000
	Total Equipment Projects			475,000	0	0	475,000	475,000
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	300,000			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	728,000	25,000	20,000		45,000	683,000
80185	HQ - Replacement of window (Phase 2)	Martin Nelhams	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	Martin Nelhams	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
80225	Newham - Relocate messroom	ISoN 40	186,825	0			0	186,825
S932	Minor Estates Projects	Martin Nelhams	1,288,877	926,643			926,643	147,140
	Total Estates Projects			4,225,494	20,000	0	4,245,494	2,923,031
S94	Technology							
80035	Mobile Data Terminals	Peter Suter		260,000			260,000	
S934	Minor Technology Schemes	Peter Suter	386,786	304,727	56,344		361,071	0
	Total Technology Projects			564,727	56,344	0	621,071	0
	Uncommitted/Unapproved Projects							
	2004/05 Minor Estates projects			0			0	
	Access Reward Funding		100,000	0			0	
#	Additional hoists	ISoN 67	17,300	0			0	
	ARRP building works			0			0	275,000
#	Backup Servers	ISoN 96	123,375	123,375		(123,375)	0	123,375
#	Battersea - Heating system renewal	ISoN 44	9,988	0			0	9,988
	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	ISoN 63	71,000	0			0	200,000
#	Croydon - DRC Accommodation	ISoN 54	50,000	0			0	50,000
#	Croydon - Room reconfiguration	ISoN 46	60,000	0			0	60,000
80226	Dynamic Vehicle Coverage	ISoN 93	123,528	123,528			123,528	
#	Gold Control	ISoN 29	250,000	0			0	235,000
#	Hillingdon AOM Accommodation	ISoN 1	235,000	0			0	235,000
	IT & Communications		200,000	0			0	
#	Provision of fallback facilities for admin systems	ISoN 97	65,800	65,800		(65,800)	0	65,800
#	Replace Asbestos Roofs		94,000	0			0	94,000
#	Romford - Workshop Additional Costs	ISoN 258	40,000	0			0	
#	Romford SOM	ISoN 2	52,875	0			0	
#	Rotherhithe facilities	A&E 41	96,350	0			0	96,350
#	Satellite station		15,000	0			0	
	SOM Building Work		211,500	0			0	
#	Specialist vehicles		378,500	0			0	378,500
	Technology Directorate ISoNs		440,000	0			0	
	MDT Additional Costs		260,000	0			0	
#	Temporary replacement for Brixton	A&E 56	150,000	0			0	
	Training vehicles		400,000	0			0	
	Unallocated Reserve/(Level of Over Commitment)		272,939	125,704	(76,344)	223,579	272,939	
	Total Uncommitted/Unapproved Projects		396,467	438,407	(76,344)	34,404	396,467	2,205,013
	Total Capital Budget			6,600,900	0	0	6,600,900	5,637,448

Projects which are awaiting final approval of business cases are marked in Table 21 with an '#'.

3. **Expenditure against Programme**

- 3.1. The Capital Expenditure Report for Month 11, Table 22, indicates the overall position as unfavourable by £1,152,185. This is mainly caused by the spend on Intermediate Tier Vehicles. This project (£1,004,148) will be recovered from the lease funder hence no budget being allocated to cover this expenditure. By the time of the meeting, it is likely that this funding will have been received.

4. **Forecast**

- 4.1. The current forecast is that capital expenditure will generate a small surplus against the Trust's CRL.

Table 22

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	136,929	136,929	(0)	0	488,689	37,129
80156	Replacement Tender Vehicles	265,430	153,220	153,219	112,210	112,689	119,385	(6,696)	0	272,604	(7,174)
80168	Intermediate Tier Vehicles	0	0	0	0	0	1,004,148	(1,004,148)	0	1,004,148	(1,004,148)
80170	2004/05 ECP Vehicles	161,227	0	0	161,227	82,701	82,702	(1)	86,214	168,915	(7,688)
80201	RRU Procurement 2004-05	391,802	0	0	391,802	63,942	63,942	(0)	358,320	422,262	(30,460)
S933	Minor Fleet Projects	57,904	0	0	23,500	76	76	0	50,074	50,150	7,754
	Total Vehicle Projects	1,402,181	504,979	504,978	862,798	396,337	1,407,182	(1,010,845)	494,608	2,406,768	(1,004,587)
S92	Equipment Projects										
80055	Defibrillator Purchase	2,794,326	2,319,326	2,299,530	475,000	10,382	10,382	0	450,964	2,760,875	33,451
	Total Equipment Projects	2,794,326	2,319,326	2,299,530	475,000	10,382	10,382	0	450,964	2,760,875	33,451
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	127,119	127,120	(1)	3,444	952,279	256,008
80118	Hillingdon Workshop Improvem	344,000	237,414	238,103	106,586	79,794	78,604	1,190	0	316,706	27,294
80140	Romford - Workshop Improvement	640,375	28,814	32,639	611,561	483,833	483,833	(0)	1,040	517,512	122,863
80144	Tottenham - Additional Accommo	315,250	18,502	18,503	296,748	296,748	329,581	(32,833)	3,147	351,230	(35,980)
80157	Greenford Training & team le	110,000	80,000	80,660	30,000	30,000	45,041	(15,041)	0	125,701	(15,701)
80158	Whipps Cross Workshop Impro	520,000	15,000	13,492	300,000	108,434	108,434	0	0	326,926	193,074
80171	HQ Replacement Windows	146,875	0	0	146,875	116,781	116,781	0	0	116,781	30,094
80176	Poplar Ambulance Station Rep	265,000	0	0	0	0	0	0	0	265,000	0
80179	Bow Office Changes	728,000	0	0	45,000	26,940	26,940	0	0	709,940	18,060
80185	HQ Replacement window	117,500	0	0	117,500	0	0	0	0	0	117,500
80186	Beacontree SOM	130,084	0	0	130,084	83,000	83,000	0	999	83,999	46,085
80188	Urgent Control	175,000	0	0	175,000	117,473	117,473	1	0	117,473	57,528
80192	Bounds green additional accomod	2,746	0	0	2,746	2,746	3,856	(1,110)	0	3,856	(1,110)
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	726,000	726,620	(620)	0	726,620	(620)
80203	Transfer of Feltham	157,000	0	0	157,000	157,000	156,420	580	0	156,420	580
S932	Minor Estates Projects	1,214,663	106,870	73,419	926,713	369,971	362,462	7,509	2,403	618,047	596,616
	Total Estates Projects	7,062,809	593,228	543,950	4,245,564	2,731,031	2,771,163	(40,132)	11,032	5,548,845	1,513,964
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	426,786	65,715	65,715	361,071	161,880	187,894	(26,014)	104,721	325,754	101,032
	Total Technology Projects	3,718,900	3,097,829	3,798,153	621,071	421,880	466,724	(44,844)	891,696	4,303,900	(585,000)
	Total Old Projects				0	0	56,365	(56,365)	882		
	Total Un Allocated Capital Funds				396,467						
	Total Programme	14,978,216	6,515,362	7,146,611	6,600,900	3,559,630	4,711,815	(1,152,185)	1,849,182	15,020,389	(42,173)

Appendix 8

Working Capital

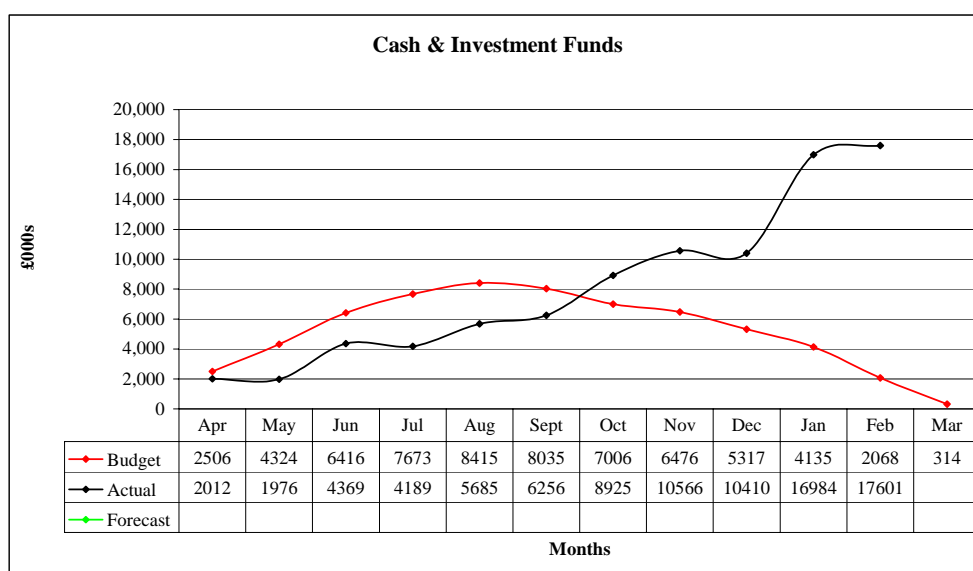
1. Introduction

- 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

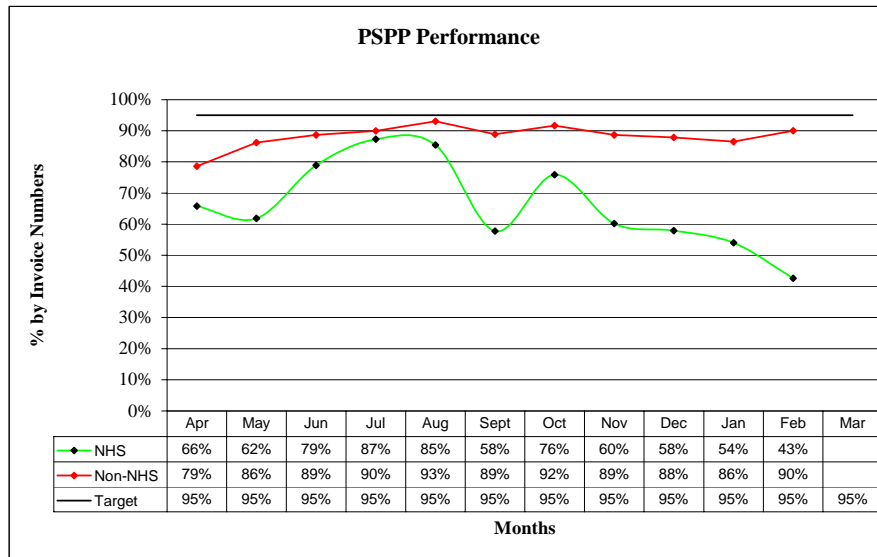


- 2.2. The Trust has exceeded its forecast cash position for February due to the delay in the implementation of agenda for change. In the forecast, we assumed that the first payments made to staff would be made in October 2004.
- 2.3. The Trust opening External Financing Limit (EFL) for 2004/05 is £22,000. The current EFL as at the end of February is £897,000; the forecast year-end position is (£12,861,000). This amount must be paid over to the Department of Health on or before 18th March 2005.
- 2.4. The Trust has brokered £15,420,000 to the Strategic Health Authority (SHA) due to slippage in the capital programme and agenda for change.

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

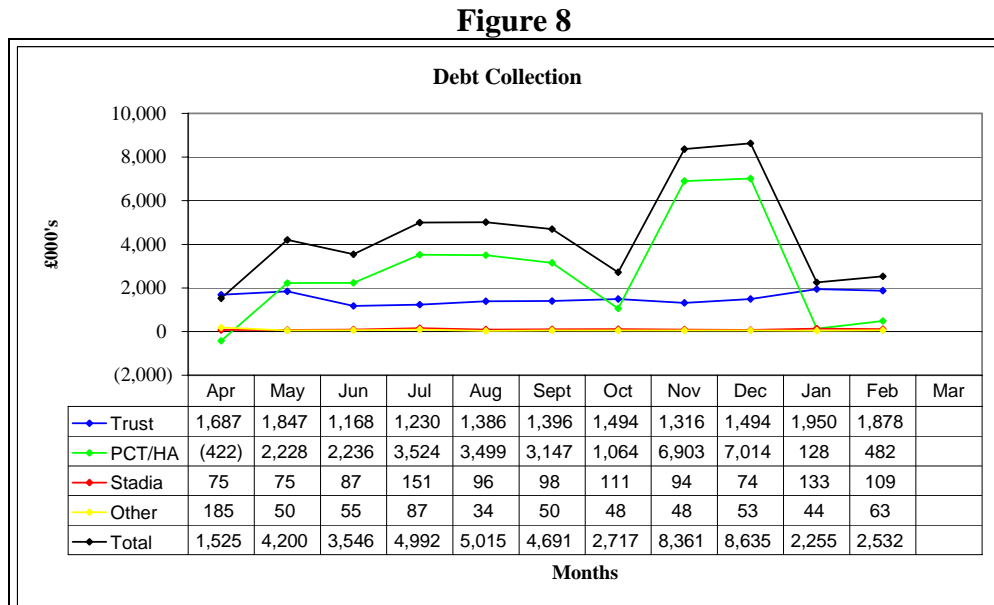


3.2. The Public Sector Payment Policy (PSPP) target set by the government for non-NHS suppliers is 95%; last year the Trust achieved 79% for the year. The cumulative PSPP figure for the eleven months ending February 2005 is 88%.

3.3. The cumulative PSPP figure for NHS suppliers is 66% for the eleven months ending February 2005.

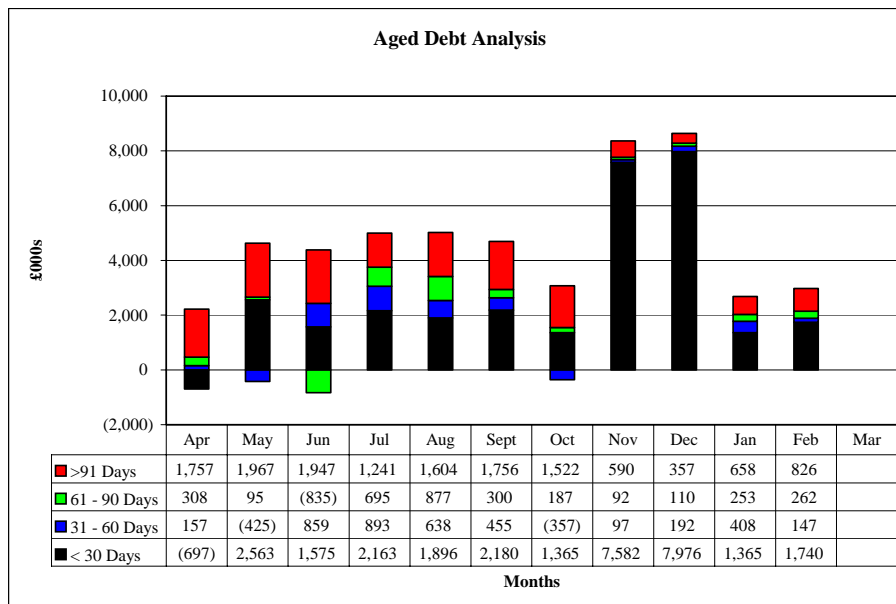
4. Debt Collection

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



4.2. The overall debtors figure has increased this month by £277,000.

Figure 9



- 4.3. In figure 9 the prepayment by Camden PCT of £430k and £443k has been removed from the >90 days overdue figure shown under the January and February columns respectively.
- 4.4. The Queen Elizabeth Hospital, Haringey PCT and Health Protection Agency were responsible for the increase in debtors over 90 days by £84k, £54k and £30k respectively. We received payment from Queen Elizabeth and the Health Protection Agency in March.
- 4.5. 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 £88,481.
- 4.6. 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 £493,559 as at 28th February.

5. Summary and Proposed Action

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

Appendix 9

Table 23: Monthly Budget Adjustments

	Budget as at Jan 31st 04	AFA Map Lamps	ISON 65 Fleet Training	New mirrors on Mercs	Blanket purchase to logistics	Team developm ent	BETS Depn	CAC Snr Man Depn	MI Depn correction	PTS Feb OT AFC	CAC Replace printers	Web filtering	Morphine	Budget as at Feb 28th 04
Directorate														
A&E Operations														
s10 <i>A&E Income</i>	(173,911)													(173,911)
s11 <i>East Sector</i>	61,276				(8)	(2)	(45)	(37)						61,184
s12 <i>West Sector</i>	43,274				(6)									43,268
s18 <i>Control Services</i>	11,625						45	37						11,707
s19 <i>Training Services</i>	6,225													6,225
s21 <i>A&E Development</i>	1,314												30	1,344
s24 <i>Support Services</i>	7,869	11	40	7	14									7,941
Total A&E	(42,328)	11	40	7	0	(2)	0	0	0	0	0	0	30	(42,241)
PTS Operations														
<i>PTS Income</i>	(13,440)													(13,440)
<i>PTS Expenditure</i>	13,339									27				13,366
Total PTS Operations	(101)	0	0	0	0	0	0	0	0	27	0	0	0	(74)
Chief Executive	1,319													1,319
Finance & Business Planning	13,645													13,645
Human Resources	4,559					2								4,561
Technology	6,256								(17)		3	18		6,259
Communications	1,095													1,095
Medical Director	76													76
Reserves	15,479	(11)	(40)	(7)					17	(27)	(3)	(18)	(30)	15,360
	42,429	(11)	(40)	(7)	0	2	0	0	0	(27)	0	0	(30)	42,315
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix 10

Table 24
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