

## **LONDON AMBULANCE SERVICE NHS TRUST**

### **Finance Report for the Period Ending 31 March 2005**

The Trust reported a year-end underspent position of £135,796. There was an adverse movement of £497,531 within the month. A&E reported a year end adverse variance of £1,632,237 and PTS a favourable year end position of £126,847. All of the Support Departments and Centrally Held Funds reported year-end favourable positions.

The adverse variance in Month 12 stems from A&E Operations and Finance. Pay continued to overspend within A&E Crew staff due to a high level of overtime worked in March. There was an increase in expenditure compared to average in the Estates Department in March. These overspends have been compensated by underspends within all other directorates in the month, with the exception of HR.

The year end underspend of £136,000 is in addition to the £600,000 brokered with our Strategic Health Authority. The overall underspend was therefore £736,000 for the year. This brokerage will now revert back to the Trust in May or June 2005.

The costs of paying Agenda for Change pay rates from October 1<sup>st</sup> to March 31<sup>st</sup> were estimated and accrued for on individual pay lines within budgets. A corresponding budget adjustment was made which transferred budget from the Agenda for Change reserve in Centrally Held funds to the individual budgets. Agenda for Change costs will continue to be accrued for until such a time when it is paid.

#### **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	MII
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Forecast
<b>Directorate</b>								
A&E Operations								
<i>A&amp;E Income</i>	14,064	14,082	(18)	173,583	173,534	49	173,534	453
<i>West Sector</i>	4,839	4,918	79	44,677	44,556	(122)	44,556	
<i>East Sector</i>	16,756	16,386	(370)	74,107	72,597	(1,510)	72,597	(1,793)
<i>Control Services</i>	1,549	1,430	(119)	12,687	12,153	(534)	12,153	(451)
<i>Training Services</i>	734	821	87	5,854	6,539	685	6,539	530
<i>A&amp;E Development</i>	207	117	(90)	1,459	1,367	(93)	1,367	0
<u><i>A&amp;E Operational Support</i></u>								
<i>A&amp;E Logistics</i>	436	328	(108)	3,052	2,975	(77)	2,975	(57)
<i>Fleet</i>	583	513	(70)	5,082	5,051	(31)	5,051	7
Total A&E	11,040	10,431	(609)	26,666	28,298	(1,632)	28,298	(1,311)
PTS Operations								
<i>PTS Income</i>	1,379	1,102	277	14,040	13,440	600	13,440	
<i>PTS Expenditure</i>	1,402	1,556	154	14,100	13,627	(473)	13,627	
Total PTS Operations	23	454	431	60	187	127	187	0
Chief Executive	125	132	7	1,319	1,341	22	1,341	0
Finance	1,482	1,252	(230)	13,762	13,886	124	13,886	281
Human Resources	506	288	(218)	4,028	4,468	440	4,468	686
IM&T	726	802	76	6,342	6,489	147	6,489	0
Communications	93	104	12	1,033	1,107	74	1,107	68
Medical Director	10	6	(5)	69	75	7	75	0
Centrally Held Funds	(13,236)	(13,197)	39	(82)	745	828	745	861
<b>Trust Total</b> <i>Favourable/ (Adverse)</i>	770	272	(498)	136	0	136	0	585

**Memo:**

<i>Interest received</i>	73	15	59	508	175	333
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## 2. **A&E Operations**

2.1.1. Table 1 shows that A&E Operations has an unfavourable year end variance of £1,632,237 and an adverse variance of £609,250 within the month.

2.1.2. The end of year forecast was £1,311,000 overspent in Month 11. There has been an increase in the overspend over what was forecast in February. Part of the increase is explained by the brokering of £600,000 of income back to the SHA.

2.1.3. The overspend within A&E stemmed from the following:

- Expenditure on crew staff overtime. This was high throughout the year to ensure the performance targets were maintained.
- The use of third party transport and a shortfall in long distance journey income within the CAC.
- Overtime worked in the CAC, particularly in the latter half of the year. This was to ensure call-taking targets were improved and to cover the high level of absences within the Control Room.
- An underspend within A&E Training due to vacancies amongst training staff and the postponement of training courses.

### 2.1.4. **A&E Income**

A&E income reports a year-end favourable variance of £49,439. The reason for this is primarily due to income received from Barnet, Enfield and Haringey PCT relating to previous year's A&E Contract. The income budget changed in Month 12 due to additional funding received for variable excess activity on the A&E Contract. In addition we returned £600k back to the Strategic Health Authority as "brokerage".

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**

	<b>2004/05 A&amp;E Contract</b>	<b>Other A&amp;E Income</b>	<b>Total</b>	<b>Recurrent Income</b>
	£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
<b>Initial Approved Budget</b>	<b>167,402</b>	<b>767</b>	<b>168,405</b>	<b>165,305</b>
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	
Brokerage into 2005/06	(600)		(600)	
2004/05 Variable Activity Formula	223		223	
<b>Total</b>	<b>172,376</b>	<b>1,157</b>	<b>173,534</b>	<b>171,613</b>

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

To date, Sector Services report an adverse variance of £1,632,025. The position in the month is an unfavourable movement of £290,525. The adverse position stems from pay. Overtime hours again exceeded the budgeted hours available in March. The year-end variance on pay was £1,932,699 overspent. Non-pay reports a favourable year-end variance 11 of £228,519. The biggest area of underspend was on third party accident damage.

**2.1.6. Control Services**

CAC reports a year-end overspend of £534,000 , and was overspent by £119,000 in the month 12. The year end overspend was higher than predicted in month 11, this is due to overtime worked in the Control Room.

Income reported an adverse year-end variance of £156,449 due to an under recovery on long distance journeys. The income levels improved in February and March since income reported breakeven positions in

these months. Increased competition from other providers caused this income to fall this year.

Non-pay reported a year-end overspend of £137,000. Third party transport ended the year only £40,000 overspent due to management action taken earlier on the year to reduce the use of third party transport. Expenditure fell consistently from October onwards. Elsewhere there was an overspend on IT and on the shortfall in the savings target in CAC.

2.1.7. **Training Services**

Training reports a year-end favourable variance of £684,995 and a favourable movement of £86,995 in the month.

The underspend occurred due mainly to vacancies amongst the training posts and an underspend on training materials and course fees due to delays in the implementation of CAC and A&E Ops training courses for new recruits.

The favourable movement in month 12 stems from a budget transfer from HR to retrospectively fund Team Leader Development.

2.1.8. **A&E Development**

A&E Development reports a year to date overspend of £92,500 which occurred in the last month of the year.

This arose because of the reclassification of expenditure from capital to revenue on the purchase of A&E ambulances. This budget forms part of the Project Support Department.

2.1.9. **A&E Operational Support**

This budget includes Logistics and Fleet Support. The Logistics year end variance was £77,000 with an adverse movement of £108,000 in month 12.

The year-end overspend arises mainly due to drugs and medical equipment. Drugs have been overspending all year. The adverse movement in March arises due to higher than average expenditure on the purchase of equipment and consumables for the A&E Operations vehicle fleet.

Fleet is reported a year-end overspend of £31,146. The overspend occurred in the final month of the year and is attributed to a loss on the sale of ambulances.

## 2.2. **Patient Transport Service**

- 2.2.1. Appendix 2 shows PTS reported a £126,847 favourable year end position. There was a favourable swing of £431,000 in Month 12.
- 2.2.2. Previously disputed income from Kings College Hospital was received in March totalling £140,000. Excess activity income was received on several contracts, most notably Hammersmith and Charing Cross and Chase Farm where we received £114,000 between the two contracts. In addition, it was not necessary to utilise the whole vehicle leasing budget in 2004/05 due to the timing of the delivery of new vehicles and this contributed to the overall year end favourable position. The use of agency staff and third party transport reduced substantially in the latter half of the year by a third on average compared to the first six months.

## 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 and an underspend on the Ambex budget.
- 2.3.2. Finance reports a favourable year end variance due to interest received. Cash balances were higher than planned all year as we received funding for Agenda for Change, which we did not spend. The adverse movement in the month stems from higher than planned expenditure within the Estates department (see Finance and Business Planning Appendix).
- 2.3.3. The HR underspend results from vacancies, advertising and course fees budgets.
- 2.3.4. IM&T's year end favourable variance stems primarily 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 year.

**Table 3**

	<b>Year end Variance</b>
	£000
Future Depreciation	(155)
Price Increase Budget	(22)
Pay Award Budget	(0)
Pay Drift Reserve	655
A&E Ambulance Lease Cost Reserve	763
Employers Superannuation Increase	(343)
Development Fund	(395)
Agenda for Change Reserve	320
Contingency Reserve	4
	<b>828</b>

2.4.2. The balance of £828,000 has been used to offset the overspend on crew staff overtime.

### 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 capital into 2005/06 to reflect projects that will happen next year rather than this.

2.5.3. At Month 12, there is a favourable overall variance of £20,022.

### 3. **Working Capital**

3.1. The cash balances were high all year level since Agenda for Change has yet to be implemented. The Trust brokered £15.4 million cash 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**

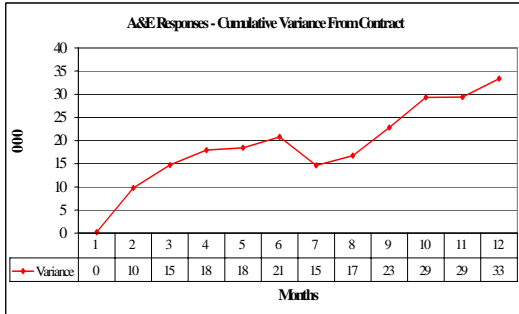
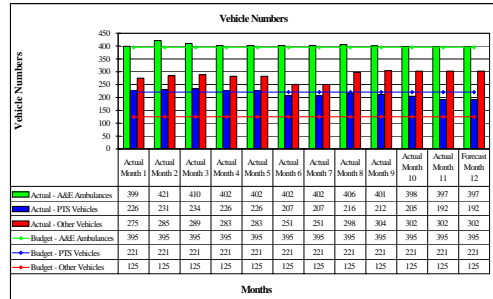
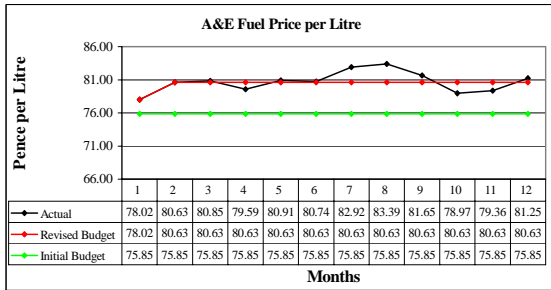
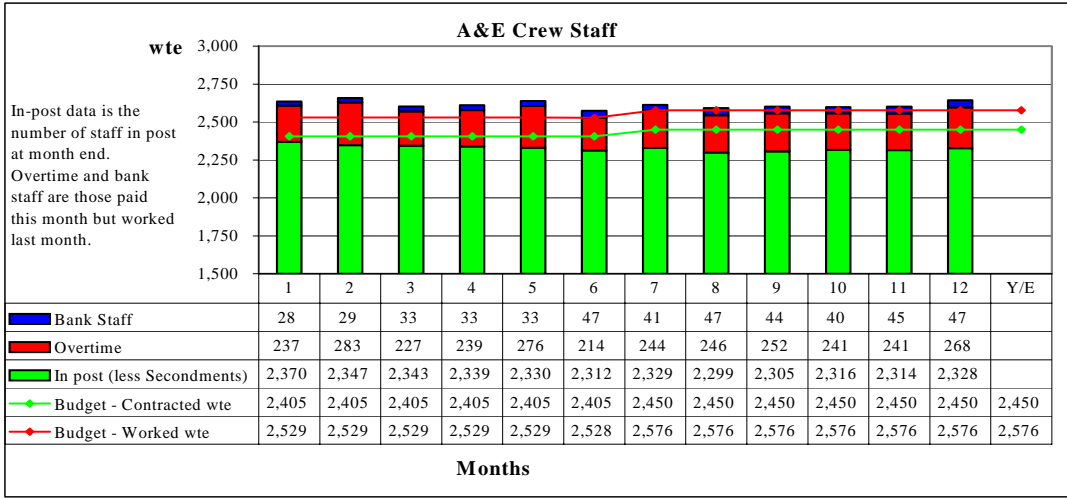
4.1. **Appendix 10** shows the financial management risks currently facing the Trust. This enables risks identified in the finance report to be captured in a format suitable for inclusion in the risk register.

**Mike Dinan**

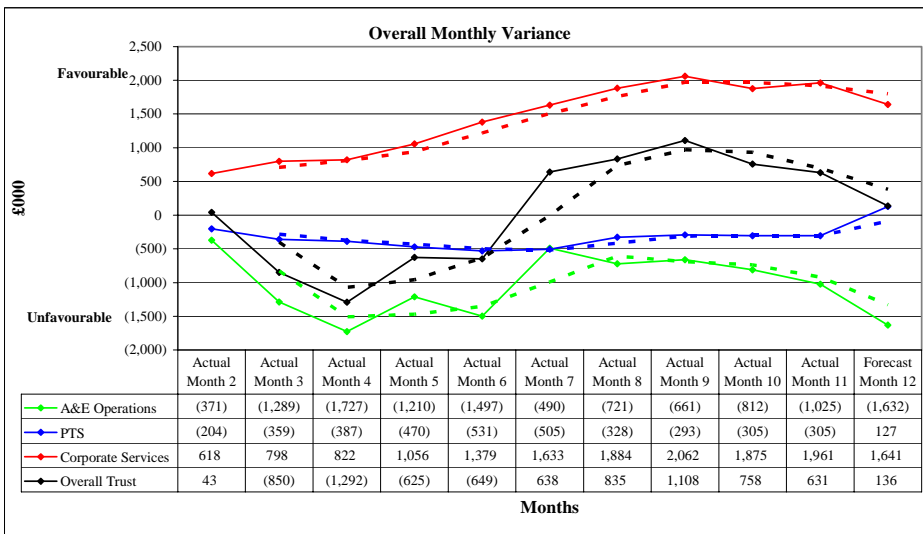
**Director of Finance**

**20 May 2005**

# Key Data



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## Appendix 1

### A&E Operations

#### 1. Current Position

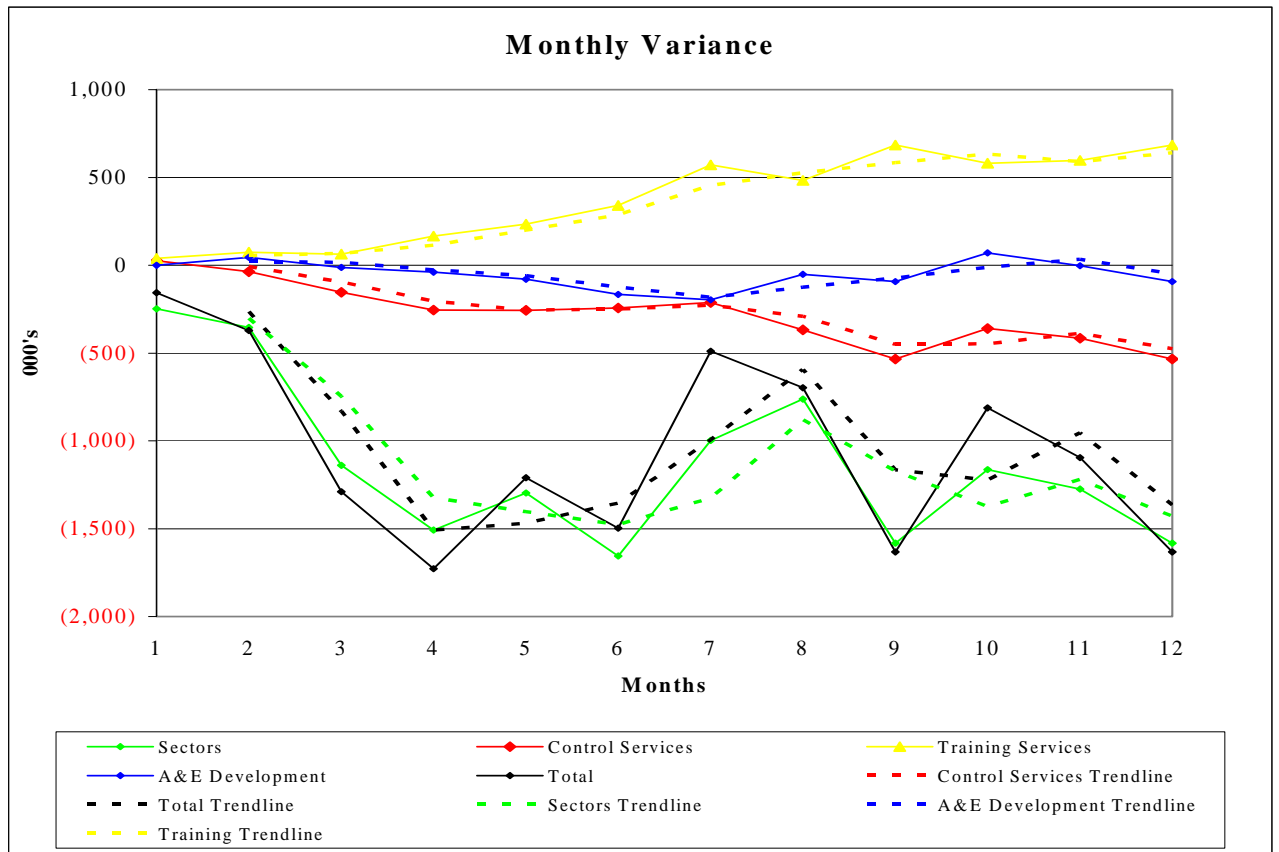
- 1.1. Overall, A&E has an unfavourable variance of £1,632,237 at Month 12. The revenue position of A&E is summarised in Table 4 below.

**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	14,064	14,082	(18)	173,583	(173,534)	49	(173,534)	453
West Sector	4,839	4,918	79	44,677	44,556	(122)	44,556	
East Sector	16,756	16,386	(370)	74,107	72,597	(1,510)	72,597	
Total Sector Services	7,531	7,222	(309)	54,799	(56,382)	(1,583)	(56,382)	(1,340)
Control Services	1,549	1,430	(119)	12,687	12,153	(534)	12,153	(451)
Training Services	734	821	87	5,854	6,539	685	6,539	530
A&E Development	207	117	(90)	1,459	1,367	(93)	1,367	0
A&E Support Services	436	328	(108)	3,052	2,975	(77)	2,975	(57)
Fleet	583	513	(70)	5,082	5,051	(31)	5,051	7
<b>Favourable/ (Adverse)</b>	<b>11,040</b>	<b>10,431</b>	<b>(609)</b>	<b>26,666</b>	<b>(28,298)</b>	<b>(1,632)</b>	<b>(28,298)</b>	<b>(1,311)</b>

- 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
<b>Department</b>						
Sector Services						
<i>East Sector</i>	1,475.22	1,531.77	56.55	14,642	14,338	(304)
<i>West Sector</i>	1,137.42	1,228.60	91.18	3,560	3,510	(50)
Total Sector Services	2,612.64	2,760.37	147.73	18,202	17,848	(354)
Control Services	346.15	383.28	37.13	1,443	1,380	(63)
Training Services	103.70	138.70	35.00	485	540	55
A&E Development	22.34	26.16	3.82	113	110	(3)
A&E Support Services	29.00	36.00	7.00	120	122	2
Fleet	59.20	59.14	(0.06)	261	251	(11)
<b>Directorate Total</b>	3,173.03	3,403.65	223.68	20,624	20,250	(374)

1.4. The overtime accrual in March 05 is £816,147 and is based on the payments made in the April payroll.

1.5. Control has an adverse movement on pay of £63,377 in the month. This is due to high levels of overtime as attempts are made to staff to room to optimum levels. This net position also includes an adverse movement of £34,895 due to an increased provision for March 05 overtime on the Balance Sheet. The overspend on Control room EMD pay (£338,843) is partially offset by a CAC Management underspend (£114,485).

2. **Income**

2.1. Income has an favourable variance of £49,439. This is due mostly to the Barnet/Enfield /Haringey arbitration income within the A&E contract (£62,897).

3. **East Sector Services**

3.1. East Sector Services show an unfavourable variance of £1,510,137 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 £1,390,097 of which £1,556,689 is attributable to operational staff. The staff costs of the ECP project were £276,000 overspent at the end of the year.

Stadia Payments to managers are underspent (£136,870) as are Administrative and Clerical Staff (£106,387).

3.3. **Non-Pay** - Non-pay is £132,396 unfavourable. Unachieved efficiency savings (for all of A&E Operations) contributed £139,100 towards this position. Other Fleet Costs are £339,386 favourable with a further favourable movement in the month (£85,000) due to a revised third party accident damage from our insurers and a correction to the Mercedes Lease costs. Fuel for A&E vehicles overspent (£326,580) as expected.

4. **West Sector Services**

4.1. West Sector shows an unfavourable variance of £121,889 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 £542,601 on Pay, with £525,184 attributable to operational staff. There is a small unfavourable variance on Decontamination unit of £17,708.

4.3. **Non-Pay** - Non-pay is favourable (£360,615) with a £108,738 favourable movement in the month due to the impact of the stock count on decontamination equipment. Fuel was overspent (£223,362) and 3<sup>rd</sup> Party underspent (£239,668).

## 5. **Control Services**

- 5.1. Control Services shows a year to date unfavourable variance of £534,000.
- 5.2. **Income** – Income is adverse mainly due to Long Distance Journeys (£118,483). There was an adverse movement in the month on SCBU income (£55,364) due to a correction of a previous month's accrual.
- 5.3. **Pay** – There was an adverse overall pay movement in the month (£63,377) due to EMDs. EMD overtime in the control room was due to staffing to optimum levels. This overspend is partially offset by management vacancies but control room pay is overspent (£253,391). The EMD establishment has been increased by 29 for 2005/6. Agency staff is £50,911 overspent. This function has been moved to Management Information for 2005/6 and so no control room admin agency costs should be incurred next year.
- 5.4. **Non-Pay** – Non-pay is overspent £136,961. 3<sup>rd</sup> Party expenditure is adverse (£42,136) as is telephones (£20,729), IT (28,401), and meeting rooms (£13,514). The savings efficiency target was not fully met and there was a £18,667 shortfall. Depreciation was also adverse (£22,911) due to the take-on of new computers in the control room in month 12.

## 6. **Training Services**

- 6.1. Training services show a year to date underspend of £684,995
- 6.2. **Income** – Income is £4,026 favourable.
- 6.3. **Pay** – Pay is favourable £371,216 due mostly to trainer vacancies earlier in the year and unspent salary budget for recruits due to course cancellations.
- 6.4. **Non-Pay** – Non-pay is favourable (£309,753) mostly due to training (£252,515), staff related (£27,403) and fleet costs (£221,169). Course cancellations and vacancies have contributed to this position and in month 12 HR transferred part of the Workforce Development Confederation budget (£157,000) into Training. Medical consumables were overspent (£166,894) with an adverse movement in the month of £142,374 due to the purchase of stethoscopes for distribution to operational staff.

## 7. **A&E Development**

- 7.1. A&E development shows an unfavourable variance of £92,500.
- 7.2. The ECP project is overspent by £34,182 due mainly to unbudgeted agency staff costs (£40,870).
- 7.3. Overall A&E development is underspent on pay (£90,609) due to vacancies in the Project Support Office, Clinical Audit and Policy and Planning
- 7.4. Non Pay was overspent (£172,435) with an adverse movement in the month of £72,231. This is almost wholly within the Project Support office and due to

the reclassification of capital costs to revenue expenditure on several schemes including A&E ambulances (£138,904),

8. **A&E Support Services**

- 8.1. The variance is £77,000 unfavourable.
- 8.2. **Pay** – Pay is favourable (£45,022) due to savings on the Corporate Logistics Manager post because of the restructure.
- 8.3. **Non-Pay** - Non-pay is unfavourable (£122,252) due mainly to Drugs (£189,204). These are overspent due mostly to a less than optimal supply chain. There were several fortuitous underspends elsewhere which offset the drugs overspend

9. **Fleet**

- 9.1. Fleet reports an over spend to the end of the year of £31,144. The cumulative position is split as follows: income £31,174 adverse, pay £208,381 favourable and non-pay £208,350 adverse.
- 9.2. Fleet income was unfavourable due to a loss made on the sale of ambulances throughout the year. This is because the vehicles were written off before they were fully depreciated; therefore a loss was made.
- 9.3. The underspend on pay occurred due to vacancies within the maintenance staff which were not fully covered by the use of agency staff.
- 9.4. Non-pay reported an over spend due to expenditure on vehicle recovery and vehicle maintenance.

10. **Forecasts**

- 10.1. Overall, A&E Operations was forecast to be £1,311,000 overspent which included £453,000 surplus on income which has been moved to brokerage in month 12. Expenditure was forecast to be £1,793,000 overspent at the year-end due to crew staff overtime and fuel and has out turned at £1,640,000 due to the impact of stock movements.
- 10.2. Control Services are forecast to be overspent £451,000. The outturn £534,000 was worse than anticipated due to additional overtime in the control room.
- 10.3. Training services was forecast to be £530,000 and out turned at £685,000. This variance is mainly due to a £157,000 budget transfer from HR in month 12.
- 10.4. A&E development was forecast to breakeven. The overspent position (£93,000) was due to the reclassification of project costs from capital to revenue in month 12.

- 10.5. Support Services were forecast to be £50,000 overspent and out turned at £57,000 due, in part, to a late uniform invoice.
- 10.6. Fleet forecast was £7,000 underspent. The reported year end variance was lower than this due to a loss made on the sale of vehicles in the final month of the year.

Patient Transport Service

1. Year End Position

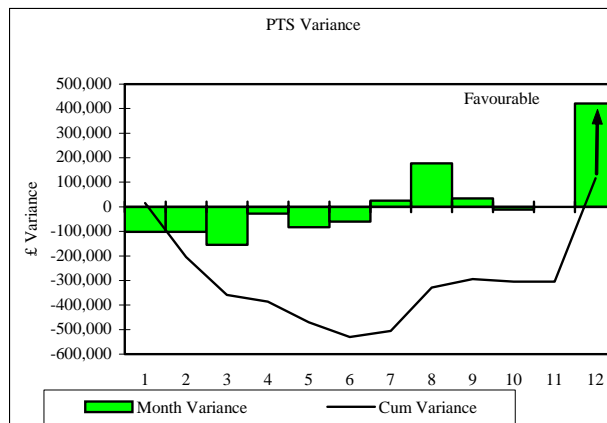
1.1. The PTS final position, as shown in Table 6 below, is favourable by £126,853. Income has a favourable variance of £599,567; pay has an unfavourable variance of £327,328 and non-pay an unfavourable variance of £145,387.

**Table 6**  
Summary Revenue Position

Department	This Month			Year to Date			Net Annual Budget	Year End Forecast
	Actual	Budget	Variance	Actual	Budget	Variance		
PTS Management	104	521	416	641	1,578	937	1,578	
West London PTS	(51)	(53)	(3)	(376)	(949)	(573)	(949)	
East London PTS	(31)	(13)	18	(205)	(442)	(237)	(442)	
Geographical Allowance								
<b>Directorate Total Fav/(Adv)</b>	<b>23</b>	<b>454</b>	<b>431</b>	<b>60</b>	<b>187</b>	<b>127</b>	<b>187</b>	<b>0</b>

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

**Figure 2**



1.3. The Table 7 shows the manpower employed during the month of December only.

**Table 7**  
**Summary wte Position**

	Paid			Month Paid £ 000's		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Department</b>						
PTS Management	8.00	10.00	2.00	221	296	75
West London PTS	156.63	186.93	30.30	375	370	(5)
East London PTS	136.89	155.07	18.18	365	318	(47)
<b>Trust Total</b>	<b>301.52</b>	<b>352.00</b>	<b>50.48</b>	<b>962</b>	<b>984</b>	<b>22</b>

2. **PTS Management**

**Table 8**

Summary Variances		
PTS Management	Variance £000	
Description	This Month	YTD
Income	141	173
Management	9	94
Unproductive Salaries	4	23
Admin & Clerical	0	0
Agency	(4)	(48)
Fleet Cost	124	256
Other	143	440
<b>Total Fav/(Unfav)</b>	<b>416</b>	<b>937</b>

- 2.1 The year-end variance is favourable by £937,288. This comprises a favourable income variance of £172,529, a favourable pay variance of £134,815 and a favourable non-pay variance of £629,945.
- 2.2 A dispute regarding 2004-05 debts totalling £167,000 with Kings College Hospital NHS Trust was finally resolved, and a settlement figure of £140,000 was agreed. A write back of this amount has therefore been made to the bad debt provision and explains the favourable income variance this month.
- 2.3 Savings in vehicle lease charges due to delayed delivery of the new stretcher vehicles has mainly contributed to the large favourable fleet cost variance this month.
- 2.4 Favourable variances in the ambulance equipment (£50,000), advertising & marketing (£13,000), multi-skilling reserve (£40,000) and general reserves (£25,000) budgets contributed to the large other variance shown in above table.



3. **West**

**Table 9**

<b>Summary Variances</b>		
<b>PTS West</b>	<b>Variance £000</b>	
<i>Description</i>	<i>This Month</i>	<i>YTD</i>
Income	50	201
Management	4	29
Control Staff	13	109
Operational Crew	(2)	36
Admin & Clerical	1	26
Agency	(22)	(455)
Fuel	4	34
Third Party Transport	(39)	(460)
Fleet Cost	(1)	(74)
Other	(11)	(19)
<b>Total Fav/(Unfav)</b>	<b>(3)</b>	<b>(573)</b>

- 3.1 The year-end position is unfavourable by £573,448. Income shows a favourable variance against budget of £200,734, pay has an unfavourable variance of £254,506 and non-pay an unfavourable variance of £519,676.
- 3.2 The favourable income variance for March was mainly due to an £80,000 contract excess invoice being raised on the Hammersmith & Charing Cross Contracts to account for over activity on this contract for the latter half of the year. This was partly offset by a credit of £15,000 on the Hillingdon Hospital contract to compensate them for a reduction in managerial support during the year.
- 3.3 The use of taxis and private ambulances has also reduced substantially in the West area; however these savings have been offset by the increased use of Central Services to cover some overactive contracts, notably the Hammersmith contract.
- 3.4 We were unsuccessful with the tender bid for the Hammersmith & Charing Cross Hospitals contract. This contract will cease on 30<sup>th</sup> June 2005.

4. **East**

**Table 10**

<b>Summary Variances</b>		
<b>PTS East</b>	<b>Variance £000</b>	
<i>Description</i>	<i>This Month</i>	<i>YTD</i>
Income	86	226
Management	(5)	15
Control Staff	2	50
Operational Crew	8	151
Admin & Clerical	2	10
Agency	(55)	(433)
Fuel	2	33
Third Party Transport	(12)	(234)
Fleet Cost	5	(3)
Other	(16)	(51)
<b>Total Fav/(Unfav)</b>	<b>18</b>	<b>(237)</b>

- 4.1 The current year to date position is unfavourable by £236,987. This comprises a favourable income variance of £226,305, an unfavourable pay variance of £207,636 and an unfavourable non-pay variance of £255,655.
- 4.2 The favourable income variance was due to the raising of the annual excess invoices on the Chase Farm (£33,476) and Enfield (£14,773) Contract and the payment of £13,772 from the Queen Mary's Sidcup contract.
- 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 for these posts is continuing.
- 4.4 The unfavourable variance on third party transport this month is mainly due increased private ambulance and taxi costs through Central Services.
- 4.5 We are still awaiting news for the Barnet and Chase Farm tender bid.

## Appendix 3

### Finance and Business Planning

#### 1. Current Position

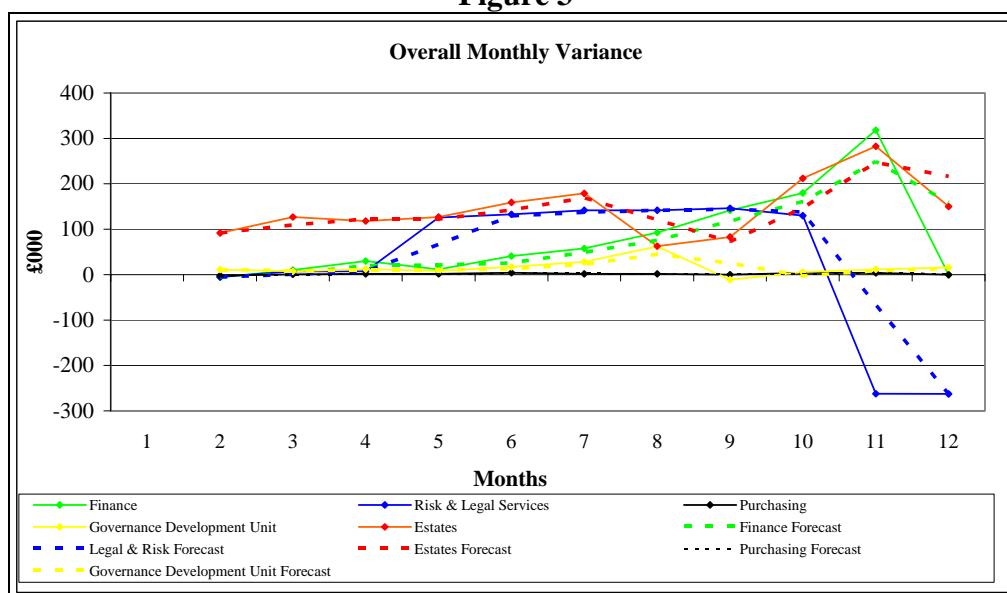
1.1. The directorate position is shown in Table 11 below. Interest received is now shown as a separate line for information.

**Table 11**  
Summary Revenue Position

Department	This Month			Year to Date			Net Annual Budget	Year End Forecast
	Actual	Budget	Variance	Actual	Budget	Variance		
Finance								
Interest Receivable	(73)	(15)	59	(508)	(175)	333	(175)	
Finance Expenditure	453	445	(8)	4,947	4,983	36	4,983	
Total Finance	380	430	51	4,438	4,808	369	4,808	378
Risk & Legal Services	214	225	11	1,453	1,201	(252)	1,201	(263)
Purchasing	36	33	(3)	321	323	1	323	0
Governance Development Unit	33	41	8	435	456	20	456	16
Estates	820	522	(298)	7,114	7,099	(15)	7,099	150
<b>Directorate Total</b> <i>Favourable/ (Adverse)</i>	1,482	1,252	(230)	13,762	13,886	124	13,886	281

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

**Figure 3**



1.3. Table 12 below shows the manpower employed during the month.

**Table 12****This Month's Summary wte Position**

	Paid WTE			Month Paid £ 000's		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Department</b>						
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)
<b>Trust Total</b>	<b>56.23</b>	<b>62.76</b>	<b>6.53</b>	<b>199</b>	<b>198</b>	<b>(0)</b>

**2. Finance**

- 2.1. Finance's overall year end position is an underspend of £369K. The main reason for this substantial underspend is due to the interest earned on our cash balances. Our cash balances have maintained a high level through the year because we were given funding for the Agenda for Change at the beginning of the financial year and we did not pay out any monies all year due to a delay in the implementation of AFC
- 2.2. Expenditure was also underspent at the end of the year, due primarily to our Audit fees being less than anticipated. There was an overspend in month 12 due to the costs of recruitment and expenditure on agency staff.

**3. Legal Services**

- 3.1. The legal services department overspent by £252 K at the end of the year. The main cause of this was due to an increase in provisions as follows:
- 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, we were informed that an additional £82k needed to be provided for.
- 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 February, we were informed of £507K worth of provisions for five staff members, against an annual budget of £310K.

**4. Governance Development Unit**

- 4.1. The year end overspend stems primarily from a vacancy all year: the Head of Records Management post.

5. **Estates**

5.1. Estates report a significant adverse movement in month 12 of £298 K. The main reasons are:

- The transfer of the costs of 1 post to the I&E account which had been assumed to be Capital all year (£64K).
- Transfer of some costs on engineering and building maintenance which had previously been assigned as capital expenditure but on investigation they were found to be revenue (£80K).
- A backdated electricity bill received in March (£51K).
- An increase in invoices paid in March due to the year end process (£73K).

6. **Forecast**

6.1. The reported forecast in month 11 was £281K; the year end position is £124K. The reduction occurred due to additional expenditure in the Estates Department as above.

## Appendix 4

### Human Resources

#### 1. Current Position

1.1. The current directorate position is shown in Table 13 below.

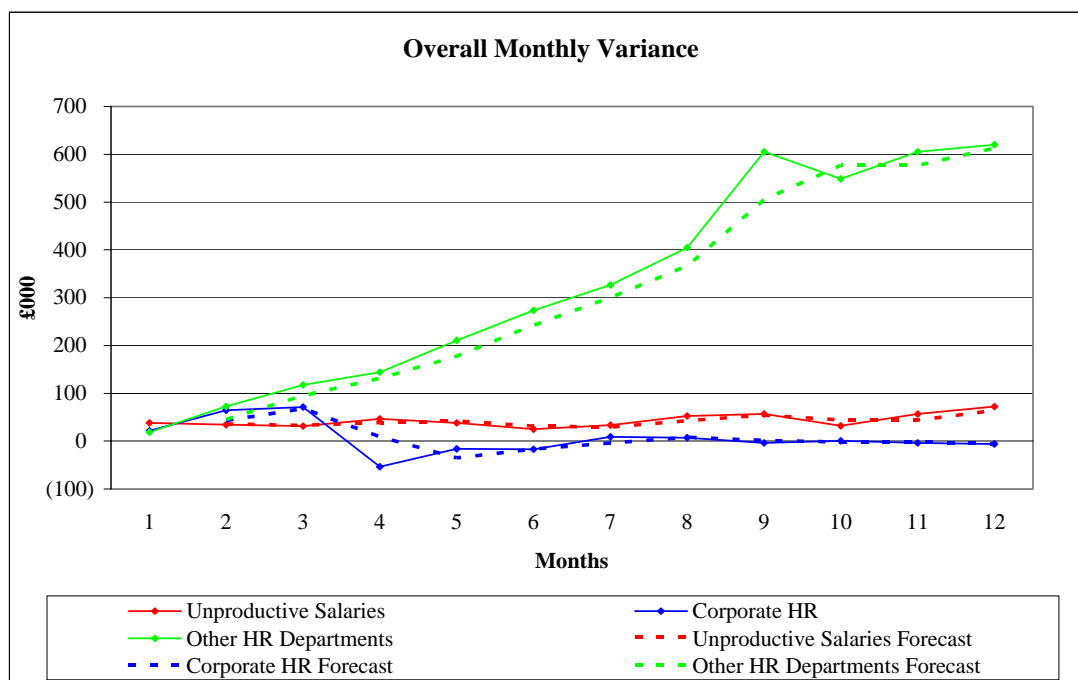
**Table 13**

Summary Revenue Position

Department	This Month			Year to Date			Net Annual Budget	Year End Forecast
	Actual	Budget	Variance	Actual	Budget	Variance		
Director of HR	2	12	10	272	163	(109)	163	(112)
Unproductive Salaries	107	57	(50)	624	631	7	631	72
HR Policy & Projects	12	22	10	177	210	33	210	29
Human Resources Management	98	116	18	886	1,150	264	1,150	255
Organisational Development	25	18	(8)	182	177	(5)	177	0
Employee Services	212	178	(34)	1,576	1,755	179	1,755	189
Agenda For Change	5	14	9	80	86	5	86	(6)
Education & Development	45	(129)	(174)	231	296	65	296	259
<b>Directorate Total Favourable/ (Adverse)</b>	<b>506</b>	<b>288</b>	<b>(218)</b>	<b>4,028</b>	<b>4,468</b>	<b>440</b>	<b>4,468</b>	<b>686</b>

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 14**

This Month's Summary wte Position

	Paid			Month Paid £ 000's		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Department</b>						
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
<b>Trust Total</b>	<b>57.58</b>	<b>70.93</b>	<b>13.35</b>	<b>221</b>	<b>286</b>	<b>65</b>

## 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 was further contributed to by a lower number of people on permanently unfit leave compared to planned.
- 3.3. The adverse swing in month 12 stems from additional staff costs.

## 4. Human Resources Management

- 4.1. The underspending rate remained almost constant throughout the year and was the result of vacancies within the Recruitment Centre and in Human Resources Management, plus an underspend on the Recruitment Advertising budget.

## 5. Employee Services

- 5.1. The year-end underspend stems from the Staff Safety and Peer Support budgets where there was a budget for course and conference fees which hadn't all been spent to date. In addition, there was a vacant childcare coordinator post all year.
- 5.2. In month 12 there was an adverse movement due to expenditure on agency staff and on occupational health fees.

6. **Education and Development**

- 6.1. The year end underspend stems primarily from the Workforce Development Confederation funded initiatives. There were also vacancies amongst the HR Development Officers.
- 6.2. In month 12, £157,000 was transferred to the Training Directorate to retrospectively fund Team Leader Development. This has caused the significant adverse movement in the month.



IM&T

1. Current Position

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

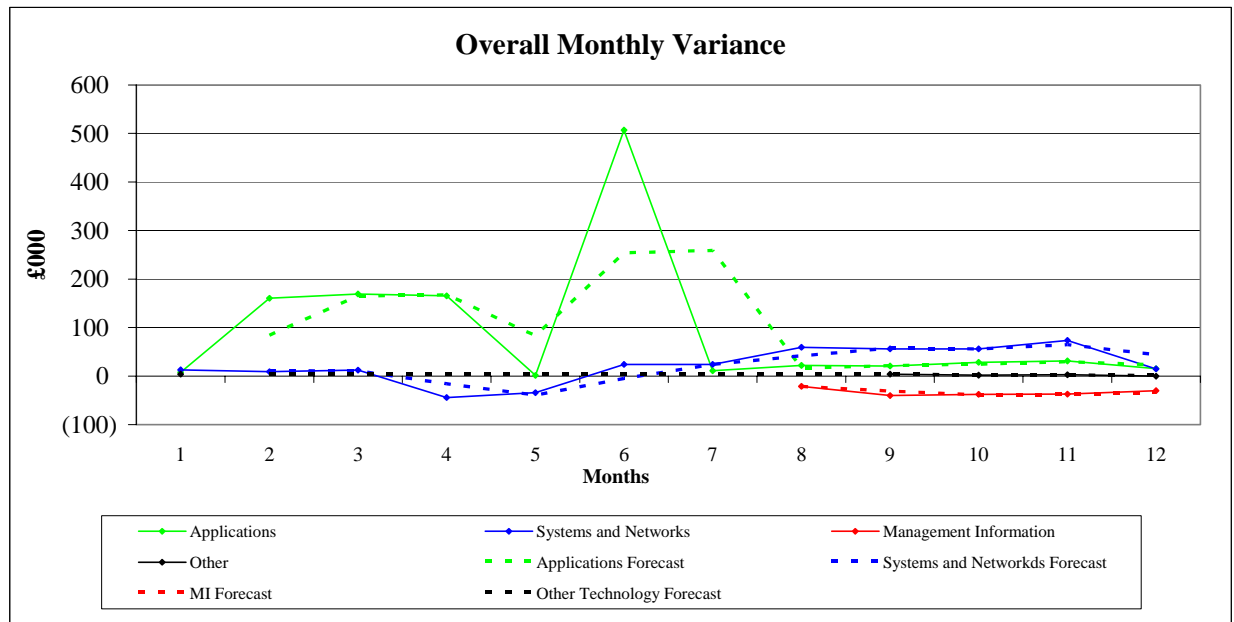
**Table 15**

Summary Revenue Position

Department	This Month			Year to Date			Net Annual Budget	Year End Forecast
	Actual	Budget	Variance	Actual	Budget	Variance		
Management Information	110	99	(11)	998	950	(48)	950	(30)
IM&T	16	45	29	75	106	31	106	0
IM&T Customer Services	53	81	28	787	846	59	846	15
Systems & Networks	546	577	31	4,483	4,588	105	4,588	15
<b>Directorate Total Favourable/ (Adverse)</b>	<b>726</b>	<b>802</b>	<b>76</b>	<b>6,342</b>	<b>6,489</b>	<b>147</b>	<b>6,489</b>	<b>0</b>

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

**Figure 5**



1.3. Table 16 below shows the manpower employed during the month.

**Table 16**  
This Month's Summary wte Position

	Paid WTE			Month Paid £ 000's		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Department</b>						
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
<b>Trust Total</b>	<b>42.56</b>	<b>55.08</b>	<b>12.52</b>	<b>164</b>	<b>182</b>	<b>17</b>

2. **Management Information**

- 2.1. The cumulative overspend stems from the use of the microfilm service and agency staff. Agency staff had been utilised to eliminate the backlog of work in the run up to the introduction of scanning.

3. **IMT**

- 3.1 The underspend stems from an underspend on various projects including Freedom of Information, CAC replacement printers and Web Filtering.

4. **IMT Customer Services**

- 4.1. 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 from the release of an accrual for software maintenance. Too much had been accrued for and this was corrected for in month 12.

5. **Systems & Networks**

- 5.1. 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 technical support.

Centrally Held Funds

1. Current Position

1.1. The final, unspent balances on Centrally Held Funds are shown in Table 17, below.

Table 17

	Year end Variance
	£000
Future Depreciation	(155)
Price Increase Budget	(22)
Pay Award Budget	(0)
Pay Drift Reserve	655
A&E Ambulance Lease Cost Reserve	763
Employers Superannuation Increase	(343)
Development Fund	(395)
Agenda for Change Reserve	320
Contingency Reserve	4
	<b>828</b>

1.2. The uncommitted funds (£828,000) were used to cover the cost of A&E crew staff overtime.

1.3. The balance on the Agenda for Change budget (£320,439) resulted from the level of vacancies across the service, which although many were covered by overtime, generated a slightly lower cost.

### Capital Expenditure

#### 1. **Introduction**

- 1.1. The capital expenditure position for the year is set out below together with the final Capital Programme for 2004/05 (Table 18). Table 18 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 Month 12, there is an favourable overall variance of £20,022, see paragraph 3.1 below.

#### 2. **Capital Programme**

- 2.1. The 2004/05 Capital Programme is attached at Table 18 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 March 2005 (Column [44]).

#### 3. **Expenditure against Programme**

- 3.1. The Capital Expenditure Report for 2004/05, Table 19, indicates the overall position as unfavourable by £20,022. most projects had small variances but the main cause of the smaller than expected favourable variance was that the latest tranche of PTS vehicles were charged to capital as the leasing arrangement had not reached financial close.

**Table 18**  
**Capital Programme as at March 2005**

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 March 05	Deferred to Next Year	
				[41]	[42]	[43]	[44]		
				£	£	£	£	£	
S91	<b>Vehicles</b>								
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	
<b>Total Vehicle Projects</b>				<b>897,272</b>	<b>0</b>	<b>(34,404)</b>	<b>862,868</b>	<b>34,404</b>	
S92	<b>Equipment</b>								
80055	Defibrillator Purchase	Mark Whitbread	950,000	475,000			475,000	475,000	
<b>Total Equipment Projects</b>				<b>475,000</b>	<b>0</b>	<b>0</b>	<b>475,000</b>	<b>475,000</b>	
S93	<b>Estates Projects</b>								
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	(33,143)		335,416	788,080	
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	35,884		335,884	169,116	
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	206,375		231,375	496,625	
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 & Willsdon	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	
<b>Total Estates Projects</b>				<b>4,225,494</b>	<b>209,116</b>	<b>0</b>	<b>4,434,610</b>	<b>2,733,915</b>	
S94	<b>Technology</b>								
80035	Mobile Data Terminals	Peter Suter	386,786	260,000			260,000		
S934	Minor Technology Schemes	Peter Suter		304,727	56,344		361,071	0	
<b>Total Technology Projects</b>				<b>564,727</b>	<b>56,344</b>	<b>0</b>	<b>621,071</b>	<b>0</b>	
<b>Uncommitted/Unapproved Projects</b>									
	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		
	<b>Unallocated Reserve/(Level of Over Commitment)</b>		<b>83,823</b>	<b>125,704</b>	<b>(265,460)</b>	<b>223,579</b>	<b>83,823</b>		
<b>Total Uncommitted/Unapproved Projects</b>				<b>207,351</b>	<b>438,407</b>	<b>(265,460)</b>	<b>34,404</b>	<b>207,351</b>	<b>2,205,013</b>
<b>Total Capital Budget</b>				<b>6,600,900</b>	<b>0</b>	<b>0</b>	<b>6,600,900</b>	<b>5,448,332</b>	

Projects which are awaiting final approval of business cases are marked in Table 18 with an '#'.

**Table 19**

Cost Centre	Cost centre description	Total Project Budget	PREVIOUS YEAR'S		CURRENT YEAR			TOTAL PROJECT		
			Budget	Spend	Annual Budget	YEAR TO DATE			Spend	Variance
						Budget	Spend	Variance		
<b>S91</b>	<b>Vehicle Projects</b>									
80072	Special Incident Vehicles	525,818	351,759	351,759	174,059	174,059	136,606	37,453	488,365	37,453
80156	Replacement Tender Vehicles	265,430	153,220	153,219	112,210	112,210	119,385	(7,175)	272,604	(7,174)
80168	Intermediate Tier Vehicles	0	0	0	0	0	67,521	(67,521)	67,521	(67,521)
80170	2004/05 ECP Vehicles	161,227	0	0	161,227	161,227	120,869	40,358	120,869	40,358
80201	RRU Procurement 2004-05	391,802	0	0	391,802	391,802	404,211	(12,409)	404,211	(12,409)
S933	Minor Fleet Projects	57,904	0	0	23,500	23,500	24,237	(737)	24,237	33,667
	<b>Total Vehicle Projects</b>	<b>1,402,181</b>	<b>504,979</b>	<b>504,978</b>	<b>862,798</b>	<b>862,798</b>	<b>872,829</b>	<b>(10,031)</b>	<b>1,377,807</b>	<b>24,374</b>
<b>S92</b>	<b>Equipment Projects</b>									
80055	Defibrillator Purchase	2,794,326	2,319,326	2,299,530	475,000	475,000	446,231	28,769	2,745,761	48,565
	<b>Total Equipment Projects</b>	<b>2,794,326</b>	<b>2,319,326</b>	<b>2,299,530</b>	<b>475,000</b>	<b>475,000</b>	<b>446,231</b>	<b>28,769</b>	<b>2,745,761</b>	<b>48,565</b>
<b>S93</b>	<b>Estates Projects</b>									
80045	Buckhurst Hill - Disposal	27,029	21,837	20,356	5,192	5,192	5,754	(562)	26,110	919
80062	Streatham Improvement	1,208,287	84,791	66,779	335,416	335,416	335,416	0	402,195	806,092
80118	Hillingdon Workshop Improvem	344,000	237,414	238,103	106,586	106,586	78,604	27,982	316,706	27,294
80140	Romford - Workshop Improvement	640,375	28,814	32,639	611,561	611,561	612,493	(932)	645,132	(4,757)
80144	Tottenham - Additional Accommo	315,250	18,502	18,503	296,748	296,748	339,936	(43,188)	358,439	(43,189)
80157	Greenford Training & team le	110,000	80,000	80,660	30,000	30,000	50,040	(20,040)	130,700	(20,700)
80158	Whipps Cross Workshop Impro	520,000	15,000	13,492	335,884	335,884	335,884	0	349,376	170,624
80171	HQ Replacement Windows	146,875	0	0	146,875	146,875	122,996	23,879	122,996	23,879
80179	Bow Office Changes	728,000	0	0	231,375	231,375	231,375	0	231,375	496,625
80185	HQ Replacement window	117,500	0	0	117,500	117,500	92,562	24,938	92,562	24,938
80186	Beacree SOM	130,084	0	0	130,084	130,084	128,414	1,670	128,414	1,670
80188	Urgent Control	175,000	0	0	175,000	175,000	254,354	(79,354)	254,354	(79,354)
80192	Bounds green additional accomod	2,746	0	0	2,746	2,746	2,746	0	2,746	0
80197	Relocate Central Store	235,000	0	0	100,000	100,000	94,000	6,000	94,000	141,000
80202	Transfer Of chase Farm	726,000	0	0	726,000	726,000	726,620	(620)	726,620	(620)
80203	Transfer of Feltham	157,000	0	0	157,000	157,000	156,420	580	156,420	580
80225	Newham - Relocate messroom	186,825	0	0	0	0	1,035	(1,035)	1,035	185,790
S932	Minor Estates Projects	1,214,663	106,870	73,419	926,713	926,713	733,994	192,719	807,413	407,250
	<b>Total Estates Projects</b>	<b>6,984,634</b>	<b>593,228</b>	<b>543,950</b>	<b>4,434,680</b>	<b>4,434,680</b>	<b>4,302,643</b>	<b>132,038</b>	<b>4,846,593</b>	<b>2,138,041</b>
<b>S94</b>	<b>Technology Projects</b>									
80035	Mobile Data Terminals	3,292,114	3,032,114	3,732,437	260,000	260,000	278,830	(18,830)	4,011,268	(719,154)
S934	Minor Technology Projects	426,786	65,715	65,715	361,071	361,071	282,227	78,844	347,942	78,844
	<b>Total Technology Projects</b>	<b>3,718,900</b>	<b>3,097,829</b>	<b>3,798,153</b>	<b>621,071</b>	<b>621,071</b>	<b>561,057</b>	<b>60,014</b>	<b>4,359,210</b>	<b>(640,310)</b>
	<b>Total Old Projects</b>				<b>0</b>	<b>0</b>	<b>398,118</b>	<b>(398,118)</b>		
	<b>Total Un Allocated Capital Funds</b>				<b>207,351</b>	<b>207,351</b>		<b>207,351</b>		
	<b>Total Programme</b>	<b>14,900,041</b>	<b>6,515,362</b>	<b>7,146,611</b>	<b>6,600,900</b>	<b>6,600,900</b>	<b>6,580,878</b>	<b>20,022</b>	<b>13,329,371</b>	<b>1,570,670</b>

**Working Capital**

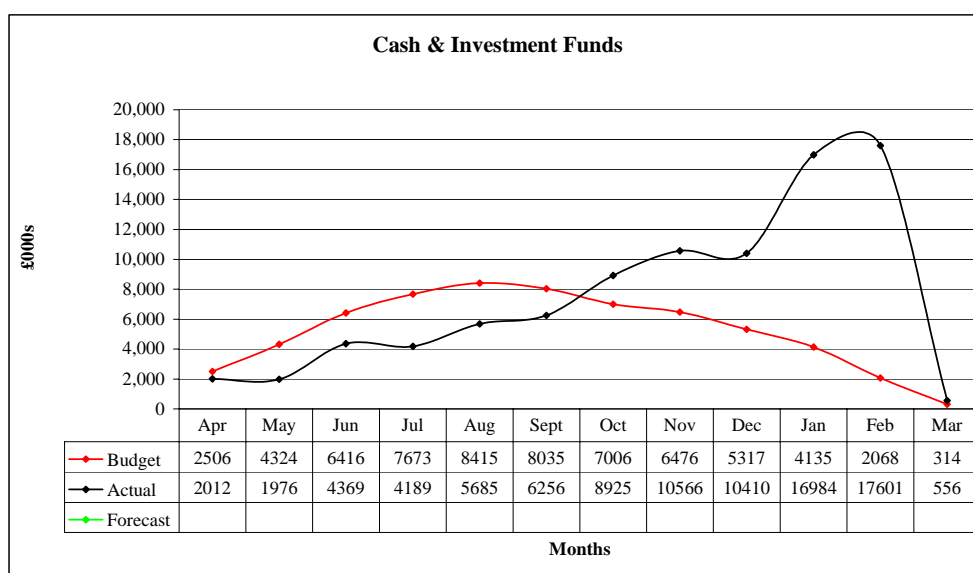
1. **Introduction**

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 is allowed under NHS rules to hold a maximum cash balance of 0.3% of its turnover as at 31<sup>st</sup> March 2005. The Trust has used this rule to increase its cash balance as at 31<sup>st</sup> March from £314,000 to £556,000.

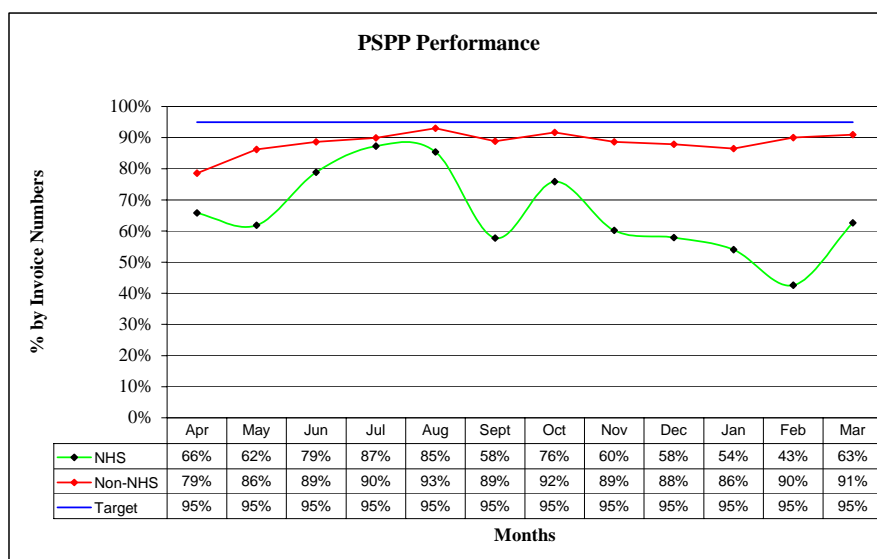
2.3. The Trust opening External Financing Limit (EFL) for 2004/05 is £22,000. The current EFL as at the end of March is (£13,103,000).

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**



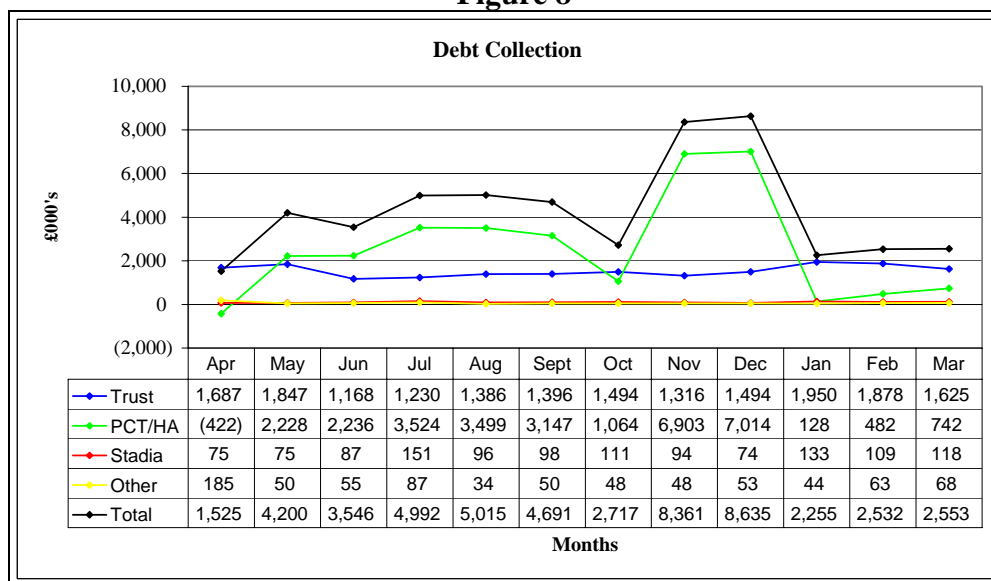
3.2. The Public Sector Payment Policy (PSPP) target set by the government for non-NHS suppliers is 95%; last year the Trust achieved 79% for the year. The cumulative PSPP figure for the twelve months ending March 2005 is 89%.

3.3. The cumulative PSPP figure for NHS suppliers is 65% for the twelve months ending March 2005.

**4. Debt Collection**

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

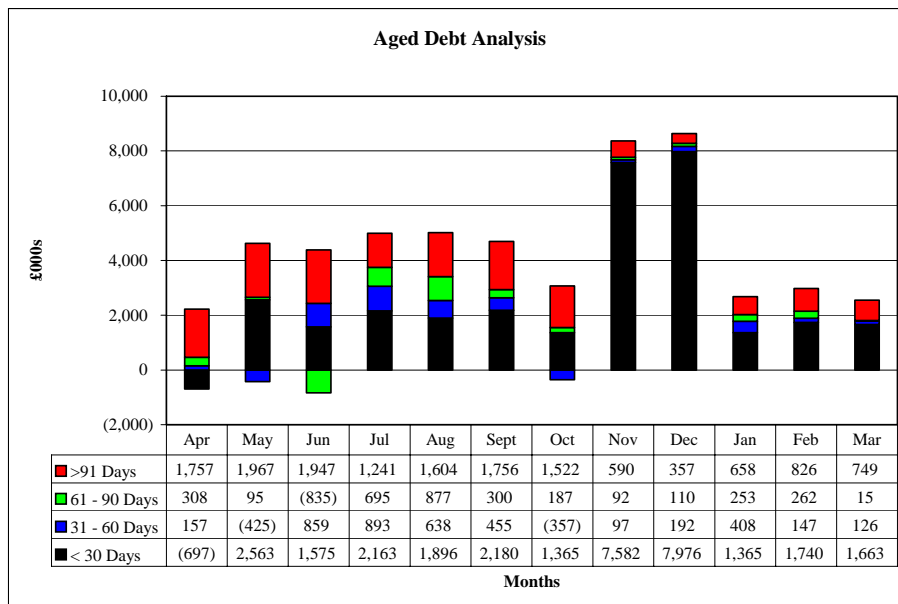
**Figure 8**



4.2. The overall debtors figure has increased this month by £21,000.



**Figure 9**



4.3. 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 £529,501 as at 31<sup>st</sup> March. In May agreement was reached with one of the debtors and the balance in dispute is now £361,820.

5. **Summary and Proposed Action**

5.1. PCTs and Trust debts are being actively pursued.

## Appendix 9

### Table 20: Monthly Budget Adjustments

	Budget as at Feb 28th 05	Correct MI depn	To fund CRU Xchange prog	Make ready transfer	CAC Support	Reclassified asset	Brokerage	Variable activity incoem	Transfer course funding to Training	Transfer course funding to Finance	Frozen leave provision re: AFC	PTS Overtime March OT	AFC Interim payment funding	NW SHA ECP Brokerage	AFC Accrual all	Budget as at Mar 31st 05
<b>Directorate</b>																
<b>A&amp;E Operations</b>																
s10 <i>A&amp;E Income</i>	(173,911)						600	(223)								(173,534)
s11 <i>East Sector</i>	61,184		4										1,602	(195)	10,001	72,595
s12 <i>West Sector</i>	43,268												1,175		114	44,557
s18 <i>Control Services</i>	11,707					8							41		396	12,153
s19 <i>Training Services</i>	6,225								157				12		145	6,539
s21 <i>A&amp;E Development</i>	1,344												8		14	1,367
s24 <i>Support Services</i>	7,941			(2)	(8)								1		93	8,025
<b>Total A&amp;E</b>	<b>(42,241)</b>	<b>0</b>	<b>4</b>	<b>(2)</b>	<b>0</b>	<b>0</b>	<b>600</b>	<b>(223)</b>	<b>157</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,839</b>	<b>(195)</b>	<b>10,763</b>	<b>(28,298)</b>
<b>PTS Operations</b>																
<i>PTS Income</i>	(13,440)															(13,440)
<i>PTS Expenditure</i>	13,366											24			238	13,627
<b>Total PTS Operations</b>	<b>(74)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>238</b>	<b>187</b>
<b>Chief Executive</b>	1,319														22	1,341
<b>Finance &amp; Business Planning</b>	13,645			2						10	173				56	13,886
<b>Human Resources</b>	4,561								(157)	(10)					74	4,468
<b>Technology</b>	6,259					189									40	6,489
<b>Communications</b>	1,095		(2)												15	1,107
<b>Medical Director</b>	76		(2)												1	75
<b>Reserves</b>	15,360					(189)	(600)	223			(173)	(24)	(2,839)	195	(11,208)	745
	42,315	0	(4)	2	0	0	(600)	223	(157)	0	0	(24)	(2,839)	195	(11,000)	28,111
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 21**  
**Risk Register**

<b>Risk</b>	<b>Priority</b> <i>(High, Medium or Low)</i>	<b>Lead Person</b> <i>(OMG Member)</i>	<b>Action Plan</b>	<b>Timescale</b>
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