East Midlands Ambulance Service NHS
NHS Trust

Time Required	10 minutes	Paper No.	PB/12/47

Report to: **PUBLIC BOARD OF DIRECTORS' MEETING**
Date: **19 March 2012**

Subject:	Director of Finance Report
Report by:	Brian Brewster, Director of Finance

Purpose of Report

Summary of the financial performance of the Trust for the period ending 29 February 2012 and forecast out turn.

Implications:

Quality (including Patient Safety, Staff Safety, Dignity and Patient Experience) • Underpins core quality and performance standards
Human Resources including Equality •
Legal •
Policy •
Financial (including any funding requirements) • Issues and implications covered in commentary
Media/Communications •

Details of any identified risk(s): No new risks identified	**Risk Assessment**		
	Consequence (A)	**Likelihood** (B)	**Score** (A x B)
Details of mitigation of identified risk(s):	Mitigation of A19 penalty resolved		
This paper links to the following Trust Strategies:	Operations, workforce, fleet and estates		
This paper links to the following Strategic Objectives:	All		

Recommendation(s)

That the Trust Board **note** the report.		
Management of Item *(delete tick boxes as appropriate)*	PMO: Level 1 Level 2	Function ☑

Director of Finance Report Month 11 2011/2012

1. Summary:

The February report provides information and commentary in relation to the following:

- Executive summary of key issues and summary assurance monitoring report
- Income and expenditure
- Operational KPIs
- Cost improvement programme and productivity strategy progress report
- Statement of Financial Position - Cash Flow
- Compliance with financial targets
- Forecast outturn and risks
- Foundation Trust risk rating
- 2011/12 Capital monitoring

2. Executive Summary and Summary Assurance Monitoring Report

The Trust is marginally off plan at month 11 and operating with an YTD revenue surplus of £1,310k. Based on Q3 and M10/11 results and an assessment of M12 risks, the forecast surplus has improved to £0.9m, £0.7m below plan. Previously reported A&E operational income risks have reduced following the receipt of winter pressures funding from Commissioners. The transitional cost of rationalising support functions following the loss of the PTS business (estimated at £2m) is being proactively managed. The Trust has no residual reserves to support risks beyond those included in the 11/12 forecast position. Agreement has been reached with commissioners in relation to reinvestment of contract penalties to maintain and develop services to underpin operational performance. Other financial indicators are on plan.

Key Issue	Executive Summary
Income and Expenditure	The Trust operated at a surplus for the month of £65k, £60k adverse to plan. The cumulative surplus stands at £1,310k, £126k adverse to plan.
Income	Income for the year to date at £151.2m is £3.4m favourable to baseline plan largely due to non recurrent allocations including winter monies. Core A&E income is below plan due to reduced response volumes.
Pay	Pay expenditure for the year to date at £106.3m is £1.0m (1%) adverse to baseline plan. Winter monies allocations contribute to this.
Non Pay	Non pay expenditure for the year to date at £37.8m is £3.2m (9%) adverse to baseline plan. A significant proportion of non recurrent income allocations are delivered through non pay spend.
Financing	Financing expenditure for the year to date at £5.8m is £0.7m (7%) favourable to plan.
EBITDA	Cumulative EBITDA % is 4.7%. Plan 5.3%.
FT Risk Rating	YTD 3 v Plan of 4. Liquidity ratio rating 4.
Action Plans	Programme Management Office established to drive recurrent QIPP strategy, in conjunction with FT LTFM & change management programme.

East Midlands Ambulance Service NHS Trust

Summary Assurance **Financial Year 2011/12 February**

OVERALL ASSESSMENT	Current Month	Prior Month	Full Year
Delivery of Operational Targets			
Achievement of Control Total			
Delivery of Cost Improvement programme			
Capital Programme			
Risks & Opportunities			
Foundation Trust Financial Risk Rating			
Cashflow			

RISKS & OPPORTUNITIES	
Cost Pressures	Ongoing level of Non pay spend
Cost Pressures	Containing expenditure to budget
CIP	Delivery of schemes (up to £9.5m)
PTS	Achieving break even (up to £1m)
A&E	Potential performance penalties (to £5m)
A&E	Achievement of CQUIN targets (£0.3m)
Response Volume	Compromise Turnover (£0.5m)

REVENUE SURPLUS TO DATE- EMAS	Actual £k	Plan £k	Var £k	RAG
Surplus / (Deficit)	1,310	1,435	(125)	
Income	151,160	147,785	3,375	
Expenditure	149,850	146,350	(3,500)	
EBITDA %	4.7%	5.3%	(0.6%)	

FORECAST OUTTURN FULL YEAR - EMAS	Actual £k	Plan £k	Var £k	RAG
Surplus / (Deficit)	865	1,588	(723)	
Income	167,442	161,120	6,322	
Expenditure	166,577	159,532	7,045	
EBITDA %	3.7%	5.5%	(1.8%)	

KEY PERFORMANCE INDICATORS - A&E	Actual	Plan	Var	RAG
Category A8	75.0%	75.0%	(0.0%)	
Category A19	92.3%	95.0%	(2.8%)	
Activity*	540	545	(5)	(1%)
Calls*	707	660	47	7%
Conversion*	76.4%	82.6%	6.2%	

REVENUE SURPLUS TO DATE - by SERVICE LINE	Actual £k	Plan £k	Var £k	RAG
A&E	(2,713)	(1,798)	(914)	
PTS	9	(70)	79	
Support Functions	(706)	(11)	(694)	
Other Directorates	4,719	3,315	1,404	

FORECAST OUTTURN FULL YEAR - by SERVICE LINE	Actual £k	Plan £k	Var £k	RAG
A&E	(1,335)	1,588	(2,923)	
PTS	0	0	0	
Support Functions	(500)	0	(500)	
Other Directorates	2,700	0	2,700	

KEY PERFORMANCE INDICATORS - PTS	Actual	Plan	Var	Var
Patient Journeys M11*	87	89	(2)	(2%)
Patient Journeys YTD*	990	1,031	(41)	(4%)

*last year figures used as proxy for plan

EFFICIENCY & PRODUCTIVITY	Actual £m	Plan £m	Var £m	RAG
CIP Forecast	7.2	9.5	(2.3)	
% of turnover	4.5%	5.9%	(1%)	
CIP Delivered	6.7	8.5	(1.8)	
% of turnover	4.4%	5.8%	(0.0)	
Implied Efficiency				

CAPITAL EXPENDITURE	Actual £m	YTD Plan £m	Var £m	RAG
Total	3.3	3.3	0.0	
HART	1.1	1.1	0.0	
Fleet	1.8	1.8	0.0	
Others	0.5	0.5	0.0	

WORKFORCE	Actual wte	Plan wte	Var wte	RAG
Contracted	3,144	3,261	117	
Worked	3,423	3,424	1	
Implied Overtime %	8.9%	5.0%	3.9%	

PERFORMANCE METRICS	Actual	Plan	Var	RAG
FT Risk Rating	3	4	(1)	

SUMMARISED SOFP	Opening £m	Actual £m	Closing £m	RAG
Non Current Assets	56.0	55.3	57.0	
Current Assets	9.0	6.1	5.0	
Liabilities	(15.3)	(13.7)	(8.6)	
Cash	7.8	11.1	4.7	
Total Net Assets	57.5	58.8	58.1	

SUMMARISED SOCF	Actual £m	Plan £m	Var £m	RAG
Surplus / (Deficit)	3.1	1.9	1.2	
Non Cash items	2.2	1.4	0.9	
Applications	(3.3)	(0.2)	(3.1)	
Working Capital	1.3	(0.6)	1.9	
PDC	0.0	0.0	0.0	
Cash Movement	3.3	2.5	0.9	

3. Income and Expenditure Summary and Service Line Report (£000s)

The full I&E statement is shown in appendix A. The following table summarises the revenue position for February compared to plan:

	Month (£000s)				Year to Date (£000s)				Full Year (£000s)	Full Year (£000s)
	Actual	Plan	Var	%	Actual	Plan	Var	%	Plan	Forecast
Income	14,498	13,270	1,228	9	151,160	147,785	3,375	2	161,120	167,442
Pay	9,808	9,413	(395)	(4)	106,317	105,330	(987)	(1)	113,013	118,350
Non Pay	4,102	3,019	(1,083)	(36)	37,763	34,576	(3,187)	(9)	39,337	41,932
Financing	523	712	189	27	5,770	6,444	674	10	7,182	6,295
Surplus / (Deficit)	65	125	(60)	-	1,310	1,435	(126)	-	1,588	865

Month 11 and year to date revenue performance is marginally off plan. Variances are present against income and expenditure components. Comments in relation to income and service line performance are provided below. Commentary on pay and non-pay expenditure are covered in sections 4 and 5.

Year to date income is above plan primarily as a result of non recurrent income from commissioners to support organisational change and winter pressures. The response volume within the A&E service April to February is below the baseline level for the equivalent period last year (although activity in February bucked the trend with a +8% increase, generating an additional £360k income in the month). This has been allocated to front line spend in period 12 by the executive to underpin A8 delivery. Recently notified 'winter allocations' from PCTs are included in income. In addition provision for a potential shortfall in CQUIN income of £0.3m has been made.

Contingency

The opening financial plan included a contingency of £3.5m subject to delivery of the stretch cost improvement target of £9.5m. This was built into baseline budgets. £1.5m was allocated to winter pressures and profiled into budgets during December and January based on the winter plan and historical expenditure patterns. The balance of the contingency has been compromised based on the full stretch CIP not being fully achieved which is reflected as a contributor factor to the overspends against the net expenditure budgets. Core A&E income has fallen below plan due to reduced response volumes as reported previously to the Board. This has presented an unplanned financial pressure which has been offset through releasing balance sheet flexibility into the revenue position. No further central reserves are available to mitigate any additional financial risks that emerge in the remainder of the year.

Risks

There are major challenges relating to the financial position within the business plan. In summary these are:

- Income risks in M12 i.e. variability of A&E core contract income recovery due to falling activity, assuming February's activity performance is a blip, CQUIN income linked to quality standards and contract penalties
- No central reserves to manage M12 fluctuations.
- Containing core pay costs within budget – in particular continuation of the existing overtime controls.
- Maintaining quality and delivery of A8 performance standard.
- Delivery of recurrent cost improvement savings. Containing all other expenditure within budgets.
- Managing other non recurrent financial risks e.g. legal claims.

Service Line Report

Income and expenditure reports by our main service lines have been developed and are being embedded into routine management reporting within the Trust.

Income and Expenditure Summary by Service Line (£000s)

The following table summarises the revenue position at month 11:

	MONTH ACTUAL					VARIANCE TO PLAN () = adverse				
	A&E	PTS	Support Functions	Other Directorates	Totals	A&E	PTS	Support Functions	Other Directorates	Totals
INCOME	12,195	1,955	3	346	14,498	1,081	(60)	(6)	212	1,228
PAY	7,813	1,131	174	690	9,808	128	100	(20)	(63)	145
NON PAY	2,503	767	217	615	4,102	(1,209)	(149)	(104)	(160)	(1,622)
RECHARGES	1,395	85	(339)	(1,141)	0	0	(0)	0	0	(0)
RECURRENT EBITDA	**484**	**(28)**	**(50)**	**182**	**588**	**0**	**(109)**	**(130)**	**(10)**	**(249)**
Recurrent EBITDA %	*4.0*	*(1.4)*	*(1,949.1)*	*52.6*	*4.1*	*(0.4)*	*(5.4)*	*(2,891.0)*	*(91.6)*	*(2.3)*
DEPRECIATION	246	23	78	17	364	162	(1)	(6)	33	187
INTEREST	0	0	0	2	2	0	0	0	2	2
FINANCING	157	0	0	0	157	0	0	0	0	0
RECURRENT SURPLUS / (DEFICIT)	**80**	**(52)**	**(127)**	**163**	**65**	**162**	**(110)**	**(136)**	**24**	**(60)**
NON RECURRENT INCOME	0	0	0	0	0	0	0	0	0	0
NON RECURRENT EXPENDITURE	0	0	0	0	0	0	0	0	0	0
SURPLUS / (DEFICIT)	**80**	**(52)**	**(127)**	**163**	**65**	**162**	**(110)**	**(136)**	**24**	**(60)**

	YEAR TO DATE ACTUAL					VARIANCE TO PLAN () = adverse				
	A&E	PTS	Support Functions	Other Directorates	Totals	A&E	PTS	Support Functions	Other Directorates	Totals
INCOME	122,720	22,213	72	6,156	151,160	440	(8)	(20)	2,963	3,376
PAY	83,543	13,176	1,861	7,738	106,317	958	384	(87)	(658)	596
NON PAY	21,943	7,832	1,960	6,028	37,763	(2,858)	(286)	(596)	(1,031)	(4,771)
RECHARGES	15,341	937	(3,725)	(12,553)	0	0	(0)	0	0	(0)
RECURRENT EBITDA	**1,893**	**268**	**(24)**	**4,943**	**7,080**	**(1,460)**	**89**	**(702)**	**1,274**	**(799)**
Recurrent EBITDA %	*1.5*	*1.2*	*(33.1)*	*80.3*	*4.7*	*(1.2)*	*0.4*	*(775.0)*	*(34.6)*	*(0.6)*
DEPRECIATION	2,867	257	684	192	4,000	555	(8)	5	115	668
INTEREST	0	0	0	32	32	0	0	0	15	15
FINANCING	1,738	3	(3)	0	1,738	(10)	(3)	3	0	(10)
RECURRENT SURPLUS / (DEFICIT)	**(2,713)**	**9**	**(706)**	**4,719**	**1,310**	**(914)**	**79**	**(694)**	**1,404**	**(126)**
NON RECURRENT INCOME	0	0	0	0	0	0	0	0	0	0
NON RECURRENT EXPENDITURE	0	0	0	0	0	0	0	0	0	0
SURPLUS / (DEFICIT)	**(2,713)**	**9**	**(706)**	**4,719**	**1,310**	**(914)**	**79**	**(694)**	**1,404**	**(126)**

The following table summarises the revenue position to February compared to the same period last year (£000):

	2011-12	2010-11	Var	%
Income	151,160	147,603	3,557	2
Pay	106,317	106,804	487	0
Non Pay	37,763	34,528	(3,235)	(9)
Financing	5,770	6,116	346	6
Surplus / (Deficit)	1,310	155	1,155	

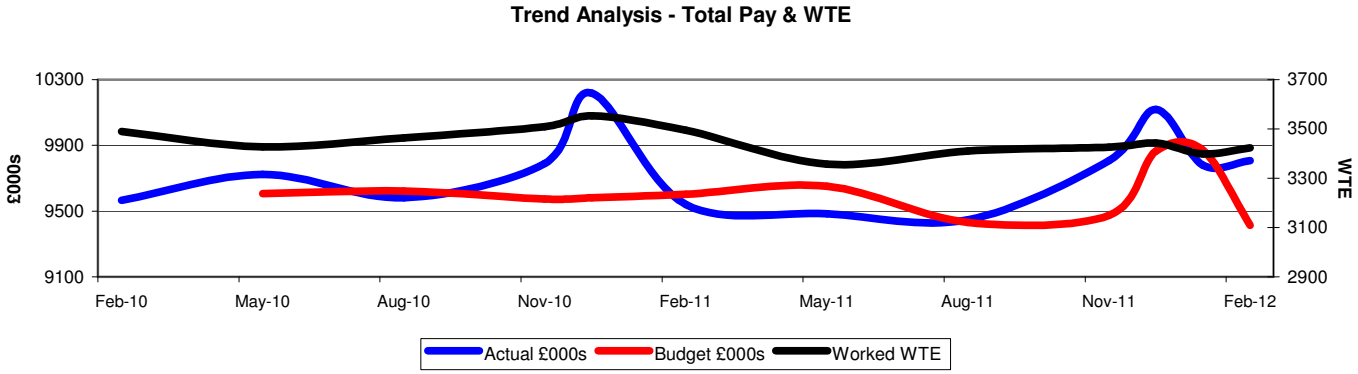
The underlying expenditure run rate is encouraging when considered in the context of the significant level of income backed non recurrent expenditure in the comparator table. In addition the relative position on non pay is distorted by the fact that the 2011 figure included a £1.2m non recurrent insurance rebate. Adjusting for non recurrent issues in both years the year on year position is broadly static. Maintaining controls on pay expenditure and a greater focus on containing non pay costs will be essential to deliver future plans.

4. Pay

Manpower represents 75% of our planned revenue expenditure and delivering service standards within budget is a key objective for the Trust. Key points to note in relation to the performance in February are:

- The number of worked whole time equivalent (WTE) staff paid was 3,423, compared to 3,399 in January (+0.7%). The number of contracted WTE staff paid was 3,144 implying an overall overtime rate of 8.9%. (8.1% last month)
- Pay budget reports (via the SBS Portal reports) are available for month 11 to key budget holders in the devolved structure.

The following chart shows the longer term trend in pay and headcount:



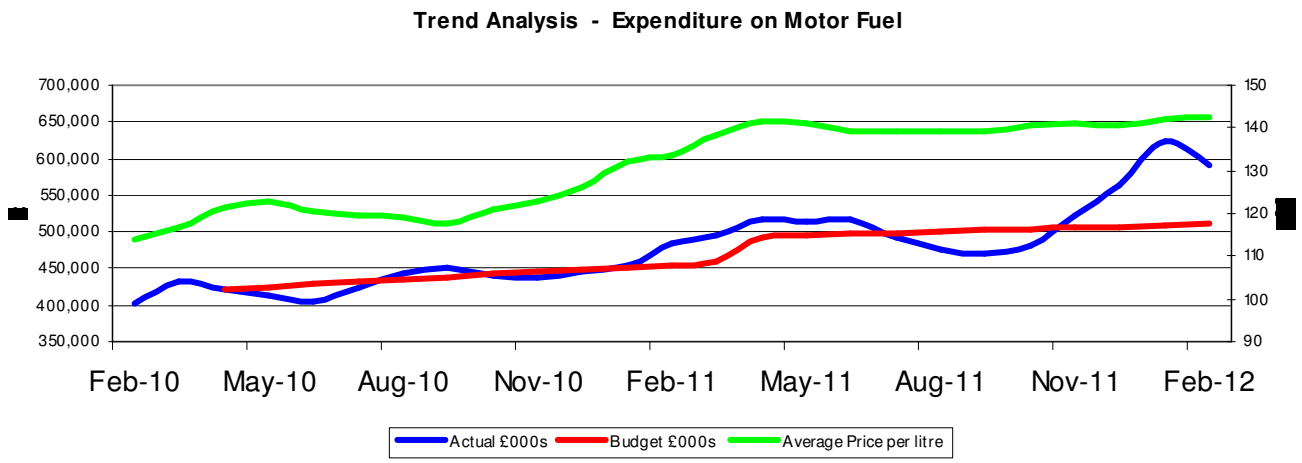
The chart illustrates the Trust is operating reasonably effective controls over pay expenditure over Q1-Q3. The budget and expenditure profile over the winter period tracks reasonably well although the quantum spend is distorted by the non recurrent allocations. Maintaining pay expenditure control for the remainder of the year is an essential component of meeting our planned surplus.

5. Non Pay

Other expenditure represents 25% of our planned revenue expenditure. Key points to note in relation to February:

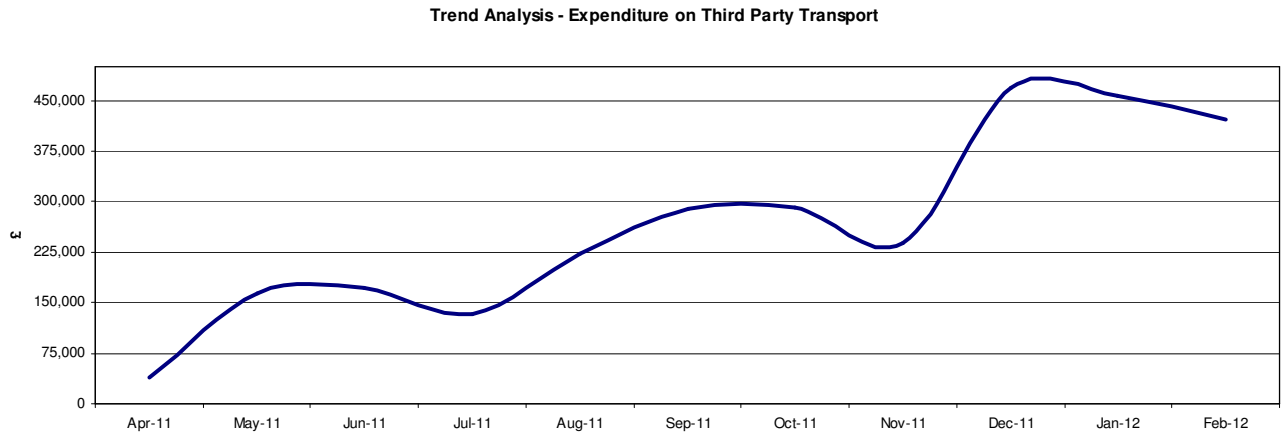
- Non pay expenditure for the month at £4.1m resulted in an adverse variance of £1.5m (55%) against baseline plan.
- Included in the month's figures were accruals totalling £350k in respect of a potential payment to HMRC for over-declared input VAT on vehicle leases plus a claim in relation to missing gas cylinders. Combined total exposure is anticipated to be c£1m, all of which has been provided for within M11 YTD figures.
- Financing costs are £190k favourable, £673k favourable to M11.

The trend on expenditure on motor fuel, the Trust's largest single non pay cost item, is shown in the following chart:



The budget for 2011/12 assumes a £/litre of £1.45. The average price in February is £1.43 (based on AA EM price index) an increase of 17% since April 2010. Volume increases will also affect usage.

The following chart shows the trend on expenditure on third party transport providers. This shows a clearly increasing trend as a result of a reduction in VCS use and resourced support to urgent care to alleviate system winter pressures. The recent 'winter' allocations contribute to this expenditure pattern.



Utilisation of employed or contracted resource was considered at the October performance management reviews with each of the A&E Assistant Directors. Whilst flexibility of resource was encouraged to underpin service delivery, it was agreed that expenditure within the divisional budget would be contained within the budgeted resource for the remainder of the year.

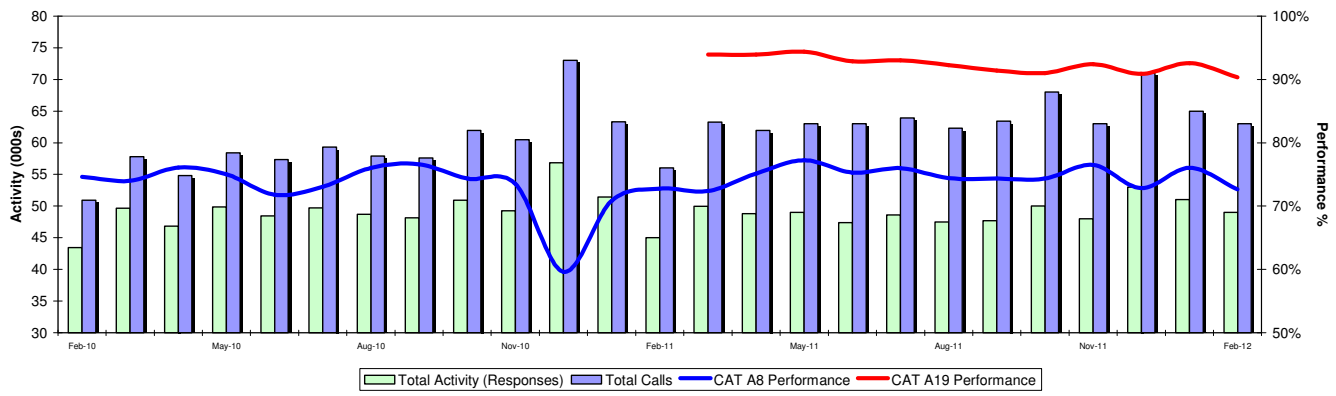
6. Divisional Performance

Budget reports have been developed and issued to support operational division managers and other key service delivery units within the Trust. Developments in place and planned to support budget managers include:

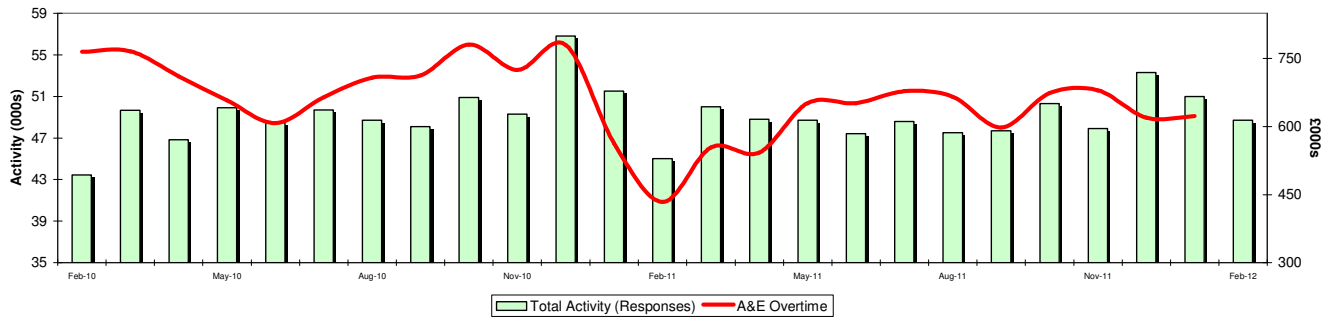
- Divisional income and expenditure reports to support Service Line Reporting.
- Development of KPIs in conjunction with other Directorates to benchmark performance within the Trust.
- Calculation of a divisional reference costs to enable benchmarking.
- Programme of budget holder training undertaken, further events linked to devolution planned.
- Training needs questionnaire to be circulated.

7. Operational KPIs

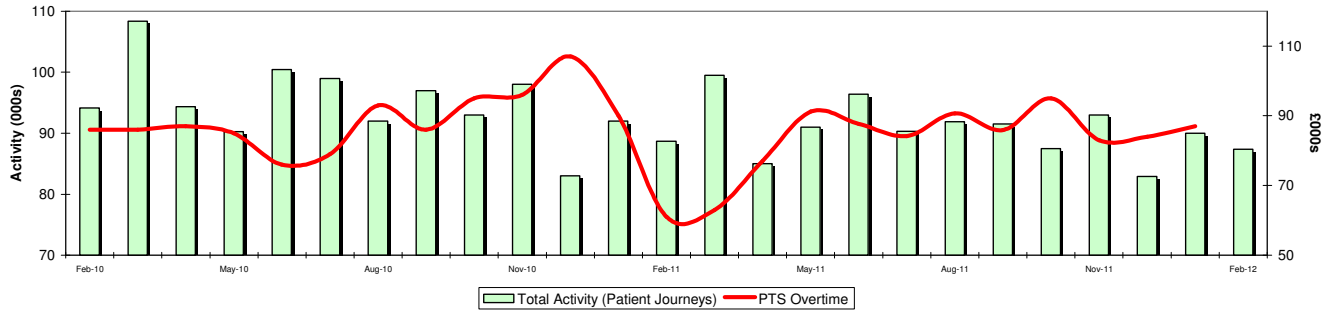
Category A8 performance for the month is 72.64%. Category A19 is 90.35%. Category A8 performance YTD is 74.95%. Category A19 is 92.25%. The Trust received 63k calls during February, compared to 56k for the same period last year, an increase of 12.93%. Responses this month total 48.7k (77% of calls), compared to 45k (80% of calls) during January 2011, an increase of 8.09%.



The following chart tracks the link between the level of A&E overtime and the level of A&E activity:



The PTS operation completed 87k patient journeys in February i.e. planned volume. The link between PTS activity and overtime is shown below.



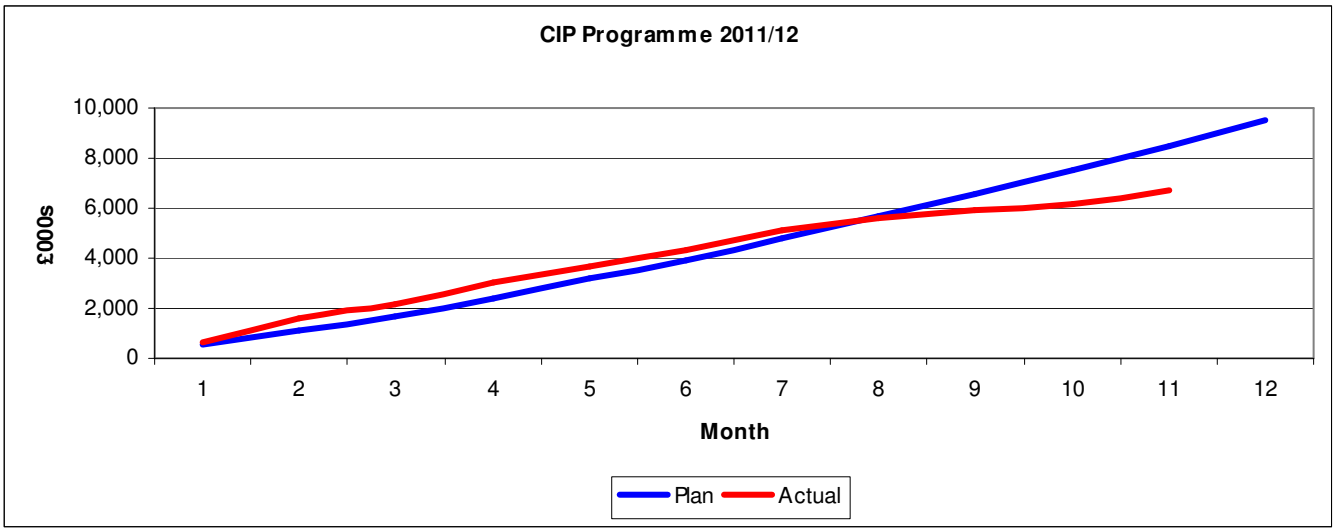
8. Productivity Strategy Progress Report

2011/12 Financial Plan

The Financial Plan approved by the Board includes delivery of a £9.5m cost improvement plan in 2011/12. This forms part of the overall strategy to reduce operating costs by £28m over a 5 year period. Delivery of the £9.5m CIP is an integral component of meeting corporate priorities in relation to quality, performance and financial targets. Delivery provides the opportunity to utilise the winter pressures reserve identified in the financial plan or mitigate other emerging risks. Winter pressure monies are profiled into M9 and M10 budgets. The financial position reported in the Board paper represents net budgets after deduction of the productivity savings plan.

The attachment to the report below records confirmed schemes for delivery in 2011/2012. These now total £10.3m, £0.8m in excess of plan. The CIP Delivery Group under the Transformation Board has reviewed and quality assured the detailed scheme proposals and is now monitoring plan delivery.

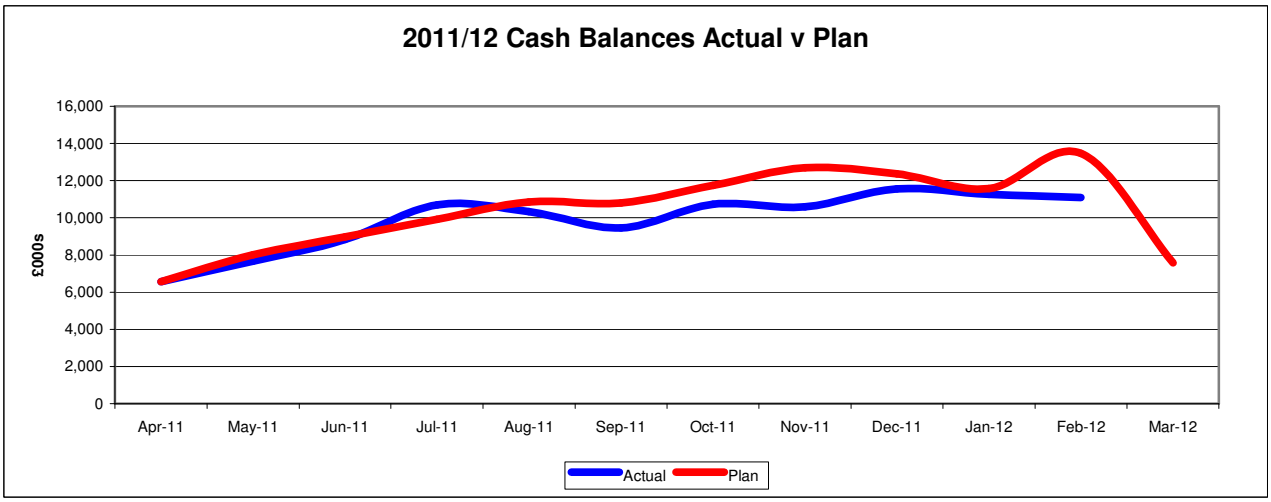
Delivery of CIP is off plan as at month 11 with savings of £6.7m against plan of £8.5m: See appendix.



Whilst headline progress to date is encouraging, it is of concern that two major schemes in relation to A&E operational efficiency improvements and overtime control are significantly behind plan. As we move out of the winter period it is unlikely slippage will be recovered over the remaining months and is therefore likely to put the planned savings at risk. The consequence of this is any financial flexibility to meet pressures in M12 is compromised. Further commentary is provided on this in section 11.

9. Statement of Financial Position - Cash Flow

The Trust holds cash balances of £11 million, which is almost £2 million less than the revised plan. This is due to a timing difference in relation to the drawdown of PDC for the HART Resilience vehicles. The cash receipt of the PDC will now take place in March 2012. Significant CAPEX will occur in March.



10. Compliance with financial targets

Financial Duty	Requirement	Actual	Compliance
Break-even duty – annual	Break-even on income and expenditure account	Cumulative surplus of £1,310k to month 11.	☺
Break-even duty – rolling three years	Surplus no greater than 0.5% of annual turnover	Cumulative surplus to month 11 of £1,310k in 2011/12, and surplus b/f from previous 3 years.	☺
Achievement of plan - control total	£1.6m revenue surplus	£0.8m revenue surplus	☺
External Financing Requirement	Achieve the notified EFL	Expect to achieve notified EFL.	☺
Capital Resource Limit	Not to overshoot on capital resource limit.	Expect to achieve Capital Resource Limit.	☺
Capital Cost Absorption	Return between 3.0% and 4.0%	Return 3.2%	☺
Better payment policy	Pay 95% of NHS suppliers within 30 days – by volume	94.87%	😐
Better payment policy	Pay 95% of non-NHS suppliers within 30 days – by volume	97.34%	☺
Better payment policy	Pay 95% of NHS suppliers within 30 days – by value	93.34%	😐
Better payment policy	Pay 95% of non-NHS suppliers within 30 days – by value	95.96%	☺

The summary report indicates strong compliance against our financial targets for the year to date. Initiatives put in place to improve better payment policy compliance have been successful with 2 of the 4 indicators now showing performance in the excess of the 95% indicative standard.

11. Forecast outturn and risks

The forecast outturn for the financial year is for the Trust to achieve a surplus of £0.9m against the plan of £1.6m. The significant factors arising since the previous forecast are confirmation from Commissioners of their intention to apply contract terms in respect of the Category A19 performance target, mitigated by a 100% reinvestment, plus anticipated cost pressures. In addition the strong trading in February resulting in additional core A&E income recovery has provided the opportunity to deploy additional resources for the remainder of the year to underpin A8 performance and mitigate the risk of any A8 penalties being applied by commissioners.

The following table shows the key factors arising in M12 which are expected to lead to the £0.7m shortfall against the planned surplus of £1.6m:

	£k
Surplus - YTD variance to plan	(126)
Forecast operating surplus March – variance to plan	(98)
Cost pressures – transition	(200)
Year-end cost pressures (estimate)	(300)
Total	**(724)**

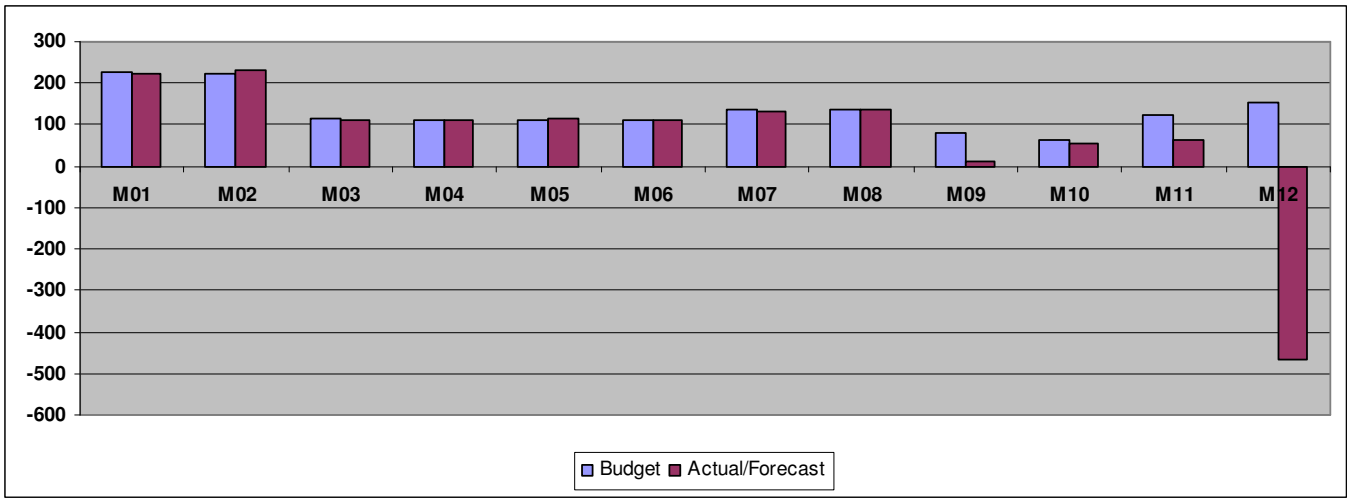
An element of transitional cost from the loss of the majority of the PTS business will fall into the 2011/12 financial year. The Trust has received confirmation that transitional support from commissioners will be available as mitigation.

In addition to the above factors, key to delivery of the forecast result is considered to be the ability of the Trust to contain underlying pay and non pay expenditure over the remainder of the financial year. This implies a reduction in underlying expenditure in March (from the level experienced in February) as follows:

	£k	%
Pay	100	1.0%
Non Pay	100	2.7%

Strict controls on variable expenditure detailed in the November Board paper are being applied to ensure delivery of this level of cost reduction. In addition strict controls are being operated by divisional management in relation to resource deployment linked to delivery of services funded through the non recurrent allocations from PCTs.

The chart below shows the monthly I&E surplus run rate. The budgeted and actual revenue surplus by month is shown up to M11 and M12 forecast. The M12 variance illustrates the impact of the factors referred to above.



Whilst the Trust is performing reasonably strongly in financial terms for the year to date, clearly significant financial risks are present which need to be managed to meet the revised revenue surplus of £0.9m. The actions to be taken over the remaining months are those set out in my report to the November Board. The variance in M12 is driven by the projected spend profile of the residual winter monies and February core A&E income surplus being applied by the Executive Team to underpin A8 performance delivery.

Liquidity

Maintaining adequate cash to operate the business is a fundamental requirement for the Trust. The plans in place are designed to maintain adequate cash reserves to support the Trust over the remaining months of the year.

Risk

As set above the Trust has a range of operational and non recurrent cost/legal type issues to manage. The most significant risks are income related. Arrangements have been put in place to manage operational risks through expenditure controls. Contract penalties are being addressed through constructive commissioner engagement to ensure the Trust can maintain safe and accessible service over its operating area.

12. Foundation trust risk rating

The FT financial risk assessment for February is shown below. Scores of 3 and above are required for Monitor Authorisation and annual plan approval. The table below illustrates our current rating:

	Weighting	11/12 plan	M11	11/12 projection
EBITDA* margin	25%	3	2	2
EBITDA % achieved	10%	5	4	5
Return on assets	20%	5	5	4
I&E surplus margin	20%	2	2	2
Liquidity ratio (days)	25%	4	4	4
Weighted rating		4	3	3
FRR			**3**	

*EBITDA. Earnings before interest, tax, depreciation and amortisation.
The above risk rating assumes the Trust has a commercial financing facility of £12m (as per the LTFM).

13. 2011/12 Capital Monitoring

Overall capital expenditure is forecast to be £7.8m against planned spend of £8m. The Trust cannot overshoot its capital resource limit. The plan and spend includes an additional item in relation to HART. To support national resilience additional vehicles are being housed at the Trust HART facility. These have been sourced by the DoH and will be funded via an allocation of £1.65m Public Dividend Capital. We have assurance associated future revenue costs will be covered.

Approved capital plans are progressing to plan. Further details by scheme are shown in the appendix. The schedule was discussed at the last Investments Committee.

Recommendation:

The Board is asked to

- **Note** the report on performance year to date and forecast outturn.

EAST MIDLANDS AMBULANCE SERVICE NHS TRUST **STATUS UPDATE AS AT: 09-Mar-12**
CIP PROGRAMME 2011/12

PROGRAMME STATUS :	**Current Status:**	

Scheme	Latest Full Year Savings Plan (£000s)	Original Year to date Savings Plan (£000s)	Year to date Actual Savings (£000s)
01.0 A&E Operational Efficiency	1,889	1,784	422
02.0 Overtime	2,833	2,135	1,345
03.0 PTS Operational Efficiency	1,563	1,497	1,264
04.0 Contracts	0	0	0
05.0 Unsocial Hours	0	0	0
06.0 Third Party Providers	630	1,236	43
07.0 Income Opportunities	629	115	645
08.0 Management Review	0	0	0
09.0 MARS	555	505	508
10.0 Reduction in Staff	600	335	1,014
11.0 Sickness Management	0	0	0
12.0 Review Management Structures	200	0	155
13.0 Fixed Term Contracts	164	69	102
14.0 On Call	0	133	148
15.0 Meal Breaks	68	61	0
16.0 Uniform	0	89	0
17.0 Fleet	350	200	256
18.0 ICT	121	135	264
19.0 Estates	89	137	36
20.0 Purchasing	215	0	122
21.0 Support Systems	29	0	12
22.0 Air Ambulance Support	0	0	0
23.0 Lease Car	0	18	0
24.0 Minor Schemes	324	63	353
Initiatives yet to be Identified	0		
	10,258	**8,511**	**6,689**

Forecast Savings	**9,505**	**7,225**

Appendix

EAST MIDLANDS AMBULANCE SERVICE NHS TRUST

ESTIMATED CAPITAL SPEND 2011/12

	PLAN	ACTUAL EXPENDITURE AT 31/12/11	FORECAST EXPENDITURE AT 31/03/12	BALANCE TO SPEND
	£000	£000	£000	£000
	£	£	£	£
ICT Replacement 11/12	500	132	500	0
A&E Vehicles 11/12				
49 Skoda Scouts		910	1,410	
2 CBRN Lorries		63	167	
MEOC Base vehicle		269	272	
Purchase of ex lease PTS vehicles			51	
2 Ex demo vehicles (Northants Falls Project)			22	
Purchase of training and Polamb vehicles		50	53	
3 Peugeot Vans for Red Cross Training Staff			31	
Other		47	105	
Extra A&E vehicles			1,500	
Total	3,620	1,339	3,611	9
Estates Maintenance 11/12				
Building Fabric Works			123	
Access & Security			60	
M&E Services/Sustainability		20	290	
Refurbishments		118	507	
Total	1,000	138	980	20
HART Vehicles				
HART 2010/11 Carry Forward	1,200	1,086	1,086	114
HART 2011/12 Resilience Vehicles	1,640	0	1,640	0
Total	2,840	1,086	2,726	114
TOTAL	**7,960**	**2,695**	**7,817**	**143**

EAST MIDLANDS AMBULANCE SERVICE NHS TRUST
FINANCIAL STATEMENTS FOR THE YEAR TO 29 FEBRUARY 2012

APPENDIX A

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 29 FEBRUARY 2012

	Current Month			Current YTD			Full Year		
	Actual	Plan	Variance	Actual	Plan	Variance	Plan	Forecast	Variance
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Revenue									
Revenue from patient care activities	14,440	13,265	1,175	150,468	147,735	2,733	158,760	161,613	(2,853)
Other operating revenue	58	5	53	692	50	642	2,360	2,360	0
Operating Expenses	(14,269)	(12,979)	(1,291)	(148,031)	(144,524)	(3,506)	(157,595)	(161,206)	3,611
Operating Surplus (deficit)	**228**	**291**	**(63)**	**3,130**	**3,261**	(131)	**3,525**	**2,767**	**0**
Finance Costs:									
Investment revenue	3	3	1	29	29	(1)	32	38	(6)
Other gains and (losses)	0	0	0	(10)	0	(10)	0	0	0
Finance costs	(5)	(7)	2	(61)	(76)	15	(83)	(83)	0
Surplus/(deficit) for the financial year	**226**	**287**	**(61)**	**3,088**	**3,214**	**(126)**	**3,474**	**2,722**	752
Public dividend capital dividends payable	(157)	(157)	0	(1,729)	(1,729)	0	(1,886)	(1,886)	0
Retained surplus/(deficit) for the year	**69**	**130**	**(61)**	**1,359**	**1,485**	**(126)**	**1,588**	**836**	**752**
Other Comprehensive Income									
Impairments and reversals	0	0	0	0	0	0	0	0	0
Gains on revaluations	0	0	0	0	0	0	0	0	0
Receipt of donated/government granted assets	0	0	0	0	0	0	0	0	0
Reclassification adjustments:	0	0	0	0	0	0	0	0	0
-Transfers from donated & govt grant reserves	(4)	(5)	1	(50)	(50)	0	(51)	(51)	0
-On disposal of available for sale financial assets	0	0	0	0	0	0	0	0	0
Total Comprehensive Income for the year	**65**	**125**	**(60)**	**1,310**	**1,435**	**(126)**	**1,538**	**785**	**752**

EAST MIDLANDS AMBULANCE SERVICE NHS TRUST
FINANCIAL STATEMENTS FOR THE YEAR TO 29 FEBRUARY 2012

APPENDIX B

STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2012

	Opening Balances (1 April 2011) £000s	Planned Closing Balances (31 March 2012) £000s	Closing Balances (29 February 2012) £000s
Non-current assets			
Property, plant and equipment	55,976	56,860	55,287
Intangible assets	53	119	29
Investment property	0	0	0
Other financial assets	0	0	0
Trade and other receivables	0	0	0
Total Non-current assets	**56,029**	**56,979**	**55,316**
Current Assets			
Inventories	901	844	901
Trade and other receivables	7,857	4,196	5,198
Other financial assets	0	0	0
Other current assets	0	0	0
Cash and cash equivalents	7,756	4,700	11,086
	16,514	**9,740**	**17,186**
Non-current assets held for sale	0	0	0
Total current assets	**16,514**	**9,740**	**17,186**
Total assets	**72,543**	**66,719**	**72,502**
Current Liabilities			
Trade and other payables	(13,112)	(6,236)	(11,776)
Other Liabilities	0	0	0
DH Working capital loan	0	0	0
DH capital loan	0	0	0
Borrowings	0	0	0
Other financial liabilities	0	0	0
Provisions	(914)	(914)	(914)
Net current assets/(liabilities)	**2,488**	**2,590**	**4,496**
Total assets less current liabilities	**58,517**	**59,569**	**59,812**
Non-current liabilities			
Borrowings	(68)	(51)	(53)
DH Working capital loan	0	0	0
DH capital loan	0	0	0
Trade and other payables	0	0	0
Other financial liabilities	0	0	0
Provisions	(914)	(1,100)	(914)
Other liabilities	0	0	0
Total assets employed	**57,535**	**58,418**	**58,845**
Financed by taxpayers' equity:			
Public dividend capital	60,533	60,411	60,533
Retained earnings	(10,712)	(9,555)	(9,387)
Revaluation reserve	7,714	7,562	7,699
Donated asset reserve	0	0	0
Government Grant Reserve	0	0	0
Other reserves	0	0	0
TOTAL TAXPAYERS EQUITY	**57,535**	**58,418**	**58,845**

EAST MIDLANDS AMBULANCE SERVICE NHS TRUST **APPENDIX C**
FINANCIAL STATEMENTS FOR THE YEAR TO 29 FEBRUARY 2012

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDING 29 FEBRUARY 2012

	Actual YTD £000s	Plan YTD £000s	Variance £000s	Plan Full Year £000s
OPERATING ACTIVITIES				
Operating surplus/(deficit)	3,080	1,923	1,157	3,743
Depreciation and amortisation	4,000	2,304	1,696	5,120
Impairments and reversals	0	0	0	0
Net foreign exchange gains/(losses)	0	0	0	0
Transfer from the donated asset reserve	0	0	0	0
Transfer from government grant reserve	0	0	0	0
Interest paid	(61)	0	(61)	0
Dividends paid	(1,729)	(951)	(778)	(1,886)
(Increase)/decrease in inventories	(0)	0	(0)	0
(Increase)/decrease in trade and other receivables	2,659	0	2,659	145
(Increase)/decrease in other current assets	0	0	0	0
Increase/(decrease) in trade and other payables	(1,336)	(612)	(724)	(1,229)
(Increase)/decrease in other current liabilities	0	0	0	0
Increase/(decrease) in provisions	0	0	0	0
Net cash inflow/(outflow) from operating activities	**6,613**	**2,664**	**3,949**	**5,893**
Cash flows from investing activities				
Interest received	29	53	(24)	112
(Payments) for property plant and equipment	(3,332)	(250)	(3,082)	(10,836)
Proceeds from disposal of plant, property and equipment	35	0	35	0
(Payments) for intangible assets	0	0	0	0
Proceeds from disposal of intangible assets	0	0	0	0
(Payments) for investments with DH	0	0	0	0
(Payments) for other investments	0	0	0	0
Proceeds from disposal of investments with DH	0	0	0	0
Proceeds from disposal of other financial assets	0	0	0	0
Revenue rental income	0	0	0	0
Net cash inflow/(outflow) from investing activities	**(3,269)**	**(197)**	**(3,072)**	**(10,724)**
Net cash inflow/(outflow) before financing	**3,345**	**2,467**	**878**	**(4,831)**
Cash flows from financing activities				
Public dividend capital received	0	0	0	4,800
Public dividend capital repaid	0	0	0	0
Loans received from DH	0	0	0	0
Other loans received	0	0	0	0
Loans repaid to the DH	0	0	0	0
Other loans repaid	0	0	0	0
Other capital receipts	0	0	0	0
Capital element of finance leases and PFI	(14)	0	0	0
Cash transferred to NHS Foundation Trusts	0	0	0	0
Net cash inflow/(outflow) from financing	**(14)**	**0**	**0**	**4,800**
Net increase/(decrease) in cash and cash equivalents	**3,331**	**2,467**	**864**	**(31)**
Cash and cash equivalents at the beginning of the financial year	**7,756**	**7,756**	**0**	**7,756**
Cash and cash equivalents at the end of the financial year	**11,087**	**10,223**	**864**	**7,725**