

# Finance Report: Month 9 (December) 2011/12

Agenda Item: 7.2

Reference: 12B.005



Trust Board: 30 January 2012

<b>Summary</b>	<p>The financial headlines for the period to the 31<sup>st</sup> December 2011 are as follows :</p> <ul style="list-style-type: none"><li>• <b>Income and Expenditure:</b> The Trust has a year-to-date surplus of £2.7m.</li><li>• <b>Cash Balance:</b> The Trust ended the month with a bank balance of £20.7m.</li><li>• <b>Capital Expenditure:</b> Spend to the end of December was £1.9m.</li><li>• <b>Forecast Outturn:</b> Detailed forecasts continue to be tracked with managers. The Trust remains on target to achieve its planned surplus for the year.</li></ul>
<b>Issues to be considered by the Committee</b>	<p>Financial performance and forecasts Financial risks and mitigations.</p>
<b>Action required by the Committee</b>	<p>To note this report</p>
<b>Accountable Executive Director</b>	<p>Trevor Smith, Director of Finance</p>
<b>Author of Paper</b>	<p>Jackie Dunn, Andrew Travis, Lee Bushell</p>
<b>Date prepared</b>	<p>January 2012</p>

## 1.0 Executive Summary

1.1 The I&E position at the end of December was a surplus of £2.7m, £1.1m better than plan. The main points to note:

- Income underachieved by £2.0m, with performance penalties and cross subsidisation issues.
- Removal of £1.1m from Operations/Directorates budgets as contingency against potential cost pressures (£0.5m Q1 underspends and £0.6m additional CIPs).
- £0.3m overspend on Front Line Staff and Supervisors offset by underspend on contingencies and reserves.

1.2 Headline financial and operational performance information is set out below, including reference to the detailed paragraphs and appendices within the main body of the report which provide further information.

(£m)	Actual	Variance to Budget	Reference
<b>Overall Financial Performance</b>			
YTD Surplus	2.7	1.1	Appx 1, Section 1
<b>Performance and Income</b>			
Core Income	87.9	(1.9)	Appx 1 & Section 3
TAL Income	4.8	(0.3)	Appx 1 & Section 3
LCS Income	10.4	0.2	Appx 1 & Section 3
Fluline	3.3	0.0	Appx 1
Other Income	0.6	0.0	Appx 1 & Section 3
<b>Expenditure</b>			
Divisional – Front Line Staffing	49.8	(0.3)	Appx 1 & Section 4
Divisional – Other	11.6	0.3	Appx 1 & Section 4
Directorates – Pay	12.1	(0.2)	Appx 1 & Section 4
Directorates – Non Pay	19.8	0.9	Appx 1 & Section 4
Fluline	3.3	0.0	Appx 1
Our Future Programme	3.1	0.0	Appx 1 & Section 4
Innovation	0.8	(0.1)	Appx 1
<b>Staffing WTE</b>			
Divisional – Front Line Staffing	1772	164	Section 5
Divisional – Non Front Line	147	14	Section 5
Directorates	335	12	Section 5
Other	36	35	Section 5
<b>Cash</b>			
Bank Balance	20.7	12.2	Appx 3 & Section 6
Net Cash Inflow / (Outflow)	0.7	11.6	Appx 3 & Section 6
<b>Capital</b>			
YTD Spend	1.9	2.2	Appx 4 & Section 6
<b>Forecast Outturn</b>	0.5	0.3	Appx 1 & Section 7
<b>Recurrent Run Rate</b>	(2.9)	2.4	Section 8
<b>Cost Improvements Identified Programme</b>	15.7	0.0	Appx 5 & Section 9
<b>Financial Performance Rating</b>	2.85	N/A	Section 10

Note: Adverse Variances are shown in brackets

## 2.0 Approved Budget Update

2.1 Since Trust Board approval of the 2011/12 budget there have been several significant amendments to the budget which are reflected in the I&E statement, Appendix 1:

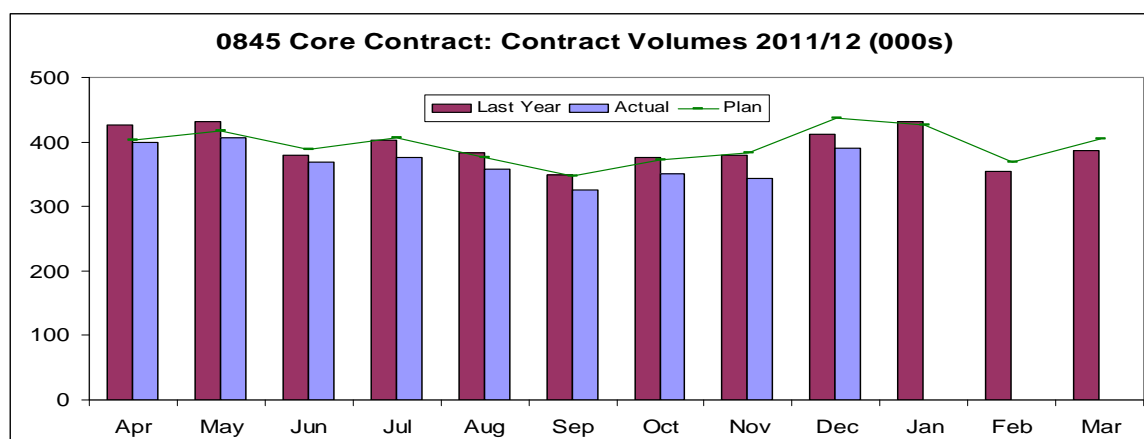
- The Department of Health signed off the Fluline budget at £4.4m.
- The approved budget included an efficiency target for call volume reductions of £5.4m. This target has since been allocated to pay and non pay budgets in Divisions and Directorates.
- The approved budget included £3m for Strategic Development and £1m for Business Case Development (within Allocated Reserves). A further £0.5m was transferred from Allocated Reserves in November. These budgets have been combined to provide £4.5m funding for the Our Future Programme.
- £2.9m of additional winter pressures activity has been agreed with EoE. This is being funded £1.9m by EoE and £1m internally-
- £0.5m of underspends generated at the end of Quarter one have been transferred from the Operations/Directorate budgets to the Trust's Contingency Reserve.
- An additional £0.6m of cost improvements have been identified and transferred to Trust's Contingency Reserve.

## 3.0 Performance and Income

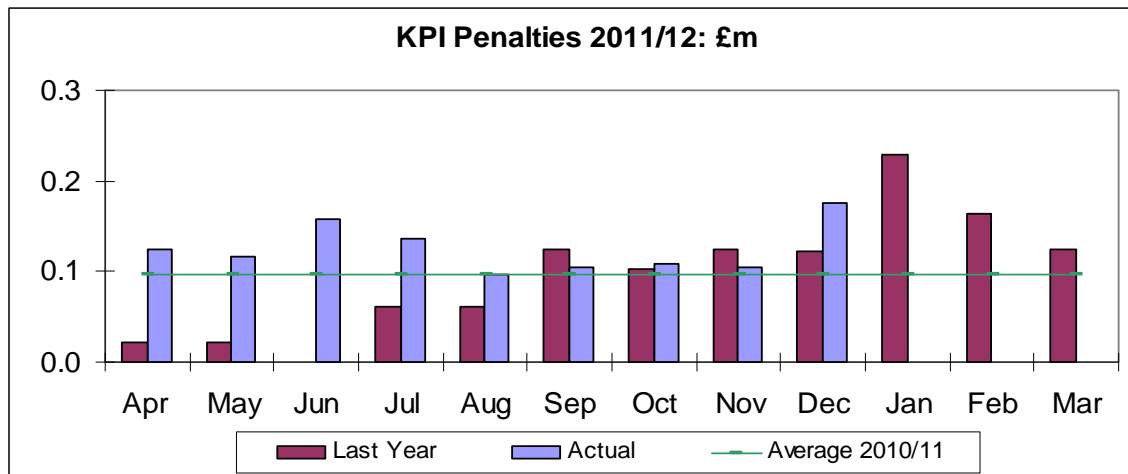
3.1 Total year-to-date income £107m, £2m (1.8%) below target. December income £13.4m, £0.2m (1.6%) above planned levels. The increase is due to a Core income adjustment and increased levels of income from 111 pilots. A full income breakdown is included in the table below.

Income Area	Actual £m	Budget £m	Variance £m
Core Income	11.2	11.0	0.1
The Appointments Line	0.5	0.5	0.0
Locally Commissioned Services	1.3	1.2	0.1
FluLine	0.4	0.4	0.0
Other	0.0	0.0	0.0
<b>TOTAL</b>	<b>13.4</b>	<b>13.1</b>	<b>0.2</b>

3.2 Core (0845) activity volumes were 391,000 in December, an increase of 47,000 from November. Activity levels were 11% below contract in month with year-to-date 6% below plan. Full year call volumes are now expected to be less than 4.5m compared to the annual plan of 4.7m. The activity forecasts, including underlying methodology, are agreed with the Commissioners during a dedicated conference call each month.



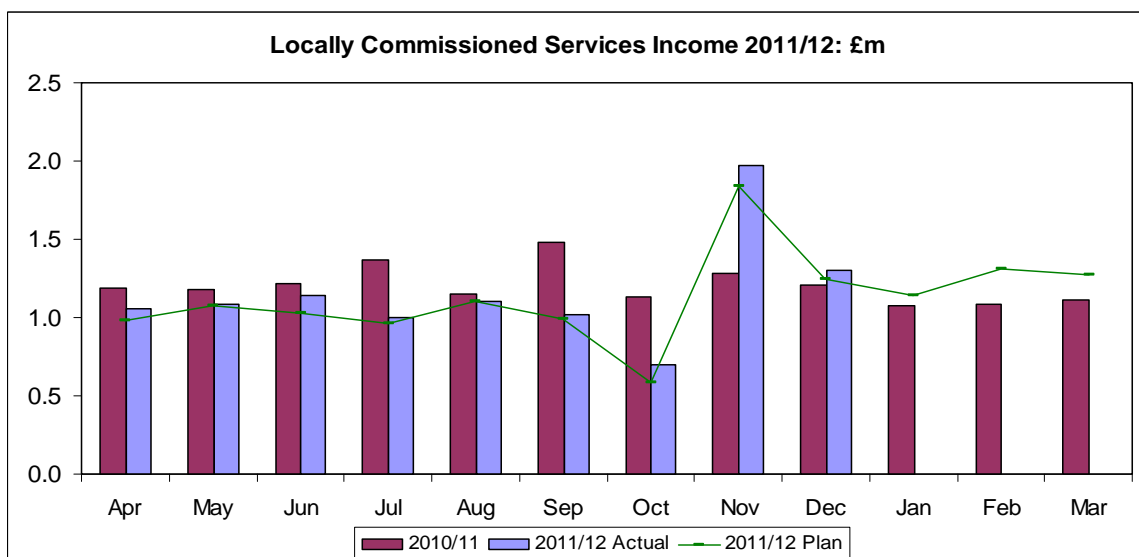
3.3 Provisional KPI penalties were £0.2m in December and a total of £1.1m for the year to date.



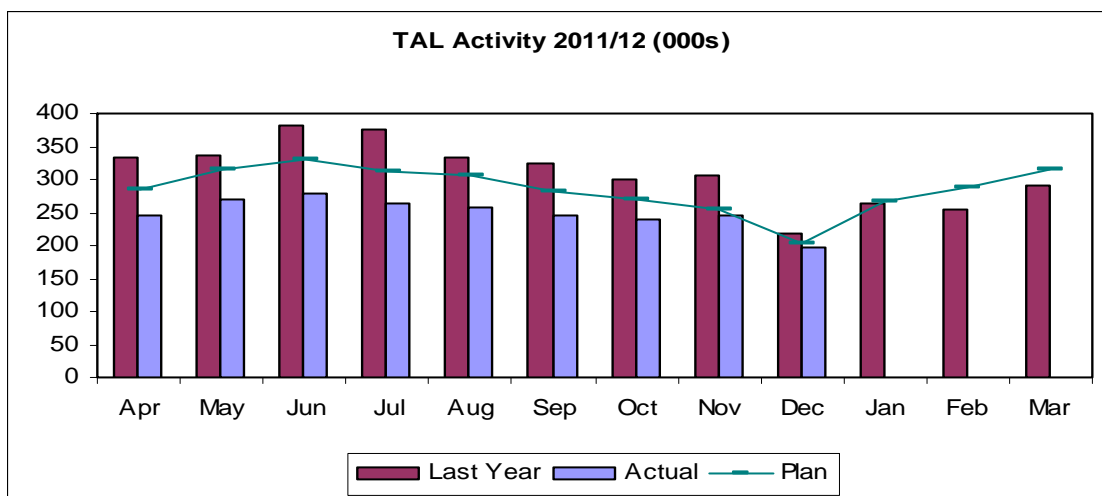
3.4 Core service income was £11.2m in December, £0.2m (1.2%) above planned levels primarily following inclusion of winter pressures funding and an improvement on cross subsidisation in the month.

For the month of December	Actual £m	Budget £m	Variance £m
<b>Income Area</b>			
0845 Calls	10.0	10.0	0.0
Performance Payment	0.6	0.5	0.1
Cross Subsidisation	0.1	0.0	0.1
111 / Innovations	0.0	0.3	(0.3)
Non-Recurrent Support	0.4	0.2	0.3
<b>TOTAL</b>	<b>11.2</b>	<b>11.0</b>	<b>0.2</b>

3.5 Locally Commissioned Services (LCS) income was £1.3m in December, £0.1m over plan for the month. Total LCS income for the year-to-date is £10.4m, an increase of £0.2m against budget.



- 3.6 The Appointments Line (TAL) activity levels were 197,000 in December, a month-on-month decrease of 50,000 (20.2%). Activity was 3.2% below plan for the month. Year-to-date income of £4.8m is £0.3m below the plan for the period. The Trust has recently agreed a 2 year extension to the TAL contract with the Midlands and East SHA.



## 4.0 Expenditure

- 4.1 Year-to-date costs, excluding reserves, are £100.5m compared to year-to-date budget of £101.1m. Further analysis of this position is set out below.

	Actual £m	Budget £m	Variance £m
Divisional	61.4	61.4	0.0
Directorates	31.9	32.6	0.7
Fluline	3.3	3.3	0.0
Our Future Programme	3.1	3.1	0.0
Innovation	0.8	0.7	(0.1)
<b>Total</b>	<b>100.5</b>	<b>101.1</b>	<b>0.6</b>

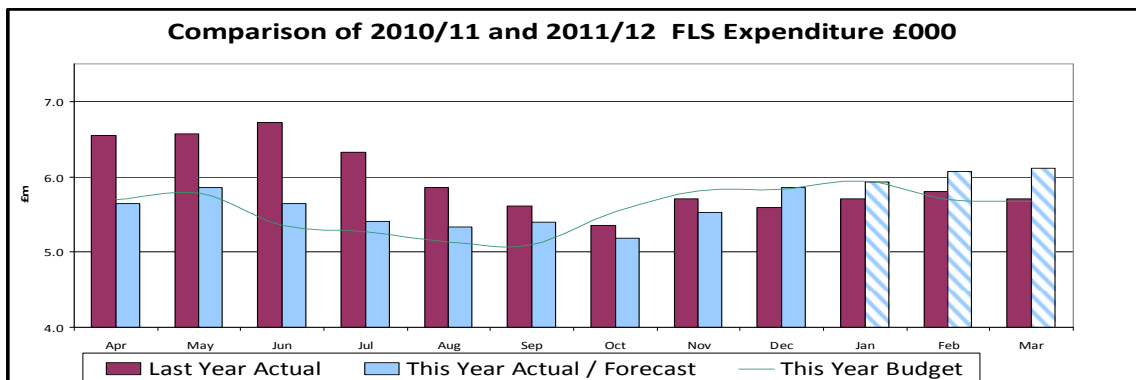
**Divisional Costs – Front Line Staffing (FLS) and Supervisors:**

4.2 Front line staffing expenditure of £43.3m is £0.8m over the YTD budget, due to the YTD CIP target for the reduction in call volumes, and increased average cost per WTE as resources are moved into out of hours.

4.3 Front line staffing includes:

- £1.5m overspend on permanent and in-sourced health advisors. This is partly due to additional staff at Bank Holidays, but also an increased average cost as resources continue to move to out of hours. The total number of health advisors, both permanent and in-sourced, remains over the budget approved for the 2011/12 Capacity Plan.
- £1m underspend on nurse advisors. Attrition in Band 6 has now reduced wte numbers to close to the budgeted level. The YTD net overspend on band 6 nurses of £2.1m has been offset by lower than budgeted band 5 and agency nurses.
- There is a YTD underspend on Long Term Conditions, principally Birmingham Own Health, staff of £0.4m.

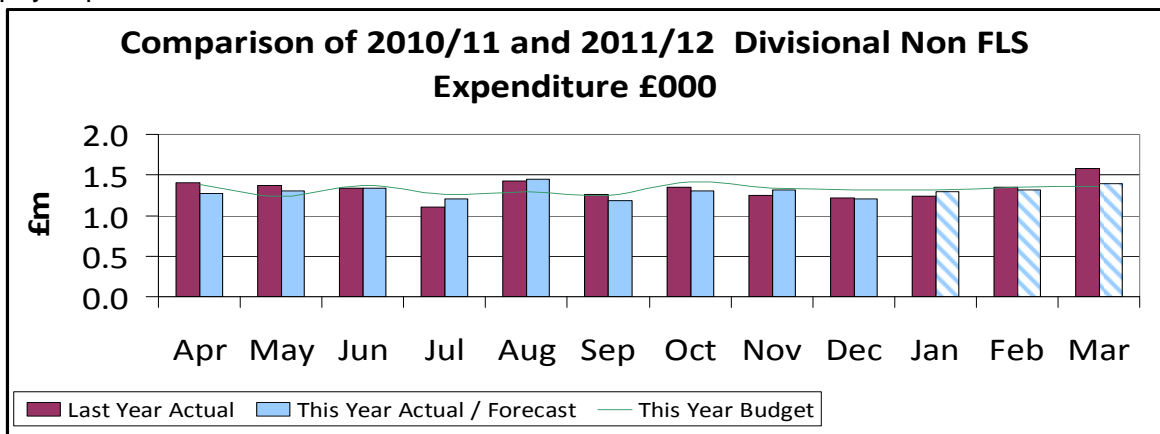
Front line supervisors expenditure is £6.5m year-to-date, an underspend of £0.5m against budget, circa twenty two vacancies. The budget includes 4 WTE working on 111 pilots which have not been back filled.



**Divisional Costs – Support Staff and Non Pay:**

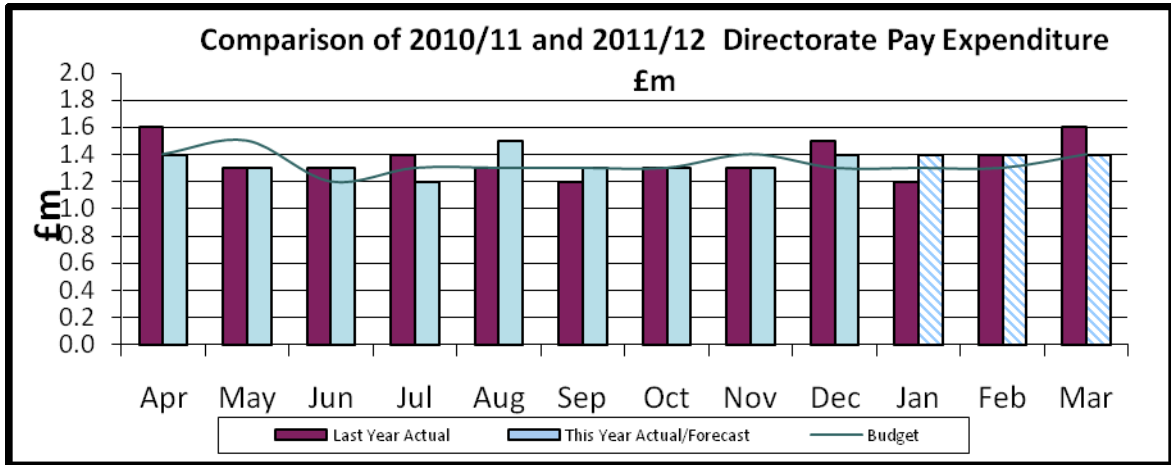
4.4 Expenditure for support staff and non pay has a YTD underspend of £0.3m against a YTD budget of £11.9m; predominantly underspends in travel, training, estates, small variances where the spend profile is different to budget and the successful implementation of cost improvements.

The expenditure profile for support staff and non pay reflects the variable nature of non pay expenditure.



**Directorate Costs – Pay:**

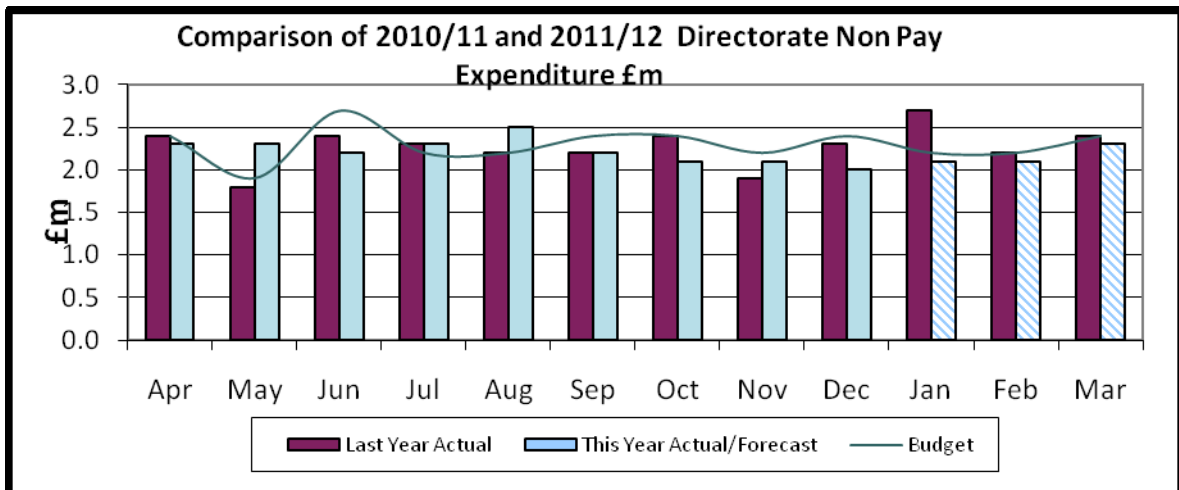
4.5 Directorate YTD pay was £12.1m, a £0.2m overspend.



**Directorate Costs – Non Pay:**

4.6 Directorate YTD non pay was £19.8m, a £0.9m underspend . This is mainly due to year to date underspends in advertising, external consultancy, travel, education and development work.

4.7 The profile for both years reflects the variable nature of non pay expenditure.



**Our Future Programme**

4.8 The Trust budget included £3m for Strategic Development and £1m for Business Case Development (within Allocated Reserves). A further £0.5m was transferred from Allocated Reserves in November which combined with the above now provide a total of £4.5m funding for the Our Future Programme.

4.9 Phase 2 costs of £2.5m to the end of March 2012 have been approved by the Board.

## 5.0 Staffing

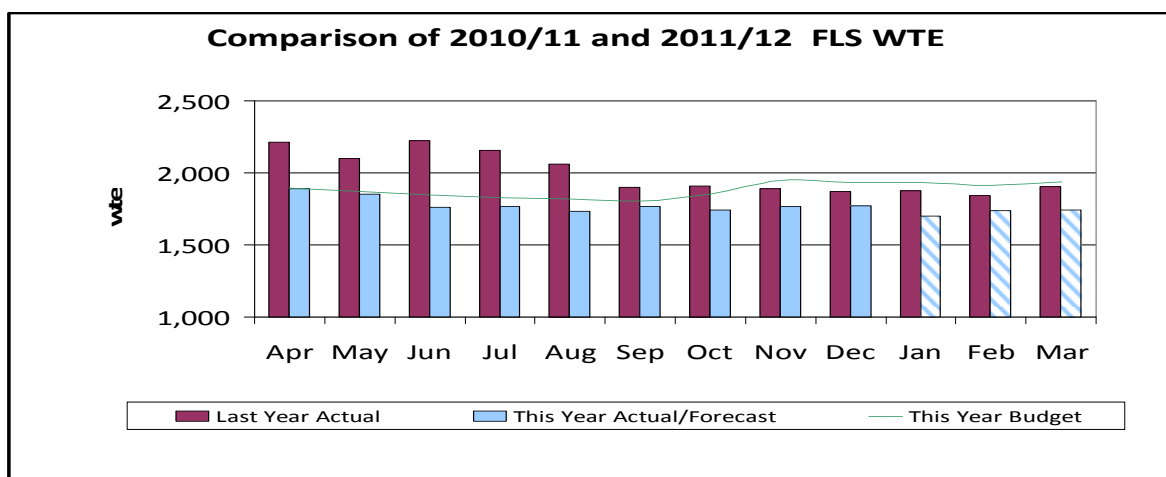
5.1 The 2011/12 budget provides for an average monthly establishment of 2,451 whole time equivalents (WTE). The front line staffing budget has a variable monthly profile in line with call volume variations, however the majority of other WTE budgets are evenly profiled across the year. The 2,451 WTE does not currently include staff funded via the Our Future programme.

### Front Line Staffing (FLS) and Supervisors:

5.2 The 2010/11 FLS WTE profile shows the implementation of Delivering Today (DT) reconfiguration after Quarter 1. In 2011/12 there is a consistent trend of fewer WTE than last year in quarters one to three in order to deliver the ongoing DT benefits programme. In the second half of the year, and particularly quarter 4, WTE numbers are closer to last years due to the additional winter capacity resourcing and 111 Pilot budgets.

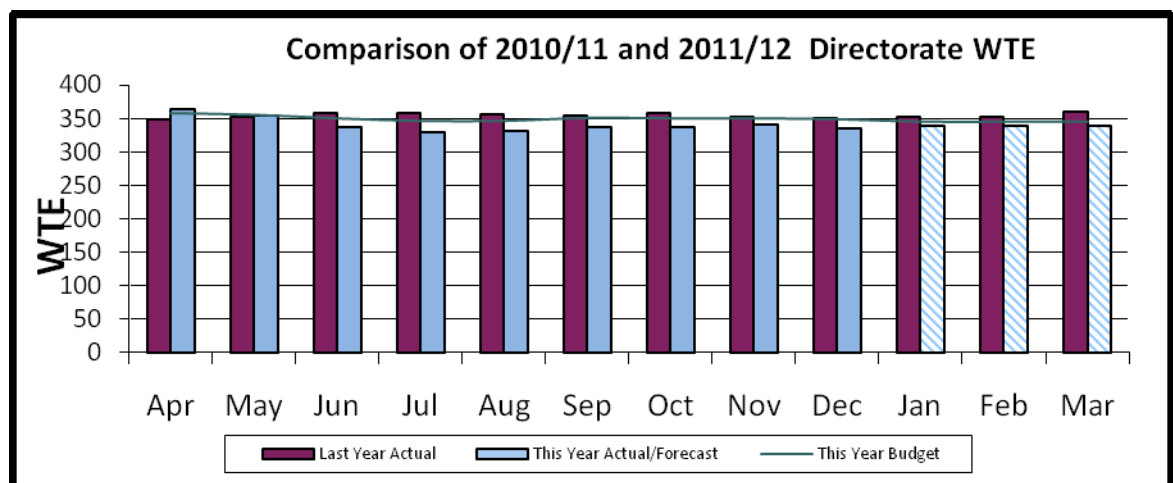
5.3 In December there were 1,772 WTE compared to a budget of 1,935 WTE, 164 WTE under budget. The main reasons for the variance are:

- Net 22 WTE Health Advisors over budget.
- Net 126 WTE Nurse Advisors under budget
- 22 WTE supervisors under budget due to vacancies and impact of 111 pilots



### Non Front Line Staffing:

5.4 The Directorates are currently running at 12 WTE below budget, due to vacancy levels and transfers to the Our Future Programme.



5.5 The Divisions were 14 WTE under establishment in December, again due to vacancies and allocation of CIP targets.

## 6.0 Cash and Capital

6.1 The Trust ended the month with a bank balance of £20.7m; a net cash inflow for the period of £0.7m (Appendix 3). Members are asked to note that the original cash plan included proposed capital expenditure for the year of £9.2m. Payments against budgeted provisions are £1.7m lower than planned at this stage and there is improved net cashflow from debtors and creditors.

6.2 Capital spend to the end of December was £1.9m, detailed Appendix 4.

6.3 Key items include:

- Health & Symptom Checkers Scaling and Staging - £0.5m
- Data warehouse - £0.5m
- Estates - £0.2m
- 111 Development costs - £0.4m
- Telephony Refresh - £0.1m
- Other items - £0.2m

6.4 As noted above, the capital programme has been revised down. Initially from £9.2m to £7.6m following review in the development of 'Our Future Programme'. Spend against this revised budget is now forecast at £3.2m. The revision is due to slippage on items not expected to be delivered in full in 2011/12. A breakdown of the main variances is shown in the table below.

<b>2011/12 Capital Programme - Forecast budget variances</b>			
<b>Programme Area and Scheme</b>	<b>Budget 11/12 £'000</b>	<b>Forecast 11/12 £'000</b>	<b>Variance</b>
Integrated LTC Phone & Digital Service	896	0	896
ESR/CCC integration project	200	0	200
Telephony Refresh	3,500	730	2,770
Health Information Directory	456	0	456
Other projects	2,540	2,513	(27)
<b>TOTAL</b>	<b>7,592</b>	<b>3,243</b>	<b>4,349</b>

6.5 Slippage in this year's capital programme will give rise to a number of pre-commitments against the 2012/13 programme and will require funding accordingly.

## 7.0 Forecast Outturn

7.1 The forecast outturn for this financial year stands at £0.5m, compared to a budgeted surplus of £0.3m.

7.2 Forecast income variances include:

- Core contract income, £3mbelow plan, due to KPI penalties, reduced call down of winter pressures funding and repayments associated with cross-subsidisation, all of which have been covered by reserves and underspends Locally commissioned services, £0.8m higher than planned. This is mainly due to the extension of the East Midlands 111 pilots and the NW 111 pilot.

### 7.3 Forecast expenditure variances include:

- Frontline staffing pay, £1.8m overspend.
- Frontline Supervisors, £0.7m underspend.
- Directorate Non Pay £1.0m underspend, due to savings in advertising, travel and education and IT.
- Depreciation, £0.7m underspend, due to slippage against this year's capital programme.

7.4 Forecast positions have been discussed and agreed with Budget Holders during financial performance reviews, and have been reviewed for reasonableness and deliverability. A number of areas have been identified where year end costs may reduce further e.g. in front line staffing where the increases expected for winter pressures have not yet materialised.

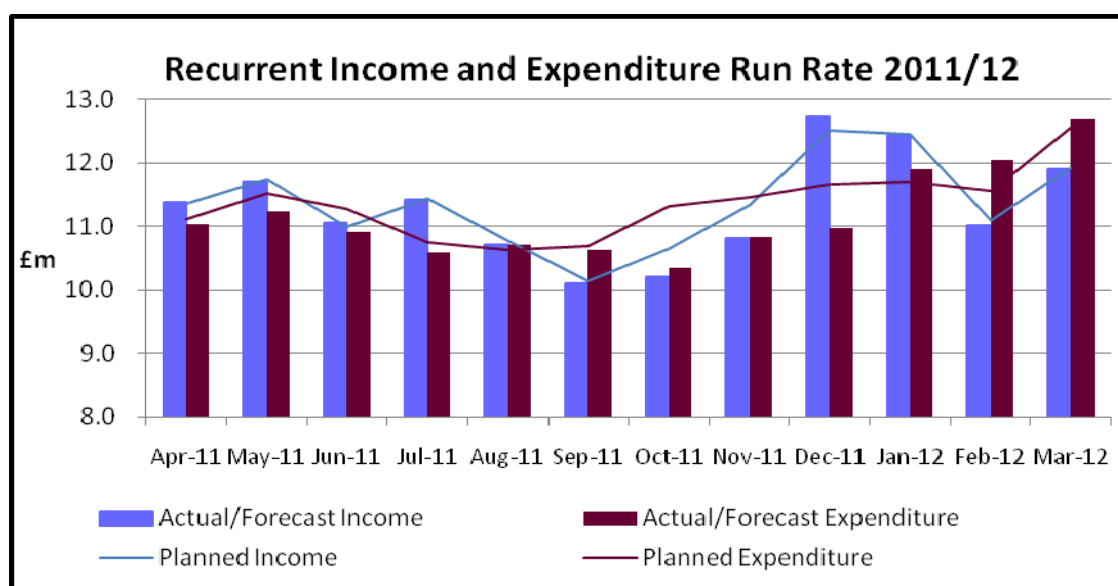
7.5 A number of in year budget pressures were previously identified during the year and additional CIPs were identified to meet them. An assessment is currently being undertaken to identify whether these pressures have materialised.

## 8.0 Recurrent Run Rate

8.1 Recurrent income and expenditure is defined as income and costs which are expected to continue into future years. In 2011/12 recurrent income excludes Fluline, Innovations funding, KPI penalties and one off SHA funding. Recurrent expenditure excludes Fluline, Innovations and Our Future Programme.

8.2 December recurrent expenditure was £11.0m and recurrent income £12.7m. This compares to a budgeted surplus of £0.8m for the month, a 1% surplus of recurrent income compared to recurrent expenditure.

8.3 December recurrent expenditure was under spent by £0.7m as a result of Front Line staff overspends offset by Non Pay/Reserve underspends.



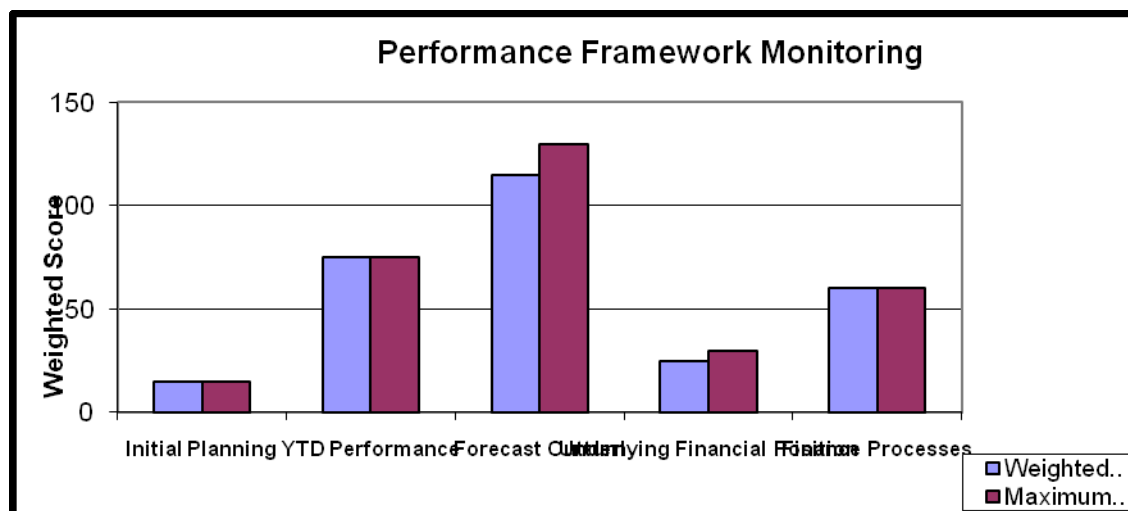
In December and January planned recurrent income and expenditure are higher than other months, reflecting winter pressure funds and higher call volumes.

## 9.0 Cost Improvement Programme

- 9.1 Appendix 5 details the Cost Improvement Programme (CIP) for 2011/12, totalling £15.7m. It includes £7.9m for the full year effect of Delivering Today (DT) schemes implemented during 2010/11, £1.3m of further efficiencies identified by budget holders to offset cost pressures at the beginning of the financial year and a £5.4m cost reduction target to match reduced call activity and the loss of locally commissioned contracts. In addition in month 5, £0.5m was removed from budgets in respect of the Q1 underspend and in month 6 a further £0.6m of CIPS have been identified and removed from budgets.
- 9.2 The cost reduction target of £5.4m has been allocated £2.1m to front line staffing and £3.3m to non front line staffing budgets. The £2.1m has been reflected in the front line staffing budget and the £3.3m is reflected in Divisional and Directorate pay and non pay budgets. The total CIP target has now been fully identified by budget holders.
- 9.3 As noted above, further CIPs were required to fund potential in-year cost pressures. As part of the Our Future Programme, further potential CIPs totalling £1.6m were identified, with £0.6m having been signed off by budget holders and reflected in budgets.

## 10.0 Financial Performance Rating

- 10.1 Month 8 Outturn gives the Trust a rating of 2.85 against a maximum of 3.00 under the Department of Health performance framework. Full results are detailed in Appendix 7.



## 11.0 Financial Risks

- 11.1 2011/12 requires continued management of some significant risks:

Risk	Mitigating Action	
1	Locally Commissioned Services income has been reducing for the past two financial years and there is a risk that this will continue	111 Pilots now included in Forecast
2	The front line staffing budget has to achieve £7.9m of efficiencies relating to the Delivering Today programme and possible further reductions if call volumes reduce	Detailed monitoring of front line staffing budget and forecast. Operations Board and Executive Management Board governance for delivery of benefits

3	KPI Penalties are calculated on a daily basis. Maximum exposure of penalties is up to £6m including additional penalties for winter pressures	Daily monitoring of performance and implementation of performance improvement plans to minimise KPI penalties. Contingency reserve to offset penalties.
4	£15.7m of the CIP target has been identified, but must be fully delivered.	Continuous monitoring including Performance Reviews.
5	Funds identified for the funding of Our Future Programme are insufficient.	Monthly monitoring by the Executive and the Trust Board. Phase 2 funding capped at £2.5m

## 12.0 Conclusion

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12.1 The Trust continues to closely manage its financial position in order to deliver the planned financial surplus.

## 13.0 Appendices

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- 1: Summary I&E Statement
- 2: Balance Sheet
- 3: Cash Flow Statement
4. Capital Investment Programme
5. Cost Improvement Programme
6. Financial Performance Metrics

## Income & Expenditure Account As at Dec-11

Manpower <sup>(1)</sup> Month Dec-11			Finance Month Dec-11				Finance Year to date Dec-11			Finance Full Year	
Actual	Budget	Variance <sup>(2)</sup>	Actual	Budget	Variance		Actual	Budget	Variance	Budget	Forecast
WTE	WTE	WTE	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
			11,182	11,048	134	<b>Core Income</b>	87,893	89,824	(1,931)	120,138	117,131
			476	463	13	<b>The Appointment Line</b>	4,790	5,071	(280)	6,782	6,391
			1,303	1,247	57	<b>Locally Commissioned Services</b>	10,360	10,155	204	14,561	15,335
			366	367	(1)	<b>FluLine</b>	3,289	3,299	(10)	4,399	4,399
			33	25	8	<b>Other</b>	626	596	30	814	853
			<b>13,360</b>	<b>13,149</b>	<b>211</b>	<b>Total Income</b>	<b>106,958</b>	<b>108,945</b>	<b>(1,987)</b>	<b>146,694</b>	<b>144,109</b>
1,546	1,688	142	5,138	5,070	(68)	<b>Divisional Frontline Staff Pay</b>	43,310	42,513	(797)	57,417	59,249
226	247	22	720	769	49	<b>Frontline Supervisor Pay</b>	6,529	7,015	486	9,426	8,711
147	161	14	464	496	32	<b>Support Staff Pay</b>	4,324	4,299	(25)	5,788	5,710
0	0	0	741	816	75	<b>Non Pay</b>	7,257	7,570	313	10,110	9,875
335	346	12	1,394	1,337	(57)	<b>Directorate Pay</b>	12,051	11,900	(151)	15,960	16,231
0	0	0	1,988	2,396	408	<b>Non Pay</b>	19,831	20,688	857	27,527	26,530
0	0	0	0	0	0	<b>Efficiency Target for Call Volume Reduction</b>	0	0	0	0	0
0	0	0	364	367	3	<b>FluLine</b>	3,271	3,299	29	4,399	4,372
32	47	15	332	359	27	<b>Our Future Programme</b>	3,124	3,101	(23)	4,515	4,548
4	24	20	186	210	25	<b>Innovation</b>	795	740	(55)	2,004	2,072
<b>2,289</b>	<b>2,514</b>	<b>224</b>	<b>11,326</b>	<b>11,820</b>	<b>494</b>	<b>Total Costs before reserves</b>	<b>100,493</b>	<b>101,127</b>	<b>634</b>	<b>137,147</b>	<b>137,297</b>
<b>(2,289)</b>	<b>(2,514)</b>	<b>224</b>	<b>2,034</b>	<b>1,329</b>	<b>705</b>	<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>6,466</b>	<b>7,818</b>	<b>(1,353)</b>	<b>9,547</b>	<b>6,812</b>
			1	11	11	<b>Allocated Reserves</b>	65	325	260	518	1,792
			22	167	145	<b>Contingency Reserve</b>	(495)	1,500	1,995	2,549	(1,037)
<b>(2,289)</b>	<b>(2,514)</b>	<b>224</b>	<b>2,012</b>	<b>1,151</b>	<b>861</b>	<b>EBITDA <sup>(3)</sup></b>	<b>6,896</b>	<b>5,993</b>	<b>902</b>	<b>6,480</b>	<b>6,057</b>
			395	480	85	<b>Depreciation</b>	3,755	3,993	239	5,579	4,920
			(3)	(4)	(1)	<b>Net Interest</b>	(38)	(36)	2	(50)	(50)
			57	57	(0)	<b>Dividend</b>	514	513	(1)	685	685
<b>(2,289)</b>	<b>(2,514)</b>	<b>224</b>	<b>1,563</b>	<b>618</b>	<b>945</b>	<b>RETAINED SURPLUS / (DEFICIT)</b>	<b>2,665</b>	<b>1,523</b>	<b>1,142</b>	<b>266</b>	<b>501</b>

Note 1 : Source data is via ESR, Conduit and Hays and represents worked hours equated into WTEs. In addition, there is also an estimate included for use of other temporary/agency staff.

Note 2 : ( ) = over-establishment, overspend or income shortfall.

Note 3 : EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation

## Balance Sheet As at Dec-11

Mar-11		Dec-11			Mar-12		
		Actual	Budget	Variance	Budget	Forecast	Variance
£'000		£'000	£'000	£'000	£'000	£'000	£'000
11,111	Property, Plant and Equipment	9,659	15,930	(6,271)	15,135	9,998	(5,137)
23,367	Intangible Assets	23,029	24,314	(1,285)	23,577	22,508	(1,069)
	Other Assets						
<b>34,477</b>	<b>Non Current Assets</b>	<b>32,688</b>	<b>40,244</b>	<b>(7,556)</b>	<b>38,712</b>	<b>32,507</b>	<b>(6,206)</b>
3,447	Trade and Other Receivables	2,980	4,285	(1,305)	3,425	3,550	125
1,734	Other Current Assets	2,517	3,969	(1,452)	2,483	2,912	429
19,958	Cash and Cash Equivalents	20,703	8,406	12,297	9,527	17,863	8,336
<b>25,139</b>	<b>Current Assets</b>	<b>26,199</b>	<b>16,660</b>	<b>9,539</b>	<b>15,434</b>	<b>24,325</b>	<b>8,891</b>
<b>59,616</b>	<b>Total Assets</b>	<b>58,887</b>	<b>56,903</b>	<b>1,983</b>	<b>54,146</b>	<b>56,831</b>	<b>2,685</b>
4,898	Trade and Other Payables	3,179	4,195	(1,016)	4,608	4,061	(548)
1,498	Borrowings	87	482	(395)	1,930	2,074	144
10,567	Other Financial Liabilities	10,262	10,557	(295)	9,665	9,032	(633)
1,212	Provisions	978	181	796	181	1,292	1,111
	Other Liabilities						
<b>6,965</b>	<b>Net Current Assets / (Liabilities)</b>	<b>11,694</b>	<b>1,244</b>	<b>10,450</b>	<b>(951)</b>	<b>7,865</b>	<b>8,816</b>
<b>41,442</b>	<b>Total Assets less Current Liabilities</b>	<b>44,381</b>	<b>41,487</b>	<b>2,894</b>	<b>37,762</b>	<b>40,372</b>	<b>2,610</b>
6,261	Borrowings	6,538	6,458	81	4,527	4,669	142
708	Provisions	708	708	(0)	708	731	23
	Other Liabilities						
<b>34,473</b>	<b>TOTAL ASSETS EMPLOYED</b>	<b>37,135</b>	<b>34,322</b>	<b>2,813</b>	<b>32,526</b>	<b>34,972</b>	<b>2,446</b>
	Financed by:-						
24,511	Public Dividend Capital	24,511	24,511	0	24,511	24,511	0
9,500	Retained Earnings	12,162	9,349	2,813	7,554	10,000	2,446
461	Revaluation Reserve	461	461	0	461	461	0
<b>34,473</b>	<b>TOTAL TAXPAYERS EQUITY</b>	<b>37,135</b>	<b>34,322</b>	<b>2,813</b>	<b>32,526</b>	<b>34,972</b>	<b>2,446</b>

## Cash Flow

### As at Dec-11

	Dec-11			Mar 12		
	Actual	Budget	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Operating Surplus / (Deficit) excl interest	3,138	2,379	759	913	1,050	(137)
Depreciation and Amortisation	3,755	3,948	(193)	5,568	4,900	668
Impairments and Reversals	0	0	0	0	313	(313)
Interest Paid	0	0	0	0	0	0
Dividend Paid	(514)	(342)	(172)	(685)	(600)	(85)
(Increase) / Decrease in Trade and Other Receivables	(315)	(433)	118	1,913	(1,280)	3,194
Increase / (Decrease) in Trade and Other Payables	(2,024)	(4,430)	2,406	(4,909)	(2,372)	(2,537)
Increase / (Decrease) in Provisions	(234)	(1,949)	1,715	(1,949)	103	(2,052)
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>3,806</b>	<b>(827)</b>	<b>4,633</b>	<b>851</b>	<b>2,114</b>	<b>(1,263)</b>
Interest Received	38	36	2	50	50	0
(Payments) for Property, Plant and Equipment	(262)	(5,148)	4,886	(5,148)	(1,369)	(3,779)
Proceeds from Disposal of Property, Plant and Equipment	0	0	0	0	0	0
(Payments) for Intangible Assets	(1,703)	(3,927)	2,223	(4,015)	(1,874)	(2,141)
Proceeds from Disposal of Intangible Assets	0	0	0	0	0	0
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(1,927)</b>	<b>(9,039)</b>	<b>7,111</b>	<b>(9,113)</b>	<b>(3,193)</b>	<b>(5,920)</b>
<b>Net Cash Inflow / (Outflow) before Financing</b>	<b>1,879</b>	<b>(9,866)</b>	<b>11,744</b>	<b>(8,262)</b>	<b>(1,079)</b>	<b>(7,183)</b>
Public Dividend Capital Received						
Public Dividend Capital Repaid						
Other Loans Received						
Other Loans Repaid	(1,134)	(1,016)	(118)	(1,498)	(1,015)	(483)
Other Capital Receipts						
Capital element of Finance Leases						
Cash Transferred (to) / from Other NHS Bodies						
<b>Net Cash Inflow / (Outflow) from Financing Activities</b>	<b>(1,134)</b>	<b>(1,016)</b>	<b>(118)</b>	<b>(1,498)</b>	<b>(1,015)</b>	<b>(483)</b>
<b>Net Increase / (Decrease) in Cash and Equivalents</b>	<b>745</b>	<b>(10,881)</b>	<b>11,626</b>	<b>(9,760)</b>	<b>(2,094)</b>	<b>(7,666)</b>
<b>CASH / EQUIVALENTS / (BANK OVERDRAFTS) AT START OF PERIOD</b>	<b>19,958</b>	<b>19,287</b>	<b>671</b>	<b>19,287</b>	<b>19,958</b>	<b>(671)</b>
<b>CASH / EQUIVALENTS / (BANK OVERDRAFTS) AT END OF PERIOD</b>	<b>20,703</b>	<b>8,406</b>	<b>12,297</b>	<b>9,527</b>	<b>17,863</b>	<b>(8,336)</b>

## Capital Investment Programme - 2011/12

As at Dec-11

Programme Area and Scheme	Actual YTD Month 8 £'000	Actual Month 9 £'000	Month 9			Forecast 11-12 £'000	Budget 11-12 £'000	AuC at 31.3.11 £'000
			Actual YTD	Budget YTD	Variance YTD			
			£'000	£'000	£'000			
<b>Marketing &amp; Service Development - Capex</b>								
CRM System	-	-	-	-	-	-	50	-
<b>Total Marketing &amp; Service Development - Capex</b>	-	-	-	-	-	-	<b>50</b>	-
<b>Operational Delivery - Capex</b>								
Develop 111 Content System	-	-	-	107	107	-	107	-
Integrated LTC Phone & Digital Service	-	-	-	-	-	-	896	-
111 Online (all channels)	-	-	-	55	55	-	220	-
People Management toolkit	13	3	16	70	54	50	90	-
111 Development costs - Phase 2 & 3	441	0	441	500	59	433	500	-
<b>Total Operational Delivery - Capex</b>	<b>455</b>	<b>3</b>	<b>457</b>	<b>732</b>	<b>275</b>	<b>483</b>	<b>1,813</b>	-
<b>Corporate Development - Capex</b>								
Datix	22	-	22	20	2	22	20	-
Data Warehouse	432	59	491	600	109	765	600	478
ESR/CCC integration project	-	-	-	50	50	-	200	-
<b>Total Corporate Development - Capex</b>	<b>454</b>	<b>59</b>	<b>513</b>	<b>670</b>	<b>157</b>	<b>787</b>	<b>820</b>	<b>478</b>
<b>Existing Services - Capex</b>								
PDS Integration				120	120	-	171	-
Telephony Refresh	55	48	102	1,500	1,398	730	3,500	-
Health Information Directory	59	-	59	400	341	-	456	477
UAT tools	-	-	-	100	100	50	100	-
Video Conferencing	4	-	4	300	296	300	300	-
<b>Other Projects not included in 'Our Future Programme' but within Capex</b>	<b>118</b>	<b>48</b>	<b>165</b>	<b>2,420</b>	<b>2,255</b>	<b>1,080</b>	<b>4,527</b>	<b>477</b>
Nottingham Uninterruptable Power Supply	20	-	20	30	10	30	30	19
Home working	41	-	41	-	41	50	-	7
Estates -Small projects	96	20	116	100	16	159	100	-
Hedge End ICT - Disaster Recovery for CS	92	-	92	220	128	100	252	43
Mobile Access	5	-	5	-	5	-	-	122
Exeter Refurbishment	2	-	2	-	2	-	-	-
HQ Refurbishment	0	-	0	-	0	-	-	-
HaSC Scaling	293	-	293	-	293	293	-	-
HaSC Staging	213	-	213	-	213	213	-	-
SATs - Clinical validation	48	-	48	-	48	48	-	-
<b>Total Existing Services - Capex</b>	<b>927</b>	<b>68</b>	<b>995</b>	<b>2,770</b>	<b>1,775</b>	<b>1,973</b>	<b>4,909</b>	<b>667</b>
<b>TOTAL</b>	<b>1,836</b>	<b>129</b>	<b>1,965</b>	<b>4,172</b>	<b>2,207</b>	<b>3,243</b>	<b>7,592</b>	<b>1,145</b>

## Cost Improvement Programme

	Opening Target 2011/12	Identified In Year	Additional CIPS identified	Delivery Forecast	Risk Assessment
	£'000	£'000	£'000	£'000	
<b>FYE of Delivering Today (DT) schemes</b>	7,900	7,900	0	7,900	L
<b>Additional CIP targets for 2011/12</b>					
Directorates - savings identified	900	900	0	900	M
Operations - savings identified	400	400	0	400	L
Q1 Underspend		516	516	516	L
<u>Additional CIPs Month 6</u>					
Travel		30	30	30	L
Training		35	35	35	L
ICT Savings		449	449	449	L
S&P Vacancy		35	35	35	L
Efficiencies to match call volume reductions	5,400	5,400	0	5,400	M
<b>Sub-total CIP targets 2011/12</b>	<b>6,700</b>	<b>7,765</b>	<b>1,065</b>	<b>7,765</b>	
<b>TOTAL</b>	<b>14,600</b>	<b>15,665</b>	<b>1,065</b>	<b>15,665</b>	

## Financial Performance Metrics

Criteria	Metric	Calculation	Result	Weight	Scoring	Weighted Rating	SCORING		
							3	2	1
Initial Planning	Planned Outturn as a proportion of Turnover	$\frac{234}{146694}$	16.0%	5	2	10	Planned operating breakeven or surplus that is either equal to or at variance to SHA expectations by no more than 3% of income.	Any operating deficit less than 2% of income OR an operating surplus/breakeven that is at variance to SHA expectations by more than 3% of planned income.	Operating deficit more than or equal to 2% of planned income
Year to Date	YTD Operating Performance	$\frac{900}{144109}$	0.6%	20	3	60	YTD operating breakeven or surplus that is either equal to or at variance to plan by no more than 3% of forecast income.	Any operating deficit less than 2% of income OR an operating surplus/breakeven that is at variance to plan by more than 3% of forecast income.	Operating deficit more than or equal to 2% of forecast income
	YTD EBITDA	$\frac{6893}{106958}$	6.4%	5	3	15	Year to date EBITDA equal to or greater than 5% of actual year to date income	Year to date EBITDA equal to or greater than 1% but less than 5% of year to date income	Year to date EBITDA less than 1% of actual year to date income.
Forecast Outturn	Forecast Operating Performance	$\frac{234}{144109}$	0.2%	20	3	60	Forecast operating breakeven or surplus that is either equal to or at variance to plan by no more than 3% of forecast income.	Any operating deficit less than 2% of income OR an operating surplus/breakeven that is at variance to plan by more than 3% of income.	Operating deficit more than or equal to 2% of income
	Forecast EBITDA	$\frac{6480}{144109}$	4.5%	5	2	10	Forecast EBITDA equal to or greater than 5% of forecast income.	Forecast EBITDA equal to or greater than 1% but less than 5% of forecast income.	Forecast EBITDA less than 1% of forecast income.
	Rate of Change in Forecast Surplus or Deficit	$\frac{500}{117131}$	0.4%	15	3	45	Still forecasting an operating surplus with a movement equal to or less than 3% of forecast income	Forecasting an operating deficit with a movement less than 2% of forecast income OR an operating surplus movement more than 3% of income.	Forecasting an operating deficit with a movement of greater than 2% of forecast income.
Underlying Financial Position	Underlying Position %	$\frac{500}{135516}$	0.4%	5	3	15	Underlying breakeven or Surplus	An underlying deficit that is less than 2% of underlying income.	An underlying deficit that is greater than 2% of underlying income
	EBITDA Margin (%)	$\frac{1609}{135516}$	1.2%	5	2	10	Underlying EBITDA equal to or greater than 5% of underlying income	Underlying EBITDA equal to or greater than 5% but less than 1% of underlying income	Underlying EBITDA less than 1% of underlying income
Finance Processes & Balance Sheet Efficiency	Better Payment Practice Code Value %	$\frac{48211}{48604}$	99.2%	2.5	3	7.5	95% or more of the value of NHS and Non NHS bills are paid within 30days	Less than 95% but more than or equal to 60% of the value of NHS and Non NHS bills are paid within 30days	Less than 60% of the value of NHS and Non NHS bills are paid within 30 days
	Better Payment Practice Code Volume %	$\frac{13244}{13467}$	98.3%	2.5	3	7.5	95% or more of the volume of NHS and Non NHS bills are paid within 30days	Less than 95% but more than or equal to 60% of the volume of NHS and Non NHS bills are paid within 30days	Less than 60% of the volume of NHS and Non NHS bills are paid within 30 days
	Current Ratio	$\frac{26199}{11694}$	2.24	5	3	15	Current Ratio is equal to or greater than 1.	Current ratio is anything less than 1 and greater than or equal to 0.5	A current ratio of less than 0.5
	Debtor Days	$\frac{2980}{144109}$	7.55	5	3	15	Debtor days less than or equal to 30 days	Debtor days greater than 30 and less than or equal to 60 days	Debtor days greater than 60
	Creditor Days	$\frac{3179}{138052}$	8.41	5	3	15	Creditor days less than or equal to 30	Creditor days greater than 30 and less than or equal to 60 days	Creditor days greater than 60
East of England Performance Metric				100	2.85				