

West Hertfordshire Hospitals NHS Trust

Finance Report

Period 8

April to November 2008

Presented by

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Director of Finance
10 December 2008**

Financial Overview as at 30 November 2008

Summary

Year To Date Income & Expenditure

£m	Plan	Actual	Variance
Surplus / (deficit)	4.4	1.2	(3.2)

Forecast Income & Expenditure

£m	Plan	Actual	Variance
Surplus / (deficit)	4.4	4.4	0.0

Year To Date Income & Expenditure

Description £m	Plan	Actual	Variance
Income	<u>157.9</u>	<u>158.3</u>	<u>0.4</u>
Pay	(97.0)	(98.0)	(1.0)
Non Pay	(56.5)	(59.0)	(2.5)
Total Expenditure	<u>(153.5)</u>	<u>(157.1)</u>	<u>(3.6)</u>
Surplus/(Deficit)	4.4	1.2	(3.2)

	Plan	YTD	Forecast
Financial Risk Rating	3	3	4

Risks & Assumptions

Risks:

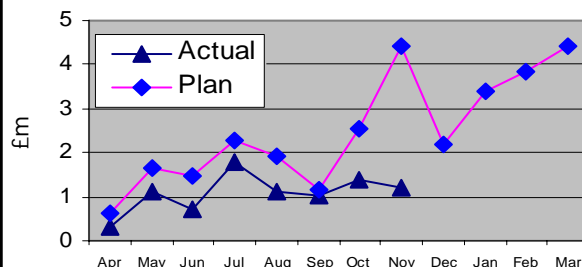
- Premium costs of outsourcing re:w aiting lists.
- Delivery of planned cost improvements.
- Control of pay expenditure against budget.

Assumptions:

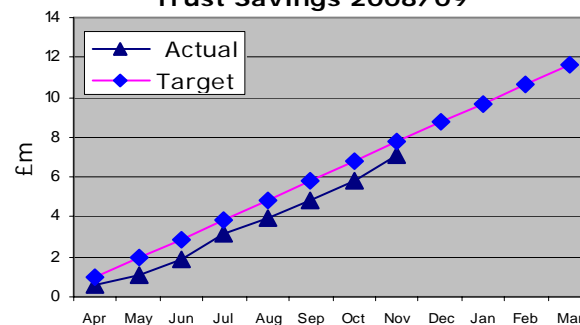
- No shortfall on transitional costs.
- DAHF savings will be delivered.
- Fuel costs will begin to decrease.
- ISP savings will be identified.

Income & Expenditure

Cumulative Surplus Income & Expenditure 2008/09

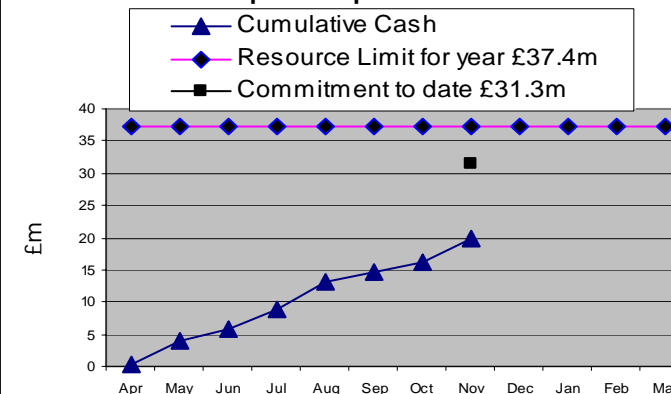


Trust Savings 2008/09

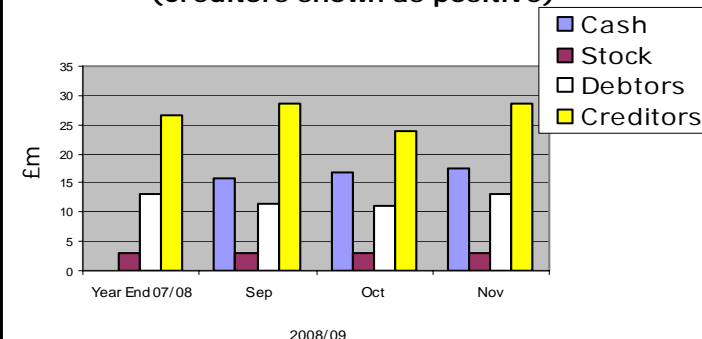


Balance Sheet

Capital Expenditure



Analysis of Cash, Debtors & Creditors (Creditors shown as positive)



Variance By Division

£'000	YTD (£m)	%Net Budget
Medicine	(0.8)	(2.7)%
Surgery	(2.8)	(9.1)%
Women's	(0.3)	(1.7)%
Clinical Support	0.1	0.7%
Other	(0.1)	(0.6)%
Facilities	0.2	3.5%
Estates	(0.2)	(3.2)%
Central	0.9	0.7%
Corporate	(0.3)	(2.1)%
Total Variance	(3.2)	

Cumulative Better Payment Performance

	Actuals		Target	Variance from Ave
	M8	M1-M8 Ave		
By Value	71%	69%	95%	(26)%
By Volume	71%	67%	95%	(28)%

Introduction

After 8 months year to date, the Trust has achieved a surplus of £1.2m. The current surplus is £3.2m lower than budget. It must be recognised that the phasing of the original budget assumed that the AAU would have been fully operational from October 2008.

The Trusts forecast remains at £4.4m. The pressures against delivering this are; overspends on bank and agency staff and premium costs relating to outsourcing. The Executive have reviewed the hiring practices within the Trust and have identified best practice within a Division, which is being implemented across the Trust. The Executive have agreed that if managers fail to deliver within budget, then delegated authority will be removed and the decision hiring process will revert to senior management.

The table below summarises the Trust's performance against key indicators.

Section	Target	To Date	Forecast	Key Issues	Performance Status
1	Deliver a surplus Income & Expenditure position	£1.2m	£4.4m	<ul style="list-style-type: none"> The actions to reduce pay spends and to minimise the cost of outsourcing must deliver if the forecast is to be achieved 	Amber
3	Remain within the External Financing Limit (EFL)	£24m	£24m	<ul style="list-style-type: none"> The Trust will contain expenditure within its allocated External Financing Limit. 	Green
4	Remain within the Capital Resource Limit (CRL)	£19.7m	£37.4m	<ul style="list-style-type: none"> The Trust will contain capital expenditure within the CRL. 	Green
5	Savings Plan	£7.1m	Target: £11.6m	<ul style="list-style-type: none"> The Trust has set a target of £11.6m financial savings. £10.7m savings schemes have been approved. Work is ongoing to deliver these savings by the end of the year. Proposals for a further £0.9m are being verified through the Gateway process. 	Green £10.7m Amber £0.9m
6	Better Payment code - Cumulative target 95%	No: 71% Value: 71%	Cumulative Target: 95%	<ul style="list-style-type: none"> The Trust is working to speed up payment processes through using electronic invoice approval and consolidated invoicing. 	Red

Table 1

Key Risk Status:

Red	Significant risk of non-delivery. Additional actions need to be identified urgently.
Amber	Medium risk of non-delivery which requires additional management effort to ensure success.
Green	Low risk of non-delivery – current management effort should deliver success.

The Trust's financial risk rating is set out below:

Financial Risk Ratings			Nov-08					Annual Plan rating 08/09	Actual YTD		Full year outturn forecast	
Criteria	Metric	Weight	5	4	3	2	1		Score 08/09	Risk ratings 08/09	Score 08/09	Risk ratings 08/09
Underlying performance	EBITDA margin %	25%	11	9	5	1	<1		4	9.1%	4	10.3%
Achievement of plan	EBITDA achieved %	10%	100	85	70	50	<50	5	87.5%	4	100.0%	5
Financial efficiency	Return on assets %	20%	6	5	3	2	<-2	4	5.5%	4	5.5%	4
	I&E surplus margin %	20%	3	2	1	-2	<-2	3	0.8%	2	1.8%	3
Liquidity	Liquid ratio days	25%	35	25	15	10	<10	2	36.1	5	36.1	5
Average								3.40		3.85		4.15
Overriding rules	Overriding rules	At least one criteria on Plan 1 or 2						3		3		0
Overall rating	Overall rating							3		3		4

Table 2

The Trust's overall risk rating remains unchanged from October.

1 Deliver a surplus Income & Expenditure position

Summary Results

1.1 Summary results to the end of November are shown below. Appendix 1 gives a more detailed statement of Income and Expenditure.

Category	Apr - Nov Budget (£m)	Apr - Nov Actuals (£m)	Variance (£m)
<u>Income</u>			
SLA Income	119.3	119.7	0.4
Market Forces Factor	20.0	20.0	(0.1)
Other Income	19.0	18.6	(0.4)
<u>Expenditure</u>			
Pay	(97.0)	(98.0)	(1.0)
Non-pay	(44.4)	(45.9)	(1.4)
Reserves	0.0	0.0	0.0
Unidentified savings	0.6		(0.6)
EBITDA	17.6	14.3	(3.2)
Depreciation	(7.0)	(7.0)	0.0
Dividend Payable	(5.9)	(5.9)	(0.0)
Interest	(0.3)	(0.3)	0.0
Surplus	4.4	1.2	(3.2)

Table 3

To date, the Trust has achieved a surplus of £1.2m. The year-to-date shortfall is £3.2m against the planned £4.4m surplus. The pressures against delivering the planned surplus are: overspends on bank and agency staff and premium costs relating to outsourcing. The Executive have reviewed the hiring practices within the Trust and have identified best practice within a Division, which is being implemented across the Trust. The Executive have agreed that if managers fail to deliver within budget, then delegated authority will be removed and the decision hiring process will revert to senior management

It should, however, be noted that further savings have been identified and the current shortfall is now £0.9m. Further schemes are going through the Gateway process which should narrow the gap further and will be reflected in the December 2008 position.

Income

1.2 SLA income is based on provisional November 2008/09 activity.

The under recovery on Other Income relates to reduced income from training funds via the SHA. Action is underway with managers to ensure that spend is no longer being incurred against posts previously funded by these monies.

Expenditure

1.3 2008/09 pay and non-pay costs are shown in Table 5 below.

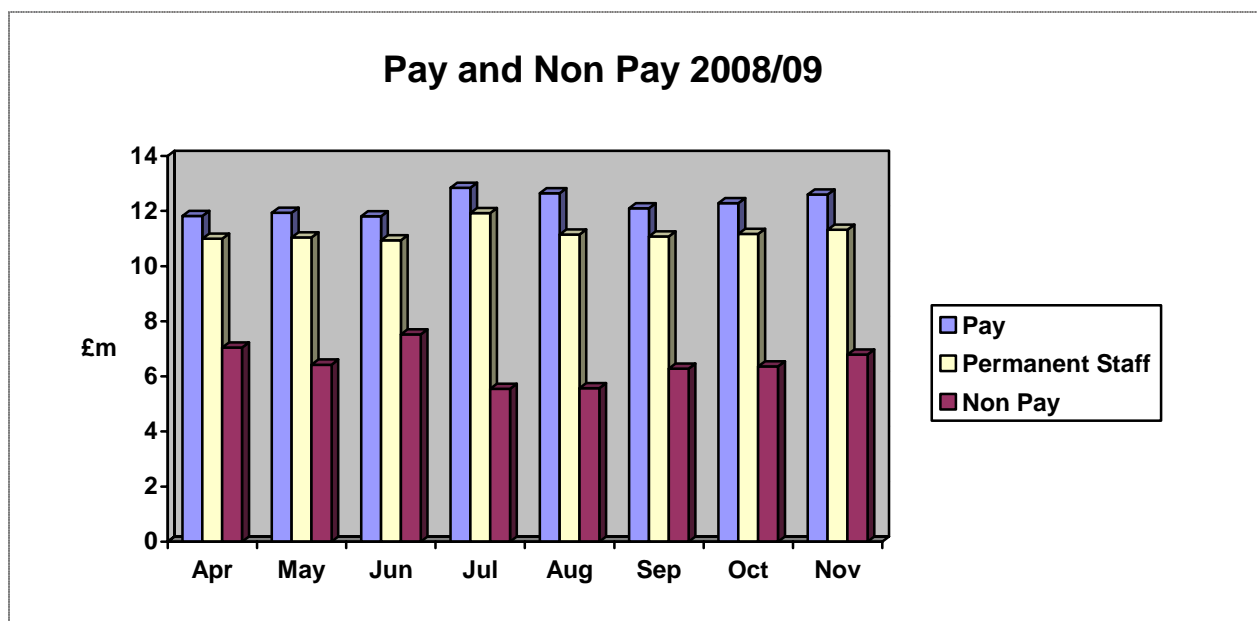


Table 4

Pay costs for April to November were £1m over budget, split almost evenly between bank and agency. The Executive have reviewed the hiring practices within the Trust and have identified best practice within a Division, which is being implemented across the Trust. The Executive have agreed that if managers fail to deliver within budget, then delegated authority will be removed and the decision hiring process will revert to senior management.

Overtime and Temporary Staffing Spend 2008/09

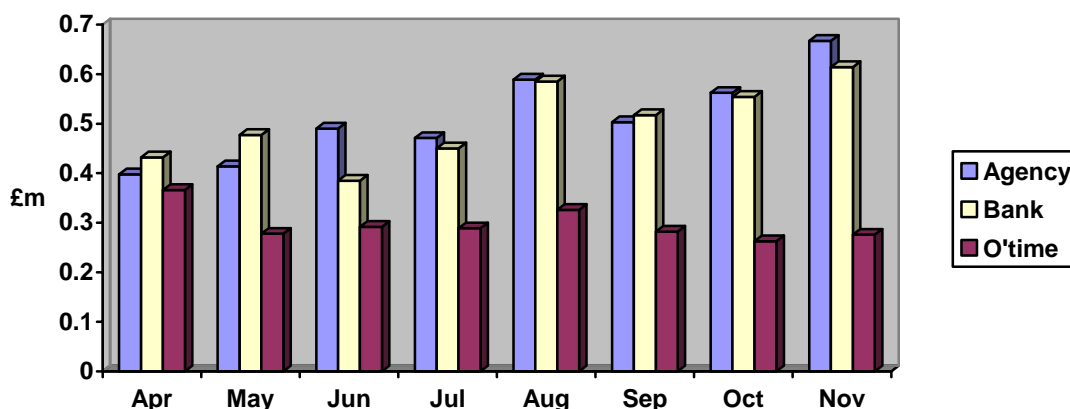


Table 5

In total, 12.3% of the Trust's November staff costs represented overtime, agency or bank staff usage.

Appendix 1a provides an analysis by Division and staff group of cumulative staff costs and average paid whole time equivalents for April to November. Appendix 2 provides a non-pay analysis.

In summary, the key variances are, a £1m pay overspend, a £1.5m non-pay overspend and £0.6m savings which have yet to be identified

Divisional Position

1.4 The tables below analyse the Trust's November position by Division. The impact of unidentified savings has been shown against pay. Negative figures denote an overspend against expenditure or an under-recovery of income.

Financial Performance April to November 2008 by Division

Division	Pay		Non-pay		Non-SLA Income		Grand Total	
	£m	%	£m	%	£m	%	£m	%
Medicine	(0.5)	(2.0)	0.3	2.5	(0.1)	(1.5)	(0.4)	(1.2)
Surgery	(1.4)	(5.6)	(1.2)	(15.2)	(0.2)	(11.8)	(2.8)	(9.1)
Women's	(0.1)	(0.8)	(0.2)	(11.4)	0.1	7.5	(0.3)	(1.7)
Clinical Support	0.3	2.2	(0.1)	(1.9)	(0.1)	(4.9)	0.1	0.7
Facilities	0.0	0.0	0.2	1.9	0.0	0.0	0.2	3.5
Estates	0.0	0.0	(0.2)	(4.5)	0.0	0.0	(0.2)	(3.2)
Corporate / Central	0.1	0.6	(0.2)	(0.9)	0.2	0.2	0.1	0.1
Total	(1.6)		(1.5)		(0.2)		(3.2)	

Table 6

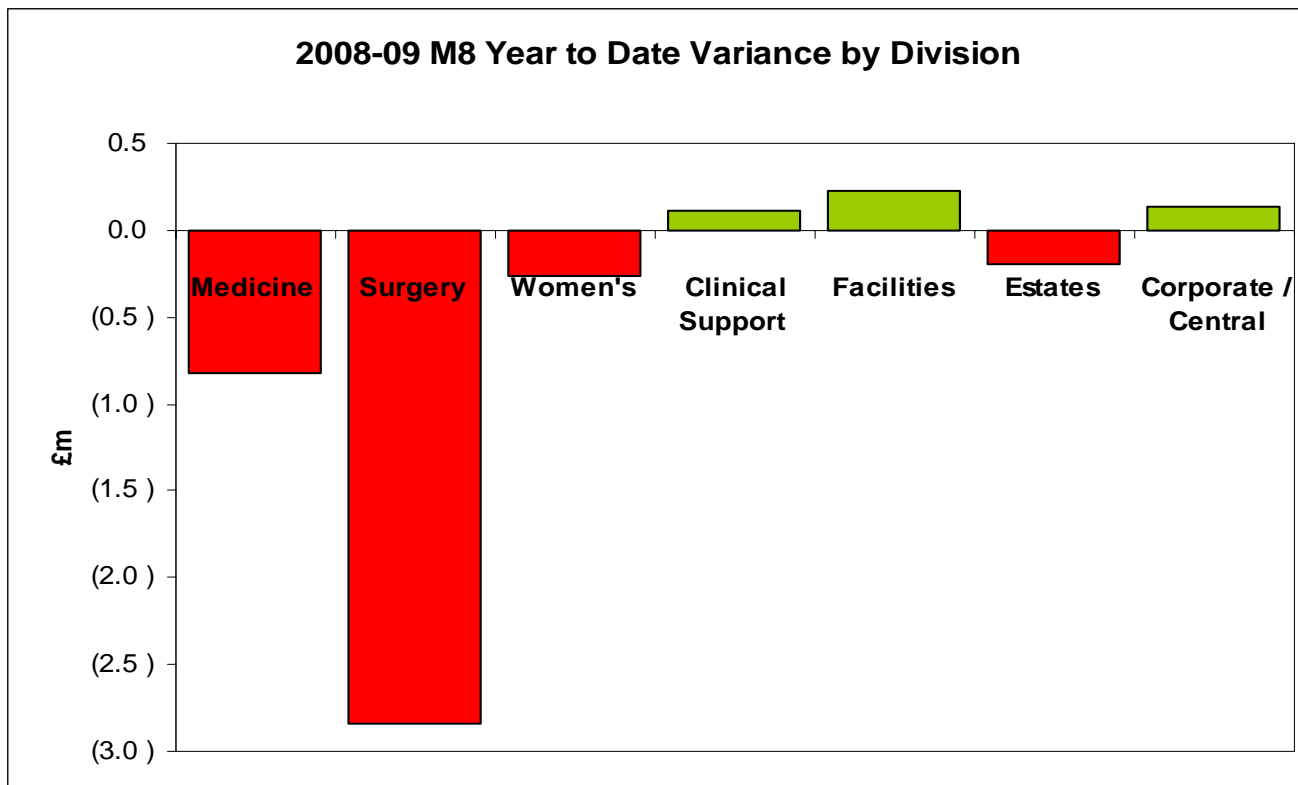


Table 7

Forecast Position

1.5 The Trust's forecast outturn is set out below. Forecasts are based on a detailed review by operations and finance and contain known risks and contingencies.

2008/09 Forecast Outturn

Category	Budget (£m)	Forecast (£m)	Variance (£m)
<u>Income</u>			
SLA Income	178.2	180.1	1.9
MFF	30.0	30.5	0.5
Other Income	28.1	27.6	(0.4)
<u>Expenditure</u>			
Pay	(145.9)	(147.1)	(1.3)
Non-pay	(67.0)	(68.7)	(1.7)
Reserves	(0.1)	1.9	2.0
Unidentified savings	1.0	0.2	(0.8)
EBITDA	24.3	24.6	0.3
Depreciation	(10.5)	(10.5)	(0.0)
Dividend Payable	(8.8)	(8.8)	0.0
Interest	(0.6)	(0.8)	(0.2)
(Over)/Under Spend	4.4	4.4	0.0

Table 8

The forecast outturn of £4.4m remains though there are some risks around the achievement of this. The pressures against delivering this are: overspend on

bank and agency staff and premium costs relating to outsourcing.

Negotiations continue with the PCT about receipt of the appropriate level of income towards the premium costs of outsourcing to meet the 18 week target. No allowance for any additional funds has currently been included in the forecast out turn position.

Recurrent Financial Position

- 1.6** Appendix 1b shows the Trust's baseline "run-rate", or underlying financial position, adjusted for non-recurrent income and expenditure. The Board is asked to note that management action to deliver recurrent savings is being undertaken.

2 Remain Within External Financing Limit (EFL)

- 2.1** This is a cash amount receivable based on the Trust's capital requirements. As in previous years, the Trust will contain expenditure within this limit.

3 Remain Within Capital Resource Limit (CRL)

- 3.1** The Trust's CRL (permission to spend on capital projects) for 2008/09 is £37.4m. 2008/09 expenditure is being held in line with the CRL through a process of actively managing our capital project timetable.

4 Intelligent Savings Plan

- 4.1** In order to achieve its forecast surplus of £4.4m, the Trust needs to make savings of £11.6m.

Division	Savings Target (£m)	Firm Proposals (£m)	Other Proposals (£m)
Surgery	3.8	3.1	0.2
Medicine	3.6	3.0	0.1
Clinical Support	0.7	0.7	
Corporate	1.7	1.7	
Estates / Facilities	0.8	0.9	
Women's	1.0	1.3	0.1
Trust wide			0.5
Total	11.6	10.7	0.9

Table 9

- 4.2** Proposals for a further £0.9m are being verified through the Gateway process.
- 4.3** Movement of savings classification from non recurrent to recurrent is being actioned.

4.4 Achievement of the savings targets continues to be pursued, through the Divisional and Executive meetings agreeing further action to close the gap. The table that follows sets out the forecast savings to date by Division:

Division	Target	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£
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Table 10

5 Better Payment Practice Code (BPPC)

- 5.1** The cumulative target of paying 95% of invoices received within 30 days will not now be achieved. Current cumulative figures are 67% by number and 68% by value. November's performance was 71% by number and 71% by value. Implementation of the electronic authorisation of invoices continues and will soon cover all departments
- 5.2** There was a drop in performance in November 2008 due to three large invoices for one company not being paid within 30 days. The reasons are known and systems are being revised in ensure this does not re-occur.
- 5.3** The charts that follow set out performance against planned trajectories to achieve a 95% target. It should be noted that the Trust pays small businesses on receipt of an authorised invoice.

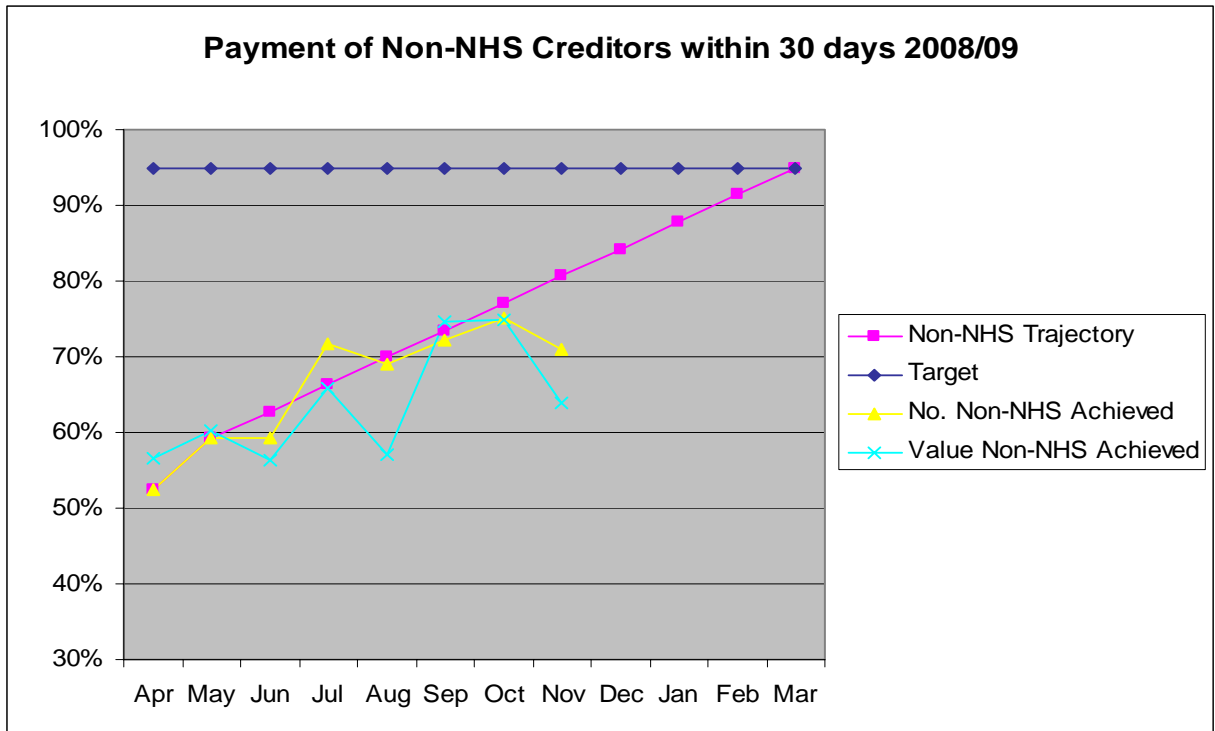


Table 11

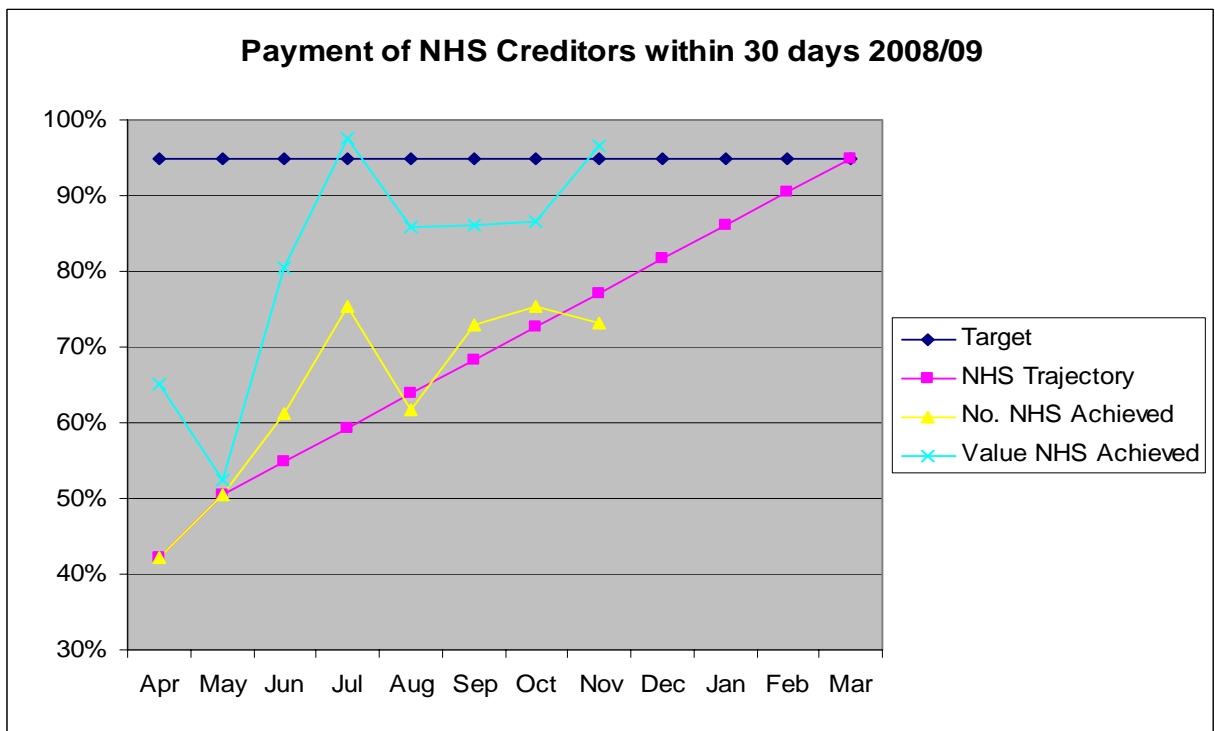


Table 12

6 Cash Management

6.1 At 30 November, the Trust had a cash balance of £17.4m:

	£m
Capital unspent	14.2
Cash available for Creditors	2.2
Expenditure incurred to be recharged	(0.1)
Prepayments	(1.7)
Revenue receipts in advance	3.6
VAT recoverable from HMRC	(0.8)
Total Cash Balance	17.4

Table 13

6.2 A statement summarising the cash effect of 2008/09 operating activities is set out below:

Cash Flow Reporting 2008/09			
West Herts Hospitals NHS Trust			
	Cumulative Nov- 08	Plan Mar 09	Forecast Mar 09
EBITDA			
Excluding non cash operational items	15,524	24,518	24,094
<u>Movement in Working Capital</u>			
Stocks & work in progress	9	0	0
NHS trade debtors	(720)	865	1,404
Non NHS trade debtors	(391)		0
Accrued income	(33)		0
Prepayments	(460)		0
NHS Creditors	(2,842)		(2,592)
Trade creditors	1,151	(348)	(2,215)
Other creditors	4,835		5,200
Accruals	(765)		(1,245)
Deferred income	96		35
Provisions & liabilities	(272)	(777)	(778)
CF from operations	16,132	24,258	23,903
<u>Capital expenditure</u>			
Maintenance	(197)		(385)
Non maintenance	(19,544)	(37,422)	(38,554)
Cash receipt from asset sales	187	0	211
CF before financing	(3,422)	(13,164)	(14,825)
Movement in LT debtors	(157)	0	0
<i>Interest</i>			
Interest paid on loans & leases	(370)	(1,380)	(1,287)
Interest received on cash balance	577	694	712
<i>Loans</i>			
Drawdown of Loans and leases	27,000	27,000	27,000
Repayment of loans & leases	(1,795)	(4,301)	(4,301)
<i>Other</i>			
Public Dividend Capital received	0	0	1,616
Dividends paid	(4,425)	(8,849)	(8,849)
Net cash outflow / inflow from financing	20,830	13,164	14,891

7 Balance Sheet

7.1 The opening, current and forecast balance sheet as at 30 November are set out below:

Balance Sheet Reporting 2008/09			
West Herts Hospitals NHS Trust	2008/09 Opening Bal	2008/09 Actual	2008/09 Forecast
	Apr 08	Apr to Nov	Apr to Mar
<u>Fixed assets</u>			
Land	96,671	100,795	100,795
Buildings	114,751	115,979	154,648
Dwellings	10,326	10,532	10,412
Fixtures	3,025	2,955	2,856
Plant & Equipment	6,909	6,013	7,166
I.M. & T.	2,022	1,520	1,256
A.I.C.O.C.	19,344	38,877	15,179
A.I.C.O.C. from donations	0	0	50
Intangible Fixed Assets	3,311	2,925	2,700
A.I.C.O.C Intangible	763	912	1,200
Total fixed assets	257,122	280,508	296,262
<u>Current assets</u>			
Stocks and work in progress	2,987	2,978	2,987
NHS trade debtors	8,936	9,656	7,474
Non NHS trade debtors	1,879	2,270	1,879
Accrued income	298	331	298
Prepayments	467	927	467
Cash at bank and in hand	169	17,505	235
Total current assets	14,736	33,667	13,340
<u>Current liabilities (amounts due in less than one year)</u>			
Bank overdraft	169	97	169
NHS Creditors	11,951	13,356	12,131
Trade creditors	2,830	3,052	1,738
Other creditors	443	5,278	5,643
PDC dividend creditor	0	1,475	0
Capital creditors	3,272	4,201	2,072
Interest payable creditor	21	389	79
Accruals	7,872	7,104	6,704
Deferred income	149	245	183
Total current liabilities	26,707	35,197	28,719
Net current assets (liabilities)	41,443	68,864	42,059
Long term debtors	1,408	1,565	1,408
Total assets less current liabilities	(11,971)	(1,530)	(15,379)
Creditors :amounts falling due after one year	6,720	29,153	26,647
Provisions for liabilities and charges	7,185	6,913	6,408
Total assets employed	232,654	244,477	249,236
<u>Financed by</u>			
<u>Taxpayers equity</u>			
Public dividend capital	169,984	169,984	171,600
Income and expenditure reserve	(44,306)	(43,100)	(39,906)
Revaluation reserve	105,013	115,766	115,766
Donated asset reserve	1,963	1,827	1,776
Total funds employed	232,654	244,477	249,236

8 Capital Spending

8.1 Capital spend to the end of November totalled £19.7m, of which £16.3m related to DAHF. A summary of capital expenditure is set out below:

West Hertfordshire Hospitals NHS Trust				
2008/09 Capital Expenditure to 30 November 2008				
	2008/09 Budget	Budget to 30/11/08	Actual spend to 30/11/08	Variance to 30/11/08
	£'000	£'000	£'000	£'000
<u>07/08 b/fwd Commitments</u>				
PACS	50	35	11	24
Other IT	28	20	232	(212)
HAI (Infection Control)	139	100	97	3
Other Backlog Maintenance	1,445	1,087	660	427
Cath Lab	1,330	0	0	0
Total 07/08 b/f Commitments	2,992	1,242	1,000	242
<u>08/09 Allocations</u>				
Estates & Facilities	2,783	868	345	523
Equipment Replacement	1,879	1,218	1,331	(113)
Service Developments	3,696	598	80	518
Information Technology	461	177	130	47
MRI	1,035	0	0	0
Other	207	255	527	(272)
Approved Operational Capital	13,053	4,358	3,413	945
DAHF	24,371	18,454	16,329	2,125
Total Capital Expenditure	37,424	22,812	19,742	3,070
<u>2008/09 Funding</u>	£000s			
Depreciation	10,374			
Interest Bearing Debt	27,000			
Planned I&E surplus	4,400			
Decontamination allocation	1,288			
Loan Repayments	(4,301)			
Offset to anticipated 2007/08 overspend	(1,337)			
Total Capital Resource Limit	37,424			

Table 14

8.2 Total spend committed to date for 2008/09 is in the region of £31.3m. Most of the committed but not yet spent amount relates to work to complete the Acute Admissions Unit.

8.3 The Capital Planning Group is the Trusts body to ensure the capital programme is delivered within the Trusts Capital Resource Limit.

9 Conclusion

- 9.1** At 30 November, the Trust has achieved a surplus of £1.2m.
- 9.2** The Board is asked to note that the forecast outturn remains at £4.4m, risk rated amber. Executive action, detailed within this report, is being taken to manage delivery.
- 9.3** The Trust Board is asked to note this report and raise any comments for discussion.

Presented by:

**Margaret Ashworth
Director of Finance
10 December 2008**