

North West London Hospitals Trust Budget Position

1. 2011/12 INCOME & EXPENDITURE PLAN

The Income and Expenditure (I&E) plan for 2011/12 shows a deficit of £9.7m after £9m transitional funding support from NHS London.

The Trust has built up an historic deficit since 2003/04 of £29.6m. A small surplus of £0.25m was achieved in 2010/11, inclusive of £11.6m of non-recurrent benefits.

In 2011/12, the nationally required 4% saving of £14.4m, local cost pressures and the effects of PCT commissioning intentions added to the £11.6m deficit start point, led to a downside total approaching £40m. A savings programme of £19.55m together with planned transitional funding from NHS London of £9m has resulted in the Trust setting a deficit plan of £9.7m for the year.

2. YEAR TO DATE INCOME & EXPENDITURE SUMMARY

The I&E position to 31st July shows a deficit of £9.9m, £0.8m worse than plan:

Description	Budget Full Year	Budget YTD	Actual YTD	Variance YTD
Income	367,731	118,217	117,214	(1,003)
Pay	228,624	76,919	76,622	297
Non Pay	123,348	41,955	42,026	(71)
Total Expenditure	351,972	118,874	118,648	226
EBID	15,759	(657)	(1,434)	(777)
Depreciation	12,358	4,119	4,119	0
Interest Payable/Receivable	6,982	2,327	2,326	1
PDC Dividends Payable	6,119	2,040	2,040	0
	25,459	8,486	8,485	1
Surplus/(Deficit)	(9,700)	(9,143)	(9,919)	(776)

3. INCOME

Income is £1m below budget. 85% of the Trust's income is from a price paid per patient for care provided. The planned level of patient care income largely reflects the contracts agreed with Brent, Harrow and other local Primary Care Trusts (PCTs). Fewer patients have been seen at Central Middlesex Hospital (CMH) and most areas of activity there are below plan. Contrastingly, patient numbers at Northwick Park Hospital (NPH), particularly emergency admissions and outpatient attendances are above plan. Nevertheless, in total, patient care income is below planned levels.

Non-patient care income, including funding of costs for education, training, research and non-patient services provided to third parties is in line with plan.

4. EXPENDITURE

Expenditure is generally under control, with a number of vacancies across the Trust resulting in a pay underspend overall. However, within this total picture there are some particular pressure points relating to service needs in specific areas.

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4.1 PAY

Overspends have arisen in A&E due to employment of agency medical and nursing staff to cover additional shifts to meet demand.

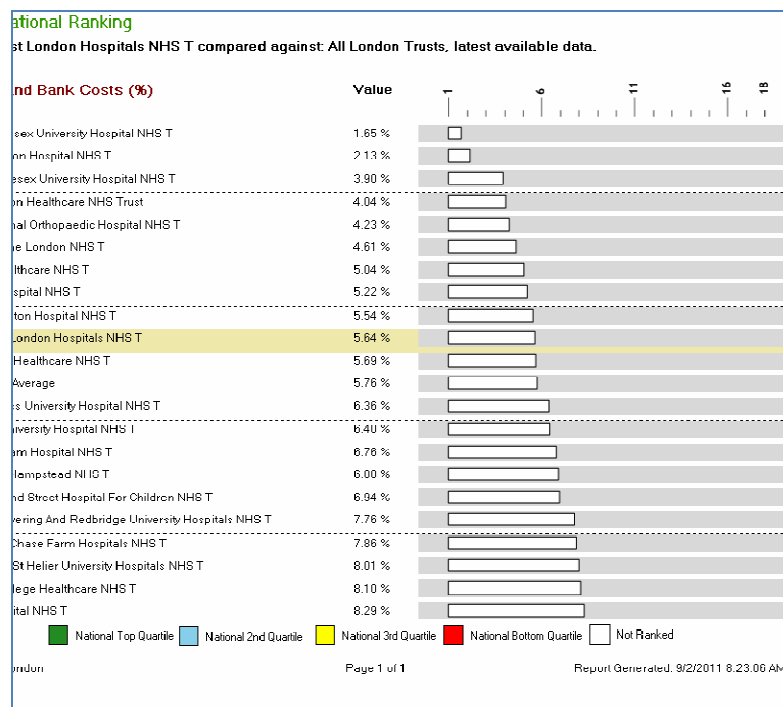
Agency staff have also been employed to cover junior medical rotas in theatres and surgery specialties, and specialist nursing requirements in Theatres, ITU and Maternity.

Temporary staff spend across the Trust is 9.7% of total pay cost for the year to date.

The table below details the five Medical and Nursing areas which have spent the most on temporary staff year to date. The temporary spend is shown as a percentage of total pay for each area. The Agency spend in these areas accounts for 71% of the Trust's Medical and Nursing agency expenditure.

Bank & Agency cost compared with Total Pay cost to Month 4							
Department Name	Bank £000's	Agency £000's	Substantive £000's	Total Pay £000's	Bank %	Agency %	Total %
MEDICAL							
A & E Medical (NPH)	139	242	649	1030	13.5%	23.5%	37.0%
A & E Medical (CMH)	76	218	443	737	10.3%	29.6%	39.9%
Medical Anaesthetics (NPH)	67	185	1700	1952	3.4%	9.5%	12.9%
Urology (NPH)	70	115	173	358	19.6%	32.1%	51.7%
Surgical Gastro (NPH)	51	52	613	717	7.1%	7.3%	14.4%
NURSING							
Main Theatres (NPH)	133	257	780	1170	11.4%	22.0%	33.3%
Itu (NPH)	153	222	906	1281	11.9%	17.3%	29.3%
Delivery Suite (NPH)	144	195	1234	1574	9.1%	12.4%	21.5%
A & E Nursing (NPH)	234	71	1119	1424	16.4%	5.0%	21.4%
Florence Ward (NPH)	116	31	394	541	21.4%	5.7%	27.2%

The benchmarks indicates while there may be specific problems overall the Trust is average.



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4.2 NON-PAY

Non-Pay budgets are overspent in total by £0.1m. Activity levels have led to overspend on Pathology clinical supplies and HIV drugs.

5. FORECAST OUTTURN FOR 2011/12

The forecast outturn is £9.7m deficit, per plan. The plan assumes receipt of transitional funding and delivery of additional savings in the second half of the year.

Delivery of the additional savings is recognised as a risk, realistic outturn estimates and mitigation strategies are being confirmed.

The Trust is developing plans to improve the management of urgent care and optimise use of resources at both hospitals. This includes recruitment to additional A&E posts at NPH to avoid premium costs of agency staff and streamlining emergency and elective care pathways between the two hospitals.

Regular communication is maintained with local PCTs who share the agenda on management of emergency care and delivery of high quality services for patients.