

Northumberland, Tyne and Wear CLRN

Annual Report 2009/10

Appendix to the financial report spreadsheet - Explanation of Variances

Sheet 1 – Overall Summary

1.1. Overall position

The return describes a position of the CLRN accounts within the Host Trust (Newcastle Upon Tyne Hospitals NHS Trust - NUTH) at 31st March 2010.

- The total income was £8,472,588
- The total expenditure was £8,467,966
- The result was an underspend of £4,622; equating to less than 0.05% .

1.2. Summaries by resource category:

In the 'summaries by resource' category there are three variances that are material.

- An apparent overspend of £506k on clinical sessions
- An underspend of £140k on RM&G
- An apparent underspend of £190k on 'other allocations'

Clinical sessions: Our member organisations have chosen to use in-year underspend on salaries and the money they received when the remaining CLRN contingency was devolved to fund clinical time. The increase in clinical sessions is a result of this.

RM&G: The underspend on RM&G is largely due to one member organisation (NUTH) being unable to recruit sufficient RM&G staff within year. The funding was, however, required elsewhere within the Trust in support of NIHR portfolio studies. The RM&G staff shortages are being dealt with and the situation should improve in the coming year.

Contingency within 'other allocations': As identified in the mid-year return, the underspend on other allocations is a direct result of the NTW CLRN contingency having been reported under this heading. The zero return in this line is matched by increased returns in other areas (such as the clinical sessions identified above).

1.3. Summaries by member organisation:

All the member organisations except Newcastle Hospitals NHS FT received more funding than was initially budgeted.

The apparent variance of minus £262k between the budgeted allocation to Newcastle Hospitals NHS FT and the final amount paid is a result of:

- £720k earmarked initially for clinical sessions to be awarded by the Exec (across all Trusts) was reported against our host Trust. Many of these sessions were awarded to Trusts other than our hosts, thereby implying an underprovision.
- The £200k contingency also recorded in the budgets as within NUTH - as our host trust. Allocating this, mid-year, across all member organisations has given the impression that Newcastle Hospitals NHS FT received less funding than they were expecting, this in not the case.

The two main components of the positive variances for the other trusts are:

- Devolved NTW CLRN contingency and
- Exceptional payments

The former were calculated mid-year on an activity-related basis and the latter were either straight pass-through (such as the £45k project-specific allowance for MRC CFASII which went to NTW Trust) or strategic interventions by the Exec (such as the £40k pump-priming for Neurology to Newcastle Hospitals NHS FT).

Sheet 2 – Management

Variances in this section are the routine, low-level, virement of funding that is expected when managing a complex budget. There are, therefore, no material issues to describe in this section

Sheet 3 – Clinical Sessions

There are three material variances in this section:

The line allowing for £720k in funding to be awarded by the Exec as clinical sessions – referred to in 1.2 above - is reported as £0 but the individual awards made are reported under the relevant Trust as 'Exec Sessions 09'. In total £558k of sessions were awarded, the underspend was redistributed in-year through adding it to the contingency programme.

£30k had been allocated to support of each of two clinical posts in Mental Health and Dementia. The provision was increased from 2 half-time posts to two full time posts after advice from the relevant networks and the funding was increased accordingly.

A significant number of clinical sessions were added by individual trusts as activity requiring support came to light. These have been added as extra lines.

Sheet 4 – Service Support

The service support payments to Trusts are very close to those predicted at the outset. There are no material variances.

One additional line has been added – for the MRC CFASII payment we received from the national contingency and passed on to Northumberland Tyne and Wear NHS FT.

Sheet 5 – Management

The two main areas of underspend against budget in this section are the Newcastle Hospitals NHS FT R&D office (as mentioned in 1.1 above) and the CLRN-wide RM&G posts that were delayed in being appointed. The former meant that £187k was redeployed within the Newcastle Hospitals NHS FT delivery funding and the latter was redeployed within the CLRN contingency and spent across multiple Trusts.

The three additional lines reflect the additional resource required and appointed locally in support of NIHR RM&G initiatives, primarily CSP support.

Sheet 6 - Other

The only material variance here is the NTW CLRN contingency which was devolved to other Trust and is reported in other sheets. The two new lines are from Trusts that did not initially identify local training budgets but in-year requested permission to vire money to create one.

Sheet 7 – ABF and Contingency

The service support contingencies identified for each trust are reported as £0 spend as the service support worksheet includes the funding attributed to the appropriate category. There are no other variances of note in this section