

Trust Board Meeting: Thursday 12 January 2012  
 TB2012.08

<b>Title</b>	Financial Performance to 30 November 2011
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<b>Status</b>	A paper for information
<b>History</b>	Regular monthly report

<b>Board Lead(s)</b>	Mr Mark Mansfield, Director of Finance and Procurement			
<b>Key purpose</b>	Strategy	Assurance	Policy	<b>Performance</b>

**Financial Performance to 30 November 2011****Summary**

1. At 30 November the Trust achieved a cumulative surplus for income and expenditure of £4.5m. This represents an adverse variance against the cumulative year-to-date plan of £1.4m.
2. When “technical adjustments” are taken into account the position shows a surplus of £5.7m and an adverse variance against plan of £1.0m. This represents the recorded performance against the formal Department of Health “managerial duty”.
3. For November itself the Trust made a surplus of £0.2m which was £0.4m better than plan. [£0.7m and £0.8m respectively against the formal “managerial duty”.]
4. The Trust continues to over-perform against targets for PCT income and its year-to-date position is currently £12.9m better than plan. This is offset by overspends against pay of £12.2m and non-pay of £3.8m. The Trust’s EBITDA (earnings before interest, tax, depreciation and amortisation) was 9.3% of turnover.
5. The Trust continues to project a surplus of £7.15m for the year against the formal “managerial duty”. There is risk around achieving this target which the Trust is working to mitigate through the clinical divisions of the organisation.
6. This report contains further, more detailed information in the following appendices:

**Appendix Content**

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**Income and Expenditure Account**

7. **Appendix 1** shows the Trust’s income and expenditure (I&E) account for the first eight months of the financial year. This shows a year-to-date retained surplus of £4.5m, which was £1.4m below the target level for this stage in the financial year. Performance in the month of November exceeded plan by £0.4m.
8. The Department of Health (DH) does not use the “bottom line” retained surplus to assess whether or not Trusts have complied with their financial duty to break even but, instead, measures the surplus once certain technical items have been excluded. These items are:
  - a) Impairments;

- b) The additional cost charged to the I&E account following the adoption by the NHS of International Financial Reporting Standards (IFRS) and which meant that Private Finance Initiative (PFI) assets that were not previously on Trusts' balance sheets are now regarded as on-balance sheet assets.
9. In addition, on 1 April 2011 the NHS made a further change to its accounting policies with regards to the way donated assets are accounted for. The Strategic Health Authority (SHA) has indicated that any impact as a result of this change on the I&E account will also be disregarded when assessing whether or not Trust meets its break even duty.
10. For the purpose of measuring the Trust's financial performance against its break even duty, the following adjustments need to be made to the Month 8 financial position:
- The merged organisation has three PFI schemes. The impact on the I&E account that has resulted from the adoption of IFRS varies from scheme to scheme. At Month 8 the year-to-date effect is that the retained surplus was £380,000 worse than was the case had the accounts continued to be reported under UK GAAP (generally agreed accounting policies – the financial standards used by the NHS prior to its adoption of IFRS in 2009/10).
  - In May 2011 the Biomedical Research Unit (BRU) building at the Nuffield Orthopaedic Centre was completed. When a building is completed the District Valuer is asked to provide a value for the asset in use. Valuations lower than the cost of planning and constructing the building and the additional costs of construction over and above the valuation are treated as an "impairment". The impairment for the BRU building was £437,000 (and this was higher than the amount estimated when the financial plans for the year were agreed).
  - The DH has indicated that NHS Trust should no longer release funds to the I&E account from the Donated Asset Reserve to match depreciation on donated assets but, instead, should treat new donated asset additions as a revenue item. In the case of this Trust the amount of new additions is not the same as the value that would have been released from the Reserve, and the difference has an impact on the bottom line of the I&E account.
11. If these "technical adjustments" are excluded then the Trust made a year-to-date "break even" surplus of **£5.8m** against a planned figure of £6.8m – i.e. a shortfall against plan of £1.0m. This is shown in the line entitled "Break Even Surplus" in **Appendix 1**.
12. EBITDA (earnings before interest, tax, depreciation & amortisation) is often regarded as a better measure for assessing the day-to-day financial operations of the Trust as it excludes items of expenditure that do not vary with performance. **Appendix 1** shows that, at Month 8, the Trust's year-to-date EBITDA was £46.7m, or 9.3% of turnover, and was £1.1m worse than the planned EBITDA figure for the period.

### Income

13. **Appendix 2** provides an analysis of year-to-date income for Month 8. The income figures differ a little from those shown in the I&E account because the latter includes

prior year income and income related to care for certain overseas visitors which is funded through PCTs.

14. The appendix shows that the Trust continues to carry out significantly more emergency activity than was planned but is also seeing more out-patients than was anticipated when contracts were agreed with commissioners. The over-performance is reduced by the marginal rates included in the locally adopted version of the national contract for NHS Acute Services.
15. Most of the financial over-performance for emergency activity is associated with non-elective admissions although there is also a significant amount (£1.7m) related to funding for emergency excess bed-days. This category of activity is running at 42% higher than plan and is linked to the local economy's challenges around delayed transfers of care (DTCs). The Trust is implementing a supportive discharge scheme in December to reduce DTCs and bring the level of excess bed-days down to more manageable levels.
16. "Other income" is £2.5m above budget after the first eight months of the year. Of this, £2.2m relates to research activity and is offset by year-to-date overspends on pay of £1.5m and non-pay of £0.8m. There is no overall impact on the "bottom line" resulting from research activities.
17. **Appendix 3** analyses year-to-date income performance against commissioner contracts. The Trust has carried out activity worth £14.6m, or 3.7%, more than contract after the first eight months of the year. (Again the figures differ slightly from those shown in Appendices 1 & 2 since funding for road traffic accidents (RTA) and PFI is excluded from these figures.)
18. Against the contracts agreed with Oxfordshire PCT, Oxford University Hospitals NHS Trust is over-performing by £5.5m, or 2.5%. The two former Trusts have entered into different contract arrangements for 2011/12 and this is reflected in this report. These contracts will remain in place for the rest of the current financial year and then be brought within a single agreement for 2012/13.

### **Expenditure**

19. Pay spend is currently £12.2m more than plan for the year-to-date. The overspend in November was £1.5m which is in line with the general run rate through the year.
20. Linked to national initiatives, the Trust has concluded a number of mutually agreed retirement scheme packages with certain members of staff who will be leaving the organisation over the next few months. This will result in a reduction in pay expenditure and will also contribute towards the Trust's savings target for 2012/13.
21. Non-pay expenditure was overspent against budget by less than 1% in November and is just over 2% overspent for the year-to-date. Much of this overspend relates to "pass through" items, such as implantable cardioverter defibrillators (ICDs) or anti-TNF (tumour necrosis factor) drugs, where the expenditure incurred by the Trust is recharged to PCTs (and hence this element of the non-pay overspend is over-set by an over-recovery of income against plan).

**Cost Improvement Programme**

22. *Appendix 4* shows the position of the Trust's savings plans after the first eight months of the year.
23. The Trust is £2.4m behind its planned figure for the year. Whilst a number of schemes are not generating the level of savings originally anticipated, this is being offset by the fact that the Divisions are generating general efficiencies which are significantly above plan. Higher than expected activity levels being recorded within the Trust impede the ability of the Trust to implement some of the expenditure reduction plans – for example, in the areas of agency staff, theatres and some of the workforce measures.

**I&E Forecast**

24. Following the integration of the two predecessor Trust and a detailed review of the financial position across the new organisation based on Month 7 results, the Trust Management Executive (TME) has agreed year end forecasts.
25. The Trust continues to forecast that it will achieve a year end surplus of £7.15m for 2011/12. This is in line with the plans agreed at the start of 2011/12. This is in line with the plans agreed at the start of 2011/12 by the two predecessor Trusts (£6.35m for Oxford Radcliffe and £0.8m for Nuffield Orthopaedic Centre).
26. TME reviewed the Month 7 position across each of the clinical divisions and has highlighted a number of risks at both corporate and divisional levels. The corporate risks are described in Section 8 below. At divisional level the TME has assessed the issues being addressed by divisions and agreed year end targets for delivery.

**Balance Sheet & Cashflow**

27. **Appendix 5** contains the balance sheet, or Statement of Financial Position, for the organisation at 30 November 2011.
28. As at 30 November the Trust held cash and cash equivalents of £38.0m. **Appendix 6** provides an analysis of cashflow for both the month of November and the year-to-date.
29. Cash increased in the month by £0.8m, partly as a result of a decrease in accounts receivable. This has occurred because some commissioners have paid invoices raised for activity carried out during the first two quarters of 2011/12. Nevertheless there remains a marked deterioration in the level of debtors for the year-to-date because other NHS commissioners have still not paid for over-performance and this continues to have a notable impact on the Trust's overall cash position. This issue is being pursued through the formal mechanism available to the Trust.

**Capital**

30. **Appendix 7** shows the position of the Capital Programme as at 30 November 2011. The main areas of expenditure in the month have been on medical equipment and the implementation of the Electronic Patient Records system (EPR).

31. The Trust has only spent one third of its capital monies after the first eight months of the year. It is known that there are commitments to spend further sums on the EPR project and medical equipment. The largest unspent item, "Third Party Commitments", relates to capital projects associated with the Biomedical Research Centre (BRC) which may be £2.5m underspent at year-end.
32. Other than the BRC and Biomedical Research Unit (BRU) projects, which are externally funded and hence "ring-fenced", any underspend against the other existing schemes is available for reallocation for other capital commitments. Slippage against these projects will cause an undershoot against the Capital Resource Limit (CRL) in the current financial year. If the planned spend is not incurred in this financial year, a provision for future expenditure will be needed to be made in the capital programme for 2012-13 and this will then limit the amount of funding available for other, new projects next year.
33. At its meeting in December 2011 the Trust's Strategic Planning Committee agreed that project managers for existing schemes should not be allowed to use any forecast underspend automatically on enhancements to their schemes but should prepare, and have approved, separate business cases to support their request to use unspent funds. The Committee further agreed that two further projects, whose business cases have already been approved, should be added to the current year's capital programme in order to use up some of the potential slippage. These schemes totalled £611,000 and were for:
  - i. 5<sup>th</sup> Endoscopy Room - equipment and works estimated to cost £566,000; and
  - ii. Horton Dialysis - estimated cost £50,000.
34. The Committee also took into consideration the fact that the project for the Major Trauma Centre has a capital commitment of £780,000 associated with it but believed capital expenditure was likely to slip into 2012/13 and therefore would need to be included in next year's programme.
35. Currently it is estimated that there will be a small undershoot - around £0.5m - against the Trust's CRL and it is recommended that this remains uncommitted in case existing schemes overspend against the sums allocated against them for the year.

#### Financial Risk Ratings

36. **Appendix 8** provides detail of the financial risk rating (FRR) for the Trust against the criteria applied by Monitor to existing and aspirant Foundation Trusts.
37. The FRR weighted average score is 2.9 at Month 8. However the poor liquidity ratio for the Trust means that the rating is restricted to a score of 2 under Monitor's rules used to adjust the FRR. It is not expected that the FRR will vary significantly from this score during the rest of the financial year.

#### Risks

38. The Trust is managing a number of operational risks as it enters the final quarter of 2011/12. These issues may translate into a series of risks to the delivery of financial targets. The organisation is seeking to mitigate these risks.

39. The principal risks to the income and expenditure position are as follows:
- i. A failure to deliver the currently planned levels of activity, leading to a loss of income and “margin”. This would present a further challenge if the costs of providing additional activity exceed the level of income achieved; this is a particular risk where “marginal cost” remuneration is in operation.
  - ii. Continuing elective activity pressures in areas which may “crowd out” elective workload.
  - iii. A failure to deliver income and expenditure plans at divisional level (as outlined in Section 4 above). Particular risks surround the delivery of additional income in a number of divisions where winter workload or the achievement of activity associated with business cases is expected to have a material impact.
  - iv. A failure to deliver Cost Improvement Programmes at the levels anticipated, especially where current activity trends are impeding delivery, or where remedial measures have been put in place.
  - v. A failure to manage the financial consequences of the implementation of the Electronic Patient Record (EPR) system across the Trust.
40. The Trust faces risks to the discharge of financial duties not associated directly with income and expenditure, in particular:
- i. A failure to manage capital at the levels planned for and “undershoot” against Capital Resource Limit may, in some cases, produce commitments for 2012/13.
  - ii. A failure to manage cash at the levels required, in particular surrounding NHS debt.
  - iii. A failure to show improvement in the rate of achievement against the Public Section prompt payment policy.

**Recommendation**

41. The Board is asked to note the content of this report.

**Mr Mark Mansfield, Director of Finance and Procurement**

**Mr Kevin Davis, Senior Business Partner**

**January 2012**

## Oxford University Hospitals NHS Trust

## Income &amp; Expenditure Account - Month 8, 2011/12

	Annual Budget	Current Month			Year to Date			Prior Mth
	£000	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000	YTD Var. £000
<b>Income</b>								
Commissioning	605,614	51,273	53,007	1,734	403,580	416,444	12,864	11,130
PP/ Overseas	11,962	969	939	(30)	8,087	7,516	(571)	(541)
Other	116,830	9,614	10,394	780	77,771	80,303	2,532	1,752
<b>Total Income</b>	<b>734,406</b>	<b>61,856</b>	<b>64,340</b>	<b>2,484</b>	<b>489,438</b>	<b>504,263</b>	<b>14,825</b>	<b>12,341</b>
<b>Expenditure</b>								
Pay	(402,593)	(33,683)	(35,205)	(1,522)	(266,217)	(278,390)	(12,173)	(10,651)
Non-Pay	(262,920)	(23,126)	(23,336)	(210)	(175,416)	(179,182)	(3,766)	(3,556)
<b>Total Expenditure</b>	<b>(665,513)</b>	<b>(56,809)</b>	<b>(58,541)</b>	<b>(1,732)</b>	<b>(441,633)</b>	<b>(457,572)</b>	<b>(15,939)</b>	<b>(14,207)</b>
<b>EBITDA</b>	<b>68,893</b>	<b>5,047</b>	<b>5,799</b>	<b>752</b>	<b>47,805</b>	<b>46,691</b>	<b>(1,114)</b>	<b>(1,866)</b>
Depreciation	(31,904)	(2,640)	(2,592)	48	(21,116)	(20,595)	521	473
Investment Revenue	115	9	12	3	77	98	21	18
Other Gains & Losses	(179)	(15)		15	(119)		119	104
Finance Costs	(21,369)	(1,780)	(1,789)	(9)	(14,246)	(14,588)	(342)	(333)
PDC Dividend Payable	(8,404)	(700)	(700)		(5,603)	(5,841)	(238)	(238)
<b>Break Even Surplus</b>	<b>7,152</b>	<b>(79)</b>	<b>730</b>	<b>809</b>	<b>6,798</b>	<b>5,765</b>	<b>(1,033)</b>	<b>(1,842)</b>
IFRIC 12 Technical Deficit (PFI)	(526)	(38)	(39)	(1)	(373)	(380)	(7)	(6)
Impairments	(308)				(308)	(437)	(129)	(129)
Donated Asset Depreciation	(3,020)	(252)	(175)	77	(2,014)	(1,410)	604	527
Donated Asset Income	2,790	233	(270)	(503)	1,860	989	(871)	(368)
<b>Retained Surplus/(Deficit)</b>	<b>6,088</b>	<b>(136)</b>	<b>246</b>	<b>382</b>	<b>5,963</b>	<b>4,527</b>	<b>(1,436)</b>	<b>(1,818)</b>



## Oxford University Hospitals NHS Trust

## Analysis of Activity-Related Income - Month 8, 2011/12

Activity	Activity Plan	Activity Actual	Activity Diff.	YTD Diff. %	YTD Plan £000	YTD Actual £000	YTD Diff. £000	YTD Diff. %
Elective	63,543	67,361	3,819	6.0%	90,809	94,811	4,002	4.4%
Emergency	71,628	75,622	3,993	5.6%	107,222	115,156	7,934	7.4%
Outpatient	520,996	557,943	36,948	7.1%	63,948	67,767	3,819	6.0%
Other	3,039,085	3,207,686	168,601	5.5%	136,538	135,336	(1,202)	(0.9%)
	<b>3,695,252</b>	<b>3,908,612</b>	<b>213,360</b>	<b>5.8%</b>	<b>398,517</b>	<b>413,070</b>	<b>14,553</b>	<b>3.7%</b>

## Oxford University Hospitals NHS Trust

## Analysis of Income by Commissioner – Month 8, 2011/12

Commissioner	Plan Price Annual £000	Price Plan YTD £000	Price Actual YTD £000	Variance YTD £000	Var. YTD %
Oxfordshire PCT	333,841	222,760	228,276	5,516	2.5%
Oxfordshire PCT - TV Spec.	37,149	24,778	24,643	(135)	(0.5%)
Buckinghamshire PCT	31,209	20,828	22,163	1,335	6.4%
Northamptonshire PCT	19,013	12,687	13,391	704	5.5%
Buckinghamshire PCT - TV Spec.	18,118	12,085	13,070	985	8.2%
Northamptonshire PCT - East Mids Spec.	16,733	11,164	11,740	576	5.2%
S.W. Specialised Commissioning Group	16,482	10,993	10,835	(158)	(1.4%)
Berkshire West PCT	15,674	10,459	9,031	(1,428)	(13.7%)
Milton Keynes PCT	12,907	8,612	9,841	1,229	14.3%
Milton Keynes PCT - TV Spec.	8,863	5,911	6,337	426	7.2%
Berkshire West PCT - TV Spec.	8,650	5,770	6,260	490	8.5%
Berkshire East PCT - TV Spec.	6,452	4,304	4,390	86	2.0%
Swindon PCT	5,636	3,763	4,017	254	6.7%
Bedfordshire PCT	4,394	2,933	3,386	453	15.4%
NCG Kidney & Pancreatic Transplantation	4,211	2,808	3,121	313	11.1%
Berkshire East PCT	1,623	1,082	1,092	10	0.9%
Warwickshire PCT	5,413	3,612	3,554	(58)	(1.6%)
Others	51,884	34,099	38,052	3,953	11.6%
<b>Total</b>	<b>598,252</b>	<b>398,648</b>	<b>413,199</b>	<b>14,551</b>	<b>3.7%</b>

## Oxford University Hospitals NHS Trust

## Savings Programme - Month 8, 2011/12

	Target £000	YTD Plan £000	YTD Act. £000	Variance £000	Green £000	Amber £000	Red £000	Unident. £000
FYE of 2010/11 schemes	10,560	7,040	7,040		10,560			
Divisional General Efficiency	12,411	8,318	11,083	2,765	16,372	937	776	(5,674)
Procurement	4,402	2,880	2,393	(487)	2,921	560		921
Staff Productivity:								
Review of Specialist Nurses	100	67		(67)			100	
Agency	2,000	1,273	235	(1,038)	279	144		1,577
Consultant Job Plans	500	278	176	(102)	298	15	78	109
Radiology Retention	400	267		(267)		37		363
Other Workforce Measures	6,577	3,654	1,993	(1,661)	1,993	935		3,649
Outpatients - Use of Clinics	500	278		(278)			63	437
Reduce Pre-Op. LOS	400	240		(240)				400
Medicines Management	3,500	2,333	2,333		3,500			
Productive Theatres	999	666		(666)		185		814
Estates Management	700	233	140	(93)	140		560	
Ward Moves	1,200	667	516	(151)	810		113	277
Reduce 18 Week Premium Costs	7,000	3,889	3,889		7,000			
R & D Income	1,500	1,000	1,000		1,500			
Former NOC Schemes	5,573	3,575	3,434	(141)	3,778	1,177	618	
<b>Grand Total</b>	<b>58,322</b>	<b>36,658</b>	<b>34,232</b>	<b>(2,426)</b>	<b>49,151</b>	<b>3,990</b>	<b>2,308</b>	<b>2,873</b>

## Oxford University Hospitals NHS Trust

Statement of Financial Position as at 30 November 2011

	Opening Balance 01-Apr-11	Closing Balance 30-Nov-11	YTD Movement	Mvmt. In Month
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	703,411	686,050	(17,361)	(1,599)
Intangible Assets	4,253	6,107	1,854	(102)
Trade and Other Receivables	4,259	4,009	(250)	(138)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>711,923</b>	<b>696,166</b>	<b>(15,757)</b>	<b>(1,839)</b>
<b>CURRENT ASSETS</b>				
Inventories	13,014	13,458	444	(97)
Trade and Other Receivables	28,144	45,507	17,363	(1,202)
Cash and Cash Equivalents	25,799	38,006	12,207	846
<b>CURRENT ASSETS</b>	<b>66,957</b>	<b>96,971</b>	<b>30,014</b>	<b>(453)</b>
<b>TOTAL CURRENT ASSETS</b>	<b>66,957</b>	<b>96,971</b>	<b>30,014</b>	<b>(453)</b>
<b>CURRENT LIABILITIES</b>				
Trade and Other Payables	(86,319)	(104,591)	(18,272)	1,545
DH Working Capital Loan	(3,332)	(3,332)		
DH Capital Loan	(1,404)	(1,404)		
Borrowings	(12,352)	(12,394)	(42)	(5)
Provisions for Liabilities and Charges	(3,641)	(2,189)	1,452	
<b>TOTAL CURRENT LIABILITIES</b>	<b>(107,048)</b>	<b>(123,910)</b>	<b>(16,862)</b>	<b>1,540</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>(40,091)</b>	<b>(26,939)</b>	<b>13,152</b>	<b>1,087</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>671,832</b>	<b>669,227</b>	<b>(2,605)</b>	<b>(752)</b>
<b>NON-CURRENT LIABILITIES</b>				
DH Working Capital Loan	(3,326)	(1,660)	1,666	
DH Capital Loan	(9,215)	(8,513)	702	
Borrowings	(303,510)	(297,024)	6,486	904
Trade and Other Payables	(630)	(610)	20	1
Provisions for Liabilities and Charges	(1,565)	(3,307)	(1,742)	209
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>(318,246)</b>	<b>(311,114)</b>	<b>7,132</b>	<b>1,114</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>353,586</b>	<b>358,113</b>	<b>4,527</b>	<b>362</b>
<b>FINANCED BY TAXPAYERS EQUITY</b>				
Public Dividend Capital	203,912	203,912		
Retained Earnings	18,685	23,212	4,527	362
Revaluation Reserve	129,246	129,246		
Other Reserve	1,743	1,743		
<b>TOTAL TAXPAYERS EQUITY</b>	<b>353,586</b>	<b>358,113</b>	<b>4,527</b>	<b>362</b>

## Oxford University Hospitals NHS Trust

## Statement of Cash Flows - Month 8, 2011/12

	Current Month	YTD Mvmt
	£000	£000
<b>Cash Flows from Operating Activities</b>		
Operating Surplus/(Deficit)	2,758	24,737
Depreciation and Amortisation	2,757	22,001
Impairments and Reversals		437
Interest Paid	(1,536)	(13,093)
Dividend Paid		(4,390)
(Increase)/Decrease in Inventories	97	(442)
(Increase)/Decrease in Trade and Other Receivables	1,273	(17,469)
Increase/(Decrease) in Trade and Other Payables	(1,914)	17,956
Increase/(Decrease) in Provisions	(209)	289
<b>Net Cash Flow from Operating Activities</b>	<b>3,226</b>	<b>30,026</b>
<b>Cash Flows from Investing Activities</b>		
Interest Received	12	97
(Payments) for Property, Plant and Equipment	(1,476)	(7,437)
(Payments) for Intangible Assets	(18)	(1,665)
<b>Net Cash Flow from Investing Activities</b>	<b>(1,482)</b>	<b>(9,005)</b>
<b>NET CASH FLOW BEFORE FINANCING</b>	<b>1,744</b>	<b>21,021</b>
<b>Cash Flows from Financing Activities</b>		
Capital Investment Loans - Repayment of Principal		(702)
Working Capital Loans - Repayment of Principal		(1,666)
Capital Element of Finance Leases and PFI	(898)	(6,446)
<b>Net Cash Flow from Financing</b>	<b>(898)</b>	<b>(8,814)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>846</b>	<b>12,207</b>
<b>Cash at the Beginning of the Period</b>	<b>37,160</b>	<b>25,799</b>
<b>Cash at the End of the Period</b>	<b>38,006</b>	<b>38,006</b>

## Oxford University Hospitals NHS Trust

## Capital Programme - Month 8, 2011/12

	Annual Plan £000s	Expenditure		Balance Remaining £000s
		Current Month £000s	YTD £000s	
<b>Buildings</b>				
Projects B/F from 2010/11	493	25	356	137
Estates Programme	2,400	104	1,034	1,366
JR Window Upgrade	300	43	174	126
JR Theatres Enhancement	100			100
Cardiac Repatriation Scheme	596	124	150	446
Maternity Pathway Improvements	562	34	274	288
Neonatal Interim Development	500	2	8	492
Level 1 X-Ray Rooms (x2)	658	2	108	550
Elimination of MSA & Ward Moves	700		95	605
Head and Neck Relocation scheme	1,172	10	519	653
Third Party Commitments	3,660	10	362	3,298
Clinical Trials Unit - Building	375	1	167	208
<b>Sub-Total - Buildings</b>	<b>11,516</b>	<b>355</b>	<b>3,247</b>	<b>8,269</b>
<b>Equipment</b>				
Medical Equipment	3,000	363	858	2,142
Lab. Equipment & Theatre Lights	563		57	506
Managed Eqpt. Services (Churchill PFI)	728	123	569	159
Clinical Trials Unit - Equipment	25		11	14
Minor Equipment Projects		(7)	17	(17)
<b>Sub-Total - Equipment</b>	<b>4,316</b>	<b>479</b>	<b>1,512</b>	<b>2,804</b>
<b>I.T.</b>				
GOMLA/Oracle Finance System	123		123	
EPR and Infrastructure	3,300	223	1,945	1,355
PACS	400		13	387
Automated Sensitivity Testing System	150			150
I.T. Replacement	500		79	421
Minor I.T. Projects	100			100
<b>Sub-Total - Equipment</b>	<b>4,573</b>	<b>223</b>	<b>2,160</b>	<b>2,413</b>
Contingency	350		14	336
<b>Total Capital</b>	<b>20,755</b>	<b>1,057</b>	<b>6,933</b>	<b>13,822</b>

## Oxford University Hospitals NHS Trust

## Monitor Financial Risk Rating - Month 8, 2011/12

Financial Criteria	Risk Rating	Weight	Scores					YTD November 2011	
			5	4	3	2	1	Metric	Score
Achievement of Plan	EBITDA % achieved	10%	100%	85%	70%	50%	<50%	97.7%	4
Underlying Performance	EBITDA margin	25%	11%	9%	5%	1%	<1%	9.3%	4
Financial Efficiency	Return on Assets	20%	6%	5%	3%	-2%	< -2%	5.8%	4
	I & E Surplus Margin	20%	3%	2%	1%	-2%	< -2%	0.9%	2
Liquidity	Liquid ratio (days)	25%	60	25	15	10	<10	-19	1
<b>Weighted Average</b>									<b>2.9</b>
<b>Overall Rating (see rules below)</b>									<b>2</b>

## Monitor - Rules Used to Adjust the Financial Risk Rating

Situation	Maximum Rating
Plan not submitted on time	3
Plan not submitted complete and correct	3
PDC dividend not paid in full	2
One financial criterion scored at '1'	2
One financial criterion scored at '2'	3
Two financial criteria scored at '2'	2
Two financial criteria at '1'	1
Unplanned breach of Prudential Borrowing Code (PBC)	2
Previous year's annual rating worse	No more than 2 points better than previous year
Less than 1 year as an NHS Foundation Trust	4
Deficit forecast in year 2 or 3	3
Deficit forecast in both years 2 and 3	2