

**Trust Board Meeting: Wednesday, 9 January 2013**  
**TB2013.12**

<b>Title</b>	<b>Financial Performance to 30 November 2012</b>
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<b>Status</b>	A paper for information
<b>History</b>	Monthly report to the public meeting of the Board

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

## Summary

This report informs the Board on the Trust's financial position for the first eight months of the financial year 2012/13.

Key points to note:

1	The financial position at the end of Month 8 was £198,000 better than plan. (Page 3)
2	The Trust held cash at 30 November which would be sufficient to cover 32 days of operations. (Page 6)
3	Against the Foundation Trust Risk Rating regime the Trust's performance would be rated at 3.0. (Page 7)

The report contains information on the following:

- Statements about Comprehensive Income (Pages 3 & 4)
- The Statement of Financial Position at 30 November 2012 (Page 5)
- The Statement of Cashflows for the first 8 months of the year (Page 6)
- Performance against Monitor's financial risk ratings (Page 7)
- Details about commissioning income earned (Pages 8 & 9)
- Performance against the savings target (Page 10)
- Details about the capital programme (Page 11)
- Performance against the Trust's financial duties (Page 12)

## 1. Statement of Comprehensive Income (Income & Expenditure Account) – excluding Research

	Annual	Year to Date		
	Plan	Plan	Actual	Variance
	£000	£000	£000	£000
<b>Operating Income</b>				
Commissioning Income	645,030	434,213	448,582	14,369
PP & Overseas	13,557	8,778	8,814	36
Other Income	89,734	60,249	61,686	1,437
<b>Total Income</b>	<b>748,321</b>	<b>503,240</b>	<b>519,082</b>	<b>15,842</b>
<b>Operating Expenditure</b>				
Pay	(409,870)	(273,098)	(278,616)	(5,518)
Non-Pay	(272,927)	(186,007)	(193,890)	(7,883)
<b>Total Expenditure</b>	<b>(682,797)</b>	<b>(459,105)</b>	<b>(472,506)</b>	<b>(13,401)</b>
<b>EBITDA</b>	<b>65,524</b>	<b>44,135</b>	<b>46,576</b>	<b>2,441</b>
<b>Non-Operating Expenditure</b>	<b>(63,970)</b>	<b>(42,513)</b>	<b>(43,339)</b>	<b>(826)</b>
<b>Retained Surplus/(Deficit)</b>	<b>1,554</b>	<b>1,622</b>	<b>3,237</b>	<b>1,615</b>
<b>Technical Adjustments</b>	<b>2,048</b>	<b>1,361</b>	<b>(56)</b>	<b>(1,417)</b>
<b>Break Even Surplus</b>	<b>3,602</b>	<b>2,983</b>	<b>3,181</b>	<b>198</b>

- The Trust’s financial position remained on plan at the end of November. This describes the position excluding the impact of research income and expenditure.
- Commissioning income was £14.4m better than plan (October = £10.2m). Details of activity performance by individual commissioner are shown on Page 9.
- As at 30 November the Trust had over-performed against NHS Oxfordshire (NHSO) by £9.8m (October = £6.5m). The Trust is over-performing on its non-elective work and, because this exceeds 2008/09 activity levels, a marginal rate of 30% has been applied in accordance with national guidelines. The estimated impact of this adjustment is £3.3m (October = £2.3m).
- Pay expenditure was £5.5m, or 2.0%, worse than plan (October = £4.4m). The reasons for the overspend include:
  - The Trust’s level of activity for elective, non-elective and out-patient work is £11.3m, or 4.2%, higher than plan for the year-to-date with non-elective activity in particular over-performing (see Page 8).
  - The Trust’s pay-related savings schemes are approximately £3.8m behind plan after the first eight months of the year (Page 10).
- Non-pay expenditure was £7.9m, or 4.2%, worse than plan (October = £5.1m). The reasons for the overspend include:
  - The Trust’s level of activity over-performance as described above. Non-pay costs represent approximately one third of cost and are variable to a significant degree; the over-performance on elective, non-elective and out-patient activities would result in £3.8m additional non-pay spend on a proportionate basis.
  - Expenditure on “pass through” drugs and devices was £2.4m greater than plan after the first eight months of the year (October = £1.2m) (Page 8). This increases the level of income recovered concomitantly.
  - The Trust’s non-pay savings schemes were approximately £3.3m behind plan at the end of November (Page 10).

## 2. Statement of Comprehensive Income (Income &amp; Expenditure Account) – including Research

	Annual	Year to Date		
	Plan	Plan	Actual	Variance
	£000	£000	£000	£000
<b>Operating Income</b>				
Commissioning Income	645,030	434,213	448,582	14,369
PP & Overseas	13,557	8,778	8,814	36
Other Income	128,058	83,868	81,398	(2,470)
<b>Total Income</b>	<b>786,645</b>	<b>526,859</b>	<b>538,794</b>	<b>11,935</b>
<b>Operating Expenditure</b>				
Pay	(437,414)	(289,434)	(292,216)	(2,782)
Non-Pay	(283,707)	(193,290)	(200,002)	(6,712)
<b>Total Expenditure</b>	<b>(721,121)</b>	<b>(482,724)</b>	<b>(492,218)</b>	<b>(9,494)</b>
<b>EBITDA</b>	<b>65,524</b>	<b>44,135</b>	<b>46,576</b>	<b>2,441</b>
Non-Operating Expenditure	(63,970)	(42,513)	(43,339)	(826)
<b>Retained Surplus/(Deficit)</b>	<b>1,554</b>	<b>1,622</b>	<b>3,237</b>	<b>1,615</b>
Technical Adjustments	2,048	1,361	(56)	(1,417)
<b>Break Even Surplus</b>	<b>3,602</b>	<b>2,983</b>	<b>3,181</b>	<b>198</b>

- This Statement of Comprehensive Income includes the effect of research (R&D) activities on the Trust's financial position. This treatment reflects the way in which financial performance is reported in the Trust's Statutory Statements. The financial position shown on page 3 show the underlying operational performance in healthcare activities.
- At the end of November expenditure on R&D was £3.9m less than plan with pay being £2.7m below plan and non-pay £1.2m less than anticipated. R&D income for this amount was therefore deferred to take this into account, resulting in an adverse variance against plan on "other" income.
- EBITDA was 8.6% of Trust turnover, including R&D income. The annual plan is for the Trust's EBITDA to be 8.3% for the full year.

## 3. Statement of Financial Position (Balance Sheet)

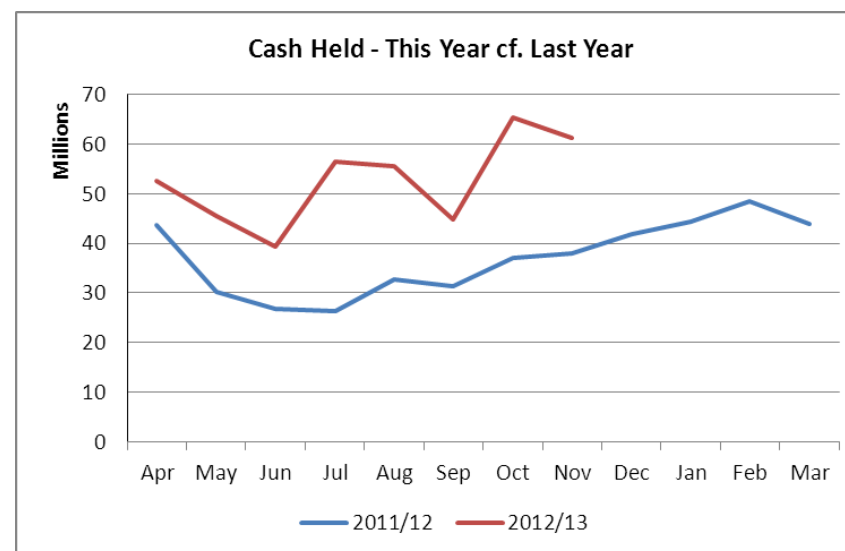
	Opening Balance	Closing Balance	Movement	Mvmt. In Month
	01-Apr-12	30-Nov-12		
<b>NON-CURRENT ASSETS</b>				
Property, Plant & Equipment	696,398	684,315	(12,083)	(1,481)
Intangible Assets	7,301	7,551	250	(413)
Trade & Other Receivables	3,742	4,057	315	(288)
<b>NON-CURRENT ASSETS</b>	<b>707,441</b>	<b>695,923</b>	<b>(11,518)</b>	<b>(2,182)</b>
<b>CURRENT ASSETS</b>				
Inventories	12,761	13,673	912	407
Trade & Other Receivables	36,462	44,306	7,844	2,438
Cash & Cash Equivalents	43,884	61,200	17,316	(4,118)
<b>CURRENT ASSETS</b>	<b>93,107</b>	<b>119,179</b>	<b>26,072</b>	<b>(1,273)</b>
<b>CURRENT LIABILITIES</b>				
Trade & Other Payables	(100,141)	(110,185)	(10,044)	2,699
Borrowings	(17,356)	(13,004)	4,352	848
Current Provisions	(8,421)	(6,239)	2,182	63
<b>CURRENT LIABILITIES</b>	<b>(125,918)</b>	<b>(129,428)</b>	<b>(3,510)</b>	<b>3,610</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>(32,811)</b>	<b>(10,249)</b>	<b>22,562</b>	<b>2,337</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	(299,314)	(294,725)	4,589	239
Trade & Other Payables	(1,930)	(14,359)	(12,429)	71
Non-Current Provisions	(1,426)	(1,393)	33	
<b>NON-CURRENT LIABILITIES</b>	<b>(302,670)</b>	<b>(310,477)</b>	<b>(7,807)</b>	<b>310</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>371,960</b>	<b>375,197</b>	<b>3,237</b>	<b>465</b>
<b>FINANCED BY TAXPAYERS EQUITY</b>				
Public Dividend Capital	206,873	206,873		
Retained Earnings	15,600	19,162	3,562	465
Revaluation Reserve	147,744	147,419	(325)	
Other Reserve	1,743	1,743		
<b>TOTAL TAXPAYERS EQUITY</b>	<b>371,960</b>	<b>375,197</b>	<b>3,237</b>	<b>465</b>

- The fall in borrowings reflects the regular repayments on the capital element of the contracts with the Trust's PFI providers. These repayments are made through the monthly PFI unitary payments.
- The main reason for the fall in cash in the month was the payment of amounts owed to creditors as recorded on the Accounts Payable system, and the occurrence of expenditure on R&D projects where project funding had been received in advance in October.
- A number of detailed actions to improve Treasury Management, as discussed with the Audit Committee in November, have been implemented.

## 4. Statement of Cashflows

	Q1 2012/13	Q2 2012/13	Oct 2012	Nov 2012	Year-to- Date
	£000	£000	£000	£000	£000
<b>Cash Flows from Operating Activities</b>					
Operating Surplus/(Deficit)	7,142	9,862	3,092	2,988	23,084
Depreciation & Amortisation	8,759	8,836	2,943	2,955	23,493
Interest Paid	(4,895)	(5,619)	(1,624)	(1,624)	(13,762)
Dividend Paid		(4,876)			(4,876)
Receipt of Donated Assets		(401)			(401)
(Increase) in Inventories	(706)	17	184	(407)	(912)
(Increase) in Trade & Other Receivables	(17,575)	4,401	7,393	(2,195)	(7,976)
Increase in Trade & Other Payables	13,325	2,423	11,656	(3,190)	24,214
Increase in Provisions	(327)	(724)	(1,101)	(63)	(2,215)
<b>Cash Flow from Operating Activities</b>	<b>5,723</b>	<b>13,919</b>	<b>22,543</b>	<b>(1,536)</b>	<b>40,649</b>
<b>Cash Flows from Investing Activities</b>					
Interest Received	39	42	14	20	115
(Payments) for Fixed Assets	(8,032)	(3,591)	(1,367)	(1,517)	(14,507)
<b>Cash Flow from Investing Activities</b>	<b>(7,993)</b>	<b>(3,549)</b>	<b>(1,353)</b>	<b>(1,497)</b>	<b>(14,392)</b>
<b>Cash Flows from Financing Activities</b>					
Capital Loans - Repayment of Principal		(702)			(702)
Working Capital Loans - Principal Repayment		(1,666)			(1,666)
Capital Element of Finance Leases & PFI	(2,360)	(2,374)	(753)	(1,086)	(6,573)
<b>Cash Flow from Financing Activities</b>	<b>(2,360)</b>	<b>(4,742)</b>	<b>(753)</b>	<b>(1,086)</b>	<b>(8,941)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>(4,630)</b>	<b>5,628</b>	<b>20,437</b>	<b>(4,119)</b>	<b>17,316</b>
<b>Cash - Beginning of the Period</b>	<b>43,884</b>	<b>39,254</b>	<b>44,882</b>	<b>65,319</b>	<b>43,884</b>
<b>Cash - End of the Period</b>	<b>39,254</b>	<b>44,882</b>	<b>65,319</b>	<b>61,200</b>	<b>61,200</b>

- The Trust held £61.2m in cash at the end of November. This is £17.3m more than the start of the year.
- Cash fell by £4.1m in November. This was partly due to payments of £1.6m made in the month against research projects and, in particular, the Biomedical Research Centre where funds are received quarterly in advance and then expensed over the next three months.
- The amount owed to creditors as recorded on the Accounts Payable system also fell by £4.3m following payment of amounts owed to third parties in the month.
- The Trust held enough cash to cover over 32 working days of planned operating expenditure at 30 November 2012.

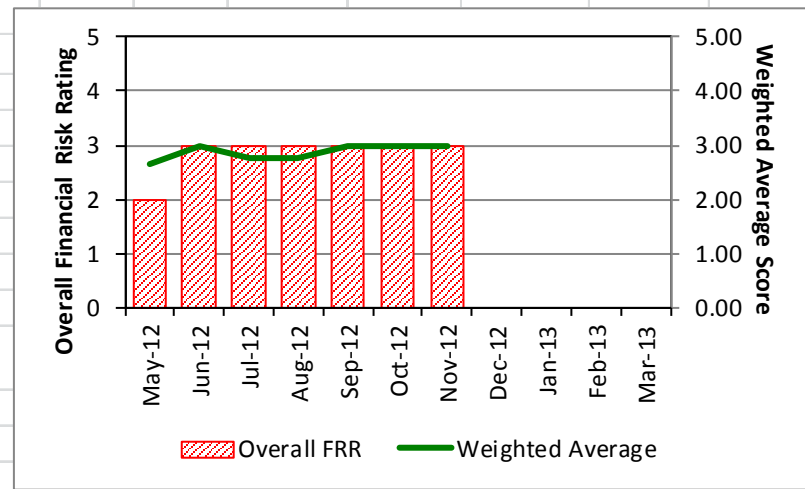


5. Financial Risk Rating

Financial Criteria	Risk Rating	Weight	Scores					November 2012		October 2012	
			5	4	3	2	1	Metric	Score	Metric	Score
Achievement of Plan	EBITDA % achieved	10%	100%	85%	70%	50%	<50%	105.5%	5	105.4%	5
Underlying Performance	EBITDA margin	25%	11%	9%	5%	1%	<1%	8.6%	3	8.7%	3
Financial Efficiency	Net return after Financing	20%	3%	2%	(0.5%)	(5%)	< (5%)	0.7%	3	0.7%	3
	I & E Surplus Margin	20%	3%	2%	1%	(2%)	< (2%)	0.6%	2	0.6%	2
Liquidity	Liquid ratio (days)	25%	60	25	15	10	<10	16	3	16	3
<b>Weighted Average</b>									<b>3.00</b>		<b>3.00</b>
<b>Overall Rating (see rules below)</b>									<b>3</b>		<b>3</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



- The Trust's weighted average score remained at 3.00 in November. All scores remained the same although the EBITDA metric strengthened slightly compared to October.

## 6. Analysis of Activity and Activity-Related Income

Activity	Activity - Year-to-Date				Income - Year-to-Date			
	YTD Plan	YTD Actual	YTD Diff.	YTD Diff. %	Plan £000	Actual £000	Diff. £000	Diff. %
Elective (incl. day cases)	65,248	61,844	(3,405)	(5.2%)	99,561	94,082	(5,479)	(5.5%)
Non-Elective	45,801	53,537	7,736	16.9%	99,950	113,967	14,017	14.0%
Out-Patients	532,945	535,989	3,044	0.6%	71,818	74,600	2,782	3.9%
Other								
Chemotherapy	15,609	17,079	1,471	9.4%	12,824	14,458	1,634	12.7%
Critical Care	24,687	28,556	3,869	15.7%	32,097	35,713	3,616	11.3%
Devices	4,900	4,873	(27)	(0.6%)	10,065	9,613	(452)	(4.5%)
Direct Access	2,908,223	2,918,482	10,259	0.4%	12,208	12,273	65	0.5%
Drugs	28,725	30,864	2,138	7.4%	31,963	34,864	2,901	9.1%
Excess Beds	23,165	29,538	6,373	27.5%	6,169	7,591	1,422	23.1%
A&E & Cystic Fibrosis O/Ps	91,854	102,465	10,611	11.6%	11,619	12,703	1,084	9.3%
Radiotherapy	33,372	31,966	(1,406)	(4.2%)	7,050	6,166	(884)	(12.5%)
Renal Replacement Therapy	70,162	68,734	(1,428)	(2.0%)	11,937	12,211	274	2.3%
Screening	115,281	102,552	(12,729)	(11.0%)	3,783	3,561	(222)	(5.9%)
Other Activity	12,259	12,880	620	5.1%	26,127	25,972	(155)	(0.6%)
Adjustments for Thresholds & Denials					(2,958)	(9,192)	(6,234)	
<b>Totals</b>					<b>434,213</b>	<b>448,582</b>	<b>14,369</b>	<b>3.3%</b>

- The Trust's activity position for the first eight months of the year was calculated from data for seven months.
- Non-elective activity remains well above plan for the year with elective activity, including day case work, below plan.



## 7. Analysis of Income by Commissioner

	Annual	YTD	YTD	YTD	Var.
	Plan	Plan	Actual	Variance	YTD
Commissioner	£000	£000	£000	£000	%
NHS Buckinghamshire & Oxfordshire:					
Oxfordshire	328,005	221,177	230,981	9,804	4.4%
Buckinghamshire	28,544	19,277	20,838	1,561	8.1%
South Central Specialised Comm.	115,789	77,922	76,593	(1,329)	(1.7%)
East Midlands Specialised Comm.	38,205	25,681	24,843	(838)	(3.3%)
South West Specialised Comm.	17,935	12,058	13,110	1,052	8.7%
Northamptonshire PCT	18,733	12,635	12,259	(376)	(3.0%)
Milton Keynes PCT	8,307	5,605	6,991	1,386	24.7%
National Commissioning Groups	12,471	8,357	7,857	(500)	(6.0%)
Berkshire West PCT	12,211	8,250	7,375	(875)	(10.6%)
Swindon PCT	6,676	4,515	4,679	164	3.6%
Warwickshire PCT	5,489	3,702	3,844	142	3.8%
Bedfordshire PCT	5,294	3,567	3,695	128	3.6%
Berkshire East PCT	4,582	3,089	3,272	183	5.9%
Hertfordshire PCT	2,932	1,976	2,745	769	38.9%
West Midlands Specialised Comm.	3,738	2,528	2,791	263	10.4%
Wiltshire PCT	2,803	1,893	2,185	292	15.4%
Hampshire PCT	2,421	1,634	1,330	(304)	(18.6%)
Gloucestershire PCT	4,396	2,967	3,424	457	15.4%
Others (incl. non-Contract Income)	26,499	17,380	19,770	2,390	13.8%
<b>Total</b>	<b>645,030</b>	<b>434,213</b>	<b>448,582</b>	<b>14,369</b>	<b>3.3%</b>

- Income from commissioners was £14.4m more than plan for the first eight months of the year once performance against contracts has been adjusted for marginal rates.
- Responsibility for some funding and activity has transferred from certain commissioners, notably Milton Keynes, to East Midlands Specialist Commissioners as part of the “minimum take” exercise for that region.
- Against the Oxfordshire contract (NHSO) emergency activity exceeded the contract threshold and the nationally-mandated 30% marginal rate has been applied to the over-performance.
- The Trust over-performed against its contracts with South West Specialist Commissioners, Milton Keynes, Hertfordshire and Gloucestershire, but continues to under-perform against the contracts for South Central Specialist Commissioners (SCSCG), East Midlands Specialist Commissioners and Berkshire West.
- The main areas of under-performance against the SCSCG contract are in radiotherapy (£0.9m less than plan), vascular surgery elective activity (£0.8m) and haemophilia factor (£0.8m) and Neuro critical care (£0.8m).
- For East Midlands the Trust is under-performing in the areas of cardiac critical care (£0.4m), neurosurgery (£0.5m) and haemophilia (£0.3m) offset by low trauma & orthopaedics (T&O) (£0.2m). The contract with West Berkshire is below plan for work for T&O at the Nuffield Orthopaedic Centre (£0.27m), general T&O (£0.16m), neurosurgery devices (£0.16m) and elective oral surgery activity (£0.16m).
- The main variance under “Others” is against the South Central Cancer Drug Fund. The plan for 2012/13 was based on spend incurred in the first half of 2011/12 and there has been a significant increase in activity since then.

## 8. Analysis of the Savings Programme for 2012/13

	Plan £000	YTD Plan £000	YTD Act. £000	Diff. £000	Forecast £000	Risk Rating
FYE 2011/12 Schemes	9,400	8,461	6,384	(2,077)	6,468	Low
Divisional Efficiency - Low Risk	2,300	1,348	8,572	7,224	11,323	Low
Divisional Efficiency - Medium Risk	11,600	6,800	2,716	(4,085)	7,921	Medium
Divisional Efficiency - High Risk	600	352		(352)		High
Consultant Job Plans	2,000	934	687	(247)	1,213	Low
Medical Staff/On-Call Rotas	1,000	332		(332)		High
Research Fellow s	500	166		(166)		High
High Cost Post Review	2,500	1,248	478	(770)	1,234	Low
Adult Ward Nursing	3,200	2,020	1,190	(830)	2,000	Low
Agency Bus. Process Outsourcing	300	110		(110)		High
Non-Medical On Call	500	166		(166)		High
Reduction in Waiting Lists	2,300	1,533	1,533	(0)	2,300	Low
Ward Closures	3,600	2,000		(2,000)		High
Procurement Initiatives - Low Risk	2,500	1,442	169	(1,273)	277	Low
Procurement Initiatives - Med. Risk	300	200	1,470	1,270	3,916	Medium
Procurement Initiatives - High Risk	1,600	684		(684)	230	High
Energy Management	1,200	665		(665)		High
Medicines Management	3,100	2,048	1,119	(929)	1,797	Medium
Private Patient Joint Venture	1,000	332	11	(321)	50	Medium
Theatre/Endoscopy Efficiency			110	110	297	Medium
R&D & Other Income			3,383	3,383	5,991	Low
<b>Total</b>	<b>49,500</b>	<b>30,841</b>	<b>27,822</b>	<b>(3,019)</b>	<b>45,019</b>	
Shortfall against Original Plan					4,481	
<b>Total - Original Plan</b>					<b>49,500</b>	
<b>Analysis of Savings by Risk</b>					<b>Mth 8</b>	<b>Mth 7</b>
Low	24,200	16,987	22,397	5,410	30,807	28,433
Medium	16,000	9,380	5,426	(3,954)	13,982	16,232
High	9,300	4,475		(4,475)	230	380
Shortfall against Original Plan					4,481	4,456
<b>Total</b>	<b>49,500</b>	<b>30,841</b>	<b>27,822</b>	<b>(3,019)</b>	<b>49,500</b>	<b>49,500</b>

- The Trust has delivered £27.8m in savings year-to-date. This represents 90.2% of the year-to-date plan.
- As previously reported the high level of bed occupancy within the Trust means that the full level of planned savings from ward closures will not be realised in the current year.
- If the Trust generates savings non-recurrently then these savings need to be found again in the following year *in addition* to the savings target for that year. An assessment of current plans indicates that for **£7.1m** of schemes the savings are non-recurrent.

## 9. Capital Programme

OUH Capital Programme 2012/13	Forecast Outturn £000s	Mth 8 YTD Plan £000s	Mth 8 YTD Spend £000s	Mth 8 Variance £000s
<b>Maintenance Expenditure</b>				
Estates Maintenance	1,240	388	474	(86)
Medical and Surgical Equipment	2,000	625	1,621	(996)
IT/EPR	3,000	938	1,912	(974)
Ward Relocations	1,000	719	51	668
Cardiac Repatriation - Refurbishment	250			
Vascular Business Case - Refurbishment	400			
NOC Theatres	2,300	719	316	403
PACS replacement	250	78		78
Occupational Health Relocation	650			
Small Schemes	900	281	116	165
Maternity Recovery, Ultrasound and Triage	116	36	177	(141)
Neonatal Intensive Care - Cot Replacement	684			
Estates project staff (maintenance)	300	95	134	(39)
Day Theatre West Wing	250	78		78
Cardiac Eco	400	125		125
SEU	110	34	2	32
<b>Non-Maintenance Expenditure</b>				
Cardiac (Adult) Business Case	1,150	438	187	251
Neonatal Intensive Care	1,316	625	1,191	(566)
Trauma Centre Business Case	790	247	430	(183)
Vascular Business Case - Equipment	1,400	563	782	(219)
Head & Neck Relocation	651			
Endoscopy Business Case – 5th Room	65	20	45	(25)
Ultrasound HGH - feasibility Studies	20	6		6
Radiotherapy: Milton Keynes	250	78		78
PFI Disputes CH	712	223	107	116
Estates project staff (non-maintenance)	300	94	133	(39)
IMRT: Rapid arc installation	165	52		52
JR Theatres	250	78		78
CRM	150	47		47
Ace Centre	380	119	350	(231)
Planned Slippage	(515)	(161)		(161)
Asset Sales				
<b>Projects funded from Donations</b>				
Donations - Medical Equipment	1,155	401	401	
Donations - Kadoori Centre Expansion	1,700	1,235	1,235	
<b>Total Capital Programme Spend</b>	<b>23,789</b>	<b>8,181</b>	<b>9,664</b>	<b>(1,483)</b>

- At its meeting on 22 November the Trust Management Executive agreed various revisions to the capital programme for the year taking into account how far business cases had been implemented at that time. The revised plan is included in the table opposite and now becomes the revised forecast outturn for the capital programme for the year.
- The Trust has charged £9.7m against its capital programme in the first eight months of the year. Although capital is overspent this is largely due to the timing of the plan where it was originally assumed that a greater proportion of the programme would be spent in the final four months of the year.
- The largest areas of spend remain expenditure on medical equipment, the implementation of the electronic patient record (EPR) project, replacement of its medical & surgical equipment and the construction of the new neo-natal extension.
- The Trust's year-to-date position against its capital resource limit is shown below. This includes expenditure made by the Trust on finance leases but excludes capital items funded via donations from third parties.

Capital Resource Limit 2012/13	Forecast Outturn £000s	Mth 8 YTD Plan £000s	Mth 8 YTD Spend £000s	Mth 8 Variance £000s
<b>Total Capital Programme Spend</b>	<b>23,789</b>	<b>8,181</b>	<b>9,664</b>	<b>(1,483)</b>
PFI lifecycle and Equipment Leasing (IFRIC 12)		2,037	2,037	
Kadoori Centre Expansion	(1,700)	(1,235)	(1,235)	
Charitable Funds - Medical Equipment	(1,155)	(401)	(401)	
<b>Capital Resource Limit 2012/13</b>	<b>20,934</b>	<b>8,582</b>	<b>10,065</b>	<b>(1,483)</b>

## 10. Performance Indicators against Financial Duties

The Trust's performance against its NHS financial duties is summarised below:

Financial Duty		Plan (£000)	Actual (£000)	Better/ (Worse) (£000)
1.	To achieve break even on Income & Expenditure	2,983	3,181	198
2.	To manage within the capital resource limit (CRL)	8,181	9,664	(1,483)
3.	To operate within an External Finance Limit (EFL) – Year End Forecast	4,294	4,294	0
4.	Better Payments Practice Code (Average Performance)	95%	85.3%	(9.7%)

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## 11. Conclusion

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**

**December 2012**