

Trust Board Meeting: Wednesday 14 January 2015

TB2015.07

Title	Financial Performance to 30 November 2014
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Status	A paper for report.
History	Regular report

Board Lead	Mr Mark Mansfield, Director of Finance and Procurement			
Key purpose	Strategy	Assurance	Policy	Performance

Summary

This report informs the Board of the Trust's financial position for the first eight months of the financial year 2014/15.

Contents

The report contains information on the following:

- The Trust's Statement of Comprehensive Income [income & expenditure (I&E)] position after the first eight months of the year (Pages 3 to 13), including:
 - Statements on the Trust's overall I&E position Pages 3 & 4
 - Details about its income and expenditure position Pages 5 to 10
 - Details about its savings programme Pages 11 & 12
 - Details about non-operational income & expenditure Page 13
- The Statement of Financial Position at 30 November 2014 Pages 14 to 16
- The Statement of Cashflow and cashflow forecast Pages 17 to 19
- The Trust performance against Monitor's Continuity of Services rating Pages 20
- The position of the capital programme Page 21

Statement of Comprehensive Income (Income & Expenditure Account) – including Research

I&E (including R&D)	Annual	Year to Date		
	Plan £000	Plan £000	Actual £000	Variance £000
Operating Income				
Commissioning Income	736,400	491,700	496,114	4,414
PP, Overseas & RTA Income	13,823	9,212	8,786	(426)
Other Income	137,467	91,582	92,086	504
Total Income	887,690	592,494	596,986	4,492
Operating Expenditure				
Pay	(482,524)	(322,796)	(328,545)	(5,749)
Non-Pay	(330,003)	(217,637)	(216,967)	670
Total Expenditure	(812,527)	(540,433)	(545,512)	(5,079)
EBITDA	75,163	52,061	51,474	(587)
Non-Operating Expenditure	(66,193)	(44,186)	(43,899)	287
Retained Surplus/(Deficit)	8,970	7,875	7,575	(300)
Technical Adjustments	2,512	1,672	2,025	353
Break Even Surplus	11,482	9,547	9,600	53

- The figures shown in the table on the left reflect the way in which financial performance is reported in the Trust's Statutory Statements.
- The Trust's financial position was £53,000 better than plan against its break even duty after the first eight months of the year.
- Commissioning income was £4.4m above plan. If prior year income and performance for "pass through" drugs and devices are both excluded, then the position would be £2.9m below than plan. Further details are shown on Page 5 of this report.
- Private patient income remains a little below plan after the first eight months of 2014/15 – see Page 6.
- The deferment of R&D income is causing an adverse variance on "other" income. Without this, other income is £4.1m better than plan.
- The pay trends have continued with the premium costs of staff more than offsetting vacancies in establishment and running at higher rates than incurred in 2013/14 – Pages 8 & 9 provide further detail.
- Non-pay is affected by some one-off benefits relating to its PFI contracts, and the release of provisions and old year accruals. Further information is shown on Page 10.

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

Research & Development	Annual	Year to Date		
	Plan £000	Plan £000	Actual £000	Variance £000
Income				
Other Income	46,091	30,726	27,117	(3,609)
Total Income	46,091	30,726	27,117	(3,609)
Expenditure				
Pay	(36,031)	(24,019)	(20,970)	3,049
Non-Pay	(10,060)	(6,707)	(6,147)	560
Total Expenditure	(46,091)	(30,726)	(27,117)	3,609
EBITDA	0	0	0	0

- At the end of November expenditure on research & development (R&D) was £3.6m less than plan with pay being £3.0m below plan and non-pay £0.6m less than anticipated. R&D income for this amount should therefore be adjusted to take this into account, resulting in an adverse variance for R&D against plan on “other” income.

I&E (excluding R&D)	Annual	Year to Date		
	Plan £000	Plan £000	Actual £000	Variance £000
Operating Income				
Commissioning Income	736,400	491,700	496,114	4,414
PP, Overseas & RTA Income	13,823	9,212	8,786	(426)
Other Income	91,376	60,856	64,969	4,113
Total Income	841,599	561,768	569,869	8,101
Operating Expenditure				
Pay	(446,493)	(298,777)	(307,575)	(8,798)
Non-Pay	(319,943)	(210,930)	(210,820)	110
Total Expenditure	(766,436)	(509,707)	(518,395)	(8,688)
EBITDA	75,163	52,061	51,474	(587)
Non-Operating Expenditure	(66,193)	(44,186)	(43,899)	287
Retained Surplus/(Deficit)	8,970	7,875	7,575	(300)
Technical Adjustments	2,512	1,672	2,025	353
Break Even Surplus	11,482	9,547	9,600	53

- This table **excludes** the effect of R&D activities on the Trust’s financial position. It sets out the underlying operational performance in healthcare activities.
- The information about income and expenditure presented in the remainder of this report is based on this position – in other words, the Trust’s operational activities excluding R&D.

Commissioning Income – Analysis of Activity and Activity-Related Income

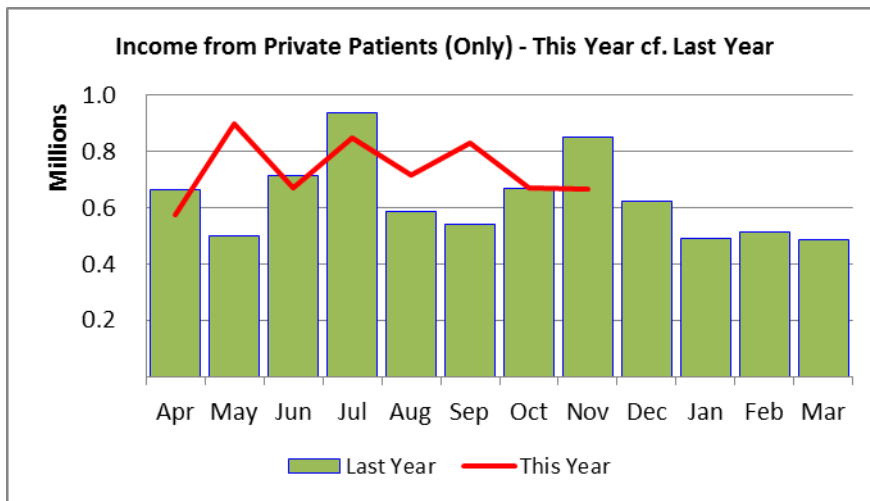
Activity	Activity - Year-to-Date				Income - Year-to-Date				Comparison v. 2013/14		
	YTD Plan	YTD Actual	YTD Diff.	YTD Diff. %	Plan £000	Actual £000	Diff. £000	Diff. %	Activity 2013/14	More / (L) cf. 2013/14	Diff. %
Elective (incl. day cases)	71,032	72,056	1,024	1.4%	109,752	110,987	1,235	1.1%	68,566	3,490	5.1%
Non-Elective	51,483	53,219	1,736	3.4%	110,674	108,993	(1,681)	(1.5%)	52,050	1,169	2.2%
Out-Patients	678,845	686,153	7,308	1.1%	101,441	101,994	553	0.5%	631,437	54,716	8.7%
Chemotherapy	21,602	21,417	(185)	(0.9%)	3,362	3,630	268	8.0%	18,708	2,709	14.5%
Critical Care	31,781	32,980	1,199	3.8%	36,553	37,186	633	1.7%	31,762	1,218	3.8%
Excess Beds	28,125	28,079	(46)	(0.2%)	7,175	7,068	(107)	(1.5%)	29,848	(1,769)	(5.9%)
Drugs & Devices (Pass Through)					65,058	73,162	8,104	12.5%			
Other Activity					61,047	57,260	(3,787)	(6.2%)			
Total before Adjustments					495,062	500,280	5,218	1.1%			
Adjustment for Thresholds					(333)	(3,334)	(3,001)				
Penalties & Denials					(3,839)	(3,839)					
Prior Year Income					810	3,007	2,197				
Commissioning Income					491,700	496,114	4,414	0.9%			

- The Trust's commissioning income position for the first eight months of the year was calculated from data for the first seven months only. There therefore remains an element of estimation within the figures, although the broad trends for the year are now established.
- Activity-related income is £5.2m better than plan. However funding for "pass through" drugs and devices is £8.1m higher than expected and, without this, healthcare income from patient activity would be £2.9m **below** plan.
- Activity levels are higher than those reported at Month 8 last year.
- The reported position for non-elective where activity is above plan but income is below plan is due to differences to plan in the case-mix of activity being carried out compared to that expected, especially the balance between low margin general hospital activity and high cost Specialist Service workload.

Private Patient, Overseas and Road Traffic Accident (RTA) Income

Analysis - PP, Overseas, RTA	Annual	Year to Date		
	Plan	Plan	Actual	Variance
	£000	£000	£000	£000
PP, Overseas & RTA Income				
Private Patients	11,447	7,628	7,119	(509)
Overseas Patients	26	17	26	9
RTA Income	2,350	1,567	1,641	74
Total - PP, Overseas, RTA	13,823	9,212	8,786	(426)

- Income from private and overseas patients, and road traffic accidents (RTAs), is marginally below plan up to the end of November.
- Private patient income is £0.5m below planned levels but is £0.4m, or 7.5%, higher than the income recognised in the first eight months of 2013/14.



Other Income

Other Income (excl. R&D)	Annual	Year to Date		
	Plan £000	Plan £000	Actual £000	Variance £000
Other Income				
Training & Education	49,165	34,419	33,487	(932)
Research	5,815	3,877	3,951	74
Income Generation	3,667	2,368	2,568	200
Rental Revenues	1,921	1,281	1,357	76
Patient Transport	193	129	171	42
Donations	274	185	456	271
Other Income & Charges	30,340	18,597	22,979	4,382
Total - Other Income	91,375	60,856	64,969	4,113

- “Other” income is £3.46m above plan if funding for R&D projects is excluded.
- Certain merit awards are externally funded. To date spend on these merit awards is £0.9m below plan, resulting in an underspend against pay. Funding for this cost has therefore been deferred and this has resulted in a similar level of under-achievement of income on “training & education”.
- “Other income and charges” exceeds plan by £4.4m. The main component of this additional income is associated with changes to the accounting treatment of the payments for the maternity pathway which have been suggested by the Trust’s external auditors. This technical change was reported to the Board at its meeting on 12 November and in report TB2014.119.
- There has been a one-off release of £0.7m for a provision made against PCT income where the potential charge against the Trust will not be realised. This release is also included within “other income & charges”.

Pay Expenditure – Analysis by Staff Group

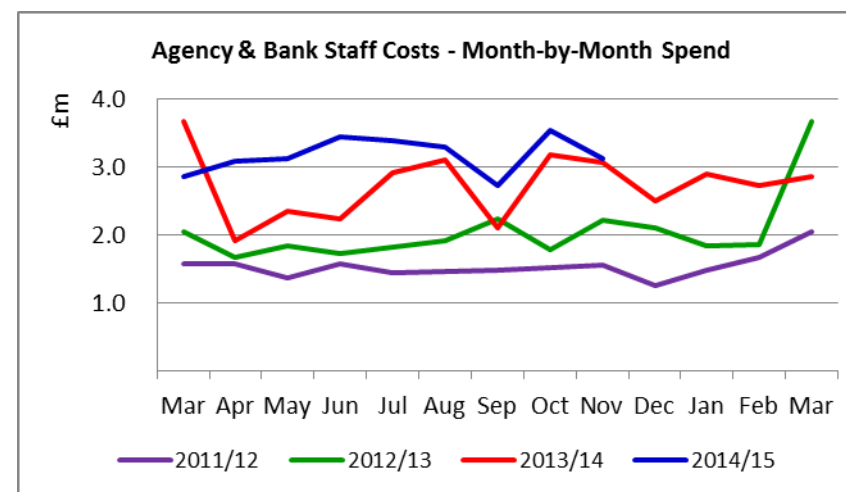
OUH (excluding R&D)	Staff Type	Year to Date		
		Plan £000	Actual £000	Variance £000
Consultants	Payroll	63,549	62,052	1,497
	Agency	56	453	(397)
Consultants	Total	63,605	62,505	1,100
Other Medical Staff	Payroll	45,195	44,223	972
	Bank		1,098	(1,098)
	Agency		2,667	(2,667)
Other Medical Staff	Total	45,195	47,988	(2,793)
Nurses & Midwives	Payroll	93,435	80,112	13,323
	Bank	113	4,555	(4,442)
	Agency	108	8,920	(8,812)
Nurses & Midwives	Total	93,656	93,587	69
Scientific, Tech., Therapeutic	Payroll	40,636	38,320	2,316
	Bank		65	(65)
	Agency	(266)	2,839	(3,105)
Scientific, Tech., Therapeutic	Total	40,370	41,224	(854)
Other Staff	Payroll	55,844	57,167	(1,323)
	Bank		1,443	(1,443)
	Agency	107	3,661	(3,554)
Other Staff	Total	55,951	62,271	(6,320)
OUH (excluding R&D)	Payroll	298,659	281,874	16,785
	Bank	113	7,161	(7,048)
	Agency	5	18,540	(18,535)
OUH (excluding R&D)	Total	298,777	307,575	(8,798)

- The table on the left shows the year-to-date spend on pay by staff group against plan (excluding R&D).
- The overspend on pay is occurring mainly against the budgets for non-consultant medical staff and “other” staff.
- Further information about the spend on bank and agency staff can be found on Page 9.
- The Trust has spent £1.52m on overtime payments in the first eight months of the year. This compares to £1.37m in 2013/14 over the same period, or a 10.9% increase year-on-year.
- Furthermore £5.33m has been spent on medical staff sessional payments compared to £4.46m in the first eight months of 2013/14. This constitutes a year-on-year increase in additional payments to medical staff of 19.3%.

Bank & Agency Spend

The run rates for bank and agency staff costs by staff group for the last six months is shown below:

OUH (excluding R&D)	Jun	Jul	Aug	Sep	Oct	Nov	YTD
Analysis of Bank Spend	£000	£000	£000	£000	£000	£000	£000
Consultants							
Other Medical Staff	111	56	128	189	166	127	1,098
Nurses & Midwives	612	535	532	514	484	636	4,556
Scientific, Tech., Therapeutic	4	7	7	20	10	15	66
Other Staff	160	195	199	183	174	187	1,441
OUH (excluding R&D)	887	793	866	906	834	965	7,161
OUH (excluding R&D)	Jun	Jul	Aug	Sep	Oct	Nov	YTD
Analysis of Agency Spend	£000	£000	£000	£000	£000	£000	£000
Consultants	56	54	83	34	98	43	454
Other Medical Staff	452	403	297	273	301	296	2,668
Nurses & Midwives	969	1,083	1,209	1,218	1,394	1,100	8,920
Scientific, Tech., Therapeutic	424	475	223	146	438	350	2,840
Other Staff	647	582	617	151	471	373	3,661
OUH (excluding R&D)	2,548	2,597	2,429	1,822	2,702	2,162	18,543



- The Trust spent £25.7m on pay bank and agency staff costs in the eight months of the year. This compares to a figure of £20.8m for the first eight months of 2013/14 and is therefore 23.4% higher than a year ago.
- Average agency spend is £2.32m per month compared to £1.92m for the year-to-date position in 2013/. Although there has been a slight downward trend since June and July agency spend remains higher than it was last year.
- The year-to-date spend on agency staff is 5.9% of total pay costs compared to 5.4% for the first eight months of last year. Therefore agency costs have not only increased in volume but have also increased as a proportion of the Trust's total pay bill. A series of additional control measures for this category of expenditure were installed in October. However, due to operational staffing pressures these controls were withdrawn in December. This is likely to remain an area of considerable financial risk in the remainder of 2014/15.

Non-Pay Expenditure

Year-to-Date Spend v. Plan

OUH (excluding R&D)	Year to Date		
	Plan £000	Actual £000	Variance £000
Activity-Related Spend	56,770	57,436	(666)
Services Received	7,458	9,157	(1,699)
Other Expenditure	77,218	71,065	6,153
Sub-Total - excl. Pass Thru'	141,446	137,658	3,788
Pass Through Costs	65,058	73,162	(8,104)
Total Non-Pay excl. Reserves	206,504	210,820	(4,316)
Reserves	4,426		4,426
Total Non-Pay	210,930	210,820	110

- Non-pay expenditure to date is £3.8m underspent if the impact of “pass through” drugs and devices, and the release of reserves, are both disregarded.
- A number of non-recurrent benefits have been included in the position as reported, including the impact of changes to the schedule of payments for a PFI contract and the release of provisions.

Run Rate for Spend

OUH (excluding R&D)	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	YTD £000
Non-Pay						
Activity-Related Spend	9,153	6,887	6,814	7,868	6,821	57,435
Services Received	2,002	1,489	342	1,340	770	9,157
Other Expenditure	9,781	11,277	9,451	8,198	8,951	71,068
Sub-Total (excl. Pass Thru')	20,936	19,653	16,607	17,406	16,542	137,660
Pass Through Costs	7,508	9,701	9,590	10,009	9,782	73,160
Total Non-Pay	28,444	29,354	26,197	27,415	26,324	210,820

Analysis of the Savings Programme

Theme	Plan £000	YTD Plan £000	YTD Act. £000	Diff. £000
Divisional General Efficiency Transformation	24,929	18,544	19,157	613
Workforce	3,364	1,968	1,256	(712)
Other	7,227	3,604	3,230	(374)
Total	46,039	28,164	25,899	(2,265)
Analysis of Savings by Type				
Savings - Pay (Skill Mix)	15,591	10,203	8,653	(1,550)
Savings - Pay (WTE reductions)	12,262	6,073	3,310	(2,763)
Savings Non Pay	6,784	4,287	8,481	4,194
Income	11,402	7,601	5,455	(2,146)
Total	46,039	28,164	25,899	(2,265)
Recurrent & Non-Rec. Savings				
Recurrent	44,039	26,828	24,052	(2,776)
Non-Recurrent	2,000	1,336	1,847	511
Total	46,039	28,164	25,899	(2,265)
Analysis of Savings by Risk Rating				
High	9,742	5,021	2,102	(2,919)
Medium	11,230	6,941	5,741	(1,200)
Low	25,067	16,202	18,056	1,854
Total	46,039	28,164	25,899	(2,265)

- The Trust is reporting it has delivered £25.9m in savings in the first eight months of the year. This represents 92% of the year-to-date plan.
- In their monthly performance review meetings Divisions have been asked to identify new schemes to make up any shortfall resulting from slippage in the schemes they originally identified.
- £2.0m of Divisional schemes are non-recurrent and Divisions will have to identify alternative recurrent plans ahead of 2015/16.

Forecast for the Savings Programme

	Recurrent Savings			Non-Recurrent Savings			Total Savings 2014/15		
	Plan £000	Forecast £000	Fct v Plan £000	Plan £000	Forecast £000	Fct v Plan £000	Plan £000	Forecast £000	Fct v Plan £000
Forecast Savings									
Divisional General Efficiency	22,929	25,144	2,215	2,000	3,105	1,105	24,929	28,249	3,320
Transformation	10,519	5,713	(4,806)				10,519	5,713	(4,806)
Workforce	3,364	2,197	(1,167)				3,364	2,197	(1,167)
Other	7,227	6,603	(624)				7,227	6,603	(624)
Total	44,039	39,657	(4,382)	2,000	3,105	1,105	46,039	42,762	(3,277)
Savings by Risk Rating									
High	9,742	4,000	(5,742)				9,742	4,000	(5,742)
Medium	11,230	11,214	(16)				11,230	11,214	(16)
Low	23,067	24,445	1,378	2,000	3,105	1,105	25,067	27,550	2,483
Total	44,039	39,659	(4,380)	2,000	3,105	1,105	46,039	42,764	(3,275)

- The Trust forecasts it will deliver £42.8m in savings in 2014/15. £39.7m of the savings identified are considered to be recurrent.

Non-EBITDA Income & Expenditure

The year-to-date position, and full year plan, figures for the Trust's non-EBITDA items of income & expenditure are shown below:

Non-EBITDA Items	Annual	Year to Date		
	Plan £000	Plan £000	Actual £000	Variance £000
Income				
Donated Asset Income	260	176	373	197
Impact on EBITDA	260	176	373	197
Non-Operating Items				
Depreciation	(38,436)	(25,624)	(25,248)	376
Investment Revenue	300	200	205	5
Other Gains & Losses	(200)	(133)		133
Finance Costs	(20,654)	(13,828)	(13,807)	21
PDC Dividend Payable	(7,203)	(4,801)	(5,049)	(248)
Sub-Total: Non-Op. Exps.	(66,193)	(44,186)	(43,899)	287
Impact on Retained Surplus	(65,933)	(44,010)	(43,526)	484
<i>Technical Adjustments</i>				
IFRIC 12 Technical Deficit (PFI)			96	96
Donated Asset Income	(260)	(176)	(373)	(197)
Donated Asset Depreciation	2,772	1,848	2,302	454
Sub-Total: Technical	2,512	1,672	2,025	353
Impact on Break Even Duty	(63,421)	(42,338)	(41,501)	837

Non-Operating Items – refers to items of income or expenditure that are not regarded as being directly associated with the day-to-day running costs of the Trust and are included in a summary line in the Statement of Comprehensive Income on Pages 3 & 4 of this report.

- A significant element of the adverse variance to plan on depreciation is for a one-off adjustment relating to the Trust's donated assets and which is removed as a "technical adjustment" when the Trust's financial performance is measured against its break even duty – see below.
- "Other Gains & Losses" is a technical accounting adjustment that is made following the disposal of assets. There have been no disposals to date.

Technical Adjustments – refers to items of income or expenditure that are included within the Trust's income & expenditure in the Statement of Comprehensive Income on Pages 3 & 4 of this report but are not included under NHS accounting rules when the Trust's financial duty to break even is measured.

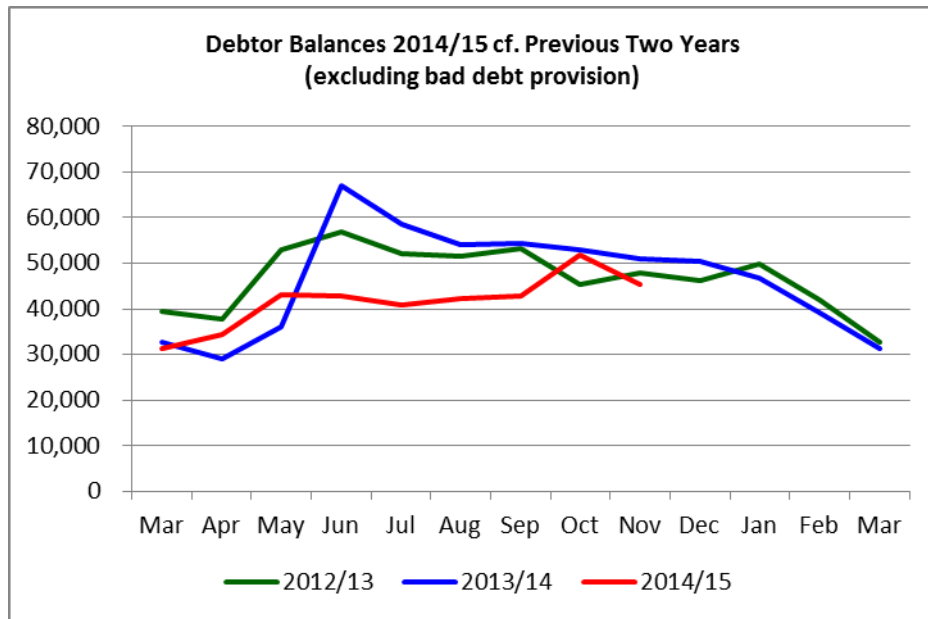
- The IFRIC 12 "technical adjustment" reflects the impact on the Trust's financial position resulting from its PFI buildings being classified as "on balance sheet" rather than "off balance sheet" following the adoption of IFRS by the NHS. If the effect of this change is to worsen the position of the Statement of Comprehensive Income then the financial impact is removed as a technical adjustment. The adjustment for this to date is £96,000.
- Donated asset accounting adjustments for additions and depreciation are not included in the Trust's performance against its break even duty and hence are removed as "technical adjustments".
- Technical adjustments are also made for accounting entries relating to any impairment in the value of the Trust's assets, or any reversal of impairments made in previous years. Any adjustments for impairments in 2014/15 will only be known once the District Valuer assesses the value of the Trust's estate in winter 2014/15.

Statement of Financial Position (Balance Sheet)

	Opening Balance	Closing Balance	Movement	Mvmt. In Month
	01-Apr-14	30-Nov-14		
NON-CURRENT ASSETS				
Property, Plant & Equipment	696,042	686,855	(9,187)	(303)
Intangible Assets	9,215	7,313	(1,902)	145
Trade & Other Receivables	4,945	5,309	364	216
NON-CURRENT ASSETS	710,202	699,477	(10,725)	58
CURRENT ASSETS				
Inventories	11,807	12,807	1,000	(194)
Trade & Other Receivables	24,361	38,242	13,881	(6,517)
Cash & Cash Equivalents	86,448	101,057	14,609	3,677
CURRENT ASSETS	122,616	152,106	29,490	(3,034)
CURRENT LIABILITIES				
Trade & Other Payables	(115,675)	(136,606)	(20,931)	2,848
Borrowings	(11,261)	(12,123)	(862)	(223)
Current Provisions	(4,251)	(2,841)	1,410	156
CURRENT LIABILITIES	(131,187)	(151,570)	(20,383)	2,781
NET CURRENT ASSETS/(LIABILITIES)	(8,571)	536	9,107	(253)
NON-CURRENT LIABILITIES				
Borrowings	(275,107)	(267,080)	8,027	969
Trade & Other Payables	(14,251)	(13,967)	284	
Non-Current Provisions	(2,447)	(2,385)	62	
NON-CURRENT LIABILITIES	(291,805)	(283,432)	8,373	969
TOTAL ASSETS EMPLOYED	409,826	416,581	6,755	774
FINANCED BY TAXPAYERS EQUITY				
Public Dividend Capital	208,935	208,115	(820)	
Retained Earnings	34,413	41,988	7,575	774
Revaluation Reserve	164,735	164,735		
Other Reserve	1,743	1,743		
TOTAL TAXPAYERS EQUITY	409,826	416,581	6,755	774

- Payments on capital expenditure in the month almost matched November's depreciation charge.
- Trade & other receivables reduced in November, mainly due to the receipt of £3.1m for clinical excellence awards. This first tranche of funds was originally due in September but payment to the Trust was delayed by two months. Further information about the receivables position can be found on Page 15.
- Current payables was 16.8% of planned operating expenditure at the end of the month (October = 17.2%).
- 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.

Analysis of Accounts Receivable (Debtors)



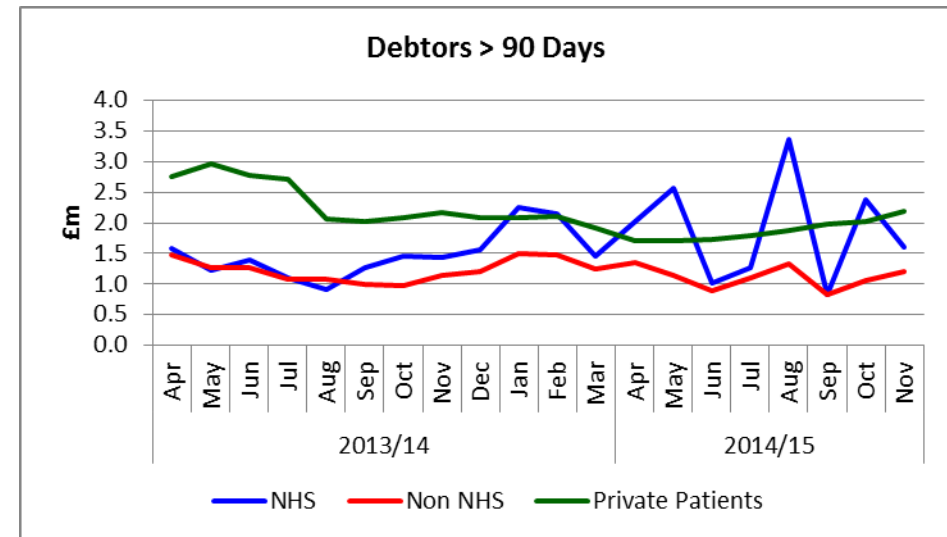
- Total debt greater than 60 days reduced by £1.43m in September, including an improvement of £1.7m on NHS debt greater than 60 days.
- The table below shows the reduction in the monthly value of the sales ledger debt over the past year.

	2013/14	2014/15
	Mth 1-8	Mth 1-8
	Average	Average
Sales Ledger	28,002	18,730

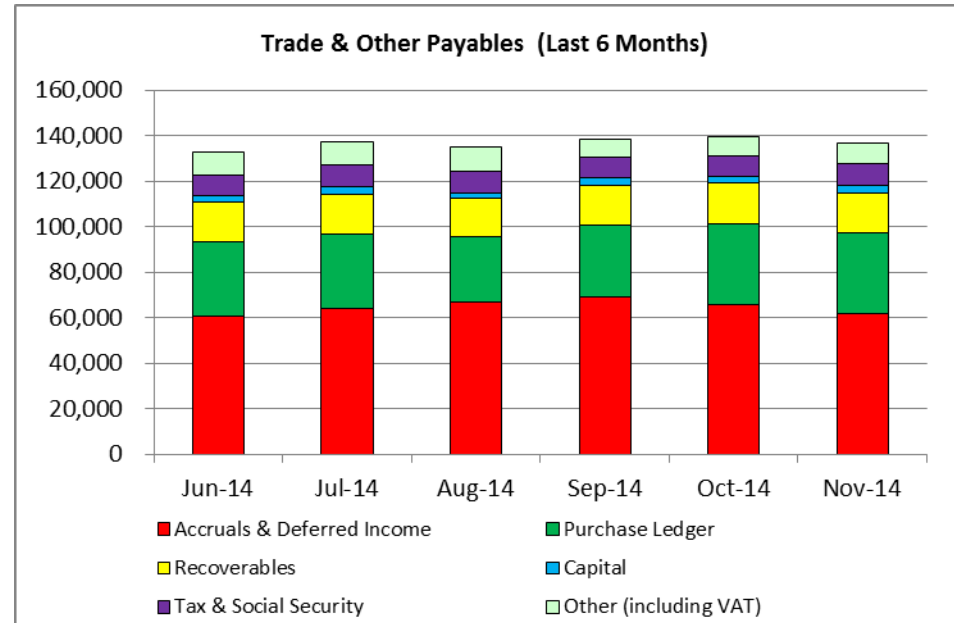
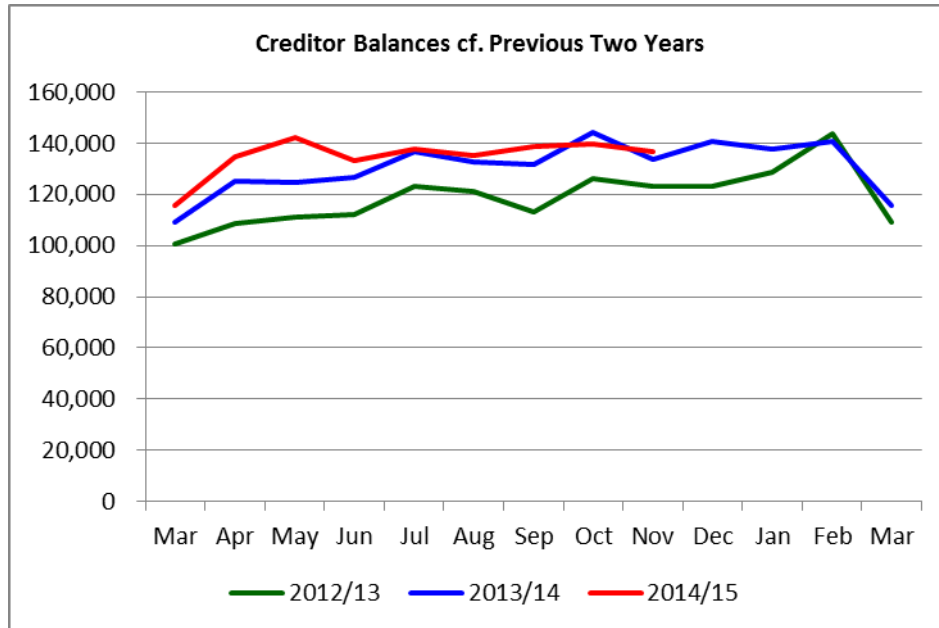
- The chart below shows the movements in the value of debtors that are greater than 90 days old. The movements in aged NHS debtors are primarily related to amounts owed by Oxfordshire Clinical Commissioning Group.

This Month	NHS	Non-NHS	Private Patients	TOTAL
	£000s	£000s	£000s	£000s
In terms	6,765	2,685	669	10,119
1-30 days overdue	676	1,810	324	2,810
31-60 days	642	622	249	1,513
61-90 days	726	197	72	995
In excess of 90 days	1,605	1,200	2,197	5,002
A/R Debtors	10,414	6,514	3,511	20,439

Last Month	NHS	Non-NHS	Private Patients	TOTAL
	£000s	£000s	£000s	£000s
In terms	8,378	3,036	586	12,000
1-30 days overdue	1,121	1,526	293	2,940
31-60 days	802	337	89	1,228
61-90 days	714	841	226	1,781
In excess of 90 days	2,377	1,051	2,015	5,443
A/R Debtors	13,392	6,791	3,209	23,392



Analysis of Accounts Payable (Creditors)



		Nov. YTD	
		Number	Value (£000)
Non-NHS	Bills paid in the year	87,281	215,607
	Bills paid within target	80,359	190,341
		92.1%	88.3%
NHS	Bills paid in the year	3,552	66,879
	Bills paid within target	3,288	64,957
		92.6%	97.1%
All	Bills paid in the year	90,833	282,486
	Bills paid within target	83,647	255,298
		92.1%	90.4%

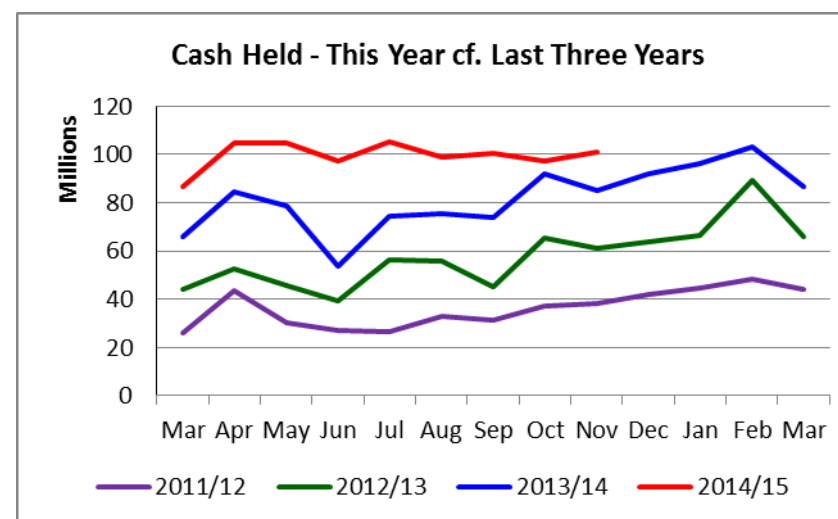
	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14
Accruals & Deferred Income	60,625	64,383	66,950	69,164	65,848	62,018
Purchase Ledger	32,726	32,469	28,524	31,872	35,541	35,116
Recoverables	17,729	17,504	17,109	17,070	17,744	17,837
Capital	2,574	3,602	2,502	3,543	2,912	3,188
Tax & Social Security	9,216	9,054	9,108	9,290	9,280	9,408
Other (including VAT)	10,174	10,386	10,829	7,449	8,131	9,043
	133,042	137,398	135,022	138,389	139,457	136,609

- The Trust's performance against the Better Payment Practice Code (BPPC) is shown in the table to the left.

Statement of Cashflows

	June 2014	July 2014	Aug 2014	Sept 2014	Oct 2014	Nov 2014	Year-to-Date
	£000	£000	£000	£000	£000	£000	£000
Cash Flows from Operating Activities							
Operating Surplus/(Deficit)	3,651	5,049	(435)	4,576	5,839	3,197	26,225
Depreciation & Amortisation	3,302	3,291	3,065	2,915	2,914	2,941	25,248
Interest Paid	(1,686)	(1,685)	(1,685)	(1,790)	(1,685)	(1,685)	(13,586)
Dividend Paid				(3,827)			(3,827)
Receipt of Donated Assets		(197)			(137)		(334)
(Increase) in Inventories	(403)	(138)	(41)	(345)	(155)	194	(1,000)
(Increase) in Trade & Other Receivables	(178)	2,262	(1,699)	(1,395)	(8,407)	6,279	(14,432)
Increase in Trade & Other Payables	(9,173)	2,708	(1,896)	5,914	960	(3,864)	22,544
Increase in Provisions		(1,009)	(157)	(157)	17	(157)	(1,476)
Cash Flow from Operating Activities	(4,487)	10,281	(2,848)	5,891	(653)	6,906	39,362
Cash Flows from Investing Activities							
Interest Received	24	25	24	28	24	25	205
(Payments) for Fixed Assets	(2,090)	(1,784)	(2,634)	(1,657)	(2,000)	(2,508)	(16,974)
Cash Flow from Investing Activities	(2,066)	(1,759)	(2,610)	(1,629)	(1,976)	(2,483)	(16,769)
Cash Flows from Financing Activities							
Public Dividend Capital Received				980			980
Public Dividend Capital Repaid				(1,800)			(1,800)
Capital Loans - Repayment of Principal				(702)			(702)
Capital Element of Finance Leases & PFI	(848)	(831)	(806)	(812)	(745)	(746)	(6,462)
Cash Flow from Financing Activities	(848)	(831)	(806)	(2,334)	(745)	(746)	(7,984)
Net Increase/(Decrease) in Cash	(7,401)	7,692	(6,264)	1,928	(3,374)	3,677	14,609
Cash - Beginning of the Period	104,799	97,399	105,090	98,826	100,754	97,380	86,448
Cash - End of the Period	97,399	105,090	98,826	100,754	97,380	101,057	101,057

- The Trust has £14.6m more cash than at the start of the year with the trend following the pattern seen in previous years.
- The Trust held enough cash to cover 45 working days of planned operating expenditure at 30 November 2014. (October = 43 days)



Cashflow Forecast

	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cash Flows from Operating Activities													
Operating Surplus/(Deficit)	3,197	2,749	3,653	3,388	877	3,281	3,276	3,314	3,319	3,265	3,314	3,308	3,303
Depreciation & Amortisation	2,941	3,076	3,076	3,076	3,531	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202
Interest Paid	(1,685)	(1,709)	(1,709)	(1,709)	(1,875)	(1,694)	(1,694)	(1,694)	(1,694)	(1,694)	(1,901)	(1,694)	(1,694)
Dividend Paid					(4,537)						(4,591)		
Receipt of Donated Assets					(128)								
(Increase) in Inventories	194	(665)	(471)	834	1,302	(132)	21	(403)	(139)	(41)	(395)	209	(170)
(Increase) in Trade & Other Receivables	6,279	(4,324)	4,764	790	12,310	(2,379)	(8,302)	2,312	(813)	2,438	2,508	(1,436)	2,183
Increase in Trade & Other Payables	(3,864)	5,460	(3,356)	1,926	(41,053)	12,413	4,812	(4,716)	2,172	(3,187)	880	4,032	(7,778)
Increase in Provisions	(157)	(156)	(156)	(156)	2,357								
Cash Flow from Operating Activities	6,906	4,431	5,801	8,149	(27,216)	14,691	1,315	2,015	6,047	3,983	3,017	7,621	(954)
Cash Flows from Investing Activities													
Interest Received	25	25	25	25	24	20	20	20	20	20	20	20	20
(Payments) for Fixed Assets	(2,508)	(4,073)	(4,643)	(2,735)	(4,317)	(4,391)	(5,486)	(4,929)	(1,300)	(3,428)	(1,961)	(3,487)	(4,956)
Cash Flow from Investing Activities	(2,483)	(4,048)	(4,618)	(2,710)	(4,293)	(4,371)	(5,466)	(4,909)	(1,280)	(3,408)	(1,941)	(3,467)	(4,936)
Cash Flows from Financing Activities													
Capital Loans - Repayment of Principal					(702)						(702)		
Loans received from DH - FT Liquidity Loans					10,000								
Capital Element of Finance Leases & PFI	(746)	(806)	(806)	(806)	(2,421)	(895)	(812)	(812)	(812)	(812)	(812)	(812)	(812)
Cash Flow from Financing Activities	(746)	(806)	(806)	(806)	6,877	(895)	(812)	(812)	(812)	(812)	(1,514)	(812)	(812)
Net Increase/(Decrease) in Cash	3,677	(423)	377	4,633	(24,632)	9,425	(4,963)	(3,706)	3,955	(237)	(438)	3,342	(6,702)
Cash - Beginning of the Period	97,380	101,057	100,634	101,011	105,644	81,012	90,437	85,474	81,768	85,723	85,486	85,048	88,390
Cash - End of the Period	101,057	100,634	101,011	105,644	81,012	90,437	85,474	81,768	85,723	85,486	85,048	88,390	81,688

- A rolling 12-month cash forecast is shown in the table above. The Trust plans to take out a liquidity loan of £10m in March 2015.

Cashflow – Actuals v. Plan

	June 2014	July 2014	Aug 2014	Sept 2014	Oct 2014	Nov 2014	Year-to-Date
	£000	£000	£000	£000	£000	£000	£000
Plan 2014/15							
Cash Surplus from Operations	7,444	7,644	2,529	8,455	8,727	6,321	52,613
Other Cashflow s from Op. Activities	(6,063)	(3,477)	(2,453)	(9,318)	1,456	(10,428)	(34,726)
Cash Flow from Op. Activities	1,381	4,167	76	(863)	10,183	(4,107)	17,887
Cash Flow from Investing Activities	(1,540)	(1,487)	(1,782)	(1,122)	(2,264)	(4,117)	(17,532)
Cash Flow from Financing Activities	(1,014)	(1,016)	(1,016)	(1,718)	(1,013)	(1,013)	(8,816)
Net Increase/(Decrease) in Cash	(1,173)	1,664	(2,722)	(3,703)	6,906	(9,237)	(8,461)
Cash - Beginning of the Period	75,815	74,642	76,306	73,584	69,881	76,787	76,011
Cash - End of the Period	74,642	76,306	73,584	69,881	76,787	67,550	67,550
Actuals 2014/15	£000	£000	£000	£000	£000	£000	£000
Cash Surplus from Operations	6,953	8,340	2,630	7,491	8,753	6,138	51,473
Other Cashflow s from Op. Activities	(11,440)	1,941	(5,477)	(1,600)	(9,407)	768	(12,111)
Cash Flow from Op. Activities	(4,487)	10,281	(2,848)	5,891	(653)	6,906	39,362
Cash Flow from Investing Activities	(2,066)	(1,759)	(2,610)	(1,629)	(1,976)	(2,483)	(16,769)
Cash Flow from Financing Activities	(848)	(831)	(806)	(2,334)	(745)	(746)	(7,984)
Net Increase/(Decrease) in Cash	(7,401)	7,692	(6,264)	1,928	(3,374)	3,677	14,609
Cash - Beginning of the Period	104,799	97,399	105,090	98,826	100,754	97,380	86,448
Cash - End of the Period	97,399	105,090	98,826	100,754	97,380	101,057	101,057
Difference - Actuals v. Plan	£000	£000	£000	£000	£000	£000	£000
Cash Surplus from Operations	(491)	696	101	(964)	26	(183)	(1,140)
Other Cashflow s from Op. Activities	(5,377)	5,418	(3,024)	7,718	(10,863)	11,196	22,615
Cash Flow from Op. Activities	(5,868)	6,114	(2,924)	6,754	(10,836)	11,013	21,475
Cash Flow from Investing Activities	(526)	(272)	(828)	(507)	288	1,634	763
Cash Flow from Financing Activities	166	185	210	(616)	268	267	832
Net Increase/(Decrease) in Cash	(6,228)	6,028	(3,542)	5,631	(10,280)	12,914	23,070
Cash - Beginning of the Period	28,984	22,757	28,784	25,242	30,873	20,593	10,437
Cash - End of the Period	22,757	28,784	25,242	30,873	20,593	33,507	33,507

- The table on the left shows how the Trust's actual cashflows compare against planned flows (as presented to the Trust Board at its meeting on 12 March).

Risk Rating – Continuity of Services

At Month 8 Trust's Continuity of Service scores are:

	Measure	Score
Liquidity	Ratio Days = -5.4	3
Capital Servicing Capacity	Ratio = 1.84	3

The average of these two scores is **3**.

Since the start of the year the ratios and scores have changed month-on-month as shown below:

Liquidity Ratio (Days)	May	Jun	Jul	Aug	Sep	Oct	Nov
Ratio Days	-7.8	-7.2	-6.2	-7.1	-7.1	-5.4	-5.4
Score	2	2	3	2	2	3	3
Capital Servicing Capacity	May	Jun	Jul	Aug	Sep	Oct	Nov
Ratio	1.77	1.92	2.08	1.84	1.71	1.83	1.84
Score	3	3	3	3	2	3	3
Overall Risk Rating	3	3	3	3	2	3	3

Capital Programme

OUH Capital Programme 2014/15	Annual	Forecast	Variance	Mth 8	Mth 8	Mth 8
	Plan	Forecast	Variance	YTD Plan	YTD Act.	Variance
	£000s	£000s	£000s	£000s	£000s	£000s
<i>Trust & PDC Funded</i>						
EPR Implementation	3,500	3,300	(200)	2,334	1,016	(1,318)
Medical and Surgical Equipment	2,000	3,452	1,452	1,111	2,394	1,283
IT General	2,000	2,000		1,333	1,439	106
Respiratory Ward Relocations	2,200	635	(1,565)	733		(733)
Major Radiological Equipment	2,700	2,531	(169)	900	284	(616)
Estates General	2,000	2,000		1,333	421	(912)
Day Surgery Unit Churchill	900	123	(777)	600	48	(552)
Outpatient Horton	800	300	(500)	266	195	(71)
Ultrasound - JR & Horton	969	1,428	459	645	1,079	434
Expansion of EAU - link to day hospital	1,300	1,288	(12)	1,300	167	(1,133)
Centralisation of SwitchBoard	100	604	504	100	55	(45)
Small Schemes	1,500	3,721	2,221	500	671	171
Other Ward Relocations	1,312	2,004	692	568	1,409	841
Other Medical Equipment Schemes	571	103	(468)	272	13	(259)
Other Estates	300	3,372	3,072	100	759	659
R&D	400	400			201	201
Renal Inpatient Churchill		11	11		11	11
SEND Project	345	671	326	345	361	16
End to end electronic prescribing' project	40		(40)	40		(40)
Improving Maternity Care Settings	309	309		170	53	(117)
Radiotherapy Milton Keynes	200	100	(100)	133	6	(127)
Radiotherapy Swindon	2,500	600	(1,900)	1,101	373	(728)
Theatre Remodelling - JR	550	150	(400)	184	8	(176)
EPR Reprourement	4,688	1,296	(3,392)		1,250	1,250
Completion of 13/14 schemes		1,382	1,382		1,013	1,013
Other	191	121	(70)	108	8	(100)
Total - Trust Funded	31,375	31,901	526	14,176	13,233	(943)
<i>Externally Funded</i>						
PFI lifecycle	1,280	1,280		816	855	39
Equipment leasing	500		(500)			
Microbiology automation	750	828	78		70	70
Welcome Centre	3,000		(3,000)			
Carbon Energy Fund	6,000		(6,000)			
Total - Externally Funded	11,530	2,108	(9,422)	816	925	109
Total Capital Programme Spend	42,905	34,009	(8,896)	14,992	14,158	(834)

- The Trust has charged £14.16m against its capital programme in the first eight months of the year. This is £0.8m less than planned.

- The capital programme, and year-to-date slippage against schemes, continues to be reviewed and monitored by the relevant project managers.

Capital Resource Limit 2014/15

Capital Resource Limit	Annual	YTD	YTD	Mth 8
	Plan	Plan	Spend	Diff.
	£000s	£000s	£000s	£000s
YTD Capital Spend	42,905	14,992	14,158	834
Asset Disposals	(200)	(133)		(133)
Donations	(260)	(174)	(367)	193
Adjustment to CRL	(9,136)			
CRL 2014/15	33,309	14,685	13,791	894

- The underspend on the capital programme means that the Trust is within its Capital Resource Limit for the year.
- The Trust plans not to use CRL for the Welcome Centre and Carbon Energy Fund in 2014/15 and consequently has requested that its Capital Resource Limit be transferred to future years in respect of these schemes. This is reflected in the tables above.

Conclusion

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

**Mr Mark Mansfield, Director of Finance and Procurement
December 2014**

Report prepared by: Mr Kevin Davis, Senior Business Partner