

Trust Board Meeting: Wednesday 11 March 2015

TB2015.30

Title	Financial Performance to 31 January 2015
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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 ten 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 ten 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 31 January 2015 Pages 14 & 15
- The Statement of Cashflow and cashflow forecast Pages 16 to 18
- The Trust performance against Monitor's Continuity of Services rating Pages 19
- The position of the capital programme Page 20

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	613,280	621,996	8,716
PP, Overseas & RTA Income	13,823	11,518	10,736	(782)
Other Income	137,467	114,530	115,341	811
Total Income	887,690	739,328	748,073	8,745
Operating Expenditure				
Pay	(482,524)	(402,654)	(413,544)	(10,890)
Non-Pay	(330,003)	(274,169)	(272,540)	1,629
Total Expenditure	(812,527)	(676,823)	(686,084)	(9,261)
EBITDA	75,163	62,505	61,989	(516)
Non-Operating Expenditure	(66,193)	(55,188)	(54,726)	462
Retained Surplus/(Deficit)	8,970	7,317	7,263	(54)
Technical Adjustments	2,512	2,090	2,180	90
Break Even Surplus	11,482	9,407	9,443	36

- 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 £36,000 better than plan against its break even duty after the first ten months of the year.
- Commissioning income was £8.7m above plan. If prior year income and performance for "pass through" drugs and devices are both excluded, then the position would be £2.06m below than plan. Further details are shown on Page 5 of this report.
- Private patient income remains below plan after the first ten 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 £4.16m better than plan – see Page 4.
- 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	46,191	38,490	35,144	(3,346)
Total Income	46,191	38,490	35,144	(3,346)
Expenditure				
Pay	(36,047)	(30,038)	(26,922)	3,116
Non-Pay	(10,144)	(8,452)	(8,222)	230
Total Expenditure	(46,191)	(38,490)	(35,144)	3,346
EBITDA	0	0	0	0

- At the end of January expenditure on research & development (R&D) was £3.3m less than plan with pay being £3.1m below plan and non-pay £0.2m 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	613,280	621,996	8,716
PP, Overseas & RTA Income	13,823	11,518	10,736	(782)
Other Income	91,276	76,040	80,197	4,157
Total Income	841,499	700,838	712,929	12,091
Operating Expenditure				
Pay	(446,477)	(372,616)	(386,622)	(14,006)
Non-Pay	(319,859)	(265,717)	(264,318)	1,399
Total Expenditure	(766,336)	(638,333)	(650,940)	(12,607)
EBITDA	75,163	62,505	61,989	(516)
Non-Operating Expenditure	(66,193)	(55,188)	(54,726)	462
Retained Surplus/(Deficit)	8,970	7,317	7,263	(54)
Technical Adjustments	2,512	2,090	2,180	90
Break Even Surplus	11,482	9,407	9,443	36

- 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

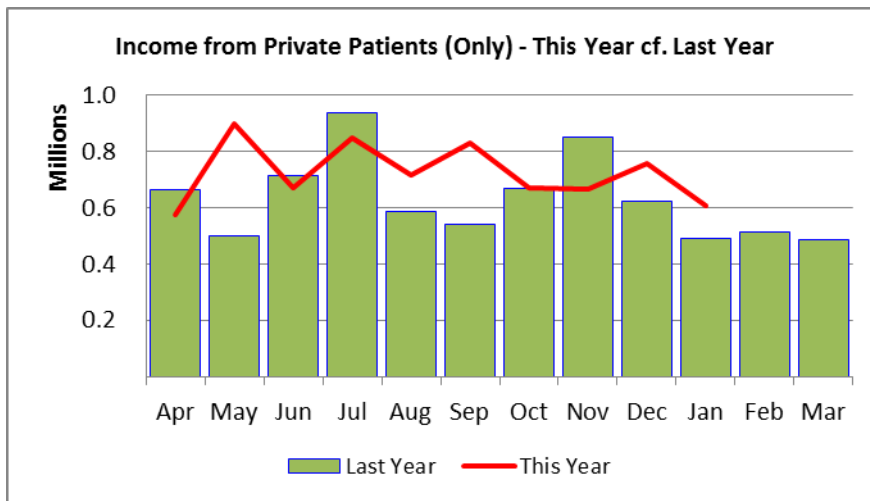
Activity	Activity - Year-to-Date				Income - Year-to-Date				Comparison v. 2013/14		
	YTD Plan	YTD Actual	YTD Diff.	YTD Diff. %	Plan £000	Actual £000	Diff. £000	Diff. %	Activity 2013/14	More / (L) cf. 2013/14	Diff. %
Elective (incl. day cases)	88,736	89,897	1,161	1.3%	137,055	138,124	1,069	0.8%	85,202	4,695	5.5%
Non-Elective	64,407	66,619	2,212	3.4%	138,457	137,391	(1,066)	(0.8%)	65,371	1,248	1.9%
Out-Patients	847,585	852,290	4,705	0.6%	126,681	126,519	(162)	(0.1%)	787,098	65,192	8.3%
Chemotherapy	26,971	26,745	(226)	(0.8%)	4,208	4,551	343	8.2%	24,319	2,426	10.0%
Critical Care	39,759	42,394	2,635	6.6%	45,729	47,998	2,269	5.0%	40,816	1,578	3.9%
Excess Beds	35,186	35,126	(60)	(0.2%)	8,976	8,953	(23)	(0.3%)	37,381	(2,255)	(6.0%)
Drugs & Devices (Pass Through)					81,470	91,459	9,989	12.3%			
Other Activity					74,609	68,273	(6,336)	(8.5%)			
Total before Adjustments					617,185	623,268	6,083	1.0%			
Winter & RTT Monies						5,615	5,615				
Adjustment for Thresholds					(415)	(4,184)	(3,769)				
Penalties & Denials					(4,300)	(4,300)					
Prior Year Income					810	1,597	787				
Commissioning Income					613,280	621,996	8,716	1.4%			

- The Trust's commissioning income position for the first ten months of the year was calculated from data for the first nine 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 £6.1m better than plan before adjustments and total income £8.7m better than plan. However funding for "pass through" drugs and devices is £10.0m higher than expected. Without this, and the prior year income, commissioning income would be £2.06m **below** plan.
- Activity levels are higher than those reported at Month 10 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 which is experiencing exceptional pressures, and higher valued 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	9,538	8,728	(810)
Overseas Patients	26	21	31	10
RTA Income	2,350	1,959	1,977	18
Total - PP, Overseas, RTA	13,823	11,518	10,736	(782)

- Income from private and overseas patients, and road traffic accidents (RTAs), is below plan up to the end of January.
- Private patient income is £0.81m below planned levels because improvements in the process for recognising and collecting the income took longer to implement than originally expected. However income is £0.66m, or 10.1%, higher than for the first ten 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	49,390	42,166	40,963	(1,203)
Research	5,815	4,846	5,097	251
Income Generation	3,668	2,863	3,225	362
Rental Revenues	1,921	1,601	1,740	139
Patient Transport	193	161	184	23
Donations	274	231	1,503	1,272
Other Income & Charges	30,015	24,172	27,485	3,313
Total - Other Income	91,276	76,040	80,197	4,157

- “Other” income is £4.16m above plan if funding for R&D projects is excluded.
- Certain merit awards are externally funded. To date spend on these merit awards is £1.15m 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”.
- The Trust received £1.0m in January for assets purchased through charitable funds and from other third party donations.
- “Other income and charges” exceeds plan by £3.3m. The main components of this additional income are associated with technical accounting changes as reported to the Board at its meeting on 12 November.

Pay Expenditure – Analysis by Staff Group

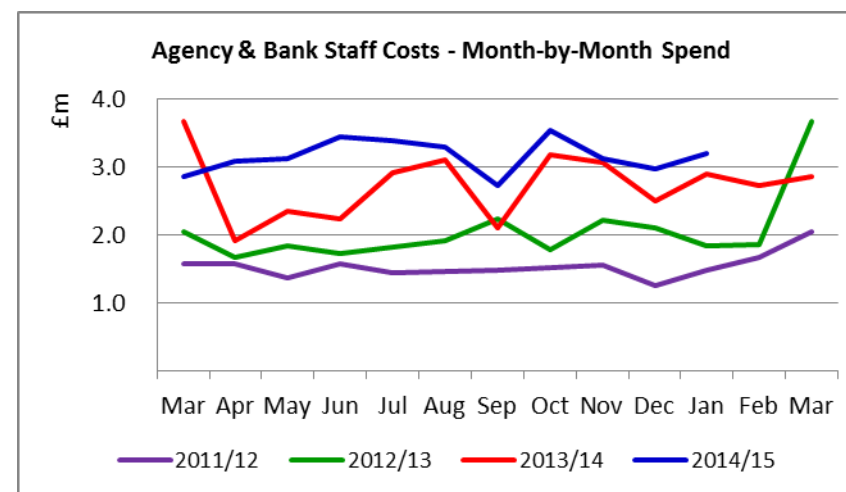
OUH (excluding R&D)		Year to Date		
Staff Group	Staff Type	Plan £000	Actual £000	Variance £000
Consultants	Payroll	80,204	77,701	2,503
	Agency	77	440	(363)
Consultants	Total	80,281	78,141	2,140
Other Medical Staff	Payroll	56,528	55,226	1,302
	Bank		1,269	(1,269)
	Agency		3,244	(3,244)
Other Medical Staff	Total	56,528	59,739	(3,211)
Nurses & Midwives	Payroll	117,101	100,178	16,923
	Bank	141	5,774	(5,633)
	Agency	135	11,306	(11,171)
Nurses & Midwives	Total	117,377	117,258	119
Scientific, Tech., Therapeutic	Payroll	50,750	48,099	2,651
	Bank		93	(93)
	Agency	(336)	3,484	(3,820)
Scientific, Tech., Therapeutic	Total	50,414	51,676	(1,262)
Other Staff	Payroll	67,891	73,543	(5,652)
	Bank		1,919	(1,919)
	Agency	125	4,346	(4,221)
Other Staff	Total	68,016	79,808	(11,792)
OUH (excluding R&D)	Payroll	372,474	354,747	17,727
	Bank	141	9,055	(8,914)
	Agency	1	22,820	(22,819)
OUH (excluding R&D)	Total	372,616	386,622	(14,006)

- 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 and “other” staff. The figure for “other staff” includes planned savings which have not been realised due to civity pressures within the Trust.
- Further information about the spend on bank and agency staff can be found on Page 9.
- The Trust has spent £1.84m on overtime payments in the first ten months of the year. This compares to £1.67m in 2013/14 over the same period, or a 10.3% increase year-on-year.
- Furthermore £6.44m has been spent on medical staff sessional payments compared to £5.57m in the first ten months of 2013/14. This constitutes a year-on-year increase in additional payments to medical staff of 15.7%.

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)	Aug	Sep	Oct	Nov	Dec	Jan	YTD
Analysis of Bank Spend	£000	£000	£000	£000	£000	£000	£000
Other Medical Staff	128	189	166	127	22	149	1,269
Nurses & Midwives	532	514	484	636	544	675	5,775
Scientific, Tech., Therapeutic	7	20	10	15	12	15	93
Other Staff	199	183	174	187	216	260	1,917
OUH (excluding R&D)	866	906	834	965	794	1,099	9,054
OUH (excluding R&D)	Aug	Sep	Oct	Nov	Dec	Jan	YTD
Analysis of Agency Spend	£000	£000	£000	£000	£000	£000	£000
Consultants	83	34	98	43	19	(33)	440
Other Medical Staff	297	273	301	296	348	228	3,244
Nurses & Midwives	1,209	1,218	1,394	1,100	1,187	1,199	11,306
Scientific, Tech., Therapeutic	223	146	438	350	297	348	3,485
Other Staff	617	151	471	373	332	353	4,346
OUH (excluding R&D)	2,429	1,822	2,702	2,162	2,183	2,095	22,821



- The Trust spent £31.9m on pay bank and agency staff costs in the ten months of the year. This compares to a figure of £26.2m for the first ten months of 2013/14 and is therefore 21.5% higher than a year ago.
- Average agency spend is £2.28m per month compared to £1.96m for the year-to-date position in 2013/14. Although there has been a slight downward trend since October, agency spend remains higher than it was last year.
- A series of additional measures for control over agency staff were installed in October but had to be withdrawn in December due to operational staffing pressures. This is likely to remain an area of financial risk going into 2015/16.

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	71,663	72,978	(1,315)
Services Received	9,271	11,255	(1,984)
Other Expenditure	94,713	88,626	6,087
Sub-Total - excl. Pass Thru'	175,647	172,859	2,788
Pass Through Costs	81,470	91,459	(9,989)
Total Non-Pay excl. Reserves	257,117	264,318	(7,201)
Reserves	8,600		8,600
Total Non-Pay	265,717	264,318	1,399

- Non-pay expenditure to date is £2.8m 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)	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Jan £000	YTD £000
Non-Pay							
Activity-Related Spend	6,887	6,814	7,868	6,821	8,442	7,101	72,978
Services Received	1,489	342	1,340	770	602	1,496	11,255
Other Expenditure	11,277	9,451	8,198	8,951	8,250	9,310	88,622
Sub-Total (excl. Pass Thru')	19,653	16,607	17,406	16,542	17,294	17,907	172,855
Pass Through Costs	9,701	9,590	10,009	9,782	8,764	9,534	91,458
Total Non-Pay	29,354	26,197	27,415	26,324	26,058	27,441	264,313

Analysis of the Savings Programme

Theme	Plan £000	YTD Plan £000	YTD Act. £000	Diff. £000
Divisional General Efficiency	24,929	22,726	23,712	986
Transformation	10,519	7,113	4,049	(3,064)
Workforce	3,364	2,666	1,531	(1,135)
Other	7,227	4,599	4,151	(448)
Total	46,039	37,104	33,443	(3,661)
Analysis of Savings by Type				
Savings - Pay (Skill Mix)	15,591	12,896	11,457	(1,439)
Savings - Pay (WTE reductions)	12,262	9,167	5,365	(3,802)
Savings Non Pay	6,784	5,539	10,277	4,738
Income	11,402	9,502	6,344	(3,158)
Total	46,039	37,104	33,443	(3,661)
Recurrent & Non-Rec. Savings				
Recurrent	44,039	35,434	31,027	(4,407)
Non-Recurrent	2,000	1,670	2,416	746
Total	46,039	37,104	33,443	(3,661)
Analysis of Savings by Risk Rating				
High	2,451	1,947	73	(1,874)
Medium	13,354	10,216	6,087	(4,129)
Low	30,234	24,941	27,283	2,342
Total	46,039	37,104	33,443	(3,661)

- The Trust is reporting it has delivered £33.4m in savings in the first ten months of the year. This represents 90% of the year-to-date plan. The areas of failure against the initial plan are generally caused by the operational pressures identified elsewhere in this report and in the paper on performance on this Board agenda.
- £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	25,494	2,565	2,000	2,760	760	24,929	28,254	3,325
Transformation	10,519	5,265	(5,254)				10,519	5,265	(5,254)
Workforce	3,364	2,285	(1,079)				3,364	2,285	(1,079)
Other	7,227	6,607	(620)				7,227	6,607	(620)
Total	44,039	39,651	(4,388)	2,000	2,760	760	46,039	42,411	(3,628)
Savings by Risk Rating									
High	2,451	88	(2,363)				2,451	88	(2,363)
Medium	13,354	9,584	(3,770)				13,354	9,584	(3,770)
Low	28,234	29,979	1,745	2,000	2,760	760	30,234	32,739	2,505
Total	44,039	39,651	(4,388)	2,000	2,760	760	46,039	42,411	(3,628)

- The Trust forecasts it will deliver £42.4m in savings in 2014/15. £39.65m 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	220	839	619
Impact on EBITDA	260	220	839	619
Non-Operating Items				
Depreciation	(38,436)	(32,030)	(31,216)	814
Investment Revenue	300	250	256	6
Other Gains & Losses	(200)	(166)	(14)	152
Finance Costs	(20,654)	(17,240)	(17,255)	(15)
PDC Dividend Payable	(7,203)	(6,002)	(6,497)	(495)
Sub-Total: Non-Op. Exps.	(66,193)	(55,188)	(54,726)	462
Impact on Retained Surplus	(65,933)	(54,968)	(53,887)	1,081
<i>Technical Adjustments</i>				
IFRIC 12 Technical Deficit (PFI)			170	170
Donated Asset Income	(260)	(220)	(839)	(619)
Donated Asset Depreciation	2,772	2,310	2,849	539
Sub-Total: Technical	2,512	2,090	2,180	90
Impact on Break Even Duty	(63,421)	(52,878)	(51,707)	1,171

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.

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 £170,000.
- Donated asset accounting adjustments for additions and depreciation are not included in the Trust's performance against its break even duty. They 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 completes his assessment of the value of the Trust's estate.

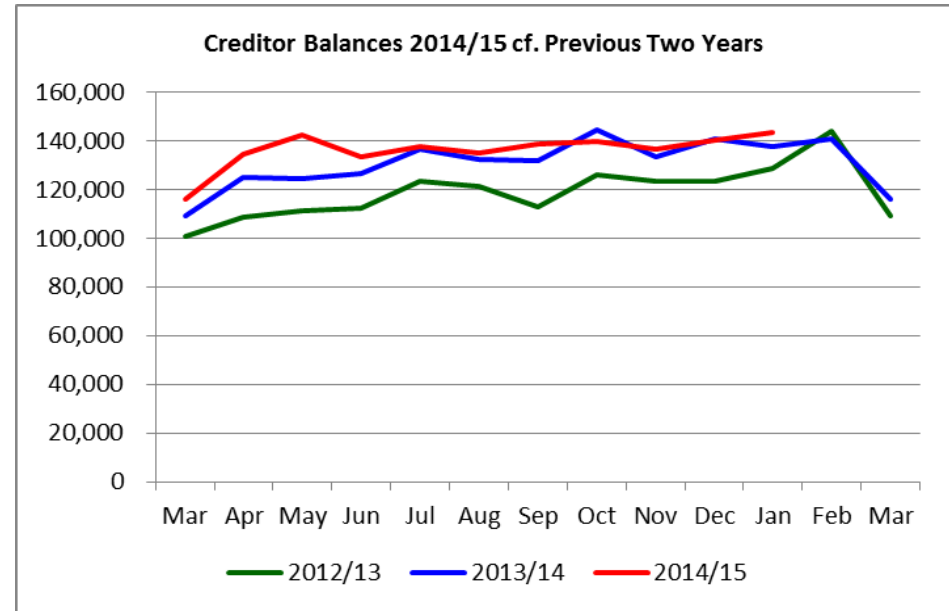
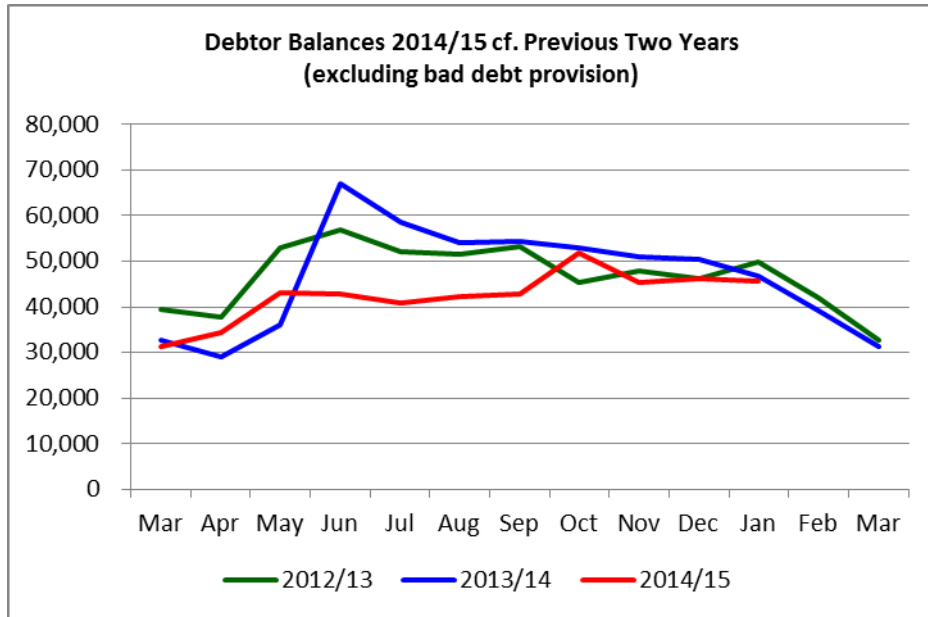
Statement of Financial Position (Balance Sheet)

	Opening Balance	Closing Balance	Movement	Mvmt. In Month
	01-Apr-14	31-Jan-15		
NON-CURRENT ASSETS				
Property, Plant & Equipment	696,042	685,064	(10,978)	(790)
Intangible Assets	9,215	6,953	(2,262)	(176)
Trade & Other Receivables	4,945	4,969	24	(114)
NON-CURRENT ASSETS	710,202	696,986	(13,216)	(1,080)
CURRENT ASSETS				
Inventories	11,807	13,591	1,784	(43)
Trade & Other Receivables	24,361	37,994	13,633	(933)
Cash & Cash Equivalents	86,448	107,399	20,951	5,010
CURRENT ASSETS	122,616	158,984	36,368	4,034
CURRENT LIABILITIES				
Trade & Other Payables	(115,675)	(143,423)	(27,748)	(3,223)
Borrowings	(11,261)	(12,184)	(923)	(164)
Current Provisions	(4,251)	(2,366)	1,885	204
CURRENT LIABILITIES	(131,187)	(157,973)	(26,786)	(3,183)
NET CURRENT ASSETS/(LIABILITIES)	(8,571)	1,011	9,582	851
NON-CURRENT LIABILITIES				
Borrowings	(275,107)	(265,140)	9,967	970
Trade & Other Payables	(14,251)	(13,967)	284	
Non-Current Provisions	(2,447)	(2,622)	(175)	
NON-CURRENT LIABILITIES	(291,805)	(281,729)	10,076	970
TOTAL ASSETS EMPLOYED	409,826	416,268	6,442	741
FINANCED BY TAXPAYERS EQUITY				
Public Dividend Capital	208,935	208,115	(820)	
Retained Earnings	34,413	41,676	7,263	741
Revaluation Reserve	164,735	164,734	(1)	
Other Reserve	1,743	1,743		
TOTAL TAXPAYERS EQUITY	409,826	416,268	6,442	741

- Payments on capital expenditure in the month were below the depreciation charge for January.
- Trade & other receivables reduced marginally in January partly due to less VAT being recoverable from HMRC and also to the unwinding of prepayments towards the end of the financial year. Total debtors are 4.3% of planned turnover (December = 4.4%). Further information about the receivables position can be found on Page 15.
- Cash increased by £5.0m in the month – see Pages 16 & 17 for further details.
- Trade & other payables increased by £3.2m in the month, mainly due to an expected receipt of £2.7m in respect of royalties. Current payables was 17.7% of planned operating expenditure at the end of the month (December = 17.3%).
- 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)

Analysis of Accounts Payable (Creditors)



This Month	NHS	Non-NHS	Private Patients	TOTAL
	£000s	£000s	£000s	£000s
In terms	5,460	4,301	402	10,163
1-30 days overdue	2,397	531	546	3,474
31-60 days	880	891	265	2,036
61-90 days	658	848	139	1,645
In excess of 90 days	3,359	843	2,394	6,596
A/R Debtors	12,754	7,414	3,746	23,914

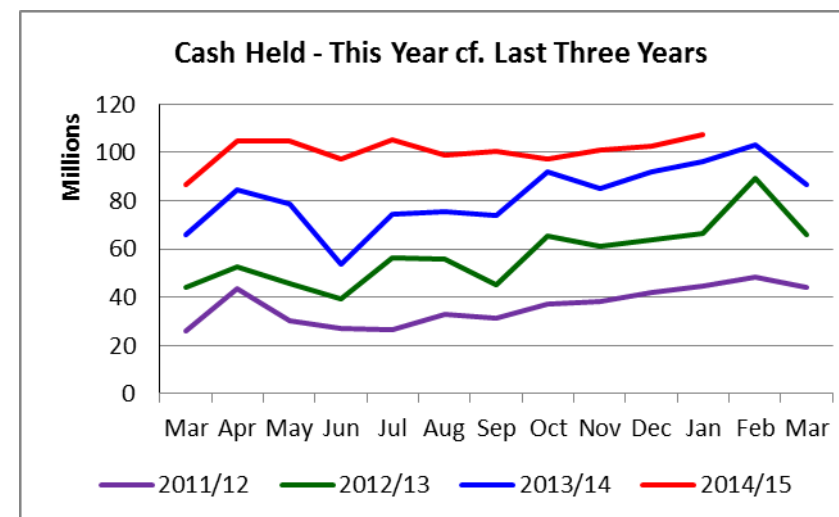
Last Month	NHS	Non-NHS	Private Patients	TOTAL
	£000s	£000s	£000s	£000s
In terms	6,226	3,069	787	10,082
1-30 days overdue	3,248	1,006	523	4,777
31-60 days	153	1,176	196	1,525
61-90 days	261	292	231	784
In excess of 90 days	2,410	1,207	2,256	5,873
A/R Debtors	12,298	6,750	3,993	23,041

Better Payment Practice Code Performance			
		Jan. YTD	
		Number	Value (£000)
Non-NHS	Bills paid in the year	107,805	275,583
	Bills paid within target	99,551	246,693
		92.3%	89.5%
NHS	Bills paid in the year	4,236	83,446
	Bills paid within target	3,885	81,245
		91.7%	97.4%
All	Bills paid in the year	112,041	359,029
	Bills paid within target	103,436	327,938
		92.3%	91.3%

Statement of Cashflows

	Aug 2014	Sept 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Year-to-Date
	£000	£000	£000	£000	£000	£000	£000
Cash Flows from Operating Activities							
Operating Surplus/(Deficit)	(435)	4,576	5,839	3,197	1,369	3,179	30,773
Depreciation & Amortisation	3,065	2,915	2,914	2,941	2,951	3,017	31,216
Interest Paid	(1,685)	(1,790)	(1,685)	(1,685)	(1,685)	(1,685)	(16,956)
Dividend Paid		(3,827)					(3,827)
Receipt of Donated Assets			(137)			(466)	(800)
(Increase) in Inventories	(41)	(345)	(155)	194	(827)	43	(1,784)
(Increase) in Trade & Other Receivables	(1,699)	(1,395)	(8,407)	6,279	(483)	1,023	(13,892)
Increase in Trade & Other Payables	(1,896)	5,914	960	(3,864)	3,175	2,417	28,136
Increase in Provisions	(157)	(157)	17	(157)	(34)	(203)	(1,713)
Cash Flow from Operating Activities	(2,848)	5,891	(653)	6,906	4,467	7,325	51,153
Cash Flows from Investing Activities							
Interest Received	24	28	24	25	27	24	256
(Payments) for Fixed Assets	(2,634)	(1,657)	(2,000)	(2,508)	(2,088)	(1,534)	(20,596)
Cash Flow from Investing Activities	(2,610)	(1,629)	(1,976)	(2,483)	(2,061)	(1,510)	(20,340)
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	(806)	(812)	(745)	(746)	(1,073)	(806)	(8,340)
Cash Flow from Financing Activities	(806)	(2,334)	(745)	(746)	(1,073)	(806)	(9,862)
Net Increase/(Decrease) in Cash	(6,264)	1,928	(3,374)	3,677	1,333	5,010	20,951
Cash - Beginning of the Period	105,090	98,826	100,754	97,380	101,057	102,389	86,448
Cash - End of the Period	98,826	100,754	97,380	101,057	102,389	107,399	107,399

- The Trust has £20.95m 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 49 working days of planned operating expenditure at 31 January 2015. (December = 45 days)



Cashflow – Actuals v. Plan

	Aug 2014	Sept 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Year-to- Date
Plan 2014/15	£000	£000	£000	£000	£000	£000	£000
Cash Surplus from Operations	2,529	8,455	8,727	6,321	4,597	5,909	63,119
Other Cashflows from Op. Activities	(2,453)	(9,318)	1,456	(10,428)	(2,227)	2,300	(34,653)
Cash Flow from Op. Activities	76	(863)	10,183	(4,107)	2,370	8,209	28,466
Cash Flow from Investing Activities	(1,782)	(1,122)	(2,264)	(4,117)	(3,064)	(4,401)	(24,997)
Cash Flow from Financing Activities	(1,016)	(1,718)	(1,013)	(1,013)	(1,013)	(1,020)	(10,849)
Net Increase/(Decrease) in Cash	(2,722)	(3,703)	6,906	(9,237)	(1,707)	2,788	(7,380)
Cash - Beginning of the Period	76,306	73,584	69,881	76,787	67,550	65,843	76,011
Cash - End of the Period	73,584	69,881	76,787	67,550	65,843	68,631	68,631
Actuals 2014/15	£000	£000	£000	£000	£000	£001	£000
Cash Surplus from Operations	2,630	7,491	8,753	6,138	4,320	6,196	61,989
Other Cashflows from Op. Activities	(5,477)	(1,600)	(9,407)	768	147	1,129	(10,836)
Cash Flow from Op. Activities	(2,848)	5,891	(653)	6,906	4,467	7,325	51,153
Cash Flow from Investing Activities	(2,610)	(1,629)	(1,976)	(2,483)	(2,061)	(1,510)	(20,340)
Cash Flow from Financing Activities	(806)	(2,334)	(745)	(746)	(1,073)	(806)	(9,862)
Net Increase/(Decrease) in Cash	(6,264)	1,928	(3,374)	3,677	1,333	5,010	20,951
Cash - Beginning of the Period	105,090	98,826	100,754	97,380	101,057	102,389	86,448
Cash - End of the Period	98,826	100,754	97,380	101,057	102,389	107,399	107,399
Difference - Actuals v. Plan	£000	£000	£000	£000	£000	£000	£000
Cash Surplus from Operations	101	(964)	26	(183)	(277)	287	(1,130)
Other Cashflows from Op. Activities	(3,024)	7,718	(10,863)	11,196	2,374	(1,171)	23,817
Cash Flow from Op. Activities	(2,924)	6,754	(10,836)	11,013	2,097	(884)	22,687
Cash Flow from Investing Activities	(828)	(507)	288	1,634	1,003	2,891	4,657
Cash Flow from Financing Activities	210	(616)	268	267	(60)	214	987
Net Increase/(Decrease) in Cash	(3,542)	5,631	(10,280)	12,914	3,040	2,222	28,331
Cash - Beginning of the Period	28,784	25,242	30,873	20,593	33,507	36,546	10,437
Cash - End of the Period	25,242	30,873	20,593	33,507	36,546	38,768	38,768

- 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).

Cashflow Forecast

	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Jan 2015	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£001
Cash Flows from Operating Activities													
Operating Surplus/(Deficit)	3,179	3,388	3,070	3,281	3,276	3,314	3,319	3,265	3,314	3,308	3,303	3,276	3,287
Depreciation & Amortisation	3,017	3,076	3,715	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202
Interest Paid	(1,685)	(1,709)	(1,923)	(1,694)	(1,694)	(1,694)	(1,694)	(1,694)	(1,901)	(1,694)	(1,694)	(1,694)	(1,694)
Dividend Paid			(4,537)						(4,591)				
Receipt of Donated Assets	(466)												
(Increase) in Inventories	43	834	950	(132)	21	(403)	(139)	(41)	(395)	209	(170)	(665)	(471)
(Increase) in Trade & Other Receivables	1,023	790	11,758	(2,379)	(8,302)	2,312	(813)	2,438	2,508	(1,436)	2,183	(4,590)	5,087
Increase in Trade & Other Payables	2,417	(2,074)	(35,211)	12,413	4,812	(4,716)	2,172	(3,187)	880	4,032	(7,778)	4,191	(2,714)
Increase in Provisions	(203)	(156)	2,282										
Cash Flow from Operating Activities	7,325	4,149	(19,896)	14,691	1,315	2,015	6,047	3,983	3,017	7,621	(954)	3,720	6,697
Cash Flows from Investing Activities													
Interest Received	24	25	23	20	20	20	20	20	20	20	20	20	20
(Payments) for Fixed Assets	(1,534)	(2,735)	(9,411)	(4,391)	(5,486)	(4,929)	(1,300)	(3,428)	(1,961)	(3,487)	(4,956)	(4,014)	(5,859)
Cash Flow from Investing Activities	(1,510)	(2,710)	(9,388)	(4,371)	(5,466)	(4,909)	(1,280)	(3,408)	(1,941)	(3,467)	(4,936)	(3,994)	(5,839)
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	(806)	(806)	(2,155)	(895)	(812)	(812)	(812)	(812)	(812)	(812)	(812)	(812)	(812)
Cash Flow from Financing Activities	(806)	(806)	(2,857)	(895)	(812)	9,188	(812)	(812)	(1,514)	(812)	(812)	(812)	(812)
Net Increase/(Decrease) in Cash	5,010	633	(32,141)	9,425	(4,963)	6,294	3,955	(237)	(438)	3,342	(6,702)	(1,086)	46
Cash - Beginning of the Period	102,389	107,399	108,032	75,891	85,316	80,353	86,647	90,602	90,365	89,927	93,269	86,567	85,481
Cash - End of the Period	107,399	108,032	75,891	85,316	80,353	86,647	90,602	90,365	89,927	93,269	86,567	85,481	85,527

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

Risk Rating – Continuity of Services

At Month 10 Trust's Continuity of Service scores are:

	Measure	Score
Liquidity	Ratio Days = -5.5	3
Capital Servicing Capacity	Ratio = 1.78	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	Dec	Jan
Ratio Days	-7.8	-7.2	-6.2	-7.1	-7.1	-5.4	-5.4	-6.0	-5.5
Score	2	2	3	2	2	3	3	3	3
Capital Servicing Capacity	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Ratio	1.77	1.92	2.08	1.84	1.71	1.83	1.84	1.78	1.78
Score	3	3	3	3	2	3	3	3	3
Overall Risk Rating	3	3	3	3	2	3	3	3	3

Capital Programme

OUH Capital Programme 2014/15	Mth 10	Mth 10	Mth 10	Annual	Year End	Variance
	YTD Plan	YTD Act.	Variance	Plan	Forecast	Variance
	£000s	£000s	£000s	£000s	£000s	£000s
<i>Trust & PDC Funded</i>						
EPR Implementation	2,917	1,454	(1,463)	3,500	3,300	(200)
Medical and Surgical Equipment	1,555	3,002	1,447	2,000	3,679	1,679
IT General	1,666	1,861	195	2,000	2,000	
Respiratory Ward Relocations	1,467		(1,467)	2,200	150	(2,050)
Major Radiological Equipment	1,800	481	(1,319)	2,700	2,090	(610)
Estates General	1,666	514	(1,152)	2,000	3,509	1,509
Day Surgery Unit Churchill	750	62	(688)	900	73	(827)
Outpatient Horton	533	195	(338)	800	300	(500)
Ultrasound - JR & Horton	807	1,248	441	969	1,428	459
Expansion of EAU - link to day hospital	1,300	258	(1,042)	1,300	1,611	311
Centralisation of Sw itchBoard	100	272	172	100	604	504
Small Schemes	1,000	976	(24)	1,500	3,809	2,309
Other Ward Relocations	899	1,484	585	1,312	1,508	196
Other Medical Equipment Schemes	419	14	(405)	571	503	(68)
Other Estates	200	1,170	970	300	2,321	2,021
R&D	133	239	106	400	512	112
Renal Inpatient Churchill		14	14		14	14
SEND Project	345	516	171	345	671	326
End to end electronic prescribing' project	40		(40)	40		(40)
Improving Maternity Care Settings	238	256	18	309	309	
Radiotherapy Milton Keynes	166	6	(160)	200	50	(150)
Radiotherapy Sw indon	1,641	372	(1,269)	2,500	845	(1,655)
Theatre Remodelling - JR	367	9	(358)	550	100	(450)
EPR Reprocurement	1,562	1,244	(318)	4,688	1,296	(3,392)
Completion of 13/14 schemes		1,023	1,023		1,437	1,437
Other	151	11	(140)	191	121	(70)
Total - Trust Funded	21,722	16,681	(5,041)	31,375	32,240	865
<i>Externally Funded</i>						
PFI lifecycle	1,048	1,069	21	1,280	1,280	
Equipment leasing				500		(500)
Microbiology automation		78	78	750	828	78
Welcome Centre				3,000		(3,000)
Carbon Energy Fund				6,000		(6,000)
Total - Externally Funded	1,048	1,147	99	11,530	2,108	(9,422)
Total Capital Programme Spend	22,770	17,828	(4,942)	42,905	34,348	(8,557)

- The Trust has charged £17.8m against its capital programme in the first ten months of the year. This is £4.9m less than planned.
- The capital programme, and year-to-date slippage against schemes, continues to be reviewed and monitored by the relevant project managers. Schemes will be brought forward from the 2015/16 programme to offset some of the slippage.

Capital Resource Limit 2014/15

Capital Resource Limit 2014/15	Mth 10	Mth 10	Mth 10
	YTD Plan	YTD Act.	Variance
	£000s	£000s	£000s
Total Capital Programme Spend	22,770	17,828	4,942
Asset Disposals	(166)	(14)	(152)
Donations	(217)	(839)	622
Capital Resource Limit 2014/15	22,387	16,975	5,412

- The underspend on the capital programme means that the Trust is within its Capital Resource Limit for the year.
- The Trust forecasts it will meet its CRL for the year.

Conclusion

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

Mr Mark Mansfield
Director of Finance and Procurement

Report prepared by:

Mr Kevin Davis, Senior Business Partner

March 2015