

**Trust Board Meeting in Public: Wednesday 11 November 2015**

**TB2015.130**

<b>Title</b>	<b>Financial Performance to 30 September 2015</b>
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<b>Status</b>	For Information
<b>History</b>	Regular report

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

## Summary

This report informs the Board of the Trust's financial position for the first six months of the financial year 2015/16.

## Contents

The report contains information on the following:

- The Trust's Statement of Comprehensive Income [income & expenditure (I&E)] position after the first six months of the year (Pages 3 to 13), including:
  - Statements on the Trust's overall I&E position Pages 3 and 4
  - Details about its income and expenditure position Pages 5 to 10
  - Details about its savings programme Page 11
  - Details about non-operational income & expenditure Page 12
- The Statement of Financial Position at 30 September 2015 Pages 14 and 15
- The Statement of Cashflow and cashflow forecast Pages 16 to 18
- The position of the capital programme Page 19

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

I&E (including R&D)	Annual Plan £000	Year to Date		
		Plan £000	Actual £000	Variance £000
<b>Operating Income</b>				
Commissioning Income	774,249	386,166	388,052	1,886
PP, Overseas & RTA Income	13,480	6,736	5,690	(1,046)
Other Income	147,838	73,741	75,473	1,732
<b>Total Income</b>	<b>935,567</b>	<b>466,643</b>	<b>469,215</b>	<b>2,572</b>
<b>Operating Expenditure</b>				
Pay	(519,358)	(260,513)	(267,511)	(6,998)
Non-Pay	(356,295)	(181,167)	(176,675)	4,492
<b>Total Expenditure</b>	<b>(875,653)</b>	<b>(441,680)</b>	<b>(444,186)</b>	<b>(2,506)</b>
<b>EBITDA</b>	<b>59,914</b>	<b>24,963</b>	<b>25,029</b>	<b>66</b>
Non-Operating Expenditure	(63,490)	(31,738)	(31,999)	(261)
<b>Retained Surplus/(Deficit)</b>	<b>(3,576)</b>	<b>(6,775)</b>	<b>(6,970)</b>	<b>(195)</b>
Technical Adjustments	3,576	1,779	1,358	(421)
<b>Break Even Surplus</b>	<b>0</b>	<b>(4,996)</b>	<b>(5,612)</b>	<b>(616)</b>

- The Trust has been authorised as a Foundation Trust from 1<sup>st</sup> October 2015. As a result of this the Trust is required to close the accounts of Oxford University Hospitals NHS Trust at the end of September 2015. The reported position to the left is a draft position which is subject to audit.
- The formal audit of the Oxford University Hospitals NHS Trust accounts will be completed in line with the time table for the Foundation Trust in May 2016.
- The Trust will continue to report monthly on the cumulative year to date position.
- Oxford University Hospitals NHS Trust has closed its accounts with a year to date position of a deficit of £5.6m, which is **£0.6m worse than plan** after the first six months of the year. This represents an improvement of £0.2m compared to the position that was reported in August.
- The figures shown in the table on the left reflect the way in which financial performance is reported in the Trust's Statutory Statements.
- Commissioning income was £1.9m above plan. However the underlying position reflected a failure to deliver activity plans of £5.1m, which was offset by income from prior periods and the national reduction in penalties and fines.
- Private patient income remains below plan after the first six months of 2015/16 – see Page 6.
- The deferment of R&D income is causing a reduction to the reported positive variance on “other” income. Without this, other income would be £3.0m above plan – see Pages 4 and 7.
- 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 2015/16 – Pages 8 and 9 provide further detail.
- Non-pay is affected by some one-off benefits relating to the Trust's PFI contracts, and the use of Trust reserves. Further information is shown on Page 10.

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

Research & Development	Annual	Year to Date		
	Plan	Plan	Actual	Variance
	£000	£000	£000	£000
<b>Income</b>				
Other Income	44,868	22,500	21,244	(1,256)
<b>Total Income</b>	<b>44,868</b>	<b>22,500</b>	<b>21,244</b>	<b>(1,256)</b>
<b>Expenditure</b>				
Pay	(35,313)	(17,721)	(17,137)	584
Non-Pay	(9,555)	(4,779)	(4,107)	672
<b>Total Expenditure</b>	<b>(44,868)</b>	<b>(22,500)</b>	<b>(21,244)</b>	<b>1,256</b>

- At the end of September expenditure on research and development (R&D) was £1.3m less than plan, with pay being £0.6m below plan and non-pay £0.7m less than anticipated. R&D income for this amount is therefore 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	Plan	Actual	Variance
	£000	£000	£000	£000
<b>Operating Income</b>				
Commissioning Income	774,249	386,166	388,052	1,886
PP, Overseas & RTA Income	13,480	6,736	5,690	(1,046)
Other Income	102,970	51,241	54,229	2,988
<b>Total Income</b>	<b>890,699</b>	<b>444,143</b>	<b>447,971</b>	<b>3,828</b>
<b>Operating Expenditure</b>				
Pay	(484,045)	(242,792)	(250,374)	(7,582)
Non-Pay	(346,740)	(176,388)	(172,568)	3,820
<b>Total Expenditure</b>	<b>(830,785)</b>	<b>(419,180)</b>	<b>(422,942)</b>	<b>(3,762)</b>
<b>EBITDA</b>	<b>59,914</b>	<b>24,963</b>	<b>25,029</b>	<b>66</b>
Non-Operating Expenditure	(63,490)	(31,738)	(31,999)	(261)
<b>Retained Surplus/(Deficit)</b>	<b>(3,576)</b>	<b>(6,775)</b>	<b>(6,970)</b>	<b>(195)</b>
Technical Adjustments	3,576	1,779	1,358	(421)
<b>Break Even Surplus</b>	<b>0</b>	<b>(4,996)</b>	<b>(5,612)</b>	<b>(616)</b>

- 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

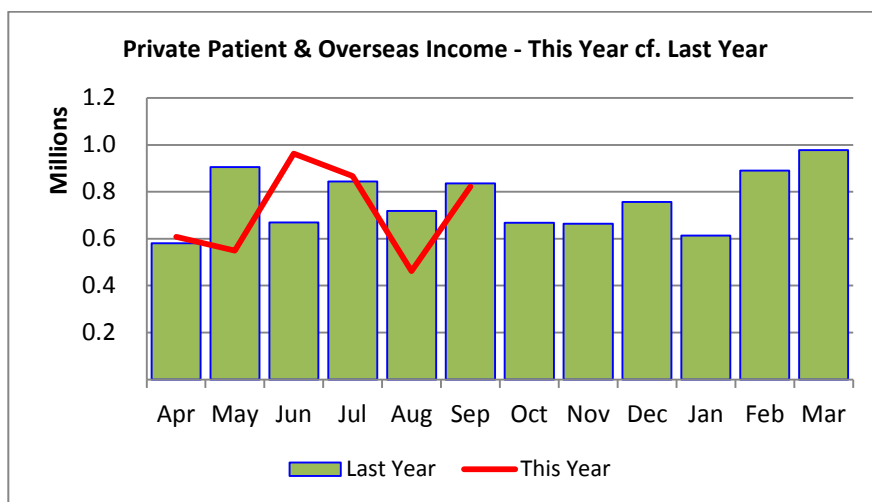
Activity	Activity - Year-to-Date				Income - Year-to-Date			
	YTD Plan	YTD Actual	YTD Diff.	YTD Diff. %	Plan £000	Actual £000	Diff. £000	Diff. %
Elective (incl. day cases)	57,344	57,663	319	0.6%	87,251	86,092	(1,159)	(1.3%)
Non- Elective	38,258	38,454	195	0.5%	81,152	82,234	1,082	1.3%
Out-Patients	512,306	533,261	20,955	4.1%	77,723	80,713	2,990	3.8%
Chemotherapy					2,828	2,773	(55)	(1.9%)
Critical Care					28,830	29,472	642	2.2%
Excess Beds					5,325	4,692	(633)	(11.9%)
Other Activity					45,671	44,612	(1,059)	(2.3%)
Adjustment for Thresholds					(6,042)	(5,912)	130	
<b>Total before Pass Through</b>					<b>322,738</b>	<b>324,676</b>	<b>1,938</b>	<b>0.6%</b>
Drugs & Devices (Pass Through)					57,824	59,323	1,499	2.6%
<b>Total with Pass Through</b>					<b>380,562</b>	<b>383,999</b>	<b>3,437</b>	<b>0.9%</b>
Activity-Related (Non-Specific)					8,558		(8,558)	
Penalties & Denials					(3,500)	(661)	2,839	
Winter Funding from 2014/15					546	546		
Prior Year Income						4,168	4,168	
<b>Total Commissioning Income</b>					<b>386,166</b>	<b>388,052</b>	<b>1,886</b>	<b>0.5%</b>

- The Trust's commissioning income position for the first six months of the year was calculated from data for the first five months only. There therefore remains an element of estimation within the figures.
- The underlying position for the Trust indicates a failure to deliver income plans at £6.6m (patient activity) offset by overperformance on pass through drugs (£1.5m), and accounting adjustments for prior year income (£4.2m) and nationally adjusted penalties (£2.8m).

Activity	YTD Actual	Activity 2014/15	More / (L) cf. 2014/15	Diff. %
Elective (incl. day cases)	57,663	54,186	3,477	6.4%
Non-Elective	38,454	39,822	(1,368)	(3.4%)
Out-Patients	533,261	510,005	23,256	4.6%

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

Analysis - PP, Overseas, RTA	Annual	Year to Date		
	Plan £000	Plan £000	Actual £000	Variance £000
<b>PP, Overseas &amp; RTA Income</b>				
Private Patients	10,941	5,466	3,889	(1,577)
Overseas Patients	189	94	528	434
RTA Income	2,350	1,175	1,273	98
<b>Total - PP, Overseas, RTA</b>	<b>13,480</b>	<b>6,735</b>	<b>5,690</b>	<b>(1,045)</b>



- Income from private and overseas patients, and road traffic accidents (RTAs), is £1.0m below plan.
- Private patient income is £1.6m below plan but overseas income is £0.4m higher.
- In 2014/15 most overseas income was recorded under the category of private patient income. The graph, to the left, shows that the year-to-date figure for the two categories of income together is similar to the income earned in 2014/15.
- Divisional plans estimated that higher income might be generated in 2015/16, from this source, than in 2014/15.
- Income from road traffic accidents (RTAs) is £0.1m more than plan. These receipts are volatile and RTA income earned to date is not necessarily an indication of the year-end position.
- Following a change to national guidance the Trust has increased its provision for the non-receipt of RTA income. This has adversely affected the year-to-date position by £0.2m-£0.3m.

## Other Income

Other Income (excl. R&D)	Annual Plan £000	Year-to-Date		
		Plan £000	Actual £000	Variance £000
<b>Other Income</b>				
Training & Education	45,750	23,428	24,704	1,276
Research	8,749	4,375	5,088	713
Income Generation	3,421	1,711	1,736	25
Rental Revenues	1,926	961	906	(55)
Patient Transport	193	97	101	4
Services to Other Bodies	28,431	13,382	13,319	(63)
Donations	1,174	592	728	136
Other Income & Charges	11,434	5,748	7,647	1,899
Income Savings Targets	1,890	947		(947)
<b>Total - Other Income</b>	<b>102,968</b>	<b>51,241</b>	<b>54,229</b>	<b>2,988</b>

- “Other” income is £2.988m above plan if funding for R&D projects is excluded.
- The Trust has also received £0.6m for assets purchased through charitable funds and from other third party donations.
- If these items are excluded then the remaining sources of income are a little above plan.

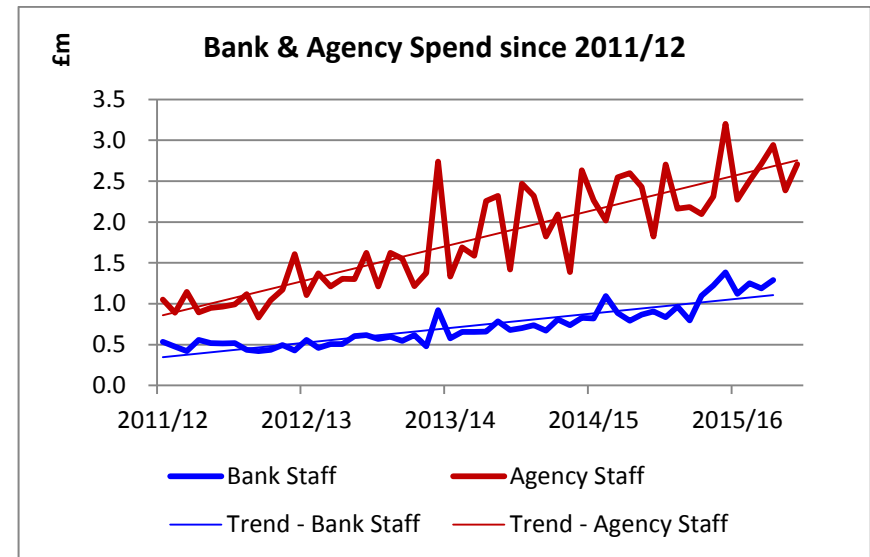
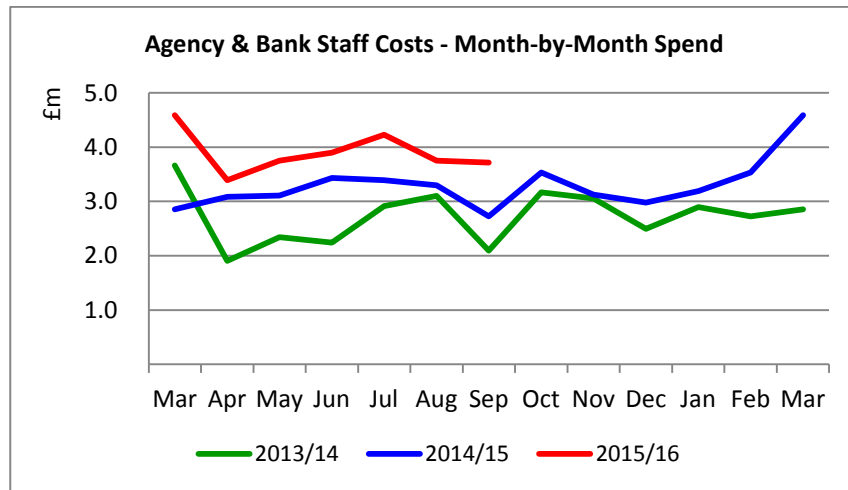
## Pay Expenditure – Analysis by Staff Group

OUH (excluding R&D)		Year to Date		
Staff Group	Staff Type	Plan £000	Actual £000	Variance £000
Consultants	Payroll	49,386	48,808	578
	Bank			
	Agency		59	(59)
	<b>Total</b>	<b>49,386</b>	<b>48,867</b>	<b>519</b>
Other Medical Staff	Payroll	34,526	33,044	1,482
	Bank	116	1,084	(968)
	Agency	46	2,582	(2,536)
	<b>Total</b>	<b>34,688</b>	<b>36,710</b>	<b>(2,022)</b>
Nurses & Midwives	Payroll	71,373	63,832	7,541
	Bank	85	4,381	(4,296)
	Agency	(82)	7,677	(7,759)
	<b>Total</b>	<b>71,376</b>	<b>75,890</b>	<b>(4,514)</b>
Scientific, Tech., Therapeutic	Payroll	30,830	29,570	1,260
	Bank		106	(106)
	Agency	18	2,534	(2,516)
	<b>Total</b>	<b>30,848</b>	<b>32,210</b>	<b>(1,362)</b>
Other Staff	Payroll	56,153	52,288	3,865
	Bank	49	1,651	(1,602)
	Agency	291	2,758	(2,467)
	<b>Total</b>	<b>56,493</b>	<b>56,697</b>	<b>(204)</b>
OUH (excluding R&D)	Payroll	242,268	227,542	14,726
	Bank	250	7,222	(6,972)
	Agency	273	15,610	(15,337)
	<b>Total</b>	<b>242,791</b>	<b>250,374</b>	<b>(7,583)</b>

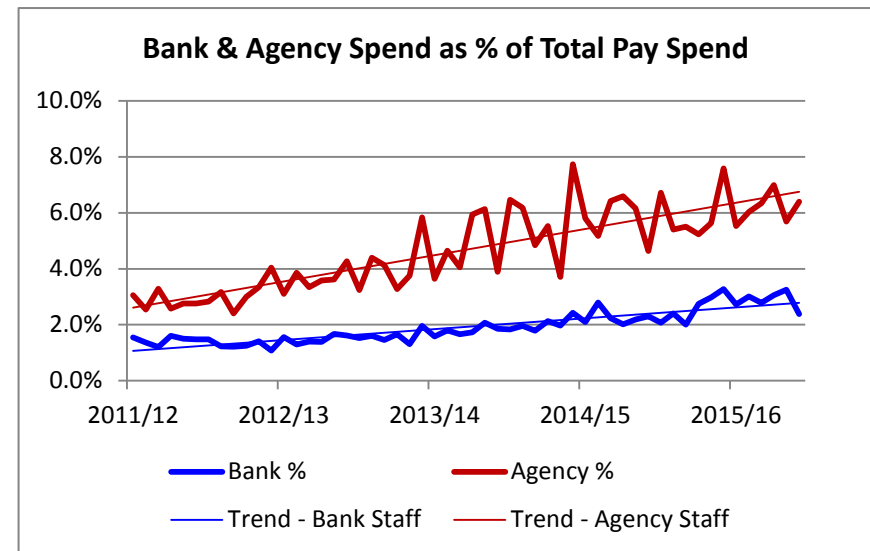
- The table on the left shows the year-to-date spend on pay by staff group against plan (excluding R&D).
- The overspend on pay is occurring mainly against the budgets for nurses and non-consultant medical staff.
- Further information about the spend on bank and agency staff can be found on Page 9.
- The Trust has spent £1.002m on overtime payments in the first six months of the year. This compares to £1.136m in 2014/15 over the same period – a reduction of 11.8% year-on-year.
- £4.141m has been spent on medical staff sessional payments compared to £4.020m in the first six months of 2014/15. This constitutes a year-on-year increase in additional payments to medical staff of 3.0%.



Bank & Agency Spend



- The Trust has spent £22.8m on pay bank and agency staff costs in the first six months of the year.
- The average monthly cost of £3.805m is £0.485m per month higher than the average monthly spend for 2014/15.
- The charts on the right show the increases in bank and agency spend over the last few years both in monetary terms and as a percentage of total pay costs.
- Bank spend has increased from around 1.4% of total pay costs to approximately 2.9%, while agency spend has risen from 2.9% to 6.2% over the period.
- This means that, instead of spending 4.3% of total pay expenditure on bank and agency as was the case at the start of 2011/12, the Trust now spends 9.1% of its total pay bill on these premium cost staff.



## Non-Pay Expenditure

## Year-to-Date Spend v. Plan

OUH (excluding R&D)	Annual Plan £000	Year-to-Date		
		Plan £000	Actual £000	Variance £000
Activity-Related Spend	85,148	42,579	45,508	(2,929)
Services Received	11,435	5,855	6,147	(292)
Other Expenditure	112,454	56,099	59,104	(3,005)
"Year End" Accounting Adjustments			2,487	(2,487)
<b>Sub-Total - excl. Pass Thru'</b>	<b>209,037</b>	<b>104,533</b>	<b>113,246</b>	<b>(8,713)</b>
Pass Through Costs	115,646	57,823	59,322	(1,499)
<b>Total Non-Pay excl. Reserves</b>	<b>324,683</b>	<b>162,356</b>	<b>172,568</b>	<b>(10,212)</b>
Reserves	22,058	14,032		14,032
<b>Total Non-Pay</b>	<b>346,741</b>	<b>176,388</b>	<b>172,568</b>	<b>3,820</b>

- Non-pay expenditure to date is £3.8m underspent. However this is due to year-to-date reserves offsetting overspends across the Trust.

## Analysis of the Savings Programme

Theme	Plan £000	YTD Plan £000	YTD Act. £000	Diff. £000
Divisional Efficiency	17,172	7,629	9,196	1,567
Transformation	14,861	6,230	3,209	(3,021)
Workforce	5,604	2,801	1,545	(1,256)
Other	14,180	6,753	5,738	(1,015)
New Programmes Identified				
<b>Total</b>	<b>51,817</b>	<b>23,413</b>	<b>19,688</b>	<b>(3,725)</b>

- The Trust is reporting that it has delivered £19.7m in savings in the first six months of the year. This represents 84% of the year-to-date plan.
- In recent 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.
- £2.6m of Divisional schemes (as planned) are non-recurrent and Divisions will have to identify alternative recurrent plans ahead of 2016/17. At present only £0.34m of delivery at Month 6 is non-recurrent.

## Analysis of Savings by Type

Savings - Pay (Skill Mix)	12,510	5,863	3,835	(2,028)
Savings - Pay (WTE reductions)	4,196	1,657	702	(955)
Savings Non Pay	19,886	8,868	8,592	(276)
Income	15,224	7,024	6,559	(465)
<b>Total</b>	<b>51,816</b>	<b>23,412</b>	<b>19,688</b>	<b>(3,724)</b>

## Recurrent &amp; Non-Rec. Savings

Recurrent	49,200	22,105	19,343	(2,762)
Non-Recurrent	2,616	1,309	345	(964)
<b>Total</b>	<b>51,816</b>	<b>23,414</b>	<b>19,688</b>	<b>(3,726)</b>

## Analysis of Savings by Risk Rating

High	7,178	2,861	533	(2,328)
Medium	18,226	8,084	6,516	(1,568)
Low	26,412	12,468	12,639	171
<b>Total</b>	<b>51,816</b>	<b>23,413</b>	<b>19,688</b>	<b>(3,725)</b>

## 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 Plan £000	Year to Date		
		Plan £000	Actual £000	Variance £000
<b>Non-Operating Items</b>				
Depreciation	(35,900)	(17,950)	(17,984)	(34)
Investment Revenue	238	118	136	18
Other Gains & Losses	(200)	(100)	(28)	72
Finance Costs	(20,494)	(10,242)	(10,064)	178
PDC Dividend Payable	(7,134)	(3,564)	(4,059)	(495)
<b>Total for Non-Op. Items</b>	<b>(63,490)</b>	<b>(31,738)</b>	<b>(31,999)</b>	<b>(261)</b>
<i>Technical Adjustments</i>				
IFRIC 12 Technical Deficit (PFI)	437	210	218	8
Donated Asset Income	(269)	(135)	(277)	(142)
Donated Asset Depreciation	3,408	1,704	1,417	(287)
<b>Total for Technical Adjs.</b>	<b>3,576</b>	<b>1,779</b>	<b>1,358</b>	<b>(421)</b>
<b>Overall Impact on Break Even</b>	<b>(59,914)</b>	<b>(29,959)</b>	<b>(30,641)</b>	<b>(682)</b>

Non-operating items of income and expenditure are £0.3m above plan year-to-date.

*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 4 and 5 of this report.

- “Other Gains & Losses” is a technical accounting adjustment that is made following the disposal of assets.
- The Trust has to close the accounts for the former organisation, Oxford University Hospitals NHS Trust, as a result of becoming a Foundation Trust. The Trust has therefore asked the District Valuer to estimate the value of its estate as at 30 September 2015 and early indications suggest that the value of land & buildings may have increased by 5% since the last valuation was carried out six months ago. Consequently the Trust has increased its provision for the amount of PDC Dividend it will pay at the end of the year.
- The revaluation may also lead to technical accounting adjustments for impairments, and the reversal of impairments made in earlier years, which are not currently included in the reported year-to-date position.

*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 4 and 5 of this report but are disregarded under NHS accounting rules when the Trust's financial duty to break even is measured.

- The IFRIC 12 “technical adjustment” compares 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 £218,000.

- 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".

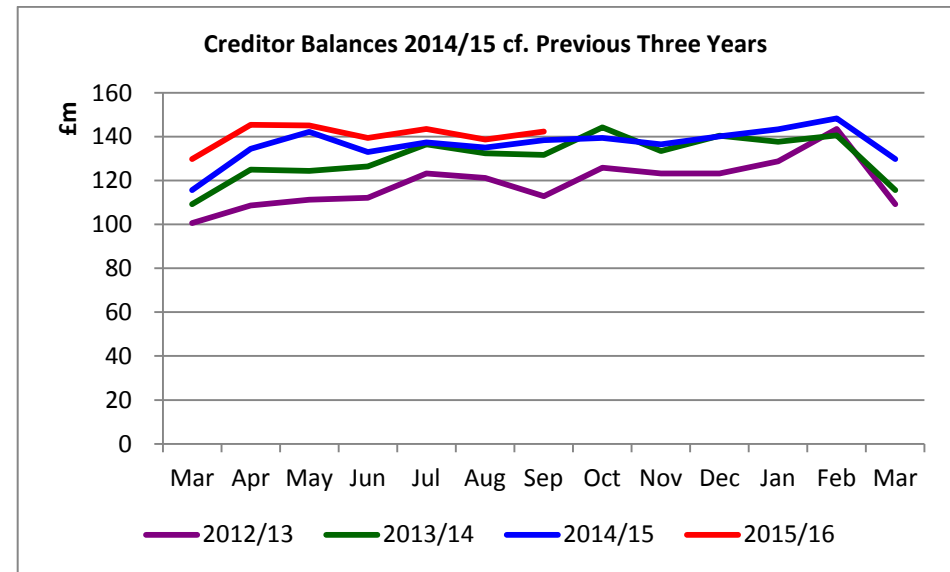
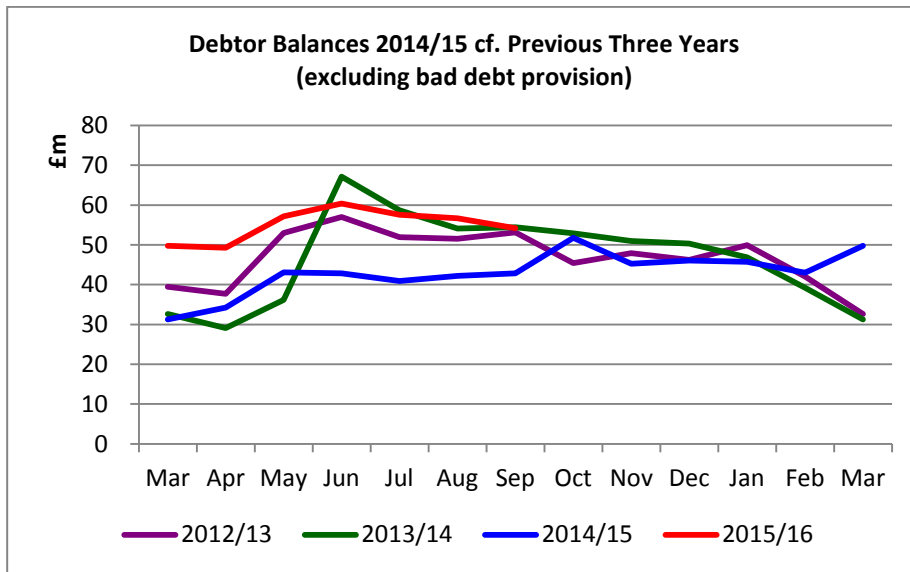
## Statement of Financial Position (Balance Sheet)

	Opening Balance 01-Apr-15	Closing Balance 30-Sep-15	Movement	Mvmt. In Month
<b>NON-CURRENT ASSETS</b>				
Property, Plant & Equipment	652,888	645,977	(6,911)	2,324
Intangible Assets	11,212	9,539	(1,673)	(286)
Trade & Other Receivables	5,091	5,562	471	233
<b>NON-CURRENT ASSETS</b>	<b>669,191</b>	<b>661,078</b>	<b>(8,113)</b>	<b>2,271</b>
<b>CURRENT ASSETS</b>				
Inventories	14,715	15,182	467	45
Trade & Other Receivables	42,212	46,008	3,796	(2,994)
Cash & Cash Equivalents	79,383	83,815	4,432	3,805
<b>CURRENT ASSETS</b>	<b>136,310</b>	<b>145,005</b>	<b>8,695</b>	<b>856</b>
<b>CURRENT LIABILITIES</b>				
Trade & Other Payables	(129,882)	(142,383)	(12,501)	(3,641)
Borrowings	(10,874)	(9,962)	912	132
Current Provisions	(2,476)	(1,971)	505	(1,241)
<b>CURRENT LIABILITIES</b>	<b>(143,232)</b>	<b>(154,316)</b>	<b>(11,084)</b>	<b>(4,750)</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>(6,922)</b>	<b>(9,311)</b>	<b>(2,389)</b>	<b>(3,894)</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	(263,185)	(258,684)	4,501	1,345
Trade & Other Payables	(16,359)	(16,562)	(203)	(203)
Non-Current Provisions	(2,559)	(2,680)	(121)	52
<b>NON-CURRENT LIABILITIES</b>	<b>(282,103)</b>	<b>(277,926)</b>	<b>4,177</b>	<b>1,194</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>380,166</b>	<b>373,841</b>	<b>(6,325)</b>	<b>(429)</b>
<b>FINANCED BY TAXPAYERS EQUITY</b>				
Public Dividend Capital	208,115	208,758	643	
Retained Earnings	25,076	18,114	(6,962)	(429)
Revaluation Reserve	145,232	145,226	(6)	
Other Reserve	1,743	1,743		
<b>TOTAL TAXPAYERS EQUITY</b>	<b>380,166</b>	<b>373,841</b>	<b>(6,325)</b>	<b>(429)</b>

- The estimated impact of the revaluation of the Trust's estate by the District Valuer as at 30 September 2015 (referred to above) is not shown in the balance sheet presented on the left.
- Without this change in valuation payments on capital expenditure in the first six months of the year have been less than the depreciation charge.
- Trade and other receivables fell by £2.994m in Month 6 due to the quarterly billing cycle for non SLA income. Total debtors are 4.9% of planned turnover (August = 5.3%). Further information about the receivables position can be found on Page 15.
- Cash increased by £3.8m in September – see Page 16 for further details.
- Trade and other payables increased by £3.6m due mainly to the fact that the final payment run in September was the 24<sup>th</sup> and so there were 4 days of AP invoices processed after this. Current payables constituted 16.3% of planned operating expenditure (August = 16.1%).
- The fall in borrowings reflects regular repayments on the capital element of the contracts with PFI providers. These are made through the monthly PFI unitary payments.

Analysis of Accounts Receivable (Debtors)

Analysis of Accounts Payable (Creditors)



This Month	NHS	Non-NHS	TOTAL	TOTAL %
	£000s	£000s	£000s	
0-30 days overdue	9,715	5,689	15,404	55.3%
31-60 days	5,026	745	5,771	20.7%
61-90 days	243	506	749	2.7%
In excess of 90 days	2,451	3,465	5,916	21.3%
<b>A/R Debtors</b>	<b>17,435</b>	<b>10,405</b>	<b>27,840</b>	<b>100.0%</b>

Last Month	NHS	Non-NHS	TOTAL	TOTAL %
	£000s	£000s	£000s	
0-30 days overdue	13,601	4,935	18,536	69.2%
31-60 days	842	653	1,495	5.6%
61-90 days	515	468	983	3.7%
In excess of 90 days	2,386	3,404	5,790	21.6%
<b>A/R Debtors</b>	<b>17,344</b>	<b>9,460</b>	<b>26,804</b>	<b>100.0%</b>

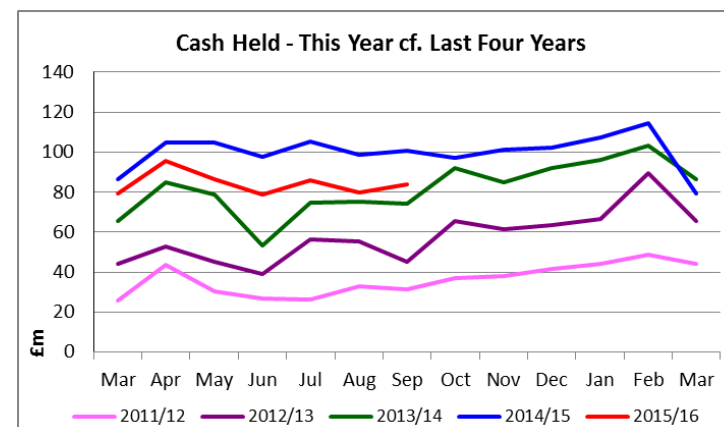
Better Payment Practice Code Performance

		YTD to Sep. 2015	
		Number	Value (£000)
Non-NHS	Bills paid in the year	65,553	169,324
	Bills paid within target	61,984	160,042
		94.6%	94.5%
NHS	Bills paid in the year	2,785	66,208
	Bills paid within target	2,424	64,873
		87.0%	98.0%
All	<b>Bills paid in the year</b>	<b>68,338</b>	<b>235,532</b>
	<b>Bills paid within target</b>	<b>64,408</b>	<b>224,915</b>
		<b>94.2%</b>	<b>95.5%</b>

## Statement of Cashflows

	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Year-to- Date
	£000	£000	£000	£000	£000	£000	£000
<b>Cash Flows from Operating Activities</b>							
Operating Surplus/(Deficit)	807	267	2,128	2,642	(1,127)	2,326	7,043
Depreciation & Amortisation	3,021	3,019	3,024	2,976	3,081	2,863	17,984
Receipt of Donated Assets			(139)	(63)		(75)	(277)
Interest Paid	(1,661)	(1,661)	(1,661)	(1,661)	(1,661)	(1,742)	(10,046)
Dividend Paid						(2,703)	(2,703)
(Increase) in Inventories	(396)	33	191	(142)	(108)	(45)	(467)
(Increase) in Trade & Other Receivables	(1,796)	(6,980)	(2,702)	2,733	855	2,168	(5,722)
Increase in Trade & Other Payables	20,044	(1,610)	(6,062)	2,984	(4,495)	5,671	16,532
Increase in Provisions				(1,573)		1,171	(402)
<b>Cash Flow from Operating Activities</b>	<b>20,019</b>	<b>(6,931)</b>	<b>(5,221)</b>	<b>7,896</b>	<b>(3,455)</b>	<b>9,634</b>	<b>21,943</b>
<b>Cash Flows from Investing Activities</b>							
Interest Received	29	21	22	21	21	22	136
(Payments) for Fixed Assets	(3,032)	(1,513)	(1,560)	(896)	(1,502)	(4,374)	(12,877)
<b>Cash Flow from Investing Activities</b>	<b>(3,003)</b>	<b>(1,492)</b>	<b>(1,538)</b>	<b>(875)</b>	<b>(1,481)</b>	<b>(4,352)</b>	<b>(12,741)</b>
<b>Cash Flows from Financing Activities</b>							
Public Dividend Capital Received				643			643
Capital Loans - Repayment of Principal						(702)	(702)
Capital Element of Finance Leases & PFI	(769)	(769)	(775)	(832)	(790)	(775)	(4,710)
<b>Cash Flow from Financing Activities</b>	<b>(769)</b>	<b>(769)</b>	<b>(775)</b>	<b>(189)</b>	<b>(790)</b>	<b>(1,477)</b>	<b>(4,769)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>16,247</b>	<b>(9,192)</b>	<b>(7,533)</b>	<b>6,832</b>	<b>(5,726)</b>	<b>3,805</b>	<b>4,432</b>
<b>Cash - Beginning of the Period</b>	<b>79,383</b>	<b>95,630</b>	<b>86,438</b>	<b>78,904</b>	<b>85,736</b>	<b>80,010</b>	<b>79,383</b>
<b>Cash - End of the Period</b>	<b>95,630</b>	<b>86,438</b>	<b>78,904</b>	<b>85,736</b>	<b>80,010</b>	<b>83,816</b>	<b>83,815</b>

- The Trust held enough cash to cover 35 working days of planned operating expenditure at 30 September 015. (August= 33 days)





## Cashflow Forecast

Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	
£000	£000	£000	£000	£000	£000	£000	£000	£000	£001	£002	£003	£004	
<b>Cash Flows from Operating Activities</b>													
Operating Surplus/(Deficit)	2,326	3,936	1,623	936	1,114	4,192	5,786	2,093	2,111	7,250	2,896	2,541	5,791
Depreciation & Amortisation	2,863	2,997	2,997	2,997	2,997	2,997	3,131	3,018	3,018	3,018	3,018	3,018	3,018
Interest Paid	(1,742)	(1,660)	(1,660)	(1,660)	(1,660)	(1,660)	(1,736)	(1,672)	(1,672)	(1,672)	(1,672)	(1,672)	(1,730)
Dividend Paid	(2,703)						(3,935)						(4,170)
Receipt of Donated Assets	(75)												
(Increase) in Inventories	(45)	(187)	234	(997)	51	(1,145)	2,511	630	32	178	(133)	(46)	(388)
(Increase) in Trade & Other Receivables	2,763	(3,164)	5,386	(1,150)	(3,560)	3,585	13,128	(255)	(6,608)	(2,612)	(8,966)	622	(1,194)
Increase in Trade & Other Payables	5,075	(7,624)	(3,573)	2,313	1,578	7,820	(26,913)	10,918	(2,138)	(3,127)	2,933	(5,758)	7,496
Increase in Provisions	1,171						576						
<b>Cash Flow from Operating Activities</b>	<b>9,634</b>	<b>(5,702)</b>	<b>5,007</b>	<b>2,439</b>	<b>520</b>	<b>15,789</b>	<b>(7,454)</b>	<b>14,732</b>	<b>(5,257)</b>	<b>3,035</b>	<b>(1,924)</b>	<b>(1,295)</b>	<b>8,823</b>
<b>Cash Flows from Investing Activities</b>													
Interest Received	22	21	21	21	21	21	21	16	17	17	16	17	17
(Payments) for Fixed Assets	(4,374)	(3,654)	(2,894)	(3,428)	(4,210)	(4,126)	(1,331)	(5,884)	(4,357)	(5,776)	(2,923)	(4,305)	(2,512)
Receipts from Disposal of Fixed Assets	0												
<b>Cash Flow from Investing Activities</b>	<b>(4,352)</b>	<b>(3,633)</b>	<b>(2,873)</b>	<b>(3,407)</b>	<b>(4,189)</b>	<b>(4,105)</b>	<b>(1,310)</b>	<b>(5,868)</b>	<b>(4,340)</b>	<b>(5,759)</b>	<b>(2,907)</b>	<b>(4,288)</b>	<b>(2,495)</b>
<b>Cash Flows from Financing Activities</b>													
Public Dividend Capital Received													
Public Dividend Capital Repaid													
FT Liquidity Loan	(702)						(702)						(702)
Capital Loans - Repayment of Principal													
Capital Element of Finance Leases & PFI	(775)	(778)	(778)	(860)	(778)	(778)	(1,234)	(1,061)	(601)	(601)	(601)	(601)	(601)
<b>Cash Flow from Financing Activities</b>	<b>(1,477)</b>	<b>(778)</b>	<b>(778)</b>	<b>(860)</b>	<b>(778)</b>	<b>(778)</b>	<b>(1,936)</b>	<b>(1,061)</b>	<b>(601)</b>	<b>(601)</b>	<b>(601)</b>	<b>(601)</b>	<b>(1,303)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>3,805</b>	<b>(10,113)</b>	<b>1,356</b>	<b>(1,828)</b>	<b>(4,447)</b>	<b>10,906</b>	<b>(10,700)</b>	<b>7,803</b>	<b>(10,198)</b>	<b>(3,325)</b>	<b>(5,432)</b>	<b>(6,184)</b>	<b>5,025</b>
<b>Cash - Beginning of the Period</b>	<b>80,010</b>	<b>83,815</b>	<b>73,702</b>	<b>75,058</b>	<b>73,230</b>	<b>68,783</b>	<b>79,689</b>	<b>68,990</b>	<b>76,793</b>	<b>66,595</b>	<b>63,270</b>	<b>57,838</b>	<b>51,654</b>
<b>Cash - End of the Period</b>	<b>83,815</b>	<b>73,702</b>	<b>75,058</b>	<b>73,230</b>	<b>68,783</b>	<b>79,689</b>	<b>68,990</b>	<b>76,793</b>	<b>66,595</b>	<b>63,270</b>	<b>57,838</b>	<b>51,654</b>	<b>56,679</b>

- A rolling 12-month cash forecast is shown in the table above.
- It is forecast that the Trust's month end cash position will not be lower than £51.6m over the course of the next year.
- The Working Capital Facility which was part of the Foundation Trust application is NOT reflected in the cashflow forecast.
- The reduction, compared to September, in the October cash forecast position to £73.7m, relates to the number of weekly payment runs (there are five Thursdays in October)

## Capital Programme

OUH Capital Programme 2015/16	Annual Plan £000s	Mth 6 Plan £000s	Mth 6 Actual £000s	Mth 6 Variance £000s
<i>Gross Capital Spend</i>				
Capital Technology Fund - Genomics Designation	642	642		(642)
Medical and Surgical Equipment	1,200		449	449
Lease Buyouts	500			
Estates General and Ward Relocations/Refurbishments	5,827	1,068	1,573	505
Major Equipment including CTs, ultrasounds etc	4,431	2,028	963	(1,065)
Small Schemes	600		361	361
IT/EPR	3,250	1,626	913	(713)
Estates New Development Works	4,755	1,122	154	(968)
R&D	425	210	46	(164)
Donations	269	135	277	142
Welcome Centre	3,000		3,000	3,000
PFI Lifecycle	2,232	1,116	1,116	
Finance Leases	500			
JR Theatre Remodelling - Trust funded element	100	48	23	(25)
Adult Critical Care - Trust funded element	60			
Radiotherapy: Milton Keynes - Trust funded element	500	126	12	(114)
Radiotherapy Swindon	3,549	888	81	(807)
EPR Reprourement	3,911		458	458
Energy Centre	9,000			
<b>Gross Capital Spend</b>	<b>44,751</b>	<b>9,009</b>	<b>9,426</b>	<b>417</b>

Capital Resource Limit 2015/16	Annual Plan £000s	Mth 6 YTD Plan £000s	Mth 6 YTD Act. £000s	Mth 6 Variance £000s
<b>Total Capital Programme Spend</b>	<b>44,751</b>	<b>9,009</b>	<b>9,426</b>	<b>(417)</b>
Asset Retirements	(200)	(100)	(28)	(72)
Donations	(269)	(135)	(277)	142
<b>Capital Resource Limit 2015/16</b>	<b>44,282</b>	<b>8,774</b>	<b>9,121</b>	<b>(347)</b>

- The Trust has charged £9.4m against its capital programme in the first six months of the year. This is £0.4m more than planned due to the opening of the Welcome Centre ahead of plan.
- The capital programme and capital schemes will be continuously reviewed and monitored by the relevant project managers throughout the year and, if necessary and appropriate, schemes will be brought forward from the 2016/17 programme to offset any slippage.

**Conclusion**

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

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

**October 2015**