

**Trust Board Meeting in Public: Wednesday 9 September 2015**

**TB2015.110**

<b>Title</b>	<b>Financial Performance to 31 July 2015</b>
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<b>Status</b>	A paper for report.
<b>History</b>	Regular report

<b>Board Lead</b>	<b>Mr Mark Mansfield, 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 four 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 four 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 Page 11
  - Details about non-operational income & expenditure Page 12
- The Statement of Financial Position at 31 July 2015 Pages 13 & 14
- The Statement of Cashflow and cashflow forecast Pages 15 & 16
- The position of the capital programme Page 17

## 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	773,652	258,231	257,373	(858)
PP, Overseas & RTA Income	13,480	4,488	3,842	(646)
Other Income	142,325	49,040	48,576	(464)
<b>Total Income</b>	<b>929,457</b>	<b>311,759</b>	<b>309,791</b>	<b>(1,968)</b>
<b>Operating Expenditure</b>				
Pay	(519,358)	(173,763)	(176,413)	(2,650)
Non-Pay	(350,185)	(119,463)	(115,494)	3,969
<b>Total Expenditure</b>	<b>(869,543)</b>	<b>(293,226)</b>	<b>(291,907)</b>	<b>1,319</b>
<b>EBITDA</b>	<b>59,914</b>	<b>18,533</b>	<b>17,884</b>	<b>(649)</b>
Non-Operating Expenditure	(63,490)	(21,159)	(21,050)	109
<b>Retained Surplus/(Deficit)</b>	<b>(3,576)</b>	<b>(2,626)</b>	<b>(3,166)</b>	<b>(540)</b>
Technical Adjustments	3,576	1,186	931	(255)
<b>Break Even Surplus</b>	<b>0</b>	<b>(1,440)</b>	<b>(2,235)</b>	<b>(795)</b>

- 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 £0.8m worse than plan against its break even duty after the first four months of the year.
- Commissioning income was £0.9m below plan. Income is above plan for non-elective and out-patient activity but below contract levels for elective work. Further details are shown on Page 5 of this report.
- Private patient income remains below plan after the first four months of 2015/16 – see Page 6.
- The deferment of R&D income is causing an adverse variance on "other" income. Without this, other income is £2.0m better than 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	15,044	12,625	(2,419)
<b>Total Income</b>	<b>44,868</b>	<b>15,044</b>	<b>12,625</b>	<b>(2,419)</b>
<b>Expenditure</b>				
Pay	(35,329)	(11,863)	(10,326)	1,537
Non-Pay	(9,539)	(3,181)	(2,299)	882
<b>Total Expenditure</b>	<b>(44,868)</b>	<b>(15,044)</b>	<b>(12,625)</b>	<b>2,419</b>
<b>EBITDA</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- At the end of July expenditure on research & development (R&D) was £2.4m less than plan with pay being £1.5m below plan and non-pay £0.9m 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	773,652	258,231	257,373	(858)
PP, Overseas & RTA Income	13,480	4,488	3,842	(646)
Other Income	97,457	33,996	35,951	1,955
<b>Total Income</b>	<b>884,589</b>	<b>296,715</b>	<b>297,166</b>	<b>451</b>
<b>Operating Expenditure</b>				
Pay	(484,029)	(161,900)	(166,087)	(4,187)
Non-Pay	(340,646)	(116,282)	(113,195)	3,087
<b>Total Expenditure</b>	<b>(824,675)</b>	<b>(278,182)</b>	<b>(279,282)</b>	<b>(1,100)</b>
<b>EBITDA</b>	<b>59,914</b>	<b>18,533</b>	<b>17,884</b>	<b>(649)</b>
Non-Operating Expenditure	(63,490)	(21,159)	(21,050)	109
<b>Retained Surplus/(Deficit)</b>	<b>(3,576)</b>	<b>(2,626)</b>	<b>(3,166)</b>	<b>(540)</b>
Technical Adjustments	3,576	1,186	931	(255)
<b>Break Even Surplus</b>	<b>0</b>	<b>(1,440)</b>	<b>(2,235)</b>	<b>(795)</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)	38,504	38,410	(94)	(0.2%)	58,610	57,629	(981)	(1.7%)
Non-Elective	25,506	25,920	414	1.6%	54,101	55,803	1,702	3.1%
Out-Patients	344,203	360,336	16,133	4.7%	52,177	54,447	2,270	4.4%
Chemotherapy	6,198	6,389	191	3.1%	1,900	1,889	(11)	(0.6%)
Critical Care	16,869	17,136	267	1.6%	19,220	19,451	231	1.2%
Excess Beds	14,070	12,898	(1,172)	(8.3%)	3,550	3,204	(346)	(9.7%)
Other Activity					30,187	29,317	(870)	(2.9%)
Adjustment for Thresholds					(4,028)	(4,768)	(740)	
<b>Total before Pass Through</b>					<b>215,717</b>	<b>216,972</b>	<b>1,255</b>	<b>0.6%</b>
Drugs & Devices (Pass Through)					38,659	39,512	853	2.2%
<b>Total with Pass Through</b>					<b>254,376</b>	<b>256,484</b>	<b>2,108</b>	<b>0.8%</b>
Activity-Related (Non-Specific)					5,642	193	(5,449)	
Penalties & Denials					(2,333)	(750)	1,583	
Winter Funding from 2014/15					546	546		
Prior Year Income						900	900	
<b>Total Commissioning Income</b>					<b>258,231</b>	<b>257,373</b>	<b>(858)</b>	<b>(0.3%)</b>

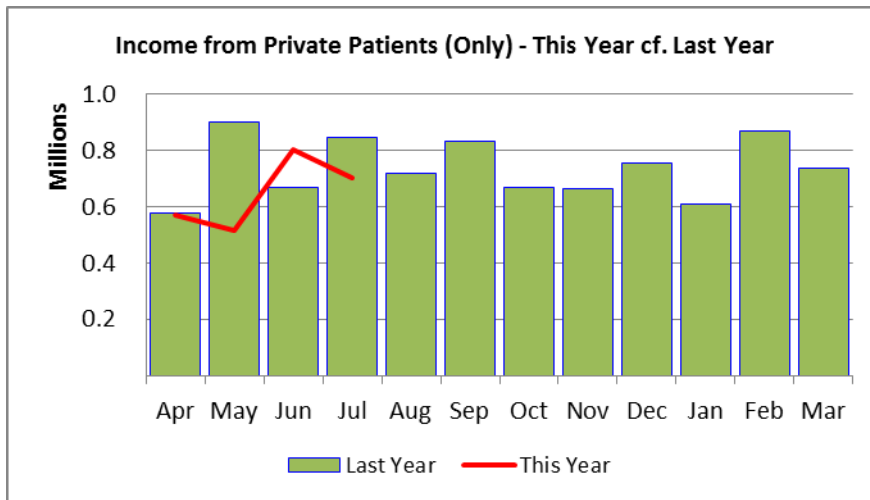
- The Trust's commissioning income position for the first four months of the year was calculated from data for the first three months only. There therefore remains an element of estimation within the figures.
- The year to date position is £858,000 below plan.
- The table right shows that elective activity levels are higher than those reported after the first four months of last year. The Trust has carried out 3,266 (14%) more day cases compared to the same period for 2014/15.

Activity	YTD Actual	Activity 2014/15	More / (L) cf. 2014/15	Diff. %
Elective (incl. day cases)	38,410	35,482	2,928	8.3%
Non-Elective	25,920	26,626	(706)	(2.7%)
Out-Patients	360,336	341,032	19,304	5.7%
Chemotherapy	6,389	10,713	(4,324)	(40.4%)
Critical Care	17,136	15,434	1,702	11.0%
Excess Beds	12,898	14,662	(1,764)	(12.0%)

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
<b>PP, Overseas &amp; RTA Income</b>				
Private Patients	10,941	3,642	2,589	(1,053)
Overseas Patients	189	63	398	335
RTA Income	2,350	783	855	72
<b>Total - PP, Overseas, RTA</b>	<b>13,480</b>	<b>4,488</b>	<b>3,842</b>	<b>(646)</b>

- Income from private and overseas patients, and road traffic accidents (RTAs), is £0.6m below plan.
- Private patient income is £1.0m below plan but overseas income is £0.3m higher.
- In 2014/15 most overseas income was recorded under the category of private patient income. The table below 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 from this source than in 2014/15.



	2014/15	2015/16	Diff.
<b>PP &amp; Overseas Income</b>	<b>YTD Actual</b>	<b>YTD Actual</b>	<b>More/(L)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>PP &amp; Overseas Income</b>			
Private Patients	2,985	2,589	(396)
Overseas Patients	17	398	381
<b>Total - PP &amp; Overseas</b>	<b>3,002</b>	<b>2,987</b>	<b>(15)</b>

- Income from road traffic accidents (RTAs) is £0.07m more than plan. These receipts are volatile and RTA income earned to date is not necessarily an indication of the year-end position.

## 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	45,858	16,059	17,434	1,375
Research	8,740	2,920	2,935	15
Income Generation	3,421	1,141	1,170	29
Rental Revenues	1,926	641	599	(42)
Patient Transport	193	64	79	15
Donations	1,217	412	559	147
Other Income & Charges	36,101	12,759	13,175	416
<b>Total - Other Income</b>	<b>97,456</b>	<b>33,996</b>	<b>35,951</b>	<b>1,955</b>

- “Other” income is £2.0m 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.

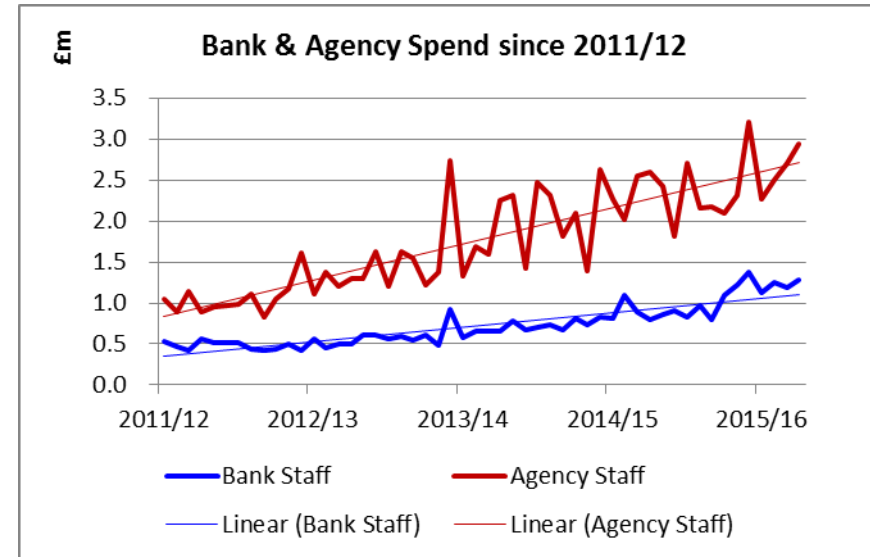
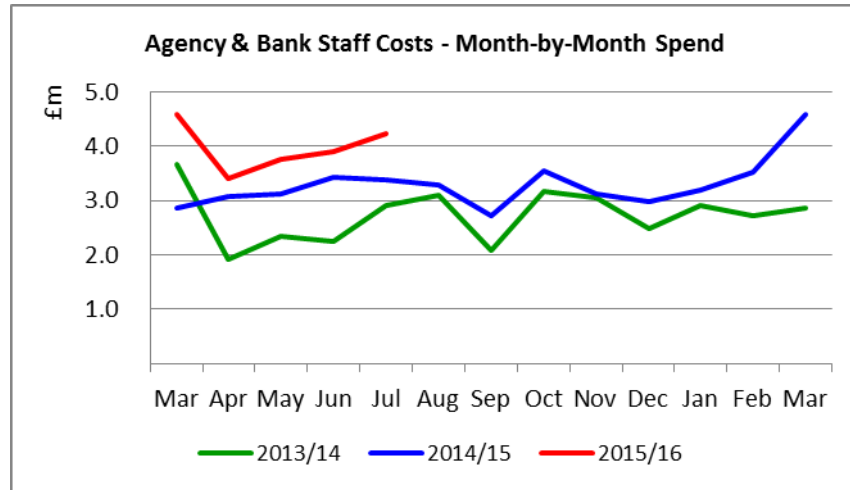
## Pay Expenditure – Analysis by Staff Group

OUH (excluding R&D)	Staff Type	Year to Date		
		Plan £000	Actual £000	Variance £000
<b>Consultants</b>	Payroll	33,300	32,355	945
	Agency		34	(34)
<b>Consultants</b>	<b>Total</b>	<b>33,300</b>	<b>32,389</b>	<b>911</b>
<b>Other Medical Staff</b>	Payroll	23,062	23,046	16
	Bank	116	747	(631)
	Agency	30	1,631	(1,601)
<b>Other Medical Staff</b>	<b>Total</b>	<b>23,208</b>	<b>25,424</b>	<b>(2,216)</b>
<b>Nurses &amp; Midwives</b>	Payroll	47,649	42,145	5,504
	Bank	56	2,915	(2,859)
	Agency	(55)	5,454	(5,509)
<b>Nurses &amp; Midwives</b>	<b>Total</b>	<b>47,650</b>	<b>50,514</b>	<b>(2,864)</b>
<b>Scientific, Tech., Therapeutic</b>	Payroll	20,513	19,354	1,159
	Bank		62	(62)
	Agency	12	1,598	(1,586)
<b>Scientific, Tech., Therapeutic</b>	<b>Total</b>	<b>20,525</b>	<b>21,014</b>	<b>(489)</b>
<b>Other Staff</b>	Payroll	36,935	33,826	3,109
	Bank	33	1,123	(1,090)
	Agency	249	1,797	(1,548)
<b>Other Staff</b>	<b>Total</b>	<b>37,217</b>	<b>36,746</b>	<b>471</b>
<b>OUH (excluding R&amp;D)</b>	Payroll	161,459	150,726	10,733
	Bank	205	4,847	(4,642)
	Agency	236	10,514	(10,278)
<b>OUH (excluding R&amp;D)</b>	<b>Total</b>	<b>161,900</b>	<b>166,087</b>	<b>(4,187)</b>

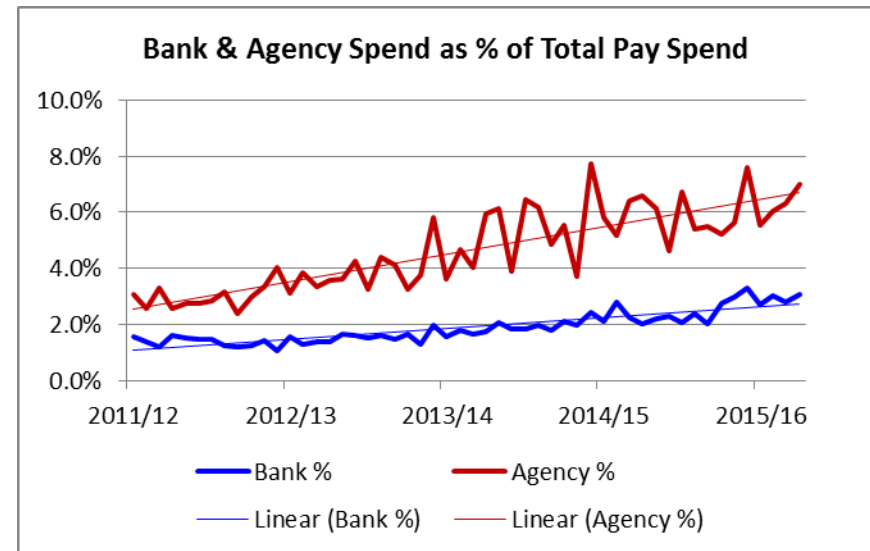
- The table on the left shows the year-to-date spend on pay by staff group against plan (excluding R&D).
- The overspend on pay is occurring mainly against the budgets for nurses and non-consultant medical staff.
- Further information about the spend on bank and agency staff can be found on Page 9.
- The Trust has spent £0.69m on overtime payments in the first four months of the year. This compares to £0.75m in 2014/15 over the same period – a 8.0% reduction year-on-year.
- Furthermore £2.79m has been spent on medical staff sessional payments compared to £2.58m in the first four months of 2014/15. This constitutes a year-on-year increase in additional payments to medical staff of 8.2%.



**Bank & Agency Spend**



- The Trust has spent £15.3m on pay bank and agency staff costs in the first four months of the year.
- The average monthly cost of £3.82m is £0.5m 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	85,385	28,729	30,878	(2,149)
Services Received	10,606	3,880	4,472	(592)
Other Expenditure	109,954	38,421	38,373	48
<b>Sub-Total - excl. Pass Thru'</b>	<b>205,945</b>	<b>71,030</b>	<b>73,723</b>	<b>(2,693)</b>
Pass Through Costs	115,646	38,659	39,512	(853)
<b>Total Non-Pay excl. Reserves</b>	<b>321,591</b>	<b>109,689</b>	<b>113,235</b>	<b>(3,546)</b>
Reserves	18,785	6,593	(40)	6,633
<b>Total Non-Pay</b>	<b>340,376</b>	<b>116,282</b>	<b>113,195</b>	<b>3,087</b>

- Non-pay expenditure to date is £3.1m underspent. However this is due to year-to-date reserves offsetting an overspend on activity-related costs.

## Analysis of the Savings Programme

Theme	Plan £000	YTD Plan £000	YTD Act. £000	Diff. £000
Divisional Efficiency	17,513	5,761	6,184	423
Transformation	14,861	3,639	2,071	(1,568)
Workforce	5,604	1,866	1,292	(574)
Other	13,838	3,911	2,924	(987)
<b>Total</b>	<b>51,816</b>	<b>15,177</b>	<b>12,471</b>	<b>(2,706)</b>
<b>Analysis of Savings by Type</b>				
Savings - Pay (Skill Mix)	12,510	3,867	2,517	(1,350)
Savings - Pay (WTE reductions)	4,196	1,058	493	(565)
Savings Non Pay	19,886	5,616	5,672	56
Income	15,224	4,636	3,789	(847)
<b>Total</b>	<b>51,816</b>	<b>15,177</b>	<b>12,471</b>	<b>(2,706)</b>
<b>Recurrent &amp; Non-Rec. Savings</b>				
Recurrent	49,200	14,303	12,131	(2,172)
Non-Recurrent	2,616	874	340	(534)
<b>Total</b>	<b>51,816</b>	<b>15,177</b>	<b>12,471</b>	<b>(2,706)</b>
<b>Analysis of Savings by Risk Rating</b>				
High	7,178	1,734	519	(1,215)
Medium	22,030	6,564	4,627	(1,937)
Low	22,608	6,878	7,325	447
<b>Total</b>	<b>51,816</b>	<b>15,176</b>	<b>12,471</b>	<b>(2,705)</b>

- The Trust is reporting that it has delivered £12.5m in savings in the first four months of the year. This represents 82% 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 4 is non-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 Plan £000	Year to Date		
		Plan £000	Actual £000	Variance £000
<b>Non-Operating Items</b>				
Depreciation	(35,900)	(11,967)	(12,040)	(73)
Investment Revenue	238	78	93	15
Other Gains & Losses	(200)	(66)	(28)	38
Finance Costs	(20,494)	(6,828)	(6,697)	131
PDC Dividend Payable	(7,134)	(2,376)	(2,378)	(2)
<b>Total for Non-Op. Items</b>	<b>(63,490)</b>	<b>(21,159)</b>	<b>(21,050)</b>	<b>109</b>
<i>Technical Adjustments</i>				
IFRIC 12 Technical Deficit (PFI)	437	140	146	6
Donated Asset Income	(269)	(90)	(202)	(112)
Donated Asset Depreciation	3,408	1,136	987	(149)
<b>Total for Technical Adjs.</b>	<b>3,576</b>	<b>1,186</b>	<b>931</b>	<b>(255)</b>
<b>Overall Impact on Break Even</b>	<b>(59,914)</b>	<b>(19,973)</b>	<b>(20,119)</b>	<b>(146)</b>

Non-operating items of income and expenditure are £0.1m below 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.

*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 £146,000.
- 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 2015/16 will only be known once the value of the Trust's estate has been assessed by the District Valuer and compared to existing book values.

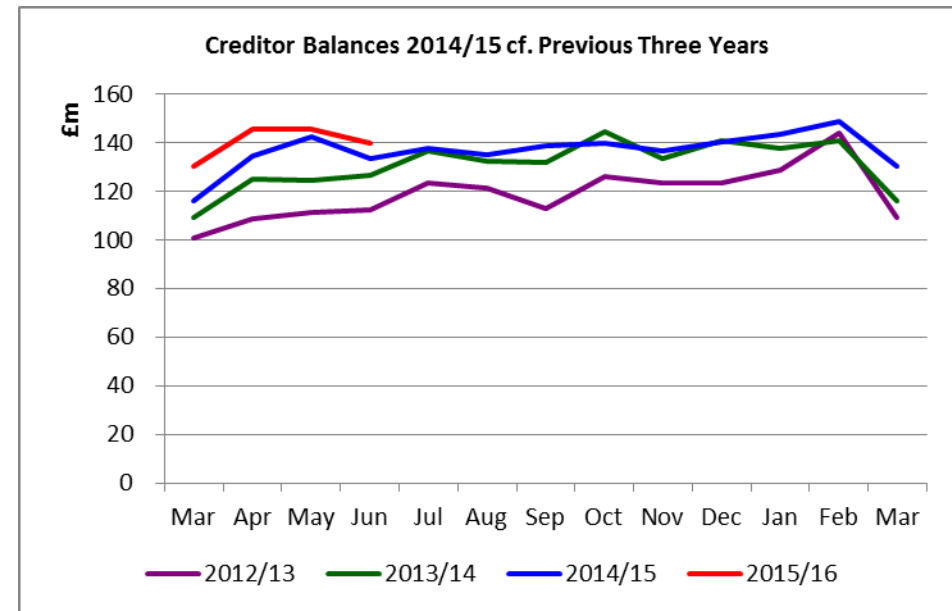
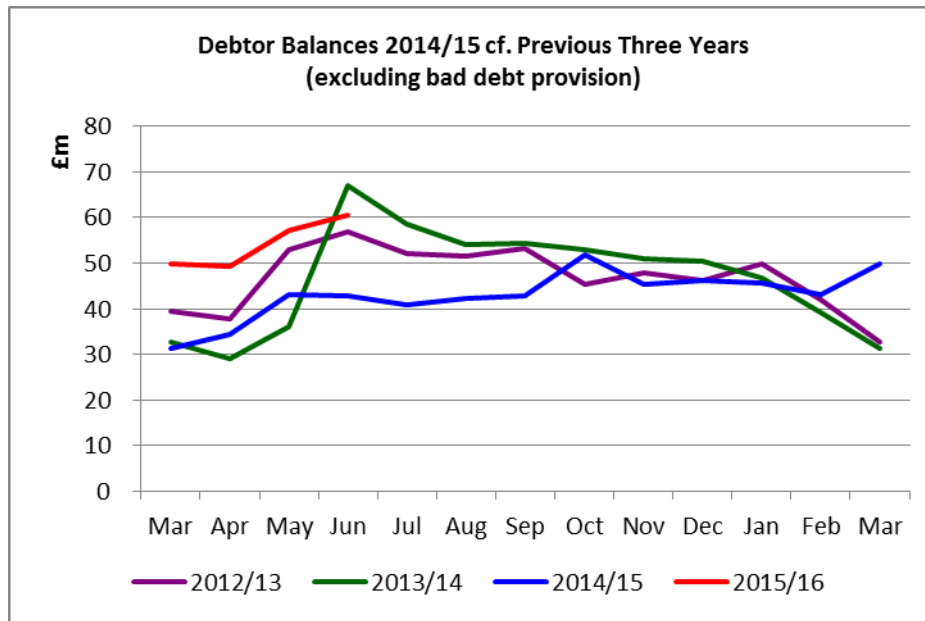
## Statement of Financial Position (Balance Sheet)

	Opening Balance	Closing Balance	Movement	Mvmt. In Month
	01-Apr-15	31-Jul-15		
<b>NON-CURRENT ASSETS</b>				
Property, Plant & Equipment	652,888	645,790	(7,098)	(1,300)
Intangible Assets	11,212	10,110	(1,102)	(286)
Trade & Other Receivables	5,091	5,225	134	(121)
<b>NON-CURRENT ASSETS</b>	<b>669,191</b>	<b>661,125</b>	<b>(8,066)</b>	<b>(1,707)</b>
<b>CURRENT ASSETS</b>				
Inventories	14,715	15,029	314	142
Trade & Other Receivables	42,212	49,963	7,751	(2,610)
Cash & Cash Equivalents	79,383	85,736	6,353	6,832
<b>CURRENT ASSETS</b>	<b>136,310</b>	<b>150,728</b>	<b>14,418</b>	<b>4,364</b>
<b>CURRENT LIABILITIES</b>				
Trade & Other Payables	(129,882)	(143,481)	(13,599)	(4,051)
Borrowings	(10,874)	(10,242)	632	189
Current Provisions	(2,476)	(730)	1,746	1,572
<b>CURRENT LIABILITIES</b>	<b>(143,232)</b>	<b>(154,453)</b>	<b>(11,221)</b>	<b>(2,290)</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>(6,922)</b>	<b>(3,725)</b>	<b>3,197</b>	<b>2,074</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	(263,185)	(260,672)	2,513	642
Trade & Other Payables	(16,359)	(16,359)		
Non-Current Provisions	(2,559)	(2,732)	(173)	
<b>NON-CURRENT LIABILITIES</b>	<b>(282,103)</b>	<b>(279,763)</b>	<b>2,340</b>	<b>642</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>380,166</b>	<b>377,637</b>	<b>(2,529)</b>	<b>1,009</b>
<b>FINANCED BY TAXPAYERS EQUITY</b>				
Public Dividend Capital	208,115	208,758	643	643
Retained Earnings	25,076	21,910	(3,166)	366
Revaluation Reserve	145,232	145,226	(6)	
Other Reserve	1,743	1,743		
<b>TOTAL TAXPAYERS EQUITY</b>	<b>380,166</b>	<b>377,637</b>	<b>(2,529)</b>	<b>1,009</b>

- Payments on capital expenditure in the first four months of the year have been less than the depreciation charge.
- Trade and other receivables fell by £2.6m in Month 4 due to the settlement of some NHS debt outstanding from 2014/15. Total debtors are 5.4% of planned turnover (June = 5.7%). Further information about the receivables position can be found on Page 15.
- Cash increased by £6.8m in July – see Page 16 for further details.
- Trade and other payables increased by £4.1m due to systems problems that occurred in the last week of the month. Current payables constituted 16.6% of planned operating expenditure (June = 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	12,282	7,565	19,847	67.6%
31-60 days	593	516	1,109	3.8%
61-90 days	2,174	362	2,536	8.6%
In excess of 90 days	2,544	3,308	5,852	19.9%
<b>A/R Debtors</b>	<b>17,593</b>	<b>11,751</b>	<b>29,344</b>	<b>100.0%</b>

Last Month	NHS	Non-NHS	TOTAL	TOTAL %
	£000s	£000s	£000s	
0-30 days overdue	11,252	6,757	18,009	51.2%
31-60 days	9,729	304	10,033	28.5%
61-90 days	43	741	784	2.2%
In excess of 90 days	2,938	3,424	6,362	18.1%
<b>A/R Debtors</b>	<b>23,962</b>	<b>11,226</b>	<b>35,188</b>	<b>100.0%</b>

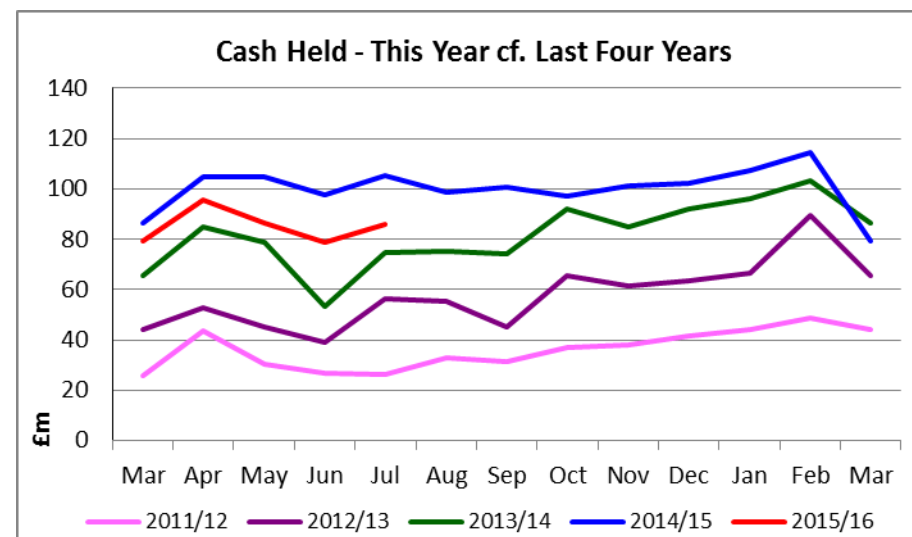
Better Payment Practice Code Performance

		YTD to Jul. 2015	
		Number	Value (£000)
Non-NHS	Bills paid in the year	43,066	108,805
	Bills paid within target	40,430	101,778
		93.9%	93.5%
NHS	Bills paid in the year	1,908	40,463
	Bills paid within target	1,678	39,537
		87.9%	97.7%
All	<b>Bills paid in the year</b>	<b>44,974</b>	<b>149,268</b>
	<b>Bills paid within target</b>	<b>42,108</b>	<b>141,315</b>
		<b>93.6%</b>	<b>94.7%</b>

## Statement of Cashflows

	April 2015	May 2015	June 2015	July 2015	2015/16
	£000	£000	£000	£000	£000
<b>Cash Flows from Operating Activities</b>					
Operating Surplus/(Deficit)	807	267	2,128	2,642	5,844
Depreciation & Amortisation	3,021	3,019	3,024	2,976	12,040
Interest Paid			(139)	(63)	(202)
Dividend Paid	(1,661)	(1,661)	(1,661)	(1,661)	(6,643)
(Increase) in Inventories	(396)	33	191	(142)	(314)
(Increase) in Trade & Other Receivables	(1,796)	(6,980)	(2,702)	2,734	(8,744)
Increase in Trade & Other Payables	20,044	(1,610)	(6,062)	2,983	15,355
Increase in Provisions				(1,573)	(1,573)
<b>Cash Flow from Operating Activities</b>	<b>20,019</b>	<b>(6,931)</b>	<b>(5,221)</b>	<b>7,896</b>	<b>15,764</b>
<b>Cash Flows from Investing Activities</b>					
Interest Received	29	21	22	21	93
(Payments) for Fixed Assets	(3,032)	(1,513)	(1,560)	(896)	(7,001)
<b>Cash Flow from Investing Activities</b>	<b>(3,003)</b>	<b>(1,492)</b>	<b>(1,538)</b>	<b>(875)</b>	<b>(6,908)</b>
<b>Cash Flows from Financing Activities</b>					
Public Dividend Capital Received				643	643
Capital Element of Finance Leases & PFI	(769)	(769)	(775)	(832)	(3,145)
<b>Cash Flow from Financing Activities</b>	<b>(769)</b>	<b>(769)</b>	<b>(775)</b>	<b>(189)</b>	<b>(2,502)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>16,247</b>	<b>(9,192)</b>	<b>(7,534)</b>	<b>6,832</b>	<b>6,353</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>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>85,736</b>

- The Trust held enough cash to cover 36 working days of planned operating expenditure at 31 July 2015. (June = 33 days)



## Cashflow Forecast

	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£001
<b>Cash Flows from Operating Activities</b>													
Operating Surplus/(Deficit)	2,642	(1,103)	1,556	3,482	2,438	(225)	1,020	5,177	5,825	2,136	2,154	7,292	2,939
Depreciation & Amortisation	2,976	2,992	2,992	2,992	2,992	2,992	2,992	2,992	2,916	3,118	3,118	3,118	3,118
Interest Paid	(63)	(1,661)	(1,835)	(1,661)	(1,661)	(1,661)	(1,661)	(1,661)	(1,986)	(1,674)	(1,674)	(1,674)	(1,674)
Dividend Paid	(1,661)		(3,566)						(3,565)				
(Increase) in Inventories	(142)	(44)	(373)	(167)	209	(891)	45	(1,024)	973	3,585	19	(375)	(130)
(Increase) in Trade & Other Receivables	2,734	1,588	342	(4,746)	5,411	(2,314)	(4,002)	3,886	262	1,417	(9,424)	2,809	244
Increase in Trade & Other Payables	2,983	(5,135)	7,455	3,700	(3,287)	2,005	1,670	6,195	(35,993)	17,227	2,942	(3,171)	(12,913)
Increase in Provisions	(1,573)												
<b>Cash Flow from Operating Activities</b>	<b>7,896</b>	<b>(3,363)</b>	<b>6,571</b>	<b>3,600</b>	<b>6,102</b>	<b>(94)</b>	<b>64</b>	<b>15,565</b>	<b>(31,569)</b>	<b>25,809</b>	<b>(2,865)</b>	<b>7,999</b>	<b>(8,416)</b>
<b>Cash Flows from Investing Activities</b>													
Interest Received	21	20	20	20	20	20	20	20	20	16	17	17	16
(Payments) for Fixed Assets	(896)	(2,520)	(374)	(3,881)	(2,972)	(3,571)	(4,361)	(4,261)	(1,864)	(4,184)	(5,282)	(6,867)	(2,443)
Receipts from Disposal of Fixed Assets	0								0	0	0	0	0
<b>Cash Flow from Investing Activities</b>	<b>(875)</b>	<b>(2,500)</b>	<b>(354)</b>	<b>(3,861)</b>	<b>(2,952)</b>	<b>(3,551)</b>	<b>(4,341)</b>	<b>(4,241)</b>	<b>(1,844)</b>	<b>(4,168)</b>	<b>(5,265)</b>	<b>(6,850)</b>	<b>(2,427)</b>
<b>Cash Flows from Financing Activities</b>													
Public Dividend Capital Received	643												
FT Liquidity Loan			30,000						(702)				
Capital Loans - Repayment of Principal			(702)										
Capital Element of Finance Leases & PFI	(832)	(778)	(778)	(778)	(778)	(778)	(778)	(778)	(1,278)	(1,160)	(601)	(601)	(601)
<b>Cash Flow from Financing Activities</b>	<b>(189)</b>	<b>(778)</b>	<b>28,520</b>	<b>(778)</b>	<b>(778)</b>	<b>(778)</b>	<b>(778)</b>	<b>(778)</b>	<b>(1,980)</b>	<b>(1,160)</b>	<b>(601)</b>	<b>(601)</b>	<b>(601)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>6,832</b>	<b>(6,641)</b>	<b>34,737</b>	<b>(1,039)</b>	<b>2,372</b>	<b>(4,423)</b>	<b>(5,055)</b>	<b>10,546</b>	<b>(35,393)</b>	<b>20,481</b>	<b>(8,731)</b>	<b>548</b>	<b>(11,444)</b>
<b>Cash - Beginning of the Period</b>	<b>78,904</b>	<b>85,736</b>	<b>79,095</b>	<b>113,832</b>	<b>112,793</b>	<b>115,165</b>	<b>110,742</b>	<b>105,687</b>	<b>116,233</b>	<b>80,841</b>	<b>101,322</b>	<b>92,591</b>	<b>93,139</b>
<b>Cash - End of the Period</b>	<b>85,736</b>	<b>79,095</b>	<b>113,832</b>	<b>112,793</b>	<b>115,165</b>	<b>110,742</b>	<b>105,687</b>	<b>116,233</b>	<b>80,841</b>	<b>101,322</b>	<b>92,591</b>	<b>93,139</b>	<b>81,695</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 £79.1m over the course of the next year.
- If the Trust is authorised to become a Foundation Trust then it may have access to a working capital loan of £30m to cover any potential downside in financial performance. This is reflected in the cashflow forecast.



## Capital Programme

OUH Capital Programme 2015/16	Annual Plan £000s	Mth 4 Plan £000s	Mth 4 Actual £000s	Mth 4 Variance £000s
<i>Gross Capital Spend</i>				
Capital Technology Fund - Genomics Designation	642	642		(642)
Medical and Surgical Equipment	1,200		293	293
Lease Buyouts	500			
Estates General and Ward Relocations/Refurbishments	5,827	712	473	(239)
Major Equipment including CTs, ultrasounds etc	4,431	1,352	690	(662)
Small Schemes	600		276	276
IT/EPR	3,250	1,084	581	(503)
Estates New Development Works	4,755	766	62	(704)
R&D	425	140	61	(79)
Donations	269	90	202	112
Welcome Centre	3,000			
PFI Lifecycle	2,232	744	744	
Finance Leases	500			
JR Theatre Remodelling - Trust funded element	100	32	45	13
Adult Critical Care - Trust funded element	60			
Radiotherapy: Milton Keynes - Trust funded element	500	84		(84)
Radiotherapy Swindon	3,549	592		(592)
EPR Reprocurement	3,911		439	439
Energy Centre	9,000			
<b>Gross Capital Spend</b>	<b>44,751</b>	<b>6,238</b>	<b>3,866</b>	<b>(2,372)</b>

- The Trust has charged £3.9m against its capital programme in the first four months of the year. This is £2.4m less than planned.
- The capital programme, and year-to-date slippage against schemes, will be reviewed and monitored by the relevant project managers throughout the year and, if necessary, schemes brought forward from the 2016/17 programme to offset any slippage.

Capital Resource Limit 2015/16	Annual Plan £000s	Mth 4 YTD Plan £000s	Mth 4 YTD Act. £000s	Mth 4 Variance £000s
<b>Total Capital Programme Spend</b>	<b>44,751</b>	<b>6,238</b>	<b>3,866</b>	<b>2,372</b>
Asset Retirements	(200)	(66)	(28)	(38)
Donations	(269)	(90)	(202)	112
<b>Capital Resource Limit 2015/16</b>	<b>44,282</b>	<b>6,082</b>	<b>3,636</b>	<b>2,446</b>

**Conclusion**

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

**Mr Mark Mansfield, Director of Finance and Procurement**  
**Mr Kevin Davis, Senior Business Partner**

**September 2015**