

Trust Board Meeting in Public: Wednesday 13 January 2016

TB2016.10

Title	Financial Performance to 30 November 2015
--------------	--

Status	A paper for report
History	Regular report

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

Financial Performance to 30 November 2015**Summary**

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

Contents

This report contains information on the following:

(i)	Statement of Comprehensive Income (Income & Expenditure Account)	Pages 3 and 4
(ii)	An analysis of the Trust's Income	Pages 5 to 7
(iii)	An analysis of expenditure	Pages 8 to 10
(iv)	Non-EBITDA Income & Expenditure	Page 11
(v)	An Analysis of the delivery of the Trust's savings Programme	Page 12
(vi)	An analysis of the Trust's Statement of Financial Position (Balance Sheet) at 31 October 2015	Pages 13 and 14
(vii)	The Statement of Cashflow and cashflow forecast	Pages 15 and 16
(viii)	The position of the capital programme	Page 17
(ix)	Performance against Monitor's Financial Sustainability Risk rating	Page 18

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

I&E(including R&D)	Annual	Year to Date			Mvmt
	Plan	Plan	Actual	Variance	in month
	£000	£000	£000	£000	£000
Income					
Commissioning Income	775,186	517,658	519,593	1,935	1,461
PP & Overseas Income	13,480	8,984	7,573	(1,411)	(334)
Other Income	149,133	101,370	102,167	797	(324)
Total Income	937,799	628,012	629,333	1,321	803
Expenditure					
Pay	(519,529)	(346,977)	(357,953)	(10,976)	(1,769)
Non-Pay	(358,356)	(244,180)	(233,591)	10,589	1,202
Total Expenditure	(877,885)	(591,157)	(591,544)	(387)	(566)
EBITDA	59,914	36,855	37,789	934	237
Non-Operational Expenditure	(63,490)	(42,315)	(32,915)	9,400	(124)
Retain Surplus/(Deficit)	(3,576)	(5,460)	4,874	10,334	113
Technical Adjustment	3,576	2,373	(8,143)	(10,516)	(122)
Break Even Surplus	0	(3,087)	(3,269)	(182)	(9)

- The Trust became a Foundation Trust on 1 October and was required to provide separate financial accounts for the periods 1 April to 30 September and 1 October to 31 March, however the Board (and Finance and Performance Committee) will continue to receive reports which cover the “cumulative to date” position for 2015/16.
- The Trust is reporting a year to date deficit of £3.3m, a position which is **£0.2m worse than plan** after the first eight months of the year.
- Commissioning income (Page 5) is reported as being £1.9m ahead of plan.
- Private Patient, Overseas and Road Traffic Accident (RTA) Income (Page 6) is £1.4m below plan.
- The deferring of R&D income causes a reduction to the reported positive variance on “other” income. Without this, other income would be £2.5m above plan (Page 7).
- Pay expenditure (Pages 8 and 9) is £11.0m overspent (and £11.8m above plan when research activities are excluded). The Trust has spent £29.5m on paying bank and agency staff costs to date this year.
- The non-pay position is affected by 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 & Expenditure Account) – excluding Research

Research & Development	Annual	Year to Date		
	Plan £000	Plan £000	Actual £000	Variance £000
Other Income	44,868	29,956	28,261	(1,695)
Expenditure				
Pay	(35,370)	(23,622)	(22,780)	842
Non-Pay	(9,498)	(6,334)	(5,481)	853
Total Expenditure	(44,868)	(29,956)	(28,261)	1,695
EBITDA	0	0	0	0

- At the end of November expenditure on research and development (R&D) was £1.7m less than plan, with pay being £0.8m 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 £000	Plan £000	Actual £000	Variance £000
Operating Income				
Commissioning Income	775,186	517,658	519,593	1,935
PP, Overseas & RTA Income	13,480	8,984	7,573	(1,411)
Other Income	104,265	71,414	73,906	2,492
Total Income	892,931	598,056	601,072	3,016
Operating Expenditure				
Pay	(484,232)	(323,355)	(335,173)	(11,818)
Non-Pay	(348,785)	(237,846)	(228,110)	9,736
Total Expenditure	(833,017)	(561,201)	(563,283)	(2,082)
EBITDA	59,914	36,855	37,789	934
Non-Operating Expenditure	(63,490)	(42,315)	(32,915)	9,400
Retained Surplus/(Deficit)	(3,576)	(5,460)	4,874	10,334
Technical Adjustments	3,576	2,373	(8,143)	(10,516)
Break Even Surplus	0	(3,087)	(3,269)	(182)

- 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 analysis presented on page 3 of this report reflects the “consolidated” position, including R&D activities, and is compatible with that seen in the statutory accounts for the organisation.
- 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 YTD				Income - Year-to-Date			
	YTD Plan	YTD Actual	YTD Diff.	YTD Diff. %	Plan £000	Actual £000	Diff. £000	Diff. %
Elective (incl. day cases)	77,015	78,000	985	1.3%	117,375	116,947	-428	(0.4%)
Non-Elective	51,011	51,807	795	1.6%	108,203	110,417	2,215	2.0%
Out-Patients	688,647	716,760	28,113	4.1%	104,379	108,793	4,414	4.2%
Chemotherapy					3,801	3,741	-60	(1.6%)
Critical Care					38,441	38,500	59	0.2%
Excess Beds					7,100	6,293	-807	(11.4%)
Other Activity					63,921	57,863	-6,058	(9.5%)
Adjustment for Thresholds					-8,056	-7,444	612	
Total before Pass Through					435,164	435,110	-54	0.0%
Drugs & Devices (Pass Through)					77,444	80,688	3,244	4.2%
Total with Pass Through					512,608	515,798	3,190	0.6%
Activity-Related (Non-Specific)					9,064	0	-9,064	
Penalties & Denials					-4,667	-1,200	3,467	
Winter Funding from 2014/15 & other adjts					653	828	175	
Prior Year Income					0	4,167	4,167	
Total Commissioning Income					517,658	519,593	1,934	0.4%

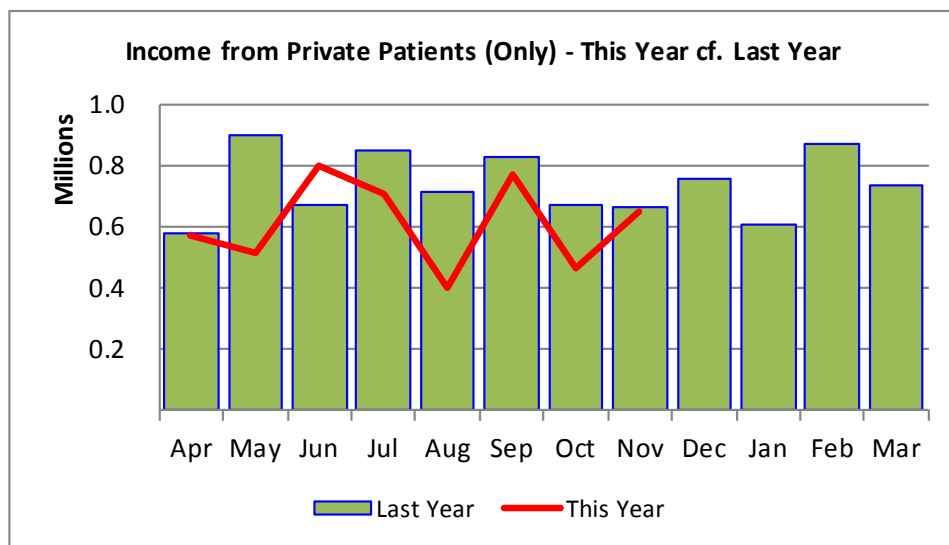
- The Trust's commissioning income position for the eight months year to date is reported as being £1.9m ahead of plan. The Trust's commissioning income position for the first eight months of the year was estimated from data for the first seven months only.
- The underlying position for the Trust indicates a failure to deliver divisional income plans at £5.4m for patient activity when the benefit of reduced penalties and denials is included. This is offset by an overperformance on so-called pass through drugs and devices (£3.2m) and by the inclusion of income relating to prior years (£4.2m).

Activity Comparison	YTD Actual	Activity 2014/15	More / (L) cf. 2014/15	Diff. %
Elective (incl. day cases)	78,000	72,056	5,944	8.2%
Non-Elective	51,807	53,219	(1,412)	(2.7%)
Out-Patients	716,760	672,002	44,758	6.7%

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	10,941	7,291	5,003	(2,288)
Overseas Patients	189	126	706	580
RTA Income	2,350	1,567	1,864	297
Total - PP, Overseas, RTA	13,480	8,984	7,573	(1,411)

- Income from private and overseas patients, and road traffic accidents (RTAs), is £1.4m below plan.
- Private patient income is £2.3m below plan but overseas income is £0.6m higher than plan.
- Income from road traffic accidents (RTAs) is £0.3m more than plan. These receipts are volatile and RTA income earned to date is not necessarily an indication of the year-end position.
- 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 taken together is £1.4m less than the income earned in 2014/15.



	2014/15	2015/16	Diff
PP & Overseas Income	YTD Actual	YTD Actual	More/(L)
	£000	£000	£000
PP, Overseas & RTA Income			
Private Patients	7,119	5,003	(2,116)
Overseas Patients	26	706	680
Total - PP & Overseas	7,145	5,709	(1,436)

Other Income

OUH (excluding R&D)	Annual	Year to Date		
	Plan £000	Plan £000	Actual £000	Variance £000
Other Income				
Training & Education	47,547	32,662	33,420	758
Research	9,530	6,611	6,678	67
Income Generation	3,421	2,281	2,326	45
Rental Revenues	1,926	1,281	1,302	21
Patient Transport	193	129	143	14
Services to Other Bodies	26,996	18,595	19,844	1,249
Donations	1,328	881	1,047	166
Other Income & Charges	13,322	8,974	9,145	171
Total - Other Income	104,263	71,414	73,905	2,491

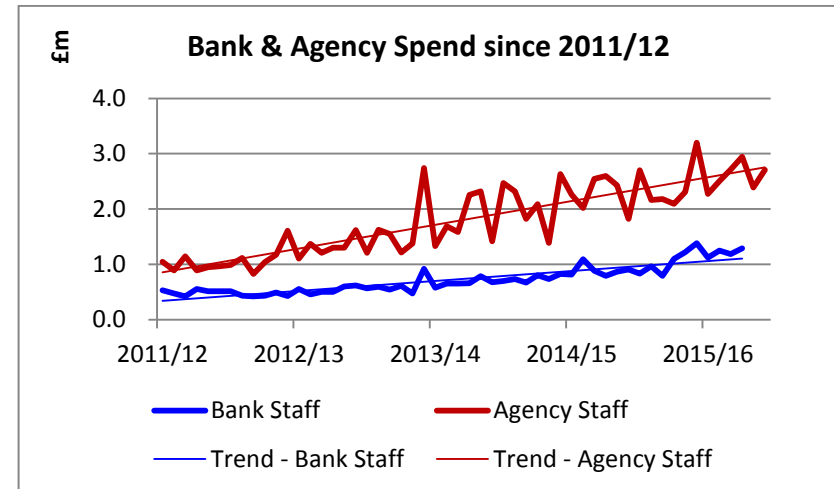
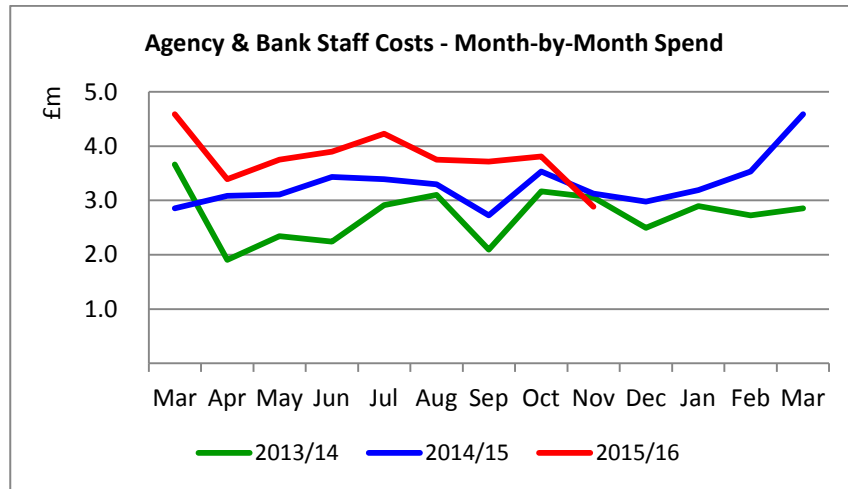
- “Other” income is £2.5m above plan if R&D allocations against plan are excluded.
- The Trust has received £0.6m for assets purchased through charitable funds and from other third party donations.
- The figure for “other income & charges” includes £0.6m from the Shelford Group to support procurement initiatives led by the Trust, and £0.6m of funding towards costs incurred in the development of the John Radcliffe Hospital front entrance. Both of these “sources” of income are matched by items of non-pay expenditure.

Pay Expenditure – Analysis by Staff Group

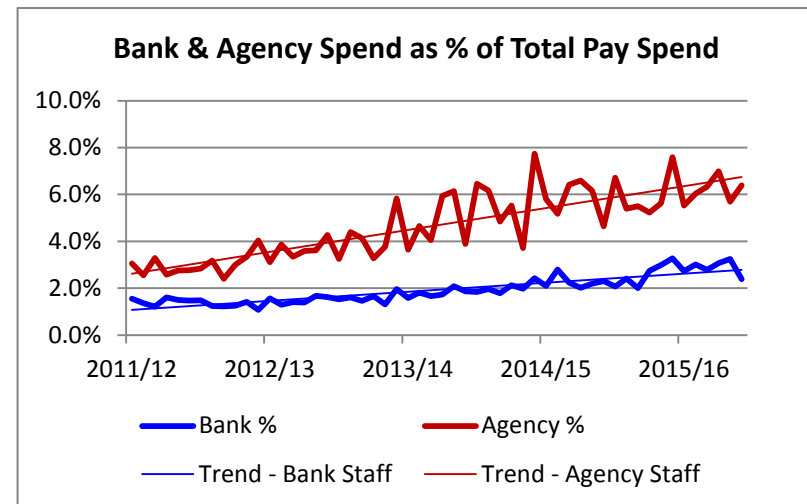
OUH (excluding R&D)	Staff Type	Year to Date		
		Plan £000	Actual £000	Variance £000
Consultants	Payroll	66,499	65,297	1,202
	Bank			
	Agency		59	(59)
Consultants	Total	66,498	65,356	1,142
Other Medical Staff	Payroll	43,340	44,553	(1,213)
	Bank	116	1,593	(1,477)
	Agency	61	3,265	(3,204)
Other Medical Staff	Total	43,517	49,411	(5,894)
Nurses & Midwives	Payroll	95,339	85,711	9,628
	Bank	119	6,111	(5,992)
	Agency	(109)	9,285	(9,394)
Nurses & Midwives	Total	95,349	101,107	(5,758)
Scientific, Tech., Therapeutic	Payroll	41,874	39,589	2,285
	Bank		151	(151)
	Agency	319	3,316	(2,997)
Scientific, Tech., Therapeutic	Total	42,193	43,056	(863)
Other Staff	Payroll	75,370	70,488	4,882
	Bank	69	2,371	(2,302)
	Agency	358	3,384	(3,026)
Other Staff	Total	75,797	76,244	(447)
OUH (excluding R&D)	Payroll	322,422	305,638	16,784
	Bank	304	10,226	(9,922)
	Agency	629	19,309	(18,680)
OUH (excluding R&D)	Total	323,355	335,173	(11,818)

- The table on the left shows the year-to-date spend on pay, compared to plan, by staff group (excluding R&D).
- The Trust has spent £29.5m on pay bank and agency staff costs to date. These costs have increased substantially when compared to 2014/15 but have reduced in the most recent month – see Page 9.
- Whilst there has been an increase in pay costs compared to last year the total pay expenditure in November reduced from £42.62m in October to £42.17m.

Bank & Agency Spend



- The Trust has spent £29.5m on bank and agency staff costs in the first eight months of the year. Whilst this is £0.3m per month more than the average monthly amount for 2014/15, the most recent monthly sum shows a reduction in spend from £3.8m (October) to £2.9m (November).
- The expenditure on bank and agency in November 2015 was below the levels seen in November 2013 and November 2014.
- The reduction in expenditure on agency staff reflects partly the impact of controls introduced by Monitor and TDA at national level. It also reflects the work carried out by the local project team led by the Director of Organisational Development and Workforce, Chief Nurse and Director of Clinical Services. It is notable that, notwithstanding the reductions in expenditure on temporary staff, expenditure on pay in total continues to run ahead of budget and of spend in previous financial years.



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	84,548	56,127	60,248	(4,121)
Services Received	10,374	6,807	7,848	(1,041)
Other Expenditure	115,421	81,904	79,349	2,555
Sub-Total - excl. Pass Thru'	210,343	144,838	147,445	(2,607)
Pass Through Costs	115,850	77,391	80,665	(3,274)
Total Non-Pay excl. Reserves	326,193	222,229	228,110	(5,881)
Reserves	22,592	15,617		15,617
Total Non-Pay	348,785	237,846	228,110	9,736

- Non-pay expenditure to date is £9.7m underspent. However this is due to year-to-date reserves offsetting overspends across the Trust.

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	Plan	Actual	Variance
	£000	£000	£000	£000
Non-Operating Items				
Depreciation	(35,900)	(23,933)	(24,224)	(291)
Impairments			9,937	9,937
Investment Revenue	238	159	177	18
Other Gains & Losses	(200)	(133)	15	148
Finance Costs	(20,494)	(13,656)	(13,408)	248
PDC Dividend Payable	(7,134)	(4,752)	(5,412)	(660)
	(63,490)	(42,315)	(32,915)	9,400
Technical Adjustments				
IFRIC 12 Technical Deficit (PFI)	437	280	291	11
Impairments			(9,937)	(9,937)
Donated Asset Additions	(269)	(179)	(379)	(200)
Donated Asset Depreciation	3,408	2,272	1,882	(390)
Break Even Surplus	3,576	2,373	(8,143)	(10,516)
Overall Impact on Break Even	(59,914)	(39,942)	(41,058)	(1,116)

Non-operating items of income and expenditure are £1.1m below plan year-to-date.

Non-Operating Items – refers to items of income or expenditure which 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 and 4 of this report.

- “Other Gains & Losses” is a technical accounting adjustment which is made following the disposal of assets.

Technical Adjustments – refers to items of income or expenditure which are included within the Trust's income and expenditure in the Statement of Comprehensive Income on Pages 3 and 4 of this report but are excluded 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 £0.255m.
- Due to the closure of the OUH accounts at the end of September, the Trust's Estate was revalued. The revaluation resulted in an increase in the Estates valuation which resulted in a £9.9m benefit to the I&E statement shown as a “reverse impairment”. A reverse impairment arises when an asset that has previously been impaired due to a price reductions has now increased in value because of price increases; thus reversing the past impairment. Any increase in value exceeding previous impairments is taken to the revaluation reserve.

Summary Analysis of the Savings Programme

Forecast Savings	Annual Plan £000	YTD Plan £000	YTD Actual £000	YTD Diff £000	Full year Forecast £000	Forecast v Plan £000
Divisional Efficiency	17,514	11,738	13,308	1,570	22,407	4,893
Transformation	14,861	8,671	4,141	(4,530)	7,513	(7,348)
Workforce	5,604	3,734	2,898	(836)	3,443	(2,161)
Other	13,838	8,744	8,035	(709)	12,693	(1,145)
Total	51,817	32,887	28,382	(4,505)	46,056	(5,761)
				86.3%		88.9%

- The Trust has delivered £28.4m in savings in the first eight months of the year. This represents 86.3% of the year-to-date plan.
- The main slippage against the transformation schemes include the reduction of Out-patient DNA (did not attend) and Medicines management.
- The Trust forecasts it will deliver £46.1m in savings in 2015/16. This represents 88.9% of the full year plan.

Statement of Financial Position (Balance Sheet)

	Opening Balance 01-Apr-15	Closing Balance 30-Nov-15	Movement	Mvmt. In Month
NON-CURRENT ASSETS				
Property, Plant & Equipment	652,888	678,572	25,684	(1,871)
Intangible Assets	11,212	8,968	(2,244)	(286)
Trade & Other Receivables	5,091	5,258	167	(391)
NON-CURRENT ASSETS	669,191	692,798	23,607	(2,548)
CURRENT ASSETS				
Inventories	14,715	15,148	433	
Trade & Other Receivables	42,212	49,385	7,173	3,393
Cash & Cash Equivalents	79,383	79,683	300	1,619
CURRENT ASSETS	136,310	144,216	7,906	5,012
CURRENT LIABILITIES				
Trade & Other Payables	(129,882)	(136,869)	(6,987)	(2,999)
Borrowings	(10,874)	(9,710)	1,164	127
Current Provisions	(2,476)	(1,971)	505	
CURRENT LIABILITIES	(143,232)	(148,550)	(5,318)	(2,872)
NET CURRENT ASSETS/(LIABILITIES)	(6,922)	(4,334)	2,588	2,140
NON-CURRENT LIABILITIES				
Borrowings	(263,185)	(257,399)	5,786	643
Trade & Other Payables	(16,359)	(16,547)	(188)	15
Non-Current Provisions	(2,559)	(2,680)	(121)	
NON-CURRENT LIABILITIES	(282,103)	(276,626)	5,477	658
TOTAL ASSETS EMPLOYED	380,166	411,838	31,672	250
FINANCED BY TAXPAYERS EQUITY				
Public Dividend Capital	208,115	208,758	643	
Retained Earnings	25,076	29,960	4,884	250
Revaluation Reserve	145,232	171,377	26,145	
Other Reserve	1,743	1,743		
TOTAL TAXPAYERS EQUITY	380,166	411,838	31,672	250

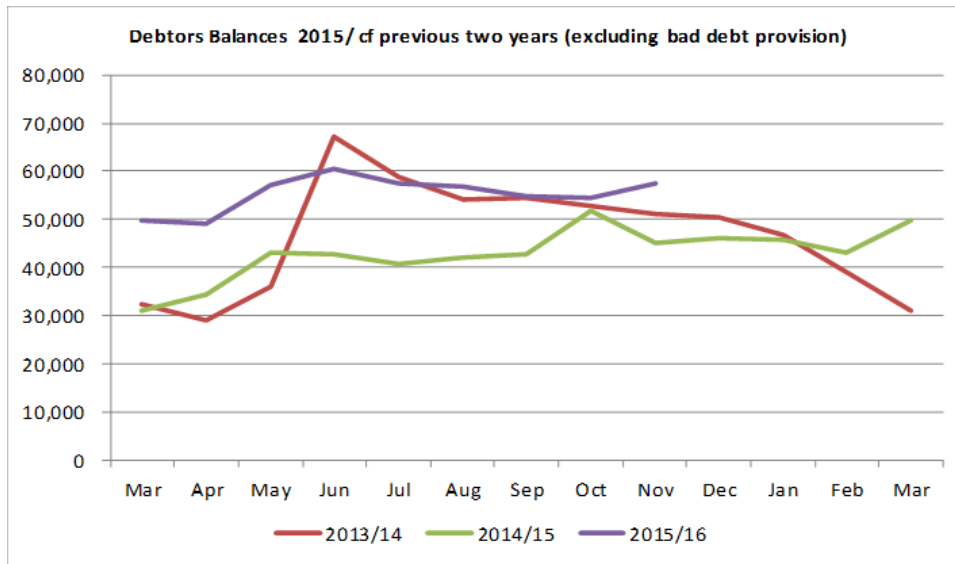
- Plant, property and equipment increased due to the revaluation exercise as part of the so-called “hard close” in Month 6.
- Total debtors are 5.3% of planned turnover. This includes the increase in commissioning income in month.
- The Trust held enough cash to cover 33 days of planned operating expenditure at 30 November (33 days at 31 October).
- Trade & other payables increased by £3.0m, mainly due to the timing of payment runs. Current payables constituted 15.8% of planned operating expenditure (October = 15.5%).

Segmented Balance Sheet

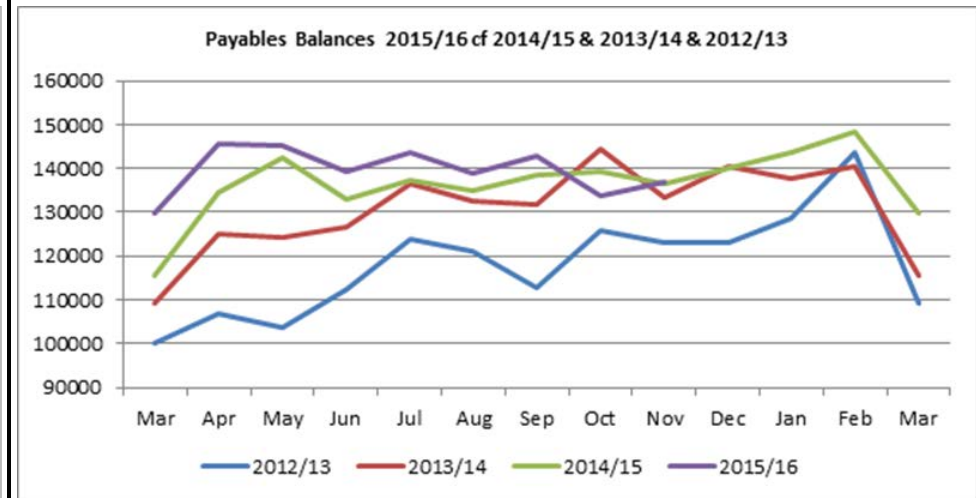
	NHS £000	R&D £000	Third Party £000	Balance Sheet £000
Non-Current Assets	692,798			692,798
Current Assets				
Inventories	15,148			15,148
Trade & Other Receivables	48,642	592	151	49,385
Cash & Cash Equivalents	54,243	22,999	2,442	79,684
Current Assets	118,033	23,591	2,593	144,217
Current Liabilities				
Trade & Other Payables	(123,783)	(11,969)	(1,117)	(136,869)
Current Borrowings & Provisions	(11,681)			(11,681)
Current Liabilities	(135,464)	(11,969)	(1,117)	(148,550)
Net Current Assets /(Liab.)	(17,431)	11,622	1,476	(4,333)
Non-Current Liabilities				
Trade & Other Payables	(3,449)	(11,622)	(1,476)	(16,547)
Non-Current Borrowings & Provs.	(260,080)			(260,080)
Non-Current Liabilities	(263,529)	(11,622)	(1,476)	(276,627)
TOTAL ASSETS EMPLOYED	411,838	0	0	411,838
TOTAL TAXPAYERS EQUITY	411,838	0	0	411,838

Analysis of Accounts Receivable (Debtors)

Analysis of Accounts Payable (Creditors)



The graph above shows that the level of total debtor balances have been relatively stable over the past five months and has risen slightly in November.

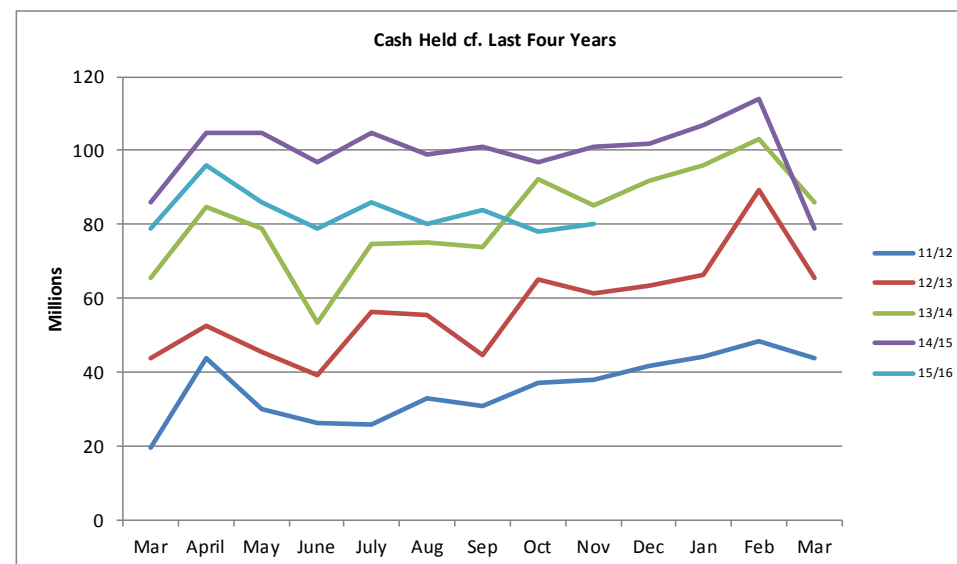


Better Payment Practice Code Performance			
		YTD to 30 Nov 2015	
		Number	Value £000's
Non NHS	Bills paid in the year	89,540	231,761
	Bills paid within target	84,776	217,875
		94.7%	94.0%
NHS	Bills paid in the year	3,793	86,866
	Bills paid within target	3,239	84,574
		85.4%	97.4%
All	Bills paid in the year	93,333	318,627
	Bills paid within target	88,015	302,449
		94.3%	94.9%

Statement of Cashflows

	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sept 2015	Oct 2015	Nov 2015	Year-to-Date
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cash Flows from Operating Activities									
Operating Surplus/(Deficit)	807	267	2,128	2,642	(1,127)	12,263	3,988	2,534	23,502
Depreciation & Amortisation	3,021	3,019	3,024	2,976	3,081	2,863	3,111	3,129	24,224
Impairments & Reversals						(9,937)			(9,937)
Receipt of Donated Assets			(139)	(63)		(75)		(101)	(378)
Interest Paid	(1,661)	(1,661)	(1,661)	(1,661)	(1,661)	(1,742)	(1,661)	(1,661)	(13,367)
Dividend Paid						(2,703)			(2,703)
(Increase) in Inventories	(396)	33	191	(142)	(108)	(45)	34		(433)
(Increase) in Trade & Other Receivables	(1,796)	(6,980)	(2,702)	2,733	855	2,166	526	(3,004)	(8,202)
Increase in Trade & Other Payables	20,044	(1,610)	(6,062)	2,984	(4,495)	5,672	(10,025)	2,503	9,010
Increase in Provisions				(1,573)		1,171	0		(402)
Cash Flow from Operating Activities	20,019	(6,931)	(5,221)	7,896	(3,455)	9,633	(4,027)	3,400	21,315
Cash Flows from Investing Activities									
Interest Received	29	21	22	21	21	22	20	21	177
(Payments) for Fixed Assets	(3,032)	(1,513)	(1,560)	(896)	(1,502)	(4,374)	(975)	(1,076)	(14,929)
Receipts from Disposal of Fixed Assets								43	43
Cash Flow from Investing Activities	(3,003)	(1,492)	(1,538)	(875)	(1,481)	(4,352)	(955)	(1,012)	(14,708)
Cash Flows from Financing Activities									
Public Dividend Capital Received				643					643
Public Dividend Capital Repaid									
FT Liquidity Loan									
Capital Loans - Repayment of Principal						(702)			(702)
FT Liquidity Loan - Principal Repayment									
Capital Element of Finance Leases & PFI	(769)	(769)	(775)	(832)	(790)	(775)	(768)	(769)	(6,247)
Cash Flow from Financing Activities	(769)	(769)	(775)	(189)	(790)	(1,477)	(768)	(769)	(6,306)
Net Increase/(Decrease) in Cash	16,247	(9,192)	(7,533)	6,832	(5,726)	3,805	(5,750)	1,619	300
Cash - Beginning of the Period	79,383	95,630	86,438	78,904	85,736	80,010	83,815	78,064	79,383
Cash - End of the Period	95,630	86,438	78,904	85,736	80,010	83,815	78,064	79,683	79,683

- The Trust's cashflow for the year-to-date is shown in the table left.
- The Trust has £0.3m more cash than at the start of the year with the trend in cash following the pattern seen in previous years (see the chart below).
- Cash increased by £1.6m in the month of November to £79.7m, which was better than the forecast of £78m.
- The Trust held enough cash to cover 33 days of planned operating expenditure at 30 November (33 days at 31 October).



Cashflow Forecast

	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cash Flows from Operating Activities													
Operating Surplus/(Deficit)	2,534	936	1,114	4,192	1,099	2,093	2,111	7,250	2,896	2,541	5,791	2,640	4,774
Depreciation & Amortisation	3,129	3,206	3,206	3,206	3,208	3,018	3,018	3,018	3,018	3,018	3,018	3,018	3,018
Impairments & Reversals													
Receipt of Donated Assets	(101)				(92)								
Interest Paid	(1,661)	(1,660)	(1,660)	(1,660)	(1,736)	(1,672)	(1,672)	(1,672)	(1,672)	(1,672)	(1,730)	(1,672)	(1,672)
Dividend Paid					(4,551)						(4,170)		
(Increase) in Inventories		(197)	51	(145)	724	630	32	178	(133)	(46)	(388)	(175)	218
(Increase) in Trade & Other Receivables	(3,004)	(1,150)	(384)	3,585	6,624	(255)	(6,608)	(2,612)	(8,966)	622	(1,194)	(3,083)	5,570
Increase in Trade & Other Payables	2,503	(4,323)	1,578	1,061	1,189	1,918	(2,138)	(3,127)	2,933	(5,758)	7,498	4,280	(2,872)
Increase in Provisions					(0)								
Cash Flow from Operating Activities	3,400	(3,188)	3,905	10,239	6,464	5,732	(5,257)	3,035	(1,924)	(1,295)	8,825	5,008	9,036
Cash Flows from Investing Activities													
Interest Received	21	21	21	21	21	16	17	17	16	17	17	16	17
(Payments) for Fixed Assets	(1,076)	(3,428)	(2,966)	(2,882)	(6,640)	(5,884)	(4,357)	(5,776)	(2,923)	(4,305)	(2,512)	(6,452)	(4,139)
Receipts from Disposal of Fixed Assets	43				16,350								
Cash Flow from Investing Activities	(1,012)	(3,407)	(2,945)	(2,861)	9,731	(5,868)	(4,340)	(5,759)	(2,907)	(4,288)	(2,495)	(6,436)	(4,122)
Cash Flows from Financing Activities													
Public Dividend Capital Received													
Public Dividend Capital Repaid													
FT Liquidity Loan													
Capital Loans - Repayment of Principal					(702)						(702)		
FT Liquidity Loan - Principal Repayment													
Capital Element of Finance Leases & PFI	(769)	(860)	(778)	(778)	(1,012)	(1,061)	(601)	(601)	(601)	(601)	(601)	(601)	(601)
Cash Flow from Financing Activities	(769)	(860)	(778)	(778)	(1,714)	(1,061)	(601)	(601)	(601)	(601)	(1,303)	(601)	(601)
Net Increase/(Decrease) in Cash	1,619	(7,455)	182	6,600	14,482	(1,197)	(10,198)	(3,325)	(5,432)	(6,184)	5,027	(2,029)	4,313
Cash - Beginning of the Period	78,064	79,683	72,228	72,411	79,011	93,493	92,296	82,098	78,773	73,341	67,157	72,184	70,155
Cash - End of the Period	79,683	72,228	72,411	79,011	93,493	92,296	82,098	78,773	73,341	67,157	72,184	70,155	74,468

A rolling 12-month cash forecast is shown in the table above.

It should be noted that the Working Capital Facility which was part of the Foundation Trust application is NOT reflected in this cashflow forecast.

Capital Programme

OUH Capital Programme 2015/16	Annual Plan £000s	Mth 8 Plan £000s	Mth 8 Actual £000s	Mth 8 Variance £000s
<i>Gross Capital Spend</i>				
Capital Technology Fund - Genomics Designation	642	642	16	(626)
Medical and Surgical Equipment	1,200	400	768	368
Lease Buyouts	500			
Estates General and Ward Relocations/Refurbishments	5,827	1,872	1,770	(102)
Major Equipment including CTs, ultrasounds etc	4,431	2,766	1,088	(1,678)
Small Schemes	600	200	643	443
IT/EPR	3,250	2,168	1,363	(805)
Estates New Development Works	4,755	1,972	427	(1,545)
R&D	425	280	73	(207)
Donations	269	179	379	200
JR Theatre Remodelling - Trust funded element	100	64	23	(41)
Adult Critical Care - Trust funded element	60			
Radiotherapy: Milton Keynes - Trust funded element	500	210	7	(203)
Radiotherapy Swindon	3,549	1,478	101	(1,377)
EPR Reprourement	3,911	1,304	458	(846)
Total Capital Programme Spend excluding technical adjts	30,019	13,535	7,115	(6,420)
<i>Technical capital adjts (IFRIC 4 & IFRIC 12)</i>				
Welcome Centre	3,000	0	3,000	3,000
PFI Lifecycle	2,232	1,488	1,488	(0)
Finance Leases	500	0	0	
Energy Centre	9,000	0	0	
Asset retirements	(200)	-133	15	148
Donations	(269)	-179	-379	(200)
Total of technical Capital adjts	14,263	1,176	4,124	2,948
Gross Capital Spend including technical adjts.	44,282	14,711	11,238	(3,473)

- The Trust has charged £7.1m against its capital programme in the first eight months of the year. This is £6.4m less than planned due to slippage against schemes including major equipment purchases, estates developments and Radiotherapy services at Swindon.
- Technical capital accounting adjustments include the Welcome Centre, the Energy Centre and PFI Lifecycle schemes which are capitalised on the point of use under technical capital accounting guidance (IFRIC 12)
- 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.

Financial Sustainability Risk Rating (FSSR)

The Trust's forecast FSSR score, after mitigations, is a 3. Details of the component measures of the Trust's overall risk assessment, that are currently submitted to Monitor on a monthly basis, are included in the table below:-

		Audited For PrevYE ending 31-Mar-15	Plan For Current YTD ending 30-Nov-15	Actual For Current YTD ending 30-Nov-15	Plan For YTD ending 30-Sep-15	Actual For YTD ending 30-Sep-15	Plan For YTD ending 31-Dec-15	Plan For YTD ending 31-Mar-16	Plan For Year ending 31-Mar-16	Simple Forecast Year ending 31-Mar-16
Financial Sustainability Risk Rating										
Capital Service Capacity rating	Score	3	2	2	2	2	2	2	2	2
Liquidity rating	Score	2	2	2	2	2	2	2	2	2
I&E Margin rating	Score		2	2	2	1	2	2	2	2
I&E Margin Variance rating	Score		4	3	4	3	4	4	4	3
Overall Financial Sustainability Risk Rating	Score		3	2	3	2	3	3	3	3
Continuity of Service Risk Rating	Score	3								

Conclusion

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

Mr Mark Mansfield
Director of Finance and Procurement

January 2016