# Report to the Meeting of the Members’ Council

**For Assurance**

**6 September 2012**

**July (Month 4), 2012/13**

**Performance to date**

The key financial results for the four month period to July 2012 for the Trust are:

* EBITDA (Earnings before interest, taxation, depreciation and amortisation) of **£5.0m** against a plan of **£5.8m**
	+ A combination of lower activity and related revenues in both Eating Disorders and CAMHS inpatients and delayed implementation affecting some CIP projects being partially offset by short term mitigating cost containment actions.
* A **£2.1m** surplus, **£0.7m** behind plan
* A cash balance of **£15.3m**, **£3.1m** below plan
	+ It has been possible to delay the loan drawdown schedule, required to fund the Manor House project, due to the improved cash balance carried forward from the year end. This will reduce the interest payable within this financial year.
* A financial risk rating of ‘**4**’, in line with plan
	+ On the Monitor scale of financial risk, where 1 means a high risk and 5 means lowest risk, a score of 4 means the risk is low and there are no regulatory concerns.

**Full year forecast outturn**

It is expected that the budgeted surplus of **£1.2m** will be achieved. The revenue shortfalls experienced to date will be offset by revenue from over activity in Community Services and the forecast CIP shortfall will be covered by other mitigating cost reduction activities.

**Cost improvement plan and target**

* The Trust has been monitoring the delivery of savings against an annual plan target of **£13.0m**. Divisions and directorates identified schemes totalling **£13.3m** but delays in the implementation of some projects, largely related to the need for staff consultation, results in a shortfall against target. The overall cost target will be met through additional projects and one-off mitigating cost actions, such as the savings in interest payable, as well as taking developing some additional revenue opportunities.
* At the end of this financial year, CIP savings of **£10.2m** will be delivered out of the original plans for **£13.3m.**

Overall, the cost management across all operating divisions is robust and improved from the previous year with no particular risks to note at this stage. Corporate function costs are below budget.

**Capital Expenditure**

Capital programme spend to date was **£8.2m**, **£0.6m** lower than budget due to a short term delay in the Manor House project; the forecast is that Manor House spend will be back on plan by the end of the year. The Highfield project is running to plan for operations to start from end November and will be delivered for less than budget.

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