

Report to the Meeting of the Members' Council

For Assurance

8 February 2011

Finance Report

December (Month 9) 2010/11

Financial Targets

The Trust is meeting its key financial targets at the end of month 9:

- An Income and Expenditure surplus of **£4.0m**, which is in line with plan
- EBITDA (earnings before interest, taxation, depreciation and amortisation) of **£9.9m** against a plan of **£10.7m**
- A cash balance of **£15.2m**
- A financial risk rating of '4', which is in line with plan
- The forecast year-end position is that the planned Income and Expenditure surplus of **£4.1m** will be achieved

Cost Improvement Plan

- The Trust is monitoring the delivery of efficiency savings against an annual plan target of **£5.6m**. At month 9, directorates have identified schemes with a total value of **£6.2m**. However, in previous years the Trust has only achieved around 85% of planned savings so this cushion will be needed to ensure savings are on course
- At month 9, savings to date are running at **£4.1m**, which is £0.3m below plan. The year-end forecast is that **£5.7m** of efficiency savings will be achieved.

Despite the overall healthy financial position, the Trust is experiencing financial pressures in the following areas:

- Buckinghamshire – there are pressures on the budget for referring patients to external service providers and slippage on cost improvement plans
- Oxfordshire – income shortfall on PICU beds and slippage on cost improvement schemes
- Forensics – cost per case under-performance and risk on the Berkshire Low Secure beds contract
- CAMHS – cost pressures on drugs, out of area placements and contract under-performance
- Oxford Pharmacy Store – lower than planned trading volumes

Executive Director: Gareth Kenworthy, Acting Director of Finance