

Report to Board of Directors

24th June 2015

Financial Position – May (Month 2) 2015/16

For Information

Introduction

This report summarises the financial performance of the Trust for the year-to date.

Performance to date

The key financial results for the period ending 31st May 2015 are:

- EBITDA (Earnings before interest, taxation, depreciation and amortisation) of **£1.8m**, which is **£0.4m** ahead of plan (**£0.9m**, **£0.1m** behind plan at month 1).

The position is mainly driven by the following:

- favourable operational variances
 - partly offset by shortfall in delivery of cost improvement plans
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- An Income and Expenditure deficit of **£0.2m**, which is **£0.4m** ahead of plan (**£31k**, **£14k** ahead of plan at month 1).

The position is driven by the better than planned EBITDA as outlined above and profit on disposal of asset.

- A cash balance of **£10.9m**, **£0.5m** behind plan, (balance was **£7.9m** at month 1)
- Monitor's regulatory framework establishes a Continuity of Services Risk Rating (CoSRR). At month 2 the Trust has achieved a CoSRR of '3'

This is based on the Monitor scale of financial risk, where 1 means a high risk and 4 means lowest risk.

Cost improvement programme

- The Trust has a cost improvement target of **£5.1m** for this financial year;

- Cost improvements of **£0.5m** have been delivered for the year-to-date, **£0.3m** behind plan (**£0.2m**, **£0.2m** behind plan at month 1). Detailed plans are being finalised and it is expected that the position will be recovered over the coming months.

Capital programme

Capital expenditure of **£0.4m** has been incurred for the year-to-date, **£0.3m** lower than plan (**£0.2m**, in line with plan at month 1). .

Recommendation

The Board is asked to note the financial position of the Trust.

Author and Title: Lindley Nevers, Head of Financial Management

Lead Executive Director: Mike McEnaney, Director of Finance