Oxford Health NHS
NHS Foundation Trust

BOD 07/2016, agenda item 10

Report to Board of Directors

27th January 2016

Financial Position – December (Month 9) 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 December 2015 are:

- EBITDA (Earnings before interest, taxation, depreciation and amortisation) of **£7.4m,** which is **£0.2m** ahead of plan (**£6.6m**, **£0.3m** ahead of plan at month 8).

  The position is mainly driven by the following:

  - favourable operational variances
  - partly offset by shortfall in delivery of cost improvement plans

- An Income and Expenditure deficit of **£1.9m**, in line with the plan (**£1.6m** deficit**, £0.2m** ahead of plan at month 8).

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

- A cash balance of **£12.1m**, **£0.2m** below plan, (balance was **£12.2m** at month 8). This is primarily due to lower than planned receipts from sales of land and buildings, and decrease in trade and other payables. Cash balances overall remain relatively strong and are forecast to be at **£14.1m** at the year-end.

- From month 5 Monitor have revised the risk rating to include two new elements: I&E margin (%) and I&E margin variance from plan (%). The revised risk rating is known as the Financial Sustainability Risk Rating (FSRR). Under the revised FSRR the Trust has achieved an overall risk rating of ‘3’ at month 9.

- 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 **£3.1m** have been delivered for the year-to-date, **£0.4m** behind plan (**£2.7m** achieved at month 8). Detailed plans are in place as are actions to manage slippage on delivery.

Capital programme

Capital expenditure of **£3.3m** has been incurred for the year-to-date, **£0.9m** below plan (**£2.9m**, **£1.5m** lower than plan at month 8).

The forecast outturn

The forecast for the full year was reviewed at month 9 and reflect better than planned proceeds (**£2.7m**) on the sale of land and **£1.0m** as a result of improved revenue and management of cost pressures.

- I&E **£1.8m** deficit, **£3.6m** better than plan
- EBITDA of **£7.9m**, **£1.3m** better than plan
- CIP delivery **£4.6m**, **£0.5m** lower than plan.
- Financial Sustainability Risk Rating (FSSR) expected to be ‘2’

Recommendation

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

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