

Report to Board of Directors

Financial Position – April 2017, Month 1 2017-18

For Information

Introduction

This report summarises the financial performance of the Trust for April 2017.

Performance to Date

The key financial results for April 2017 are:

- EBITDA (Earnings before interest, taxation, depreciation and amortisation) of **£1.3m** which is **£0.2m** adverse to plan.
- An Income and Expenditure surplus of **£0.3m** which is **£0.2m** adverse to plan.
- The adverse variance of **£0.2m** is driven by a £0.5m adverse variance due to undelivered CIP offset with a favourable variance on clinical income.
- A period-end cash balance of **£9.2m** which is **£0.8m** higher than the plan.
- At month 1 Trust has achieved a Use of Resources rating of '3' ('1' is the best rating/low risk and '4' is the worst rating/high risk). The Trust's rating is capped at '3' due to much higher agency spend than the agency cap set by NHSI.

Cost Improvement Programme

- The Trust had a cost improvement target of **£7.4m** for 2017/18, for which there are plans at the beginning of the year for delivery of **£2.8m**.
- Cost improvements of **£0.1m** have been delivered in April, **£0.1m** behind the plan and **£0.5m** below the target.

Capital Programme

Capital expenditure of **£0.1m** has been incurred for the year but this is offset by a VAT reclaim and accruals reversed from FY17, making the next expenditure position nil, which is **£0.4m** behind the plan.

2017-18 Plan:

The full year plan submitted to NHS Improvement is for:

- An Income & Expenditure surplus of £1.8m
- EBITDA of £14.3m
- CIP delivery of £7.4m
- A Use of Resources Rating of '2'
- A year-end cash balance of £14.2m
- Capital investment of £7.1m

Recommendation

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

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