

## Report to Board of Directors

### Financial Position – May 2017

Month 2, 2017-18

For Information

#### Introduction

This report summarises the financial performance of the Trust for the year to May 2017.

#### Performance to Date

The key financial results for May 2017 are:

- EBITDA (Earnings before interest, taxation, depreciation and amortisation) of **£2.5m**, **£0.3m** favourable to plan (**£1.3m £0.2m** adverse to plan at month 1).
- An Income and Expenditure surplus of **£0.4m**, **£0.3m** favourable to plan (**£0.3m**, **£0.2m** adverse to plan at month 1).
- The favourable variance of **£0.3m** is driven by:
  - a one-off National Insurance rebate of **£0.7m**
  - a one-off benefit in relation to vacating surplus estate of **£0.2m**
  - under-delivery of the Cost Improvement Programme by **£0.5m**
  - the net effect of other pressures **£0.1m**
- A period-end cash balance of **£15.6m** which is **£6.7m** higher than the plan (**£9.2m**, **0.8m** higher than plan at month 1) mainly due to increased payables and operating surplus, reduced receivables and lower than planned spend on capital.
- At month 2 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 has 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 **£0.3m** have been delivered at month 2 (**£0.1m** at month 1), **£0.1m** behind the plan and **£0.5m** below the target.

## Capital Programme

Capital expenditure of **£0.4m** has been incurred at month 2 which is **£0.7m** 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

The main risks to meeting the full year plan are:

- Delivery of the £7.4m CIP target
- The £3.6m risk associated with the Oxfordshire risk share agreement

### Recommendation

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

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