

Council of Governors (in Public)
Item 8.3

Subject: Finance Report for the period ending 31st January 2017
Date of meeting: 6th March 2017
Prepared by: Jim Davies, Deputy Chief Finance Officer
 Claire Wilson, Chief Finance Officer
Presented by: Claire Wilson, Chief Finance Officer

1. Financial Position






This paper provides an update to the Council of Governors on the financial performance of the Trust for the period ending 31st January 2017 (Month 10) and the delivery against the financial performance targets set within the annual plan.


The financial position for the month of January 2017 was a deficit of £64k against a planned deficit of £148k and was therefore £84k better than we had planned. The year to date financial position is a deficit of £1,492k against a deficit plan of £1,547k and is therefore slightly better than where we had planned to be at this point in the year (by £54k).

However, as previously reported this position includes £1.9m of non-recurrent (one-off) reserves and slippage on investment which have been required in order to support the in-year under-achievement of the Cost Improvement Programme (CIP). The value of reserves which have been released is in proportion with the accounting period i.e. after 10 months the equivalent of 10 months' worth of reserves has been released.

2. Key Financial Performance Indicators

The Key Performance Indicators (KPI) for the period are set out below:

KPI	RAG rating	Comments
Overall financial position		A deficit of £1,492k to month 10, which is £54k better than plan. Includes £1,861k of non-recurrent slippage / contingency.
Income		Total income is £154k above plan in January and £889k ahead of plan for the year to date;
Agency costs		£1.3m year to date spend compared to £2.8m for the same period last year.
Cash		Cash balances of £6.7m are above the planned position of £5.2m by £1.5m.
CIP		Actual CIP achieved to month 10 was £2.1m against a plan of £3.1m, a shortfall of £1.0m.

Capital expenditure		Capital expenditure to month 10 was £4.1m and therefore £700k below the plan of £4.8m. However, it is forecast to come back in line with the £5.9m plan by the end of the year.

3. Issues to note

- **CIP**

The CIP plan is forecast to under-deliver on its target by £1m for this financial year (2016/17). However, a significant amount of work is being done across the divisions to identify robust schemes for 2017/18 to support an improved performance for next year. So far, £3.6m of the £3.7m target has been identified, however, £750k (approx. 20%) of this is still high risk and a further £1m has been assessed as medium risk. This work is on-going and further update will be provided in future meetings.

- **Income and activity**

Overall, our income levels are higher than the plan set out at the beginning of the year. However, we have anticipated high activity levels in February and March and so will be monitoring this closely to ensure that this position continues.

- **Capital**

Many of our large capital projects are due to be completed in the final quarter of the financial year and so our monthly capital spend levels are currently very high. This is being closely monitored as we get close to the year end in order to ensure that our capital plan is delivered in full.

Key projects currently underway include,

- Maple suite bathroom refurbishment,
- IT network upgrade,
- Implementation of bedside monitoring system.
- Theatres refurbishment.

4. Recommendation

The Council of Governors are asked to:

- Note the financial position of the Trust for the period ending 31st January 2017
- Raise any questions at the meeting