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# Report to Council of Governors

# COG 22/2019

(agenda item: 11)

**Financial Position 2019-20**

**July 2019, Month 4**

**For Information**

**Introduction**

This report summarises the financial performance of the Trust for July 2019.

**Performance to Date**

The Income Statement at month 4 is included at Appendix A.

The key financial results for July 2019 are:

* An Income and Expenditure deficit of **£2.6m** which is **£0.4m adverse** to plan.
* EBITDA (Earnings before interest, taxation, depreciation and amortisation) of **£1.7m**, **£0.8m** adverse to plan.
* After adjusting for items excluded from measuring performance against the Trust’s Control Total (mainly excluding Provider Sustainability Funding and Financial Recovery Funding) the underlying performance is a deficit of **£3.7m**, which is **£0.5m** adverse to the Trust’s Control Total.
* The Trust is facing significant operational pressures, particularly around Residential Care, Out of Area Placements, Adult Community Mental Health teams and the Oxfordshire CAMHS service.
* A period-end cash balance of **£14.8m** which is **£2.0m** better than plan, mainly due to slippage against the capital programme.
* At month 4 the Trust’s overall Use of Resources risk rating is a ‘3’, compared with a planned rating of ‘3’.

**Cost Improvement Programme**

The Trust has a cost improvement target of **£7.6m** for 2019-20. CIP themes have been identified and to date £76k of savings have been achieved, which is in line with plan. Most of the identified savings are planned to start from quarter 2 with most savings being delivered in the second half of the year. Work continues to accelerate delivery of these schemes.

**Capital Programme**

Capital expenditure to month 4 was **£1.1m, £1.4m** below plan due to slippage against Estates schemes.

**2019-20 Plan**

The full year plan is as follows:

* + - An Income & Expenditure position of breakeven
    - EBITDA of **£13.9m**
    - CIP delivery of **£7.6m**
    - A Use of Resources Rating of ‘3’
    - A year-end cash balance of **£13.1m**
    - Capital investment of **£17.3m**

**Recommendation**

The Council of Governors is asked to note the financial position of the Trust.

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**Appendix A**

**Income Statement 2019-20 – Month 4**

