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# Report to Council of Governors

# COG 30/2019

(agenda item:10)

**Financial Position 2019-20**

**September 2019, Month 6**

**For Information**

**Introduction**

This report summarises the financial performance of the Trust for the six months to the end of September 2019, which is the end of the Quarter 2 period for reporting to NHS Improvement.

**Performance to Date**

The Income Statement at month 6 is included at Appendix A.

The key financial results for September 2019 are:

* An Income and Expenditure deficit of **£2.6m,** which is **£0.2m favourable** to plan.
* EBITDA (Earnings before interest, taxation, depreciation and amortisation) of **£3.6m**, **£0.4m** 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 **£4.5m**, which is **£0.1m** favourable 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 **£10.7m** which is **£3.3m** better than plan, mainly due to slippage against the capital programme.
* At month 6 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 **£1.2m** of savings have been achieved, which is **£0.2m** adverse to plan. Most of the identified savings are planned to be delivered in the second half of the year. Work continues to accelerate delivery of these schemes.

**Capital Programme**

Capital expenditure to month 6 was **£1.4m, £2.2m** 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.

**Author and Title:** Paul Dodd, Deputy Director of Finance

**Lead Executive Director**: Mike McEnaney, Director of Finance

**Appendix A**

**Income Statement 2019-20 – Month 6**