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# BOD 79/2019

(agenda item: 11)

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# Report to Board of Directors

**Financial Position 2019-20**

**June 2019, Month 3**

**For Information**

**Introduction**

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

**Performance to Date**

The Income Statement at month 3 is included at Appendix A.

The key financial results for June 2019 are:

* An Income and Expenditure deficit of **£1.6m** which is **£0.1m** favourableto plan.
* EBITDA (Earnings before interest, taxation, depreciation and amortisation) of **£1.7m**, **£0.1m** adverse to plan.
* After adjusting for items excluded from measuring performance against the Trust’s Control Total (mainly excluding Provider Sustainability Funding (PSF) and Financial Recovery Funding (FRF)) the underlying performance is a deficit of **£2.4m**, which is on plan compared with the Trust’s Control Total before the inclusion of PSF and FRF.
* The month 3 position includes **£0.1m** of PSF relating to FY19 due to a post-accounts allocation of PSF – this accounts for the difference in variance between the I&E performance and the Performance against Control Total.
* The operational pressures that the Trust experienced in 2018-19 have continued into the new financial year, particularly around Residential Care, the Oxfordshire CAMHS service, Oxfordshire Adult Community Mental Health teams and Out of Area Placements. Services continue to work on plans to reduce this spend.
* A period-end cash balance of **£14.6m** which is **£0.1m** better than plan.
* At month 3 the Trust’s overall Use of Resources risk rating is a ‘3’.

**Cost Improvement Programme**

The Trust has a cost improvement target of **£7.6m** for 2019-20. CIP themes have been identified and work is underway to deliver savings. These 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 in month 3 was **£0.7m, £0.6m** below plan.

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

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

**Appendix A**

**Income Statement 2019-20 – Month 3**

