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**BOD 76/2020**
(Agenda item: 17)

# Report to Board of Directors

**Financial Position 2020-21**

**October 2020, Month 7**

**For Information**

**Introduction**

This report summarises the financial performance of the Trust in month 7 of the financial year 2020-21.

**Performance at Month 7**

The Income Statement at month 7 is included at Appendix A.

The key financial results for the period ending 31st October 2020 are:

* An Income and Expenditure position of **breakeven**.
* The NHS financial arrangements for months 1-6 were that providers are reimbursed to a breakeven position. From month 7 the Trust will no longer receive this retrospective top up payment and will be monitored against a new plan for months 7-12, which includes an allocation for costs relating to Covid-19. The Trust’s year-end plan is for a deficit of **£1.9m**, whichincludes **£2.1m** of contingency reserves profiled in month 12 resulting in a YTD plan of a **£0.1m** surplus.
* The YTD position includes **£13.3m** of Covid-19 related costs and retrospective top up payments/Covid-19 allocation from NHSE/I of **£13.5m**, making the underlying position a deficit of **£0.2m**
* EBITDA (Earnings before interest, taxation, depreciation and amortisation) of **£7.0m**, **£0.8m** adverse to plan.
* The closing cash position at the end of September was **£59.4m**. The cash balance is higher than in previous years due to payment in advance under the current block payment system.

**Cost Improvement Programme**

* Since the Covid-19 pandemic there has not been a national requirement to make CIPs. A planning process for months 7-12 has just been completed and there was no requirement to include a certain percentage efficiency saving as there has been in previous planning processes. The Trust has submitted a plan which includes **£1.2m** of CIP savings which reflects the continuation of YTD savings made at month 6.
* For internal purposes CIP savings continue to be monitored against the original plan of **£6.8m**. **£1.3m** of CIP savings have been made YTD which is **£0.3m** below the profiled plan.

**Capital Programme**

* Capital expenditure at month 7 was **£2.4m, £6.6m** below plan mainly due to slippage on Estates projects.

**2020-21 Plan**

The FY21 planning process was suspended at the end of March and the plan for April to September has been set as breakeven for all Trusts. A new plan for months 7-12 has been submitted to NHSE/I which includes:

* + - An Income & Expenditure deficit of **£1.9m**
		- CIP delivery of **£1.2m**
		- Covid costs of **£22.6m** (**£11.1m** for months 7-12)
		- A year-end cash balance of **£22.2m**
		- Capital investment of **£22.2m**

**Recommendation**

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

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 **Appendix A**

**Income Statement 2020-21 – Month 7**

