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# BOD 22/2020

(agenda item:11)

# Report to Board of Directors

**Financial Position 2019-20**

**March 2020, Month 12**

**For Information**

**Introduction**

This report summarises the financial performance of the Trust at the end of financial year 2019-20.

**Performance at Year-End**

The Income Statement at month 12 is included at Appendix A.

The key financial results for the year ending 31st March 2020 are:

* An Income and Expenditure surplus of **£1.1m,** which is **£1.2m** favourableto plan.
* The year-end position improved significantly from the re-forecast at quarter 3 due to a **£8.5m** benefit from savings from the New Care Models – investments had already been made, but the income from NHS England was not confirmed until April.
* Additional costs for Covid-19 were incurred in March which will be reimbursed by NHSE/I - **£1.4m** of income was accrued in the year-end position for this.
* EBITDA (Earnings before interest, taxation, depreciation and amortisation) of **£13.7m**, onplan.
* 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), gains on asset disposal and impairments) the underlying performance is a surplus of **£4.1m**, which is **£0.7m** favourable to the Trust’s Control Total.
* Excluding the additional income from NHS England in relation to the New Care Models, the Trust remains in a substantial operating deficit position due to service pressures created by high levels of demand and activity in adult mental health services. The largest adverse variance is in the Oxfordshire and BaNES, Swindon & Wiltshire Mental Health Directorate which is driven by adverse variances in Residential Care, OATs, Oxon CAMHS, Inpatient services and Adult Community Mental Health teams largely due to the underinvestment in mental health services in Oxfordshire. In addition, there are pressures in the Buckinghamshire Mental Health, Specialised Mental Health and some Corporate directorates.
* A period-end cash balance of **£22.7m** which is **£9.6m** better than plan
* At year-end 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. At year-end **£6.6m** of savings have been achieved, which is **£1.0m** adverse to plan.

**Capital Programme**

Capital expenditure at year-end was **£6.0m, £11.7m** below plan due to slippage against Estates schemes, the delay in a start date for the Highfield PICU and Learning Disabilities LSU schemes and deferred spend on Global Digital Exemplar projects.

**Recommendation**

The Board of Directors 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 12**

