

Report to Board of Directors

For Information

Finance Report August 2021 (Month 5), FY22

Contents

Executive Summary

1. Income Statement
2. Clinical Income
3. Non-Clinical Income
4. Agency
5. Cost Improvement Plan
6. Statement of Position
7. Cash-flow
8. Working Capital Indicators
9. Capital Investment Programme
10. Reconciliation to NHSI Template

A risk assessment has been undertaken around the legal issues that this paper presents and there are no issues that need to be referred to the Trust Solicitors.

Executive Summary

	Month 5	Year-to-Date
EBITDA performance	£1.4m surplus, breakeven	£5.8m surplus, £1.2m adverse to plan
I&E performance	£0.6m surplus, £0.1m favourable to plan	£1.5m surplus, £1.0m adverse to plan
Cost Improvement Plan	£0.1m, £0.1m adverse to plan	£0.7, £0.5m adverse to plan
Capital Expenditure	£0.3m, £0.3m favourable to plan	£0.6m, £2.0m adverse to plan
Cash	Increase of £7.0m	£60.2m, £6.3m favourable to plan

- The year-to-date I&E position at month 5 is a **£1.5m** surplus, **£1.0m** adverse to plan. EBITDA is a **£5.8m** surplus, **£1.2m** adverse to plan.
- The FY22 plan is for a breakeven position with a **£3.0m** surplus in the first half of the year and a **£3.0m** deficit in the second half of the year.
- The adverse position is driven by overspends in the Oxon & BSW MH directorate, which reports a **£3.6m** adverse variance at month 5. Finance are working with the directorate on the causes of this overspend and an action plan to address it. This is partly offset by a **£2.1m** underspend against the allocation for Covid-19 costs.
- CIP savings YTD are **£0.7m**, **£0.5m** adverse to plan due to a delay in CIP engagement as a result of Covid-19.
- Capital spend is **£0.6m**, **£2.0m** adverse to plan. The low spend is mainly due to VAT recovery claims.
- The closing cash position at the end of August was **£60.2m**, **£6.3m** favourable to plan.

Recommendation:

The Board of Directors are asked to note the Finance Report against plan and seek any further assurances as required.

1. Income Statement

INCOME STATEMENT												
YTD Actual M5	Prior Year			Plan	Month 5				Plan	Year-to-Date		
	£m	Change £m	%		Actual £m	Variance £m	%			Actual £m	Variance £m	
124.7	47.4	38.0%	Clinical Income	34.0	35.3	1.4	4.0%	167.0	172.1	5.1	3.1%	
37.7	-2.0	-5.4%	Other Operating Income	5.0	8.2	3.3	65.7%	24.8	35.7	10.9	44.0%	
162.4	45.4	28.0%	Operating Income, Total	38.9	43.5	4.6	11.9%	191.7	207.7	16.0	8.3%	
116.8	-18.5	-15.8%	Employee Benefit Expenses (Pay)	23.5	27.6	-4.0	-17.1%	121.8	135.2	-13.4	-11.0%	
40.5	-26.3	-64.9%	Other Operating Expenses	14.0	14.6	-0.6	-4.0%	62.9	66.8	-3.8	-6.1%	
157.2	-44.7	-28.4%	Operating Expenses, Total	37.5	42.1	-4.6	-12.2%	184.8	202.0	-17.2	-9.3%	
0.0	0.0	0.0%	Non-Operational Income	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	
5.1	0.7	12.8%	EBITDA	1.4	1.4	0.0	2.8%	7.0	5.8	-1.2	-17.1%	
0.0	0.0	0.0%	Profit/(Loss) on asset disposal	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	
2.9	0.3	10.3%	Depreciation and Amortisation	0.5	0.5	0.0	0.9%	2.6	2.6	-0.1	-2.6%	
0.0	0.0	0.0%	Asset Impairment	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	
0.4	0.0	0.0%	Interest	0.1	0.1	0.0	2.8%	0.4	0.4	0.0	3.7%	
0.4	0.1	24.9%	Other Finance Charge	0.1	0.1	0.0	0.0%	0.3	0.3	0.0	-9.1%	
1.4	0.5	35.5%	PDC Dividend	0.2	0.2	0.1	25.9%	1.2	0.9	0.3	22.3%	
0.0	1.6	-448682%	Surplus/ (Deficit)	0.5	0.6	0.1	19.7%	2.5	1.5	-1.0	-40.2%	

The year-to-date I&E position at month 5 is a **£1.5m** surplus, **£1.0m** adverse to plan (**£0.9m** surplus, **£1.1m** adverse to plan at month 4). EBITDA is a **£5.8m** surplus, **£1.2m** adverse to plan.

The FY22 plan is for a breakeven position with a **£3.0m** surplus in the first half of the year and a **£3.0m** deficit in the second half of the year.

The adverse position is driven by overspends in the Oxon & BSW MH directorate, which reports a **£3.6m** adverse variance at month 5. Finance are working with the directorate on the causes of this overspend and an action plan to address it. This is partly offset by a **£2.1m** underspend against the allocation for Covid-19 costs.

Budgets have not yet been set for mental health new investment funding but income has been matched to expenditure which has already been incurred. In addition, the planned contribution from these investments is accrued for in the month 5 position and assumed to be linear throughout the year.

The I&E performance in FY22 is **£1.6m** better than in FY21. The financial regime in the first 6 months of FY21 was to report a breakeven position with a retrospective top-up payment to cover Covid-19 costs. (For FY22 there is a fixed expenditure allowance for Covid cost recovery.)

Breakdown of Covid-19 Costs

	NHSI/E						
£'000s	Expanding workforce	Decontamination	Existing workforce additional shifts	After Care and Support Costs	Segregation of patient pathways	PPE associated costs	Total
Employee Benefits (Pay)	4,738	91	59	16	36	50	4,990
Other Operating Expenses		10		352	1,811	63	2,236
Total	4,738	101	59	368	1,847	113	7,226

The Trust is receiving an allocation of **£11,164k** for the first 6 months of the year (**£1,861k** per month) to cover costs associated with Covid-19. Planning assumptions assume a underspend of **£1,196k (£199k per month)** on this Covid allocation to meet the plan for the first half of the year. The spend at month 5 is **£7,226k, £2,077k** below the funding and **£1,080k** below plan.

The Covid-19 costs incurred at month 5 as per the NHSE/I categories were:

- Expanding workforce **£4,738k** – additional bank and agency staff, agency housekeepers, costs associated with the 24/7 Mental Health Helpline, additional costs in the GP Out of Hours service, and other increased staff costs to create additional capacity
- Decontamination **£101k** – minor Estates works, staff testing and mask testing kits
- Existing Workforce additional shifts **£59k** – spend on staff working additional hours
- After Care and Support costs **£368k** – mainly the cost of providing food to staff, which has stopped at the end of June
- Segregation of patient pathways **£1,847k** – the cost of independent sector beds for mental health patients due to the requirements to run mental health wards at 85% occupancy
- PPE associated costs **£113k** – the cost of the PPE warehouse

In addition to these costs the Trust is also incurring costs for running 3 mass vaccination centres and the payments made to final year nursing students (April only) for which retrospective top-up payments are received from NHSE/I based on the costs incurred. These costs at month 5 were:

- Payments to final year students **£78k**
- Covid-19 vaccination centres **£9,252k**

Performance against Plan

	Plan YTD M5	Actual YTD	Variance		Actual YTD		Change		
	FY22	M5 FY22	£'000	%	M5 FY21	£'000	£'000	%	
Block	146,842	152,166	5,324	4%	①	104,114	48,052	46%	①
Cost & Volume	5,241	5,351	110	2%		5,267	84	2%	
Cost Per Case	2,474	2,350	-124	-5%		2,400	-50	-2%	
CQUIN	1,370	1,370	0	0%		1,127	242	21%	
Local Authority	8,780	8,443	-337	-4%		9,471	-1,027	-11%	②
Section 75 (pooled budget)	2,248	2,340	92	4%		2,260	80	4%	
Private Patients	24	71	47	194%		40	31	77%	
Clinical Income Total	166,980	172,092	5,111	3%		124,679	47,412	38%	
Education And Training	6,825	7,670	845	12%	②	5,916	1,754	30%	③
Research & Development	5,445	5,667	221	4%		4,102	1,564	38%	④
FRF/Top Up Payment	0	9,281	9,281		③	18,470	-9,188	-50%	⑤
Accommodation	385	395	10	3%		404	-10	-2%	
Catering	0	0	0	0%		0	0	0%	
Non-Patient Care to Other Bodies	675	1,982	1,307	194%	④	843	1,139	135%	⑥
Other Income	601	434	-167	-28%		690	-256	-37%	
Parking	31	0	-31	-100%		-12	12	100%	
Oxford Pharmacy Sales	10,795	10,223	-572	-5%	⑤	7,265	2,957	41%	⑦
Other Operating Income Total	24,758	35,652	10,894	44%		37,679	-2,028	-5%	
Permanent	116,728	100,459	16,269	14%		95,216	-5,243	-6%	⑧
Flexible	2,748	11,175	-8,428	-307%		9,983	-1,192	-12%	⑨
Agency	2,357	23,569	-21,211	-900%		11,557	-12,011	-104%	⑩
Employee Benefits Expenses	121,833	135,203	-13,370	-11%	⑥	116,756	-18,447	16%	
Clinical Services & Supplies	29,166	31,027	-1,861	-6%	⑦	7,928	-23,099	291%	⑪
Drugs	11,487	11,223	265	2%		8,532	-2,690	32%	⑫
PFI	245	353	-108	-44%		320	-34	11%	
Car Park Security	0	0	0	0%		0	0	0%	
Premises And Fixed Plant	5,510	6,310	-800	-15%	⑨	6,295	-15	0%	
Premises - Business Rates	567	577	-10	-2%		516	-60	12%	
Secondary Commissioning	4,631	4,844	-214	-5%		4,869	25	-1%	
Establishment Expenditure	3,164	3,355	-191	-6%		3,520	165	-5%	
Insurance	199	215	-15	-8%		194	-20	11%	
Audit Fees External	36	24	12	33%		24	-1	3%	
Audit Fees Internal	41	36	5	12%		44	8	-17%	
Clinical Negligence	345	345	0	0%		247	-99	40%	
Consultancy	28	4	24	86%		1	-3	623%	
General Supplies And Services	2,105	1,320	785	37%	⑩	1,637	317	-19%	
Legal Fees	96	173	-77	-81%		126	-47	37%	
Losses And Special Payments	8	6	2	26%		8	2	-25%	
NHS Services	654	944	-291	-44%		699	-246	35%	
Other Non-Pay Expenditure	1,446	3,244	-1,798	-124%	⑪	3,579	336	-9%	
Other Services	237	245	-8	-3%		227	-17	8%	
Patient Travel	0	0	0	0%		0	0	0%	
Provisions	24	310	-286	-1215%		116	0	0%	
Redundancy Costs	0	73	-73			45	-29	0%	
Training & Conferences	845	633	213	25%		356	-277	78%	
Transport - Business Travel	1,595	921	675	42%	⑫	697	-224	32%	
Transport - Other	498	575	-77	-15%		502	-73	15%	
Total Other Operating Expenses	62,926	66,755	-3,829	-6%		40,479	-26,082	64%	
EBITDA Total	6,979	5,786	-1,193	-17%		5,123	663	13%	

Please see next page for notes

Performance against Plan

EBITDA is a **£5.8m** surplus, **£1.2m** adverse to plan at month 5(**£4.4m** surplus, **£1.2m** adverse to plan at month 4). The main drivers of the position are:

1. Block Income **£5.3m** favourable – due to contribution from additional investment for which budget has not been set (**£1.6m**) and additional income for the risk share in Childrens Continuing Healthcare (**£0.9m**). The remaining variance is due to new investment funding which has been released to match spend but budgets have not yet been set for this.
2. Education and Training **£0.8m** favourable
3. FRF/Top up Payment **£9.8m** favourable – this is the retrospective top up payments for Covid-19 costs which are not part of the Covid-19 allocation. **£9.3m** is for the costs of running the vaccination sites and **£0.1m** is to cover the costs of paid final year students.
4. Non-Patient Care to other bodies **£1.3m** favourable. Additional income **£0.7m** in IM&T for EPMA & **£0.5m** Community services (in particular Dental), other **£0.1m**.
5. Oxford Pharmacy Sales **£0.6m** adverse - due to lower than planned sales in Oxford Pharmacy Store.
6. Employee Benefits Expenses (Pay) **£13.4m** adverse - **£8.8m** of this is due to staff at the mass vaccination centres and **£0.1m** is due to paid final year students. Budgets have not been set for these but the costs are covered by additional income received. There are adverse variances in all the clinical directorates on pay driven by bank and agency costs – Oxfordshire & BSW mental health **£3.0m**, Community **£0.9m**, Buckinghamshire **£1.2m** and Specialised **£0.8m**. These are offset by a **£0.5m** favourable variance for mental health investments that will be allocated to services once plans are agreed, an underspend of **£0.4m** on Covid-19 costs and a **£0.5m** underspend in Research & Development.
7. Clinical Services & Supplies **£1.9m** adverse - **£0.7m** in Childrens Continuing Healthcare (offset with additional income), **£0.6m** subcontracted costs in Oxfordshire & BSW MH for which new investment budget has not yet been set; **£0.2m** overspend in the Academic Health Science network offset with additional income received and a net **£0.4m** across other services.
8. Premises and Fixed Plant **£0.8m** adverse. **0.4m** of this is due to staff at the mass vaccination centres. Budgets have not been set for these but the costs are covered by additional income received. **£0.3m** dental equipment; **£0.1m** other.
9. General Supplies And Services **£0.8m** favourable against Community services **£0.2m**, Covid costs **£0.5m** and **£0.1m** other.
10. Other Non-Pay Expenditure **£1.8m** adverse – this reflects a budgeted risk in the budget for the first half of the year due to profiling of the plan, which will reduce once budgets for the contribution from new investments has been set and which is expected to be offset with underspends against the Covid-19 allocation.
11. Transport - Business Travel **£0.7m** favourable as consequence of Covid.

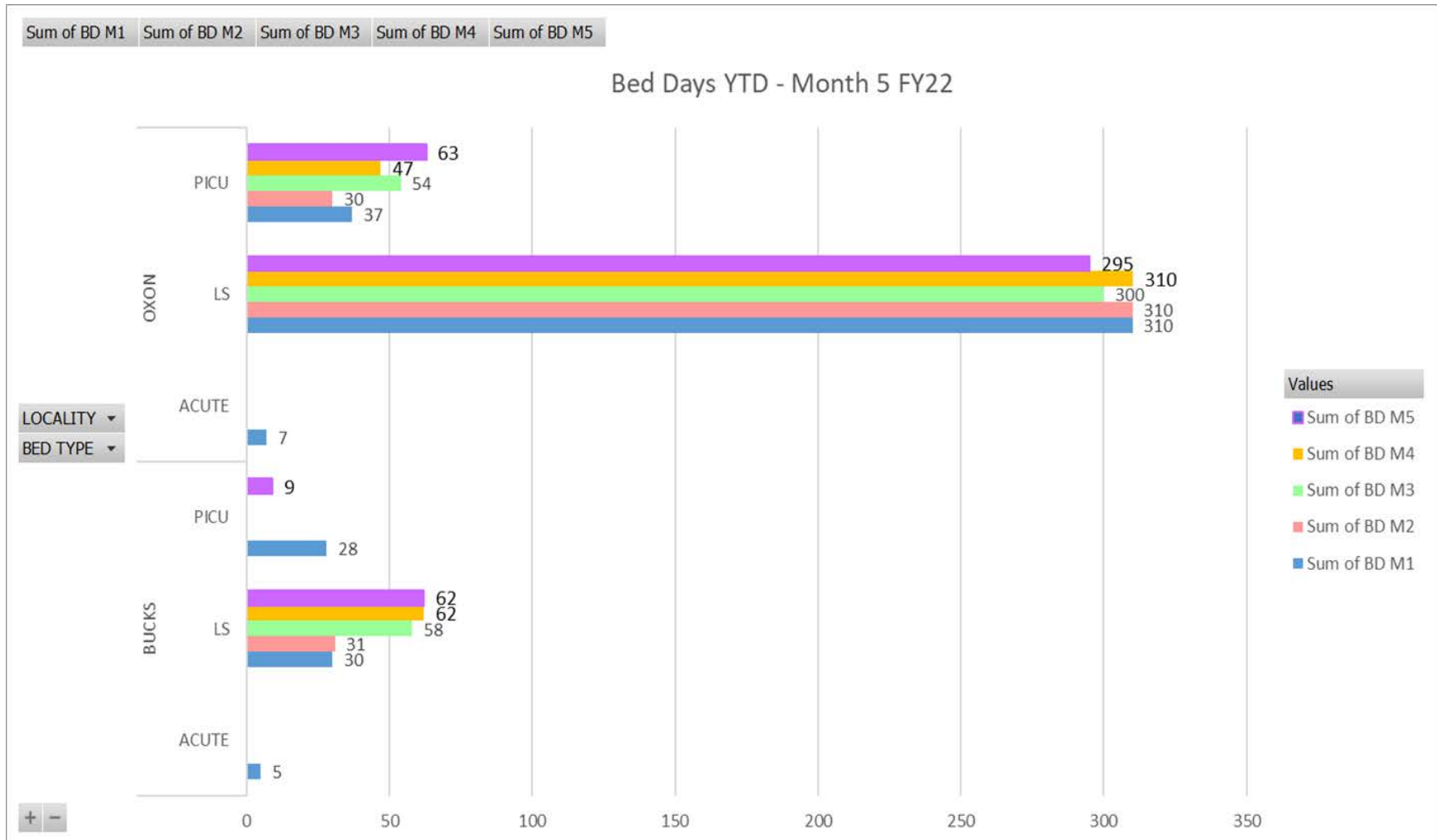
Performance against Prior Year

The EBITDA position is **£0.7m** better than last financial year. The significant changes from FY21 are:

1. Block income is **£48.1m** higher than last year due to uplift on block contract values (**£0.5m**, 0.5%), new income for Provider Collaboratives (**£24.9m**) and Covid funding now being reported as block income rather than FRF income (**£9.7m**). The remaining change is primarily due to new investment in mental health services.
2. Local Authority **£1.0m** less than last year – Mainly due to residential care income (£1.2m Full Year Value) being coded to OCCG-OBC contract (**£0.7m**). **£346k** reduction in CCS and Children CHC services, Bucks LA income is **£31k** down due to a credit for an old year sales invoice (2019).
3. Education & Training income is **£1.8m** higher than last year due to additional income in IAPT services to support trainees (**£0.4m**), higher apprenticeship income (**£0.3m**), higher numbers of trainees in the Oxford Institute of Psychology training (**£0.3m**), **£0.3m** additional training income from Health Education England and **£0.5m** income in the Oxfordshire Training Hub following the transfer of this service from OxFed from April.
4. Research & Development income is **£1.6m** higher than last year due to additional grant and study income of which **£0.2m** relates to Covid-19 related research.
5. FRF/Top Up Payment is **£9.1m** lower than last year. The Covid-19 allocation and top up payments were reported in this category last year but they are now in clinical income. The income reported in this category this year is to cover the costs of the mass vaccination sites and paid final year students.
6. Non-Patient Care to Other Bodies **£1.1m** higher than last year due to additional income in IM&T, Bucks and Community directorates.
7. Oxford Pharmacy Sales are **£3.0m** higher than last year. At the beginning of FY21 sales were low due to the effect of Covid-19 on acute hospital activity.
8. Permanent staff costs have increased by **£5.2m** from last year, due to **£3.6m** new costs in Oxfordshire & BSW MH and Buckinghamshire MH directorates as a result of investment in these services last year, **£0.2m** costs for Covid-19 as a result of not recording Covid-19 costs fully for the first few months of last year, **£0.2m** increase in costs in Research & Development as a result of higher grant and study income, **£0.9m** IM&T, **£0.6m** L&D and **£0.2m** Estates and Facilities. Other decreases **£0.5m**.
9. Flexible staff costs have increased by **£1.2m** from last year, of which **£0.3m** is due to staffing the Covid-19 mass vaccination centres, **£0.1m** is an increase in Covid-19, **£0.3m** increase across clinical directorates, **£0.3m** increase in costs in Research & Development, Other **£0.2m**.
10. Agency staff costs have increased by **£12.0m** from last year, of which **£8.3m** is attributable to the Covid-19 mass vaccination centres, **£0.7m** Covid prevention, **£1.1m** is in Community Hospitals, **£0.5m** is the costs of additional staffing required for a Learning Disabilities patient on the 136 suite, with the remaining **£1.4m** increase across multiple services in particular BSW directorate **£1m**.
11. Clinical Services & Supplies are **£23.1m** higher than last year due to **£20.6m** payments to other providers as part of the CAMHS and Secure Provider Collaboratives, **£0.6m** additional sub-contract costs in IAPT services due to investment in these services, **£0.5m** increased inpatient placement costs in Learning Disabilities and **£0.2m** additional costs in the Academic Health Science Network offset with additional income. The remaining difference is across various other services.
12. Drugs costs are **£2.7m** higher than last year due to higher sales in Oxford Pharmacy Store.

Out of Area Treatments (OATs)

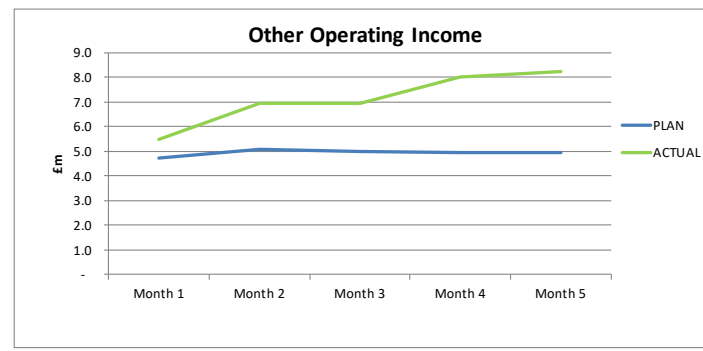
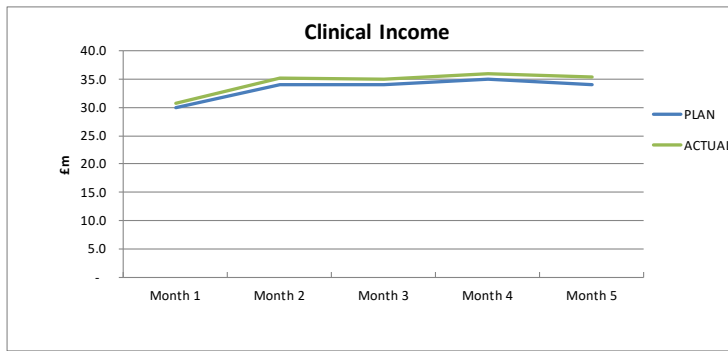
OATs are **£438k** overspent at month 5 (**£740k** overspend in Oxfordshire offset with a **£302k** underspend in Buckinghamshire). This excludes the costs of a 18 bed contract with Elysium and acute OATs which are reported under Covid-19 costs. This is a further spend of **£1,133k**. Infection Control & Prevention guidelines are currently that Mental Health wards should operate at 85% capacity and until these guidelines change the OATs costs are unlikely to reduce.



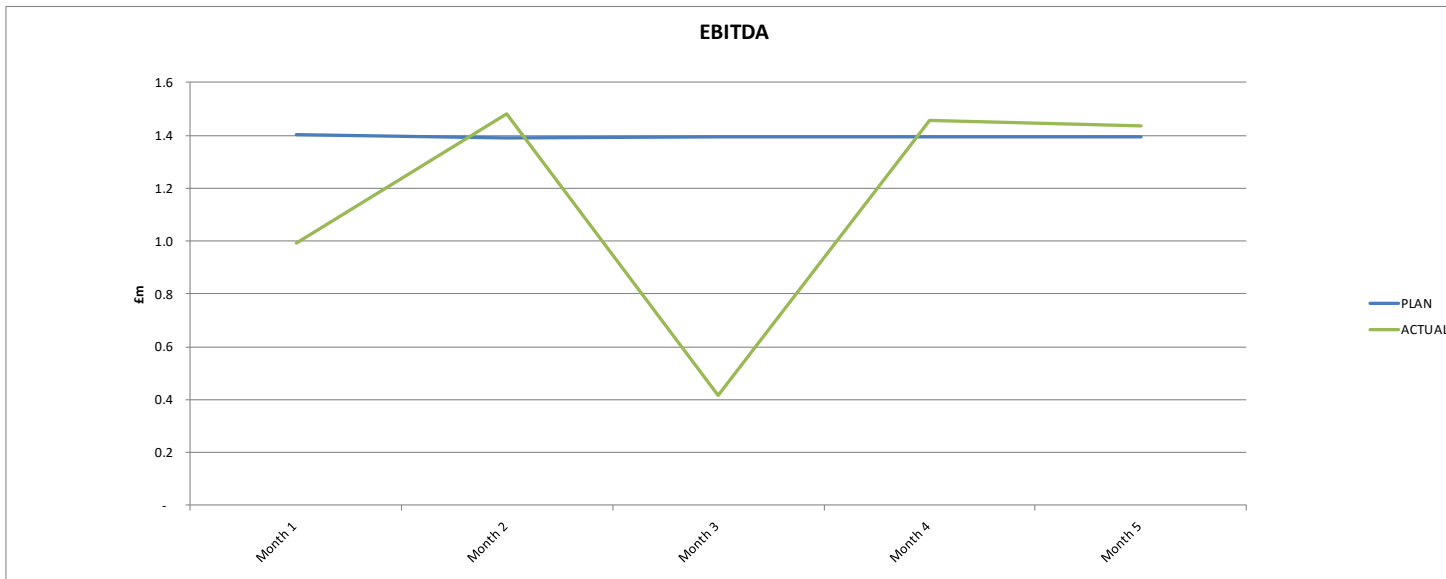
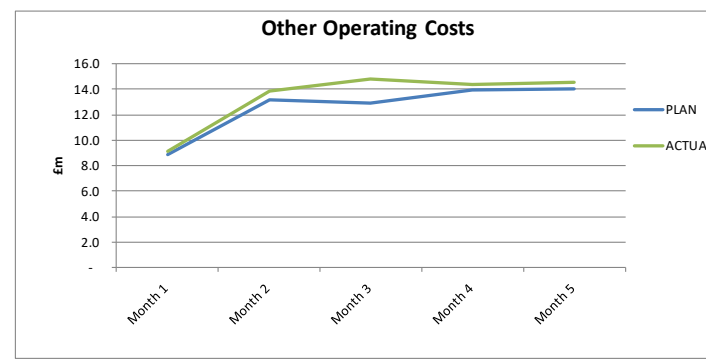
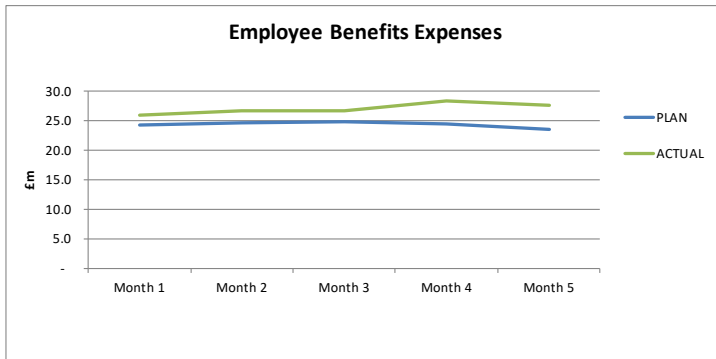
Variance to Plan by Month

PLAN	Month 1	Month 2	Month 3	Month 4	Month 5
	£m	£m	£m	£m	£m
Clinical Income	29.9	34.0	34.1	34.9	34.0
Other Operating Income	4.7	5.1	5.0	5.0	5.0
Operating Income Total	34.6	39.1	39.1	39.9	38.9
Employee Benefits Expenses	24.3	24.6	24.8	24.5	23.5
Other Operating Costs	8.9	13.1	12.9	14.0	14.0
Operating Expenses Total	33.2	37.7	37.7	38.5	37.5
EBITDA	1.4	1.4	1.4	1.4	1.4
ACTUAL	Month 1	Month 2	Month 3	Month 4	Month 5
	£m	£m	£m	£m	£m
Clinical Income	30.7	35.1	34.9	36.1	35.3
Other Operating Income	5.5	6.9	7.0	8.0	8.2
Operating Income Total	36.2	42.1	41.9	44.1	43.5
Employee Benefits Expenses	26.0	26.7	26.6	28.3	27.6
Other Operating Costs	9.2	13.9	14.8	14.4	14.6
Operating Expenses Total	35.2	40.6	41.5	42.6	42.1
EBITDA	1.0	1.5	0.4	1.5	1.4
VARIANCE	Month 1	Month 2	Month 3	Month 4	Month 5
	£m	£m	£m	£m	£m
Clinical Income	0.7	1.1	0.8	1.1	1.4
Other Operating Income	0.8	1.8	1.9	3.1	3.3
Operating Income Total	1.5	3.0	2.8	4.2	4.6
Employee Benefits Expenses	- 1.7	- 2.1	- 1.8	- 3.7	- 4.0
Other Operating Costs	- 0.3	- 0.7	- 1.9	- 0.4	- 0.6
Operating Expenses Total	- 1.9	- 2.9	- 3.7	- 4.1	- 4.6
EBITDA	- 0.4	0.1	1.0	0.1	0.0

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2. Clinical Income

CLINICAL INCOME	YTD at month 5			
	Plan £'000	Actual £'000	Variance £'000	Variance %
Any Qualified Provider	1,437	1,437	(0)	0%
Bath & NE Somerset Block	0	0	0	0%
Berkshire Block	79	79	(0)	0%
Buckinghamshire Block	21,675	21,763	88	0%
Buckinghamshire Block - IAPT	0	0	0	0%
Buckinghamshire County Council	3,548	3,548	(0)	0%
Buckinghamshire S75 (pooled budget)	1,497	1,589	92	6%
Cost per Case Income	1,008	898	(110)	-11% ①
CQUIN provision	0	0	0	0%
Department of Health & Social Care	0	0	0	100%
Income from NHS Trusts	784	826	42	5%
Nene Block	0	0	0	0%
NHS BSW	4,555	4,568	13	0%
NHS England Block	43,321	43,549	228	1% ②
NHS England Cost & Volume	274	274	(0)	0%
NHS England New Care Models	0	0	0	0%
NHS England FCAMHS	455	455	0	0%
NHS Northamptonshire	389	369	(21)	-5%
Other CCGs Income	916	1,812	896	98% ③
Other Local Authority	14	(6)	(20)	-139%
Oxfordshire Block - IAPT	3,739	3,668	(71)	-2%
Oxfordshire Block - Learning Disabilities	2,908	2,908	0	0%
Oxfordshire Block - main contract	44,804	50,892	6,088	14% ④
Oxfordshire Block - OBC	21,640	19,680	(1,960)	-9% ⑤
Oxfordshire Block - CAMHS	4,508	4,530	22	0%
Oxfordshire Cost & Volume	3,010	3,120	110	4% ⑥
Oxfordshire County Council	5,003	4,686	(317)	-6% ⑦
Oxfordshire S75 (pooled budget)	752	752	(0)	0%
Personal Injury Compensation	47	32	(15)	-32%
Private Patients	24	71	47	194%
Swindon Block	0	0	0	0%
Wales Cost & Volume	377	377	0	0%
Wiltshire Block	0	0	0	0%
Wiltshire Borough Council	216	216	0	0%
Clinical Income Total	166,980	172,092	5,111	3%

Clinical income is **£5,111k** favourable to plan at month 5. Material variances to the plan are:

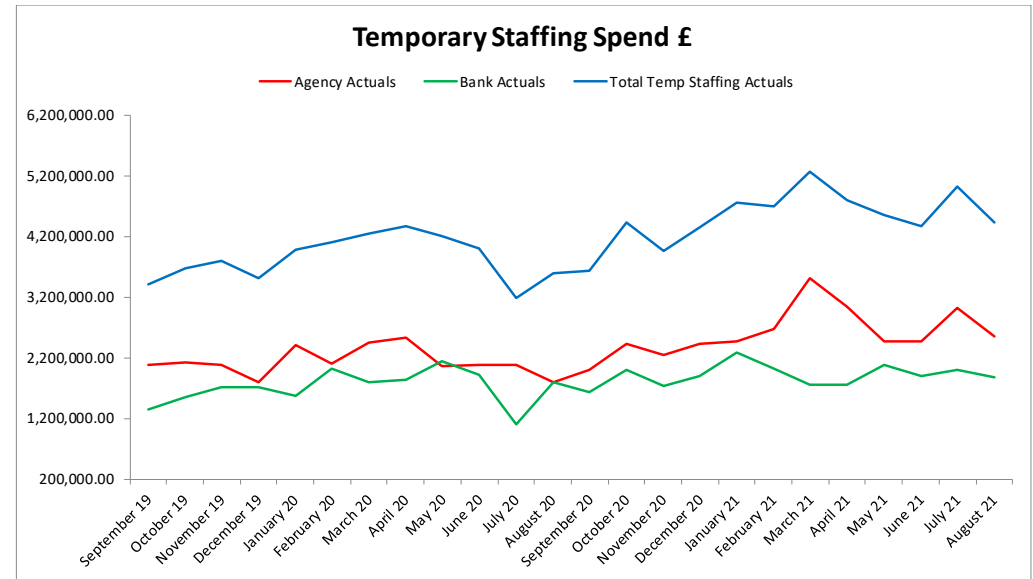
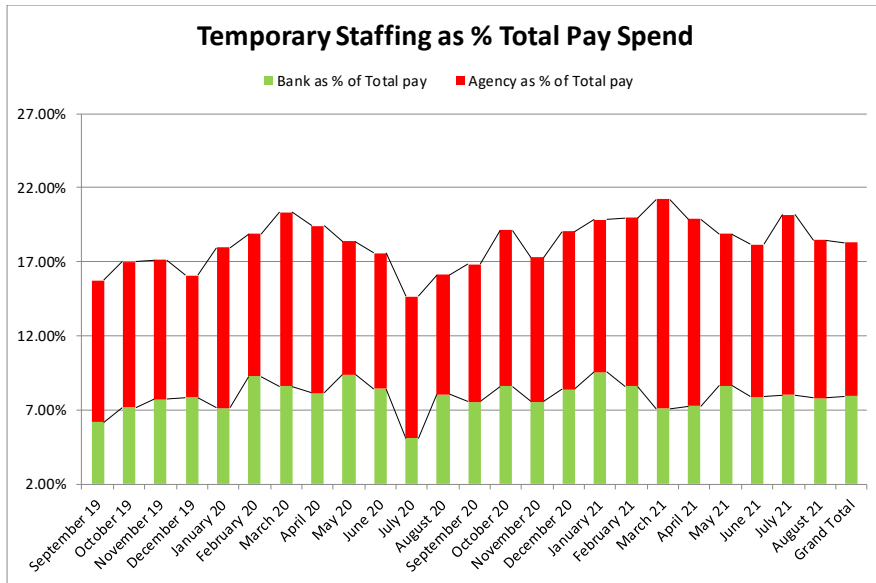
1. Cost per case **£110k** adverse due to less income than planned in Oxfordshire Mental Health Community Teams
2. NHS England Block **£228k** favourable – due to extra packages of care in inpatient CAMHS and secure .
3. Other CCGs income **£896k** favourable – due to additional income for which budget has not yet been set including income deferred from FY21 and additional income in the Buckinghamshire Continuing Healthcare service
4. Oxfordshire Block – main contract **£6,088k** favourable – due to contribution from investment funding for which budget has not yet been set (**£1,500k**), additional income for the risk share in Childrens Continuing Healthcare (**£670k**), re-alignment with OBC **£2,450k** and **£1,468k** due to differences in actual payments made by NHS England and the plan which will be investigated.
5. Oxfordshire Block – OBC **£1,960k** adverse - re-alignment with OBC **£2,450k** adverse offset by release of MHIS for which budget yet to be set..
6. Oxfordshire C&V **£110k** favourable due to additional income in respect of the Integrates Respiratory Team
7. Oxfordshire County Council **£317k** adverse – due to less income than planned in the Community Complex Care service.

3. Non-Clinical Income

NON-CLINICAL INCOME	YTD at month 5			
	Plan £'000	Actual £'000	Variance £'000	Variance %
Education & Training	6,825	7,670	845	12%
Other Operating Income	12,488	22,315	9,827	79%
Research & Development	5,445	5,667	221	4%
Non- Clinical Income Total	24,758	35,652	10,894	44%

- Education & Training income **£845k** favourable due to **£379k** additional CPD funding from Health Education England and **£98k** additional apprenticeship income with the remainder being additional salary support income for increased trainee numbers.
- Other Operating Income **£9,827k** favourable due to retrospective top up payments for the costs of the mass vaccination centres (**£9,281k**), payments to final year students (**£78k**), IM&T (**£660k**) and **£380k** across other services (in particular Community Directorate services); partially offset with lower than planned sales in Oxford Pharmacy Store (**£572k**).
- Research & Development income is **£221k** favourable due to additional income for the Novavax study (**£136k**) and additional income for the Academic Health Science Network (**£111k**), other **£26k adverse**.

4. Agency



The Trust does not budget for agency costs but has included expected agency costs of **£24.3m** for months 1-6 in the plan submitted to NHSE/I. This includes **£8.2m** for the cost of staffing the mass vaccination centres. Excluding mass vaccination centres expected agency costs are **£16.1m**

At month 5 **£13.5m** has been spent on agency staff (excluding **£10.0m** for Covid related agency), **£0.1m** below plan. This is **11%** of total staff costs (excluding covid related staff costs). Note that the graphs above exclude spend in the Covid-19 vaccination centres to show a normalised position.

Please refer to the HR report for further details.

5. Cost Improvement Plan

PIP (CIP) Delivery at month 05 FY22						
Project	YTD Plan	YTD Actual	YTD Variance	Full Year Plan	Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Agency Direct Enagagement	0	0	0	216	0	-216
Non Pay Expenditure	705	659	-46	1,694	1,582	-112
Agency Reduction - improved recruitment	425	0	-425	1,619	1,100	-519
Total	1,130	659	-471	3,529	2,682	-847

- The FY22 CIP Target is **£3.5m** phased **£1.3m** in H1 and **£2.2m** in H2. The target represents 0.9% of turnover which is less than pre-Covid-19.
- The savings as at the end of month 5 are **£0.7m** arising from reduction in non-pay expenditure such as business miles and room hire costs.
- The YTD and forecast savings are **£0.5m** & **£0.8m** adverse to plan respectively. The primary reason for this is delay in CIP engagement due to Covid-19.

6. Statement of Financial Position

Statement of Financial Position as at 31st August 2021					
31 March 2021		Month 4 FY21	Month 5 FY22	Movement	
				Year to date	In month
£'000		£'000	£'000	£'000	£'000
	Non-current assets				
4,359	Intangible Assets	3,663	3,551	(808)	(112)
145,308	Property, plant and equipment	144,182	144,036	(1,272)	(145)
187	Trade and other receivables	187	187	0	0
149,854	Total non-current assets	148,032	147,774	(2,080)	(258)
	Current Assets				
1,609	Inventories	2,931	3,122	1,513	191
13,480	Trade and other receivables	23,750	20,848	7,368	(2,902)
	Non-current assets held for sale	0	0	0	0
55,697	Cash and cash equivalents	53,222	60,229	4,532	7,007
70,786	Total current assets	79,902	84,199	13,413	4,297
	Current Liabilities				
(54,258)	Trade and other payables	(50,954)	(54,916)	(658)	(3,961)
(1,919)	Borrowings	(2,152)	(2,211)	(292)	(59)
(1,968)	Other financial liabilities	(1,968)	(1,968)	0	0
(1,741)	Provisions	(1,528)	(1,758)	(17)	(230)
(9,687)	Deferred income	(19,538)	(18,938)	(9,252)	600
(69,573)	Total Current Liabilities	(76,141)	(79,792)	(10,219)	(3,651)
	Non-current Liabilities				
	Trade and other payables	0	0	0	0
(17,723)	Borrowings	(17,539)	(17,494)	230	46
(3,868)	Provisions	(3,877)	(3,709)	159	168
(1,351)	Other Liabilities	(1,351)	(1,351)	0	0
(22,942)	Total non-current liabilities	(22,767)	(22,553)	388	214
128,125	Total assets employed	129,026	129,628	1,502	601
	Financed by (taxpayers' equity)				
99,119	Public Dividend Capital	99,120	99,120	1	0
19,180	Revaluation reserve	18,971	18,941	(239)	(30)
	Other reserves	0	0	0	0
9,827	Income & expenditure reserve	10,935	11,566	1,740	631
128,125	Total taxpayers' equity	129,026	129,628	1,503	601

1. Non-current assets have decreased by **£2.1m** in-year and **£0.3m** in month. The in-year decrease is largely driven by the M1-5 depreciation charge of **£2.6m** and offset by capital additions of **£0.6m**.
2. The in-year increase in the inventories balance of **£1.5m** is largely due to the rollout of a new DHSC backed surgery drug (to make up for shortages in the equivalent Pfizer drug).
3. Trade and other receivables have increased by **£7.4m** in year and decreased by **£2.9m** in month. Most of the increase can be attributed to **£4.8m** of retrospective vaccination costs income from NHSE for M4 and 5, and the in-month decrease is due mainly to the **£3.4m** recovery of the M1-3 retrospective vaccination costs.
4. Cash has increased by **£4.5m** in year and **£7.0m** in month. The in-year movement is in line with the cash flow statement and the in-month movement reflects the movements on the SOFP, specifically in relation trade and other receivables / payables (notes 3 and 5).
5. Trade and other payables have increased by **£0.7m** in year and **£4.0m** in month. This is in line with expectations and net cash flows.
6. Deferred income has increased by **£9.3m** in year and decreased by **£0.6m** in-month. Most of the increase in year can be attributed to the **£5.4m** (£4.2m in M4) deferral of SDF/SR funding and **£1.7m** (£3.1m in M4) of HEE funding. This deferred income/expenditure is expected to unwind over the course of the year.
7. Borrowings have decreased **£0.2m** in-year due capital repayments against the outstanding PFI liability and loan.
8. The in-year movements in the I&E reserve reflect the Trust's reported surplus for the first quarter

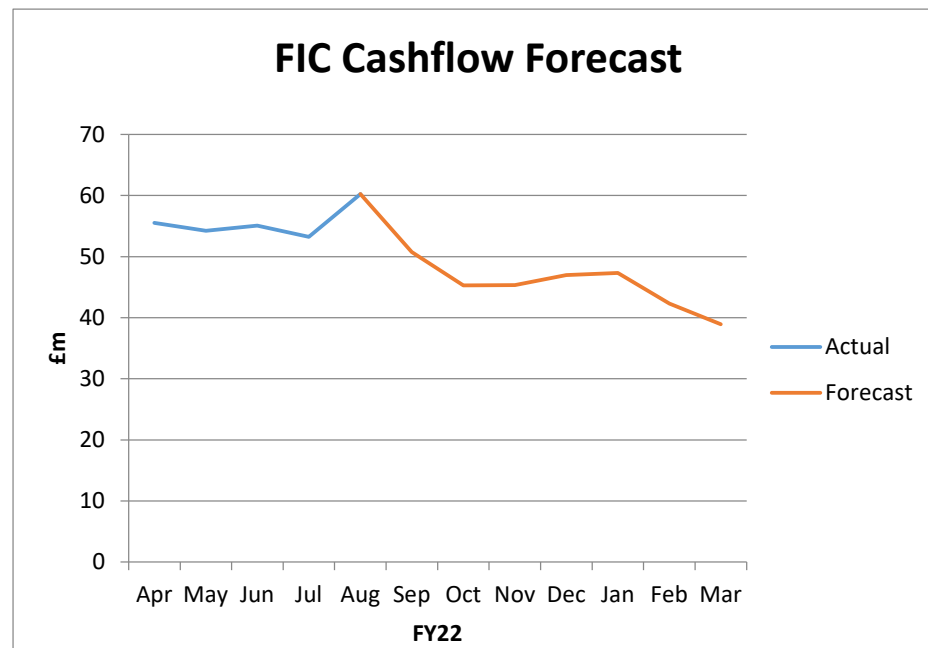
7. Cash Flow

STATEMENT OF YEAR TO DATE CASH FLOWS

	Month 5 FY22		
	Actual £'000	Plan £'000	Variance £'000
Cash flows from operating activities			
Operating surplus/(deficit) from continuing operations	3,146	4,558	(1,413)
Operating surplus/(deficit) from discontinuing operations	0	0	0
Operating surplus/(deficit)	3,146	4,558	(1,413)
Non-cash income and expense:			
Depreciation and amortisation	2,640	2,574	66
Impairments and profit on disposal of assets	0	0	0
(Increase)/Decrease in Trade and Other Receivables	(7,624)	1,132	(8,756)
(Increase)/Decrease in Inventories	(1,513)	(350)	(1,163)
Increase/(Decrease) in Trade and Other Payables	1,479	(3,582)	5,061
Increase/(Decrease) in Deferred Income	9,252	(569)	9,821
Increase/(Decrease) in Provisions	(141)	(42)	(99)
Other Movements in Operating Cashflows	0	0	0
NET CASH GENERATED FROM/(USED IN) OPERATIONS	7,239	3,721	3,518
Cash flows from investing activities			
Interest received	10	10	0
Purchase of Non Current Assets	(2,309)	(5,060)	2,751
Sale of PPE	0	0	0
Net cash generated from/(used in) investing activities	(2,299)	(5,050)	2,751
Cash flows from financing activities			
Public dividend Capital Received	0	0	0
Loans received	0	0	0
Loans repaid	0	0	0
Capital element of lease rental payments	0	0	0
Capital element of Private Finance Initiative Obligations	(138)	(127)	(11)
Interest paid	0	0	0
Interest element on leases	0	0	0
Interest element of Private Finance Initiative obligations	(270)	(310)	40
PDC Dividend paid	0	0	0
Net cash generated from/(used in) financing activities	(408)	(437)	29
Increase/(decrease) in cash and cash equivalents	4,532	(1,766)	6,298
Cash and Cash equivalents at 1st April	55,697	55,697	0
Cash and Cash equivalents at 31st August	60,229	53,931	6,298

Summary Notes

- The cash flow movements are consistent with the comments made on the Statement of Financial Position.
- The closing cash position at Month 5 was **£60.2m**.



8. Working Capital Indicators

Working Capital Ratios			
Ratio	Target	Actual	Risk Status
Debtor Days	30	27	●
Debtors % > 90 days	5.0%	27.2%	●
Creditor Days	30	39	●
BPPC NHS - Value of Inv's pd within target (ytd)	95.0%	84.3%	●
BPPC Non-NHS - Value of Inv's pd within target (ytd)	95.0%	90.0%	●
Cash (£m)	53.2	60.2	●

Summary Notes

- Debtor days at month 5 are ahead of target.
- Debtors % over 90 days are below target due to overdue invoices, specifically with Oxfordshire CCG £605k and Oxfordshire County Council £413k
- The Creditor days position is below plan due to the high level of accruals for NHS and Non-NHS suppliers and the below target BPPC figures.
- NHS BPPC (which represents 24% of non-pay expenditure) is below target (and 79% in month)
- Non-NHS BPPC (which represents 76% of non-pay expenditure) is marginally below target (and 95% in month)
- The BPPC process has been refined and updated and an action plan put in place to resolve many of the underlying issues so these figures will improve going forward. This includes: a specific payables/creditor review to be part of the internal month-end scrutiny and reporting process, a review of all invoices of £10k and over that miss or are going to miss the target, regular communication to 'approvers and receptors' and targeted communications and training for the worst offenders.
- The existing P2P (procure to pay) improvement project will increase the number of system/PO-backed transactions which will improve the speed and flow of invoice approvals and produce efficiencies.
- Cash is better than target, as outlined in section 7 and 8.

9. Capital Investment Programme

FY22-CAPITAL EXPENDITURE REPORT-AUGUST (M5)					
		Year To Date £000			
Planned Schemes		Original Plan	YTD Plan	Actual	Variance
Estates		6,002	1,670	101	1,570
IT		1,230	273	50	224
PFI		100	42	9	33
Highfield PICU		3,800	475	409	66
Global Digital Exemplar DoH Funding FY19		-	-	(83)	83
Other Project					
Medical Equipment		186	100	77	23
Sub total		11,318	2,560	562	1,999
Revenue Backed Projects					
Other IT EPMA		777	648	648	-
Other Dental		314	261	262	0
Total		1,091	909	909	(0)
Grand Total		12,409	3,469	1,471	1,998

- The final FY22 capital plan was submitted to NHSI on the 22nd June for £12.4m in line with the initial ICS allocation of £9.4m and £3.0m of external funding for the PICU project. However, due to a £12.3m funding shortfall in the ICS capital plan for FY22, Oxford Health's capital envelope has been revised downwards by £1.1m to £11.3m. The Trust will therefore underspend against its capital plan for the year by £1.1m (£1,091k variance as above).
- The Trust is still committed to spending the full £12.4m as originally planned, so the £1.1m of projects referred to above will be charged to revenue. These include the £0.8m EPMA (part of the Global Digital Exemplar Programme) project and £0.3m of medical equipment. These revenue projects will be funded by the ICS via a separate ERF funding stream.
- The actual net spend to the end of August 2021 is £1,471k which includes the revenue backed projects totalling £909k.

10. Reconciliation to NHSE/I Template

The financial figures reported in this report are taken directly from the finance ledger. The financial figures reported to NHSE/I each month differ from these figures as they exclude income and costs related to the Section 75 pooled budget and are some minor adjustments to the categories certain items are reported under. The table below provides a reconciliation between the figures reported in this board report to the figures reported on the NHSI template.

YTD Actuals at month 5 FY22					
	Board Report	Remove Section 75 Income and Costs	Category Changes	National supplied PPE	NHSI Template
	£m	£m	£m	£m	£m
Clinical Income	172.1	-1.6			170.5
Other Operating Income	35.7				35.7
Operating Income, Total	207.7	-1.6	0.0	0.0	206.2
Employee Benefit Expenses (Pay)	135.2	-1.4			133.8
Other Operating Expenses	66.8	-0.2			66.6
Operating Expenses, Total	202.0	-1.6	0.0	0.0	200.4
Non-Operational Income					0.0
EBITDA	5.8	0.0	0.0	0.0	5.8
Profit/(Loss) on asset disposal	0.0				0.0
Depreciation and Amortisation	2.6				2.6
Asset Impairment	0.0				0.0
Interest	0.4				0.4
Other Finance Charge	0.3				0.3
PDC Dividend	0.9				0.9
Surplus/ (Deficit)	1.5	0.0	0.0	0.0	1.5