

Report to Board of Directors

For Information

Finance Report

October 2021 (Month 7), FY22

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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 7	Year-to-Date
EBITDA performance	£1.1m surplus, £0.8m favourable to plan	£9.3m surplus, £0.6m favourable to plan
I&E performance	£0.3m surplus, £0.8m favourable to plan	£3.4m surplus, £0.9m favourable to plan
Cost Improvement Plan	£0.3m, £0.4m adverse to plan	£1.1m, £1.0m adverse to plan
Capital Expenditure	£0.2m, £0.8m favourable to plan	£2.4m, £3.1m adverse to plan
Cash	Increase of £12.5m	£52.7m, £2.0m favourable to plan

- The year-to-date I&E position at month 7 is a **£3.4m** surplus, **£0.9m** favourable to plan. EBITDA is a **£9.3m** surplus, **£0.6m** favourable to plan.
- The FY22 plan was 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 Trust submitted an H2 plan which reported a £2m deficit. The full year plan is £1.0m surplus which is £1.0m favourable to the previous plan. This was mainly driven by a less than expected reduction in Covid funding (H1 **£11.2m**, H2 **£10.5m**). There is potential upside due to delayed recruitment to expand some services.
- The favourable position is driven by slippage on investments and by **£1.8m** underspend against the allocation for Covid-19 costs. This is despite overspend in some services in particular the Oxon & BSW MH directorate (**£4.0m**) compounded by high agency usage. Finance are working with the directorate on the causes of this overspend and an action plan to address it.
- CIP savings YTD are **£1.1m**, **£1.0m** adverse to plan due to a delay in CIP engagement as a result of Covid-19.
- Capital spend is **£2.4m**, **£3.1m** adverse to plan, although committed spend is close to plan.
- The closing cash position at the end of October was **£65.2m**, **£19.9m** 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												
Prior Year				Month 7				Year-to-Date				
YTD Actual M7	Change			Plan	Actual	Variance			Plan	Actual	Variance	
£m	£m	%		£m	£m	£m	%		£m	£m	£m	%
177.3	72.2	40.7%	Clinical Income	39.2	36.4	-2.7	-7.0%		252.0	249.5	-2.4	-1.0%
50.7	0.4	0.8%	Other Operating Income	5.2	7.6	2.4	46.6%		35.0	51.1	16.0	45.7%
228.0	72.6	31.9%	Operating Income, Total	44.4	44.1	-0.3	-0.7%		287.0	300.6	13.6	4.7%
163.7	-31.0	-18.9%	Employee Benefit Expenses (Pay)	28.2	28.5	-0.2	-0.9%		184.4	194.7	-10.3	-5.6%
57.3	-39.3	-68.6%	Other Operating Expenses	15.8	14.5	1.3	8.3%		93.9	96.6	-2.7	-2.9%
221.0	-70.3	-31.8%	Operating Expenses, Total	44.0	42.9	1.1	2.4%		278.3	291.3	-13.0	-4.7%
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%
7.0	2.3	33.5%	EBITDA	0.4	1.1	0.8	201.5%		8.7	9.3	0.6	6.6%
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%
3.9	0.3	7.6%	Depreciation and Amortisation	0.5	0.5	0.0	1.7%		3.6	3.7	-0.1	-1.5%
0.0	0.0	0.0%	Asset Impairment	0.0	0.0	0.0	0.0%		0.0	0.0	0.0	0.0%
0.6	0.0	0.0%	Interest	0.1	0.1	0.0	5.5%		0.5	0.5	0.0	4.6%
0.6	0.1	18.0%	Other Finance Charge	0.1	0.1	0.0	0.0%		0.4	0.5	0.0	-10.0%
1.9	0.6	31.0%	PDC Dividend	0.2	0.2	0.1	25.1%		1.7	1.3	0.4	22.8%
0.0	3.3	0%	Surplus/ (Deficit)	-0.5	0.3	0.8	-156.6%		2.5	3.4	0.9	35.4%

The year-to-date I&E position at month 7 is a **£3.4m** surplus, **£0.9m** favourable to plan (**£3.1m** surplus, **£0.1m** favourable to plan at month 6). EBITDA is a **£9.3m** surplus, **£0.6m** favourable to plan.

The plan at the start of FY22 was 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. H2 plan submission is for a full year surplus of **£1.0m** (**£1.0m** favourable to plan)

The favourable position is driven by slippage on investments and by **£1.8m** underspend against the allocation for Covid-19 costs. This is despite overspend in services in particular the Oxon & BSW MH directorate (**£4.0m**) compounded by high agency usage. Finance are working with the directorate on the causes of this overspend and an action plan to address it.

The I&E performance in FY22 is **£3.3m** 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 category	£'000s							Total
	Expanding workforce	Decontamination	Existing workforce additional shifts	After Care and Support Costs	Segregation of patient pathways	PPE associated costs		
Employee Benefits (Pay)	7,366	122	70	16	70	50	7,692	
Other Operating Expenses		11		387	3,233	68	3,699	
Total	7,366	133	70	403	3,303	118	11,392	

The Trust has received 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. For H2 (Oct to Mar) the allocation is reduced to **£10,472k** a smaller than anticipated reduction. The spend at month 7 is **£11,392k**, **£1,517k** below the funding and **£321k** below plan. The winter may see tis level of spend increase.

The Covid-19 costs incurred at month 7 as per the NHSE/I categories were:

- Expanding workforce **£7,336k** – 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 **£133k** – minor Estates works, staff testing and mask testing kits
- Existing Workforce additional shifts **£70k** – spend on staff working additional hours
- After Care and Support costs **£403k** – mainly the cost of providing food to staff, which has stopped at the end of June
- Segregation of patient pathways **£3,303k** – 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 **£118k** – 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 6 were:

- Payments to final year students **£78k**
- Covid-19 vaccination centres **£13,549k**

Performance against Plan

	Plan YTD M7	Actual YTD	Variance		Actual YTD		Change	
	FY22	M7 FY22	£'000	%	M7 FY21	£'000	%	
Block	222,944	220,776	-2,169	-1%	148,805	71,971	48%	
Cost & Volume	7,354	7,421	67	1%	7,326	94	1%	
Cost Per Case	3,440	3,264	-176	-5%	3,325	-60	-2%	
CQUIN	1,872	1,881	9	0%	1,575	306	19%	
Local Authority	13,180	12,817	-363	-3%	13,057	-240	-2%	
Section 75 (pooled budget)	3,148	3,276	128	4%	3,170	107	3%	
Private Patients	34	99	65	192%	68	31	46%	
Clinical Income Total	251,973	249,535	-2,438	-1%	177,326	72,209	41%	
Education And Training	9,644	11,227	1,582	16%	8,339	2,887	35%	
Research & Development	7,594	7,636	42	1%	5,880	1,756	30%	
FRF/Top Up Payment	0	13,244	13,244	0%	22,787	-9,543	-42%	
Accommodation	539	566	27	5%	573	-8	-1%	
Catering	0	0	0	0%	0	0	0%	
Non-Patient Care to Other Bodies	988	2,610	1,623	164%	899	1,711	190%	
Other Income	841	877	35	4%	950	-73	-8%	
Parking	44	0	-44	-100%	-12	12	100%	
Oxford Pharmacy Sales	15,392	14,944	-448	-3%	11,243	3,701	33%	
Other Operating Income Total	35,042	51,103	16,061	46%	50,659	443	1%	
Permanent	177,267	144,549	32,718	18%	133,063	-11,487	-9%	
Flexible	3,847	15,701	-11,854	-308%	14,073	-1,628	-12%	
Agency	3,300	34,454	-31,153	-944%	16,596	-17,858	-108%	
Employee Benefits Expenses	184,414	194,704	-10,290	-6%	163,731	-30,973	19%	
Clinical Services & Supplies	42,420	45,230	-2,811	-7%	11,409	-33,821	296%	
Drugs	16,336	16,313	23	0%	13,000	-3,312	25%	
PFI	343	514	-171	-50%	464	-50	11%	
Car Park Security	0	0	0	0%	0	0	0%	
Premises And Fixed Plant	7,852	8,795	-943	-12%	8,944	149	-2%	
Premises - Business Rates	794	825	-32	-4%	784	-41	5%	
Secondary Commissioning	6,486	6,867	-382	-6%	6,987	120	-2%	
Establishment Expenditure	4,433	4,996	-563	-13%	5,360	364	-7%	
Insurance	279	299	-20	-7%	266	-33	13%	
Audit Fees External	50	34	17	33%	33	-1	2%	
Audit Fees Internal	58	48	10	18%	62	14	-23%	
Clinical Negligence	483	483	0	0%	345	-138	40%	
Consultancy	39	2	37	94%	1	-2	319%	
General Supplies And Services	2,982	1,696	1,286	43%	2,125	430	-20%	
Legal Fees	134	309	-175	-131%	148	-161	109%	
Losses And Special Payments	11	9	1	13%	10	1	-9%	
NHS Services	915	1,355	-439	-48%	977	-378	39%	
Other Non-Pay Expenditure	5,710	4,979	732	13%	3,563	-1,416	40%	
Other Services	331	341	-10	-3%	318	-23	7%	
Patient Travel	0	0	0	0%	0	0	0%	
Provisions	33	426	-393	-1192%	181	0	0%	
Redundancy Costs	0	73	-73		45	-29	0%	
Training & Conferences	1,217	956	262	21%	551	-405	74%	
Transport - Business Travel	2,247	1,181	1,066	47%	1,057	-123	12%	
Transport - Other	701	846	-145	-21%	636	-209	33%	
Total Other Operating Expenses	93,854	96,576	-2,722	-3%	57,265	-39,066	68%	
EBITDA Total	8,747	9,358	611	7%	6,989	2,369	34%	

Please see next page for notes

Performance against Plan

EBITDA is a **£9.3m** surplus, **£0.6m** favourable to plan at month 7 (**£8.2m** surplus, **£0.2m** adverse to plan at month 6). The main drivers of the position are:

1. Block Income **£2.2m** adverse -additional income for the risk share in Childrens Continuing Healthcare (**£1.1m**) offset by deferred income on investment funding **£3.4m** adverse; Other **£0.1m** favourable.
2. Education and Training **£1.6m** favourable - **£0.4m** favourable by Health Education England LDA income for apprentices and trainees IAPT and CAMHS GMH in Bucks Directorate; **£0.6m** favourable HEE IAPT Trainees in OBSW directorate; increase in apprenticeship funding from HEE, **£0.3m**; Other **£0.3m** favourable.
3. FRF/Top up Payment **£13.2m** favourable – this is the retrospective top up payments for Covid-19 costs which are not part of the Covid-19 allocation. **£13.1m** 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 **£1.6m** favourable. Additional income **£0.8m** in IM&T for EPMA & **£0.5m** Community services (in particular Dental), other **£0.3m**.
5. Employee Benefits Expenses (Pay) **£10.3m** adverse - **£12.7m** 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 **£3.4m**, Community **£1.5m**, Buckinghamshire **£0.9m** and Specialised **£0.8m**. These are offset by a **£7.8m** 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 **£0.9m** underspend in Research & Development.
6. Clinical Services & Supplies **£2.8m** adverse - **£0.8m** in Childrens Continuing Healthcare (offset with additional income); Childrens Community Nursing **£0.2m** adverse; Tissue Viability service **£0.2m** adverse; **£0.5m** adverse due to additional costs for complex patient in LD services; **£0.9m** 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.
7. Premises and Fixed Plant **£0.9m** adverse. **£0.6m** of this is due the mass vaccination centres. Budgets have not been set for these but the costs are covered by additional income received. **£0.3m** dental equipment.
8. Establishment Expenditure **£563k** adverse of which **£319k** is in OBSW directorate.
9. General Supplies And Services **£1.3m** favourable against Community services **£0.3m**, Covid costs **£0.8m** and **£0.2m** other.
10. Other Non-Pay Expenditure **£0.7m** adverse –**£0.5m** R&D less than expected BRC income offset by favourable position on expenditure; other **£0.3m** adverse
11. Transport - Business Travel **£1.0m** favourable as consequence of Covid.

Performance against Prior Year

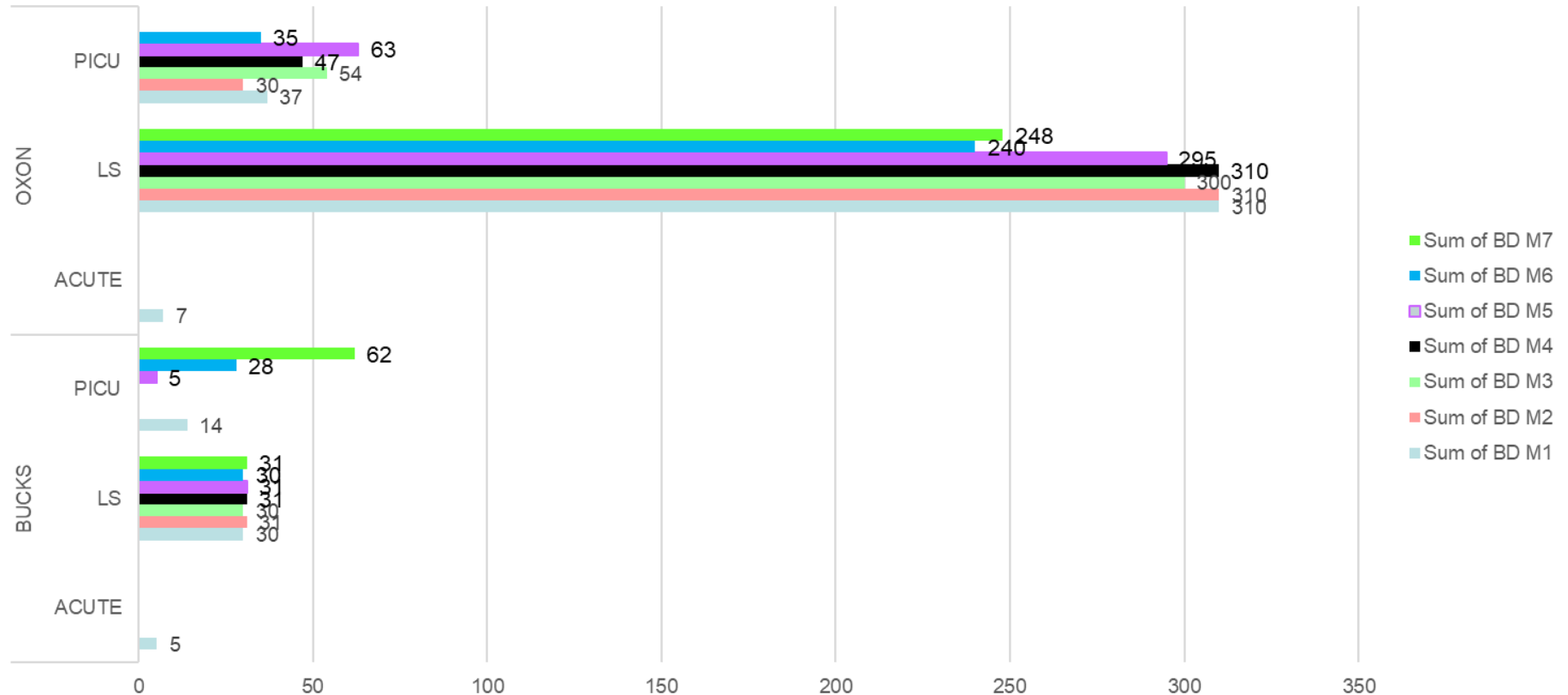
The EBITDA position is **£2.4m** better than last financial year. The significant changes from FY21 are:

1. Block income is **£72.0m** higher than last year due to uplift on block contract values (**£4.0m**), new income for Provider Collaboratives (**£36.0m**) and Covid funding now being reported as block income rather than FRF income (**£12.8m**). The remaining change is primarily due to new investment in mental health services.
2. Education & Training income is **£2.9m** higher than last year due to: additional income in IAPT services to support trainees (**£0.8m**), higher apprenticeship income (**£0.6m**) in L&D, higher numbers of trainees in the Oxford Institute of Psychology training (**£0.5m**), **£0.6m** income in the Oxfordshire Training Hub following the transfer of this service from OxFed from April. **£0.4m due to Health Education England LDA income for apprentices in Bucks.**
3. Research & Development income is **£1.8m** higher than last year due to additional grant and study income of which **£0.2m** relates to Covid-19 related research.
4. FRF/Top Up Payment is **£9.5m** 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.
5. Non-Patient Care to Other Bodies **£1.7m** higher than last year due to additional income in IM&T, HR and Community directorates.
6. Oxford Pharmacy Sales are **£3.7m** higher than last year. At the beginning of FY21 sales were low due to the effect of Covid-19 on acute hospital activity.
7. Permanent staff costs have increased by **£11.5m** from last year due to: **£6.4m** new costs in Oxfordshire & BSW MH and Buckinghamshire MH directorates as a result of investment in these services; FY22 pay award **£4.1m** (3%); **£0.5m** increase in costs in Research & Development as a result of higher grant and study income; Other **£0.5m**.
8. Flexible staff costs have increased by **£1.6m** 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; **£0.6m** increase across clinical directorates; **£0.3m** increase in costs in Research & Development; Other **£0.3m**.
9. Agency staff costs have increased by **£17.9m** from last year, of which **£12.0m** is attributable to the Covid-19 mass vaccination centres, **£1.0m** Covid prevention, **£1.7m** is in Community Hospitals, **£0.6m** is the costs of additional staffing required for a Learning Disabilities patient on the 136 suite, with the remaining **£2.6m** increase across multiple services in particular OxBSW directorate **£1.7m**.
10. Clinical Services & Supplies are **£33.8m** higher than last year due to **£30.6m** payments to other providers as part of the CAMHS and Secure Provider Collaboratives, **£0.8m** additional sub-contract costs in IAPT services due to investment in these services, **£0.8m** 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, **£1.4m**.
11. Drugs costs are **£3.3m** higher than last year due to higher sales in Oxford Pharmacy Store.
12. Other non pay expenditure **£1.4m** higher than last year. **£0.6m** R&D; E&F emergency planning **£0.2m**; Other **£0.6m**.

Out of Area Treatments (OATs)

OATs are £333k overspent at month 7 (£688k overspend in Oxfordshire offset with a £355k underspend in Buckinghamshire). This excludes the costs of a 16 bed contract with Elysium and acute OATs which are reported under Covid-19 costs. This is a further spend of £1,636k. 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.

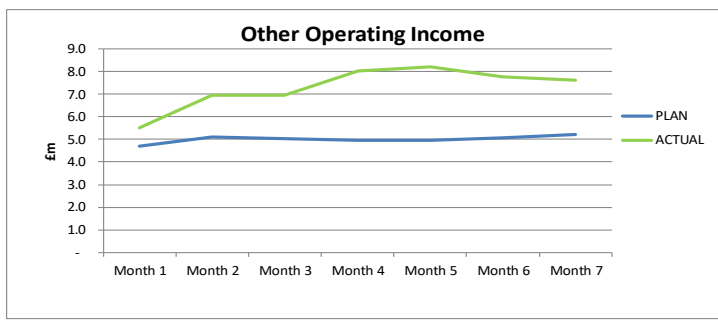
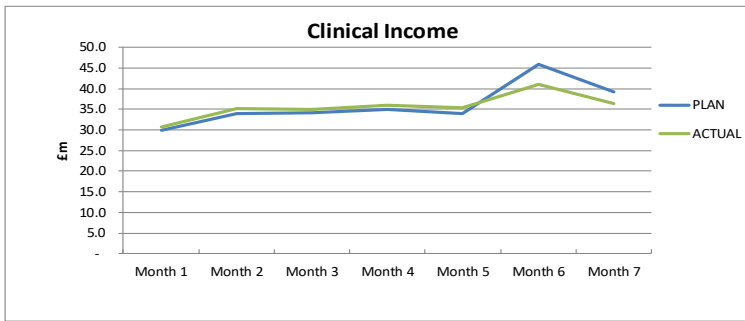
Bed Days YTD - Month 7 FY22



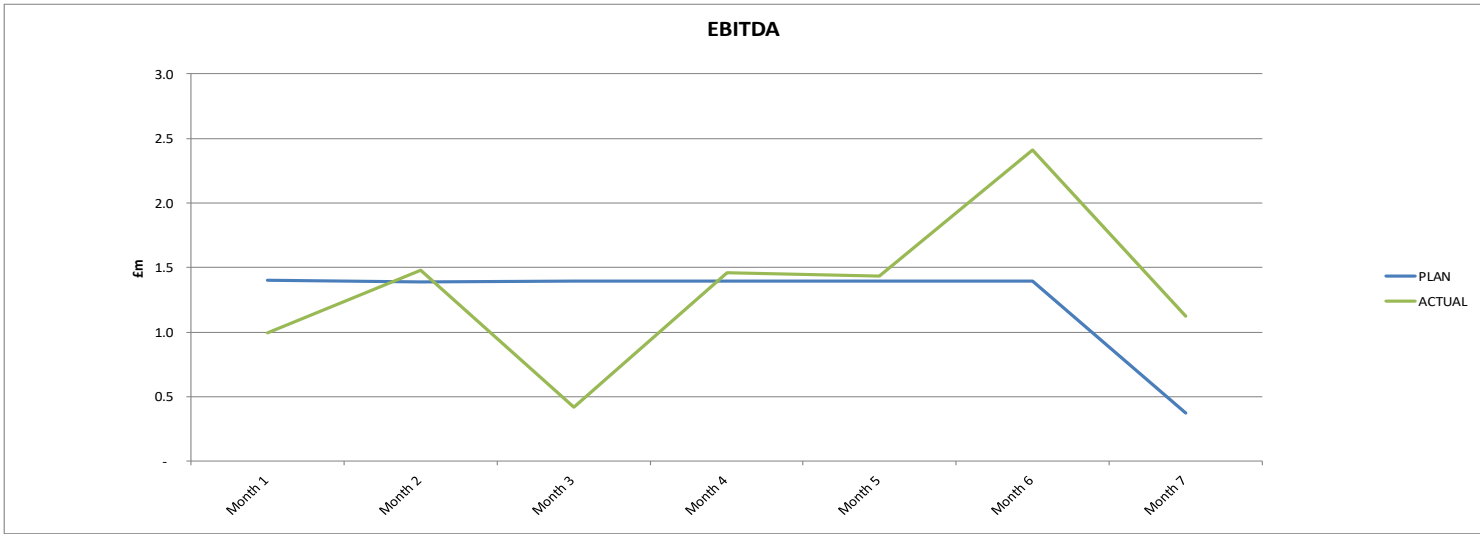
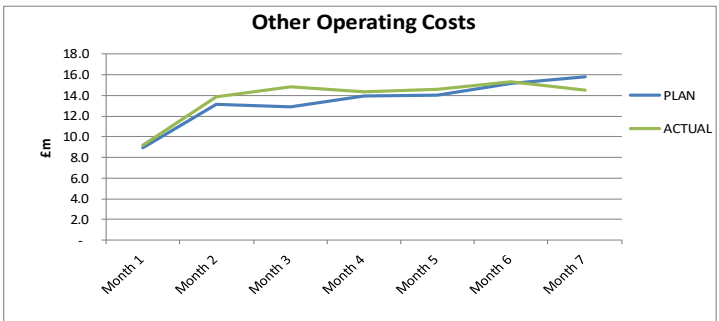
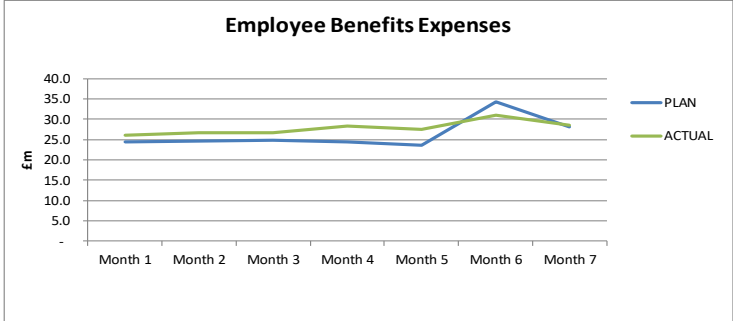
Variance to Plan by Month

PLAN	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	
	£m	£m	£m	£m	£m	£m	£m	
Clinical Income	29.9	34.0	34.1	34.9	34.0	45.8	39.2	
Other Operating Income	4.7	5.1	5.0	5.0	5.0	5.1	5.2	
Operating Income Total	34.6	39.1	39.1	39.9	38.9	50.9	44.4	
Employee Benefits Expenses	24.3	24.6	24.8	24.5	23.5	34.4	28.2	
Other Operating Costs	8.9	13.1	12.9	14.0	14.0	15.1	15.8	
Operating Expenses Total	33.2	37.7	37.7	38.5	37.5	49.5	44.0	
EBITDA	1.4	1.4	1.4	1.4	1.4	1.4	0.4	
ACTUAL	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	
	£m	£m	£m	£m	£m	£m	£m	
Clinical Income	30.7	35.1	34.9	36.1	35.3	41.0	36.4	
Other Operating Income	5.5	6.9	7.0	8.0	8.2	7.8	7.6	
Operating Income Total	36.2	42.1	41.9	44.1	43.5	48.8	44.1	
Employee Benefits Expenses	26.0	26.7	26.6	28.3	27.6	31.0	28.5	
Other Operating Costs	9.2	13.9	14.8	14.4	14.6	15.3	14.5	
Operating Expenses Total	35.2	40.6	41.5	42.6	42.1	46.4	42.9	
EBITDA	1.0	1.5	0.4	1.5	1.4	2.4	1.1	
VARIANCE	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	
	£m	£m	£m	£m	£m	£m	£m	
Clinical Income	0.7	1.1	0.8	1.1	1.4	-	4.8	
Other Operating Income	0.8	1.8	1.9	3.1	3.3	2.7	2.4	
Operating Income Total	1.5	3.0	2.8	4.2	4.6	-	2.1	
Employee Benefits Expenses	-	1.7	-	2.1	-	1.8	-	3.7
Other Operating Costs	-	0.3	-	0.7	-	1.9	-	0.4
Operating Expenses Total	-	1.9	-	2.9	-	3.7	-	4.1
EBITDA	-	0.4	0.1	-	1.0	0.1	0.0	1.0

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2. Clinical Income

CLINICAL INCOME	YTD at month 7			
	Plan	Actual	Variance	Variance
	£'000	£'000	£'000	%
Any Qualified Provider	1,989	1,989	0	0%
Bath & NE Somerset Block	0	0	0	0%
Berkshire Block	111	110	(1)	0%
Buckinghamshire Block	31,249	31,510	261	1% ①
Buckinghamshire Block - IAPT	0	0	0	0%
Buckinghamshire County Council	5,953	5,953	0	0%
Buckinghamshire S75 (pooled budget)	2,096	2,224	128	6% ②
Cost per Case Income	1,410	1,253	(157)	-11% ③
CQUIN provision	0	0	0	0%
Department of Health & Social Care	0	0	0	100%
Income from NHS Trusts	1,097	1,163	65	6%
Nene Block	0	0	0	0%
NHS BSW	8,998	8,269	(729)	-8% ④
NHS England Block	61,953	65,068	3,115	5% ⑤
NHS England Cost & Volume	401	384	(17)	-4%
NHS England New Care Models	0	0	0	0%
NHS England FCAMHS	637	637	0	0%
NHS Northamptonshire	545	545	0	0%
Other CCGs Income	5,485	4,153	(1,332)	-24% ⑥
Other Local Authority	20	(1)	(21)	-106%
Oxfordshire Block - IAPT	6,001	6,159	159	3% ⑦
Oxfordshire Block - Learning Disabilities	4,027	4,027	(0)	0%
Oxfordshire Block - main contract	61,262	61,310	49	0%
Oxfordshire Block - OBC	36,985	33,293	(3,693)	-10% ⑧
Oxfordshire Block - CAMHS	8,655	8,601	(54)	-1%
Oxfordshire Cost & Volume	4,215	4,298	83	2%
Oxfordshire County Council	6,905	6,563	(342)	-5% ⑨
Oxfordshire S75 (pooled budget)	1,052	1,052	(0)	0%
Personal Injury Compensation	65	47	(18)	-28%
Private Patients	34	99	65	192%
Swindon Block	0	0	0	0%
Wales Cost & Volume	527	527	0	0%
Wiltshire Block	0	0	0	0%
Wiltshire Borough Council	302	302	0	0%
Clinical Income Total	251,973	249,535	(2,438)	-1%

Clinical income is **£2,438k** adverse to plan at month 7. Material variances to the plan are:

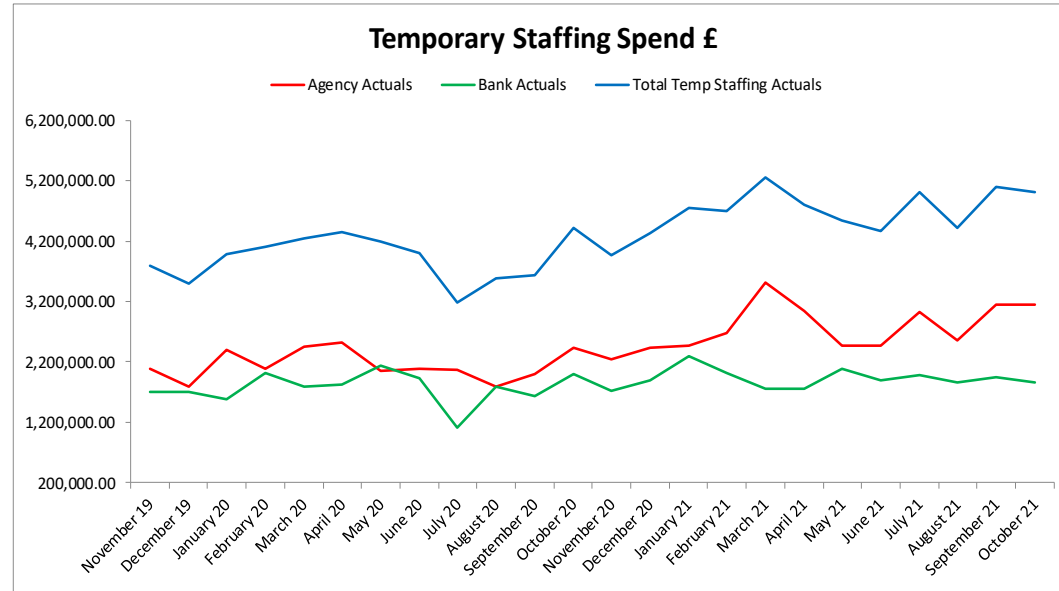
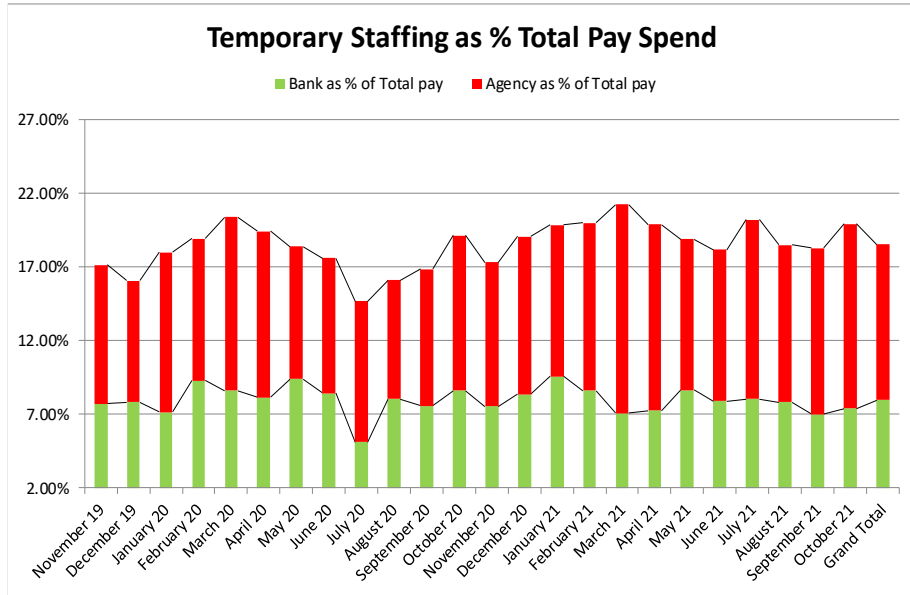
1. Bucks Block **£261k** favourable due to due to release of FY21 deferred income.
2. Additional Bucks S75 income **£128k** favourable.
3. Cost per case **£157k** adverse due to less income than planned in Oxfordshire Mental Health Community Teams.
4. BSW **£729k** adverse due to deferred investment income.
5. NHS England Block **£3,115k** favourable – due to extra due to extra packages of care in inpatient CAMHS and secure and additional income for ISP pricing changes.
6. Other CCGs income **£1,332k** adverse – income received for the pay award is less than budgeted
7. Oxfordshire Block IAPT **£159k** favourable – additional investment to match expenditure.
8. Oxfordshire Block Main - **£3,693k** adverse due deferral of investment funding
9. OCC **£342k** adverse due to low productivity levels in Complex Care

3. Non-Clinical Income

NON-CLINICAL INCOME	YTD at month 7			
	Plan £'000	Actual £'000	Variance £'000	Variance %
Education & Training	9,644	11,227	1,582	16%
Other Operating Income	17,804	32,240	14,436	81%
Research & Development	7,594	7,636	42	1%
Non- Clinical Income Total	35,042	51,103	16,061	46%

- Education & Training income **£1,582k** favourable due to **£449k** favourable by Health Education England LDA income for apprentices and trainees IAPT and CAMHS GMH in Bucks Directorate; **£643k** favourable HEE IAPT Trainees in OBSW directorate; increase in apprenticeship funding from HEE, **£293k**; Other **£197k** favourable.
- Other Operating Income **£14,436k** favourable due to retrospective top up payments for the costs of the mass vaccination centres (**£13,221k**), payments to final year students (**£78k**), IM&T (**£773k**) and **£812k** across other services (in particular Community Directorate services, **£554k**); partially offset with lower than planned sales in Oxford Pharmacy Store (**£448k**).
- Research & Development income is **£42k** favourable

4. Agency



The Trust does not budget for agency costs but has included expected agency costs of **£56.9m** for FY22 in the plan submitted to NHSE/I. This includes **£22.4m** for the cost of staffing the mass vaccination centres. Excluding mass vaccination centres expected agency costs are **£34.5m**

At month 7 **£19.9m** has been spent on agency staff (excluding **£14.6m** for Covid related agency), **£0.2m** less than 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 Programme FY22 at month 07						
Project	YTD Plan	YTD Actual	YTD Variance	Full Year Plan FY22	Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
International Recruitment (IQRA)	219	211	-8	376	376	0
HCA Recruitment Inpatient MH (IQRA)	117	0	-117	200	200	0
HCA Recruitment Staffing Solutions (IQRA)	2	0	-2	3	3	0
HCA Recruitment Peri Community Hospitals (IQRA)	47	0	-47	80	80	0
Agency Management (IQRA)	16	0	-16	27	27	0
Agency Reduction - Improved recruitment	639		-639	1,095		-1,095
Non pay expenditure (Claimed business miles, room hire and training)	988	871	-117	1,694	1,493	-201
Pharmacy Medicine Outsourcing 3 months	7		-7	12		-12
Pharmacy Drug Cost Price Reduction 12 Months	25		-25	42		-42
	0		0	0		0
Total	2,059	1,082	-977	3,529	2,179	-1,350

- The FY22 CIP Target is **£3.5m**. The target represents 0.9% of turnover which is less than pre-Covid-19.
- The savings as at the end of month 7 are **£1.1m** arising from reduction in non-pay expenditure such as business miles and room hire costs and reduction in agency premium costs resulting from the recruitment of international nurses.
- The YTD and forecast savings are **£1.0m & £1.4m** 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 October 2021

31 March 2021		Movement			
		Month 6 FY22	Month 7 FY22	Year to date	In month
£'000		£'000	£'000	£'000	£'000
	Non-current assets				
4,359	Intangible Assets	3,466	3,332	(1,026)	(134)
145,308	Property, plant and equipment	144,176	143,994	(1,314)	(182)
187	Trade and other receivables	187	187	0	0
149,854	Total non-current assets	147,829	147,514	(2,341)	(315)
	Current Assets				
1,609	Inventories	2,888	4,644	3,035	1,755
12,981	Trade and other receivables	27,511	25,187	12,206	(2,324)
	Non-current assets held for sale	0	0	0	0
55,696	Cash and cash equivalents	52,745	65,169	9,473	12,425
70,286	Total current assets	83,144	95,000	24,714	11,856
	Current Liabilities				
(54,601)	Trade and other payables	(52,893)	(60,064)	(5,463)	(7,171)
(1,919)	Borrowings	(1,923)	(1,980)	(60)	(57)
(1,968)	Other financial liabilities	(1,968)	(1,968)	0	0
(1,741)	Provisions	(1,795)	(1,832)	(91)	(37)
(8,844)	Deferred income	(19,297)	(23,355)	(14,512)	(4,058)
(69,073)	Total Current Liabilities	(77,876)	(89,200)	(20,126)	(11,323)
	Non-current Liabilities				
	Trade and other payables	0	0	0	0
(17,723)	Borrowings	(16,779)	(16,733)	990	46
(3,868)	Provisions	(3,726)	(3,694)	173	31
(1,351)	Other Liabilities	(1,351)	(1,351)	0	0
(22,942)	Total non-current liabilities	(21,856)	(21,778)	1,164	77
128,125	Total assets employed	131,241	131,536	3,411	295
	Financed by (taxpayers' equity)				
99,120	Public Dividend Capital	99,120	99,120	1	0
19,180	Revaluation reserve	18,911	19,093	(86)	182
	Other reserves	0	0	0	0
9,826	Income & expenditure reserve	13,210	13,322	3,496	112
128,125	Total taxpayers' equity	131,241	131,536	3,411	295

1. Non-current assets have decreased by **£2.3m** in-year and by **£0.3m** in month. The in-year decrease is driven by the M1-7 depreciation charge of **£3.6m** and offset by capital additions of **£1.3m**.
2. The in-year increase in the inventories balance of **£3m** 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 **£12.2m** in year and decreased by **£2.3m** in month. Most of the in-year increase is due to accrued income of **£10.4m**, which includes **£8.7m** of retrospective vaccination costs from NHSE for the last 4 months.
4. Cash has increased by **£9.4m** in year and **£12.4m** in month. The in-year increase 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 and deferred income (notes 3 and 5).
5. Trade and other payables have increased by **£5.4m** in year and **£7.1m** in month in line with increases in accrued expenditure.
6. Deferred income has increased by **£14.5m** in year and **£4.1m** in-month. Most of the increase in year can be attributed to **£4.4m** of Q3 HEE funding and **£5.9m** of SDF/SR & Growth funding. This deferred income (and expenditure) is expected to unwind over the course of the year.
7. Borrowings have decreased **£1m** in-year in line with the capital repayments against the outstanding PFI liability and DH loan.
8. The in-year movements in the I&E reserve reflect the Trust's reported surplus for the first 7 months of the year.

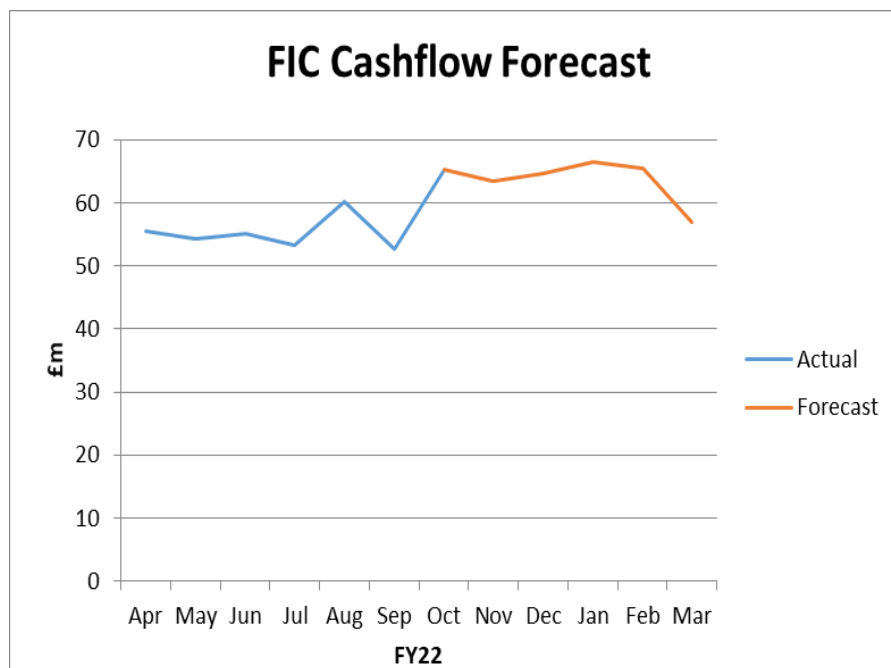
7. Cash Flow

STATEMENT OF YEAR TO DATE CASH FLOWS

	Month 7 FY22		
	Actual £'000	Plan £'000	Variance £'000
Cash flows from operating activities			
Operating surplus/(deficit) from continuing operations	5,702	5,297	405
Operating surplus/(deficit) from discontinuing operations	0	0	0
Operating surplus/(deficit)	5,702	5,297	405
Non-cash income and expense:			
Depreciation and amortisation	3,656	3,603	53
Impairments and profit on disposal of assets	0	0	0
Income recognised in respect of capital donations (cash and non-cash)	(38)	0	(38)
(Increase)/Decrease in Trade and Other Receivables	(12,332)	(4,445)	(7,887)
(Increase)/Decrease in Inventories	(3,035)	(273)	(2,762)
Increase/(Decrease) in Trade and Other Payables	7,737	(2,515)	10,252
Increase/(Decrease) in Deferred Income	14,512	(2,281)	16,793
Increase/(Decrease) in Provisions	(82)	0	(82)
Other Movements in Operating Cashflows	0	0	0
NET CASH GENERATED FROM/(USED IN) OPERATIONS	16,120	(614)	16,734
Cash flows from investing activities			
Interest received	14	14	(0)
Purchase of Non Current Assets	(3,629)	(7,142)	3,513
Sale of PPE	0	0	0
Net cash generated from/(used in) investing activities	(3,616)	(7,128)	3,512
Cash flows from financing activities			
Public dividend Capital Received	0	496	(496)
Loans received	0	0	0
Loans repaid	(669)	(669)	0
Capital element of lease rental payments	0	0	0
Capital element of Private Finance Initiative Obligations	(276)	(253)	(22)
Interest paid	(344)	(351)	7
Interest element on leases	0	0	0
Interest element of Private Finance Initiative obligations	(532)	(620)	88
PDC Dividend paid	(1,211)	(1,258)	47
Net cash generated from/(used in) financing activities	(3,031)	(2,655)	(376)
Increase/(decrease) in cash and cash equivalents	9,473	(10,397)	19,870
Cash and Cash equivalents at 1st April	55,697	55,697	0
Cash and Cash equivalents at 31st October	65,170	45,300	19,870

Summary Notes

- The cash flow movements are consistent with the comments made on the Statement of Financial Position.
- The closing cash position at Month 7 was **£65.1m**.



8. Working Capital Indicators

Working Capital Ratios			
Ratio	Target	Actual	Risk Status
Debtor Days	30	37	●
Debtors % > 90 days	5.0%	26.8%	●
Creditor Days	30	42	●
BPPC NHS - Value of Inv's pd within target (ytd)	95.0%	85.7%	●
BPPC Non-NHS - Value of Inv's pd within target (ytd)	95.0%	91.6%	●
Cash (£m)	50.7	65.1	●

Summary Notes

- Debtor days at month 7 are marginally off target.
- Debtors % over 90 days are below target due to overdue invoices, specifically with Oxfordshire CCG £442k and Oxfordshire County Council £405k
- 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 94.7% in month)
- Non-NHS BPPC (which represents 76% of non-pay expenditure) is marginally below target (and 96% 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 receivers' 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-OCTOBER (M7)									
Planned Schemes	Year To Date £000					FY22 Outturn £000			
	FY22 Original Plan (A)	Updated plan (B)	YTD updated Plan (C)	YTD Actual Expenditure (D)	Variance (C-D)	System Commitment (E)	Actual Plus Commitment F=(C+D)	Variance (B-F)	
Estates	6,002	4,075	3,163	671	2,492	1,505	2,176	1,899	
IT	1,230	1,230	547	132	415	142	274	956	
PFI	100	100	58	12	46	-	12	88	
Highfield PICU	3,800	2,750	506	506	(0)	2,244	2,750	0	
Global Digital Exemplar DoH Funding FY19	-	-	-	(88)	88	541	453	-453	
Other Project								-	
Medical Equipment	186	186	100	84	16	217	301	-115	
Sub total	11,318	8,341	4,460	1,317	3,144	4,650	5,966	2,375	
Revenue Backed Projects									
Other IT EPMA	777	777	777	777	-	-	777	0	
Other Dental	314	314	314	314	-	-	314	0	
Total	1,091	1,091	1,091	1,091	-	-	1,091	-	
Grand Total	12,409	9,432	5,551	2,408	3,144	4,650	7,057	2,375	

- 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 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 and be funded by the ICS via a separate funding stream (the ERF) – see above.
- Following a delay in the PICU project, the updated expenditure plan has been reduced to **£9.4m** for the year. The plan is defer **£3m** of PDC backed funding into next year to finish the project.
- The actual net spend to the end of October 2021 is **£2,408k**, which includes revenue backed projects totalling **£1,091k**.

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 7 FY22						
	Board Report	Remove Section 75 Income and Costs	Category Changes	National supplied PPE	NHSI Template	
	£m	£m	£m	£m	£m	£m
Clinical Income	249.5	-2.2				247.3
Other Operating Income	51.1					51.1
Operating Income, Total	300.6	-2.2	0.0	0.0		298.4
Employee Benefit Expenses (Pay)	194.7	-2.0				192.7
Other Operating Expenses	96.6	-0.2				96.4
Operating Expenses, Total	291.3	-2.2	0.0	0.0		289.1
Non-Operational Income						0.0
EBITDA	9.3	0.0	0.0	0.0		9.3
Profit/(Loss) on asset disposal	0.0					0.0
Depreciation and Amortisation	3.7					3.7
Asset Impairment	0.0					0.0
Interest	0.5					0.5
Other Finance Charge	0.5					0.5
PDC Dividend	1.3					1.3
Surplus/ (Deficit)	3.4	0.0	0.0	0.0		3.4