

Report to Board of Directors

For Information

Finance Report June 2021 (Month 3), 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 3	Year-to-Date
EBITDA performance	£0.4m surplus, £1.0m adverse to plan	£2.9m surplus, £1.3m adverse to plan
I&E performance	£0.4m deficit, £0.9m adverse to plan	£0.3m surplus, £1.2m adverse to plan
Cost Improvement Plan	£0.1m, £0.1m adverse to plan	£0.4m, £0.3m adverse to plan
Capital Expenditure	£42k, £0.9m favourable to plan	£42k, £0.9m favourable to plan
Cash	Increase of £0.8m	£55.1m

- The year-to-date I&E position at month 2 is a **£0.3m** surplus, **£1.2m** adverse to plan. EBITDA is a **£2.9m** surplus, **£1.3m** 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 **£2.1m** adverse variance at month 3. 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 **£1.5m** underspend against the allocation for Covid-19 costs.
- CIP savings YTD are **£0.4m**, **£0.3m** adverse to plan due to a delay in CIP engagement as a result of Covid-19.
- Capital spend is **£42k**, **£0.9m** favourable to plan. The low spend is mainly due to VAT recovery claims.
- The closing cash position at the end of June was **£55.1m**.

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 M3	Prior Year				Month 3				Year-to-Date			
	£m	Change £m	%		Plan £m	Actual £m	Variance £m	%	Plan £m	Actual £m	Variance £m	%
74.4	26.4	35.4%	Clinical Income	34.1	34.9	0.8	2.4%	98.0	100.7	2.7	2.7%	
22.4	-3.0	-13.5%	Other Operating Income	5.0	7.0	1.9	38.7%	14.8	19.4	4.6	30.7%	
96.8	23.3	24.1%	Operating Income, Total	39.1	41.9	2.8	7.1%	112.9	120.1	7.2	6.4%	
70.3	-9.1	-13.0%	Employee Benefit Expenses (Pay)	24.8	26.6	-1.8	-7.5%	73.7	79.4	-5.7	-7.7%	
23.5	-14.4	-61.2%	Other Operating Expenses	12.9	14.8	-1.9	-14.7%	35.0	37.8	-2.9	-8.2%	
93.7	-23.5	-25.0%	Operating Expenses, Total	37.7	41.5	-3.7	-9.9%	108.7	117.2	-8.5	-7.8%	
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%	
3.1	-0.2	-5.1%	EBITDA	1.4	0.4	-1.0	-70.2%	4.2	2.9	-1.3	-30.9%	
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%	
1.8	0.1	5.7%	Depreciation and Amortisation	0.5	0.5	0.0	0.7%	1.5	1.6	-0.1	-5.0%	
0.0	0.0	0.0%	Asset Impairment	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	
0.2	0.0	0.0%	Interest	0.1	0.1	0.0	5.5%	0.2	0.2	0.0	4.5%	
0.2	0.0	0.0%	Other Finance Charge	0.1	0.1	0.0	0.0%	0.2	0.2	0.0	-5.4%	
0.8	0.3	35.8%	PDC Dividend	0.2	0.2	0.0	16.3%	0.7	0.6	0.2	22.6%	
0.0	0.2	1083384%	Surplus/ (Deficit)	0.5	-0.4	-0.9	-186.5%	1.5	0.3	-1.2	-80.3%	

The year-to-date I&E position at month 3 is a **£0.3m** surplus, **£1.2m** adverse to plan (**£0.7m** surplus, **£0.3m** adverse to plan at month 2). EBITDA is a **£2.9m** surplus, **£1.3m** 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 **£2.1m** adverse variance at month 3. 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 **£1.5m** 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 3 position and assumed to be linear throughout the year.

The I&E performance in FY22 is **£0.2m** 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						Total
	Expanding £'000s workforce	Decontamination	Existing workforce additional shifts	After Care and Support Costs	Segregation of patient pathways	PPE associated costs	
Employee Benefits (Pay)	2,413	64	40	5		50	2,572
Other Operating Expenses		1		261	909	63	1,234
Total	2,413	65	40	266	909	113	3,806

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 3 is **£3,806k, £1,777k** below the funding.

The Covid-19 costs incurred at month 3 as per the NHSE/I categories were:

- Expanding workforce **£2,413k** – 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 **£65k** – minor Estates works, staff testing and mask testing kits
- Existing Workforce additional shifts **£40k** – spend on staff working additional hours
- After Care and Support costs **£266k** – mainly the cost of providing food to staff, which has stopped at the end of June
- Segregation of patient pathways **£909k** – 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 3 were:

- Payments to final year students **£78k**
- Covid-19 vaccination centres **£4,437k**

	Plan YTD M3		Actual YTD		Actual YTD		Change	
	FY22	M3 FY22	Variance		M3 FY21			
	£'000	£'000	£'000	%	£'000	£'000	%	
Block	86,011	88,869	2,857	3%	62,077	26,792	43%	①
Cost & Volume	3,120	3,185	66	2%	3,160	26	1%	
Cost Per Case	1,475	1,383	-92	-6%	1,507	-124	-8%	
CQUIN	804	804	0	0%	677	128	19%	
Local Authority	5,268	5,076	-192	-4%	5,571	-494	-9%	
Section 75 (pooled budget)	1,349	1,356	7	1%	1,356	0	0%	
Private Patients	15	40	25	173%	19	21	111%	
Clinical Income Total	98,042	100,714	2,672	3%	74,366	26,348	35%	
Education And Training	4,095	4,532	437	11%	3,316	1,215	37%	②
Research & Development	3,267	3,489	222	7%	2,204	1,285	58%	③
FRF/Top Up Payment	0	4,555	4,555		11,577	-7,022	-61%	④
Accommodation	231	227	-4	-2%	243	-17	-7%	
Catering	0	0	0	0%	0	0	0%	
Non-Patient Care to Other Bodies	405	573	168	41%	585	-12	-2%	
Other Income	361	190	-171	-47%	405	-215	-53%	
Parking	19	0	-19	-100%	0	0	-100%	
Oxford Pharmacy Sales	6,462	5,838	-624	-10%	4,107	1,731	42%	⑤
Other Operating Income Total	14,840	19,403	4,563	31%	22,437	-3,034	-14%	
Permanent	70,665	60,172	10,493	15%	57,028	-3,144	-6%	⑥
Flexible	1,649	8,771	-7,122	-432%	6,103	-2,668	-44%	⑦
Agency	1,414	10,446	-9,031	-638%	7,134	-3,311	-46%	⑧
Employee Benefits Expenses	73,728	79,389	-5,660	-8%	70,266	-9,123	13%	
Clinical Services & Supplies	15,822	17,087	-1,266	-8%	5,224	-11,863	227%	⑨
Drugs	6,879	6,489	390	6%	4,887	-1,602	33%	⑩
PFI	147	196	-49	-33%	174	-22	13%	
Car Park Security	0	0	0		0	0		
Premises And Fixed Plant	3,419	3,662	-243	-7%	3,755	93	-2%	
Premises - Business Rates	340	345	-4	-1%	286	-58	20%	
Secondary Commissioning	2,778	2,850	-72	-3%	2,768	-82	3%	
Establishment Expenditure	1,899	2,047	-148	-8%	2,244	197	-9%	
Insurance	71	140	-69	-98%	115	-25	22%	
Audit Fees External	22	15	7	32%	14	-1	5%	
Audit Fees Internal	25	18	6	26%	26	8	-29%	
Clinical Negligence	167	249	-82	-49%	148	-101	68%	
Consultancy	17	-12	29	174%	1	13	-1395%	
General Supplies And Services	1,263	809	454	36%	983	175	-18%	
Legal Fees	57	93	-36	-63%	48	-45	95%	
Losses And Special Payments	5	3	2	39%	4	1	-26%	
NHS Services	392	388	4	1%	417	29	-7%	
Other Non-Pay Expenditure	-251	1,855	-2,105	-840%	1,129	-726	64%	⑪
Other Services	142	149	-7	-5%	134	-15	11%	
Patient Travel	0	0	0	0%	0	0	0%	
Provisions	14	180	-166	-1177%	66	0	0%	
Redundancy Costs	0	71	-71		45	-27	0%	
Training & Conferences	503	377	126	25%	228	-150	66%	
Transport - Business Travel	957	490	467	49%	470	-20	4%	
Transport - Other	298	334	-35	-12%	312	-22	7%	
Total Other Operating Expenses	34,966	37,836	-2,870	-8%	23,479	-14,243	61%	
EBITDA Total	4,188	2,892	-1,295	-31%	3,059	-166	-5%	

Performance against Plan

EBITDA is a **£2.9m** surplus, **£1.3m** adverse to plan at month 3 (**£2.5m** surplus, **£0.3m** adverse to plan at month 2). The main drivers of the position are:

1. Block Income **£2.9m** favourable – due to contribution from additional investment for which budget has not been set (**£1.5m** and additional income for the risk share in Childrens Continuing Healthcare (**£0.4m**). 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. FRF/Top up Payment **£4.6m** favourable – this is the retrospective top up payments for Covid-19 costs which are not part of the Covid-19 allocation. **£4.4m** is for the costs of running the vaccination sites and **£0.1m** is to cover the costs of paid final year students.
3. Oxford Pharmacy Sales **£0.6m** adverse - due to lower than planned sales in Oxford Pharmacy Store.
4. Employee Benefits Expenses (Pay) **£5.7m** adverse - **£4.1m** 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 **£1.7m**, Community **£0.7m**, Buckinghamshire **£0.6m** and Specialised **£0.5m**. 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 **£1.2m** on Covid-19 costs and a **£0.3m** underspend in Research & Development.
5. Clinical Services & Supplies **£1.3m** adverse - **£0.4m** in Childrens Continuing Healthcare (offset with additional income), **£0.5m** 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 **£0.2m** across other services.
6. Other Non-Pay Expenditure **£2.1m** 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.

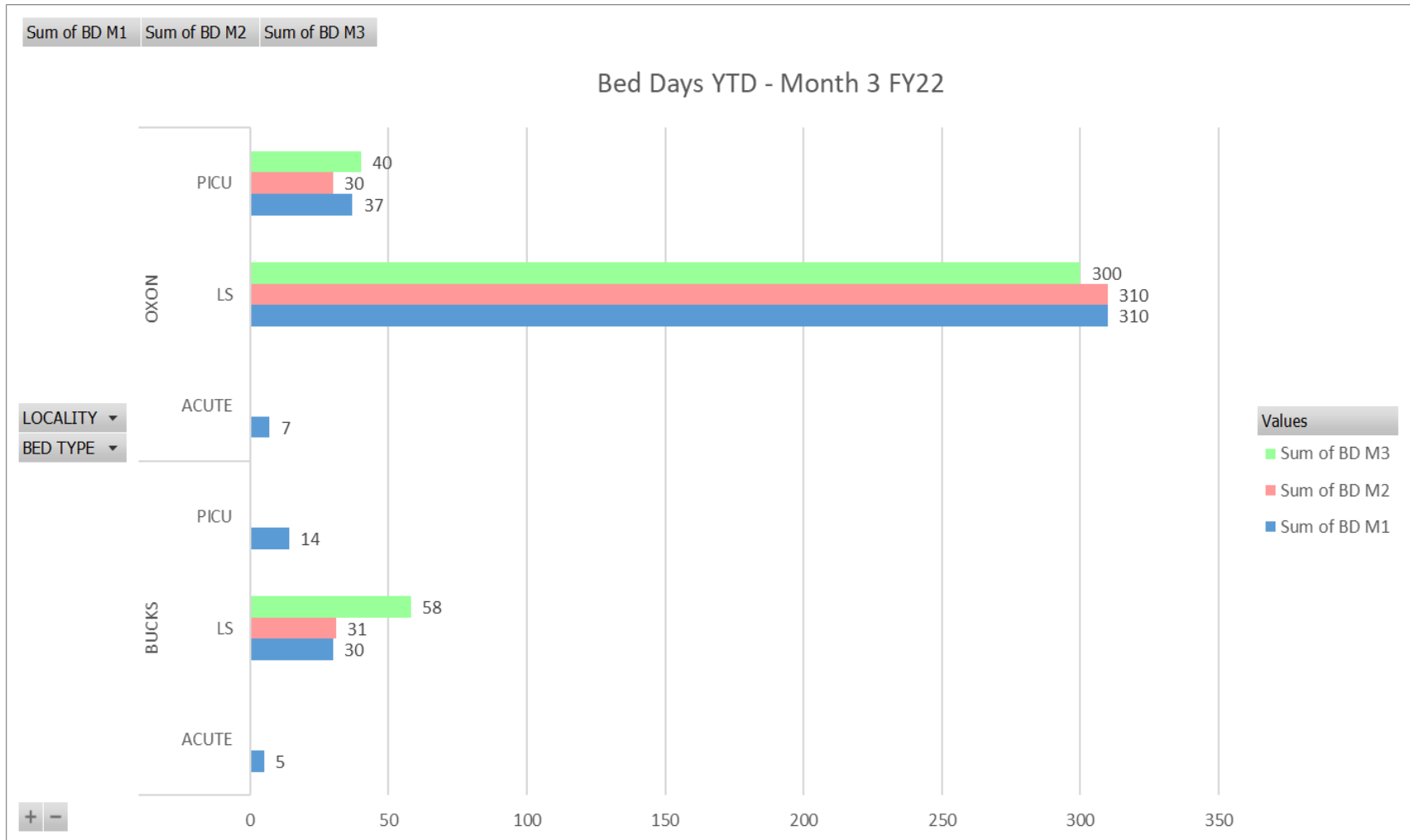
Performance against Prior Year

The EBITDA position is **£0.2m** worse than last financial year. The significant changes from FY21 are:

1. Block income is **£26.8m** higher than last year due to uplift on block contract values (**£0.3m**, 0.5%), new income for Provider Collaboratives (**£13.4m**) and Covid funding now being reported as block income rather than FRF income (**£5.6m**). The remaining change is primarily due to new investment in mental health services.
2. Education & Training income is **£1.2m** higher than last year due to additional income in IAPT services to support trainees (**£0.4m**), higher apprenticeship income (**£0.2m**), higher numbers of trainees in the Oxford Institute of Psychology training (**£0.2m**), **£0.2m** additional training income from Health Education England and **£0.2m** income in the Oxfordshire Training Hub following the transfer of this service from OxFed from April.
3. Research & Development income is **£1.3m** 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 **£7.0m** 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. Oxford Pharmacy Sales are **£1.7m** higher than last year. At the beginning of FY21 sales were low due to the effect of Covid-19 on acute hospital activity.
6. Permanent staff costs have increased by **£3.1m** from last year, due to **£2.2m** new costs in Oxfordshire & BSW MH and Buckinghamshire MH directorates as a result of investment in these services last year, **£0.6m** costs for Covid-19 as a result of not recording Covid-19 costs fully for the first few months of last year and a **£0.3m** increase in costs in Research & Development as a result of higher grant and study income.
7. Flexible staff costs have increased by **£2.7m** from last year, of which **£2.4m** is due to staffing the Covid-19 mass vaccination centres and **£0.4m** is an increase in Covid-19 costs as a result of not recording these fully for the first few months of last year, offset with a net **£0.1m** decrease across other services.
8. Agency staff costs have increased by **£3.3m** from last year, of which **£1.6m** is attributable to the Covid-19 mass vaccination centres, **£0.4m** is as a result of not recording Covid-19 costs fully for the first few months of last year, **£0.5m** is in Community Hospitals, **£0.4m** is the costs of additional staffing required for a Learning Disabilities patient on the 136 suite, with the remaining **£0.4m** increase across multiple services.
9. Clinical Services & Supplies are **£11.9m** higher than last year due to **£10.9m** payments to other providers as part of the CAMHS and Secure Provider Collaboratives, **£0.3m** additional sub-contract costs in IAPT services due to investment in these services, **£0.2m** 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.
10. Drugs costs are **£1.6m** higher than last year due to higher sales in Oxford Pharmacy Store.
11. Other Non-Pay Expenditure is **£0.7m** higher than last year due to increased costs in Research & Development as a result of higher levels of income.

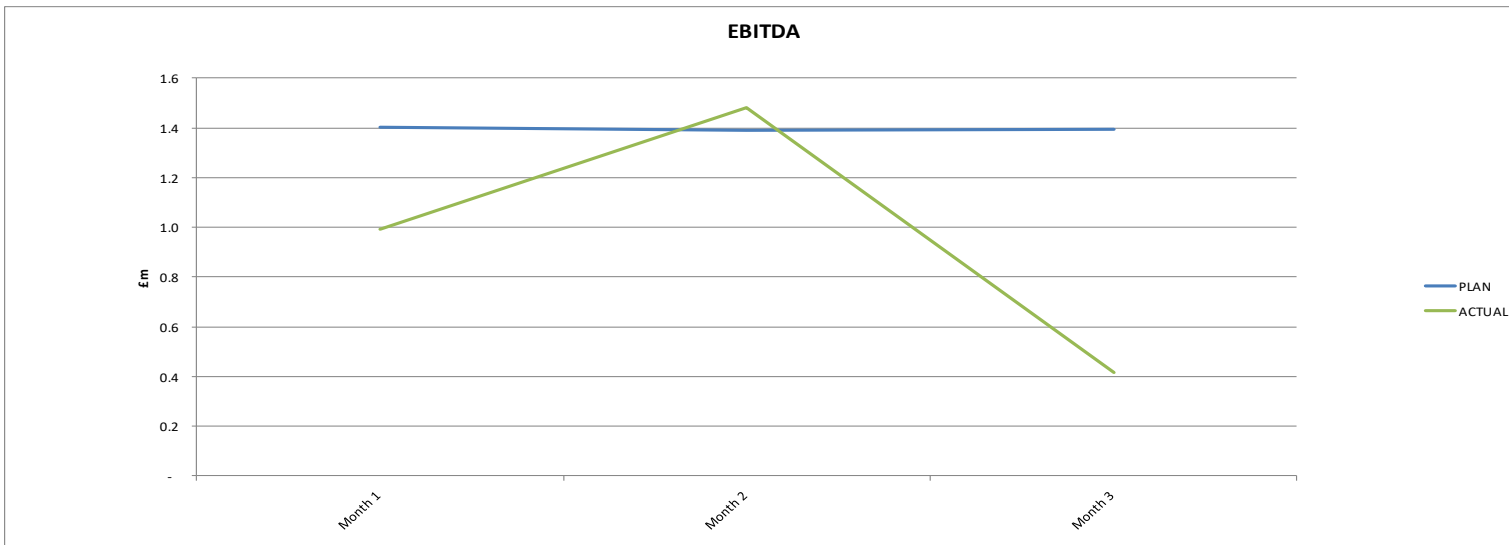
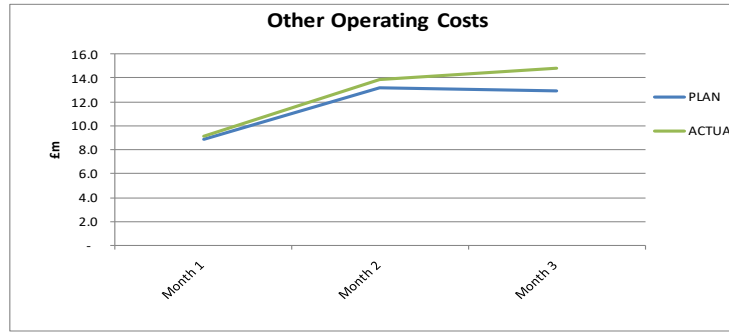
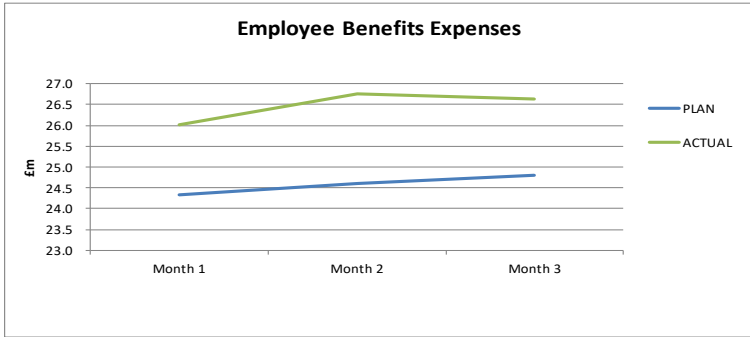
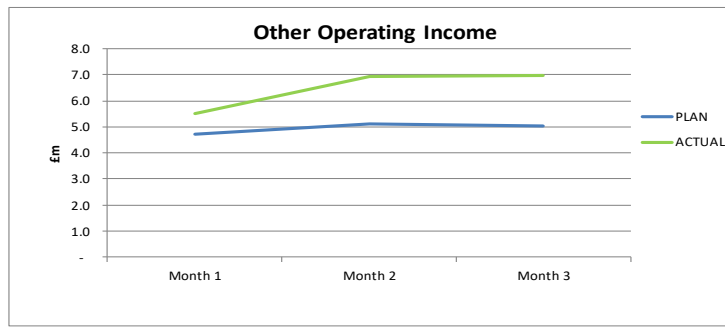
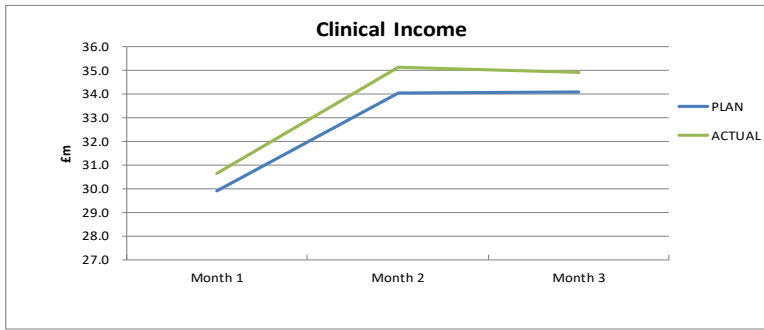
Out of Area Treatments (OATs)

OATs are **£0.2m** overspent at month 3 (**£335k** overspend in Oxfordshire offset with a **£180k** 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 **£0.9m**. 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
	£m	£m	£m
Clinical Income	29.9	34.0	34.1
Other Operating Income	4.7	5.1	5.0
Operating Income Total	34.6	39.1	39.1
Employee Benefits Expenses	24.3	24.6	24.8
Other Operating Costs	8.9	13.1	12.9
Operating Expenses Total	33.2	37.7	37.7
EBITDA	1.4	1.4	1.4
ACTUAL	Month 1	Month 2	Month 3
	£m	£m	£m
Clinical Income	30.7	35.1	34.9
Other Operating Income	5.5	6.9	7.0
Operating Income Total	36.2	42.1	41.9
Employee Benefits Expenses	26.0	26.7	26.6
Other Operating Costs	9.2	13.9	14.8
Operating Expenses Total	35.2	40.6	41.5
EBITDA	1.0	1.5	0.4
VARIANCE	Month 1	Month 2	Month 3
	£m	£m	£m
Clinical Income	0.7	1.1	0.8
Other Operating Income	0.8	1.8	1.9
Operating Income Total	1.5	3.0	2.8
Employee Benefits Expenses	- 1.7	- 2.1	- 1.8
Other Operating Costs	- 0.3	- 0.7	- 1.9
Operating Expenses Total	- 1.9	- 2.9	- 3.7
EBITDA	- 0.4	0.1	- 1.0



2. Clinical Income

CLINICAL INCOME	YTD at month 3			
	Plan £'000	Actual £'000	Variance £'000	Variance %
Any Qualified Provider	853	853	(0)	0%
Bath & NE Somerset Block	0	0	0	0%
Berkshire Block	47	47	(0)	0%
Buckinghamshire Block	11,688	12,907	1,219	10% ①
Buckinghamshire Block - IAPT	0	0	0	0%
Buckinghamshire County Council	2,129	2,129	(0)	0%
Buckinghamshire S75 (pooled budget)	898	905	7	1%
Cost per Case Income	605	522	(83)	-14%
CQUIN provision	0	0	0	0%
Department of Health & Social Care	0	0	0	100%
Income from NHS Trusts	470	480	10	2%
Nene Block	0	0	0	0%
NHS BSW	2,733	2,748	14	1%
NHS England Block	24,613	23,821	(792)	-3% ②
NHS England Cost & Volume	139	139	0	0%
NHS England New Care Models	0	44	44	0%
NHS England FCAMHS	273	273	0	0%
NHS Northamptonshire	234	217	(16)	-7%
Other CCGs Income	618	1,156	539	87% ③
Other Local Authority	9	(10)	(19)	-218%
Oxfordshire Block - IAPT	2,581	2,262	(319)	-12% ④
Oxfordshire Block - Learning Disabilities	1,725	1,725	0	0%
Oxfordshire Block - main contract	28,422	30,285	1,864	7% ⑤
Oxfordshire Block - OBC	11,978	12,250	272	2% ⑥
Oxfordshire Block - CAMHS	2,372	2,394	22	1%
Oxfordshire Cost & Volume	1,806	1,872	66	4%
Oxfordshire County Council	3,002	2,828	(173)	-6% ⑦
Oxfordshire S75 (pooled budget)	451	451	0	0%
Personal Injury Compensation	28	19	(9)	-32%
Private Patients	15	40	25	173%
Swindon Block	0	0	0	0%
Wales Cost & Volume	226	226	0	0%
Wiltshire Block	0	0	0	0%
Wiltshire Borough Council	130	130	0	0%
Clinical Income Total	98,042	100,714	2,672	3%

Clinical income is **£2,672k** favourable to plan at month 3.
Material variances to the plan are:

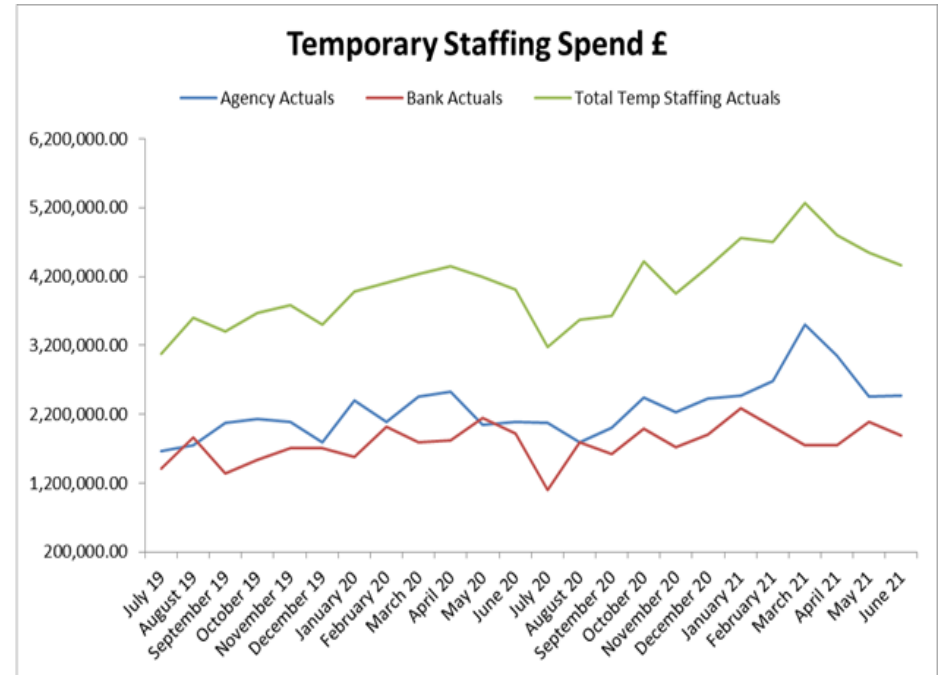
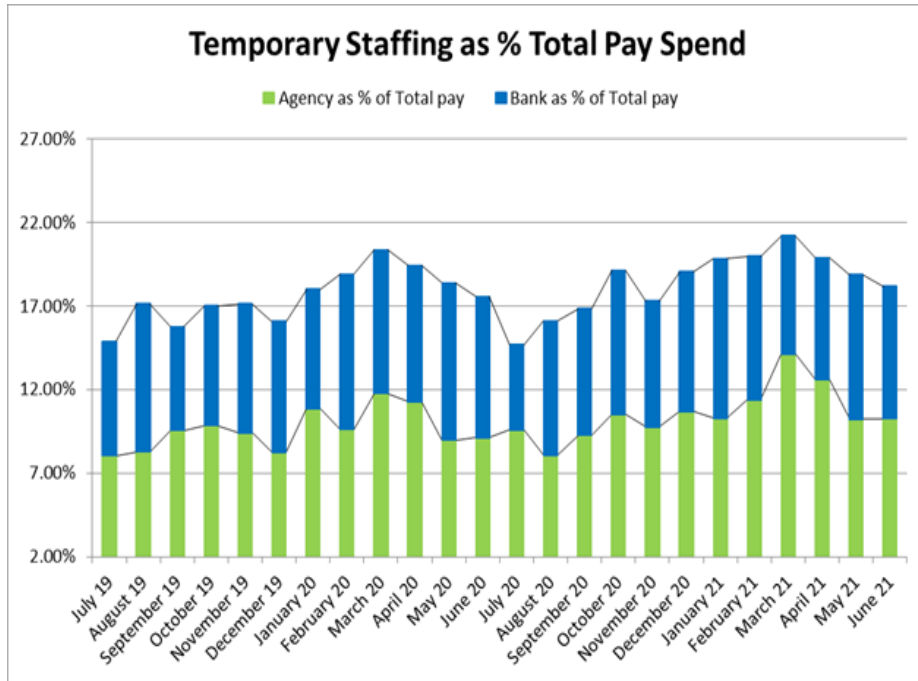
1. Buckinghamshire Block **£1,219k** favourable – due to mental health investment funding for which budgets have not yet been set.
2. NHS England Block **£792k** adverse – due to differences in actual payments made by NHS England and the plan which will be investigated further.
3. Other CCGs income **£539k** 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 – IAPT **£319k** adverse – due to new investment income being matched to the profile of the spend.
5. Oxfordshire Block – main contract **£1,864k** favourable – due to contribution from investment funding for which budget has not yet been set (**£697k**), additional income for the risk share in Childrens Continuing Healthcare (**£402k**) and **£757k** due to differences in actual payments made by NHS England and the plan which will be investigated further, plus some other small variances.
6. Oxfordshire Block – OBC **£272k** favourable due to the release of MHIS income to match spend for which no budgets have been set yet.
7. Oxfordshire County Council **£173k** adverse – due to less income than planned in the Community Complex Car service.

3. Non-Clinical Income

NON-CLINICAL INCOME	YTD at month 3			
	Plan £'000	Actual £'000	Variance £'000	Variance %
Education & Training	4,095	4,532	437	11%
Other Operating Income	7,478	11,382	3,905	52%
Research & Development	3,267	3,489	222	7%
Non- Clinical Income Total	14,840	19,403	4,563	31%

- Education & Training income **£437k** favourable due to **£150k** additional CPD funding from Health Education England and **£71k** additional apprenticeship income with the remainder being additional salary support income for increased trainee numbers.
- Other Operating Income **£3,905k** favourable due to retrospective top up payments for the costs of the mass vaccination centres (**£4,479k**) and payments to final year students (**£78k**), offset with lower than planned sales in Oxford Pharmacy Store (**£624k**) and a net adverse variance of **£28k** across other services.
- Research & Development income is **£222k** favourable due to additional income for the Novavax study (**£130k**) and additional income for the Academic Health Science Network (**£123k**) offset with a **£31k** adverse variance across other areas.

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.

At month 3 **£10.4m** has been spent on agency staff, **£1.5m** below plan. This is **13.0%** of total staff costs. This includes **£1.6m** of agency spend in the Covid-19 vaccination centres. 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 03 FY22						
Project	YTD Plan	YTD Actual	YTD Variance	Full Year Plan	Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Agency Direct Engagement	0	0	0	216	0	-216
Non Pay Expenditure	423	407	-16	1,694	1,694	0
Agency Reduction - improved recruitment	255	0	-255	1,619	0	-1,619
Total	678	407	-271	3,529	1,694	-1,835

- 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 3 are **£0.4m** arising from reduction in non-pay expenditure such as business miles and room hire costs. It is assumed that this scheme will continue to deliver to plan, **£1.7m**.
- The YTD and forecast savings are **£0.3m & £1.8m** 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 30th June 2021					
31 March 2021		Month 2 FY22	Month 3 FY22	Movement	
				Year to date	In month
£'000		£'000	£'000	£'000	£'000
	Non-current assets				
4,359	Intangible Assets	3,985	3,814	(545)	(172)
145,308	Property, plant and equipment	144,493	144,273	(1,035)	(219)
187	Trade and other receivables	187	187	0	0
149,854	Total non-current assets	148,665	148,274	(1,580)	(391)
	Current Assets				
1,609	Inventories	2,397	2,177	568	(219)
13,480	Trade and other receivables	13,987	15,897	2,417	1,910
	Non-current assets held for sale	0	0	0	0
55,697	Cash and cash equivalents	54,219	55,058	(639)	839
70,786	Total current assets	70,603	73,133	2,347	2,529
	Current Liabilities				
(54,258)	Trade and other payables	(47,927)	(52,252)	2,005	(4,326)
(1,919)	Borrowings	(2,035)	(2,093)	(174)	(57)
(1,968)	Other financial liabilities	(1,968)	(1,968)	0	0
(1,741)	Provisions	(1,235)	(1,439)	302	(204)
(9,687)	Deferred income	(14,158)	(12,347)	(2,660)	1,812
(69,573)	Total Current Liabilities	(67,323)	(70,099)	(526)	(2,776)
	Non-current Liabilities				
	Trade and other payables	0	0	0	0
(17,723)	Borrowings	(17,631)	(17,585)	138	46
(3,868)	Provisions	(4,105)	(3,949)	(81)	157
(1,351)	Other Liabilities	(1,351)	(1,351)	0	0
(22,942)	Total non-current liabilities	(23,088)	(22,885)	57	203
128,125	Total assets employed	128,857	128,423	297	(435)
	Financed by (taxpayers' equity)				
99,119	Public Dividend Capital	99,120	99,120	1	0
19,180	Revaluation reserve	19,119	19,088	(92)	(31)
	Other reserves	0	0	0	0
9,827	Income & expenditure reserve	10,618	10,214	388	(404)
128,125	Total taxpayers' equity	128,857	128,423	298	(435)

1. Non-current assets have decreased by **£1.6m** in-year and **£0.4m** in month. This can largely be attributed to the depreciation charge in the 1st quarter as capital additions have been negligible.
2. The in-year increase in the inventories balance of **£0.6m** 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 **£2.4m** in year and **£1.9m** in month in line with net cash outflows.
4. Cash has decreased by **£0.6m** in year and improved by **£0.8m** in month in line with expectations.
5. Trade and other payables have decreased by **£2.0m** in year and increased by **£4.3m** in month. This is in line with expectations and net cash flows.
6. Deferred income has increased by **£2.7m** in year to **£12.3m**. This deferred income/expenditure is expected to unwind over the course of the year.
7. The in-year movements in the I&E reserve reflect the Trust's reported surplus for the first quarter.

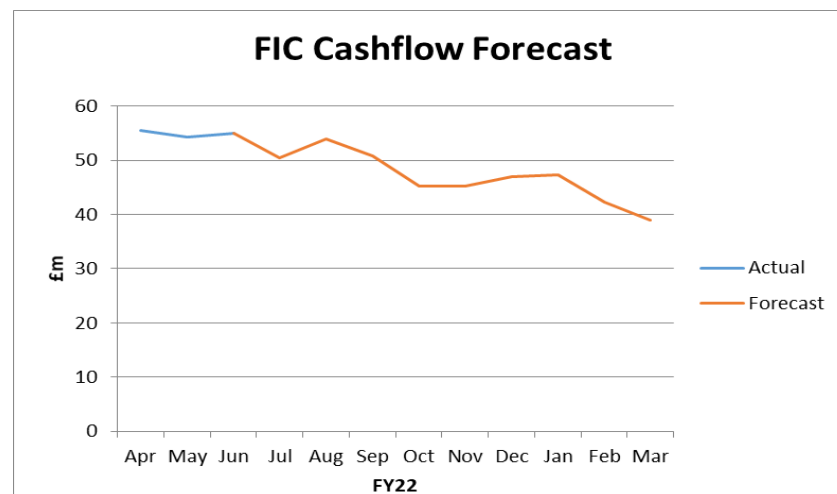
7. Cash Flow

STATEMENT OF YEAR TO DATE CASH FLOWS







	Month 3 FY22		
	Actual	Plan	Variance
	£'000	£'000	£'000
Cash flows from operating activities			
Operating surplus/(deficit) from continuing operations	1,272	2,735	(1,463)
Operating surplus/(deficit) from discontinuing operations	0	0	0
Operating surplus/(deficit)	1,272	2,735	(1,463)
Non-cash income and expense:			
Depreciation and amortisation	1,620	1,544	76
Impairments and profit on disposal of assets	0	0	0
(Increase)/Decrease in Trade and Other Receivables	(2,400)	305	(2,705)
(Increase)/Decrease in Inventories	(568)	(550)	(18)
Increase/(Decrease) in Trade and Other Payables	(734)	(3,058)	2,324
Increase/(Decrease) in Deferred Income	2,660	(833)	3,493
Increase/(Decrease) in Provisions	(221)	61	(282)
Other Movements in Operating Cashflows	0	0	0
NET CASH GENERATED FROM/(USED IN) OPERATIONS	1,629	204	1,425
Cash flows from investing activities			
Interest received	6	6	0
Purchase of Non Current Assets	(1,866)	(2,978)	1,112
Sale of PPE	0	0	0
Net cash generated from/(used in) investing activities	(1,860)	(2,972)	1,112
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	(639)	(3,205)	2,566
Cash and Cash equivalents at 1st April	55,697	55,697	0
Cash and Cash equivalents at 31th June	55,058	52,492	2,566

Summary Notes

- The cash flow movements are consistent with the comments made on the Statement of Financial Position.
- The closing cash position at Month 2 was **£55.1m**.



8. Working Capital Indicators

Working Capital Ratios			
Ratio	Target	Actual	Risk Status
Debtor Days	30	28	
Debtors % > 90 days	5.0%	41.8%	
Creditor Days	30	39	
BPPC NHS - Value of Inv's pd within target (ytd)	95.0%	66.1%	
BPPC Non-NHS - Value of Inv's pd within target (ytd)	95.0%	82.9%	
Cash (£m)	52.5	55.1	

Summary Notes

- Debtor days at month 3 are below target.
- Debtors % over 90 days are below target due to overdue invoices, specifically the NHS England FY20 New Care Model Invoice for £690k, various Oxfordshire CCG invoices totalling £624k and £446k of Oxfordshire County Council invoices.
- The Creditor days position is below plan due to high level of accruals for NHS and Non-NHS suppliers and the impact of the BPPC figures.
- NHS BPPC is below target.
- Non-NHS BPPC is below target.
- Cash is better than target, as outlined in section 7 and 8.

9. Capital Investment Programme

FY22-CAPITAL EXPENDITURE REPORT-JUNE (M3)							
Planned Schemes	Year To Date £000			FY21 Outturn £000			
	YTD Plan	Actual	Variance	Original Plan	Forecast Plan	Variance	
Estates	289	(156)	455	6,002	6,002	0	
IT	-	-	-	1,230	1,230	0	
PFI	17	5	11	100	100	0	
Highfield PICU	633	269	364	3,800	3,800	0	
Total	939	119	830	11,132	11,132	0	
Global Digital Exemplar FY19 DoH Funded							0
Global Digital Exemplar DoH Funding FY19	-	(77)	77	777	-	777	
Total	-	(77)	77	777	-	777	
Other Project							0
E-Rostering -Job planning PDC & Trust match	-	-	-	-	-	0	
Medical Equipment	-	-	-	500	186	314	
Total	-	-	-	-	-	0	
Grand total	939	42	907	12,409	11,318	1,091	

- 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 June 2021 is £42k. The low spend is mainly due to VAT recovery claims.

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 3 FY22						
	Board Report	Remove Section 75 Income and Costs	Category Changes	National supplied PPE	NHSI Template	
	£m	£m	£m	£m	£m	£m
Clinical Income	100.7	-0.9				99.8
Other Operating Income	19.4					19.4
Operating Income, Total	120.1	-0.9	0.0	0.0	0.0	119.2
Employee Benefit Expenses (Pay)	79.4	-0.8				78.6
Other Operating Expenses	37.8	-0.1				37.7
Operating Expenses, Total	117.2	-0.9	0.0	0.0	0.0	116.3
Non-Operational Income						0.0
EBITDA	2.9	0.0	0.0	0.0	0.0	2.9
Profit/(Loss) on asset disposal	0.0					0.0
Depreciation and Amortisation	1.6					1.6
Asset Impairment	0.0					0.0
Interest	0.2					0.2
Other Finance Charge	0.2					0.2
PDC Dividend	0.6					0.6
Surplus/ (Deficit)	0.3	0.0	0.0	0.0	0.0	0.3