

Report to Board of Directors

For Information

Finance Report

February 2022 (Month 11), 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 11	Year-to-Date
EBITDA performance	£2.0m surplus, £1.8m favourable to plan	£15.5m surplus, £3.3m favourable to plan
I&E performance	£1.2m surplus, £1.9m favourable to plan	£6.3m surplus, £4.0m favourable to plan
Cost Improvement Plan	£0.2m, £0.2m adverse to plan	£1.7m, £2.7m adverse to plan
Capital Expenditure	£0.1m, £4.0m adverse to plan	£4.3m, £10.0m adverse to plan
Cash	Increase of £20.0m	£86.7m, £44.4m favourable to plan

- The year-to-date I&E position at month 11 is a **£6.3m** surplus, **£4.1m** favourable to plan. EBITDA is a **£15.5m** surplus, **£3.3m** 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 **£2.0m** deficit. The full year forecast was increased to **£1.9m** surplus, **£1.9m** favourable to the original plan. This was mainly driven by a less than expected reduction in H2 of Covid funding (H1 **£11.2m**, H2 **£10.5m**) and delayed expenditure of new investment funding. Following further clarification of the delayed investment and that NHSE will not be clawing back unspent SR (spending review) and SDF (strategic development fund) funding, the ability to defer income into FY23 and confirmation received of income for Oxfordshire that had previously been at risk, the forecast outturn for FY22 has been increased to a surplus of **£10.0m**.
- The favourable position is driven by slippage on investments and by **£2.8m** underspend against the allocation for Covid-19 costs. This is despite overspends, in particular, in the Oxon & BSW MH, Specialised and Community services compounded by high agency usage.
- CIP savings YTD are **£1.7m**, **£2.7m** adverse to plan due to a delay in CIP engagement as a result of Covid-19.
- Capital spend is **£4.3m**, **£10.0m** adverse to plan.
- The closing cash position at the end of February was **£86.7m**, **£44.4m** 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 11						Year-to-Date			
YTD Actual M11	Change			Plan	Actual	Variance			Plan	Actual	Variance	
£m	£m	%		£m	£m	£m	%		£m	£m	£m	%
299.3	103.0	34.4%	Clinical Income	37.6	40.0	2.4	6.5%		400.3	402.3	2.0	0.5%
71.9	13.1	18.2%	Other Operating Income	5.2	7.5	2.3	44.3%		55.9	85.0	29.1	52.1%
371.2	116.1	31.3%	Operating Income, Total	42.8	47.6	4.7	11.1%		456.2	487.3	31.1	6.8%
267.0	-43.1	-16.1%	Employee Benefit Expenses (Pay)	25.3	29.4	-4.1	-16.3%		283.2	310.1	-26.9	-9.5%
93.8	-67.9	-72.4%	Other Operating Expenses	17.4	16.2	1.2	6.6%		160.8	161.7	-0.9	-0.6%
360.8	-111.0	-30.8%	Operating Expenses, Total	42.6	45.6	-3.0	-7.0%		444.0	471.8	-27.8	-6.3%
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%
10.4	5.1	49.5%	EBITDA	0.2	2.0	1.8	966.1%		12.2	15.5	3.3	27.4%
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%
5.7	-0.1	-1.7%	Depreciation and Amortisation	0.5	0.5	0.0	-0.1%		5.7	5.8	-0.1	-2.5%
0.0	0.0	0.0%	Asset Impairment	0.0	0.0	0.0	0.0%		0.0	0.0	0.0	0.0%
0.9	0.1	11.7%	Interest	0.1	0.1	0.0	25.2%		0.8	0.8	0.1	8.8%
0.8	0.1	11.9%	Other Finance Charge	0.1	0.1	0.0	0.0%		0.7	0.8	-0.1	-10.0%
2.0	0.1	5.0%	PDC Dividend	0.2	0.1	0.1	50.6%		2.6	1.9	0.8	29.3%
0.9	5.3	0%	Surplus/ (Deficit)	-0.7	1.2	1.9	-268.8%		2.3	6.3	4.0	170.8%

The year-to-date I&E position at month 11 is a **£6.3m** surplus, **£4.1m** favourable to plan (**£5.1m** surplus, **£2.1m** favourable to plan at month 10). EBITDA is a **£15.5m** surplus, **£3.3m** 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 the original plan). Following further clarification of the delayed investment and that NHSE will not be clawing back unspent SR (spending review) and SDF (strategic development fund) funding, the ability to defer income into FY23 and confirmation received of income for Oxfordshire that had previously been at risk, the forecast outturn for FY22 has been increased to a surplus of **£10.0m**.

The favourable position is driven by slippage on investments and by **£2.8m** underspend against the allocation for Covid-19 costs. This is despite adverse positions in three of the clinical service directorates of **£5.2m**.

The I&E performance in FY22 is **£5.3m** 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)	12,352	168	82	-	-	183	12,785	
Other Operating Expenses	-	149	-	629	3,777	264	4,819	
Total	12,352	317	82	629	3,777	447	17,604	

The Trust is 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 **£10,472k** a less than anticipated reduction. The spend at month 11 is **£17,604k**, **£4,032k** below the funding and **£2,836k** below plan.

The Covid-19 costs incurred at month 11 as per the NHSE/I categories were:

- Expanding workforce **£12,352k** – 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 **£317k** – minor Estates works, staff testing and mask testing kits
- Existing Workforce additional shifts **£82k** – spend on staff working additional hours
- After Care and Support costs **£629k** – mainly the cost of providing food to staff, which stopped at the end of June
- Segregation of patient pathways **£3,777k** – 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 **£447k** – 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 11 were:

- Payments to final year students **£78k**
- Covid-19 vaccination centres **£21,724k**

Performance against Plan

	Plan YTD	Actual YTD	Variance		Actual YTD	Change	
	M11 FY22	M11 FY22	£'000	%	M11 FY21	£'000	%
Block	354,298	357,208	2,909	1%	254,957	102,251	40%
Cost & Volume	12,163	11,527	-637	-5%	11,706	-179	-2%
Cost Per Case	5,476	5,258	-218	-4%	5,353	-95	-2%
CQUIN	2,990	2,990	0	0%	2,490	499	20%
Local Authority	20,374	20,001	-373	-2%	19,724	277	1%
Section 75 (pooled budget)	4,947	5,155	208	4%	4,971	183	4%
Private Patients	53	163	110	206%	104	59	56%
Clinical Income Total	400,302	402,301	1,999	0%	299,306	102,995	34%
Education And Training	15,698	18,985	3,287	21%	14,225	4,760	33%
Research & Development	11,690	11,596	-94	-1%	10,907	689	6%
FRF/Top Up Payment	0	21,817	21,817	0%	24,886	-3,069	-12%
Accommodation	847	955	108	13%	893	62	7%
Catering	0	-1	-1	0%	0	-1	0%
Non-Patient Care to Other Bodies	1,698	4,642	2,944	173%	1,317	3,325	252%
Other Income	1,322	1,474	152	12%	1,584	-109	-7%
Parking	69	0	-69	-100%	-12	12	100%
Oxford Pharmacy Sales	24,557	25,583	1,026	4%	18,092	7,491	41%
Other Operating Income Total	55,881	85,051	29,169	52%	71,892	13,158	18%
Permanent	271,902	228,552	43,349	16%	214,292	-14,260	-7%
Flexible	6,140	24,712	-18,573	-303%	23,636	-1,077	-5%
Agency	5,186	56,820	-51,634	-996%	29,092	-27,729	-95%
Employee Benefits Expenses	283,228	310,085	-26,857	-9%	267,019	-43,066	16%
Clinical Services & Supplies	18,655	22,033	-3,377	-18%	18,424	-3,609	20%
Drugs	26,004	27,762	-1,758	-7%	20,014	-7,748	39%
PFI	539	799	-260	-48%	774	-25	3%
Car Park Security	0	0	0	0%	0	0	0%
Premises And Fixed Plant	12,333	16,328	-3,995	-32%	15,492	-837	5%
Premises - Business Rates	1,247	925	322	26%	960	34	-4%
Secondary Commissioning	0	0	0	0%	0	0	0%
Purchase Of Healthcare	61,382	63,827	-2,445	-4%	11,990	-51,837	432%
Establishment Expenditure	7,015	9,018	-2,003	-29%	8,378	-640	8%
Insurance	439	471	-33	-7%	429	-42	10%
Audit Fees External	79	52	27	34%	53	1	-1%
Audit Fees Internal	91	145	-54	-59%	104	-41	40%
Clinical Negligence	760	759	0	0%	542	-217	40%
Consultancy	61	113	-52	-85%	2	-111	5415%
General Supplies And Services	4,832	3,046	1,787	37%	3,220	175	-5%
Legal Fees	210	514	-303	-144%	261	-253	97%
Losses And Special Payments	17	53	-36	-210%	15	-38	252%
NHS Services	0	0	0	0%	0	0	0%
Other Non-Pay Expenditure	19,039	7,750	11,289	59%	7,191	-559	8%
Other Services	521	535	-15	-3%	502	-33	7%
Patient Travel	0	0	0	0%	0	0	0%
Provisions	52	1,469	-1,417	-2735%	833	0	0%
Redundancy Costs	0	73	-73	0%	46	-27	0%
Training & Conferences	1,990	1,561	429	22%	1,120	-442	39%
Transport - Business Travel	3,554	1,891	1,663	47%	1,655	-235	14%
Transport - Other	1,982	2,603	-620	-31%	1,806	-797	44%
Total Other Operating Expenses	160,802	161,729	-927	-1%	93,811	-67,282	72%
EBITDA Total	12,153	15,537	3,384	28%	10,367	5,170	50%

Please see next page for notes

Performance against Plan

EBITDA is a **£15.5m** surplus, **£3.4m** favourable to plan at month 10 (**£13.5m** surplus, **£1.6m** favourable to plan at month 10). The main drivers are:

1. Block Income **£2.9m** favourable – Driven by income recovery in Buckinghamshire Continuing Healthcare project income **£0.2m** and Oxon Children's Chc **£1.3m**; Covid **£0.8m**; **£0.6m** other.
2. C&V Income **£0.6m** adverse – due to underperformance Adult Eating Disorder **£0.2m** and School Nursing immunisations **£0.4m**; Other **£0.1m** favourable.
3. Education and Training **£3.3m** favourable - **£0.7m** favourable by Health Education England LDA income for apprentices and trainees IAPT and CAMHS GMH in Bucks Directorate; **£1.3m** favourable HEE IAPT Trainees in OBSW directorate; increase in apprenticeship funding from HEE, **£0.8m**; Other **£0.5m** favourable.
4. FRF/Top up Payment **£21.8m** favourable - this is the retrospective top up payments for Covid-19 costs which are not part of the Covid-19 allocation. **£21.7m** is for the costs of running the vaccination sites and **£0.1m** is to cover the costs of paid final year students.
5. Non-Patient Care to other bodies **£2.9m** favourable. Additional income **£0.8m** in IM&T for EPMA & **£0.8m** Community services in particular Dental; Covid Helpline **£0.4m**; other **£0.9m**.
6. Additional sales in OPS **£1.0m**
7. Employee Benefits Expenses (Pay) **£26.7m** adverse - **£20.7m** 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 **£2.1m**, Community **£2.7m**, Buckinghamshire **£1.6m** and Specialised **£1.2m**. These are partially offset by **£1.6m** underspend in Research & Development and other **£0.1m**.
8. Clinical Services & Supplies **£3.4m** adverse - **£1.4m** adverse in Childrens Continuing Healthcare (offset with additional income); Childrens Community Nursing and Integrated Therapies **£0.5m** adverse; Tissue Viability service **£0.1m** adverse; **£0.4m** adverse due to additional costs for complex patient in LD services; **£0.5m** adverse matched with favourable movement in other non pay category; **£0.2m** overspend in the Academic Health Science network offset with additional income received; **£0.3m** other.
9. Drugs **£1.8m** adverse – **£1.1m** adverse Oxford Pharmacy Store (OPS); **£0.7m** Bucks and OxBSW directorates.
10. Premises and Fixed Plant **£4.0m** adverse - **£1.1m** 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; **£1.6m** adverse matched with favourable movement in other non pay
11. Healthcare Purchase **£2.4m** adverse – OOA OxBSW **£0.9m** adverse; **£2.4m** adverse matched with favourable movement in other non pay category; **£0.9m** favourable other.
12. Establishment Expenditure **£2.0m** adverse - **£1.3m** adverse across number of areas in particular OBSW and Community; **£0.2m** Cambio patient flow system; Other **£0.5m** adverse.
13. General Supplies And Services **£1.8m** favourable - Community services **£0.4m**, Covid costs **£1.2m** and **£0.2m** other.
14. Other Non-Pay Expenditure **£11.3m** favourable - **£6.8m** budget adjustment in reserves matched with income movement in reserves; **£4.5m** favourable matched with adverse movement in Clinical Supplies, Premises and Healthcare purchase categories.
15. Provisions for dilapidations **£1.4m** adverse.
16. Transport - Business Travel **£1.7m** favourable as a consequence of Covid.
17. Transport - Other **£0.6m** adverse - mainly driven by pressure on SCAS contract (**£0.4m**); Other **£0.2m** adverse.

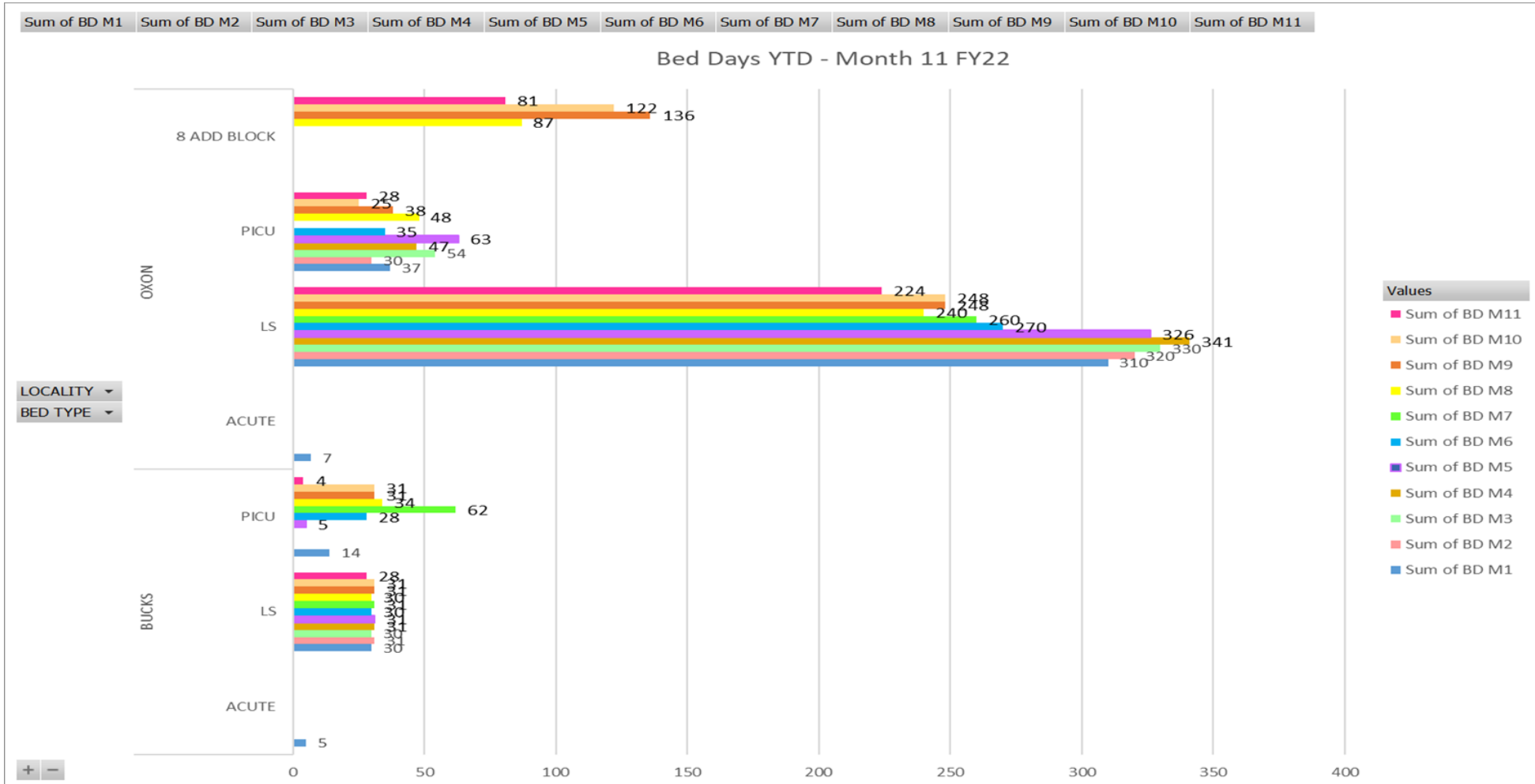
Performance against Prior Year

The EBITDA position is **£5.2m** better than last financial year. The significant changes from FY21 are:

1. Block income is **£102.0m** higher than last year due to uplift on block contract values (**£6.6m**), new income for Provider Collaboratives (**£61.0m**) and Covid funding now being reported as block income rather than FRF income (**£11.2m**). The remaining change is primarily due to new investment in mental health services.
2. Education & Training income is **£3.9m** higher than last year due to: additional income in IAPT services to support trainees on OBSW (**£0.5m**), higher apprenticeship income (**£1.4m**) in L&D, higher numbers of trainees in the Oxford Institute of Psychology training (**£1.4m**), **£0.6m** due to Health Education England LDA income for apprentices in Bucks.
3. Research & Development income is **£0.7m** higher than last year due to additional grant and study.
4. FRF/Top Up Payment is **£3.1m** 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.
5. Non-Patient Care to Other Bodies **£3.3m** higher than last year due to additional income in particular IM&T, HR and Community directorates.
6. Oxford Pharmacy Sales are **£7.5m** 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 **£14.3m** from last year due to: **£8.4m** new costs in Oxfordshire & BSW MH and Buckinghamshire MH directorates as a result of investment in these services; FY22 pay award **£6.5m**; **£0.6m** increase in costs in Research & Development as a result of higher grant and study income; IM&T **£1.3m**; decrease of **£2.5m** due to annual leave adjustment for FY21.
8. Flexible staff costs have increased by **£1.1m** from last year, of which **£0.4m** is due to staffing the Covid-19 mass vaccination centres; **£0.6m** increase across clinical directorates; **£0.1m** increase costs in R&D.
9. Agency staff costs have increased by **£27.7m** from last year, of which **£18.6m** is attributable to the Covid-19 mass vaccination centres, **£1.4m** Covid prevention, **£2.0m** 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 **£5.3m** increase across multiple services in particular OxBSW directorate **£2.6m** and Bucks directorate **£1.7m**.
10. Clinical Services & Supplies are **£3.6m** higher than last year due to: **£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, **£1.8m**.
11. Drugs costs are **£7.7m** higher than last year due to higher sales in Oxford Pharmacy Store.
12. Premises and Fixed Plant **£0.8m** higher than last year due to higher maintenance fees in Estates and Facilities.
13. Purchase of Healthcare **£51.8m** higher than last year due to payments to other providers as part of the CAMHS, Secure and Adult Eating Disorder provider collaboratives.
14. Establishment Expenditure **£0.6m** higher than last year due to IM&T spend.
15. Other non pay expenditure **£0.6m** higher than last year due to provisions e.g. bad debts
16. Transport - Other **£0.8m** – additional cost of SCAS contract.

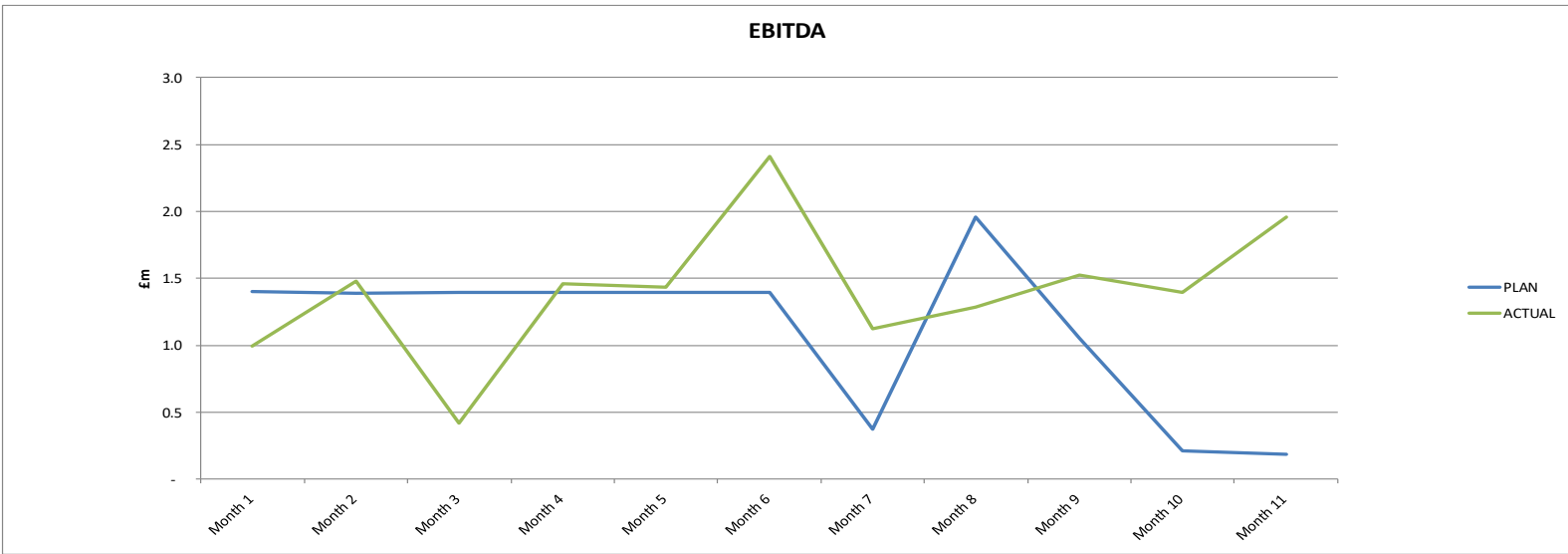
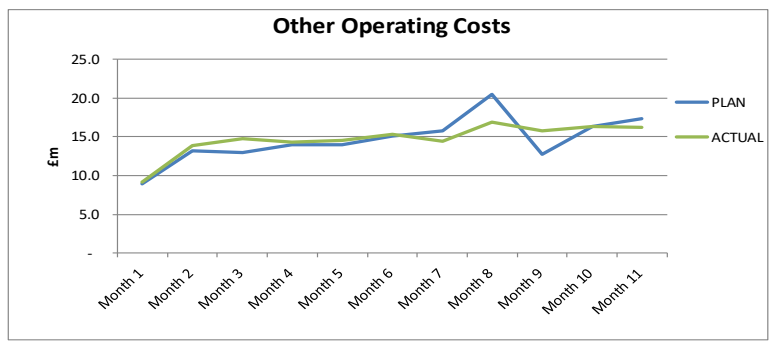
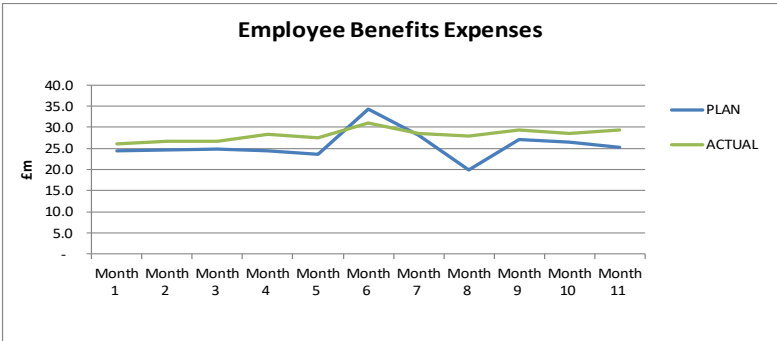
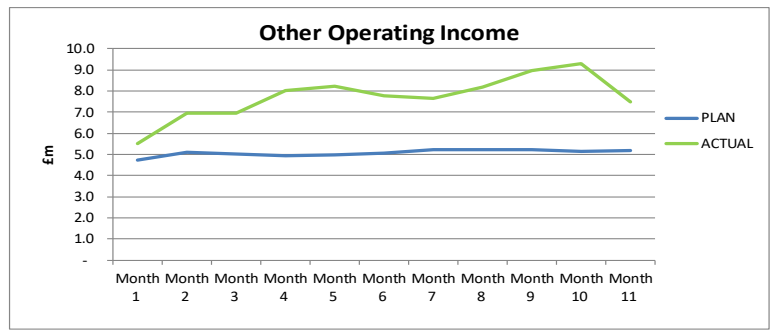
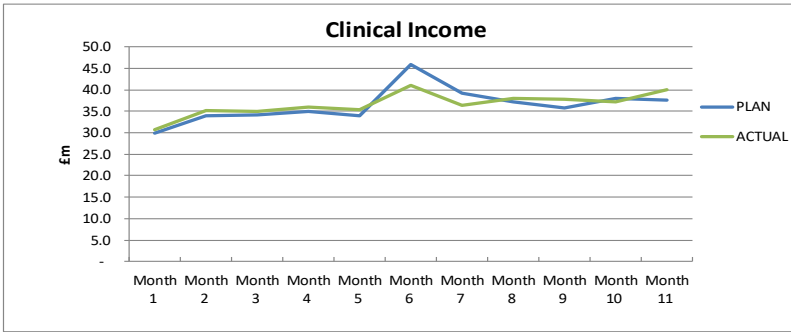
Out of Area Treatments (OATs)

OATs are **£893k** overspent at month 11 (**£1,448k** overspend in Oxfordshire offset with a **£555k** underspend in Buckinghamshire). This includes an additional 8 beds we block purchased with Elysium for November due to ward pressures, this has since been decreased to 5 beds. 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 **£2,653k**. 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	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Clinical Income	29.9	34.0	34.1	34.9	34.0	45.8	39.2	37.2	35.7	37.9	37.6
Other Operating Income	4.7	5.1	5.0	5.0	5.0	5.1	5.2	5.2	5.2	5.2	5.2
Operating Income Total	34.6	39.1	39.1	39.9	38.9	50.9	44.4	42.4	40.9	43.1	42.8
Employee Benefits Expenses	24.3	24.6	24.8	24.5	23.5	34.4	28.2	20.0	27.1	26.5	25.3
Other Operating Costs	8.9	13.1	12.9	14.0	14.0	15.1	15.8	20.5	12.7	16.4	17.4
Operating Expenses Total	33.2	37.7	37.7	38.5	37.5	49.5	44.0	40.4	39.8	42.9	42.6
EBITDA	1.4	1.4	1.4	1.4	1.4	1.4	0.4	2.0	1.1	0.2	0.2
ACTUAL	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Clinical Income	30.7	35.1	34.9	36.1	35.3	41.0	36.4	37.9	37.7	37.1	40.0
Other Operating Income	5.5	6.9	7.0	8.0	8.2	7.8	7.6	8.2	9.0	9.3	7.5
Operating Income Total	36.2	42.1	41.9	44.1	43.5	48.8	44.1	46.1	46.7	46.4	47.6
Employee Benefits Expenses	26.0	26.7	26.6	28.3	27.6	31.0	28.5	28.0	29.4	28.6	29.4
Other Operating Costs	9.2	13.9	14.8	14.4	14.6	15.3	14.5	16.8	15.7	16.4	16.2
Operating Expenses Total	35.2	40.6	41.5	42.6	42.1	46.4	42.9	44.8	45.1	45.0	45.6
EBITDA	1.0	1.5	0.4	1.5	1.4	2.4	1.1	1.3	1.5	1.4	2.0
VARIANCE	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Clinical Income	0.7	1.1	0.8	1.1	1.4	4.8	2.7	0.8	2.0	0.8	2.4
Other Operating Income	0.8	1.8	1.9	3.1	3.3	2.7	2.4	3.0	3.7	4.1	2.3
Operating Income Total	1.5	3.0	2.8	4.2	4.6	2.1	0.3	3.7	5.8	3.3	4.7
Employee Benefits Expenses	- 1.7	- 2.1	- 1.8	- 3.7	- 4.0	3.3	- 0.2	- 8.0	- 2.3	- 2.1	- 4.1
Other Operating Costs	- 0.3	- 0.7	- 1.9	- 0.4	- 0.6	- 0.2	1.3	3.6	- 3.0	- 0.0	1.2
Operating Expenses Total	- 1.9	- 2.9	- 3.7	- 4.1	- 4.6	3.1	1.1	4.4	- 5.3	- 2.1	3.0
EBITDA	- 0.4	0.1	- 1.0	0.1	0.0	1.0	0.8	- 0.7	0.5	1.2	1.8



2. Clinical Income

CLINICAL INCOME	YTD at month 11			
	Plan £'000	Actual £'000	Variance £'000	Variance %
Any Qualified Provider	3,197	3,197	(0)	0%
Bath & NE Somerset Block	0	0	0	0%
Berkshire Block	174	173	(1)	0%
Buckinghamshire Block	51,256	49,999	(1,257)	-2% ①
Buckinghamshire Block - IAPT	0	0	0	0%
Buckinghamshire County Council	9,354	9,354	0	0%
Buckinghamshire S75 (pooled budget)	3,293	3,501	208	6% ②
Cost per Case Income	2,216	2,028	(188)	-8% ③
CQUIN provision	0	0	0	0%
Department of Health & Social Care	0	0	0	100%
Income from NHS Trusts	1,724	2,019	295	17% ④
Nene Block	0	0	0	0%
NHS BSW	15,129	13,713	(1,417)	-9% ⑤
NHS England Block	104,690	104,742	52	0%
NHS England Cost & Volume	1,056	817	(239)	-23% ⑥
NHS England New Care Models	0	0	0	0%
NHS England FCAMHS	1,016	1,052	36	4%
NHS Northamptonshire	552	901	349	63% ⑦
Other CCGs Income	1,813	3,280	1,467	81% ⑧
Other Local Authority	32	180	149	468% ⑨
Oxfordshire Block - IAPT	9,569	9,613	45	0%
Oxfordshire Block - Learning Disabilities	6,433	6,433	0	0%
Oxfordshire Block - main contract	97,134	99,995	2,861	3% ⑩
Oxfordshire Block - OBC	57,455	57,415	(40)	0%
Oxfordshire Block - CAMHS	13,831	13,868	37	0%
Oxfordshire Cost & Volume	6,737	6,820	83	1%
Oxfordshire County Council	10,513	9,992	(522)	-5% ⑪
Oxfordshire S75 (pooled budget)	1,654	1,654	0	0%
Personal Injury Compensation	103	72	(30)	-30%
Private Patients	53	163	110	206% ⑫
Swindon Block	0	0	0	0%
Wales Cost & Volume	845	845	0	0%
Wiltshire Block	0	0	0	0%
Wiltshire Borough Council	475	475	0	0%
Clinical Income Total	400,302	402,301	1,999	0%

Clinical income is **£1,999k** adverse to plan at month 11. Material variances to the plan are:

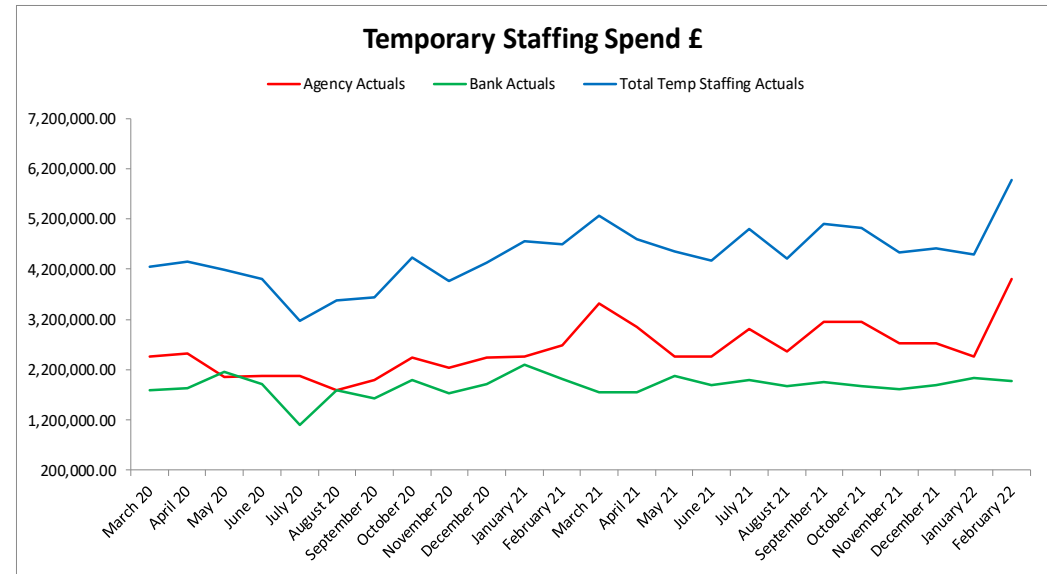
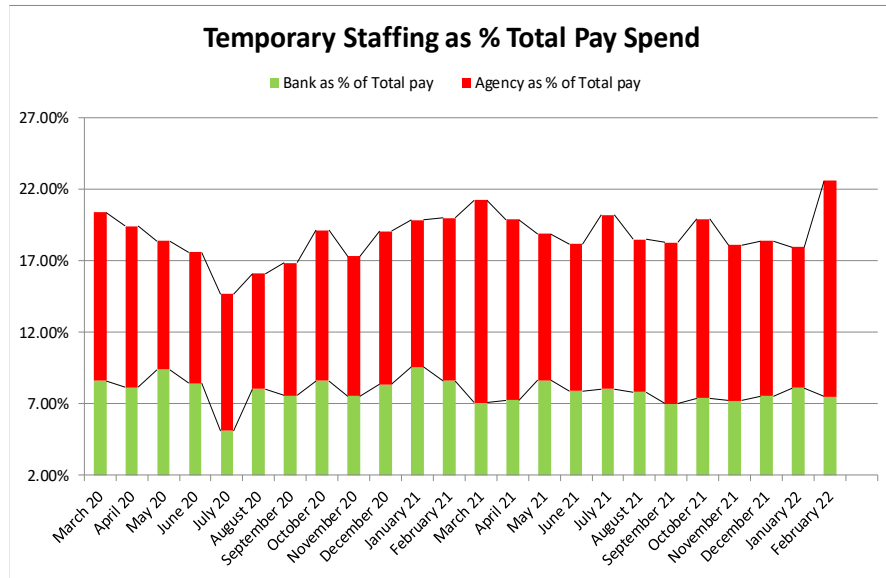
1. Bucks Block **£1,257k** adverse due non receipt of investment income.
2. Additional Bucks S75 income **£208k** favourable.
3. Cost per case **£188k** adverse due to less income than planned in Oxfordshire Mental Health Community Teams.
4. NHS Trust income **£295k** favourable due to OOA Secure provider collaborative activity.
5. BSW **£1,417k** adverse due to deferred investment income.
6. Underperformance School Health Nursing Service immunisations **£239k** adverse.
7. Northamptonshire cost per case income (**£349k**) greater than planned.
8. Other CCGs income additional investment to match expenditure **£1,467k** favourable.
9. Release of FY21 deferred income **£149k** favourable.
10. Oxfordshire Block **£2,861k** favourable – additional investment to match expenditure
11. OCC £522k adverse due to low productivity levels in Complex Care.
12. Private patients **£110k** greater than planned Ketamine activity.

3. Non-Clinical Income

NON-CLINICAL INCOME	YTD at month 11			
	Plan £'000	Actual £'000	Variance £'000	Variance %
Education & Training	15,698	18,985	3,287	21%
Other Operating Income	28,493	54,470	25,976	91%
Research & Development	11,671	11,596	(75)	-1%
Non- Clinical Income Total	55,863	85,051	29,188	52%

- Education and Training **£3.3m** favourable - **£0.7m** favourable by Health Education England LDA income for apprentices and trainees IAPT and CAMHS GMH in Bucks Directorate; **£1.3m** favourable HEE IAPT Trainees in OBSW directorate; increase in apprenticeship funding from HEE, **£0.8m**; Other **£0.5m** favourable.
- Other Operating Income **£25,976k** favourable - retrospective top up payments for the costs of the mass vaccination centres (**£21,710k**), payments to final year students (**£78k**), IM&T (**£772k**) and **£2,390k** across other services (in particular Community Directorate services, **£813k**); greater than planned sales in Oxford Pharmacy Store (**£1,026k**).
- Research & Development income is **£75k** adverse

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 11 **£32.6m** has been spent on agency staff (excluding **£24.3m** for Covid related agency). This is **11.8%** 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 @ M11						
Project	YTD Plan	YTD Actual	YTD Variance	Full Year Plan FY22	Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
International Recruitment (IQRA)	344	266	-78	376	376	0
HCA Recruitment Inpatient MH (IQRA)	183	0	-183	200	200	0
HCA Recruitment Staffing Solutions (IQRA)	3	0	-3	3	3	0
HCA Recruitment Peri Community Hospitals (IQRA)	73	0	-73	80	80	0
Agency Management (IQRA)	25	0	-25	27	27	0
Agency Reduction - Improved recruitment (IQRA)	1,004	0	-1,004	1,095	0	-1,095
Non pay expenditure (Claimed business miles, room hire and training)	1,553	1,367	-186	1,694	1,491	-203
Pharmacy Medicine Outsourcing 3 months	11	0	-11	12	0	-12
Pharmacy Drug Cost Price Reduction 12 Months	39	26	-12	42	28	-14
Un-Allocated	1,100		-1,100	1,200	0	-1,200
	0		0	0	0	0
Total	4,335	1,660	-2,675	4,729	2,205	-2,523

- The FY22 CIP Target is **£4.7m**.
- The savings as at the end of month 11 are **£1.7m** arising from reduction in non-pay expenditure such as business miles and room hire costs, reduction in agency premium costs resulting from the recruitment of international nurses and Drug price reduction.
- The YTD and forecast savings are **£2.7m** and **£2.5m** 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 28th February 2022					
31 March 2021		Month 10 FY22	Month 11 FY22	Movement	
£'000		£'000	£'000	Year to date £'000	In month £'000
	Non-current assets				
4,359	Intangible Assets	3,084	2,838	(1,520)	(245)
145,308	Property, plant and equipment	144,388	145,509	200	1,120
187	Trade and other receivables	187	187	0	0
149,854	Total non-current assets	147,659	148,534	(1,320)	875
	Current Assets				
1,609	Inventories	2,007	1,990	381	(18)
12,981	Trade and other receivables	25,463	18,741	5,760	(6,722)
	Non-current assets held for sale	0	0	0	0
55,696	Cash and cash equivalents	66,760	86,699	31,003	19,939
70,286	Total current assets	94,230	107,430	37,144	13,200
	Current Liabilities				
(54,601)	Trade and other payables	(62,791)	(62,328)	(7,727)	463
(1,919)	Borrowings	(2,138)	(2,189)	(270)	(51)
(1,968)	Other financial liabilities	(1,968)	(1,968)	0	0
(1,741)	Provisions	(2,360)	(2,511)	(770)	(151)
(8,844)	Deferred income	(17,754)	(24,554)	(15,711)	(6,801)
(69,073)	Total Current Liabilities	(87,011)	(93,551)	(24,478)	(6,540)
	Non-current Liabilities				
	Trade and other payables	0	0	0	0
(17,723)	Borrowings	(16,595)	(16,549)	1,174	46
(3,868)	Provisions	(3,680)	(3,991)	(123)	(311)
(1,351)	Other Liabilities	(1,351)	(1,351)	0	0
(22,942)	Total non-current liabilities	(21,626)	(21,891)	1,051	(265)
128,125	Total assets employed	133,253	140,522	12,397	7,269
	Financed by (taxpayers' equity)				
99,120	Public Dividend Capital	99,120	103,944	4,825	4,824
19,180	Revaluation reserve	19,093	20,340	1,160	1,247
	Other reserves	0	0	0	0
9,826	Income & expenditure reserve	15,039	16,237	6,411	1,199
128,125	Total taxpayers' equity	133,253	140,522	12,397	7,269

1. Non-current assets have decreased by **£1.3m** in-year. The in-year decrease is driven by the M1-11 depreciation charge of **£5.8m** and offset by capital additions of **£3.2m** along with land revaluation of **£1.3m**.
2. The increase in the inventories balance of **£0.3m in month** is due to the stock year end stock count which reflect the stock level.
3. Trade and other receivables have increased by **£5.7m** in year and decrease **£6.7m** in month. Most of the in-year increase is due to accrued income and in month NHS invoiced income has decreased due to block payment arrangements.
4. Cash has increased by **£31.1m** in year and **£19.9m** 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 **£7.7m** in year in line with increases in accrued expenditure .
6. Deferred income has increased by **£15.7m** in year and by **£6.8m** in-month. Most of the increase in year can be attributed to **£1.2m** of HEE funding and **£4.9m** of Mental Health Underfunding deferral. This deferred income (and expenditure) is largely expected to unwind over the course of the next financial year.
7. Borrowings have decreased **£1.1m** in-year in line with PFI and DH loan capital repayments.
8. The in-year movements in the I&E reserve reflect the Trust's reported surplus for the first 11 months of the year.

7. Cash Flow

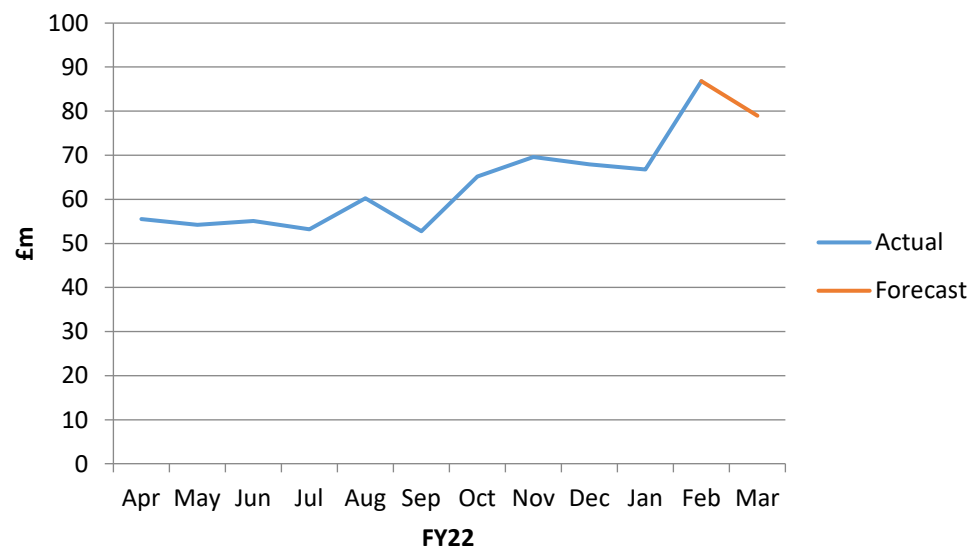
STATEMENT OF YEAR TO DATE CASH FLOWS

	Month 11 FY22		
	Actual £'000	Plan £'000	Variance £'000
Cash flows from operating activities			
Operating surplus/(deficit) from continuing operations	9,736	4,606	5,130
Operating surplus/(deficit) from discontinuing operations	0	0	0
Operating surplus/(deficit)	9,736	4,606	5,130
Non-cash income and expense:			
Depreciation and amortisation	5,802	5,662	140
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	(6,032)	(2,774)	(3,258)
(Increase)/Decrease in Inventories	(381)	37	(418)
Increase/(Decrease) in Trade and Other Payables	10,035	(2,605)	12,639
Increase/(Decrease) in Deferred Income	15,711	(6,156)	21,867
Increase/(Decrease) in Provisions	894	250	643
Other Movements in Operating Cashflows	0	0	0
NET CASH GENERATED FROM/(USED IN) OPERATIONS	35,725	(980)	36,705
Cash flows from investing activities			
Interest received	36	23	12
Purchase of Non Current Assets	(6,151)	(11,309)	5,158
Sale of PPE	0	0	0
Net cash generated from/(used in) investing activities	(6,115)	(11,285)	5,170
Cash flows from financing activities			
Public dividend Capital Received	4,824	2481	2,343
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	(413)	(379)	(34)
Interest paid	(344)	(351)	7
Interest element on leases	0	0	0
Interest element of Private Finance Initiative obligations	(793)	(930)	137
PDC Dividend paid	(1,211)	(1,258)	47
Net cash generated from/(used in) financing activities	1,394	(1,107)	2,501
Increase/(decrease) in cash and cash equivalents	31,003	(13,372)	44,375
Cash and Cash equivalents at 1st April	55,697	55,697	0
Cash and Cash equivalents at 28th February	86,700	42,325	44,375

Summary Notes

- The cash flow movements are consistent with the comments made on the Statement of Financial Position.
- The closing cash position at Month 11 was **£86.7m**.

FIC Cashflow Forecast



8. Working Capital Indicators

Working Capital Ratios			
Ratio	Target	Actual	Risk Status
Debtor Days	30	32	●
Debtors % > 90 days	5.0%	16.1%	●
Creditor Days	30	43	●
BPPC NHS - Value of Inv's pd within target (ytd)	95.0%	84.0%	●
BPPC Non-NHS - Value of Inv's pd within target (ytd)	95.0%	91.8%	●
Cash (£m)	46.9	86.7	●

Summary Notes

- Debtor days at month 11 are ahead of target.
- Debtors % over 90 days are below target due to overdue invoices, specifically with Oxfordshire CCG £443k , NHSE £135k and Oxfordshire County Council £207k
- 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 20% of non-pay expenditure) is below target YTD.
- Non-NHS BPPC (which represents 80% of non-pay expenditure) is below target YTD.
- 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 receipters' 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-FEBRUARY(M11)								
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	5,017	4,994	1,384	3,611	2,090	3,473	1,544
IT	1,230	1,221	1,221	338	884	43	381	841
PFI	100	57	44	19	25	-	19	38
Highfield PICU	3,800	2,750	2,750	866	1,884	1,585	2,451	299
Global Digital Exemplar DoH Funding FY19	-	(88)	(88)	(36)	(52)	576	540	-628
Other Project								
Medical Equipment	100	100	100	97	3	-	97	3
Digital Diagnostic Programme - LIMS PDC		864	864	-	864	-	-	864
UTF - Digital Aspirants		1,545	1,545	-	1,545	-	-	1,545
UTF - Enabling Digital Infrastructure		300	300	99	201	24	123	177
UTF - Networks		712	712	282	430	549	831	(119)
Shared Care Record		417	417	162	255	-	162	255
Video Conference		150	150	-	150	-	-	150
Sub total	11,318	13,226	13,192	3,236	9,955	4,866	8,103	5,124
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	14,317	14,283	4,327	9,955	4,866	9,194	5,124

- 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.
- In light of the increased costs and delays in recommencing the PICU project and the new LIMS and UTF projects (£2.55m), the FY22 capital plan has now been updated to **£14.283m**. The PICU expenditure forecast has been reduced by £1.1m to £2.8m in year, while the total project cost has increased from £3.8m to £5.8m, of which £2.8m will be spent this year and £3.0m will be spent next year.
- The actual net spend to the end of January is **£4.3m**, which includes revenue backed projects totalling **£1.1m**.

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 11 FY22						
	Board Report	Remove Section 75 Income and Costs	Category Changes	National supplied PPE	NHSI Template	
	£m	£m	£m	£m	£m	£m
Clinical Income	402.3	-3.5				398.8
Other Operating Income	85.0					85.0
Operating Income, Total	487.3	-3.5	0.0	0.0	0.0	483.8
Employee Benefit Expenses (Pay)	310.1	-3.2				306.9
Other Operating Expenses	161.7	-0.4				161.4
Operating Expenses, Total	471.8	-3.5	0.0	0.0	0.0	468.3
Non-Operational Income						0.0
EBITDA	15.5	0.0	0.0	0.0	0.0	15.5
Profit/(Loss) on asset disposal	0.0					0.0
Depreciation and Amortisation	5.8					5.8
Asset Impairment	0.0					0.0
Interest	0.8					0.8
Other Finance Charge	0.8					0.8
PDC Dividend	1.9					1.9
Surplus/ (Deficit)	6.3	0.0	0.0	0.0	0.0	6.3