

Report to Board of Directors

For Information

Finance Report June 2022 (Month 3), FY23

BOD 50/2022
(Agenda item: 14)

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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	£1.5m surplus, £1.6m adverse to plan	£4.9m surplus, £1.7m adverse to plan
I&E performance	£0.5m surplus, £1.4m adverse to plan	£1.1m surplus, £1.8m adverse to plan
Cost Improvement Plan	£0.2m, £0.4m adverse to plan	£0.7m, £1.3m adverse to plan
Cash	Increase £2.1m, £4.7m favourable to plan	£73.2m, £3.5m adverse to plan

- The year-to-date I&E position as at month 3 is a **£1.1m** surplus, **£1.8m** adverse to plan. EBITDA is a **£4.9m** surplus, **£1.7m** adverse to plan.
- The FY23 plan submitted to NHSE is for **£6.2m** deficit due to two outstanding contractual issues: with NHSE Spec Comm (**£3.5m**) and BOB MHIS (**£5.7m**). OHFT has accepted an additional **£1.5m** ICS CIP to assist BOB with a breakeven plan submission.
- I&E is **£1.8m** adverse to plan driven by under delivery of CIP **£1.3m**, continuation of high level of agency and contracted OAPS (**c.£3.9m**) both reported as Covid spend in FY22, partially mitigated by release of covid funding **c.£1.8m**, in expectation of the tapering down of these expenditure items, and release of reserves and deferred income, **c.£3.4m**.
- Reserves that have been held back to later in the year will mitigate further deterioration of the year to date position, however, this does not fully address the operational issues highlighted above should they continue unabated.
- The CIP plan for the year is **£7.9m** (excluding the additional ICS CIP of **£1.5m**) with delivery profiled evenly over 12 months. **£0.7m** has been delivered at month 3, this is **£1.3m** adverse to plan due to delay in CIP engagement as a result of Covid-19.
- The closing cash position at the end of June was **£73.2m**.

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			Plan	Month 3				Plan	Year-to-Date			
	£m	Change			£m	Actual	Variance			£m	Actual	Variance	
		£m	%				£m	£m				%	£m
100.7	15.7	15.6%	Clinical Income	38.9	38.0	-0.8	0.0%	114.7	116.4	1.7	1.5%		
19.4	1.9	9.6%	Other Operating Income	4.8	6.6	1.8	0.0%	14.8	21.3	6.4	43.4%		
120.1	17.6	14.6%	Operating Income, Total	43.6	44.6	1.0	0.0%	129.5	137.7	8.1	6.3%		
79.4	-7.6	-9.5%	Employee Benefit Expenses (Pay)	26.3	29.5	-3.2	0.0%	78.4	87.0	-8.6	-11.0%		
37.8	-8.0	-21.1%	Other Operating Expenses	14.3	13.6	0.6	0.0%	44.5	45.8	-1.3	-2.8%		
117.2	-15.5	-13.3%	Operating Expenses, Total	40.6	43.1	-2.6	0.0%	122.9	132.8	-9.9	-8.0%		
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%		
2.9	2.0	70.0%	EBITDA	3.1	1.5	-1.6	0.0%	6.7	4.9	-1.7	-26.0%		
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%		
1.6	-1.3	-80.2%	Depreciation and Amortisation	1.7	1.0	0.7	0.0%	2.7	2.9	-0.2	-7.9%		
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	0.1	45.8%	Interest	0.1	0.0	0.1	0.0%	0.2	0.1	0.1	52.9%		
0.2	0.0	0.0%	Other Finance Charge	0.1	0.7	-0.7	0.0%	0.2	0.2	0.0	-1.4%		
0.6	-0.1	-18.0%	PDC Dividend	0.2	0.2	0.0	0.0%	0.7	0.7	0.1	8.6%		
0.3	0.7	0%	Surplus/ (Deficit)	0.9	-0.5	-1.4	0.0%	2.8	1.1	-1.8	-62.5%		

The month 3 I&E position is a **£1.1m** surplus, **£1.8m** adverse to plan (**£1.5m** surplus, **£0.3m** adverse to plan at month 2). EBITDA is a **£4.9m** surplus, **£1.7m** adverse to plan.

- Clinical income favourable **£1.7m** YTD, primarily in the Community directorate in respect of Oxon Children's CHC and release of FY22 deferred income in OxBSW. Prior year increase **£15.7m** due to inflation, full year effect of secure and AED provider collaboratives and commissioner funded investments in clinical services in OxBSW & Bucks MH directorates.
- Non-Clinical income favourable **£6.4m** YTD, mainly due to retrospective top up payments for Covid-19 costs which are not part of the Covid-19 allocation for the costs of running the vaccination sites. Prior year increase **£1.9m** due to increased sales in OPS post Covid **£1.7m**.
- Employee Benefits Expenses (Pay) **£8.6m** YTD adverse due to staff costs at the mass vaccination centres. Continuation of high level of agency reported as Covid spend in FY22 partially expected to taper down in the last 6 months although this requires proactive management action. Medical staffing and CIP under delivery are other major items that need to be addressed. Prior year increase **£7.6m** due to inflation, new investment costs in OxBSW MH and Bucks MH directorates as a result of clinical investment in these services, Covid vaccinations and an increase in employers NI.
- Other Operating Expenses (Non Pay) adverse **£1.3m** YTD adverse due to Clinical services and Purchase of Healthcare due to out of area placements some of which is a continuation of spend reported as Covid spend in FY22 expected to taper down in the future month although this requires proactive management action. Prior year increase **£8.0m** full year effect of secure and AED provider collaboratives and drug costs in respect of increased OPS sales.
- The I&E performance in FY23 is **£0.7m** better than in FY22 due to deferral of investment income in month 3 of FY22.

Covid-19 Costs

FY23 Directorate COVID Funding **-7,318**

Correct Inpatient establishments - community	712	Per ME Review
Correct Inpatient establishments - MH	1,199	Per ME Review
PPE & Testing Team	646	Retained as-is until further guidance
OOA Beds	1,399	Phased downward
Additional staffing support	2,518	Phased downward
Additional cleaning	834	Retained as-is until further guidance

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Profile:	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	
Correct Inpatient establishments - community	59	59	59	59	59	59	59	59	59	59	59	59	712
Correct Inpatient establishments - MH	100	100	100	100	100	100	100	100	100	100	100	100	1,199
PPE & Testing Team	54	54	54	54	54	54	54	54	54	54	54	54	646
OOA Beds	373	373	280	187	93	93	0	0	0	0	0	0	1,399
Additional staffing support	775	581	387	387	194	194	0	0	0	0	0	0	2,518
Additional cleaning	70	70	70	70	70	70	70	70	70	70	70	70	834
	1,430	1,237	950	856	570	570	283	283	283	283	283	283	7,308

The Trust's retained Covid-19 funding is **£9.5m** of which **£7.3m** is retained to support:

- **£1.9m** Inpatient cost pressures
- **£1.5m** PPE & Testing Team and additional cleaning
- **£3.9m** additional ward staffing and OOA beds in line with current spend, tapering down on the assumption costs will reduce.

Performance against Plan

	Plan YTD M3		Actual YTD		Variance	Actual YTD		Change	
	FY23	M3 FY23	M3 FY23	FY23		M3 FY22	M3 FY22	£'000	%
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
Block	102,526	103,658	1,131	1%	①	88,869	14,789	17%	①
Cost & Volume	3,289	2,969	-320	-10%		3,185	-217	-7%	
Cost Per Case	1,233	1,631	398	32%		1,383	248	18%	
CQUIN	838	838	0	0%		804	34	4%	
Local Authority	5,455	5,896	441	8%		5,076	820	16%	②
Section 75 (pooled budget)	1,349	1,348	-1	0%		1,356	-9	-1%	
Private Patients	15	63	48	333%		40	23	59%	
Clinical Income Total	114,706	116,403	1,697	1%		100,714	15,689	16%	
Education And Training	3,572	5,028	1,456	41%	②	4,532	496	11%	
Research & Development	2,835	3,074	238	8%		3,489	-415	-12%	
FRF/Top Up Payment	0	4,202	4,202	0%	③	4,555	-353	-8%	
Accommodation	231	299	68	29%		227	72	32%	
Catering	0	0	0	0%		0	0	0%	
Non-Patient Care to Other Bodies	262	639	377	144%		573	67	12%	
Other Income	481	548	67	14%		190	358	188%	
Parking	19	0	-19	-100%		0	0	0%	
Oxford Pharmacy Sales	7,442	7,487	45	1%		5,838	1,650	28%	③
Other Operating Income Total	14,842	21,277	6,435	43%		19,403	1,874	10%	
Permanent	77,049	63,588	13,461	17%		60,172	-3,416	-6%	④
Flexible	1,302	6,745	-5,443	-418%	④	8,771	2,026	23%	⑤
Agency	6	16,625	-16,619	-281505%		10,446	-6,180	-59%	⑥
Employee Benefits Expenses	78,357	86,959	-8,602	-11%		79,389	-7,571	10%	
Clinical Services & Supplies	4,670	5,498	-828	-18%	⑤	6,031	533	-9%	⑦
Drugs	7,875	8,178	-303	-4%		6,489	-1,690	26%	⑧
PFI	147	232	-85	-58%		196	-36	18%	
Car Park Security	0	0	0	0%		0	0	0%	
Premises And Fixed Plant	2,424	2,632	-209	-9%		3,664	1,032	-28%	⑨
Premises - Business Rates	351	135	216	61%		345	209	-61%	
Secondary Commissioning	0	0	0	0%		0	0	0%	
Purchase Of Healthcare	18,260	20,476	-2,216	-12%	⑥	14,066	-6,410	46%	⑩
Establishment Expenditure	2,097	2,412	-315	-15%		2,047	-365	18%	
Insurance	124	123	2	1%		140	18	-13%	
Audit Fees External	22	19	2	11%		15	-4	30%	
Audit Fees Internal	25	2	23	92%		18	16	-89%	
Clinical Negligence	207	263	-56	-27%		249	-15	6%	
Consultancy	12	-9	21	169%		-12	-4	-31%	
General Supplies And Services	639	902	-262	-41%		812	-90	11%	
Legal Fees	57	81	-24	-41%		93	13	-14%	
Losses And Special Payments	5	18	-14	-296%		3	-15	547%	
NHS Services	0	0	0	0%		0	0	0%	
Other Non-Pay Expenditure	5,455	2,853	2,601	48%	⑦	1,853	-1,000	54%	⑪
Other Services	144	136	9	6%		149	13	-9%	
Patient Travel	0	0	0	0%		0	0	0%	
Provisions	14	141	-127	-903%		180	0	0%	
Redundancy Costs	0	40	-40	0%		71	32	0%	
Training & Conferences	454	415	40	9%		377	-37	10%	
Transport - Business Travel	968	464	504	52%	⑧	490	26	-5%	
Transport - Other	586	786	-200	-34%		559	-227	41%	
Inventory Dhsc Covid Response	0	0	0	0%		0	0	0%	
Total Other Operating Expenses	44,537	45,800	-1,262	-3%		37,836	-8,003	21%	
EBITDA Total	6,653	4,921	-1,732	-26%		2,892	2,029	70%	

Performance against Plan

EBITDA is a **£4.9m** surplus, **£1.7m** adverse to plan at month 3. The main drivers of the position are:

1. Block patient care income **£1.1m** favourable - **£1.3m** favourable Community children's continuing care ; **£0.9m** favourable OxBSW; Other **£0.6m** favourable; partially offset by deferred investment income not yet spent **£1.8m** adverse
2. Education and Training **£1.5m** favourable – Ox BSW **£0.4m** various training posts where budget has not been set; L&D income **£0.8m** favourable due to HEE income received for trainees, backdated Apprenticeship levy income & income released to match spend. Other **£0.3m**.
3. FRF/Top up Payment **£4.2m** favourable – this is the retrospective top up payments for Covid-19 costs which are not part of the Covid-19 allocation. **£4.2m** is for the costs of running the vaccination sites.
4. Employee Benefits Expenses (Pay) **£8.6m** adverse - **£4.0m** of this is due to staff at the mass vaccination centres. Continuation of high level of agency (**c.£2.5m**) reported as Covid spend in FY22 partially mitigated by release of covid funding **c.£1.8m** in expectation of the tapering down of these expenditure items. Medical staffing **£1.7m** adverse exacerbated by high agency usage, CIP under delivery **£1.3m**. Other **£0.9m** adverse.
5. Clinical services and supplies **£0.8m** adverse - OxBSW **£0.6m** adverse off set by the release of deferred income; Other **£0.2m** adverse.
6. Purchase of Healthcare **£2.2m** adverse – Continuing care placements **£1.1m** adverse; out of area placements **£1.4m** adverse; Other **£0.3m** favourable.
7. Other Non Pay Expenditure **£2.6m** favourable – reserves **£2.8m** favourable; other **£0.2m** adverse.

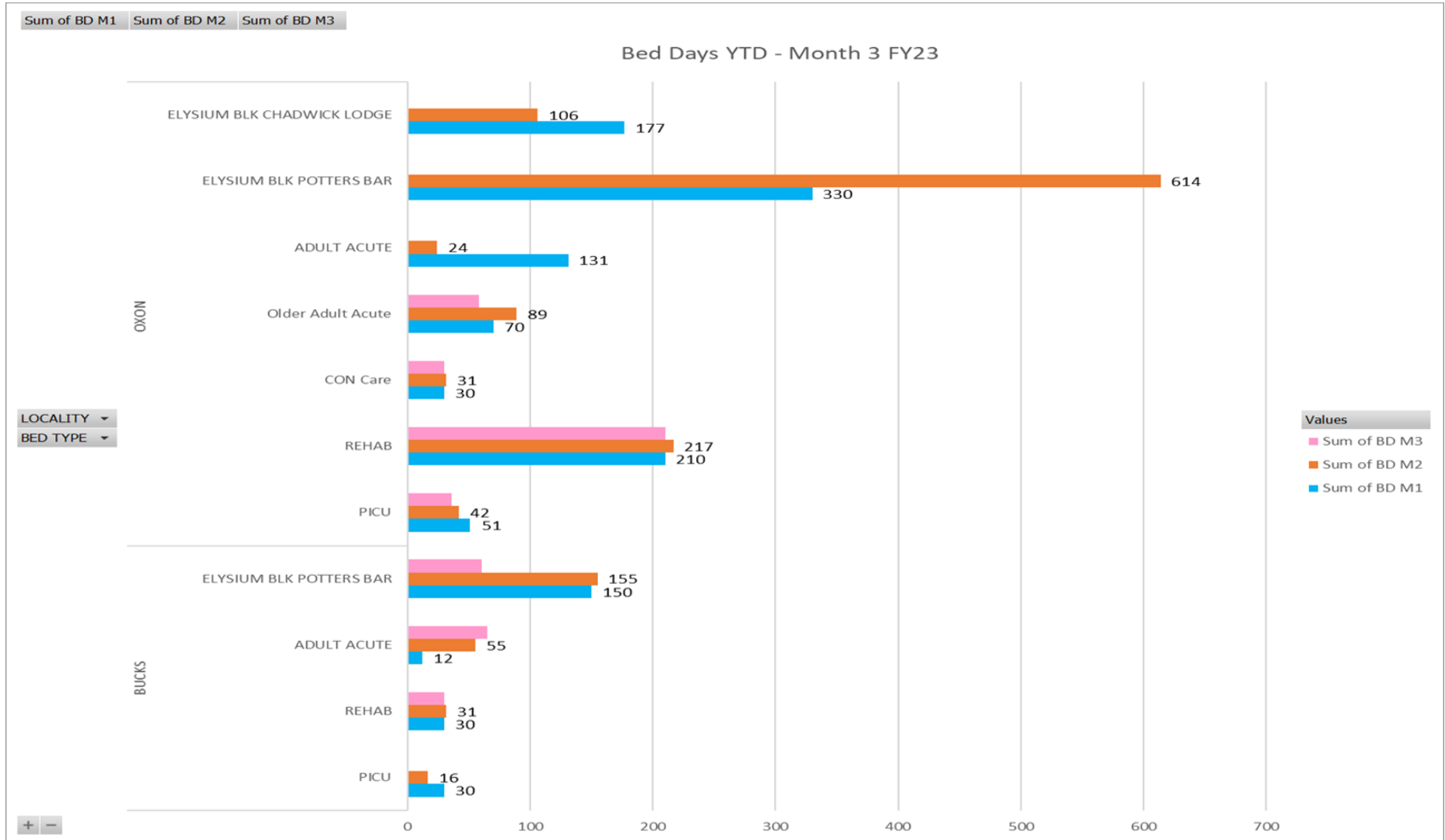
Performance against Prior Year

The EBITDA position is **£2.0m** better than last financial year. The significant changes from FY22 are:

1. Block income is **£14.8m** higher than last year due to inflation **c.£1.5m**; full year effect of secure and AED provider collaboratives **c.£8.3m**; other driven by investments (in particular OxBSW) **£5.0m**.
2. Local Authority income is **£0.8m** higher than last year due to inflation and Oxfordshire County Council prior year inflation accounted for in FY23.
3. Increase in OPS sales post Covid **£1.7m**.
4. Permanent staff costs have increased by **£3.4m** from last year, due to **£1.8m** FY22 inflation; new costs in Oxfordshire & BSW MH and Buckinghamshire MH directorates as a result of investment in these services last year **£1.0m**; **£0.6m** FY23 increase in employers NI.
5. Flexible staff costs have decreased by **£2.0m** due to the use of less sessional staff during covid.
6. Agency staff costs have increased by **£6.2m** from last year, new costs in Oxfordshire & BSW MH and Buckinghamshire MH directorates as a result of investment in these services last year **£4.5m**; Covid vaccination **£1.4m**; Other **£0.3m** FY22.
7. Clinical Service & Supplies are **£0.5m** less than last year due to the continuing care placements services in the Community directorate.
8. Drugs are **£1.7m** higher than last year due to higher sales in OPS post Covid-19
9. Premises and Fixed Plant **£1.0m** less than last year due to changes in the accounting treatment of leases.
10. Purchase of Healthcare **£6.4m** higher than last year due to provider collaborative in particular full year effect of Secure and change in lead provider payment regime.
11. Other Non Pay Expenditure **£1.0m** higher than last year due to R&D project costs **£0.3m**; Bad Debt provisions **£0.4m**; Other **£0.3m**.

Out of Area Treatments (OATs)

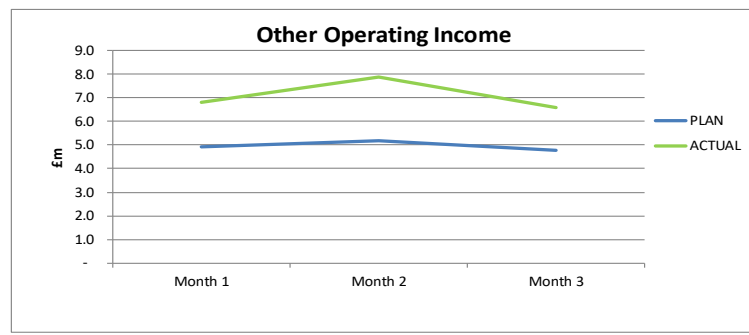
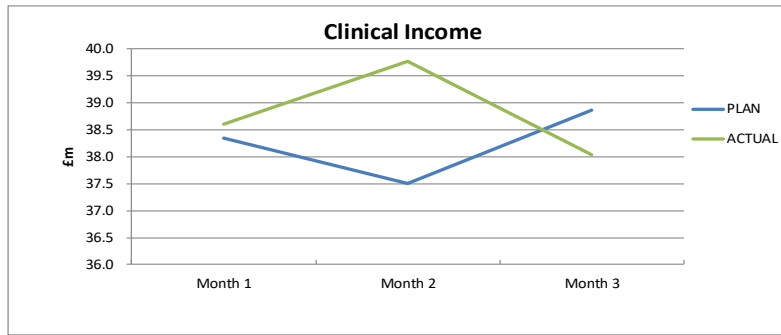
OATs are **£1.373m** overspent at month 3 (**£1.239m** overspend in Oxfordshire and **£133k** in Buckinghamshire). This includes the costs Elysium Block Contract Beds at Potter Bar and Chadwick Lodge, these have been reduce from 21 beds to 11 Beds at the end of M3.



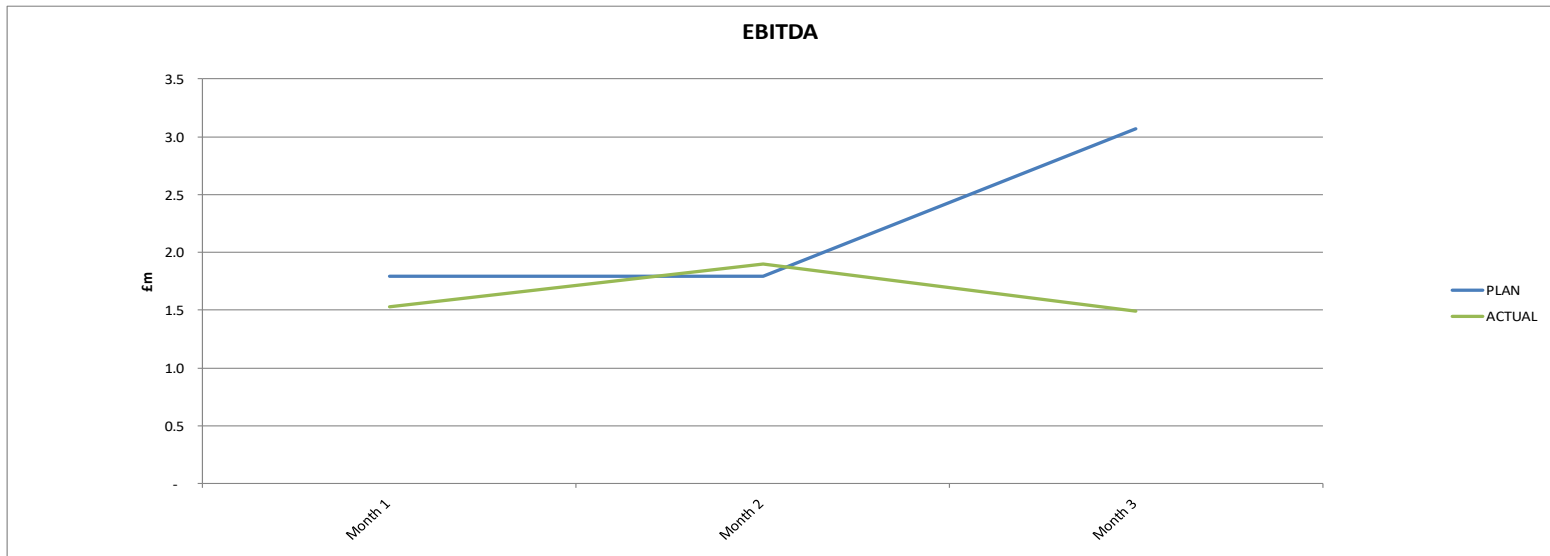
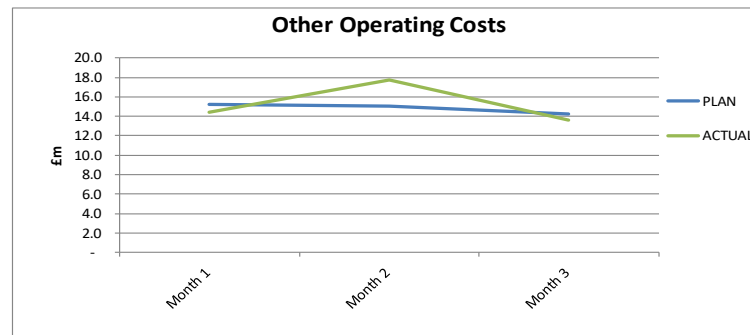
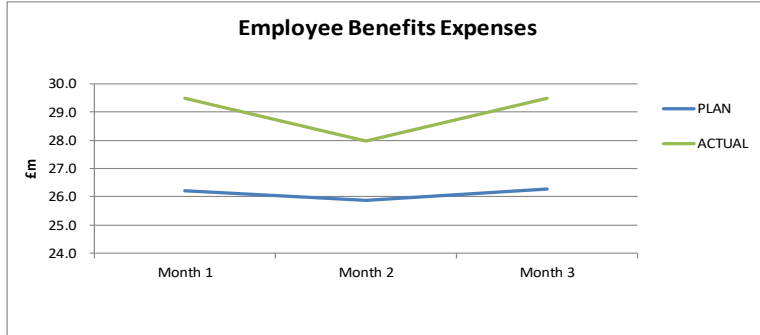
Variance to Plan by Month

PLAN	Month 1	Month 2	Month 3
	£m	£m	£m
Clinical Income	38.3	37.5	38.9
Other Operating Income	4.9	5.2	4.8
Operating Income Total	43.3	42.7	43.6
Employee Benefits Expenses	26.2	25.9	26.3
Other Operating Costs	15.3	15.0	14.3
Operating Expenses Total	41.5	40.9	40.6
EBITDA	1.8	1.8	3.1
ACTUAL	Month 1	Month 2	Month 3
	£m	£m	£m
Clinical Income	38.6	39.8	38.0
Other Operating Income	6.8	7.9	6.6
Operating Income Total	45.4	47.6	44.6
Employee Benefits Expenses	29.5	28.0	29.5
Other Operating Costs	14.4	17.8	13.6
Operating Expenses Total	43.9	45.8	43.1
EBITDA	1.5	1.9	1.5
VARIANCE	Month 1	Month 2	Month 3
	£m	£m	£m
Clinical Income	0.3	2.3	- 0.8
Other Operating Income	1.9	2.7	1.8
Operating Income Total	2.2	5.0	1.0
Employee Benefits Expenses	- 3.3	- 2.1	- 3.2
Other Operating Costs	0.9	- 2.8	0.6
Operating Expenses Total	- 2.4	- 4.9	- 2.6
EBITDA	- 0.3	0.1	- 1.6

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2. Clinical Income

CLINICAL INCOME	YTD at month 3			
	Plan £'000	Actual £'000	Variance £'000	Variance %
Any Qualified Provider	902	902	0	0%
Bath & NE Somerset Block	0	0	0	0%
Berkshire Block	50	50	(0)	0%
Buckinghamshire Block	13,951	14,452	501	4% ①
Buckinghamshire Block - IAPT	0	0	0	0%
Buckinghamshire County Council	2,500	2,500	(0)	0%
Buckinghamshire S75 (pooled budget)	898	897	(1)	0%
Cost per Case Income	314	722	408	130% ②
CQUIN provision	0	0	0	0%
Department of Health & Social Care	0	0	0	100%
Income from NHS Trusts	473	585	111	24% ③
Nene Block	0	0	0	0%
NHS BSW	4,543	4,610	68	1%
NHS England Block	31,097	30,894	(202)	-1% ④
NHS England Cost & Volume	294	187	(107)	-36% ⑤
NHS England New Care Models	0	0	0	0%
NHS England FCAMHS	283	283	0	0%
NHS Northamptonshire	155	212	57	37%
Other CCGs Income	4	778	774	18461% ⑥
Other Local Authority	9	2	(7)	-79%
Oxfordshire Block - IAPT	3,128	3,324	196	6% ⑦
Oxfordshire Block - Learning Disabilities	1,847	1,890	43	2%
Oxfordshire Block - main contract	29,609	28,500	(1,109)	-4% ⑧
Oxfordshire Block - OBC	15,277	15,514	238	2% ⑨
Oxfordshire Block - CAMHS	3,798	4,043	245	6% ⑩
Oxfordshire Cost & Volume	1,900	1,900	0	0%
Oxfordshire County Council	2,817	3,265	448	16% ⑪
Oxfordshire S75 (pooled budget)	451	451	0	0%
Personal Injury Compensation	28	18	(10)	-35%
Private Patients	15	63	48	333%
Swindon Block	0	0	0	0%
Wales Cost & Volume	234	231	(4)	-2%
Wiltshire Block	0	0	0	0%
Wiltshire Borough Council	130	130	0	0%
Clinical Income Total	114,706	116,403	1,697	1%

Clinical income is **£1,6976k** favourable to plan at month 3. Material variances to the plan are:

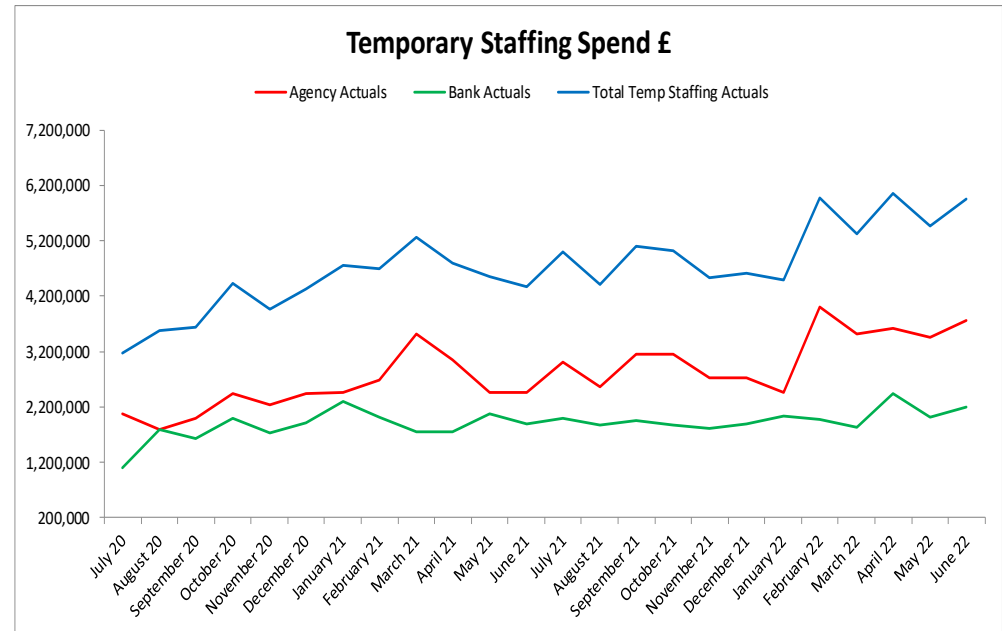
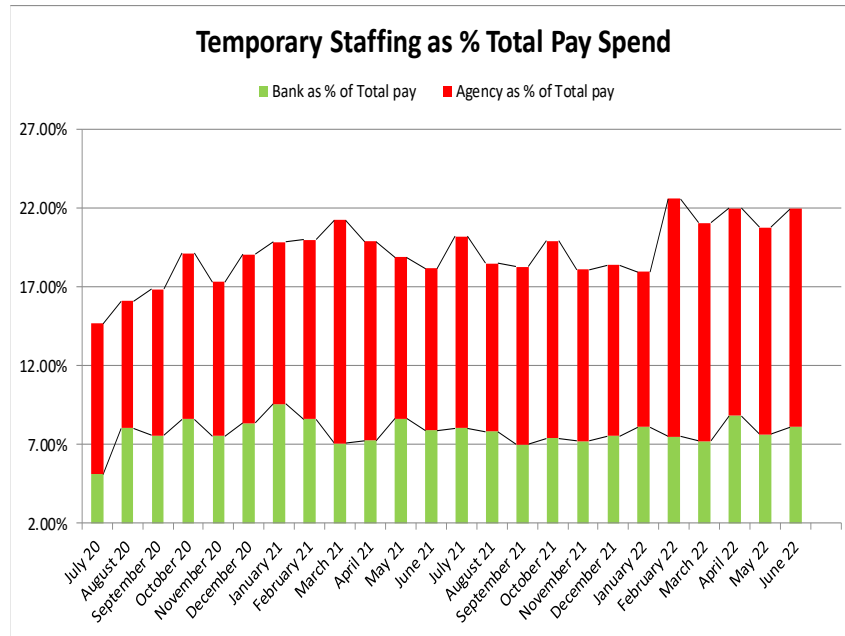
1. Bucks Block is **£501k** adverse – release of FY22 deferred income to offset expenditure.
2. Cost per case income **£408k** favourable in OxBSW & Bucks services.
3. NHS Trust Income **£113k** favourable CPC income for a Devon service user on Woodlands.
4. NHS England Block - **£202k** adverse underperformance AED I/P services.
5. NHS England Cost & Volume - School Health Nursing underperformance **£107k**.
6. Other CCG Income **£774k** favourable - Community directorate services in particular children's continuing healthcare **£528k**.
7. Oxfordshire Block IAPT - **£196k** favourable due to release of deferred income and DWP pass through income.
8. Oxfordshire Block main contract - **£1,109k** adverse due to deferred investment income not yet spent.
9. Oxfordshire Block OBC - **£238k** release of b/f income.
10. Oxfordshire CAMHS - **£245k** release of b/f income.
11. Oxfordshire County Council - **£448k** favourable prior year inflation accounted for in FY23.

3. Non-Clinical Income

NON-CLINICAL INCOME	YTD at month 3			
	Plan £'000	Actual £'000	Variance £'000	Variance %
Education & Training	3,572	5,028	1,456	41%
Other Operating Income	8,434	13,175	4,741	56%
Research & Development	2,835	3,074	238	8%
Non- Clinical Income Total	14,842	21,277	6,435	43%

- Education & Training income **£1,456k** favourable: **£425k** Apprenticeship income received for trainees matching pay expenditure and backdated Apprenticeship levy income. Oxford Institute of Clinical Psych Training **£343k** favourable due to HEE income for trainees & release of FY22 deferred income which offsets against the adverse pay variance. OxBSW **£435k** favourable for various training posts where budget has not been set – largely within IAPT and CAMHS services. Other **£253k**.
- Other Operating Income **£4,741k** favourable: retrospective top up payments for the costs of the mass vaccination centres **£4,202k**; OTH unbudgeted income matched to spend **£301k**; Other **£238k**.
- Research & Development income is **£238k** favourable budget profile not yet finalised offset in expenditure.

4. Agency



At month 3 **£12.8m** has been spent on agency staff (excluding **£3.8m** for Covid related agency agency). This **15.4%** of total 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

CIP / PIP Delivery at Month 03 FY23							
Projects	FY Target	FY Plan	YTD Target	YTD Actual	YTD Variance	Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CIP Programme	7,929	3,289	1,982	720	-1,262	2,882	-5,047
PIP Schemes / Agency Reduction	9,044	9,044	540	221	-319	4,038	-5,006
Covid Costs Reduction	0	0	0	0	0	0	0
Total	16,973	12,334	2,523	942	-1,581	6,920	-10,054

CIP Programme:

- In line with NHS efficiency requirements that Trust has a CIP target of **£7.9m**. Budget reductions totalling **£7.9m** have been applied to all Directorates at the start of Financial year. Plans to deliver the **£7.9m** target total **£3.3m**. Savings reported as at the end of month 3 are **£0.7m** corporate efficiencies, **£1.3m** adverse to target.

PIP Programme Schemes :

- The PIP programme encompasses schemes that are cost avoidance i.e. expenditure items for which there is no funding. It is centred on initiatives to reduce agency costs e.g. price reductions and usage. The target is a **£9.0m** reduction. The IQRA programme has delivered **£0.2m** reductions as at the end of month 3, **£0.3m** adverse to target.

Covid Cost Reduction:

- Covid cost reductions is a cost avoidance programme to address the continuance of expenditure incurred during the 2 year covid period. It is centred on initiatives to reduce staffing costs and the use of ISP contracted beds that have become business as usual and to challenge there validity in the context of the retained covid budget **£7.3m**.

6. Statement of Financial Position

Statement of Financial Position as at 30th June 2022

31 March 2022		Month 2 FY22	Month 3 FY23	Movement	
				Year to date	In month
£'000		£'000	£'000	£'000	£'000
Non-current assets					
6,390	Intangible Assets	5,983	5,871	(520)	(112)
155,907	Property, plant and equipment	155,862	155,511	(395)	(350)
0	Finance Leases	26,281	27,505	27,505	1,223
487	Trade and other receivables	499	499	12	0
162,784	Total non-current assets	188,626	189,386	26,602	761
Current Assets					
2,003	Inventories	1,836	2,014	10	178
19,702	Trade and other receivables	30,601	32,542	12,839	1,941
89,517	Cash and cash equivalents	71,050	73,244	(16,273)	2,193
111,223	Total current assets	103,487	107,799	(3,423)	4,312
Current Liabilities					
(75,128)	Trade and other payables	(61,397)	(69,852)	5,277	(8,454)
(2,817)	Borrowings	(2,075)	(2,128)	689	(53)
	Other financial liabilities	(1,788)	(1,788)	(1,788)	0
0	Finance Leases	(4,738)	(5,459)	(5,459)	(721)
(2,473)	Provisions	(2,697)	(2,729)	(256)	(32)
(22,784)	Deferred income	(24,662)	(20,384)	2,400	4,278
(103,203)	Total Current Liabilities	(97,357)	(102,339)	863	(4,982)
Non-current Liabilities					
	Trade and other payables	0	0	0	0
(15,784)	Borrowings	(16,534)	(16,484)	(700)	50
0	Finance Leases	(21,817)	(22,415)	(22,415)	(598)
(4,524)	Provisions	(4,371)	(4,391)	133	(19)
(1,132)	Other Liabilities	(1,132)	(1,132)	0	0
(21,440)	Total non-current liabilities	(43,854)	(44,421)	(22,981)	(567)
149,364	Total assets employed	150,901	150,425	1,061	(476)
Financed by (taxpayers' equity)					
107,619	Public Dividend Capital	107,619	107,619	1	0
27,469	Revaluation reserve	27,471	27,471	1	0
14,276	Income & expenditure reserve	15,811	15,335	1,059	(476)
149,364	Total taxpayers' equity	150,901	150,425	1,061	(476)

1. Non-current assets have increased by **£26.6m** in-year. The in-year increase is driven by the capitalisation of **£28.9m** of leased assets in accordance with the accounting standard IFRS16 which was adopted by the Trust from the 1st April, and capital additions of **£0.6m** in the first 3 months of the year. These additions were offset by depreciation of **£2.9m**.
2. Trade and other receivables have increased by **£12.8m** in year and **£1.9m** in month. Most of the in-year increase is due to accrued income in relation to the recovery of vaccination centre costs for M1-3 of **£4.2m** and allocations not rec'd of **£5.4m**. Prepayments have also increased by **£4.2m**.
3. Cash has decreased by **£16.3m** in year and increased by **£2.2m** in month. The decrease is in line with the cash flow statement and is largely due to the increase in receivables of **£12.8m** and **£6.0m** of payments for capital additions, mostly from FY22.
4. Trade and other payables have decreased by **£5.3m** in year and increased by **£8.4m** in month in line with net decreases (in year) and net increases (in month) in accrued expenditure and other payable balances.
5. Short term finance lease liabilities have increased by **£5.5m** in year due to the capitalisation of leased assets – see note 1.
6. Deferred income has decreased by **£2.4m** in year and **£4.3m** in month.
7. Long term finance leases have increased by **£22.4m** in year due to the capitalisation of leased assets – see note 1.
8. The in-year movements in the I&E reserve reflect the Trust's reported surplus for the year of **£1.1m**.

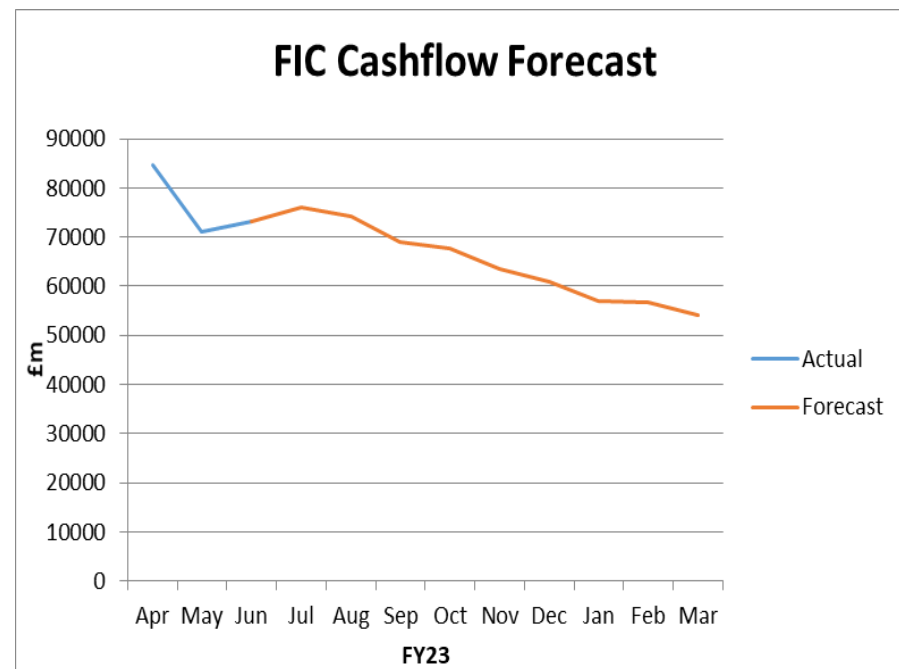
7. Cash Flow

STATEMENT OF YEAR TO DATE CASH FLOWS

	Month 3 FY23		
	Actual £'000	Plan £'000	Variance £'000
Cash flows from operating activities			
Operating surplus/(deficit) from continuing operations	2,016	168	1,848
Operating surplus/(deficit) from discontinuing operations	0	0	0
Operating surplus/(deficit)	2,016	168	1,848
Non-cash income and expense:			
Depreciation and amortisation	2,905	2,848	57
Impairments and profit on disposal of assets	0	0	0
Income recognised in respect of capital donations (cash and non-cash)	0	0	0
(Increase)/Decrease in Trade and Other Receivables	(12,957)	2,891	(15,848)
(Increase)/Decrease in Inventories	(10)	0	(10)
Increase/(Decrease) in Trade and Other Payables	(473)	(9,206)	8,733
Increase/(Decrease) in Deferred Income	(612)	(1,500)	888
Increase/(Decrease) in Provisions	122	78	44
Other Movements in Operating Cashflows	0	0	0
NET CASH GENERATED FROM/(USED IN) OPERATIONS	(9,010)	(4,721)	(4,289)
Cash flows from investing activities			
Interest received	176	68	108
Purchase of Non Current Assets	(5,972)	(6,322)	351
Sale of PPE	0	0	0
Net cash generated from/(used in) investing activities	(5,796)	(6,254)	458
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	(1,007)	(1,335)	328
Capital element of Private Finance Initiative Obligations	(150)	(150)	(0)
Interest paid	0	0	0
Interest element on leases	(69)	(64)	(5)
Interest element of Private Finance Initiative obligations	(241)	(241)	0
PDC Dividend paid	0	0	0
Net cash generated from/(used in) financing activities	(1,467)	(1,790)	323
Increase/(decrease) in cash and cash equivalents	(16,273)	(12,765)	(3,508)
Cash and Cash equivalents at 1st April	89,517	89,517	0
Cash and Cash equivalents at 30th June	73,244	76,752	(3,508)

Summary Notes

- The cash flow movements are consistent with the comments made on the Statement of Financial Position.
- The closing cash position at Month 03 was **£73.2m**.



8. Working Capital Indicators

Working Capital Ratios			
Ratio	Target	Actual	Risk Status
Debtor Days	30	37	●
Debtors % > 90 days	5.0%	26.7%	●
Creditor Days	30	46	●
BPPC NHS - Value of Inv's pd within target (ytd)	95.0%	92.3%	●
BPPC Non-NHS - Value of Inv's pd within target (ytd)	95.0%	90.1%	●
Cash (£m)	76.7	73.2	●

Summary Notes

- Debtor days at month 3 were below target.
- Debtors % over 90 days are below target due to overdue invoices, specifically with Oxfordshire CCG £1,053k and NHSE £495k.
- 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 for the year, and marginally below target in month at 92.4%
- Non-NHS BPPC (which represents 80% of non-pay expenditure) is below for the year and on target in-month at 94.9%.
- Cash is marginally below target, as outlined in section 7 and 8.

9. Capital Investment Programme

FY23-CAPITAL EXPENDITURE REPORT - APR to JUN					
	Year To Date £000				
Planned Schemes	FY23 Original Plan (A)	Updated Plan (B)	YTD Plan (C)	YTD Actual Expenditure (D)	Variance (B-D)
Operational Estates	1,117	1,117	77	91	(14)
Transformatonal Estates	1,081	1,381	10	36	(26)
Highfield PICU	5,664	5,664	482	683	(201)
IT	1,775	2,920	143	(185)	328
PFI	-	-	1	4	(3)
Medical Equipment	300	300	50	-	50
Global Digital Exemplar DoH Funding FY19	-	-	-	(17)	17
Sub Total	9,937	11,382	763	613	150
High Risk Projects	-	2,981	50	-	50
Grand Total	9,937	14,363	813	613	200

- The Trust received an ICS capital allocation of **£9,937k**. In addition, the Trust is also able to draw on funding from the sale of Trust properties (Shrublands and Harlow - £1,382k), VAT credit reclaims £1,000k and £422k NHS Digital Unified Tech Funding (UTF) in relation to devices and infrastructure. In total therefore, the Trust has **£12,741k** capital funding available in FY23.
- The FY23 draft capital plan totals **£14,363k**
- The first phase of the FY23 capital plan totals **£11,382k** from a total funding pot of £12,741k. The balance of funding will be spent on a range of high-risk projects totalling **£2,981k**. The resulting funding shortfall of **£1,623k** will be managed as part of the ICS's overall capital allocation.
- The detailed capital plan is currently at the approval stage with Exec's.
- The year to date actual spend is **£613k**.

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	116.4	-0.9				115.5
Other Operating Income	21.3					21.3
Operating Income, Total	137.7	-0.9	0.0	0.0	0.0	136.8
Employee Benefit Expenses (Pay)	87.0	-0.8				86.2
Other Operating Expenses	45.8	-0.1				45.7
Operating Expenses, Total	132.8	-0.9	0.0	0.0	0.0	131.9
Non-Operational Income						0.0
EBITDA	4.9	0.0	0.0	0.0	0.0	4.9
Profit/(Loss) on asset disposal	0.0					0.0
Depreciation and Amortisation	2.9					2.9
Asset Impairment	0.0					0.0
Interest	0.1					0.1
Other Finance Charge	0.2					0.2
PDC Dividend	0.7					0.7
Surplus/ (Deficit)	1.1	0.0	0.0	0.0	0.0	1.1