

Report to Board of Directors

For Information

Finance Report

December 2021 (Month 9), 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 9	Year-to-Date
EBITDA performance	£1.5m surplus, £0.5m favourable to plan	£12.1m surplus, £0.4m favourable to plan
I&E performance	£0.7m surplus, £0.6m favourable to plan	£4.6m surplus, £0.9m favourable to plan
Cost Improvement Plan	£0.2m, £0.0m adverse to plan	£1.3m, £1.3m adverse to plan
Capital Expenditure	£0.4m, £0.0m adverse to plan	£3.6m, £5.1m adverse to plan
Cash	Decrease of £1.7m	£67.9m, £20.9m favourable to plan

- The year-to-date I&E position at month 9 is a **£4.6m** surplus, **£0.9m** favourable to plan. EBITDA is a **£12.1m** surplus, **£0.4m** 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 plan is **£1.0m** surplus which is **£1.0m** favourable to the previous plan. This was mainly driven by a less than expected reduction in Covid funding (H1 **£11.2m**, H2 **£10.5m**). There is a potential upside of **£3.0m**.
- The favourable position is driven by slippage on investments and by **£1.3m** underspend against the allocation for Covid-19 costs. This is despite overspends in particular the Oxon & BSW MH, Specialised and Community services (**£3.7m**) compounded by high agency usage. Finance are working with directorate on the causes of this overspend and an action plan to address it.
- CIP savings YTD are **£1.3m**, **£1.3m** adverse to plan due to a delay in CIP engagement as a result of Covid-19.
- Capital spend is **£3.6m**, **£5.1m** adverse to plan.
- The closing cash position at the end of December was **£67.9m**, **£20.9m** favourable to plan.

Recommendation:

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

1. Income Statement

INCOME STATEMENT													
YTD Actual M9	Prior Year			Plan	Month 9				Plan	Year-to-Date			
	£m	Change £m	%		Actual	Variance £m	%	Actual		Variance £m	%		
237.5	87.6	36.9%	Clinical Income	35.7	37.7	2.0	5.7%	324.8	325.1	0.4	0.1%		
60.9	7.3	12.0%	Other Operating Income	5.2	9.0	3.7	71.6%	45.5	68.2	22.7	49.9%		
298.4	94.9	31.8%	Operating Income, Total	40.9	46.7	5.8	14.1%	370.3	393.4	23.1	6.2%		
213.4	-38.7	-18.1%	Employee Benefit Expenses (Pay)	27.1	29.4	-2.3	-8.5%	231.5	252.1	-20.6	-8.9%		
76.3	-52.8	-69.3%	Other Operating Expenses	12.7	15.7	-3.0	-23.6%	127.0	129.1	-2.1	-1.7%		
289.7	-91.5	-31.6%	Operating Expenses, Total	39.8	45.1	-5.3	-13.3%	358.5	381.2	-22.7	-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%		
8.7	3.4	39.0%	EBITDA	1.1	1.5	0.5	44.8%	11.8	12.1	0.4	3.2%		
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%		
4.8	0.2	4.1%	Depreciation and Amortisation	0.5	0.5	0.0	0.1%	4.6	4.7	-0.1	-1.2%		
0.0	0.0	0.0%	Asset Impairment	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%		
0.7	0.1	14.2%	Interest	0.1	0.1	0.0	19.9%	0.7	0.6	0.0	6.6%		
0.7	0.1	14.3%	Other Finance Charge	0.1	0.1	0.0	0.0%	0.6	0.6	-0.1	-10.0%		
2.0	0.4	20.1%	PDC Dividend	0.2	0.2	0.1	36.8%	2.2	1.6	0.5	25.2%		
0.5	4.2	0%	Surplus/ (Deficit)	0.2	0.7	0.6	354.0%	3.7	4.6	0.9	22.9%		

The year-to-date I&E position at month 9 is a **£4.6m** surplus, **£0.9m** favourable to plan (**£3.8m** surplus, **£0.3m** favourable to plan at month 8). EBITDA is a **£12.1m** surplus, **£0.4m** 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)

The favourable position is driven by slippage on investments and by **£1.3m** underspend against the allocation for Covid-19 costs. This is despite overspends in three of the clinical service directorates of **£4.0m**. Finance are working with the directorate on the causes of this overspend and an action plan to address it.

The I&E performance in FY22 is **£4.2m** 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

£'000s	NHSI/E category							Total
	Expanding workforce	Decontamination	Existing workforce additional shifts	After Care and Support Costs	Segregation of patient pathways	PPE associated costs		
Employee Benefits (Pay)	9,408	145	82	-	-	150	9,785	
Other Operating Expenses	-	152	-	563	3,230	210	4,155	
Total	9,408	297	82	563	3,230	360	13,939	

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 9 is **£13,939k, £2,461k** below the funding and **£1,265k** below plan.

The Covid-19 costs incurred at month 9 as per the NHSE/I categories were:

- Expanding workforce **£9,408k** – 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 **£297k** – 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 **£563k** – mainly the cost of providing food to staff, which stopped at the end of June
- Segregation of patient pathways **£3,230k** – 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 **£360k** – 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 9 were:

- Payments to final year students **£78k**
- Covid-19 vaccination centres **£18,317k**

Performance against Plan

	Plan YTD M9	Actual YTD	Variance		Actual YTD		Change	
	FY22	M9 FY22	£'000	%	M9 FY21	£'000	£'000	%
Block	287,099	287,855	757	0%	200,452	87,403	44%	
Cost & Volume	9,931	9,692	-238	-2%	9,547	145	2%	
Cost Per Case	4,466	4,220	-247	-6%	4,316	-96	-2%	
CQUIN	2,430	2,430	0	0%	2,034	396	19%	
Local Authority	16,777	16,588	-190	-1%	17,023	-435	-3%	
Section 75 (pooled budget)	4,047	4,233	186	5%	4,067	166	4%	
Private Patients	44	129	85	194%	87	41	47%	
Clinical Income Total	324,794	325,148	353	0%	237,527	87,620	37%	
Education And Training	12,754	14,892	2,139	17%	11,206	3,686	33%	
Research & Development	9,551	9,622	71	1%	8,636	986	11%	
FRF/Top Up Payment	0	18,412	18,412	0%	22,988	-4,576	-20%	
Accommodation	693	769	76	11%	729	40	5%	
Catering	0	-1	-1	0%	0	-1	0%	
Non-Patient Care to Other Bodies	1,343	3,515	2,172	162%	1,101	2,413	219%	
Other Income	1,082	1,152	71	7%	1,252	-100	-8%	
Parking	56	0	-56	-100%	-12	12	100%	
Oxford Pharmacy Sales	20,023	19,898	-125	-1%	15,014	4,885	33%	
Other Operating Income Total	45,502	68,259	22,758	50%	60,914	7,345	12%	
Permanent	222,222	186,240	35,982	16%	173,105	-13,135	-8%	
Flexible	5,023	19,905	-14,881	-296%	18,332	-1,573	-9%	
Agency	4,243	45,942	-41,699	-983%	21,966	-23,976	-109%	
Employee Benefits Expenses	231,489	252,087	-20,598	-9%	213,403	-38,684	18%	
Clinical Services & Supplies	56,988	61,197	-4,210	-7%	15,351	-45,846	299%	
Drugs	21,213	21,623	-410	-2%	17,183	-4,439	26%	
PFI	441	647	-207	-47%	617	-30	5%	
Car Park Security	0	0	0	0%	0	0	0%	
Premises And Fixed Plant	10,091	12,022	-1,931	-19%	12,156	134	-1%	
Premises - Business Rates	1,020	817	204	20%	980	164	-17%	
Secondary Commissioning	8,343	8,777	-434	-5%	8,841	63	-1%	
Establishment Expenditure	5,736	6,937	-1,201	-21%	6,922	-14	0%	
Insurance	359	386	-27	-8%	343	-43	13%	
Audit Fees External	65	43	22	34%	44	1	-3%	
Audit Fees Internal	74	78	-3	-4%	81	3	-4%	
Clinical Negligence	622	621	0	0%	444	-178	40%	
Consultancy	50	10	40	81%	2	-8	366%	
General Supplies And Services	3,904	2,302	1,602	41%	2,613	312	-12%	
Legal Fees	172	454	-282	-164%	200	-255	127%	
Losses And Special Payments	14	13	0	3%	13	0	1%	
NHS Services	1,177	1,731	-554	-47%	1,282	-449	35%	
Other Non-Pay Expenditure	10,937	6,147	4,790	44%	5,495	-651	12%	
Other Services	426	436	-10	-2%	411	-25	6%	
Patient Travel	0	0	0	0%	0	0	0%	
Provisions	42	995	-953	-2248%	223	0	0%	
Redundancy Costs	0	73	-73		46	-27	0%	
Training & Conferences	1,605	1,204	401	25%	816	-388	48%	
Transport - Business Travel	2,866	1,557	1,309	46%	1,432	-126	9%	
Transport - Other	904	1,078	-173	-19%	808	-270	33%	
Total Other Operating Expenses	127,048	129,148	-2,100	-2%	76,305	-52,070	68%	
EBITDA Total	11,759	12,172	413	4%	8,733	3,439	39%	

Performance against Plan

EBITDA is a **£12.1m** surplus, **£0.4m** favourable to plan at month 9 (**£10.6m** surplus, **£0.1m** adverse plan at month 8). The main drivers are:

1. Block Income **£0.8m** favourable - additional income for the risk share in Childrens Continuing Healthcare (**£1.8m**); additional income Oxon matched by expenditure **£1.1m**; Other **£0.7m** favourable; offset by deferred income in reserves **£2.8m** adverse.
2. Education and Training **£2.1m** favourable - **£0.4m** favourable by Health Education England LDA income for apprentices and trainees IAPT and CAMHS GMH in Bucks Directorate; **£0.8m** favourable HEE IAPT Trainees in OBSW directorate; increase in apprenticeship funding from HEE, **£0.6m**; Other **£0.3m** favourable.
3. FRF/Top up Payment **£18.4m** favourable - this is the retrospective top up payments for Covid-19 costs which are not part of the Covid-19 allocation. **£18.3m** is for the costs of running the vaccination sites and **£0.1m** is to cover the costs of paid final year students.
4. Non-Patient Care to other bodies **£2.2m** favourable. Additional income **£0.8m** in IM&T for EPMA & **£0.6m** Community services in particular Dental; other **£0.8m**.
5. Employee Benefits Expenses (Pay) **£21.0m** adverse - **£17.5m** 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 **£1.8m**, Community **£1.9m**, Buckinghamshire **£1.3m** and Specialised **£1.0m**. These are partially offset by an underspend of **£0.7m** on Covid-19 costs, **£1.3m** underspend in Research & Development and other **£0.6m**.
6. Clinical Services & Supplies **£4.2m** adverse - **£1.1m** adverse in Childrens Continuing Healthcare (offset with additional income); Childrens Community Nursing and Integrated Therapies **£0.4m** adverse; Tissue Viability service **£0.1m** adverse; **£0.6m** adverse due to additional costs for complex patient in LD services; **£1.3m** adverse matched with favourable movement in other non pay category; **£0.2m** overspend in the Academic Health Science network offset with additional income received; other **£0.5m** adverse.
7. Premises and Fixed Plant **£1.9m** adverse - **£0.9m** of this is due the mass vaccination centres. Budgets have not been set for these but the costs are covered by additional income received; **£0.4m** dental equipment; **£0.5m** adverse matched with favourable movement in other non pay; other **£0.1m**.
8. Establishment Expenditure **£1.2m** adverse - **£1.0m** adverse across number of areas in particular OBSW and Community; **£0.2m** Cambio patient flow system.
9. General Supplies And Services **£1.6m** favourable - Community services **£0.3m**, Covid costs **£1.1m** and **£0.2m** other.
10. NHS Services **£0.6m** adverse – additional cost of transport services **£0.3m** and recharges for laboratory service from OUH.
11. Other Non-Pay Expenditure **£4.8m** favourable - **£3.9m** budget adjustment in reserves matched with income movement in reserves; **£1.3m** favourable matched with adverse movement in Clinical Supplies category; other **£0.4m** adverse.
12. Provisions for dilapidations **£1.0m** adverse
13. Training and Conferences - **£0.4m** favourable as a consequence of Covid.
14. Transport - Business Travel **£1.3m** favourable as a consequence of Covid.

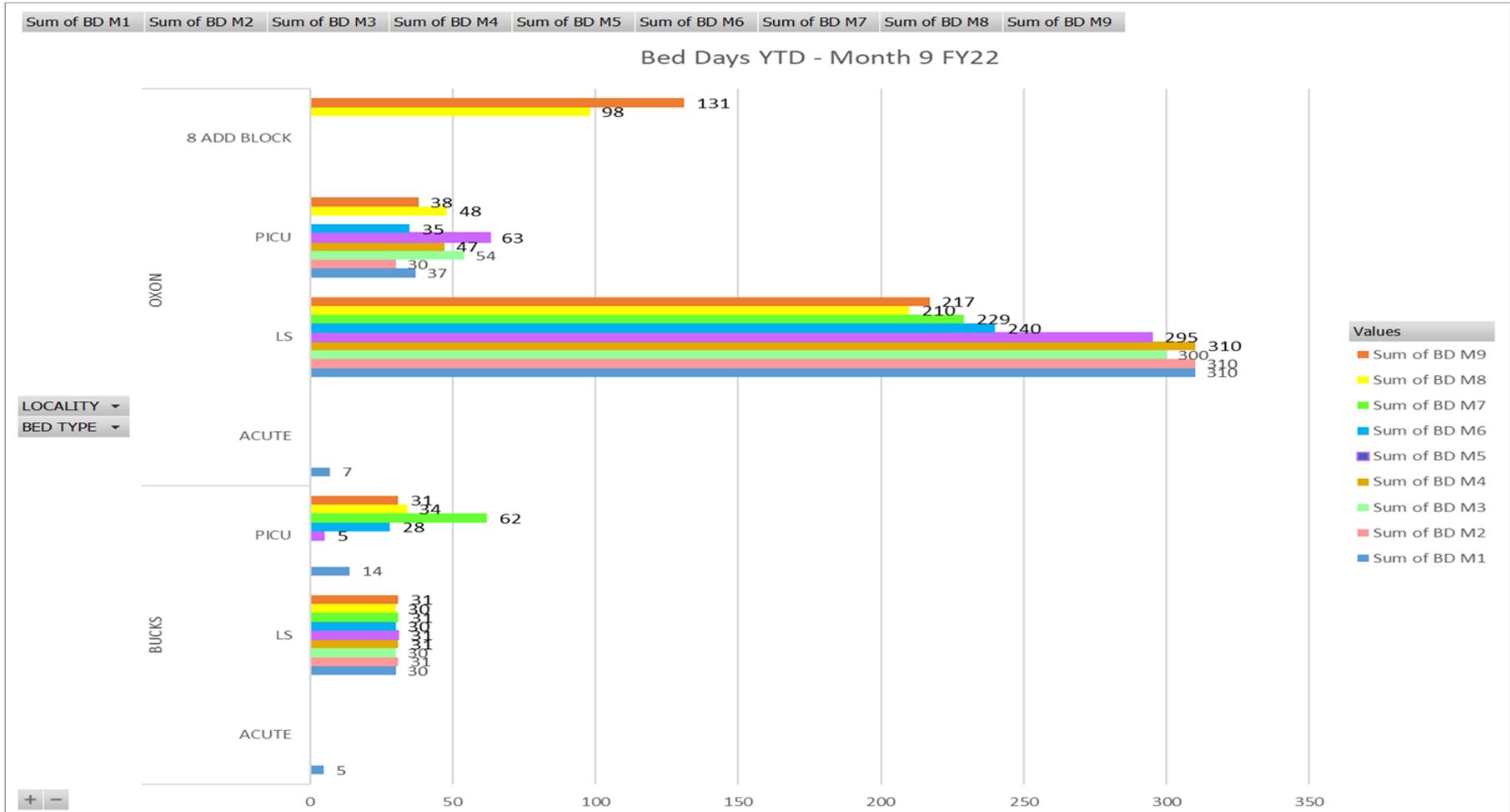
Performance against Prior Year

The EBITDA position is **£4.2m** better than last financial year. The significant changes from FY21 are:

1. Block income is **£87.0m** higher than last year due to uplift on block contract values (**£5.4m**), new income for Provider Collaboratives (**£48.5m**) and Covid funding now being reported as block income rather than FRF income (**£11.3m**). The remaining change is primarily due to new investment in mental health services.
2. Education & Training income is **£3.7m** higher than last year due to: additional income in IAPT services to support trainees on OBSW (**£0.8m**), higher apprenticeship income (**£1.3m**) in L&D, higher numbers of trainees in the Oxford Institute of Psychology training (**£1.2m**), **£0.5m** due to Health Education England LDA income for apprentices in Bucks. Other **£0.1m** adverse
3. Research & Development income is **£1.0m** 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 **£4.6m** 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 **£2.4m** higher than last year due to additional income in particular IM&T, HR and Community directorates.
6. Oxford Pharmacy Sales are **£4.9m** 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 **£13.1m** from last year due to: **£8.3m** new costs in Oxfordshire & BSW MH and Buckinghamshire MH directorates as a result of investment in these services; FY22 pay award **£5.3m**; **£0.7m** increase in costs in Research & Development as a result of higher grant and study income; IM&T **£1.3m**; decrease of **£2.5** due to annual leave adjustment for FY21.
8. Flexible staff costs have increased by **£1.6m** from last year, of which **£0.4m** is due to staffing the Covid-19 mass vaccination centres, **£0.1m** is an increase in Covid-19; **£0.4m** increase across clinical directorates; **£0.4m** increase in costs in Research & Development; Other **£0.3m**.
9. Agency staff costs have increased by **£24.0m** from last year, of which **£16.8m** is attributable to the Covid-19 mass vaccination centres, **£1.0m** Covid prevention, **£2.0m** is in Community Hospitals, **£0.6m** is the costs of additional staffing required for a Learning Disabilities patient on the 136 suite, with the remaining **£3.6m** increase across multiple services in particular OxBSW directorate **£2.0m**.
10. Clinical Services & Supplies are **£45.8m** higher than last year due to **£42.2m** payments to other providers as part of the CAMHS, Secure and Adult Eating Disorder provider collaboratives; **£0.8m** additional sub-contract costs in IAPT services due to investment in these services, **£0.8m** inpatient placement costs in Learning Disabilities and **£0.2m** additional costs in the Academic Health Science Network offset with additional income. The remaining difference is across various other services, **£1.8m**.
11. Drugs costs are **£4.4m** higher than last year due to higher sales in Oxford Pharmacy Store.
12. Other non pay expenditure **£0.6m** higher than last year. **£0.6m** provisions; E&F emergency planning **£0.2m**.

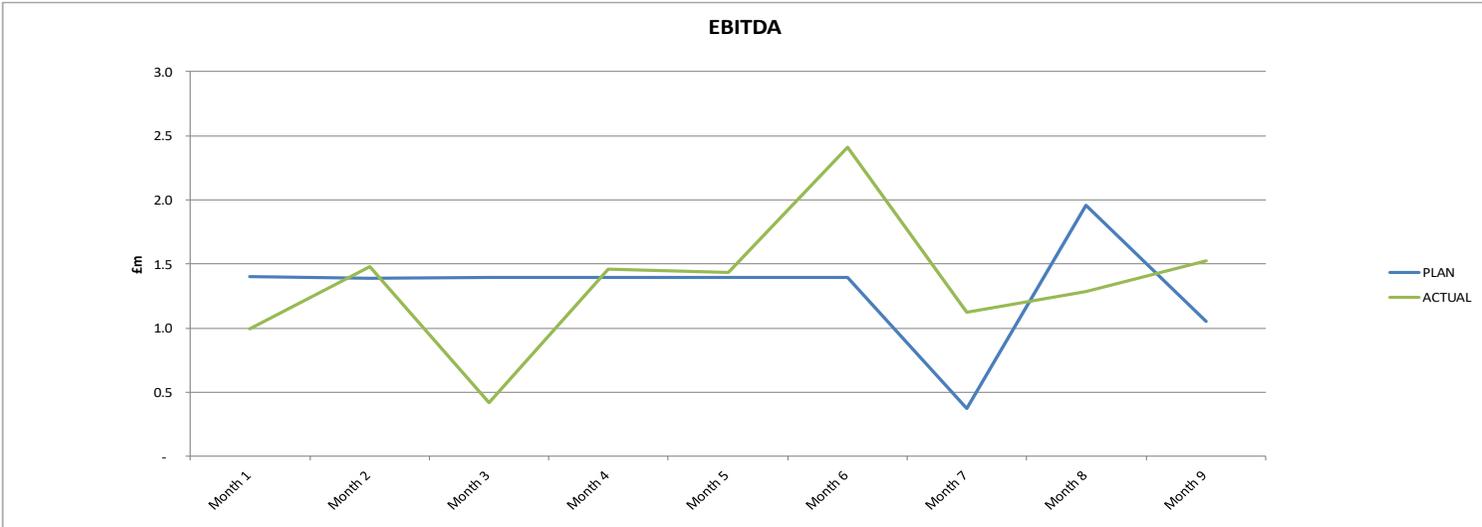
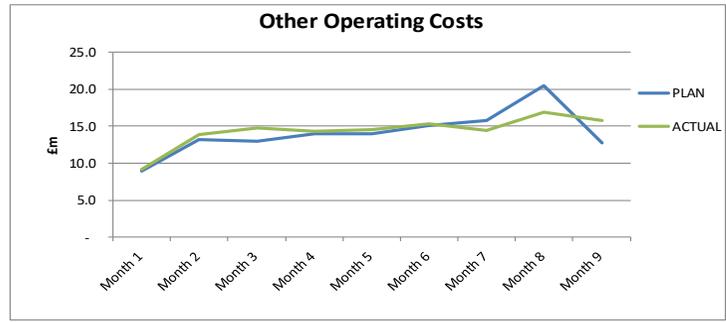
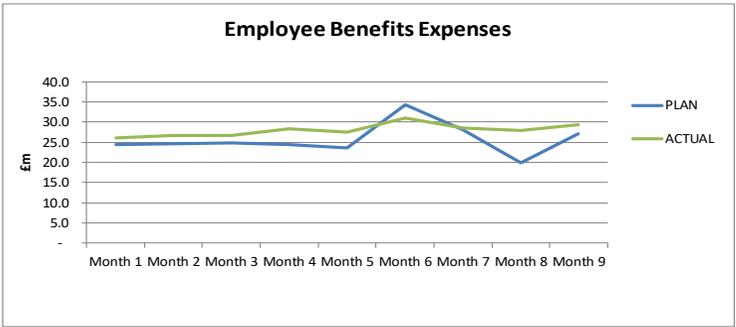
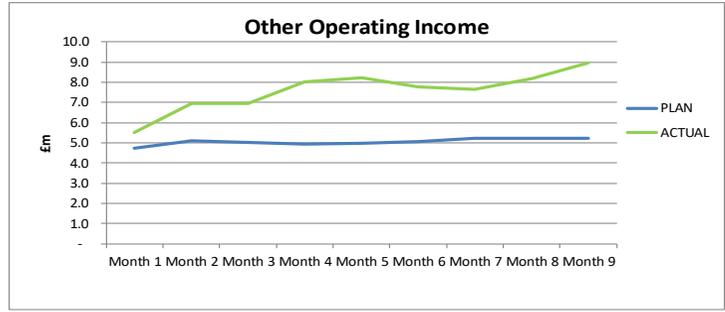
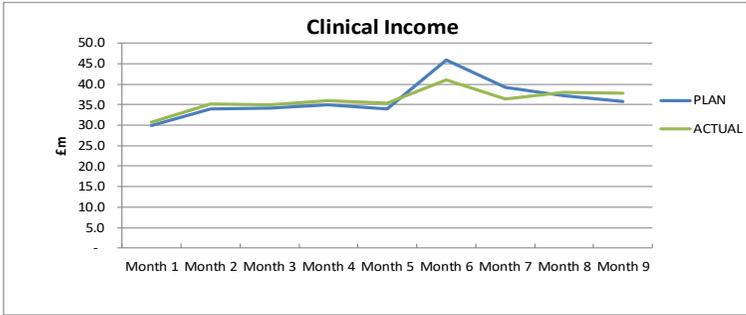
Out of Area Treatments (OATs)

OATs are **£576k** overspent at month 9 (**£1,017k** overspend in Oxfordshire offset with a **£441k** underspend in Buckinghamshire). This includes an additional 8 beds we block purchased with Elysium for November due to ward pressures. 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 **£2,153k**. 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
	£m								
Clinical Income	29.9	34.0	34.1	34.9	34.0	45.8	39.2	37.2	35.7
Other Operating Income	4.7	5.1	5.0	5.0	5.0	5.1	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
Employee Benefits Expenses	24.3	24.6	24.8	24.5	23.5	34.4	28.2	20.0	27.1
Other Operating Costs	8.9	13.1	12.9	14.0	14.0	15.1	15.8	20.5	12.7
Operating Expenses Total	33.2	37.7	37.7	38.5	37.5	49.5	44.0	40.4	39.8
EBITDA	1.4	1.4	1.4	1.4	1.4	1.4	0.4	2.0	1.1
ACTUAL	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
	£m								
Clinical Income	30.7	35.1	34.9	36.1	35.3	41.0	36.4	37.9	37.7
Other Operating Income	5.5	6.9	7.0	8.0	8.2	7.8	7.6	8.2	9.0
Operating Income Total	36.2	42.1	41.9	44.1	43.5	48.8	44.1	46.1	46.7
Employee Benefits Expenses	26.0	26.7	26.6	28.3	27.6	31.0	28.5	28.0	29.4
Other Operating Costs	9.2	13.9	14.8	14.4	14.6	15.3	14.5	16.8	15.7
Operating Expenses Total	35.2	40.6	41.5	42.6	42.1	46.4	42.9	44.8	45.1
EBITDA	1.0	1.5	0.4	1.5	1.4	2.4	1.1	1.3	1.5
VARIANCE	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
	£m								
Clinical Income	0.7	1.1	0.8	1.1	1.4	- 4.8	- 2.7	0.8	2.0
Other Operating Income	0.8	1.8	1.9	3.1	3.3	2.7	2.4	3.0	3.7
Operating Income Total	1.5	3.0	2.8	4.2	4.6	- 2.1	- 0.3	3.7	5.8
Employee Benefits Expenses	- 1.7	- 2.1	- 1.8	- 3.7	- 4.0	3.3	- 0.2	- 8.0	- 2.3
Other Operating Costs	- 0.3	- 0.7	- 1.9	- 0.4	- 0.6	- 0.2	1.3	3.6	3.0
Operating Expenses Total	- 1.9	- 2.9	- 3.7	- 4.1	- 4.6	3.1	1.1	- 4.4	- 5.3
EBITDA	- 0.4	0.1	- 1.0	0.1	0.0	1.0	0.8	- 0.7	0.5



2. Clinical Income

CLINICAL INCOME	YTD at month 9			
	Plan £'000	Actual £'000	Variance £'000	Variance %
Any Qualified Provider	2,601	2,601	(0)	0%
Bath & NE Somerset Block	0	0	0	0%
Berkshire Block	142	142	(1)	0%
Buckinghamshire Block	40,823	41,130	306	1% ①
Buckinghamshire Block - IAPT	0	0	0	0%
Buckinghamshire County Council	7,654	7,654	0	0%
Buckinghamshire S75 (pooled budget)	2,694	2,880	186	7% ②
Cost per Case Income	1,813	1,590	(223)	-12% ③
CQUIN provision	0	0	0	0%
Department of Health & Social Care	0	0	0	100%
Income from NHS Trusts	1,411	1,476	65	5%
Nene Block	0	0	0	0%
NHS BSW	12,380	10,590	(1,790)	-14% ④
NHS England Block	84,468	85,559	1,092	1% ⑤
NHS England Cost & Volume	873	551	(321)	-37% ⑥
NHS England New Care Models	0	0	0	0%
NHS England FCAMHS	831	864	33	4%
NHS Northamptonshire	451	371	(81)	-18%
Other CCGs Income	1,514	2,150	636	42% ⑦
Other Local Authority	26	150	124	476% ⑧
Oxfordshire Block - IAPT	7,796	8,039	243	3% ⑨
Oxfordshire Block - Learning Disabilities	5,235	5,235	0	0%
Oxfordshire Block - main contract	79,247	79,297	49	0%
Oxfordshire Block - OBC	46,812	46,836	24	0%
Oxfordshire Block - CAMHS	11,272	11,451	179	2%
Oxfordshire Cost & Volume	5,482	5,565	83	2%
Oxfordshire County Council	8,709	8,396	(313)	-4% ⑩
Oxfordshire S75 (pooled budget)	1,353	1,353	0	0%
Personal Injury Compensation	84	61	(23)	-28%
Private Patients	44	129	85	194%
Swindon Block	0	0	0	0%
Wales Cost & Volume	691	691	0	0%
Wiltshire Block	0	0	0	0%
Wiltshire Borough Council	389	389	0	0%
Clinical Income Total	324,794	325,148	353	0%

Clinical income is **£353k** favourable to plan at month 9. Material variances to the plan are:

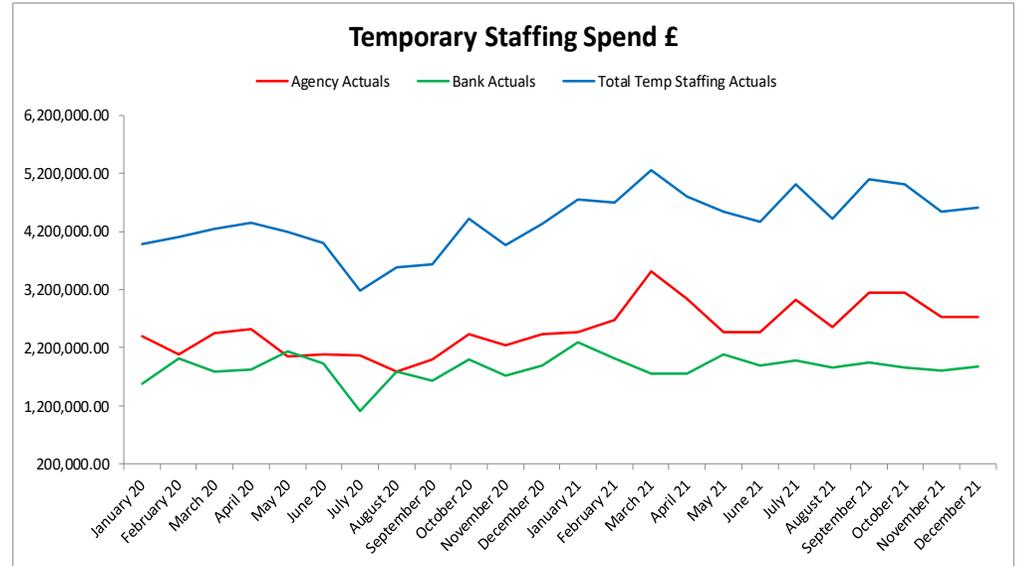
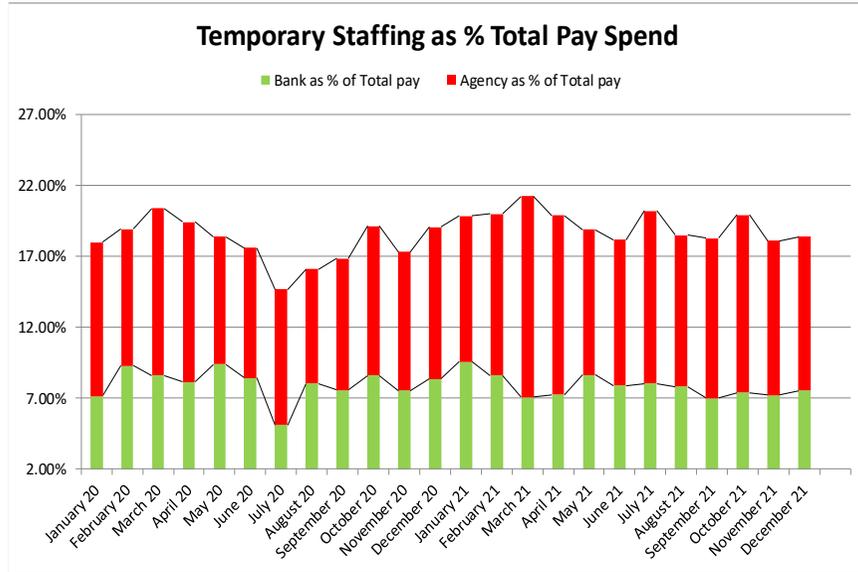
1. Bucks Block **£306k** favourable due to release of FY21 deferred income.
2. Additional Bucks S75 income **£186k** favourable.
3. Cost per case **£223k** adverse due to less income than planned in Oxfordshire Mental Health Community Teams.
4. BSW **£1,790k** adverse due to deferred investment income
5. NHS England Block **£1,092k** favourable – due to extra due to extra packages of care in inpatient CAMHS and secure and release of provider collaborative FY21 deferred income .
6. Underperformance School Health Nursing Service immunisations **£321k** adverse.
7. Other CCGs income additional investment to match expenditure **£636k** favourable.
8. Release of FY21 deferred income **£124k** favourable.
9. Oxfordshire Block IAPT **£243k** favourable – additional investment to match expenditure
10. OCC **£313k** adverse due to low productivity levels in Complex Care.

3. Non-Clinical Income

NON-CLINICAL INCOME	YTD at month 9			
	Plan	Actual	Variance	Variance
	£'000	£'000	£'000	%
Education & Training	12,754	14,892	2,139	17%
Other Operating Income	23,197	43,745	20,548	89%
Research & Development	9,551	9,622	71	1%
Non- Clinical Income Total	45,502	68,259	22,758	50%

- Education and Training **£2.1m** favourable - **£0.4m** favourable by Health Education England LDA income for apprentices and trainees IAPT and CAMHS GMH in Bucks Directorate; **£0.8m** favourable HEE IAPT Trainees in OBSW directorate; increase in apprenticeship funding from HEE, **£0.6m**; Other **£0.3m** favourable.
- Other Operating Income **£20,548k** favourable - retrospective top up payments for the costs of the mass vaccination centres (**£18,312k**), payments to final year students (**£78k**), IM&T (**£774k**) and **£1,509k** across other services (in particular Community Directorate services, **£647k**); partially offset with lower than planned sales in Oxford Pharmacy Store (**£125k**).
- Research & Development income is **£71k** favourable

4. Agency



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

At month 9 **£25.8m** has been spent on agency staff (excluding **£20.2m** for Covid related agency). This is **11.5%** 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.

6. Cost Improvement Plan

PIP (CIP) Delivery Programme FY22 as at month 9						
Project	YTD Plan	YTD Actual	YTD Variance	Full Year Plan FY22	Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
International Recruitment (IQRA)	282	129	-153	376	376	0
HCA Recruitment Inpatient MH (IQRA)	150	0	-150	200	200	0
HCA Recruitment Staffing Solutions (IQRA)	2	0	-2	3	3	0
HCA Recruitment Peri Community Hospitals (IQRA)	60	0	-60	80	80	0
Agency Management (IQRA)	20	0	-20	27	27	0
Agency Reduction - Improved recruitment (IQRA)	821	0	-821	1,095	0	-1,095
Non pay expenditure (Claimed business miles, room hire and training)	1,271	1,170	-101	1,694	1,560	-134
Pharmacy Medicine Outsourcing 3 months	9	0	-9	12	0	-12
Pharmacy Drug Cost Price Reduction 12 Months	32	21	-10	42	28	-14
Un-Allocated			0	1,200	0	-1,200
	0		0	0	0	0
Total	2,646	1,320	-1,326	4,729	2,274	-2,455

- The FY22 CIP Target is **£4.7m**.
- The savings as at the end of month 9 are **£1.3m** arising from reduction in non-pay expenditure such as business miles and room hire costs and reduction in agency premium costs resulting from the recruitment of international nurses.
- The YTD and forecast savings are **£1.3m & £2.5m** adverse to plan respectively. The primary reason for this is delay in CIP engagement due to Covid-19.

7. Statement of Financial Position

Statement of Financial Position as at 31st December 2021					
31 March 2021		Month 8 FY22	Month 9 FY22	Movement Year to date	In month
£'000		£'000	£'000	£'000	£'000
	Non-current assets				
4,359	Intangible Assets	3,262	3,120	(1,239)	(143)
145,308	Property, plant and equipment	144,303	144,369	(939)	66
187	Trade and other receivables	187	187	0	0
149,854	Total non-current assets	147,752	147,676	(2,178)	(76)
	Current Assets				
1,609	Inventories	3,969	3,778	2,170	(191)
12,981	Trade and other receivables	21,954	23,042	10,061	1,088
	Non-current assets held for sale	0	0	0	0
55,696	Cash and cash equivalents	69,645	67,913	12,217	(1,732)
70,286	Total current assets	95,568	94,734	24,448	(834)
	Current Liabilities				
(54,601)	Trade and other payables	(62,393)	(62,013)	(7,412)	380
(1,919)	Borrowings	(2,035)	(2,081)	(162)	(46)
(1,968)	Other financial liabilities	(1,968)	(1,968)	0	0
(1,741)	Provisions	(2,378)	(2,353)	(612)	25
(8,844)	Deferred income	(20,781)	(19,546)	(10,703)	1,235
(69,073)	Total Current Liabilities	(89,555)	(87,962)	(18,889)	1,594
	Non-current Liabilities				
	Trade and other payables	0	0	0	0
(17,723)	Borrowings	(16,687)	(16,641)	1,082	46
(3,868)	Provisions	(3,727)	(3,726)	142	1
(1,351)	Other Liabilities	(1,351)	(1,351)	0	0
(22,942)	Total non-current liabilities	(21,765)	(21,718)	1,224	47
128,125	Total assets employed	132,000	132,730	4,605	730
	Financed by (taxpayers' equity)				
99,120	Public Dividend Capital	99,120	99,120	1	0
19,180	Revaluation reserve	19,093	19,093	(86)	0
	Other reserves	0	0	0	0
9,826	Income & expenditure reserve	13,786	14,516	4,690	730
128,125	Total taxpayers' equity	132,000	132,730	4,605	730

1. Non-current assets have decreased by **£2.2m** in-year. The in-year decrease is driven by the M1-9 depreciation charge of **£4.7m** and offset by capital additions of **£2.5m**.
2. The in-year increase in the inventories balance of **£2.2m** 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 **£10.1m** in year and **£1.1m** in month. Most of the in-year increase is due to accrued income of **£11.2m**, which includes **£9.5m** of retrospective vaccination costs from NHSE for the last 6 months.
4. Cash has increased by **£12.2m** in year and decreased by **£1.7m** 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 **£7.4m** in year in line with increases in accrued expenditure.
6. Deferred income has increased by **£10.7m** in year and decreased by **£1.2m** in-month. Most of the increase in year can be attributed to **£1.7m** of HEE funding and **£4.4m** 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 9 months of the year.

8. Cash Flow

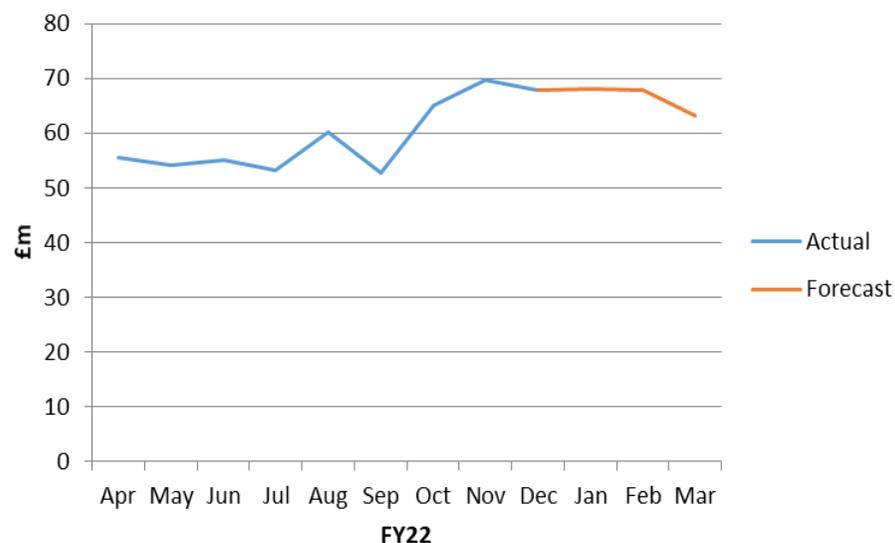
STATEMENT OF YEAR TO DATE CASH FLOWS

	Month 9 FY22		
	Actual £'000	Plan £'000	Variance £'000
Cash flows from operating activities			
Operating surplus/(deficit) from continuing operations	7,485	4,951	2,534
Operating surplus/(deficit) from discontinuing operations	0	0	0
Operating surplus/(deficit)	7,485	4,951	2,534
Non-cash income and expense:			
Depreciation and amortisation	4,687	4,632	54
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	(10,054)	(2,712)	(7,342)
(Increase)/Decrease in Inventories	(2,170)	(233)	(1,937)
Increase/(Decrease) in Trade and Other Payables	9,121	(625)	9,746
Increase/(Decrease) in Deferred Income	10,703	(3,444)	14,147
Increase/(Decrease) in Provisions	471	9	461
Other Movements in Operating Cashflows	0	0	0
NET CASH GENERATED FROM/(USED IN) OPERATIONS	20,205	2,579	17,626
Cash flows from investing activities			
Interest received	17	19	(1)
Purchase of Non Current Assets	(4,576)	(9,224)	4,648
Sale of PPE	0	0	0
Net cash generated from/(used in) investing activities	(4,558)	(9,205)	4,647
Cash flows from financing activities			
Public dividend Capital Received	0	1489	(1,489)
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	(3,430)	(2,099)	(1,331)
Increase/(decrease) in cash and cash equivalents	12,217	(8,725)	20,942
Cash and Cash equivalents at 1st April	55,697	55,697	0
Cash and Cash equivalents at 31st December	67,914	46,972	20,942

Summary Notes

- The cash flow movements are consistent with the comments made on the Statement of Financial Position.
- The closing cash position at Month 9 was **£67.9m**.

FIC Cashflow Forecast



9. Working Capital Indicators

Working Capital Ratios			
Ratio	Target	Actual	Risk Status
Debtor Days	30	23	●
Debtors % > 90 days	5.0%	22.0%	●
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%	91.4%	●
Cash (£m)	46.9	67.9	●

Summary Notes

- Debtor days at month 9 are ahead of target.
- Debtors % over 90 days are below target due to overdue invoices, specifically with Oxfordshire CCG £532k , NHSE £224k and Oxfordshire County Council £225k
- 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 22% of non-pay expenditure) is below target (and 89.9% in month)
- Non-NHS BPPC (which represents 78% of non-pay expenditure) is marginally below target (and 93.2% in month)
- The BPPC process has been refined and updated and an action plan put in place to resolve many of the underlying issues so these figures will improve going forward. This includes: a specific payables/creditor review to be part of the internal month-end scrutiny and reporting process, a review of all invoices of £10k and over that miss or are going to miss the target, regular communication to 'approvers and 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.

10. Capital Investment Programme

FY22-CAPITAL EXPENDITURE REPORT-DECEMBER (M9)									
Planned Schemes	Year To Date £000					FY22 Outturn £000			
	FY22 Original Plan (A)	Updated plan (B)	YTD updated Plan (C)	YTD Actual Expenditure (D)	Variance (C-D)	System Commitment (E)	Actual Plus Commitment F=(C+D)	Variance (B-F)	
Estates	6,002	4,925	4,387	1,153	3,233	2,141	3,294	1,631	
IT	1,230	1,221	611	721	(110)	221	942	279	
PFI	100	57	18	16	2	-	16	41	
Highfield PICU	3,800	2,750	2,500	566	1,934	2,184	2,750	0	
Global Digital Exemplar DoH Funding FY19	-	(88)	(88)	(62)	(26)	624	562	-650	
Other Project								-	
Digital Diagnostic Programme - LIMS PDC		864	0	0	0	0	0	864	
Medical Equipment	186	186	100	97	3	107	223	58	
Sub total	11,318	10,010	7,614	2,510	5,104	5,277	7,787	2,224	
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	11,101	8,705	3,601	5,104	5,277	8,878	2,224	

- The final FY22 capital plan was submitted to NHSI on the 22nd June for £12.4m in line with the initial ICS allocation of £9.4m and £3.0m of external funding for the PICU project. However, due to a £12.3m funding shortfall in the ICS capital plan for FY22, Oxford Health's capital envelope has been revised downwards by £1.1m to **£11.3m**. The Trust is still committed to spending the full £12.4m as originally planned, so the **£1.1m** of projects referred to above will be charged to revenue and be funded by the ICS via a separate funding stream (the ERF) – see above.
- Following a delay in the PICU project, the updated expenditure plan has been reduced to **£11.1m** for the year. The plan is defer **£3m** of PDC backed funding into next year to finish the project.
- The actual net spend to the end of December 2021 is **£3,601k**, which includes revenue backed projects totalling **£1,091k**.

11. 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 9 FY22						
	Board Report	Remove Section 75 Income and Costs	Category Changes	National supplied PPE		NHSI Template
	£m	£m	£m	£m	£m	£m
Clinical Income	325.1	-2.6				322.6
Other Operating Income	68.2					68.2
Operating Income, Total	393.4	-2.6	0.0	0.0	0.0	390.8
Employee Benefit Expenses (Pay)	252.1	-2.3				249.8
Other Operating Expenses	129.1	-0.3				128.9
Operating Expenses, Total	381.2	-2.6	0.0	0.0	0.0	378.7
Non-Operational Income						0.0
EBITDA	12.1	0.0	0.0	0.0	0.0	12.1
Profit/(Loss) on asset disposal	0.0					0.0
Depreciation and Amortisation	4.7					4.7
Asset Impairment	0.0					0.0
Interest	0.6					0.6
Other Finance Charge	0.6					0.6
PDC Dividend	1.6					1.6
Surplus/ (Deficit)	4.6	0.0	0.0	0.0	0.0	4.6