

Report to Council of Governors

For Information

Finance Report

September 2022 (Month 6), FY23

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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 6	Year-to-Date
EBITDA performance	£0.2m deficit, £1.3m adverse to plan	£6.6m surplus, £0.4m favourable to plan
I&E performance	£1.4m deficit, £1.2m adverse to plan	£0.9m deficit, £0.5m favourable to plan
Cost Improvement Plan	£0.3m, £0.4m adverse to plan	£1.6m, £2.3m adverse to plan
Cash	Decrease of £7.9m	£75.2m, £6.6m favourable to plan

- The year-to-date I&E position as at month 6 is a **£0.9m** deficit, **£0.5m** favourable to plan. EBITDA is a **£6.6m** surplus, **£0.4m** favourable to plan.
- The FY23 plan submitted to NHSE is for **£6.2m** deficit due to two outstanding contractual issues: with NHSE Specialist Commissioning (**£3.5m**) and the BOB ICS for Mental Health Investment Standard funding (**£5.7m**). The Trust has accepted an additional **£1.5m** ICS CIP to assist the BOB ICS with a breakeven plan submission. The plan also includes **£1.2m** tariff from BOB which the Trust has committed not to spend in FY23.
- I&E is **£0.5m** favourable to plan due release of Covid funding and Reserves and deferred income. However, this masks the operational issues of under delivery of CIP **£2.3m** and continuation of high level of agency and contracted Out of Area Placements (OAPs) both reported as Covid spend in FY22. Whilst there is some progress these issues are yet to be fully addressed.
- The CIP plan for the year is **£7.9m** (excluding the additional ICS CIP of **£1.5m**) with delivery profiled evenly over 12 months. **£1.6m** has been delivered at month 6, this is **£2.3m** adverse to plan. Whilst it is recognised this is due to delay in CIP engagement as a result of Covid-19, CIP targets are a direct consequence of reduced income set by commissioners in line with NHS efficiency requirements; they are required to reduce the gap between the level of revenue and the expenditure incurred. Plans to reduce expenditure and increase efficiency need to be formulated post Covid.
- The closing cash position at the end of September was **£75.2m**.

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 M6	Prior Year		Plan	Month 6				Plan	Year-to-Date		
	£m	Change £m		%	Actual	Variance	%		Actual	Variance	%
213.1	22.7	10.7%	40.1	41.0	0.8	0.0%	229.5	235.8	6.3	2.7%	
43.4	-2.3	-5.2%	5.4	6.4	1.0	0.0%	32.4	41.2	8.7	27.0%	
256.5	20.5	8.0%	45.5	47.4	1.9	0.0%	262.0	277.0	15.0	5.7%	
166.2	-11.9	-7.2%	35.4	32.0	3.4	0.0%	169.7	178.1	-8.5	-5.0%	
82.1	-10.1	-12.3%	9.0	15.5	-6.5	0.0%	86.1	92.2	-6.1	-7.1%	
248.3	-22.0	-8.9%	44.4	47.5	-3.2	0.0%	255.7	270.3	-14.6	-5.7%	
0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	
8.2	-1.6	-19.0%	1.1	-0.2	-1.3	0.0%	6.2	6.6	0.4	6.5%	
0.0	-0.1	0.0%	0.0	0.0	0.0	0.0%	0.0	-0.1	0.1	0.0%	
3.1	-2.7	-85.7%	0.9	1.0	-0.1	0.0%	5.4	5.8	-0.4	-7.8%	
0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	
0.4	0.3	68.7%	0.1	0.0	0.1	0.0%	0.4	0.1	0.3	76.1%	
0.4	0.0	0.0%	0.1	0.1	0.0	0.0%	0.4	0.4	0.0	-0.2%	
1.1	-0.2	-18.0%	0.2	0.2	0.0	0.0%	1.4	1.3	0.1	8.6%	
3.1	-4.3	0%	-0.1	-1.4	-1.2	0.0%	-1.4	-0.9	0.5	-37.2%	

The month 6 YTD I&E position is a **£0.9m** deficit, **£0.5m** favourable to plan (**£0.5m** surplus, **£1.8m** favourable to plan at month 5). EBITDA is a **£6.6m** surplus, **£0.4m** favourable to plan.

- Clinical income is favourable to plan by **£6.3m** YTD, driven by recovery of costs from commissioners in Children's Continuing Healthcare and the release of income deferred from FY22. The prior year increase of **£22.7m** is due to inflation funding (**£8.7m**), the full year effect of Secure and Adult Eating Disorders Provider Collaboratives and commissioner funded investments in clinical services in the Oxfordshire & BSW and Buckinghamshire directorates.
- Non-Clinical income is favourable to plan by **£8.7m** 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. The material items making up the prior year decrease of **£2.3m** are a reduction in Covid-19 income for the vaccination sites of **£4.8m** offset with increased sales in OPS of **£3.1m**.
- Employee Benefits Expenses (Pay) is **£8.5m** adverse to plan YTD due to staff costs at the mass vaccination centres (**£6.1m**) and continuation of high levels of agency spend. Medical staffing and CIP under delivery are other major items that need to be addressed. The prior year increase of **£11.9m** is due to inflation, an increase in employers NI and new investment costs in the Oxfordshire & BSW and Buckinghamshire directorates as a result of clinical investment in these services, partially offset by a reduction in costs relating to the Covid mass vaccination sites.
- Other Operating Expenses (Non Pay) is **£6.1m** adverse to plan YTD, mainly due to an overspend on Children's Continuing Healthcare which is offset with additional income and overspends on mental health out of area placements. The prior year increase of **£10.1m** due to the full year effect of Secure and Adult Eating Disorders provider collaboratives and increased cost of sales in OPS.
- The I&E performance in FY23 is **£4.3m** worse than in FY22 due to a deficit plan submitted in FY23.

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	Actual YTD	Variance		Actual YTD		Change	
	M6 FY23	M6 FY23	£'000	%	M6 FY22	£'000	£'000	%
Block	207,666	213,696	6,030	3%	188,837	24,859	13%	①
Cost & Volume	4,942	4,464	-478	-10%	6,373	-1,909	-30%	②
Cost Per Case	1,575	1,880	305	19%	2,796	-916	-33%	③
CQUIN	1,674	1,674	0	0%	1,599	76	5%	
Local Authority	10,911	11,275	364	3%	10,611	664	6%	④
Section 75 (pooled budget)	2,670	2,692	22	1%	2,798	-106	-4%	
Private Patients	103	119	17	16%	87	33	38%	
Clinical Income Total	229,540	235,800	6,260	3%	213,100	22,700	11%	
Education And Training	8,362	10,299	1,937	23%	9,325	973	10%	⑤
Research & Development	5,899	5,716	-183	-3%	6,829	-1,114	-16%	⑥
FRF/Top Up Payment	0	6,446	6,446	0%	11,365	-4,918	-43%	⑦
Accommodation	462	585	123	27%	481	104	22%	
Catering	0	0	0	0%	0	0	0%	
Non-Patient Care to Other Bodies	1,894	1,641	-253	-13%	2,278	-638	-28%	⑧
Other Income	961	1,120	159	17%	626	494	79%	
Parking	38	0	-38	-100%	0	0	0%	
Oxford Pharmacy Sales	14,825	15,377	552	4%	12,564	2,812	22%	⑨
Other Operating Income Total	32,440	41,183	8,743	27%	43,468	-2,285	-5%	
Permanent	166,928	133,027	33,901	20%	123,822	-9,204	-7%	⑩
Flexible	2,734	15,081	-12,347	-452%	13,384	-1,697	-13%	⑪
Agency	4	30,027	-30,023	N/A	29,022	-1,005	-3%	⑫
Employee Benefits Expenses	169,666	178,134	-8,468	-5%	166,229	-11,906	7%	
Clinical Services & Supplies	9,479	12,409	-2,930	-31%	12,252	-157	1%	⑬
Drugs	15,688	16,780	-1,091	-7%	13,744	-3,035	22%	⑭
PFI	294	602	-308	-105%	440	-162	37%	
Car Park Security	0	0	0	0%	0	0	0%	
Premises And Fixed Plant	4,811	5,353	-542	-11%	7,693	2,340	-30%	⑮
Premises - Business Rates	702	458	245	35%	695	238	-34%	
Secondary Commissioning	0	0	0	0%	0	0	0%	
Purchase Of Healthcare	37,324	39,675	-2,350	-6%	32,192	-7,483	23%	⑯
Establishment Expenditure	4,420	4,913	-494	-11%	4,207	-706	17%	⑰
Insurance	249	240	8	3%	257	16	-6%	
Audit Fees External	43	53	-10	-22%	29	-24	83%	
Audit Fees Internal	50	70	-20	-41%	39	-31	81%	
Clinical Negligence	414	527	-112	-27%	414	-112	27%	
Consultancy	25	74	-49	-198%	3	-71	2800%	
General Supplies And Services	2,516	1,940	576	23%	1,510	-431	29%	⑱
Legal Fees	114	156	-42	-37%	266	110	-41%	
Losses And Special Payments	9	32	-22	-243%	7	-25	373%	
NHS Services	0	0	0	0%	0	0	0%	
Other Non-Pay Expenditure	5,551	4,735	816	15%	4,466	-269	6%	⑲
Other Services	289	296	-7	-3%	292	-4	1%	
Patient Travel	0	0	0	0%	0	0	0%	
Provisions	28	279	-251	-893%	363	0	0%	
Redundancy Costs	0	41	-41	0%	73	32	0%	
Training & Conferences	915	917	-2	0%	730	-187	26%	
Transport - Business Travel	1,980	967	1,013	51%	1,024	57	-6%	⑳
Transport - Other	1,171	1,686	-515	-44%	1,408	-278	20%	㉑
Inventory Dhsc Covid Response	0	0	0	0%	0	0	0%	
Total Other Operating Expenses	86,072	92,202	-6,130	-7%	82,104	-10,182	12%	
EBITDA Total	6,242	6,646	404	6%	8,236	-1,589	-19%	

Please see next page for notes

Performance against Plan

EBITDA is a **£6.6m** surplus, **£0.4m** favourable to plan YTD at month 6. The main drivers of the position are:

1. Block income **£6.0m** favourable – driven by Oxon Children’s Continuing Healthcare **£1.4m** to partially offset the high equipment spend and deferred income from FY22.
2. Education and Training **£1.9m** favourable – Oxfordshire & BSW **£0.8m** due to various training posts where budget has not yet been set; Learning & Development **£0.5m** due to Health Education England income received for trainees, backdated Apprenticeship levy income & income released to match spend. **£0.6m** across various other service lines.
3. FRF/Top up Payment **£6.4m** favourable – this is the retrospective top up payments for Covid-19 costs which are not part of the Covid-19 allocation. For the Trust this is the costs of running the vaccination centres.
4. Oxford Pharmacy Sales **£0.6m** favourable – above plan sales due to growth in business.
5. Employee Benefits Expenses (Pay) **£8.5m** adverse - **£6.1m** of this is due to staff at the mass vaccination centres. There is **£4.3m** of centrally held budgets and **£3.8m** Covid budget which offset overspends in clinical services due to high agency use and unmet CIP targets: Community **£6.0m**, Buckinghamshire Mental Health **£2.5m**, Specialised **£1.4m** and Oxfordshire & BSW Mental Health **£1.2m**. The remaining balance is due an underspends in Research & Development **£1.1m** and an overspend in Corporate services of **£0.5m** (mainly due the transfer of IT staff costs from capital).
6. Clinical Supplies and Services **£2.9m** adverse - **£1.6m** overspend on Childrens Continuing Healthcare which is recovered from commissioners, **£0.3m** due to an overspend on Learning Disabilities out of area inpatient stays, **£0.4m** additional capacity purchased from Elmore for CAMHS complex needs patients offset with additional income and **£0.6m** due to other smaller overspends.
7. Drugs **£1.1m** adverse - **£0.7m** due to higher cost of sales in Oxford Pharmacy Store, **£0.3m** overspend in Oxfordshire adults’ mental health and **£0.1m** overspend in Buckinghamshire adults’ mental health.
8. Premises and Fixed Plant **£0.5m** adverse - **£0.4m** is due to the leases for the mass vaccination centres and **£0.1m** is made up of smaller variances elsewhere.
9. Purchase of Healthcare **£2.4m** adverse - **£0.9m** overspend on Provider Collaboratives which is offset by additional income. Out of Area placements are **£1.8m** adverse to plan. These are offset by additional funding from the provider collaboratives for extra packages of care in the Forensic service.
10. General Supplies and Services **£0.6m** favourable – due to an underspent in the Oxfordshire Training Hub
11. Other Non Pay Expenditure **£0.8m** favourable – **£0.3m** is due to centrally held budget and **£0.5m** is made up of other smaller variances.
12. Transport **£1.0m** favourable – due to reduced business travel post Covid.
13. Transport Other **£0.5m** adverse - **£0.4m** of this is due to a cost pressure on the non-emergency patient transport contract with South Central Ambulance Trust.

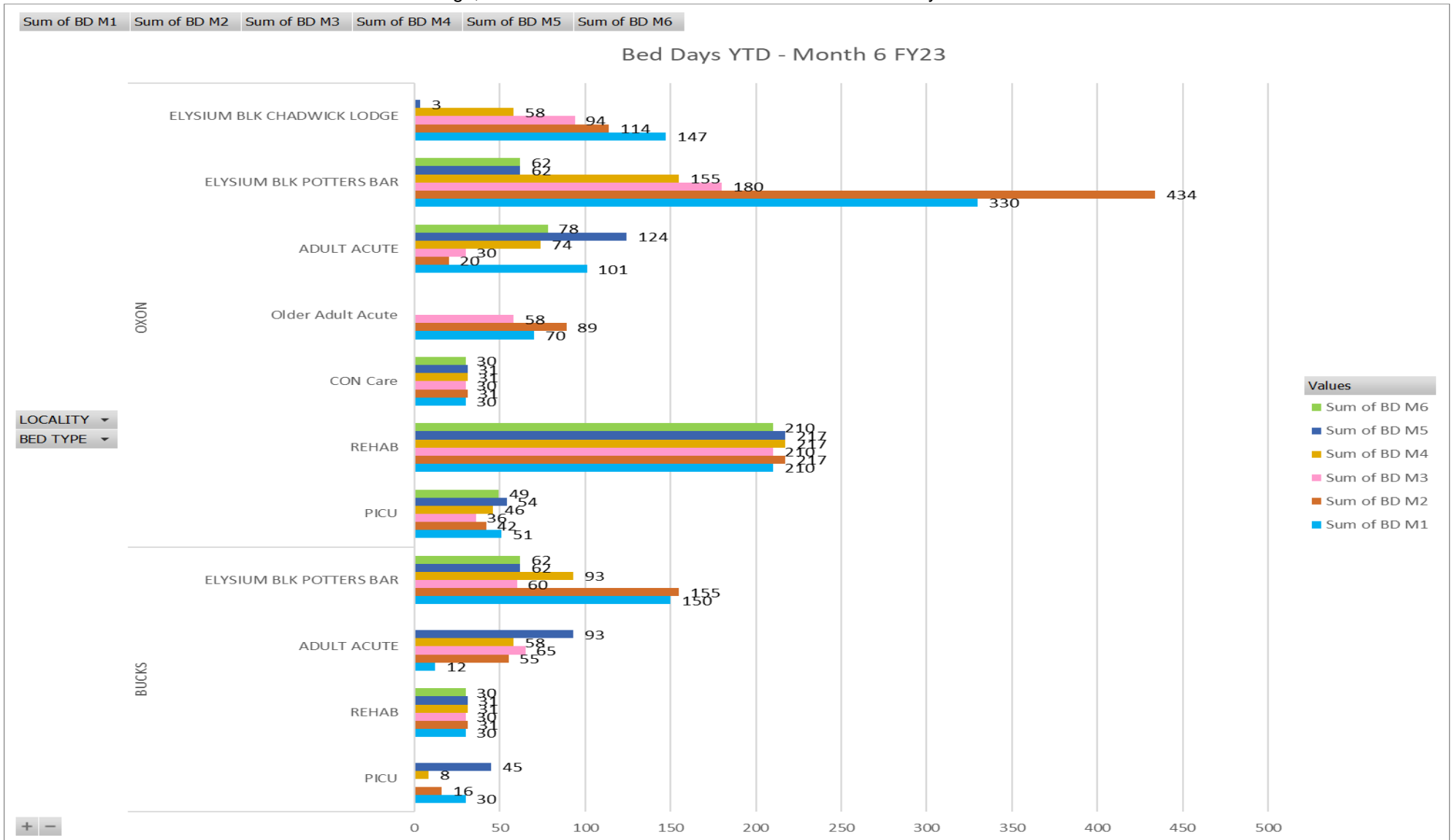
Performance against Prior Year

The EBITDA position is **£1.6m** worse than last financial year. The significant changes from FY22 are:

1. Block income is **£24.9m** higher than last year due to inflation **c.£7.7m**; full year effect of Secure and Adult Eating Disorders provider collaboratives **£6.6m**; investments in mental health services **£13.9m**, investments in the Ageing Well Service **£1.4m**, GP Out of Hours income changing from Cost & Volume to Block **£1.9m** and **£0.3m** investment in other services, offset with a reduction in Covid-19 income of **£6.9m**.
2. Cost & Volume income is **£1.9m** less than last year – inflation increase of **£0.3m** offset with **£1.9m** due to GP Out of Hours income moving to Block and **£0.5m** due to a reduction Adult Eating Disorders income. The balance is made up of other smaller variances.
3. Cost per case income is **£0.9m** lower than last year due to a reduction in income in the Podiatry service.
4. Local Authority income is **£0.7m** higher than last year due to investment in the Buckinghamshire CAMHS service **£0.4m** and HIV income in the Community directorate **£0.4m**, offset with **£0.1m** reduction across other services.
5. Education and Training **£1.0m** higher than last year due to additional training posts in the Institute of Clinical Psychology Training.
6. Research & Development income is **£1.1m** less than last year due to a **£0.4m** reduction in Academic Health Science Network income, **£0.4m** less income now the Novavax clinical trial has ended and a reduction in RCF income in FY23 (this is calculated based on previous years NIHR grant awards payments).
7. FRF/Top up Payment **£4.9m** less than last year due to reduction in funding for the mass vaccination centres.
8. Non-Patient Care to Other Bodies **£0.6m** less than last year due to **£0.8m** less project income in IM&T offset with **£0.2m** more income across other services.
9. Oxford Pharmacy Store sales have increased by **£2.8m**.
10. Permanent staff costs have increased by **£9.2m** from last year, due to; **£4.9m** FY23 inflation, **£1.4m** increase in Employers' National Insurance, continued Covid-19 costs in Community Hospitals (**£2.6m**) and in the GP Out of Hours service (**£0.6m**); **£0.8m** in Ageing Well due to new investment, new costs in Oxfordshire & BSW MH and Buckinghamshire MH directorates as a result of investment in these services last year **£1.4m** and a **£0.4m** increase across other areas. These are offset with a **£2.9m** reduction in Covid costs.
11. Flexible staff costs have increased by **£1.7m**. Covid flexible staff costs are **£1.7m** less than last year. **£0.5m** of the increase is due to FY23 pay inflation and £0.2m is due to the increase in Employers National Insurance. The remaining increase is mainly in inpatient areas to cover vacancies.
12. Agency staff costs have increased by **£1.0m** from last year. **£5.5m** is due to new costs in Oxfordshire & BSW MH and Buckinghamshire MH directorates as a result of investment in these services but where vacancies are not able to be filled with substantive staff, These are offset by a reduction in Covid costs of **£6.4m** and a **£0.1m** net decrease across other services.
13. Drugs are **£3.0m** higher than last year due to higher sales in Oxford Pharmacy Store.
14. Premises and Fixed Plant **£2.3m** less than last year due to changes in the accounting treatment of leases.
15. Purchase of Healthcare is **£7.5m** higher than last year due to Provider Collaboratives, in particular the full year effect of the Secure Provider Collaborative and a change in the lead provider payment regime.
16. Establishment Expenditure is **£0.7m** higher than last year due to increased costs in Oxfordshire Adults Continuing Healthcare.

Out of Area Treatments (OATs)

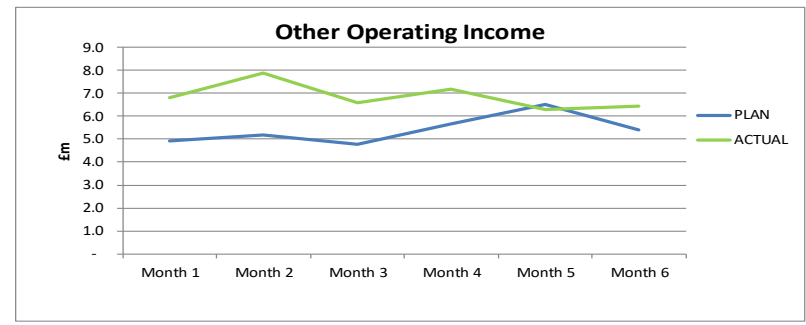
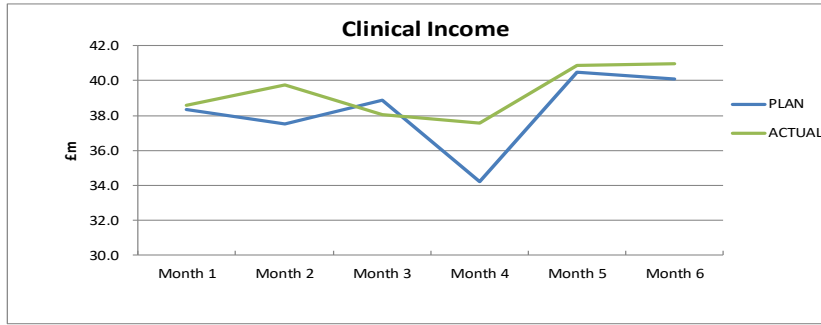
OATs are £1.9m overspent at month 6 (£1.6m overspend in Oxfordshire and £0.3m in Buckinghamshire). This includes the costs Elysium Block Contract Beds at Potter Bar and Chadwick Lodge, these have been reduce from 21 beds to 5 Beds only at Potters Bar.



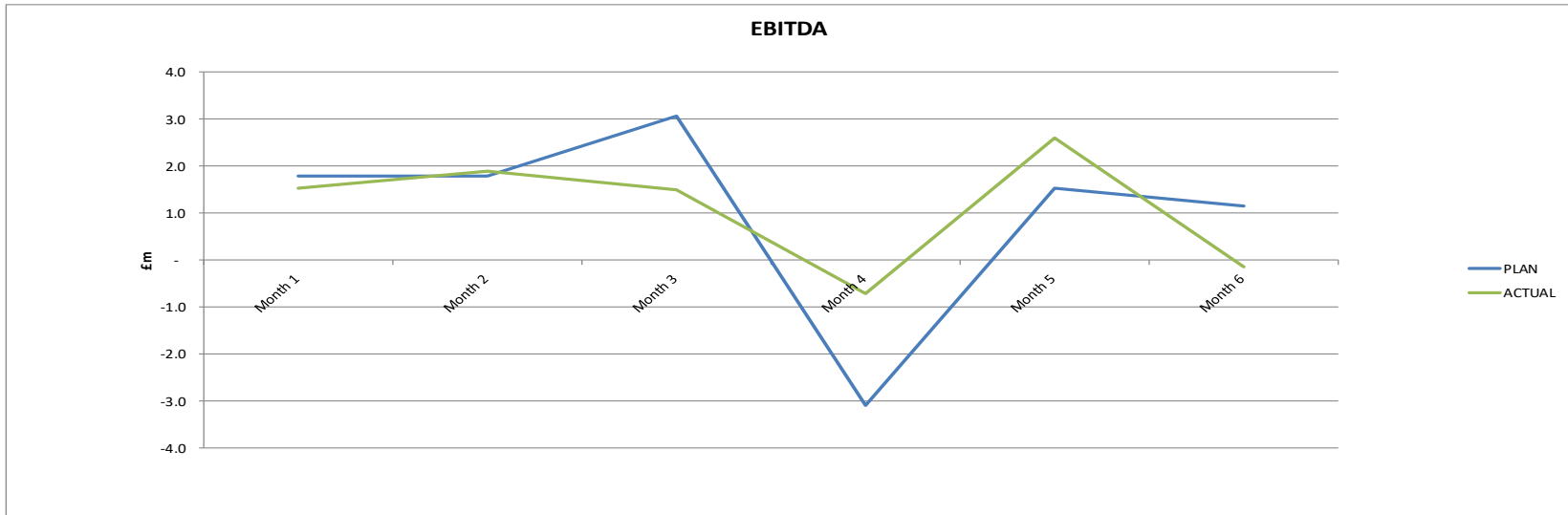
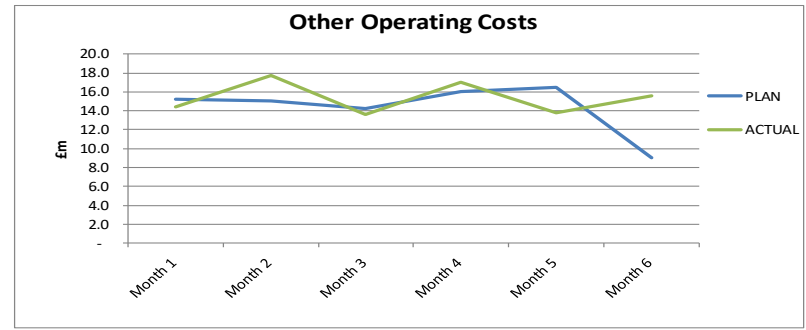
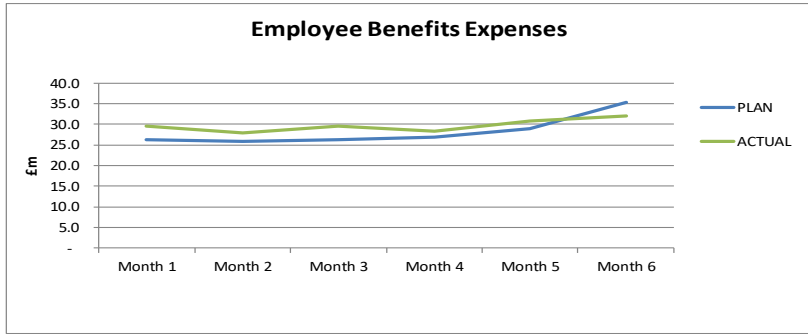
Variance to Plan by Month

PLAN	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
	£m	£m	£m	£m	£m	£m
Clinical Income	38.3	37.5	38.9	34.2	40.5	40.1
Other Operating Income	4.9	5.2	4.8	5.7	6.5	5.4
Operating Income Total	43.3	42.7	43.6	39.9	47.0	45.5
Employee Benefits Expenses	26.2	25.9	26.3	26.9	29.0	35.4
Other Operating Costs	15.3	15.0	14.3	16.0	16.4	9.0
Operating Expenses Total	41.5	40.9	40.6	43.0	45.5	44.4
EBITDA	1.8	1.8	3.1	- 3.1	1.5	1.1
ACTUAL	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
	£m	£m	£m	£m	£m	£m
Clinical Income	38.6	39.8	38.0	37.6	40.9	41.0
Other Operating Income	6.8	7.9	6.6	7.2	6.3	6.4
Operating Income Total	45.4	47.6	44.6	44.8	47.2	47.4
Employee Benefits Expenses	29.5	28.0	29.5	28.4	30.7	32.0
Other Operating Costs	14.4	17.8	13.6	17.0	13.8	15.5
Operating Expenses Total	43.9	45.8	43.1	45.5	44.6	47.5
EBITDA	1.5	1.9	1.5	- 0.7	2.6	- 0.2
VARIANCE	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
	£m	£m	£m	£m	£m	£m
Clinical Income	0.3	2.3	- 0.8	3.3	0.4	0.8
Other Operating Income	1.9	2.7	1.8	1.5	- 0.2	1.0
Operating Income Total	2.2	5.0	1.0	4.9	0.2	1.9
Employee Benefits Expenses	- 3.3	- 2.1	- 3.2	- 1.5	- 1.7	3.4
Other Operating Costs	0.9	- 2.8	0.6	- 1.0	2.6	- 6.5
Operating Expenses Total	- 2.4	- 4.9	- 2.6	- 2.5	0.9	- 3.2
EBITDA	- 0.3	0.1	- 1.6	2.4	1.1	- 1.3

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2. Clinical Income

CLINICAL INCOME	YTD at month 6			
	Plan £'000	Actual £'000	Variance £'000	Variance %
Any Qualified Provider	902	902	0	0%
Berks HC NHS FT - Liaison & Diversion	100	100	(0)	0%
Buckinghamshire Block	13,951	14,841	890	6%
Buckinghamshire County Council	5,001	5,120	120	2%
Buckinghamshire S75 (pooled budget)	1,768	1,790	22	1%
Cost per Case Income	314	678	364	116%
ICB's Income	0	26	26	0%
ICB's Low Volume Activity	223	223	0	0%
ICB's Non Contract Activity	91	48	(43)	0%
Income from NHS Trusts	946	1,191	244	26%
NHS BOB ICB - Bucks	13,484	13,505	21	0%
NHS BOB ICB - Bucks CHC	566	566	(0)	0%
NHS BOB ICB - Bucks Cquin	153	153	0	0%
NHS BOB ICB - CAMHS	3,765	3,765	0	0%
NHS BOB ICB - CAMHS Cquin	34	34	0	0%
Nhs BOB ICB - Community	20,019	20,338	319	2%
Nhs BOB ICB - IAPT	3,094	3,169	75	2%
Nhs BOB ICB - IAPT Cquin	31	31	(0)	0%
Nhs BOB ICB - LD	1,825	1,825	0	0%
Nhs BOB ICB - LD Cquin	22	22	0	0%
Nhs BOB ICB - Luther St	190	190	0	0%
Nhs BOB ICB - Mental Health	10,964	11,491	527	5%
Nhs BOB ICB - MH CQUIN	42	42	0	0%
Nhs BOB ICB - OBC	15,271	15,522	250	2%
Nhs BOB ICB - OBC Cquin	6	6	0	0%
NHS BOB ICB - Podiatry	891	891	(0)	0%
NHS BOB ICB - Podiatry Cquin	11	11	0	0%
Nhs BOB ICB - SDF Investments	1,183	1,183	0	0%
NHS BSW	4,504	4,824	320	7%
Nhs BSW ICB - Block	4,142	4,142	0	0%
Nhs BSW ICB - Community	23	23	0	0%
Nhs BSW ICB - Community Cquin	227	227	0	0%
Nhs BSW ICB - Cquin	51	51	(0)	0%
Nhs BSW ICB - Eating Disorders	287	287	(0)	0%
Nhs England - SAI	595	571	(24)	-4%
NHS England Block	63,198	63,365	167	0%
NHS England FCAMHS	565	565	0	0%
NHS Northamptonshire	242	242	(0)	0%
Nhs Northamptonshire ICB	247	247	0	0%
Nhs Northamptonshire ICB - Cquin	4	4	(0)	0%
Other CCGs Income	0	766	766	0%
Other Local Authority	17	29	12	69%
Oxfordshire Block - CAMHS	3,798	4,594	796	21%
Oxfordshire Block - IAPT	3,128	3,406	278	9%
Oxfordshire Block - Learning Disabilities	2,051	2,130	79	4%
Oxfordshire Block - main contract	27,085	27,484	399	1%
Oxfordshire Block - OBC	15,277	15,720	443	3%
Oxfordshire Cost & Volume	1,900	1,900	0	0%
Oxfordshire County Council	5,634	5,866	233	4%
Oxfordshire S75 (pooled budget)	902	902	0	0%
Personal Injury Compensation	56	40	(16)	-29%
Private Patients	103	119	17	16%
Wales Cost & Volume	400	376	(24)	-6%
Wiltshire Borough Council	259	259	0	0%
Clinical Income Total	229,540	235,800	6,260	3%

Clinical income is **£6,260k** favourable to plan at month 6. Material variances to the plan are:

- Buckinghamshire Block is **£890k** favourable due to the release of FY22 deferred income to offset expenditure.
- Buckinghamshire County Council is **£120k** favourable due to the release of FY22 deferred income to offset expenditure.
- Cost per case income is **£364k** favourable mainly in the Oxfordshire & BSW mental health and Buckinghamshire mental health directorates.
- Income from NHS Trusts is **£244k** favourable due to income received for a service user on Woodlands ward.
- NHS BOB ICB Community is **£319k** favourable to match additional expenditure in Children's Continuing Healthcare.
- NHS BOB ICB Mental Health is **£527k** favourable due to unequal the profiling of the budget, which will be corrected for next month.
- NHS BOB ICB OBC is **£250k** favourable due to additional income for social care placements
- NHS BSW **£320k** favourable due to release of deferred income to offset expenditure.
- NHS England Block is **£167k** favourable due to release of deferred income to offset expenditure.
- Other CCG Income **£766k** favourable mainly due to the recover of costs in Children's Continuing Healthcare **£586k** and the release of deferred income to offset expenditure.
- Oxfordshire Block CAMHS **£796k** favourable due to release of deferred income and DWP pass through income.
- Oxfordshire Block IAPT **£278k** favourable due to release of deferred income.
- Oxfordshire Block main contract **£399k** favourable due to release of deferred investment income.
- Oxfordshire Block OBC **£443k** favourable due to release of deferred investment income to match expenditure
- Oxfordshire County Council **£233k** favourable due to prior year inflation funding accounted for in FY23.

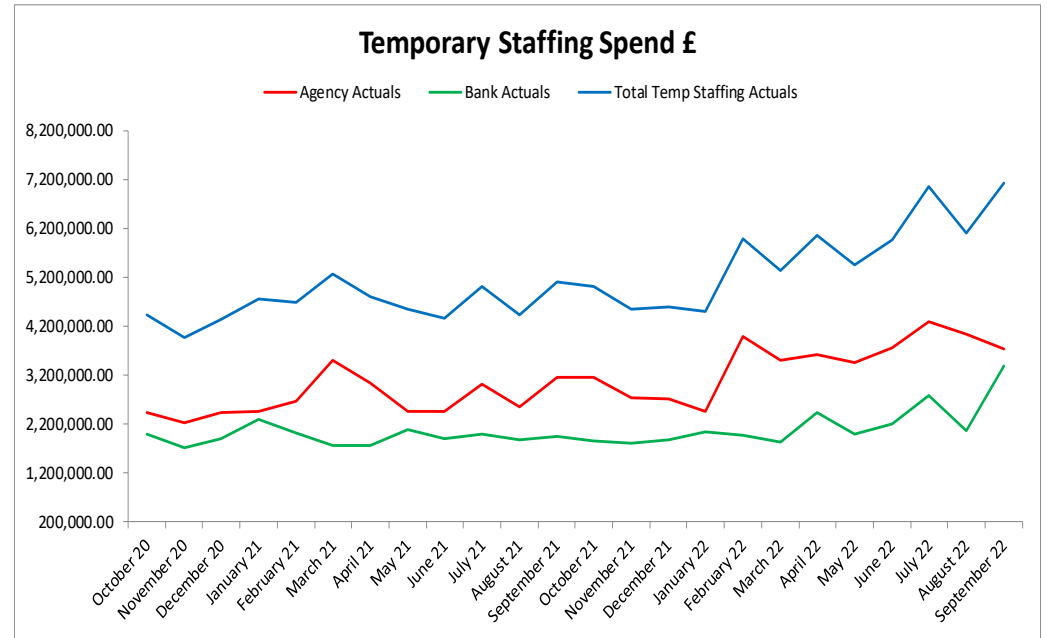
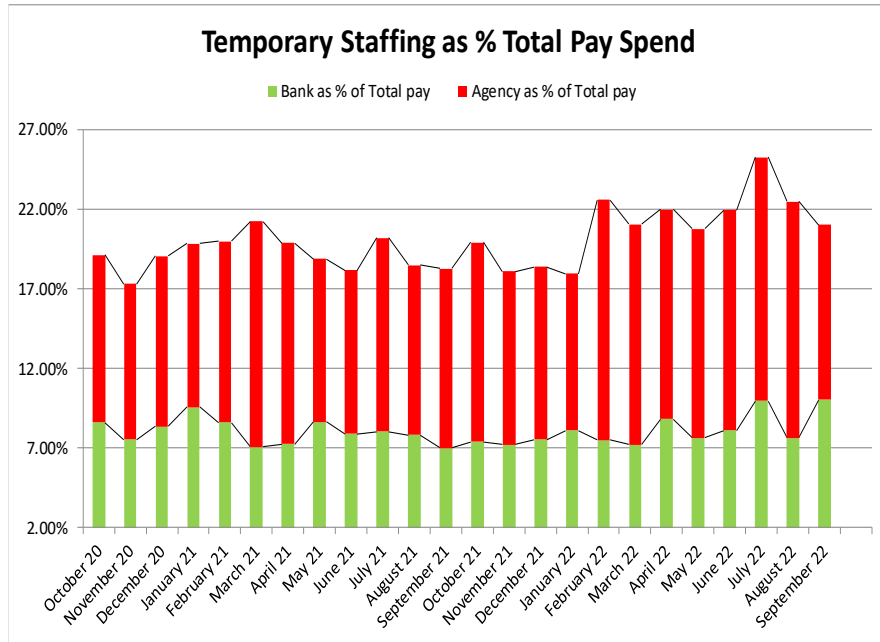
3. Non-Clinical Income

Confidential

NON-CLINICAL INCOME	YTD at month 6			
	Plan	Actual	Variance	Variance
	£'000	£'000	£'000	%
Education & Training	8,362	10,299	1,937	23%
Other Operating Income	18,179	25,168	6,989	38%
Research & Development	5,899	5,716	(183)	-3%
Non- Clinical Income Total	32,440	41,183	8,743	27%

- Education & Training income **£1,937k** favourable: **£227k** Apprenticeship income received for trainees matching pay expenditure and backdated Apprenticeship levy income; Budget not set for training posts – Oxfordshire & BSW mental health **£847k**, Community **£174k**, Buckinghamshire mental health **£124k**; **£141k** Oxfordshire Training Hub; **£102k** additional Health Education England funding and Other **£322k**.
- Other Operating Income **£6,989k** favourable: retrospective top up payments for the costs of the mass vaccination centres **£6,451k**; Oxford Pharmacy Store higher sales than planned **£576k** and a **£38k** adverse across other services.
- Research & Development income is **£183k** adverse offset with clinical income received in the Academic Health Science Network.

4. Agency



At month 6 **£24.1m** has been spent on agency staff (excluding **£5.9m** for agency staff at the Covid mass vaccination sites). This is **14%** 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 06 FY23							
Projects	FY Target	FY Plan	YTD Target	YTD Actual	YTD Variance	Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CIP Programme	7,845	3,319	3,922	1,593	-2,329	2,986	-4,858
PIP Schemes / Agency Reduction	9,044	9,044	2,376	738	-1,639	3,131	-5,913
Covid Costs Reduction	0	0	0	0	0	0	0
Total	16,889	12,364	6,299	2,331	-3,968	6,118	-10,772

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 6 are **£1.6m**, **£2.3m** 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 **£0.7m** reductions as at the end of month 6, **£1.6m** 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 their validity in the context of the retained covid budget of **£7.3m**.

6. Statement of Financial Position

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Statement of Financial Position as at 30th September 2022					
31 March 2022		Month 5 FY22	Month 6 FY23	Movement	
£'000		£'000	£'000	Year to date	In month
				£'000	£'000
	Non-current assets				
6,390	Intangible Assets	5,642	5,529	(861)	(112)
155,907	Property, plant and equipment	156,389	156,352	445	(38)
0	Finance Leases	26,602	26,290	26,290	(312)
487	Trade and other receivables	499	499	12	0
162,784	Total non-current assets	189,133	188,670	25,886	(462)
	Current Assets				
2,003	Inventories	2,217	2,468	464	250
19,702	Trade and other receivables	31,831	32,229	12,527	399
	Non-current assets held for sale	0	0	0	0
89,517	Cash and cash equivalents	83,120	75,240	(14,277)	(7,880)
111,223	Total current assets	117,168	109,937	(1,286)	(7,231)
	Current Liabilities				
(75,128)	Trade and other payables	(78,850)	(76,641)	(1,513)	2,209
(2,817)	Borrowings	(2,237)	(1,971)	846	267
	Other financial liabilities	(1,788)	(1,788)	(1,788)	0
0	Finance Leases	(5,481)	(5,530)	(5,530)	(49)
(2,473)	Provisions	(2,985)	(3,017)	(544)	(32)
(22,784)	Deferred income	(21,730)	(18,840)	3,945	2,890
(103,203)	Total Current Liabilities	(113,071)	(107,787)	(4,584)	5,285
	Non-current Liabilities				
	Trade and other payables	0	0	0	0
(15,784)	Borrowings	(16,383)	(15,664)	120	719
0	Finance Leases	(21,693)	(21,360)	(21,360)	334
(4,524)	Provisions	(4,169)	(4,182)	342	(14)
(1,132)	Other Liabilities	(1,132)	(1,132)	0	0
(21,440)	Total non-current liabilities	(43,377)	(42,338)	(20,898)	1,039
149,364	Total assets employed	149,852	148,483	(881)	(1,370)
	Financed by (taxpayers' equity)				
107,619	Public Dividend Capital	107,619	107,619	1	0
27,469	Revaluation reserve	27,446	27,446	(23)	0
	Other reserves	0	0	0	0
14,276	Income & expenditure reserve	14,787	13,417	(859)	(1,370)
149,364	Total taxpayers' equity	149,852	148,483	(881)	(1,370)

1. Non-current assets have increased by **£25.9m** 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 **£2.6m** in the first half of the year. These additions were offset by depreciation of **£5.8m**.
2. Trade and other receivables have increased by **£12.5m** in year and **£0.4m** in month. Most of the in-year increase is due to an increase in accrued income of **£8.7m** (£5.7m Provider Collaborative pass through costs & £1.9m Vaccination Centre) and prepayments of £3.8m.
3. Cash has decreased by **£7.9m** in month and **£14.3m** in year. The decrease is in line with the cash flow statement and is largely due to cash payments against financing activities of **£5.4m**, payments for capital assets of **£7.9m** (mostly from FY22) and net working capital outflows of **£1.4m**.
4. Trade and other payables have increased by £1.5m in year and decreased by **£2.2m** in month. Increases in accrued expenditure and tax/pension liabilities of **£9.6m** in year have been offset by decreases in other payable balances of **£8.0m**
5. Short term finance lease liabilities have increased by **£5.5m** in year following the capitalisation of leased assets – see note 1.
6. Deferred income has decreased by **£2.9m** in year and **£3.9m** in month.
7. Long term finance leases have increased by **£21.4m** in year and decreased by £0.3m in-month (repayments against liability) following 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 **£0.8m**.

7. Cash Flow

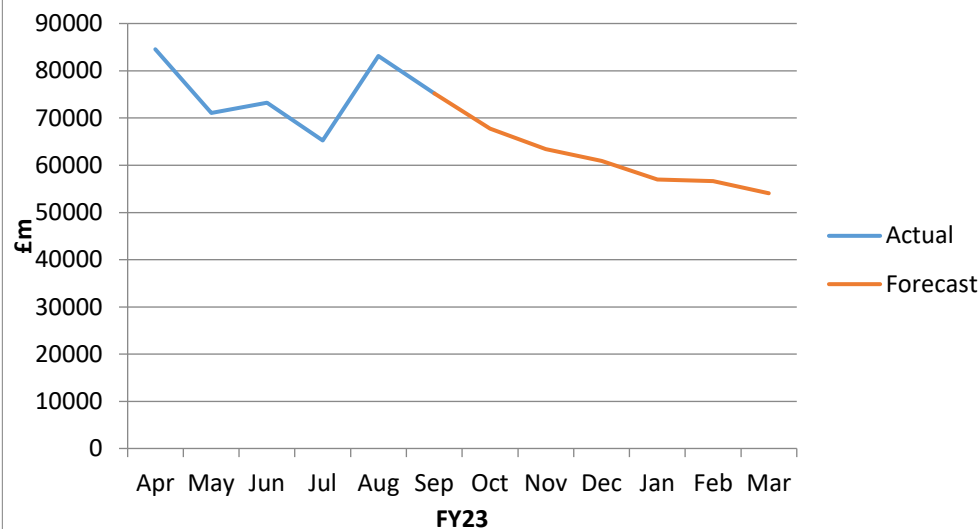
STATEMENT OF YEAR TO DATE CASH FLOWS

	Month 6 FY23		
	Actual £'000	Plan £'000	Variance £'000
Cash flows from operating activities			
Operating surplus/(deficit) from continuing operations	920	340	580
Operating surplus/(deficit) from discontinuing operations	0	0	0
Operating surplus/(deficit)	920	340	580
Non-cash income and expense:			
Depreciation and amortisation	5,804	5,694	110
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	(12,545)	3,354	(15,899)
(Increase)/Decrease in Inventories	(464)	0	(464)
Increase/(Decrease) in Trade and Other Payables	6,828	(14,352)	21,180
Increase/(Decrease) in Deferred Income	(2,156)	(3,000)	844
Increase/(Decrease) in Provisions	202	195	7
Other Movements in Operating Cashflows	0	0	0
NET CASH GENERATED FROM/(USED IN) OPERATIONS	(1,411)	(7,769)	6,358
Cash flows from investing activities			
Interest received	450	133	317
Purchase of Non Current Assets	(7,902)	(7,322)	(580)
Sale of PPE	0	0	0
Net cash generated from/(used in) investing activities	(7,452)	(7,189)	(263)
Cash flows from financing activities			
Public dividend Capital Received	0	0	0
Loans received	0	0	0
Loans repaid	(669)	(669)	0
Capital element of lease rental payments	(2,134)	(2,670)	536
Capital element of Private Finance Initiative Obligations	(301)	(300)	(1)
Interest paid	(317)	(321)	4
Interest element on leases	(134)	(129)	(5)
Interest element of Private Finance Initiative obligations	(481)	(482)	1
PDC Dividend paid	(1,378)	(1,310)	(68)
Net cash generated from/(used in) financing activities	(5,414)	(5,881)	467
Increase/(decrease) in cash and cash equivalents	(14,277)	(20,839)	6,562
Cash and Cash equivalents at 1st April	89,517	89,517	0
Cash and Cash equivalents at 30th September	75,240	68,678	6,562

Summary Notes

- The cash flow movements are consistent with the comments made on the Statement of Financial Position.
- The closing cash position at Month 06 was **£75.2m**.

FIC Cashflow Forecast



8. Working Capital Indicators

Working Capital Ratios			
Ratio	Target	Actual	Risk Status
Debtor Days	30	35	●
Debtors % > 90 days	5.0%	19.3%	●
Creditor Days	30	51	●
BPPC NHS - Value of Inv's pd within target (ytd)	95.0%	90.3%	●
BPPC Non-NHS - Value of Inv's pd within target (ytd)	95.0%	90.5%	●
Cash (£m)	68.8	75.2	●

Summary Notes

- Debtor days at month 6 were below target.
- Debtors % over 90 days are below target due to overdue invoices, specifically with Oxfordshire CCG £1,106k and NHSE £485k.
- The Creditor days position is below plan due to the high level of accruals for Non-NHS suppliers and the below target BPPC figure.
- NHS BPPC (which represents 20% of non-pay expenditure) is below target for the year and in month.
- Non-NHS BPPC (which represents 80% of non-pay expenditure) is below target for the year and in-month.
- Cash is above target, as outlined in section 7 and 8.

9. Capital Investment Programme

FY23-CAPITAL EXPENDITURE REPORT-SEPTEMBER(M6)				
	FY23 £000			
Planned Schemes	FY23 Original Plan (A)	FY23 Revised Plan (B)	YTD Actual Expenditure (C)	Variance (B-C)
Estates Projects c/f	1,117	1,117	138	979
Estates	1,081	1,381	165	1,216
Estates PDC Projects	-	780	-	780
Highfield PICU	5,664	5,664	1,831	3,833
IM&T Clinical Systems	1,775	1,771	(170)	1,941
IT Capital	-	1,149	535	614
Global Digital Exemplar FY18 Capital Funding	-	-	(17)	17
PFI	-	-	8	(8)
Medical Equipment	300	300	-	300
Additional High Risk Projects	-	2,981	155	2,826
Grand Total	9,937	15,143	2,645	12,498

- 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 and other estate backed PDC £780. In total therefore, the Trust has **£15,143k** capital funding available in FY23.
- The first phase of the FY23 capital plan totals **£12,162k** from a total funding pot of **£15,143k**. 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 year-to-date actual spend is **£2,645k**.

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 6 FY22						
	Board Report	Remove Section 75 Income and Costs	Category Changes	National supplied PPE	NHSI Template	
	£m	£m	£m	£m	£m	£m
Clinical Income	235.8	-2.2				233.6
Other Operating Income	41.2					41.2
Operating Income, Total	277.0	-2.2	0.0	0.0	0.0	274.7
Employee Benefit Expenses (Pay)	178.1	-2.1				176.0
Other Operating Expenses	92.2	-0.1				92.1
Operating Expenses, Total	270.3	-2.2	0.0	0.0	0.0	268.1
Non-Operational Income						0.0
EBITDA	6.6	0.0	0.0	0.0	0.0	6.6
Profit/(Loss) on asset disposal	-0.1					-0.1
Depreciation and Amortisation	5.8					5.8
Asset Impairment	0.0					0.0
Interest	0.1					0.1
Other Finance Charge	0.4					0.4
PDC Dividend	1.3					1.3
Surplus/ (Deficit)	-0.9	0.0	0.0	0.0	0.0	-0.9