Finance, Procurement and Contracting

Financial Performance Report:

Month 4

Jason Dorsett: Chief Finance Officer

Financial Performance Report

Oxford University Hospitals
NHS Foundation Trust

Integrated themes and issues from Month 4 (July 2024)

Finance

Overall

Income and Expenditure (I&E) was a YTD £23.8m deficit to Month 4, some £5.5m worse than plan. The underlying deficit was £34.3m with a deterioration of £1.1m from the previous month. The Trust's plan for M4 required an improvement of £1.8m from the previous month with activity driven income planned to increase while headcount falls.

VWA

Value Weighted Activity was estimated when we reported in early August to be £2.3m behind plan YTD at Month 4. Of this up to £1.4m is the estimated impact of industrial action. We never have activity data for the latest month and have to estimate activity given trend data.

This is exceptionally difficult given the impact of IA and we are likely to revise down our estimate for M4 activity when we report M5.

Income

Commissioning income, excluding passthrough was £5.7m worse than plan, due to the impact of VWA, including the impact from industrial action, and £3.4m from a risk assessment on additional income items in the plan. A significant element of income was accrued to plan while contracts are being finalised.

Passthrough drugs and devices were £13.8m above plan. The ICB (and therefore the ICS a as a whole) is c.40% of this and over-performance is a system challenge that OUH is jointly responsible for addressing.

Headcount

Whole Time Equivalent headcount (excl. R&D) in July was an increase of 4 WTE above June, an overall reduction of 381 WTE since March. The bulk of the reduction has been in temporary staffing (72 WTE agency, 259 WTE bank) and 50 WTE substantive staff. We have not yet detected an adverse operational or quality impact from the work to reduce headcount, but we remain vigilant tracking relevant KPIs.

Pay Expenditure

Pay costs are £1.1m adverse to plan YTD. Pay was £0.2m favourable to plan in July although the underlying run-rate deteriorated by £0.4m from June. Bank and agency expenditure has increased by £0.2m from June.

Non-Pay Expenditure

Non-pay costs were £2.7m better than plan to Month 4 (excluding pass through), but this was entirely due to one-off items some of which were non-cash. A separate paper has been presented on non-pay to IAC in. August.

Cash

Cash was £8.0m at the end of June, £0.4m higher than the previous month. The primary driver for cash falling below planned levels is the operating cash deficit with a high proportion of efficiencies delivered being non-cash releasing. The decrease in cash to Month 4 is due to paying capital creditors and the operating deficit. The need for cash support continues to be monitored.

Conclusion

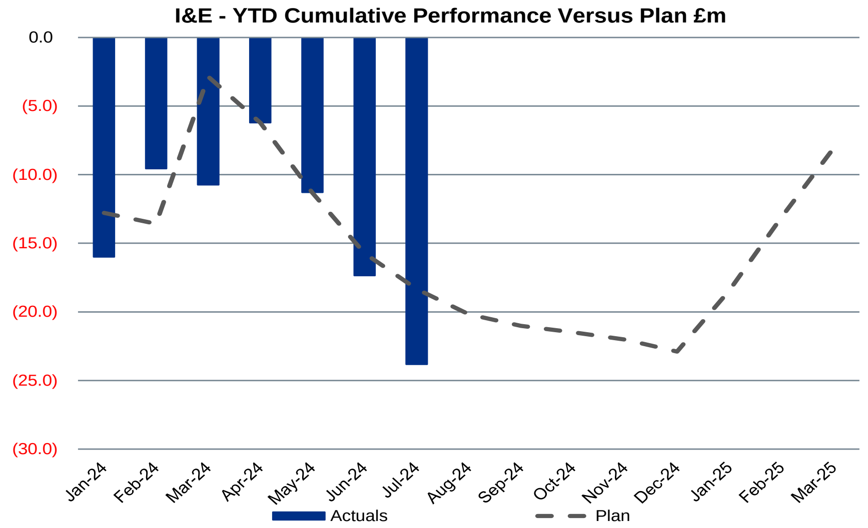
Performance to Month 4 has not improved in line with the improvement in the plan at M4. The underlying position has worsened slightly driven by under-performance on income and pay overspends. Tight control of headcount will need to be maintained.

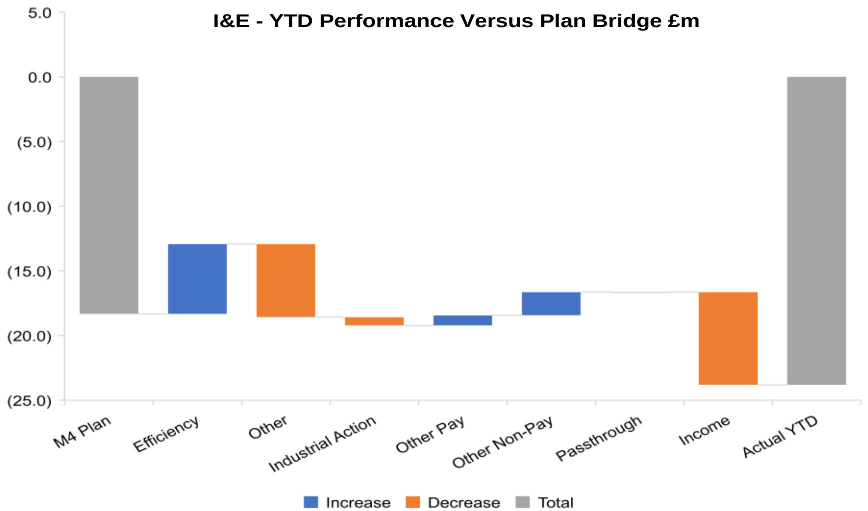
Financial Performance Report

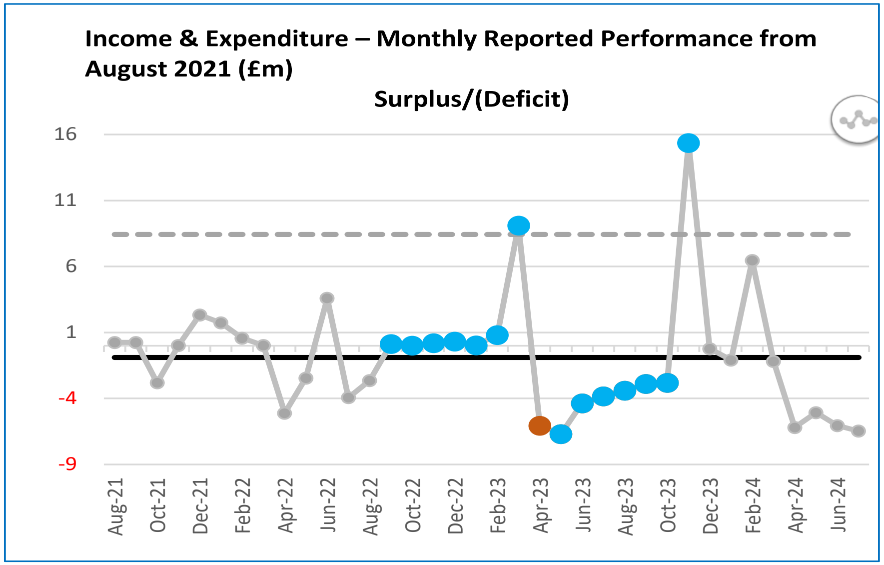
Integrated themes and issues from Month 4 (July 2024)

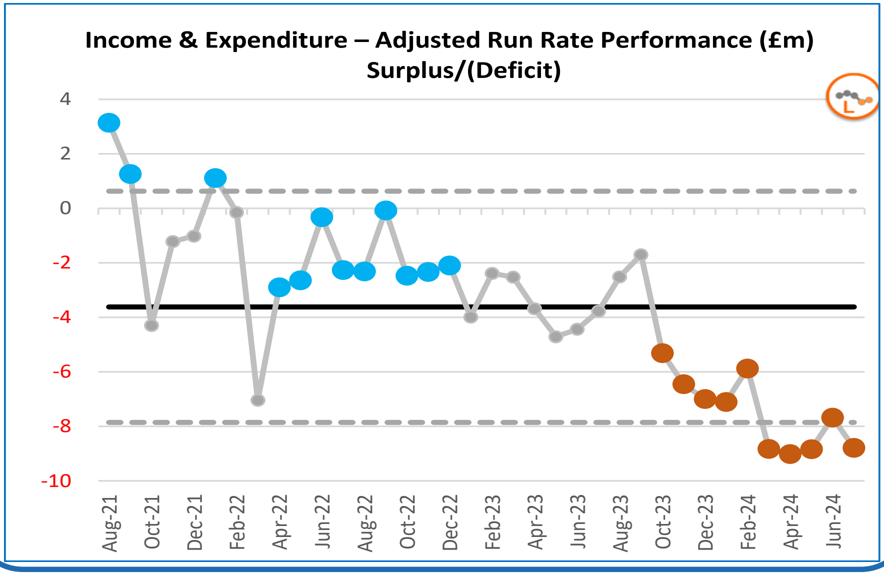
Oxford University Hospitals NHS Foundation Trust

Finance





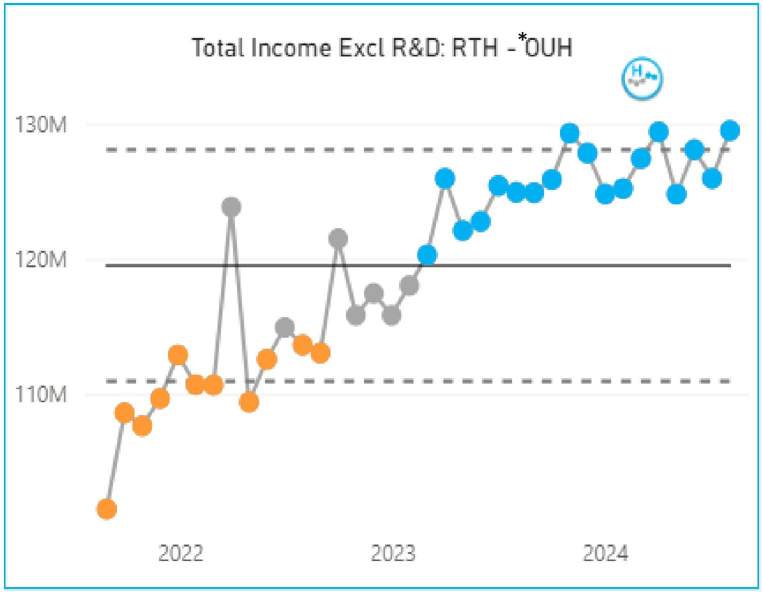




Income Overview

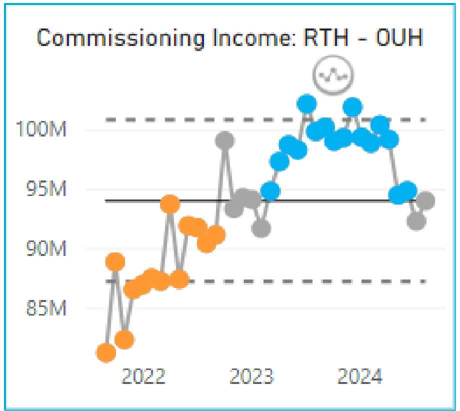
Source: Finance Ledger

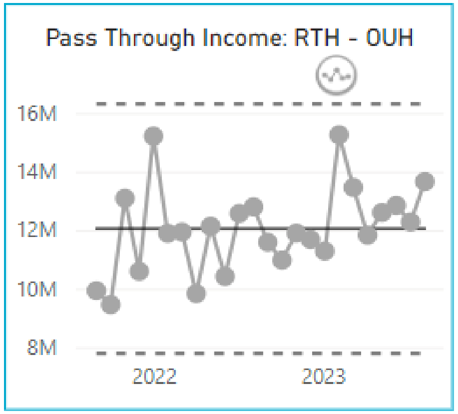
*Income in the charts below were adjusted to remove the FY22, FY23 and FY24 (month 12) year-end pension and annual leave accruals. FY23 was also adjusted to remove the non-consolidated AFC pay bonus funding accrual and to smooth the FY24 AFC and medical pay awards over the YTD. A number of income items including RTA catch up and API performance in FY2024 has been smoothed over the year to avoid distortion to the underlying run rate.

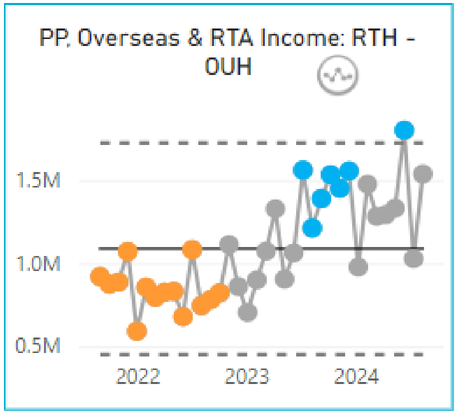


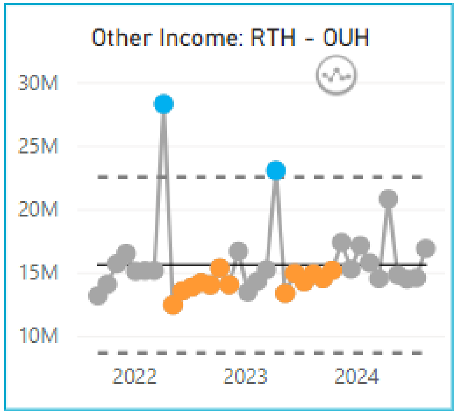
July 2024 (Month 4) - Total in-month Income of £133.8m

- Total income was £2.6m higher in July compared to June.
- Commissioning income was £0.3m lower in July. Passthrough income was £0.1m higher than the previous month. The remaining £0.4m decrease was due to the variable elements of the commissioner contracts being lower than the previous month.
- API income performance was 107.8% for April, 108% for May, 102.4% for June and 100.8% for July (July is based on draft EPR data). The YTD performance is 104.7%. The Trust has assumed achievement of 109% of 19/20 income to meet performance targets. In addition to this, income related to growth for business cases has been included in the plan.
- Other income was £2.3m higher in July compared to June, this was due to R&D income (£1.2m and offset by increased expenditure), education income (£0.5m) and salary recharge income (£0.4m).
- Private patients, overseas and RTA income increased in July by £0.5m this was £0.3m of RTA income and £0.2m of private patient income.









SPC Trend Analysis

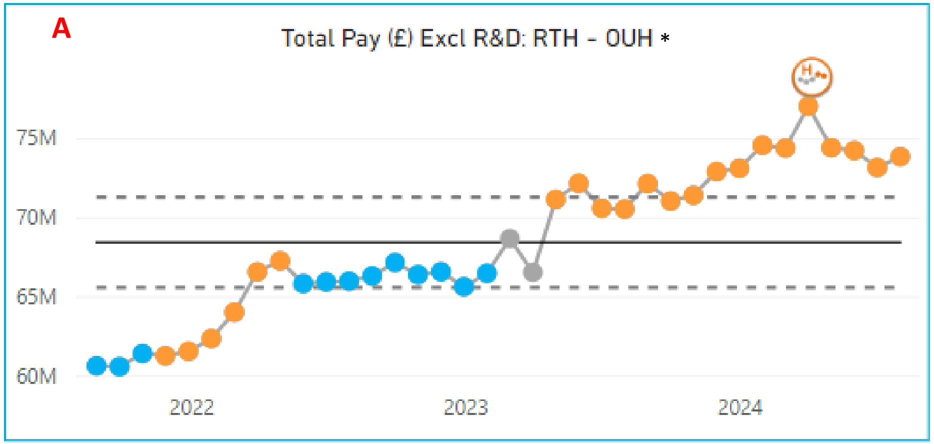
Total Income has consistently increased over the last financial year, driven by commissioning income and passthrough income (also seen in the 'Commissioning Income' and 'Pass Through Income' charts above). This a result of the pay award funding as well as the recognition of additional non-recurrent commissioner funding in the second half of 2022/23 and 2023/24.

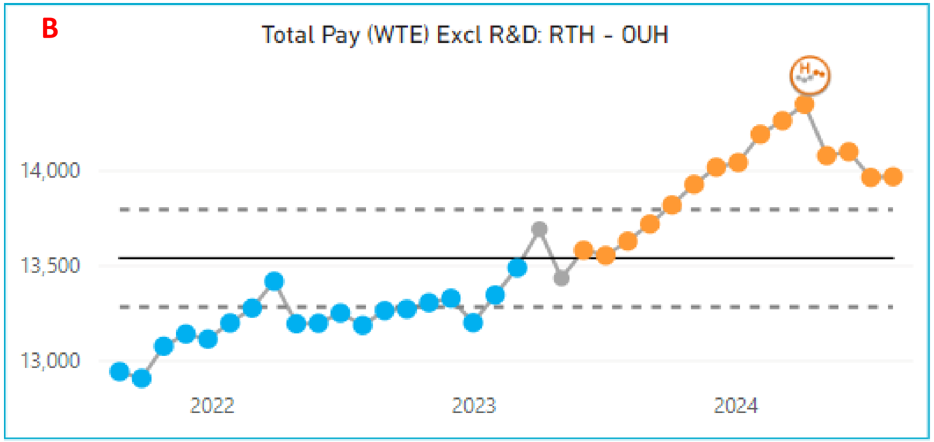
- Total Income in March 2022 and March 2023 were all significantly high as a result of year-end adjustments and R&D income.
- PP, Overseas and RTA Income has been showing an upward trend in 2023/24, this is driven by changes in the RTA income capture process.

Pay: Run Rate Overview

Oxford University Hospitals
NHS Foundation Trust

Source: Finance Ledger, excluding R&D costs, including COVID and recovery costs.

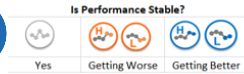




*Pay spend in the chart above was adjusted to remove the FY22, FY23 and FY24 (month 12) pension and annual leave accruals. The pay awards in September 2021 and September 2022 were spread across month 1 to month 6, respectively, on a straight-line basis. The additional FY23 non-consolidated AFC pay bonus accrual has been removed. The FY24 AFC and medical pay awards have been smoothed over the YTD. The annual leave accrual releases throughout the year were removed. FY22 pay spend was not adjusted for inflation.

Jul 2024 (Month 4) **£76.6m (£73.1m excl. R&D)** **13,965 WTE**	• Total pay was £0.6m lower in July compared to June. Excluding R&D, pay costs were £0.3m lower in July compared to June. • Substantive staffing costs were £0.7m lower in July compared to June. Excluding R&D, substantive pay reduced by £0.3m, due to the fallout of industrial action costs in June partly offset by reinstating the consultants pay award accrual (there will be a further pay award in addition to the pay reform implemented in May). The Trust plan is based on the month 1-9 run rate of 23/24, the run rate for substantive staff increased in quarter 4 and though it has reduced since April it continues to be above the plan assumption. The Trust has implemented financial controls on vacancies as part of the overall financial controls required across the ICB. • Temporary staff in-month expenditure was £0.2m higher in July compared to June. Bank staff costs increased by £0.3m in month (covering annual leave and sickness) and agency costs reduced by £0.1m. The Trust has implemented a temporary staffing programme aiming to reduce temporary staffing by 700 WTE (by the end of September) compared to the December 23 position. By the end of July 214 WTE had been achieved against this. Compared to December 23 temporary staffing costs this month have reduced by £1.5m, reflecting the work being undertaken to provide additional controls over temporary staffing. Sickness rates have been reducing since January and turnover rates are also reducing which should be supporting the reduction in temporary staffing. • Overall WTEs increased by 4 in July compared to June (excluding R&D). This small increase ends the recent trend of decreasing WTEs each month since the introduction of additional pay controls. Substantive staff decreased by 28 WTE in July, bank staff increased by 29 WTE (nursing staff 12, consultants and medics 9) and agency staff increased by 3 WTE (nursing staff).
Trend Analysis	• Pay spend and WTEs are both down in June, continuing the recent trend following the introduction of increased pay controls. This trend is seen in Chart A and B above. The previously increasing trend was driven by the annual pay awards, alongside other increases in pay relating to approved business cases, overall pay increase for Junior Doctors, open escalation beds and the use of temporary staffing to backfill sickness. Trend by staff group and type are shown in the additional detail provided in the Diligent Reading Room.

Non-Pay Run Rate Overview

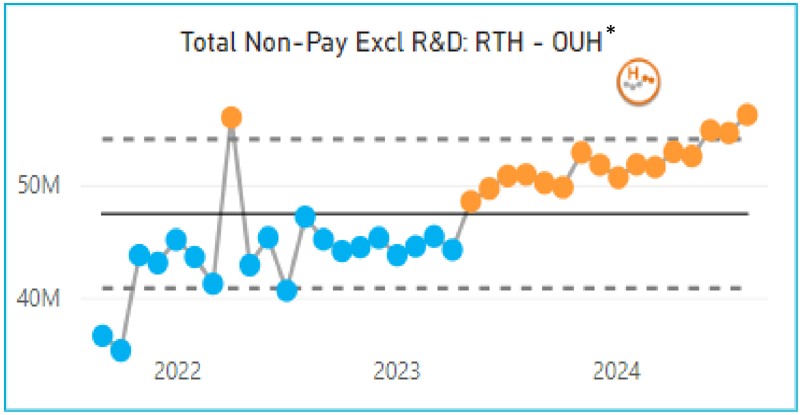


Source: Finance Ledger, excluding R&D costs, including COVID and recovery costs.
* FY23 non-pay spend in the charts below has been adjusted to remove the ROE staff non-consolidated AFC pay bonus accrual.

July 2024 (Month 4) – Total Non-Pay £55.9m (£55.0m excl. R&D)

- Total non-pay was £3.0m higher in July than in June. Excluding R&D, non-pay costs were £3.1m higher in July compared to June. This increase was principally due to the fallout of a £2.8m non-recurrent benefit in the non-pay position last month from prepaying PFI life-cycling costs that were included in the old year expenditure position.

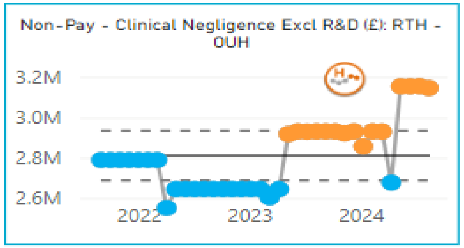
- We have included in the plan £4.6m more per month in pass-through items incorrectly included in non-pass through in 2023/24 since April.

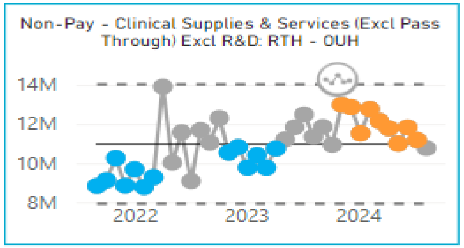


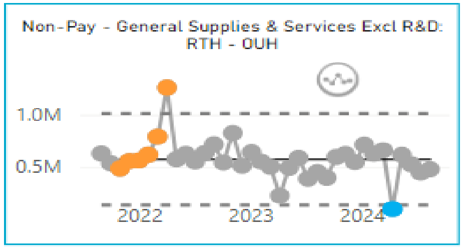
SPC Trend Analysis

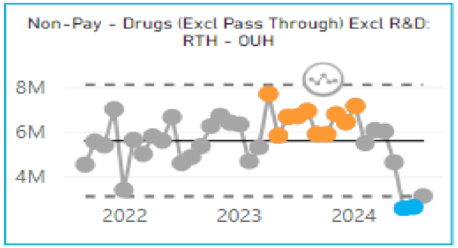
Non-pay expenditure has been above the upper control limit for the last two months and continues to trigger an adverse special cause variation.

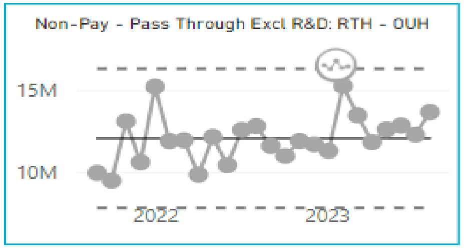
- Clinical negligence costs have increased in April due to the £2.2m increase (6.2%) in costs (net of the maternity incentive rebate) this financial year.
- Clinical supplies and services costs are an adverse special cause variation, driven by high inflation over the last year.
- General supplies and services costs reduced in March due to PPE stock credits of £0.4m.
- Drugs (excluding pass-through) costs have reduced since recategorising some pass-through items incorrectly included in non-pass through in 2023/24.
- Premises & Fixed Plant has seen an increase in PFI costs since April due to inflation of £0.3m a month offset with a decrease in costs due to energy price reductions of £0.7m a month. (April and June one off PFI benefits are excluded from the SPC below to show the underlying expenditure trend).

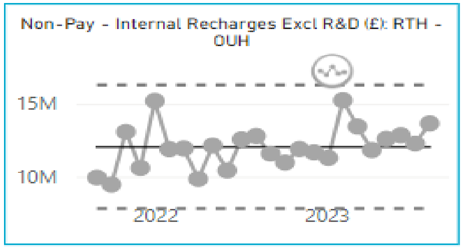


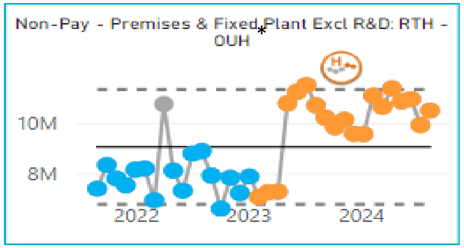


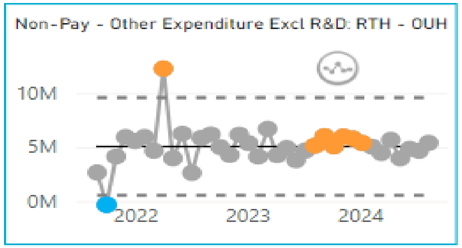












Productivity Dashboard Summary

Indicator	Target	Unit	£/unit	Actual vs Target (£m) Q1 24-25	Jul-24	Total YTD
Elective ALOS	**3.9**	Days, per Patient	1 day = £0.740m/month	**(£0.7)**	**£0.1**	**(£0.6)**
Non-Elective ALOS	**4**	Days, per Patient	1 day = £4.2m/month	**£1.7**	**£0.8**	**£2.5**
Theatre Session Units (Planned)	**1,782**	Sessions per month	1 session = £12.1k income per session	**(£4.9)**	**£0.7**	**(£4.2)**
Non F2F Outpatients Appointments	**25%**	% of all appt	1 Appt = £100	**(£2.4)**	**(£0.9)**	**(£3.3)**
Staff Sickness Rate	**3.1%**	% of staff	1% = £0.85m/month	**(£2.0)**	**(£0.7)**	**(£2.7)**
Staff Turnover Rate	**12%**	% of staff	1% = £440k/month	**£2.4**	**£0.9**	**£3.3**
Total Impact, Positive/(Adverse)				**(£6.0)**	**£1.0**	**(£4.9)**

Impact of key indicators

The selected productivity key indicators above represent the drivers to performance and the financial impact of movements versus the Trust's planning assumptions. The approach seeks to join up the operational data with the financial run rate.

The Trust's run rate deficit is driven by the estimated negative impact of reductions in productivity. YTD (month 4), the negative impact estimated at **£4.9m** and is driven by:

- **£4.2m** from a decrease in planned Theatres sessions activity in Jun-24 compared to prior year. There is a significant increase in Jun-24 of **£2.9m**, likely linked to industrial action.
- **£2.7m** from sickness rate landing above trust target (for the 12-month rolling average and the in-month rate), which drives the use of temporary staffing to fill staffing gaps.
- **£0.6m** from an increase in Elective ALOS (vs. prior year), predominantly for activity that exclude medically fit patients.
- The YTD estimated benefit financial impact of **£3.3m** for staff turnover, which were achieved through programmes targeting hospital discharges and recruitment of international nurses. and **£2.5m** for ALOS for NEL activity.

Efficiency Plans

Oxford University Hospitals
NHS Foundation Trust

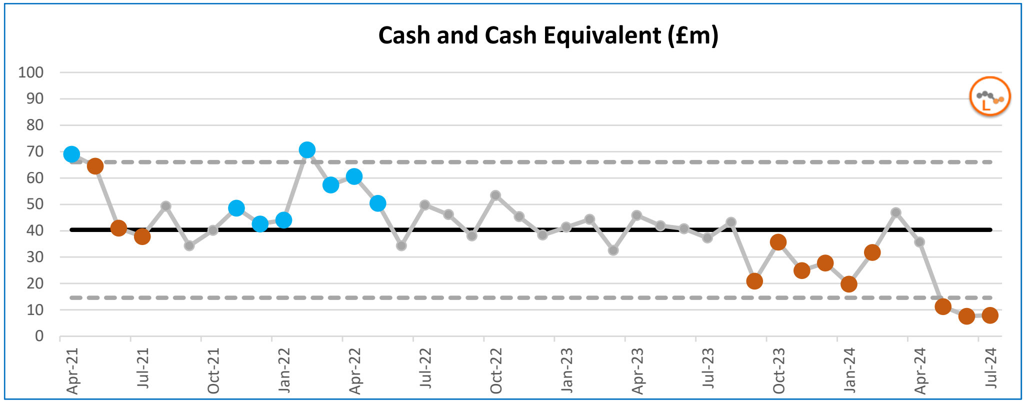
	Plan 2024/25 (£m)	Plan YTD (£m)	Delivered YTD (£m)	Variance to Plan (£m)	Percentage Delivered
Income					
Private Patient	1.4	0.2	0.2	0.0	100%
Overseas Visitors	0.4	0.1	0.1	0.0	100%
Non-Patient Care/Other Income	19.0	3.7	5.8	2.1	157%
Total Income	**20.8**	**4.0**	**6.1**	**2.1**	**153%**
Pay					
Bank	31.0	4.7	2.3	-2.4	49%
Agency	4.2	0.8	1.5	0.7	188%
Staffing	2.4	1.4	4.0	2.6	286%
Total Pay	**37.6**	**6.9**	**7.8**	**0.9**	**113%**
Non-Pay					
Medicines efficiencies	1.2	0.2	0.3	0.1	150%
Procurement	9.0	1.4	2.6	1.2	186%
Net zero carbon	1.0	0.2	0.0	-0.2	0%
Other Non-Pay	18.9	2.8	4.0	1.2	143%
Total Non-Pay	**30.1**	**4.6**	**6.9**	**2.3**	**150%**
Non-EBITDA	4.0	0.0	0.1	0.1	0%
TOTAL £m	**92.5**	**15.5**	**20.9**	**5.4**	**135%**

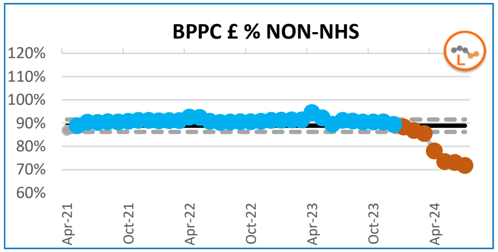
Division	Plan 2024/25 (£m)	Plan YTD (£m)	Identified 2024/25 (£m)	Percentage Identified 2024/25	Delivered YTD (£m)	Variance to Plan YTD (£m)	Percentage Delivered
CSS	12.8	2.7	10.5	81%	1.7	-1.0	64%
MRC	15.6	3.0	11.5	74%	5.6	2.6	187%
NOTSSCAN	18.9	3.5	14.8	78%	2.2	-1.3	62%
SUWON	17.0	3.4	10.3	61%	2.2	-1.2	65%
Corporate	5.8	0.9	0.4	7%	0.2	-0.7	22%
Operational Services	0.8	0.1		0%	0.2	0.1	169%
Education	0.9	0.2		0%	0.0	-0.2	6%
Estates	1.7	0.3	1.3	76%	1.4	1.1	523%
Central	18.9	1.4	12.3	65%	7.3	5.9	530%
TOTAL £m	**92.5**	**15.4**	**61.1**	**66%**	**20.9**	**5.4**	**135%**

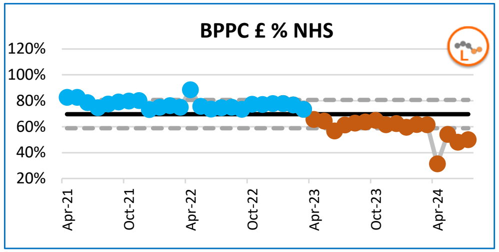
Efficiency savings

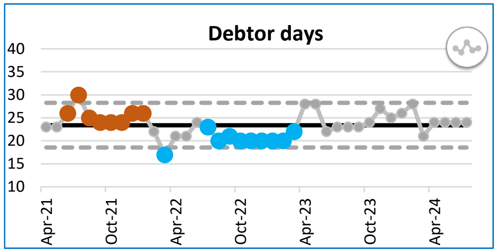
- 2024/25 planning guidance has set a national efficiency target of 1.1%. Based on the draft deficit position across the ICB all organisations have agreed to set a 6% efficiency target.
- On 12th June 2024, the Trust submitted a plan for 2024/25 to deliver £8.1m deficit. The Trust is awaiting feedback from NHS England. Within the plan was an overall efficiency requirement savings of 6% of total income, which amounts to £92.5m (2023/24 - £70.5m, 4.6% of operational expenditure). This includes non-cash releasing savings.
- This target has been set at a divisional level and allocated to directorates based on 6% of expenditure budgets, not including R&D, CNST, hosted and passthrough (£73.6m). The remaining target (to achieve total of 6% of income) has been allocated to central (£18.9m).
- Efficiency targets have principally been phased based on the delivery trajectory experienced last year, with 30% of those schemes planned for H1 delivery and 70% of those schemes planned for delivery in H2 of this financial year.
- Work is ongoing with divisions to continue to identify efficiency plans. Efficiency meetings with each clinical division and corporate directorates took place during May and early June. The sessions reviewed with services what support could be provided by central teams to improve delivery of efficiencies in the Trust.
- To be eligible for relaxation of the current financial controls on pay, it was proposed that CSUs must have agreed its budget including identifying 75% of efficiencies by 1 June, 85% by 1 July and 95% by 1 August.
- As seen in the table on the left, total identified efficiencies are £61.1m, which is 66% of the plan.

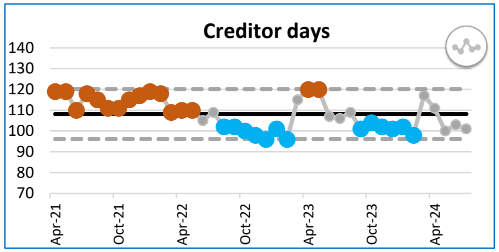
Working Capital & Cash

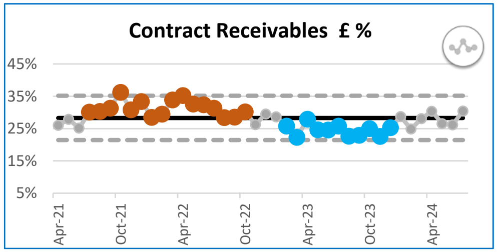


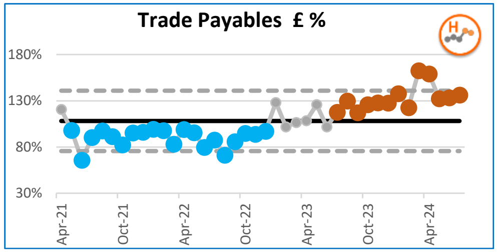












Cash

Cash decreased year-to-date (YTD) by £39m and in month it increased by £0.3m. Headline reasons for the decrease YTD are:

- £7m operational deficit – the majority of this is due to £6.3m under-delivery of efficiency targets which were assumed to be cash releasing;
- £2m decrease in trade and other creditors;
- £12m increase in trade and other receivables – intra NHS is primarily the cause, see comment below under debtor days;
- £11m increase in deferred income; and
- £28m payment of capital

Better Payment Practice Code (BPPC)

Payments are being managed very carefully by the Director of Finance. Performance has declined due to an increased amount of spend against plan. The plan included cash releasing savings of which some have not been delivered YTD.

Debtor Days

This is a measure of how many days on average customers take to pay invoices, so an increase means it takes longer to receive the money. These are broadly consistent as the majority of the Trust’s income by value is from NHS commissioners. The team are developing actions to improve Non-NHS aged debt.

Creditor Days

Creditor days peaked at year end due to the timing of Easter and year end capital. They have returned closer to average in line with the cash outflows reported above.

Contract Receivables as a % income

Contract receivables have increased in recent months which should provide an opportunity to improve cash.

Trade Payables as a % of costs

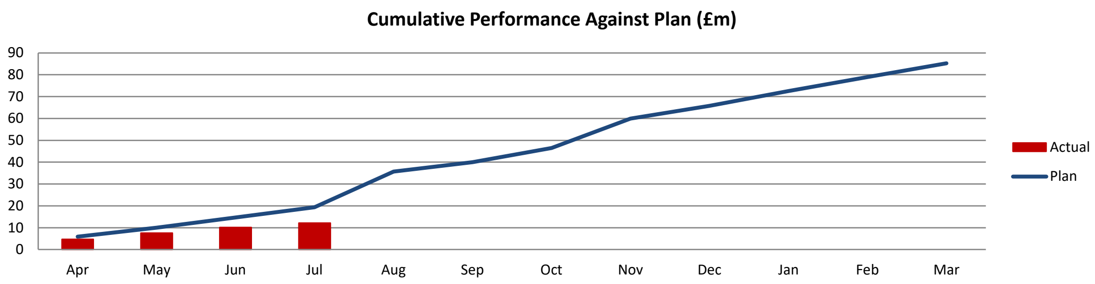
Trade payables are running higher than average due to the Trust not yet delivering its efficiencies targets.

Capital

Oxford University Hospitals
NHS Foundation Trust

al Expenditure - by funding source	IN MONTH 4			YEAR TO DATE			Full year
£m	Plan	Actual	Variance	Plan	Actual	Variance	Plan
Gross Capital Expenditure included in Capital Allocation	1.88	-0.46	2.34	6.32	3.18	3.14	29.51
Less disposals/other deductions included in CDEL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase/(Sale) of Financial Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Capital Expenditure included in Capital Allocation before IRFS 16	**1.88**	**-0.46**	**2.34**	**6.32**	**3.18**	**3.14**	**29.51**
IFRS 16 - Right of Use assets/Lease accounting	0.17	0.00	0.17	0.27	0.00	0.27	19.70
Net Capital Expenditure included in Capital Allocation after IRFS 16	**2.05**	**-0.46**	**2.50**	**6.59**	**3.18**	**3.40**	**49.21**
National Funding PDC	0.18	0.17	0.00	0.34	0.21	0.13	4.56
Residual interest (UK GAAP accounting for PFI life-cycling)	0.45	0.45	0.00	1.80	1.80	0.00	5.40
Capital Departmental Expenditure Limit (CDEL)	**2.67**	**0.17**	**2.51**	**8.73**	**5.19**	**3.54**	**59.17**
Charitable and other donations	0.26	0.08	0.18	0.81	0.50	0.31	3.28
Government grants	1.10	1.10	0.00	5.17	5.10	0.07	12.40
IFRIC 12 - PFI life-cycling (less Residual Interest)	1.02	0.69	0.33	2.27	1.41	0.86	10.40
Net Capital Expenditure	**5.05**	**2.03**	**3.02**	**16.99**	**12.21**	**4.78**	**85.25**
Add back sales, disposals, and other deductions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Capital Expenditure	5.05	2.03	3.02	16.99	12.21	4.78	85.25

al Expenditure - by strategic theme	IN MONTH 4			YEAR TO DATE			Full year
£m	Plan	Actual	Variance	Plan	Actual	Variance	Plan
Replacement / compliance	3.8	2.0	1.7	14.4	11.3	3.1	47.4
Clinical strategy	1.3	(0.1)	1.4	2.4	0.4	2.0	37.5
People plan	0.0	(0.0)	0.0	0.2	0.2	(0.0)	0.4
Other	-	0.1	(0.1)	-	0.4	(0.4)	-
Gross Capital Expenditure	5.1	2.0	3.0	17.0	12.2	4.8	85.3



The capital plan in this table matches the Trust's revised plan submission of 12 June 2024. The total gross capital expenditure remains £85.25m, of which £29.51m is Net Capital Expenditure included in Capital Allocation (ICS CDEL), before the impact of IFRS16 (accounting for leases). ICS CDEL, after the impact of IFRS16, is £49.21m.

The plan also includes provisions for National PDC funding (£4.56m), including £2.13m for the third year of funding for Digital Diagnostics already approved, £1.50m for an MRI scanner recently agreed, and £0.93m for the third tranche of SDE funding.

There is also £12.40m of allocation for government grants, of which £9.15m relates to JR PSDS, the remainder being for NIHR grant funding agreed. There are also allocations for charitable and PFI life-cycling.

The plan was reprofiled from May's outturn in the June re-submission but year-end totals were unchanged.

Expenditure against ICS CDEL (before IFRS 16) totalled £3.18m compared with a plan of £6.32m. The £3.14m underspend to date includes a £0.65m VAT recovery credit in July on the second tranche of JR Theatres steelwork (the £0.80m on the first is not recoverable). It also includes around £0.5m net of other VAT credits from prior year spend, mostly IT. Other variances include slippage on imaging equipment replacement plans, while alternative financing options are being pursued, and timing differences to plan

PFI expenditure is also behind by £0.86m with £0.45 MES replacements against a plan reprofiled in even tenths from June.

There is also slippage against programmes against National PDC funding, IFRS16, and the charitably funded Renal Dialysis programme.

Overall, Gross CapEx totalled £12.21m, £4.78m behind plan to July.

Appendix 1 – Other Supporting Analysis: Month 4 2024/25

Income and Expenditure: Subjective Analysis

Oxford University Hospitals
NHS Foundation Trust

Source: Finance Ledger (Includes COVID-19 and Recovery)

I & E Subjective £m	IN MONTH 4				YEAR TO DATE				FULL YEAR
	Plan	Actual	Var	Var %	Plan	Actual	Var	Var %	Plan
Income									
Commissioning Income	96.4	92.4	(4.0)	-4.2%	384.5	378.8	(5.7)	-1.5%	1,160.3
Passthrough Drugs & Devices	18.1	23.0	5.0	27.5%	71.9	85.7	13.8	19.1%	215.7
Other Income	15.0	16.9	1.8	12.3%	59.9	60.7	0.8	1.3%	183.7
PP, Overseas and RTA Income	1.4	1.5	0.1	6.9%	5.5	3.5	(2.0)	-36.8%	17.2
Total Income	131.0	133.8	2.9	2.2%	521.8	528.7	6.9	1.3%	1,576.9
Pay									
Consultants and Medics	(25.2)	(25.6)	(0.5)	-1.9%	(100.8)	(103.8)	(3.0)	-3.0%	(299.8)
Health Care Assistants & Support	(6.7)	(6.5)	0.2	2.9%	(27.1)	(26.5)	0.5	2.0%	(78.4)
Nurse and Midwives	(21.4)	(21.9)	(0.5)	-2.3%	(85.3)	(88.4)	(3.1)	-3.6%	(236.5)
Other Staff	(12.9)	(11.8)	1.1	8.7%	(52.3)	(47.3)	5.1	9.7%	(158.9)
Scientific, Therapeutic and Technical	(10.6)	(10.7)	(0.1)	-1.3%	(42.8)	(43.5)	(0.7)	-1.6%	(126.6)
Total Pay	(76.8)	(76.6)	0.2	0.2%	(308.3)	(309.5)	(1.1)	-0.4%	(900.1)
Non-Pay									
Clinical negligence	(3.1)	(3.1)	(0.0)	-0.2%	(12.6)	(12.6)	(0.1)	-0.4%	(37.7)
Clinical Supplies & Services	(10.2)	(11.0)	(0.8)	-7.8%	(40.9)	(45.3)	(4.5)	-10.9%	(115.1)
Drugs & Devices	(22.2)	(26.2)	(4.0)	-18.2%	(87.9)	(98.6)	(10.7)	-12.2%	(263.1)
Passthrough Drugs & Devices	(17.9)	(23.0)	(5.1)	-28.4%	(71.8)	(85.7)	(13.9)	-19.3%	(215.3)
Drugs	(4.2)	(3.2)	1.1	25.0%	(16.1)	(12.9)	3.2	19.7%	(47.8)
General Supplies & Services	(0.4)	(0.5)	(0.1)	-19.5%	(1.8)	(2.1)	(0.2)	-13.4%	(4.5)
Internal Recharges	(0.1)	0.0	0.1	100.0%	(0.0)	0.0	0.0	100.0%	(0.0)
Premises & Fixed Plant	(10.1)	(9.2)	0.9	8.5%	(40.1)	(36.3)	3.8	9.4%	(113.9)
Other Expenditure	(3.1)	(5.8)	(2.7)	-85.6%	(18.7)	(18.3)	0.5	2.5%	(56.0)
Total Non-Pay	(49.3)	(55.9)	(6.6)	-13.4%	(202.0)	(213.3)	(11.2)	-5.5%	(590.2)
Operational EBITDA	4.9	1.4	(3.5)	-71.8%	11.4	6.0	(5.5)	-47.9%	86.6
Financing and Capital Charges (Excl Tech Adj)	(7.5)	(7.9)	(0.4)	-4.8%	(29.8)	(29.8)	(0.0)	0.0%	(94.7)
Operational Surplus / (Deficit)	(2.6)	(6.5)	(3.9)	-149.0%	(18.3)	(23.8)	(5.5)	-30.0%	(8.1)

Income

- Commissioning income, including passthrough, is £8.1m better than plan to date. £13.8m is due to passthrough drugs and devices (offset by increased expenditure), the remaining adverse variance of £5.7m mainly relates to the impact of industrial action on elective API performance and income risks.
- Other income is £0.8m better than plan to date, this relates to R&D (£0.3m) and car parking income (£0.4m).
- PP, Overseas and RTA income is £2.0m worse than plan to date driven by a write-off of BUPA private patient debtors of £2.2m (offset by reduced bad debt provision in non-pay).

Pay

- Pay is £1.1m worse than plan to date, £2.6m excluding R&D. This is principally due to a higher run rate of pay since Q4 of last financial year (higher than allowed for in the plan). Temporary staffing pay is £0.2m worse than plan, reflecting increasing efficiency targets this month on the temporary staffing reduction efficiency programme that have not been fully delivered.

Non-Pay

- Non-pay is net £11.2m worse than plan to date, removing the £13.6m adverse position on passthrough and R&D, it is £2.4m better than plan. This is due to the release of the bad debt provision for PP debt, offset in income, and non-recurrent benefits relating to the PFI contract.

Adjusted Run Rate and Underlying Position

2024/25 Reported Position excl. Pass-through and R&D £m	M1	M2	M3	M4	YTD
Income	107.2	108.1	103.6	104.9	**423.8**
Pay	(75.1)	(73.7)	(73.4)	(73.1)	**(295.4)**
Non-Pay	(32.2)	(31.4)	(29.0)	(31.9)	**(124.5)**
Operational EBITDA	**(0.0)**	**2.9**	**1.3**	**(0.2)**	**3.9**
Financing and Capital Charges (Excl Tech Adj)	(6.6)	(8.0)	(7.3)	(7.9)	**(29.8)**
Operational Surplus / (Deficit)	**(6.7)**	**(5.1)**	**(6.1)**	**(8.0)**	**(25.9)**

Smoothing Adjustments	M1	M2	M3	M4	YTD
Income	(1.0)	(0.3)	(0.1)	1.4	**0.0**
Pay	0.6	(0.4)	0.1	(0.4)	**0.0**
Non-Pay	(0.1)	(0.4)	0.3	0.2	**(0.0)**
Financing and Capital Charges	(0.5)	0.5	0.0	0.0	**0.0**
Smoothing Adjustments Total	**(1.0)**	**(0.5)**	**0.3**	**1.2**	**(0.0)**

2024/25 'Smoothed' Position excl. Pass-through and R&D £m	M1	M2	M3	M4	YTD
Income	106.3	107.8	103.5	106.2	**423.8**
Pay	(74.5)	(74.1)	(73.3)	(73.5)	**(295.4)**
Non-Pay	(32.2)	(31.9)	(28.7)	(31.7)	**(124.5)**
Operational EBITDA	**(0.5)**	**1.8**	**1.6**	**1.0**	**3.9**
Financing and Capital Charges (Excl Tech Adj)	(7.2)	(7.4)	(7.3)	(7.9)	**(29.8)**
Operational Surplus / (Deficit)	**(7.7)**	**(5.6)**	**(5.7)**	**(6.8)**	**(25.9)**

Run Rate Adjustments	M1	M2	M3	M4	YTD
Income	0.0	(1.1)	1.0	(1.2)	**(1.3)**
Pay	0.2	(0.2)	0.4	0.2	**0.5**
Non-Pay	(1.5)	(1.9)	(3.3)	(0.9)	**(7.6)**
Financing and Capital Charges	0.0	0.0	(0.1)	0.0	**(0.1)**
Run Rate Adjustments Total	**(1.4)**	**(3.2)**	**(1.9)**	**(1.9)**	**(8.4)**

2024/25 Run Rate Position excl. Pass-through and R&D £m	M1	M2	M3	M4	YTD
Income	106.3	106.7	104.5	105.0	**422.5**
Pay	(74.4)	(74.3)	(72.9)	(73.3)	**(294.8)**
Non-Pay	(33.7)	(33.8)	(31.9)	(32.6)	**(132.1)**
Operational EBITDA	**(1.8)**	**(1.4)**	**(0.2)**	**(0.9)**	**(4.4)**
Financing and Capital Charges (Excl Tech Adj)	(7.2)	(7.4)	(7.4)	(7.9)	**(29.9)**
Operational Surplus / (Deficit)	**(9.0)**	**(8.8)**	**(7.7)**	**(8.8)**	**(34.3)**

- This table shows underlying financial position to the end of July adjusted for timing differences and the position when in-year one-off costs and benefits are removed from the reported position.
- The average run rate deficit for 2022/23 was £2.2m a month, last year this worsened to an average of £5.1m a month. The average run rate deficit to date is now £8.6m for the current year, this is a deterioration of £3.5m a month from the average underlying deficit last financial year. This underlying deficit continues to trigger an adverse special cause variation.

Statement of Financial Position (SOFP)

NHS
Oxford University Hospitals
NHS Foundation Trust

Statement of Financial Position £m	MONTH 6 2024	MONTH 9 2024	MONTH 12 2024	MONTH 1 2025	MONTH 2 2025	MONTH 3 2025	MONTH 4 2025	MOVEMENT 202412 - 202504
Non Current Assets:								
Property, Plant and Equipment	738.5	744.0	739.8	740.8	738.8	736.5	733.5	(6.3)
Intangible Assets	13.6	13.4	16.6	16.4	16.2	16.6	17.1	0.5
Investment Property	34.4	39.7	44.8	44.8	44.8	44.8	44.8	0.0
Other investments/financial assets	13.3	13.2	12.9	12.9	12.9	12.9	12.9	0.0
Other property, plant and equipment (excludes leases)	1.1	1.1	1.1	1.1	1.1	1.2	1.2	0.1
Trade and Other Receivables	6.8	6.8	8.7	8.8	8.9	8.6	8.6	(0.2)
Total Non Current Assets	**807.7**	**818.3**	**823.9**	**824.7**	**822.8**	**820.6**	**818.1**	**(5.8)**
Current Assets:								
Inventories	31.2	30.4	32.2	32.1	32.5	33.0	32.0	(0.2)
Trade and Other Receivables	92.2	100.1	87.3	96.0	94.4	94.5	97.2	9.9
Credit Loss Allowances	(15.6)	(15.6)	(17.9)	(17.0)	(14.8)	(14.8)	(14.8)	3.1
Cash and Cash Equivalents	20.9	27.8	46.8	35.7	11.3	7.6	8.0	(38.9)
Total Current Assets	**128.7**	**142.7**	**148.5**	**146.8**	**123.4**	**120.4**	**122.4**	**(26.1)**
Total ASSETS	**936.4**	**960.9**	**972.4**	**971.5**	**946.2**	**940.9**	**940.5**	**(31.9)**
Current Liabilities:								
Trade and Other Payables	(166.0)	(167.9)	(198.1)	(191.9)	(176.8)	(181.8)	(179.1)	19.0
Borrowings	(12.9)	(20.7)	(13.8)	(13.5)	(13.5)	(13.5)	(13.5)	0.3
Commercial Loans	(0.5)	(0.4)	(0.7)	(0.8)	(0.7)	(0.7)	(0.7)	(0.0)
DH Capital Loan	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	0.0
Provisions	(1.1)	(1.1)	(1.3)	(1.1)	(1.1)	(1.1)	(1.0)	0.3
Other Liabilities	(13.2)	(16.0)	(2.7)	(13.2)	(9.0)	(5.0)	(13.5)	(10.8)
Total Current Liabilities	**(194.4)**	**(206.9)**	**(217.4)**	**(221.2)**	**(201.8)**	**(202.7)**	**(208.5)**	**8.9**
Net Current Assets/(Liabilities)	**(65.8)**	**(64.2)**	**(68.9)**	**(74.5)**	**(78.4)**	**(82.4)**	**(86.1)**	**(17.2)**
Total Assets Less Current Liabilities	**741.9**	**754.1**	**755.0**	**750.3**	**744.4**	**738.2**	**732.0**	**(23.0)**
Non Current Liabilities:								
Borrowings	(206.1)	(345.2)	(360.1)	(358.5)	(358.0)	(357.0)	(355.7)	4.4
Commercial Loans	(5.4)	(5.3)	(5.1)	(5.1)	(5.1)	(5.0)	(5.0)	0.1
DH Capital Loan	(14.2)	(13.9)	(13.9)	(13.9)	(13.6)	(13.6)	(13.6)	0.3
Provisions	(7.7)	(7.7)	(6.2)	(6.2)	(6.2)	(6.2)	(6.2)	0.0
Other Liabilities	(5.6)	(5.5)	(5.5)	(5.5)	(5.5)	(5.5)	(5.5)	0.1
Total Non Current Liabilities	**(239.0)**	**(377.6)**	**(390.9)**	**(389.2)**	**(388.4)**	**(387.3)**	**(385.9)**	**5.0**
Assets Less Liabilities (Total Assets Employed)	**503.0**	**376.5**	**364.1**	**361.1**	**356.0**	**350.9**	**346.1**	**(18.0)**
Public Dividend Capital	310.8	310.8	329.2	329.2	329.2	329.2	329.2	0.0
Revaluation Reserve	219.8	216.6	212.6	211.7	210.7	209.8	208.9	(3.7)
FV Assets Reserve	(9.9)	(9.9)	(9.8)	(9.8)	(9.8)	(9.8)	(9.8)	0.0
Other Reserves	1.7	1.7	1.7	1.7	1.7	1.7	1.7	0.0
Retained Earnings reserve	(19.5)	(142.8)	(169.6)	(171.7)	(175.8)	(180.0)	(183.9)	(14.3)
Total Taxpayers Equity	**503.0**	**376.5**	**364.1**	**361.1**	**356.0**	**350.9**	**346.1**	**(18.0)**

- The PPE balance is decreasing largely due to underspends on capex, the level of capex is below depreciation hence the reducing balance. Please see capital report in the pack for more details.
- Receivables are rising, this isn’t unusual given that commissioning income is largely settled up at year-end, so tends to rise mid-year.
- Cash has reduced since year-end. The Trust is managing its cash position through creditors currently.
- Payables have been reducing overall, largely due to the Trust paying its capital creditors due from year-end.
- Deferred income has increased which is expected as the Trust receives some funding in advance for example Education which is received quarterly in month 1, 4, 7 and 10. Deferred income is usually at its lowest point at the year-end.
- Long term borrowings have reduced since year-end due to the scheduled repayments of loans, leases and PFI arrangements.

Cashflow

Oxford University Hospitals
NHS Foundation Trust

Cash flows from operating activities £m	MONTH 4 2024	MONTH 5 2024	MONTH 6 2024	MONTH 7 2024	MONTH 8 2024	MONTH 9 2024	MONTH 10 2024	MONTH 11 2024	MONTH 12 2024	MONTH 1 2025	MONTH 2 2025	MONTH 3 2025	MONTH 4 2025
Cash Flows from Operating Activities													
Operating Surplus/(Deficit)	1.0	4.1	4.0	3.8	16.0	0.9	3.0	11.8	(27.8)	(1.0)	(1.4)	(2.2)	(2.9)
Depreciation and Amortisation	4.1	4.1	4.3	3.4	4.0	4.3	4.1	4.1	0.0	3.9	5.0	4.6	4.4
Impairments and Reversals	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	28.6	0.0	0.0	0.0	0.1
Donated Assets received credited to revenue but non-cash	(2.4)	(4.6)	(4.3)	(3.7)	(2.2)	(2.0)	(1.1)	(0.6)	(1.3)	(2.5)	(0.7)	(1.1)	(0.1)
Interest Paid	(2.3)	(2.3)	(2.4)	(2.3)	(2.4)	3.1	(1.7)	(1.7)	(1.8)	(1.7)	(1.8)	(1.7)	(1.7)
Dividend Paid	0.0	0.0	(9.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0
Release of PFI/deferred credit	(0.0)	0.6	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.7	(0.0)	(0.0)	(0.0)	(0.0)
(Increase)/Decrease in Inventories	0.1	(0.3)	(0.9)	0.2	0.9	(0.4)	(0.2)	(0.9)	(0.8)	0.1	(0.4)	(0.5)	1.0
(Increase)/Decrease in Trade and Other Receivables	(7.1)	1.4	(4.2)	(3.1)	(14.8)	9.3	(4.8)	(11.0)	31.3	(8.4)	(1.6)	2.3	(4.9)
Increase/(Decrease) in Trade and Other Payables	(4.5)	8.3	(7.0)	2.2	(0.8)	2.3	0.2	(3.8)	14.2	(1.7)	(6.0)	7.1	(1.3)
Increase/(Decrease) in Other Current Liabilities	9.9	(2.8)	(3.6)	14.3	(6.1)	(5.4)	(2.4)	1.0	(12.5)	10.5	(4.2)	(4.1)	8.5
Provisions Utilised	(0.0)	0.0	(0.1)	0.0	(0.0)	(0.1)	0.0	0.0	(0.9)	(0.2)	0.0	(0.0)	(0.0)
Increase/(Decrease) in Movement in non Cash Provisions	(0.7)	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	(0.5)	0.0	0.0	0.0	0.0
Net Cash Inflow/(Outflow) from Operating Activities	(1.5)	8.3	(23.8)	14.8	(5.4)	12.0	(3.1)	(1.0)	29.2	(0.9)	(11.1)	4.2	3.1
CASH FLOWS FROM INVESTING ACTIVITIES													
Interest Received	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.2
(Payments) for Property, Plant and Equipment	(1.6)	(1.4)	2.8	0.9	(5.2)	(2.3)	(3.7)	(2.5)	(10.2)	(8.7)	(11.3)	(5.6)	(1.0)
(Payments) for Intangible Assets	(0.1)	(0.4)	(0.5)	(0.3)	1.0	(0.1)	(0.1)	(1.4)	(2.3)	(0.0)	(0.0)	(0.7)	(0.8)
Receipt of cash donations to purchse capital assets										0.0	0.0	0.0	(0.1)
Net Cash Inflow/(Outflow) from Investing Activities	(1.3)	(1.4)	2.7	1.0	(3.9)	(2.1)	(3.4)	(3.6)	(12.2)	(8.3)	(11.0)	(6.0)	(1.6)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	(2.8)	6.9	(21.1)	15.8	(9.3)	9.9	(6.5)	(4.6)	17.1	(9.2)	(22.1)	(1.8)	1.5
CASH FLOWS FROM FINANCING ACTIVITIES													
Public Dividend Capital Received	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.4	0.0	0.0	0.0	0.0	0.0
Loans repaid to DH - Capital Investment Loans Repayment of Principal	0.0	0.0	0.0	0.0	(0.3)	0.0	0.0	0.0	0.0	0.0	(0.3)	0.0	0.0
Other Loans Repaid	0.0	0.0	(0.1)	0.0	0.0	(0.1)	0.0	0.0	(0.1)	0.0	(0.0)	(0.1)	0.0
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	(0.7)	(1.0)	(1.1)	(1.1)	(1.1)	(6.9)	(1.5)	(1.8)	(1.9)	(1.9)	(2.0)	(1.8)	(1.2)
Net Cash Inflow/(Outflow) from Financing Activities	(0.7)	(1.0)	(1.2)	(1.1)	(1.5)	(7.1)	(1.5)	16.6	(2.0)	(1.9)	(2.4)	(1.9)	(1.2)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(3.6)	6.0	(22.3)	14.8	(10.7)	2.9	(8.0)	12.0	15.0	(11.1)	(24.5)	(3.6)	0.3
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	**40.8**	**37.2**	**43.2**	**20.9**	**35.7**	**24.9**	**27.8**	**19.8**	**31.8**	**46.8**	**35.7**	**11.3**	**7.6**
Restated Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	40.8	37.2	43.2	20.9	35.7	24.9	27.8	19.8	31.8	46.8	35.7	11.3	7.6
Cash and Cash Equivalents (and Bank Overdraft) at YTD	37.2	43.2	20.9	35.7	24.9	27.8	19.8	31.8	46.8	35.7	11.3	7.6	8.0

The cash balance at the end of July is £8.0m. The forecast is indicating increased stress on the Trust's cash resources and the members of the cash committee are taking actions to address this with a range of options being duly considered. The Trust has secured a short-term credit facility to enable August and September salaries to be paid.