

Finance Report

Month 12 March 2025

Executive Summary

The Trust is reporting a draft break-even position for the year ending March 2025.

The annual report and accounts are currently undergoing an external audit process, and as such figures remain in draft form until the NIAO have certified the financial statements.

The Trust has not yet received an allocation letter for the 25/26 financial year, and is therefore unable to approve a formal budget for the new financial year.

Our draft roll forward position, after allowing for the non-recurrent nature of a large proportion of 2024/25 savings, and an estimate of inescapable growth in the 2025/26 year, is a deficit in the region of £80m. Against this we have a draft savings plan identifying low and medium impact measures to bring our forecast deficit to around £50m.

This forecast deficit forms part of a much larger overall system deficit, which currently sits in the region of £600m. We continue to work internally, and as part of a system-wide effort, to identify all possible options for the delivery of additional cash releasing savings in year.

Underlying Expenditure Trends

Overall for the year we have seen increases in community care costs that exceeded our original forecasted levels. This has had a positive impact on overall patient flow through our hospitals and the level of unmet need, but has required additional unfunded spend in homecare and specialist placement beds.

We have also continued to see high numbers of undesignated and unfunded beds across our hospital sites, which have put significant pressure on temporary staffing spend throughout the year.

These pressures have been absorbed in year using non-recurrent means.



Financial Performance Targets	RAG status
Manage within allocated Revenue Resource Limit (RRL) / Achieve financial break-even*	
Manage within allocated Capital Resource Limit (CRL)*	
Achieve 2024/25 savings	
Achieve recurrent break-even	
Prompt Payment Target - 95% of suppliers within 30 days*	96.5%

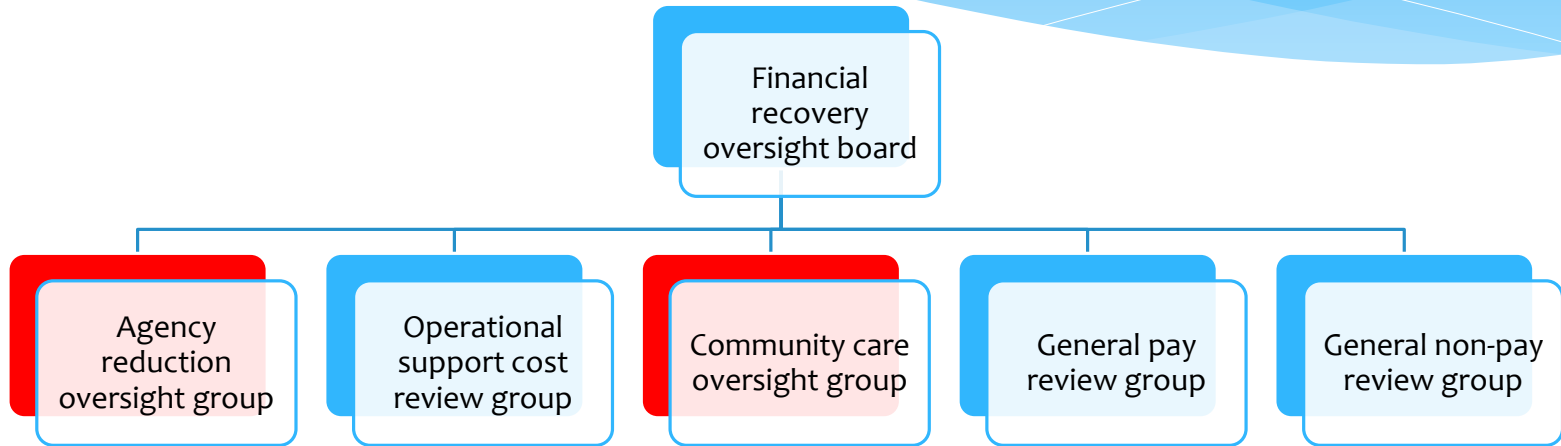
*Draft results subject to external audit

Whilst the Trust is reporting full achievement of £30.5m of savings in 2024/25, a large element of this was achieved using non-recurrent measures – approx. £18m out of £30.5m.

This worsens the Trust’s roll forward position as these measures are non-repeatable in 2025/26.

Trust Approach to savings 2025/26

Structure



Purpose of groups

Group	
Agency oversight group	To identify and monitor actions required to reduce premium spend on agency and locum staffing
Community care oversight group	To identify and monitor actions required to reduce spend/ contain growth in spend across all elements of community care
Operational support costs review	To oversee a review of all corporate and support areas on a rolling programme to ensure best value for money
General pay review group	To consider 'grip and control' measures for pay
General non-pay review group	To consider 'grip and control' measures for non-pay

Regional Financial Governance Review

- * Former Permanent Secretary wrote to all Trust CEs and Chairs in April , enclosing a regional report as a follow-up to the local financial governance reviews carried out by independent consultants engaged by DOH during 2024/25.
- * Only minor issues were identified in the report and overall the conclusion with regard to this Trust is that a mature and pragmatic approach to financial governance was evident.
- * The report and covering letter have been considered in full at the Trust's Finance and Performance Committee.
- * Some of the actions referred to in the letter received have been superseded by proposals being implemented by the new permanent secretary around developing a system wide approach to financial recovery with a number of workstreams involving representatives across the system.

Next Steps

- * Future Trust Board reports to include outcomes of the Trust's local Delivering Value Board.
- * Allocation letter to be received and a formal budget and savings plan will then be brought to Trust Board for approval.
- * Progress on the longer term local and regional system wide financial plan also to come to future Trust Boards.