

# Finance Report

Month 5 August 2025

## **Executive Summary**

The Trust is reporting a deficit of £5.6m as at end of Month 5 and is continuing to forecast a deficit of £28.4m, based on achieving a revised level of savings of £20.8m.

We have maintained our position despite forecasting an overall lower level of savings, due to an improvement in our underlying expenditure trends.

We had a strong Month 5 with some areas showing reductions in level of spending, or a slow-down in growth, over and above the achievement of expected savings.

Following a detailed review, we have revised down our initial level of planned savings from £25.4m to £20.8m, over which we have a degree of confidence.

However work is continuing to address the gaps in savings plans, and some additional measures have been agreed, or are in progress, which should deliver out in year, and help improve our forecast position in the coming months.

## **Underlying Expenditure Trends**

Month 5 financial performance for the Trust showed signs of some areas of expenditure reducing eg nursing workforce, and some areas where growth has slowed from that originally forecast. However we are still experiencing significant pressure in a number of areas , particularly residential/nursing costs and high cost placements in adults and childrens services.

# Summary of Directorate Positions

**NB: In the following table, columns 1-3 show variances (budget vs actual). A negative figure represents an underspend against budget, with a positive figure indicating an overspend.**

The last column represents spend per Directorate.

	(SURPLUS)/ DEFICIT YEAR TO DATE AUGUST 25			FORECAST	SPEND YEAR TO DATE AUGUST 25
	SALARIES & WAGES	GOODS & SERVICES	TOTAL VARIANCE	FORECAST POSITION 24-25	TOTAL SPEND PER DIRECTORATE
	£'000	£'000	£'000	£'000	£'000
ADULT & PRISON SERVICES	4,300	3,185	7,485	9,037	74,874
CHILDRENS SERVICES	1,741	4,840	6,581	9,160	43,743
ENCOMPASS	0	0	0	0	1,178
PRIMARY CARE & OLDER PEOPLE	1,670	12,358	14,028	21,637	144,623
FINANCE & ESTATES	603	2,612	3,215	6,896	23,212
MEDICAL DIRECTOR & RISK	134	366	500	715	1,791
SURGERY, ELECTIVE, MATERNITY & PAEDS	4,686	8,401	13,087	5,903	86,718
PLANNING, IT & PERF MGT	319	(30)	289	(166)	7,903
TRANSFORMATION/OTHER RINGFENCED	0	0	0	0	1,354
COVID	0	0	0	0	1,184
DIRECTOR OF NURSING & USER EXPERIENCE	721	743	1,464	161	26,062
UNSCHEDULED CARE, MEDICINE & CANCER	10,230	(797)	9,433	13,342	86,134
NO MORE SILOS	0	0	0	0	2,998
PEOPLE & ORG DEVELOPMENT	383	121	504	963	4,330
CHIEF EXEC & PR	17	(2)	15	(4)	224
<b>TOTAL</b>	<b>24,804</b>	<b>31,797</b>	<b>56,601</b>	<b>67,644</b>	<b>506,328</b>
COST PRESSURES/SAVINGS/INCOME ANTICIPATED				(39,217)	
YEAR END CLOSING POSITION - DEFICIT				28,427	



## Statutory Financial Performance Targets

RAG status

**Manage within allocated Revenue Resource Limit (RRL) / Achieve financial break-even**

The Trust is continuing to forecast a year end deficit of £28.4m. This is made up of the following:

	Month 4 £m	Month 5 £m
<b>FORECAST POSITION</b>	<b>68.1</b>	<b>63.5</b>
Low/medium savings	(25.4)	(20.8)
Deficit funding received	(14.3)	(14.3)
Remaining forecast deficit	<u>28.4</u>	<u>28.4</u>
<b>Two elements:</b>		
Notional share of regional additional £100m savings	<u>16.5</u>	<u>16.5</u>
Gap in savings plans	<u>11.9</u>	<u>11.9</u>



## Statutory financial performance targets

## RAG status

### Manage within allocated Capital Resource Limit (CRL)

At the end of August 2025, our current CRL is £16.5m and we are forecasting breakeven.

There is a current general capital over allocation of £275k. There are risks attached against some projects with current allocations which has been highlighted to the relevant teams and this will be managed against the current over allocation.

## Other Financial Performance Targets

RAG status

### 1. Achieve in year savings targets

Good progress has been made in month 5 in delivery of savings. We have a range of larger schemes which will deliver in excess of £1m, together with a large number of individual smaller schemes which we can see are also delivering. The impact of these measures is being carefully managed across the operational and corporate areas, with any risks being escalated and addressed.

Further detail on progress on savings is provided on Page 8.

In addition we are continuing to look at all further measures that can be taken to deliver in year savings with low/medium impact. A number of proposals are in draft form, and will be finalised and put into place in the coming weeks. These include stricter control over non-medical agency staffing spend and tightening of controls on any area of discretionary spend. We have also enhanced controls around the agreement of enhanced rates for care provision.

### 2. Recurrent break-even position

We are tracking the full year effect of the savings currently being realised, and this will place the Trust in a stronger position moving into the 2026/27 year. However we are also aware that the issues of appropriate funding for the demographic changes in our resident population, as well as the complexity of care needs, remains unresolved.

We have received £14m of in-year deficit support, and there is no guarantee of this being repeated into the next financial year.

Our challenge as a system is to consider the wider reform needed to support a financially sustainable model for health and social care moving forward.

## Other Financial Performance Targets

## RAG status

**Prompt Payment Target - 95% of suppliers within 30 days**

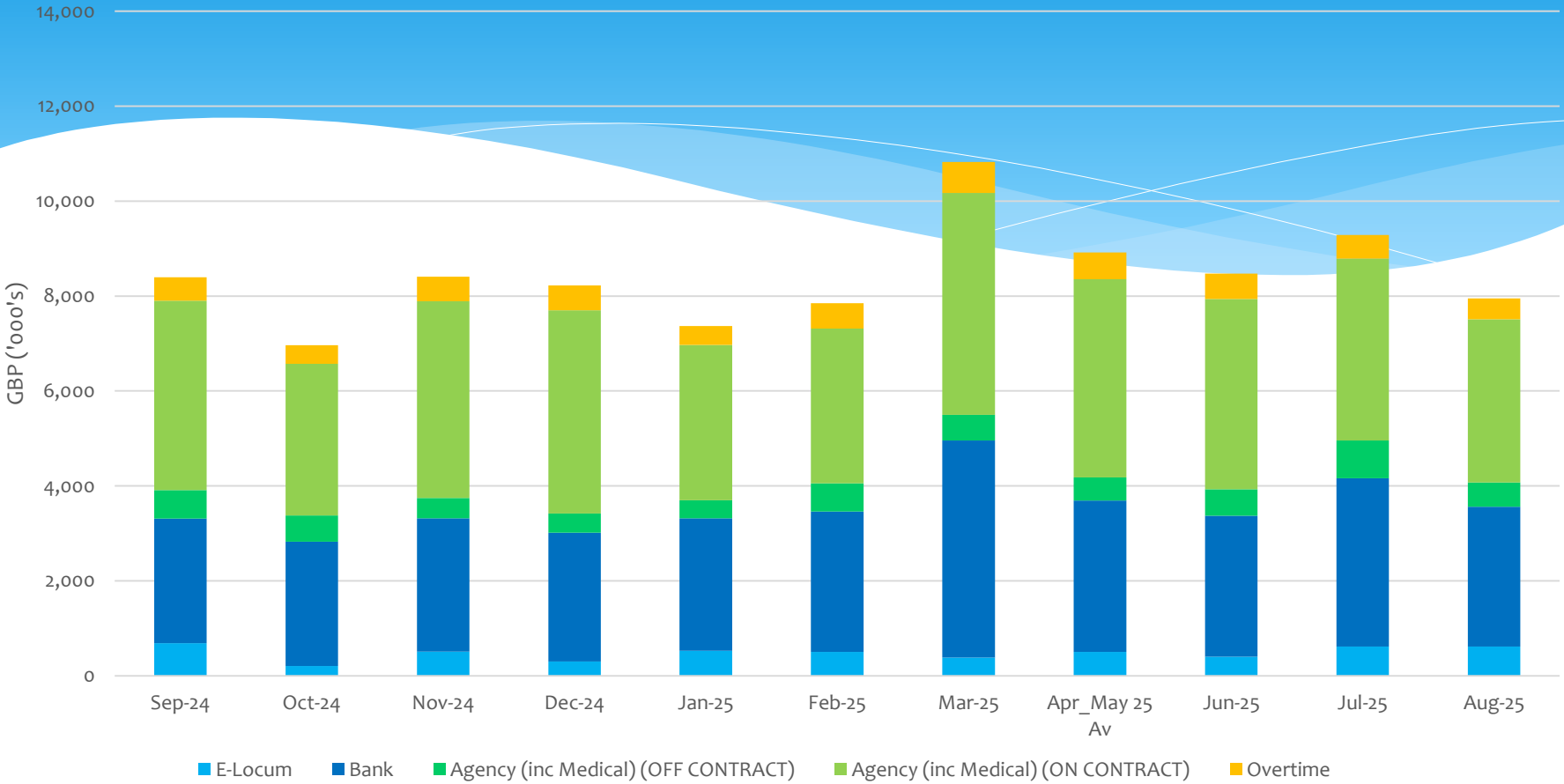
We paid 93.33% of our suppliers within 30 days in August 2025.



## 2025/26 Low/Medium Impact Savings Plans – Main Areas

	£m
Community Services	3.83
Workforce Controls	4.67
Nursing	1.42
Medical	1.19
Goods & Procurement	1.49
Estates & Energy	0.15
Pharmacy	3.02
Services – Other	1.15
Corporate – Other	2.77
Income	1.13
<b>Total Savings Plan</b>	<b>20.82</b>
Achieved to Date Aug 25	6.23
% Completion Year to Date	30%

### S&W - Flexible Staffing Costs - Trust 24-25 to 25-26



The graph illustrates the trend in flexible payroll costs for a rolling period of twelve months. (Figures have been adjusted to remove anomalies created by 4 and 5 week months.)

## Underlying Assumptions

- Funding will be received as per indicative and assumed list from SPPG
- Any announced pay awards for 25/26 will be fully funded.
- Full agreed savings will be achieved
- All vaccine programs will be fully funded
- All agreed levels of Waiting List Initiative work will be funded.
- All Encompass funding as agreed per discussions with BSO will be received
- All PHA agreed funding will forthcoming