

# Finance Report

Month 7 October 2025

## Executive Summary

The Trust is reporting a deficit of £8.5m as at end of Month 7 and is forecasting a deficit of £14.5m in year (subject to receipt of full funding for the recently announced 2025/26 pay award).

This is a movement from Month 5 reported position of a deficit of £28.4m due to a number of factors:

- Receipt of additional funding for additional bed capacity that has been in place since 2020 (£5m).
- Confirmation of forecast over-achievement against a small number of savings targets (£3.5m).
- Identification of further schemes to deliver in final quarter of 25/26 (£3m).
- An additional requirement to deliver an element of the £100m regional savings by moving to measures that have an impact on services that can be managed with no detriment to patient safety (£2m).

## Underlying Expenditure Trends

Month 7 performance showed an underlying broadly stable trend, with no unexpected peaks or troughs. We are continuing to see increasing pressures on residential and nursing care costs, due to both price and demand related issues, and these are beginning to exceed forecasted levels.

# 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 OCTOBER 25			FORECAST	SPEND YEAR TO DATE OCTOBER 25
	SALARIES & WAGES	GOODS & SERVICES	TOTAL VARIANCE	FORECAST POSITION 24-25	TOTAL SPEND PER DIRECTORATE
	£'000	£'000	£'000	£'000	£'000
ADULT & PRISON SERVICES	4,324	3,834	8,158	9,196	106,590
CHILDRENS SERVICES	2,817	5,180	7,997	8,591	61,833
ENCOMPASS	0	0	0	0	1,499
PRIMARY CARE & OLDER PEOPLE	(722)	17,137	16,415	22,146	203,533
FINANCE & ESTATES	531	4,294	4,825	7,013	32,625
MEDICAL DIRECTOR & RISK	188	499	687	884	2,495
SURGERY, ELECTIVE, MATERNITY & PAEDS	6,402	13,610	20,012	6,612	123,757
PLANNING, IT & PERF MGT	210	(96)	114	(325)	11,051
TRANSFORMATION/OTHER RINGFENCED	0	0	0	0	1,904
COVID	0	0	0	0	1,586
DIRECTOR OF NURSING & USER EXPERIENCE	(30)	875	845	(392)	36,627
UNSCHEDULED CARE, MEDICINE & CANCER	14,679	(2,756)	11,923	13,858	121,647
NO MORE SILOS	0	0	0	0	4,352
PEOPLE & ORG DEVELOPMENT	611	193	804	1,244	6,138
CHIEF EXEC & PR	24	(7)	17	(12)	308
TOTAL	29,034	42,763	71,797	68,815	715,945
COST PRESSURES/SAVINGS/INCOME ANTICIPATED				(54,304)	
YEAR END CLOSING POSITION - DEFICIT				14,511	

## Statutory Financial Performance Targets

RAG status

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

The Trust is forecasting a year end deficit of £14.5m. This is made up of the following:

	Month 7 £m
Forecast Underlying Position	63.1
<b>Additional funding received</b>	<b>(5.0)</b>
Low/Medium Savings	(27.3)
Phase 2 Savings	(2.0)
Deficit Funding Received	(14.3)
<b>Remaining forecast deficit</b>	<b>14.5</b>

The current forecast deficit does not include any deficit relating to the 2025/26 pay award. Should the Trust not receive full funding for the recently announced pay award, the deficit will increase by the amount of any shortfall in funding.



Statutory financial performance targets	RAG status
<b>Manage within allocated Capital Resource Limit (CRL)</b>	
<p>At October, current CRL is £17.617m (£17.55m Month 6) and forecast breakeven.</p> <p>EMT approved an updated position on 11 November to reallocate projects that have slipped in year. There is a current general capital over allocation of £286k.</p> <p>Spend year to date, October 25, totals £3.470m. Profiled spend year to date totals £14.147m.</p>	

## Other Financial Performance Targets

**RAG status**

### 1. Achieve in year savings targets

The Trust continues to make strong progress on its savings targets with some areas such as pharmacy drug switching, medical locum costs and community care packages, forecasting an over-achievement against initial targeted values.

The Trust is working with external support to identify and deliver a number of further schemes, which are moving into delivery in the last 4 months of the year. A number of key actions to deliver these have already been taken, and a number are moving into a deployment and monitoring phase.

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

### 2. Recurrent break-even position

We continue to track strong performance on the recurrent element of 2025/26 savings. We will also begin to track the recurrent impact of a number of savings schemes that are due to move to deployment in the final quarter of this financial year.

There are also further schemes at less developed stages, which will hopefully progress and begin to deliver in the next financial year.

However the anticipated scale of the financial challenge facing the health service in future years cannot be under-stated. The possible level of savings that may materialise in future years requires a system wide approach to the reform of services in order to begin a return to a more financial sustainable system.



## Other Financial Performance Targets

## RAG status

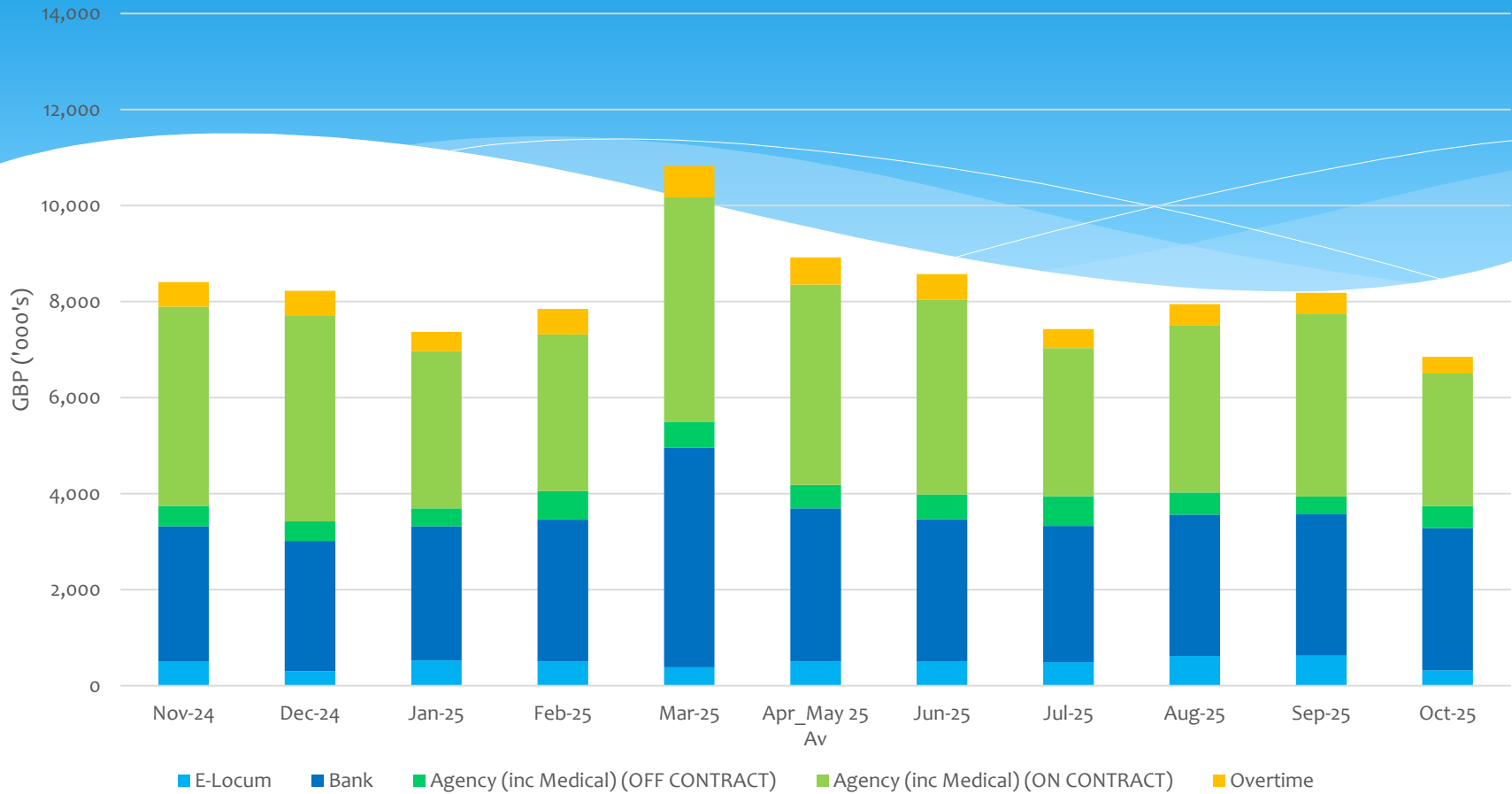
### 3. Prompt Payment Target - 95% of suppliers within 30 days

The Trust paid 96.3% of our suppliers within 30 days in Oct 2025.

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

	Forecast 25/26 £m
Community Services	4.75
Workforce Controls	4.84
Nursing	1.42
Medical	1.19
Goods & Procurement	1.49
Estates & Energy	0.15
Pharmacy	4.37
Services – Other	1.15
Corporate – Other	3.78
Income (including FYE for funding)	1.13
Additional schemes identified for Q4	<u>5.0</u>
<b>Total Savings Plan</b>	<b>29.27</b>
Achieved to end Oct 25	12.7
<b>% Achieved</b>	<b>43%</b>

## 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
- The recently announced pay award for 2025/26 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 PHA agreed funding will forthcoming