

HIGH LEVEL SUMMARY OF MONTH 10 FINANCIAL POSITION AND FINANCIAL OUTLOOK 2024/25

Savings plan is now £76.7m and the Trust is projecting break even after £65.4m deficit funding

After reflecting the formal 2024/25 Budget allocation, the Trust's opening deficit was £137.4m prior to £4.7m pharmacy savings. The Trust developed savings plans, aimed at protecting front line services, totalling circa £76.7m (to include £22m annual % workforce savings target), which are far-reaching and ambitious. Deficit funding of £65.4m was allocated by SPPG in August, which allows the Trust to forecast a break-even plan. Specific savings schemes are not all being achieved (absence backfill, medical and nurse agency) however the Trust has identified further investment slippage which can be set non-recurrently against its savings target and shortfall in savings.

The Trust has an increased savings plan of £76.7m, circa 60% of which is non-recurrent, in order to produce a breakeven plan for 2024/25.

£0.3m reported deficit at the end of January 2025

At the end of January 2025, the Trust is reporting a £0.3m deficit which pro rates to £0.4m and reflects the fact that elements of the savings plan are profiled towards the latter part of the year. The ongoing pressure in relation to workforce continues and, agency/locum expenditure has increased since 2023/24, particularly in nursing and medical. Some reductions in backfill through robust roster and improved control over one to one supervision have been made and need to continue to deliver in-year savings targets and achieve budget sustainability. No medical savings are currently being achieved and absence targets are not fully achieved and require focus. Graphs 1-6 show how we are performing against planned in year savings plans.

The Trust is £0.3m deficit at end January 2025 but forecasting break-even position at year-end.

2025/26 Financial outlook

The DoH 2025/26 draft budget allocated included an additional £200m. This reduced the DoH relative share of the block grant from 53% to 50% and the needs premium per capita in comparison to NHS England is now 2.5%.

The Trust's draft 2025/26 financial plan has an opening deficit of £176m, including expected inescapable growth expenditure, for which no funding can be assumed. Savings, which have minimal impact on service, of £80m (including the non-recurrent annual workforce savings) have been identified, although the challenge in achieving these cannot be underestimated. Further £9.4m savings have been identified which would require DoH/SPPG policy changes or commissioning decisions including regional enablers. The remainder £86m has been achieved through high and catastrophic service impact contingency measures.

A 2025/26 draft financial break-even plan has been submitted to SPPG but includes £86m high impact contingency measures.

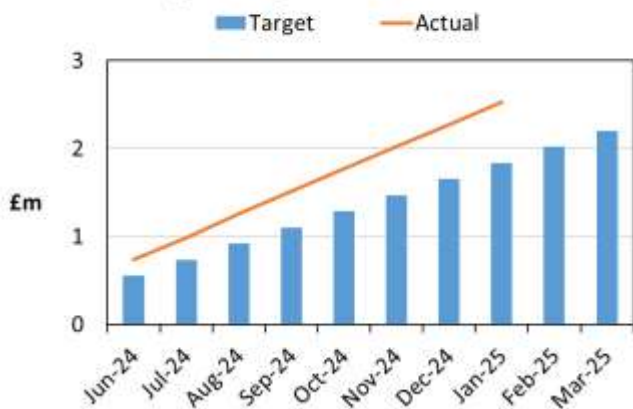
**Graph 1 - Total Trust Savings
Target V Actual**



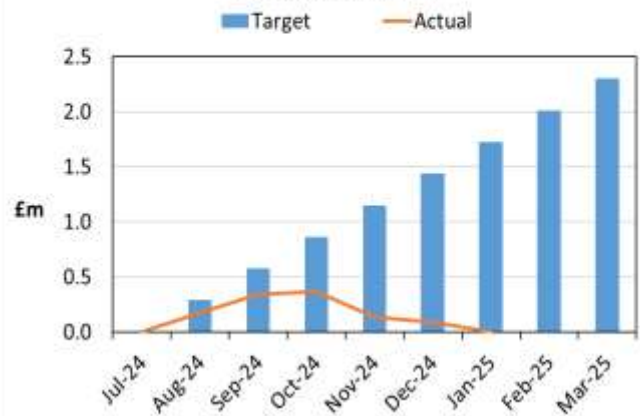
**Graph 2 - Nurse Agency
Reduction**



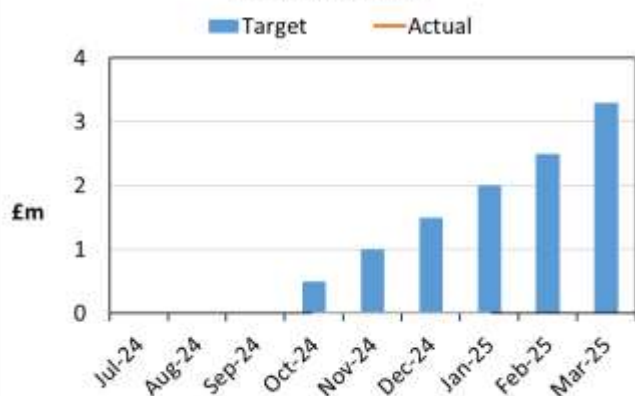
**Graph 3 - Social Work
Agency Reduction**



**Graph 4 - Sickness
Reduction**



Graph 5 - Medical Agency Reduction



Graph 6 - 1:1s in Acute & Community settings

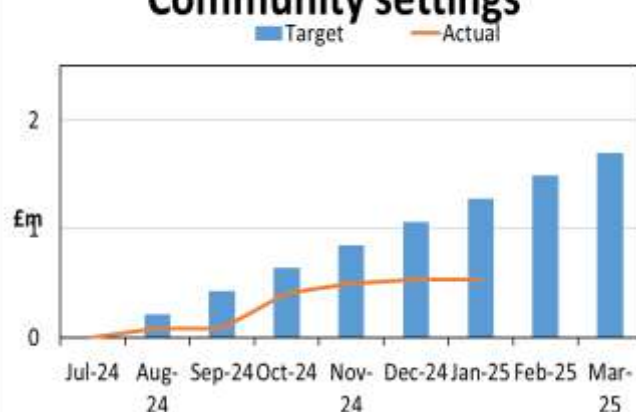


Table 1 Summary Position by Directorate at 31 January 2025

Summary Pay and Goods			
Directorate	Budget £'000	Expenditure £'000	Variance £'000
Maternity, Dental, ENT & Sexual Hlth and T&O	130,015	137,554	7,539
Child Hlth & NISTAR PC	141,939	144,920	2,981
Adult, Comm & Older People Serv & AHPs	301,375	300,175	(1,200)
Mental Hlth & Intellectual Disability	205,479	212,641	7,162
Cancer & Specialist Services	218,389	223,895	5,506
Unscheduled Care	200,725	227,318	26,593
ACCTSS & Surgery	199,138	209,324	10,186
Soc Wk & Children's Community Services	98,607	99,262	655
Finance, Estates & Capital Development	39,342	37,858	(1,484)
Nursing & User Experience	85,737	86,653	916
Other Pay including Corporate Directorates	209,702	151,210	(58,492)
Total	1,830,448	1,830,810	362

Note: There is also an income deficit £206k and £269k profit on disposal of fixed assets which brings the overall deficit to £0.3m

Summary Capital Position

The Trust's latest Capital Resource Limit (CRL) issued by the Department of Health for 2024/25 is dated 12th February 2025.

The total capital allocation is £73.2m. This consists of ring-fenced and specifically funded schemes totalling £54.6m and a General Capital allocation of £18.6m. Recent allocations include £2.4m for the maternity scheme. Retractions included £1m for Energy Centre, £1.4m for Children's enabling APP, £0.7m for Glenmona, £0.4m for Encompass scheme £0.1m for Blood PAT ICT, and £0.5m for Car Parking scheme.

The Trust's projected capital outturn position for 2024/25 is breakeven. The progress of schemes throughout the year will be monitored each month and should there be any changes identified to the annual spend profiles, these will be highlighted.

Financial Planning 2024/25			
		2024/25	
		£'000	£'000
Historic recurrent unmet savings- WFM		22,000	
2018/19 General Savings Target shortfall		2,450	
2019/20 Car parking savings target shortfall		947	
2023/24 savings target		53,496	
			78,893
Gross Deficit Brought Forward from 2023/24 Before Cost Pressures			78,893
CYE 2023/24 or prior year residual unfunded pressures		45,152	
Changes to CYE pressures 23/24		2,219	
2023/24 FYE pressures before new 2024/25 pressures		24,139	
New inescapable 2024/25 pressures identified*		3,000	
			74,509
2024/25 Opening Deficit			153,402
Changes after Indicative funding given		(11,293)	
New Growth monies applied to new FYE pressures		(4,700)	
			(15,993)
2023/24 Opening Deficit after indicative funding & growth funding			137,409
MORE Pharmacy savings target		4,697	
MORE Pharmacy savings		(3,032)	
Low/Medium Impact Savings with Low-High Implementation Risk (1A)		(46,000)	
Achievement of historic savings through non recurrent workforce management savings annually		(22,000)	
			(66,335)
2024/25 opening deficit after Low/Medium Impact Savings (1A)			71,074
Additional RRL for deficit		(65,400)	
			(65,400)
2024/25 deficit after Deficit Funding			5,674
Reductions in deficit		(3,503)	
NMH additional slippage		(1,800)	
Additional non recurrent savings		(371)	
			(5,674)
2024/25 Deficit after further slippage and reduction in pressures			0