



Southern Health
and Social Care Trust

Finance Report

Month 02 May 2025

Finance Department

Contents

- | | |
|--|------------|
| 1. Financial Performance targets at May 2025 | slide 3 |
| 2. Financial Plan 2025-26 | slide 4 |
| 3. Financial position at May 2025 | slide 5-6 |
| 4. Flexible Staff Costs as at May 2025 | slide 7-8 |
| 5. Savings target 2025-26 | slide 9-11 |
| 6. Forecasted Plan 2025-26 | slide 12 |
| 7. Capital (CRL) at May 2025 | slide 13 |

1. Financial Performance Targets at May 2025

Financial Performance Targets	Year to Date	Year-end Forecast
1. Achieve financial plan in 2025-26	Deficit £6.6m (Budget v Actual)	Variance Control Total £43m Deficit
<p>The Trust is reporting a deficit at month 02 against the variance control total. This is broadly in line with expected variance control totals however growth in spend is to be anticipated particularly over the winter period and the current underachievement in savings needs to be closely managed. The Trust is forecasting a deficit of £43m. The Trust has been requested to achieve a further £5m to bring the Trust back to last year's reported deficit of £37.6m for which plans have yet to be developed. Reported position this early in the financial year must be read with a level of caution and is caveated on that basis.</p>		
2. Achieve 2025-26 savings target	Underachieved by £884k or 20%	£30m
<p>The Trust Savings target for 25/26 as agreed in the financial plan is £30m. We have recently been advised of the need to achieve a further £5m to bring the Trust back to 24/25 deficit level of £37.6m for which plans have yet to be identified. Of the £30m savings targets profiled of £4.4m at month 02, £3.5m has been achieved with an underachievement of £884k or 20% of the target to date.</p>		
3. Achieve in year break even outturn within Capital Resource Limit (CRL)	£1.36m	£9.6m
<p>As at month 02 a total expenditure and commitments is £1.36m. The Trust is forecasted to spend a further £9.5m, £4.44m in General Capital and £4.95m in Specific Capital schemes and is forecast to achieve breakeven at year-end.</p>		
4. Prompt Payment Target - 95% of suppliers within 30 days	96.5%	96.3%
<p>The Trust prompt payment performance in the month of May was 96.5% with a cumulative position to date of 96.3%. Therefore, the Trust did meet its Prompt Payment target in Month 02. 28,142 invoices were paid in month.</p>		

2. Financial Plan 2025-26

The Trust is forecasting a deficit of £43m in 2025/26 before developing plans to achieve a further £5m savings to return to last year's reported deficit position of £37.6m.

The Trust has yet to receive formal opening budget allocations from Commissioners therefore the expected income RRL is indicative and assumed income only, yet to be confirmed.

Assumed income includes funding for Employers National Insurance increases of £14.9m.

	Forecast (Month 2) £'m
Indicative RRL (per SPPG, PHA, NIMDTA)	1,025
Assumed Income (inc Nat Ins of £14.9m)	44
Expected Income RRL	1,069
Forecast Plan 2025-26	1,112
Forecast at May 2025	(43.0)

3. Financial position at May 2025

The table below shows Pay, Non-Pay and Income variances year to date for each Directorate. The second last column shows control totals variance at month 02 in thousands (£6.6m deficit to date).

Directorate	Pay			Non Pay			Income			Total	Forecast
	Control Mth 02	Actual Mth 02	Control Variance	Control Mth 02	Actual Mth 02	Control Variance	Control Mth 02	Actual Mth 02	Control Variance	Control Variance Mth 02	Control Variance Total
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'000	£'m
Medicine and Unscheduled Care	20.8	24.0	(3.2)	7.1	7.4	(0.3)	(0.1)	(0.1)	0.0	(3,467)	-20.2
Surgery and Clinical Services	28.1	28.6	(0.5)	6.3	6.3	0.0	(0.4)	(0.4)	0.0	(456)	-2.0
Children and Young People Services	15.8	16.6	(0.8)	4.8	5.1	(0.2)	(0.1)	(0.1)	(0.0)	(1,075)	-6.3
Mental Health and Disability	18.3	18.4	(0.1)	19.2	18.6	0.7	(2.3)	(2.1)	(0.2)	372	0.0
Finance, Procurement and Estates	3.0	3.0	0.0	6.3	6.2	0.1	(0.1)	0.0	(0.1)	32	0.0
Adult Community Services	22.3	23.4	(1.2)	18.6	19.7	(1.1)	(5.3)	(6.1)	0.8	(1,479)	-8.3
Human Resources and Org Dev	1.2	1.3	(0.1)	0.2	0.2	0.0	(0.0)	(0.0)	(0.0)	(85)	-0.8
Medical Director	1.1	1.4	(0.3)	0.0	0.0	(0.0)	(0.0)	(0.0)	0.0	(283)	-1.3
Performance, Planning and Informatics	1.4	1.4	0.0	0.1	0.2	(0.0)	0.0	0.0	0.0	(1)	0.0
Transformation and Improvement	(0.1)	0.5	(0.6)	0.0	0.0	(0.0)	0.0	0.0	0.0	(609)	-3.4
Nursing, Midwifery and AHPs	6.7	6.5	0.2	0.7	1.0	(0.2)	(0.7)	(0.8)	0.1	(9)	0.5
Chief Executive	0.1	0.2	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	(95)	-0.6
Covid	0.2	0.2	0.0	0.6	0.6	(0.0)	(0.0)	0.0	(0.0)	8	0.0
Trust Unallocated	0.1	0.0	0.1	0.7	0.0	0.7	0.0	0.0	0.0	826	-0.6
Encompass	0.7	0.9	(0.2)	0.0	0.0	(0.0)	(0.7)	(0.7)	0.0	(255)	0.4
Directorate Total	119.8	126.5	(6.7)	64.7	65.1	(0.4)	(9.8)	(10.4)	0.6	(6,576)	-43

A figure in brackets represents an overspend.

3. Financial position at May 2025

Explanations for main variances are as follows:

- Payroll is over budget by £6.7m in the main due to Medical being overspent £3.2m and Nursing and Midwifery overspent £5.7m abated by underspends in other areas.
- Non-Pay is reporting a cumulative overspend at month 2 of c£440k in the main due to spend within Independent Sector provision but this is partially abated with the over-recovery in Client Contribution income noted below.
- Income is over-recovered by £0.6m, in the main due to over-recovery of Client Contribution income.

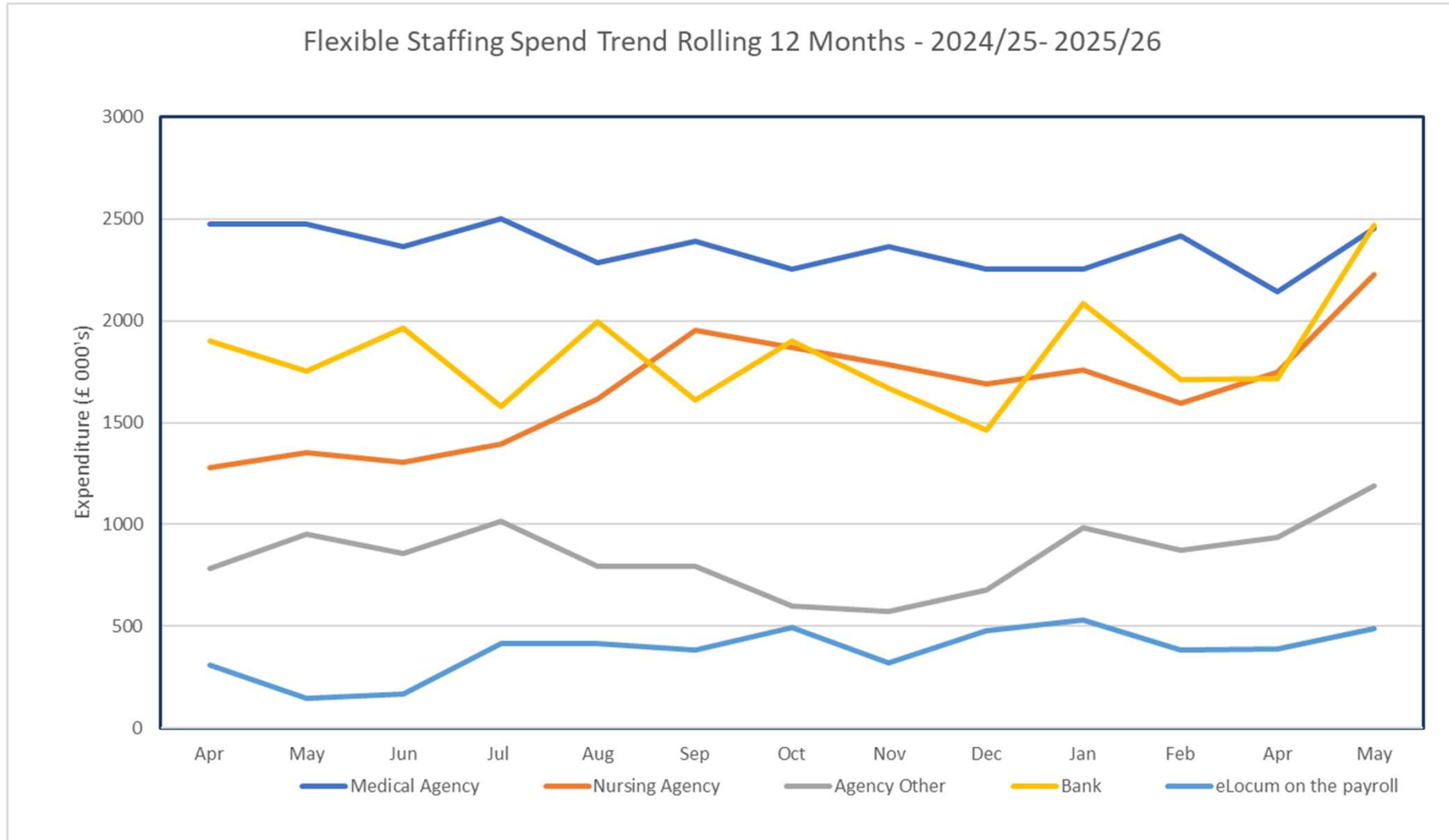
4. Flexible Staff Costs as at May 2025

The table below shows the flexible staffing by Directorate YTD May 2025. The total cumulative spend for flexible staffing in Mth 02 is £17.228m (14% of total payroll spend) with 1,724 WTE's employed on these flexible arrangements. Profile of spend suggests an increase over prior year run rates which is under investigation.

Directorate	Cumulative to May 2025							Cum to MAY 2025 £000's	Cum to MAY 2024 £000's	Movement	
	Medical Agency £000's	Nursing Agency £000's	Agency Other £000's	Bank £000's	Locum on the payroll £000's	Overtime £000's	Additional Duty Hours £000's			£000's	%
Medical and Unscheduled Care	3,100	2,237	31	790	136	163	36	6,492	5,931	562	9%
Surgery and Clinical Services	820	624	130	696	235	244	66	2,815	2,379	436	18%
Children and Young People	119	6	73	363	28	166	53	808	800	8	1%
Mental Health and Disability	301	752	51	975	43	136	23	2,280	2,026	254	13%
Adult Community Services	234	353	31	936	435	108	175	2,272	1,611	661	41%
Finance, Procurement and Estates	0	0	117	7	0	39	3	166	82	84	103%
Human Resources & Org	20	0	15	17	0	7	1	59	52	7	13%
Encompass	0	0	0	289	0	0	0	289	0	289	
Medical Director	0	0	5	20	0	0	1	27	9	18	211%
Nursing, Midwifery and AHP	0	0	1,592	70	0	67	80	1,809	1,487	322	22%
Performance and Reform	0	0	11	0	0	94	3	108	27	80	294%
Trust Unallocated	0	0	0	-0	0	0	0	-0	0	-0	
Covid 19	2	0	58	24	0	0	0	84	87	-3	-3%
Chief Executive	0	0	0	0	0	2	0	2	98	-96	-98%
Transformation & Improvement	0	0	15	0	0	1	0	16	0	16	
Totals	4,596	3,973	2,128	4,186	877	1,025	443	17,228	14,590	2,638	18%

The most significant area of flexible spend is Medical Agency £4.596m YTD.

4. Flexible Staff Costs as at May 2025



*Excludes Additional Duty Hours and Overtime

5. Savings target 2025-26

Of the £30m Savings Targets, £4.4m has been retracted from budgets as at Month 02 and £3.5m savings has been achieved to date with an underachievement of £885k against the target at Month 02 (20% of the target). Details of the achievement against each of the savings proposals is included in Table 6.

The main areas of underachievement at Month 02 are:

- Internal Locum Conversion £333k
- Nurse Workforce Stabilisation £495k

The main proposal shows a cumulative over-achievement at Month 02 is Discretionary spend with an overachievement of £155k.

Whilst it is early in the financial year and figures should be read with a level of caution the current underachievement needs to be closely managed and reviewed with mitigations put in place to ensure that the Trust does not breach current forecasted deficit position.

For noting, whilst the majority of targets are profiled on a monthly basis, for the newer schemes a number will be profiled in after month 02 to recognise when the achievement is likely to accrue. This includes the £5m Other Opportunities yet to be identified.

The additional £5m savings requested by SPPG/DoH to reduce the Trust deficit to £37.6m has yet to be included but will be added for Month 03 reporting once plans are developed to meet this.

Savings plans continue to be monitored and reported at directorate RISE steering group meetings and RISE programme board.

5. Savings target 2025-26

Table 6: Low & Medium Impact Savings Plan 2025/26

LOW & MEDIUM IMPACT SAVINGS PLAN 2025/26	Expected Saving to Date Mth 02 (£)	Achieved Saving to Date Month 02 (£) RAG Status	Variance Month 02 YTD £	Expected Saving Full Year (£)
Low				
01 - Reduction in staff travel	416,667	342,000	(74,667)	2,500,000
02 - Reduction in discretionary spend	100,000	255,201	155,201	600,000
03 - Invest to save Energy Estates projects	103,333	103,333	(0)	620,000
04 - Implementation of Envoy Text Messaging System	17,000	-	(17,000)	102,000
05 - Cessation of Drive Through Phlebotomy Service	38,043	59,481	21,439	228,255
06 - EIDO Electronic Information Library for Patients	3,333	2,884	(449)	20,000
07 - Social Workforce training and development	8,333	8,333	(0)	50,000
08 - Saturation Probes – Acute Paediatrics	3,333	-	(3,333)	20,000
09 - Service realignment to release commissioned activity	9,000	9,196	196	54,000
10 - Ending of GPOOHs Dalriada Telephone support Contract.	10,000	10,000	0	60,000
11 - Implement Care Line Live in Trust Home Care.	50,167	-	(50,167)	301,000
12 - Step down of Patient Feedback service, utilising Care Opinion and other patient feedback mechanisms	9,833	9,833	0	59,000
13 - Reduce spend in bereavement service, reduction in seconded staff	9,833	9,779	(54)	59,000
14 - Reduce spend in Nursing education, workforce and training	7,833	7,901	68	47,000
15 - Food waste reduction	31,833	31,833	(0)	191,000
16 - Review of Laundry shift patterns	17,667	17,667	0	106,000
17 - Flex Spend Reduction - Other Agency & Bank	50,000	-	(50,000)	300,000
18 - CYP Residential Services, Staffing model and associated support services	76,667	79,431	2,764	460,000
30 - Other In-Year Opportunities (TBC)	-	-	0	5,000,000
31 - MORE Pharmacy Savings (assumes no regional target or reduced target in 2025//26)	83,333	100,000	16,667	500,000
32 - Normal Recruitment Slippage	166,667	166,667	0	1,000,000
41 - Equip Finance System Cleansing	750,000	793,714	43,714	1,000,000
42 - CCS Div: Provision of wigs – cancer/dermatology services	11,958	37,439	25,481	71,745
Total Low Impact Savings	1,974,833	2,044,692	69,858	13,349,000

5. Savings target 2025-26

Medium				
19 - ICT Software savings, downturn of contracts	32,667	32,706	40	196,000
20 - Minor works – only high risk and urgent work being undertaken	125,000	111,905	(13,095)	750,000
21 - MH & LD Inpatient Services propose to appoint 5.0wte substantive B5 staff per Ward across the six Bluestone Wards end	53,333	-	(53,333)	320,000
22 - Review British Red Cross Discharge Support Service	33,333	39,270	5,937	200,000
23 - Review and discharge of Service Users awaiting Dom Care POCs from FOC Care Home Placements	33,333	-	(33,333)	200,000
24 - Ending rental agreements for SHSCT employed Nurses in GP Premises	12,500	11,088	(1,412)	75,000
25 - GP Out of Hours to commisioned levels	141,667	141,667	0	850,000
26 - Transport reform	41,667	31,702	(9,965)	250,000
27 - Nurse Workforce Stabilisation	795,000	300,000	(495,000)	4,770,000
28 - International medical recruitment	475,000	475,000	(0)	2,850,000
29 - Medical Workforce Reform (Locum Conversion)	333,333	-	(333,333)	2,000,000
33 - Rationalisation of Estates / Sustainability	81,667	81,667	0	490,000
34 - Non-Pay procurement efficiencies	33,333	33,333	(0)	200,000
35 - Pressurised Mattresses (rental saving)	-	-	0	665,000
36 - PLIC Opportunities - Elective Pathways - GIRFT T&O	-	-	0	73,000
37 - Rental of Coffee Machines - transfer to Capital under IFRS16	25,000	25,000	0	150,000
38 - Recurrent MORE Pharmacy Savings achieved in prior years	175,500	175,500	0	1,053,000
39 - Reduction in Urology Inquiry costs	-	-	0	1,200,000
40 - Reduction in Cervical Cytology Review costs	57,000	36,001	(20,999)	342,000
Total Medium Impact Savings	2,449,333	1,494,839	(954,494)	16,634,000
Grand Total	4,424,167	3,539,531	(884,636)	29,983,000

Key:	
Achieved	
Partial Achievement	
Not Achieved	

6. Forecasted Plan 2025-26

The table below sets out the potential Base (Plan) and Worst Case Scenarios based on current run rates, pressures and achievement of savings in month 02.

	Base Case	Worst Case
	£'000	£'000
Forecast (Control)	1,112	1,112
Additional Savings Target achieved	5	0
Income	1,069	1,069
(Deficit)/ Surplus	38	43

7. Capital (CRL) at May 2025

The table below show Capital (CRL) spend against budget at Month 02.

Scheme Description	Expenditure/ Commitments to Date			CRL Funding Notified		CRL Balance Remaining	
	Commitments £'000s	Specific Schemes £'000s	General Capital £'000s	Specific Schemes £'000s	General Capital £'000s	Specific Schemes £'000s	General Capital £'000s
ICT	-	-		370,410		370,410	
DHH LOW VOLTAGE ELECTRICAL INFRASTRUCTURE	151,506	151,506		2,000,000		1,848,494	
BACKLOG MAINTENANCE	12,830	12,830		2,750,000		2,737,170	
GP IMPROVEMENT SCHEME(TRUST OWNED)	744,616	66		-	-	66	
INVEST TO SAVE - ENERGY EFFICIENCY	53,061	2,500		-	-	2,500	
RAPID DIAGNOSIS CENTRE (STH)	60,000	-		-		-	
GENERAL CAPITAL							
MEDICAL EQUIPMENT	22,818		7,818		22,818		15,000
INFORMATION TECHNOLOGY	42,137		33,552		100,000		66,448
TRANSPORT	-		-		20,500		20,500
ESTATES - GENERAL CAPITAL	9,500		8,500		1,115,426		1,106,926
UNAPPROVED ORDERS	5,490		5,490		-	-	5,490
SHORTFALL OF CREDITORS	19,999		19,999		-	-	19,999
CONTINGENCY	-		-		3,264,377		3,264,377
Total	1,121,957	166,902	75,359	5,120,410	4,523,121	4,953,508	4,447,762

As at month 02 a total expenditure and commitments is £1.36m. The Trust is forecasted to spend a further £9.4m, £4.4m in General Capital and £4.95m in Specific Capital schemes and is forecast to achieve breakeven at year-end.