





TRUST BOARD COVER SHEET

	<p>The cover sheet purpose is to provide the Trust Board/Committee with a clear summary of the paper being presented, how it impacts on the people we serve, key matters for attention and the ask of the Trust Board/Committee</p> <p>The Accountable Director must satisfy themselves that the cover sheet is accurate and fully reflects the paper. The expectation is that the Accountable Director has read and agreed the content of both the cover sheet and paper.</p>	
Meeting and Date of meeting	<p style="text-align: center;"><i>Trust Board</i> <i>26th June 2025</i></p>	
Title of paper	<p>Financial Performance Report - 2 months ended 31 May 2025</p>	
Accountable Director	Name	<p>Catherine Teggart</p>
	Position	<p>Director of Finance, Procurement & Estates</p>
Report Author	Name	<p>Carol Cassells</p>
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This paper sits within the Trust Board role of:	<p>Accountability</p>	
This paper is presented for:	<p>Approval <i>(Notes on completion at end of document)</i></p>	
Links to Trust Strategic Priorities 	<input checked="" type="checkbox"/>	<p>Collaborative Working</p>
	<input checked="" type="checkbox"/>	<p>Learning Organisation</p>
	<input checked="" type="checkbox"/>	<p>Safety, Quality & Experience</p>
	<input checked="" type="checkbox"/>	<p>Community First</p>
	<input checked="" type="checkbox"/>	<p>Whole-Life Approach</p>

1. Reason for Presentation of Paper / Report

This report provides Trust Board with a Financial Position at Month 2 May 2025.

2. Detailed summary of paper contents:

This report attached provides Trust Board with an analysis of the use of the Trust's financial resources, to aid decision-making and to raise an awareness/highlight areas requiring further action.

3. Areas of improvement/achievement:

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.

4. Areas of concern/risk/challenge:

Reported Position as at Month 2 May 2025

The Trust is reporting a deficit of £6.6m 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.

- 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.
- 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.
- 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.
- 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.

Forecast Year-End Position

- 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.

5. Impact on Statutory Duties: Provide details on the impact of the following and how.

<i>Financial Impact</i>	<i>Safety and Quality Impact</i>
Yes, there are Financial Impacts	Yes, there are Quality, Safety or Experience Impacts

6. Risk Assessment (Risk level and state if a risk assessment be completed)

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.

7. Other Business Intelligence/data (If appropriate)

8. Impact: Provide details on the impact of the following and how. If this is N/A you should explain why this is an appropriate response.

Corporate Risk Register	Corporate Risk Register Key Risk 5.1 Finance - ability to meet statutory break-even target
Board Assurance Framework	Financial Risk included in Board Assurance Framework
Equality and Human Rights	

Trust Board Role Fulfilment

Strategy	<i>Papers in this category should address forward-looking priorities, long-term objectives, or service transformation. These are typically focused on shaping the future of the organisation and will often involve decisions on direction, investment, or innovation.</i>
Culture	<i>These papers aim to influence or reflect the values, behaviours, and staff or patient experiences within HSC. They may relate to leadership development, equality, diversity and inclusion, staff engagement, or initiatives intended to reinforce our organisational ethos.</i>
Accountability	<i>Papers falling into this area relate to governance, assurance, performance monitoring, compliance, and risk. They provide evidence that responsibilities are being fulfilled, standards are being met, and corrective actions are being taken where necessary.</i>

Reasons for Paper Presentation

Approval	<i>Used when an item requires a formal agreement or endorsement by the meeting / committee members. Examples are approving minutes, budgets, proposals or policies.</i>
Assurance	<i>Used when an item can be measured against a certain criteria / standard. Examples are a project is on course with delivery or financial targets are being met.</i>

Information	<i>Used when an item is presented for the purpose of updating or informing the attendees without requiring a decision or action, such as reports, updates, or announcements.</i>
Discussion	<i>Used when an item is listed primarily for open discussion, brainstorming or gathering input from the members without requiring an immediate decision.</i>