





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 26th June 2025</i></p>	
Title of paper	<p style="text-align: center;"><i>Financial Performance Report – Month 2 and Financial Plan 2025/26 - Addendum to Month 02 - Update on Financial Plan 2025/26</i></p>	
Accountable Director	Name	<p style="text-align: center;">Catherine Teggart</p>
	Position	<p style="text-align: center;">Director of Finance, Procurement & Estates</p>
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This paper sits within the Trust Board role of:	<p style="text-align: center;">Accountability</p>	
This paper is presented for:	<p style="text-align: center;">Approval</p> <p style="text-align: center;"><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 paper provides an update on the SHSCT Financial Plan for 2025/26.

2. Detailed summary of paper contents:

Further to the Opening Financial Plan 2025-26 endorsed at Confidential Trust Board on 29th May 2025 we have now been notified of the need to achieve (as a minimum) a further c£5m savings to bring the Trust back from the current forecast deficit of **£43m** to the reported deficit of **£37.6m** in 2024/25.

Following a meeting with SPPG on the 6th June this was subsequently notified in a letter sent by the Brigitte Worth, Director of Finance - SPPG to Trust Directors of Finance on the 11th June 2025 (please see attached Appendix 1). The status of the letter is an update on Financial Planning Assumptions for 2025/26 as the proposals for financial planning for 2025/26 are still subject to agreement by the Minister.

The letter notifies that the 2025/26 savings delivery will be approached in 2 phases, **Phase 1** of which is a focus on returning Trusts to the 2024/25 deficit levels. For SHSCT this results in **an additional savings target of c£5m**, expected to be achieved via low and medium impact proposals, the composition of which will be either an extension of existing savings targets, new savings proposals, or further cost reductions. This will increase our existing savings plan for 2025/26 from **£30m to £35m** and proposals need to urgently be developed to achieve this further £5m saving. This work has commenced in earnest, and Directors have been asked to identify further potential areas for saving.

Whilst revised savings plans will not be formally commissioned until final opening allocations have been issued (as was notified in the Opening Financial plan we continue to budget in 2025/26 on the basis of indicative allocations and assumed income) the **Trust has been asked to work towards the production of a revised financial plan by the end of June 2025 that sets out the measures we will deliver to achieve Phase 1 (the additional c£5m saving) together with our risk assessment as to its deliverability.**

This revised financial plan will be expected to show achievement of the further £5m savings and reduce our forecasted deficit back to the £37.6m reported in 2024/25.

The letter also identifies what level of savings we will be monitored on in 2025/26 (as part of the monthly Financial Monitoring returns submitted to SPPG/DoH on the 15th working day each month) being the non-recurrent savings in 2025/26 and our share of the £104.5m regional savings plans (essentially those included in the Opening Financial Plan in Appendix 2 Repeatable 25/26 and Appendix 3 New Savings Measures, previous reductions in spend from our original financial plan submission and in addition the further c£5m savings now to be delivered under Phase 1).

Phase 2 of the regional savings plan will focus on the delivery of a further £100m of savings from Trust baselines and will rely on the work of the recently established regional **SFMG** (System Financial Management Group- see Appendix 2 for further detail). For SHSCT the share of the further savings under **Phase 2 is c£16m**. At this stage we may need to indicate that these savings under Phase 2 will be covered by the outworkings of the SFMG workstreams, but greater clarity will need to be provided to SPPG/DoH on the delivery of these savings as we progress through the financial year.

3. Areas of improvement/achievement:

The Trust successfully achieved its savings target of **£22m** in 2024/25, with the implementation of robust financial governance processes through the RISE programme. The Trust will continue to robustly monitor the implementation of the original **£30m** savings proposals and in addition the further **£5m** target in 2025-26 and any deviations from plan will be promptly addressed. The savings programme will focus on the on-going identification of further savings to address the further £5m savings and in addition the further ask under Phase 2 of **c£16m**. A full update will be given as part of Month 03 Financial Performance Report and will be discussed in detail at Directorate RISE Steering Group meetings and RISE programme board.

4. Areas of concern/risk/challenge:

There is a risk that any additional savings, and the overall scale of the savings, is beyond that which the Trust can absorb without significant patient care and safety impacts and that this can only be achieved by implementing high/catastrophic measures that would result in a fundamental failure of service delivery.

In the context of the Trusts known Equity funding gap of **£40m** we may struggle to identify further low and medium savings to achieve the additional £5m ask, notwithstanding the additional £16m.

If there is a non-achievement of savings to return the Trust to 24-25 deficit levels, this will result in the Trust being placed on the SPPG Support and Intervention Framework (SIF).

In the resubmission of the 25/26 Financial Plan at the end of June we will need to provide a clear assessment of the risk of the achievability of the Trust savings targets and the associated risk to achievement of further savings.

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)

As noted above there is a risk that the Trust cannot find savings plans to address the increased savings ask against which we will be held to account and placed on the Support and Intervention Framework (SIF) if there is underachievement of same.

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
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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>

