



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>Trust Board 25 September 2025 / Senior Leadership Team 29th July 2025</p>	
Title of paper	<p>Formal notification of 2025/26 Allocation from SPPG</p>	
Accountable Director	Name	<p>Catherine Teggart</p>
	Position	<p>Director of Finance, Procurement & Estates</p>
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This paper sits within the Trust Board role of:	<p>Accountability</p>	
This paper is presented for:	<p>Information <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 Formal Opening Allocation for 2025/26 from SPPG

2. Detailed summary of paper contents:

No formal opening allocation letter had been received before Opening Budgets for 2025/26 were endorsed by Trust Board. The Opening Budget was agreed based on indicatives and assumed income (the assumed income was submitted to and reviewed with SPPG as part of Financial Plan submissions).

SPPG has now received formal notification of allocations from the Department of Health and the Trust has now received formal notification of the SHSCT Opening Allocation for 2025/26 in a letter from Brigitte Worth, SPPG Director of Finance on the 23rd July (please see Appendix 1 attached).

This builds on the draft allocation letter sent in January and subsequent updates received in May and June. The financial planning principles notified in the previous letters still apply with some additional principles notified in this letter in the main relating to avoidance of creation of Full Year effect tail of in-year spend and notification of the monitoring arrangements for savings and High Cost Drugs spend.

The value of the previous Indicative allocations for 2025/26 notified by SPPG was £1.010 billion pounds. This Opening Allocation letter for allocations from SPPG/DoH notifies a budget of £1.036 billion pounds, a positive movement of £26m. For noting this does not include allocations to the Trust from the PHA or NIMDTA, which are subject to separate allocation letters, or the remaining allocations that are being assumed.

The £26m movement relates to the allocation of Non-Recurrent Deficit Funding of £21.2m, allocation for Working Time Directive increases of £2.3m and the additional Unscheduled Care funding of £2m expected to extend Timely Care for the remaining 9 months of the financial year.

These allocations have already been assumed in our reported forecast deficit position of £16.4m, and was reported from Month 03 June 2025 finance report onwards, with the remaining deficit relating wholly to SHSCT share of the Phase 2 savings targets.

3. Areas of improvement/achievement:

The addition of the non-recurrent deficit funding of £21.2m is welcomed and was applied in the reported financial position from month 04 (July 2025) reporting onwards.

4. Areas of concern/risk/challenge:

The forecast deficit position of £16.4m assumes full achievement of the £35m Low and Medium Impact Savings plans.

Assuming achievement of the £35m savings target Trust could only reach a break-even position at year-end if the Phase 2 savings can be achieved via regional enablers or further deficit funding provided.

As noted in the letter the Trust must revisit formal recovery planning in the autumn when it is anticipated that there will be greater clarity on the extent to which 2025/26 savings measures will impact on future years.

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 to achieving a break-even position at year-end if the Phase 2 savings cannot be achieved via regional enablers or alternatively further deficit funding cannot be provided.

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>