

## Finance, Procurement and Contracting

# Financial Performance Report: Month 12

**Jason Dorsett: Chief Finance Officer**

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# Financial Performance Report

## Integrated themes and issues from Month 12 (March 2025)

### Finance

#### Overall

**Income and Expenditure (I&E)** was a £6.8m deficit to Month 12, £6.5m worse than plan, but in line with the reforecast deficit, of £9.3m, adjusted by a further £2.5m for additional income received. The underlying deficit was £76.95m and the underlying deficit for the month was £1.4m worse than last month, at £10.4m. This was driven by underlying pay (a £1.1m increase in month). Overall worked WTE (excluding R&D) increased by 49 WTE in March, however substantive worked WTE decreased by 14.

#### VWA

**Value Weighted Activity** At M12, the estimate is that VWA has overperformed, including for the capture of previously uncoded activity.

#### Income

**Commissioning income** (including VWA, excluding passthrough) was £58.9m better than plan year to date, although this includes £54.9m of income for pension costs. Excluding that item, the in-month variance was £12.9m favourable which included £9.5m of non-recurrent income from BOB not previously forecast, as well as other one-off items at M12. Passthrough drugs and devices were £37.8m above plan YTD. BOB ICB makes up 23% of this over-performance. NHSE consider this to be a system challenge that OUH is jointly responsible for addressing.

#### Headcount

**Whole Time Equivalent** headcount (excluding R&D) in March increased by 49 WTE, an overall 245 WTE reduction since March 2024. The reductions have been in temporary staffing (85 WTE agency, 403 WTE bank) while substantive staff has increased by 244 WTE.

#### Pay Expenditure

**Pay costs** are £60.3m adverse to plan YTD but this includes £54.9m of additional pension contributions in M12 and offset by income. Excluding pension costs, pay was £1.4m favourable to plan in March, primarily due to releasing £3.9m of one-off benefits. The underlying pay run-rate increased by £1.1m in March from February, driven by increased temporary staffing costs.

#### Non-Pay Expenditure

**Non-pay costs** were £22.1m worse than plan to Month 12 (excluding pass through) and £7.5m worse than plan in March. This is due to increased expenditure on supplies and services.

#### Cash

**Cash** was £12.5m at the end of March, £7.6m higher than the previous month. The forecast is indicating the cash position into quarter 1 of 2025/26 is at risk with the Trust actively managing converting debtors to cash and prioritising staff and supplier payments as far as possible. This has become increasingly challenging and the 2025/26 cash plan demonstrates that external support will be required during the year.

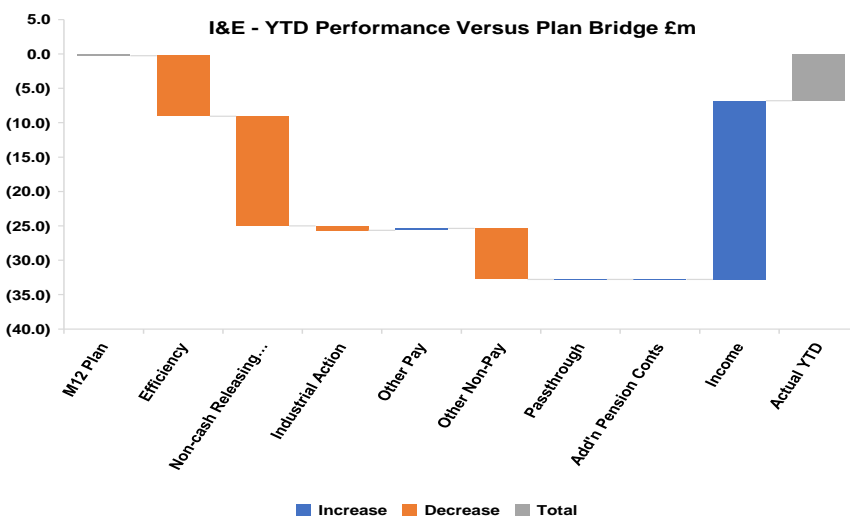
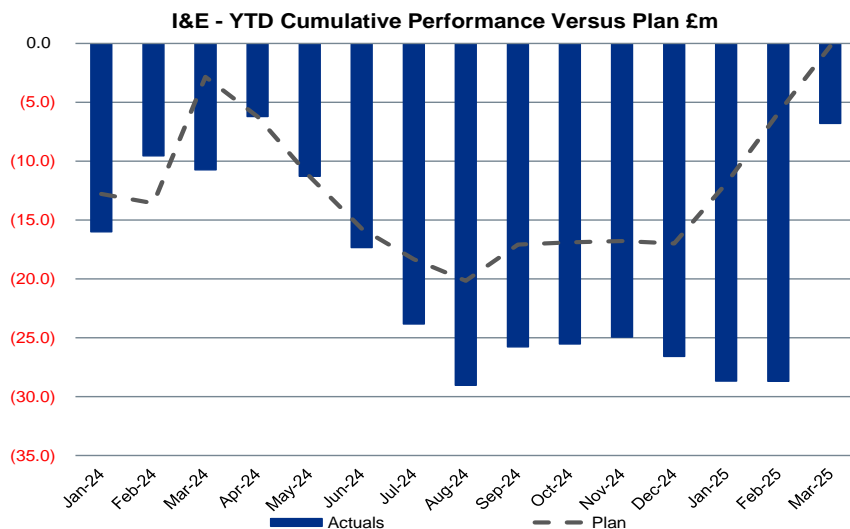
#### Conclusion

The Trust delivered the year end position through significant one-off benefits. The underlying deficit reached totals £76.95m for the year.

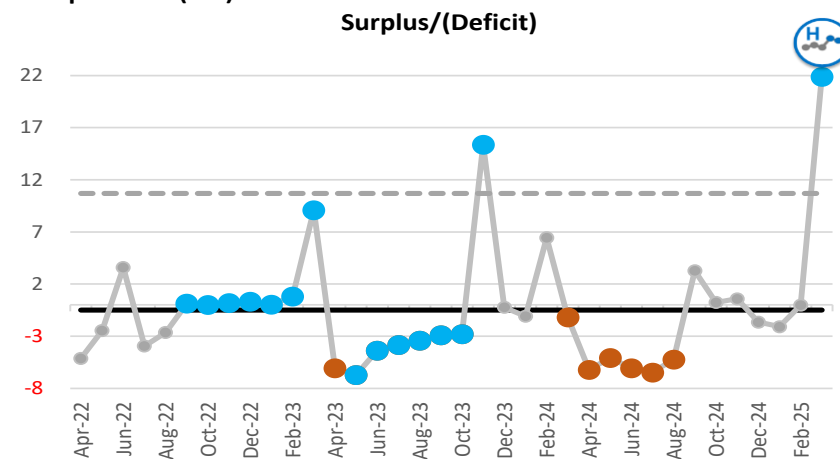
# Financial Performance Report

## Integrated themes and issues from Month 12 (March 2025)

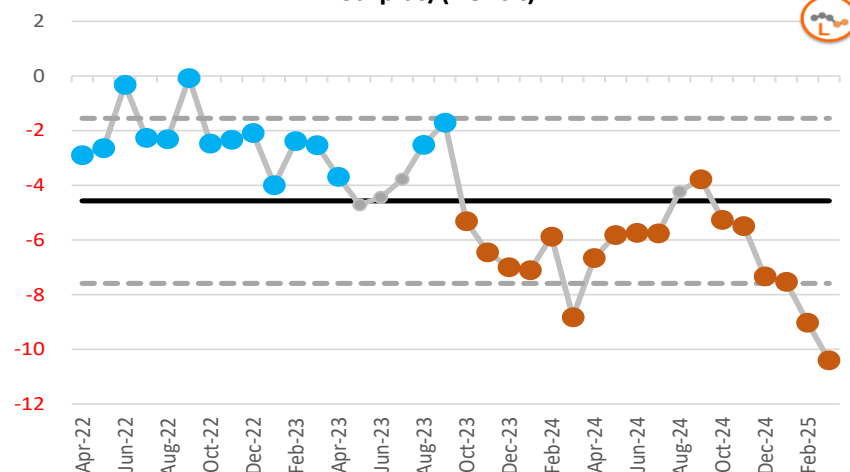
### Finance



### Income & Expenditure – Monthly Reported Performance from April 2022 (£m)



### Income & Expenditure – Adjusted Run Rate Performance (£m)



Month 12 Year to Date (£)					
Plan	Underlying	R&D	Pass through	One-off	Reported
Income	1,361.8	51.9	213.9	7.0	1,634.6
Pay	(907.0)	(41.9)	0.0	0.0	(948.9)
Non pay	(378.6)	(10.0)	(213.9)	11.3	(591.2)
Non-Opex	(94.7)	0.0	0.0	0.0	(94.7)
Total Plan	(18.5)	(0.0)	0.0	18.2	(0.2)
Actuals	Underlying	R&D	Pass through	One-off	Reported
Income	1,346.0	55.6	251.7	86.1	1,739.4
Pay	(916.6)	(40.5)	0.0	(52.1)	(1,009.3)
Non pay	(417.3)	(12.4)	(251.7)	30.2	(651.2)
Non-Opex	(89.0)	0.0	0.0	3.2	(85.8)
Total Actuals	(77.0)	2.7	0.0	67.4	(6.8)
Variance	Underlying	R&D	Pass through	One-off	Reported
Income	(15.8)	3.7	37.8	79.1	104.8
Pay	(9.6)	1.3	0.0	(52.1)	(60.3)
Non pay	(38.7)	(2.3)	(37.8)	19.0	(59.9)
Non-Opex	5.7	0.0	0.0	3.2	8.9
Total Variance	(58.5)	2.7	(0.0)	49.2	(6.5)

## R&D:

- £2.7m underspend due to surpluses on commercial and non-commercial income (released from the Balance Sheet).
- Small mix change between pay and non-pay due to specific grants won and projects/trials delivered.

## Pass through:

- Passthrough was under-budgeted to align with commissioner requested contract values. The Trust is paid 3+ months in arrears for over-performance and after suppliers have been paid.
- On passthrough drugs and devices overperformance for the year of £37.8m there are currently £12.9m of cash payments still due to the Trust (with £5.7m of this due from NHSE and £7.2m due from BOB ICB). The Trust does not have an I&E exposure to over-performance.

**One-off:** The more significant non-recurrent items included in the reported financial position to date for this financial year include:

- Q1: +£2.8m PFI life-cycling prepayment release relating 2023-24 due to over-estimate of impact of PFI accounting changes, +£1.9m on PFI accruals adjustment relating to prior years' costs, +£3.3m commissioning income for agreement of balances (NHSE), -£1m (estimated) to income resulting from industrial action in June along with -£0.6m industrial action pay costs impact for shifts and extra sessions to cover strikes.
- Q2: +£3.9m NHSE deficit funding, +£1.6m rates and outsourcing accruals, +£1.4m fair value gains, +£1.3m rates rebate for prior years 2017-18 to 2020-21 (net of advisor fees), +£1.3m industrial action funding, +£1.2m PFI insurance rebate from the periodic gain-share arrangement on relevant costs.
- Q3: +£3.0m Milton Keynes income, +£2.8m GRNI correction, +£2.1m NHSE deficit funding, net £0.5m impact from resident doctors pay reforms, £0.5m electricity credit note.
- M10 +£0.7m NHSE deficit funding, +£3.6m further GRNI correction, +£0.4m laundry accrual correction
- M11 +£2.4m Annual leave accrual release, +£1.9m Agreement of balances accrued benefit, +£1.3m VAT benefit accrued on car parking, +£1.0m SDE deferred income release, +£1.0m Energy accruals (old years) released, +£0.7m NHSE deficit funding, +£0.7m NHSP accrual release (for shifts older than two months), +£0.6m GRNI benefit, offset by GRNI increases of £2.5m.
- M12 Income: Additional pension contributions +£54.9m, notional apprenticeship levy +£1.5m, NR income from BOB ICB +£7m and +£2.5m, OU service charge increase +£3.3m. Pay: Additional pension contributions -£54.9m, national CEA cost release +£2.3m, SDE revenue to capital 24/25 +£1m, SDE revenue to capital prior year +£0.5m. Non-pay: Notional apprenticeship levy -£1.5m, SDE revenue to capital +£1.8m, SDE revenue to capital prior year +£2.8m, PFI provision release +£1.1m, Churchill PFI payment on account +£6m, Churchill PFI DOV +£2.5m.

## Income and Expenditure: Subjective Analysis – Adjusted Underlying Position

Source: Finance Ledger (underlying position, excluding R&D, passthrough and non-recurrent items)

I & E Subjective £ms	IN MONTH 12				YEAR TO DATE				FULL YEAR Plan
	Plan	Actual	Var	Var %	Plan	Actual	Var	Var %	
<b>Income</b>									
Commissioning Income	101.5	99.3	(2.2)	(2.2%)	1,213.5	1,191.6	(21.9)	(1.8%)	1,213.5
Other Income	11.4	12.9	1.4	12.6%	130.7	136.6	6.0	4.6%	130.7
PP, Overseas and RTA Income	1.6	1.8	0.3	16.6%	17.6	17.8	0.2	1.1%	17.6
<b>Total Income</b>	<b>114.5</b>	<b>114.0</b>	<b>(0.5)</b>	<b>(0.4%)</b>	<b>1,361.8</b>	<b>1,346.0</b>	<b>(15.8)</b>	<b>(1.2%)</b>	<b>1,361.8</b>
<b>Pay</b>									
Consultants and Medics	(25.9)	(27.1)	(1.3)	(4.9%)	(316.5)	(322.1)	(5.6)	(1.8%)	(316.5)
Health Care Assistants & Support	(6.6)	(6.4)	0.2	2.6%	(79.9)	(79.8)	0.1	0.1%	(79.9)
Nurse and Midwives	(17.1)	(20.9)	(3.8)	(22.0%)	(219.8)	(255.1)	(35.3)	(16.0%)	(219.8)
Other Staff	(14.8)	(12.9)	2.0	13.2%	(167.0)	(136.5)	30.6	18.3%	(167.0)
Scientific, Therapeutic and Technical	(10.0)	(10.0)	0.0	0.3%	(123.7)	(123.1)	0.6	0.5%	(123.7)
<b>Total Pay</b>	<b>(74.5)</b>	<b>(77.4)</b>	<b>(2.9)</b>	<b>(3.8%)</b>	<b>(907.0)</b>	<b>(916.6)</b>	<b>(9.6)</b>	<b>(1.1%)</b>	<b>(907.0)</b>
<b>Non-Pay</b>									
Clinical negligence	(3.1)	(2.7)	0.5	15.4%	(37.7)	(37.0)	0.7	1.8%	(37.7)
Clinical Supplies & Services	(8.8)	(12.5)	(3.8)	(43.0%)	(122.4)	(139.7)	(17.3)	(14.2%)	(122.4)
Drugs & Devices	(4.0)	(7.2)	(3.3)	(81.5%)	(48.9)	(43.7)	5.2	10.7%	(48.9)
General Supplies & Services	(0.2)	(0.7)	(0.5)	(212.9%)	(4.5)	(6.9)	(2.4)	(54.8%)	(4.5)
Internal Recharges	0.1	0.9	0.8	603.1%	1.5	2.8	1.3	87.4%	1.5
Premises & Fixed Plant	(8.1)	(9.6)	(1.5)	(18.3%)	(113.4)	(122.1)	(8.7)	(7.7%)	(113.4)
Other Expenditure	(5.5)	(7.4)	(2.0)	(36.3%)	(53.3)	(70.9)	(17.7)	(33.2%)	(53.3)
<b>Total Non-Pay</b>	<b>(29.6)</b>	<b>(39.3)</b>	<b>(9.7)</b>	<b>(32.9%)</b>	<b>(378.6)</b>	<b>(417.5)</b>	<b>(38.9)</b>	<b>(10.3%)</b>	<b>(378.6)</b>
<b>Underlying EBITDA</b>	<b>10.4</b>	<b>(2.6)</b>	<b>(13.1)</b>	<b>(125.4%)</b>	<b>76.2</b>	<b>11.9</b>	<b>(64.3)</b>	<b>(84.4%)</b>	<b>76.2</b>
<b>Financing and Capital Charges (Excl Tech Adj)</b>	<b>(9.3)</b>	<b>(7.7)</b>	<b>6.8</b>	<b>0.0%</b>	<b>(94.7)</b>	<b>(88.8)</b>	<b>5.9</b>	<b>0.0%</b>	<b>(94.7)</b>
<b>Underlying Surplus / (Deficit)</b>	<b>1.1</b>	<b>(10.4)</b>	<b>(11.5)</b>	<b>(1044.3%)</b>	<b>(18.5)</b>	<b>(77.0)</b>	<b>(58.5)</b>	<b>(316.1%)</b>	<b>(18.5)</b>

### Income

- Underlying commissioning income (excluding passthrough), is £21.9m worse than plan YTD. This reflects the underperformance of some additional income items such as delayed business case delivery or changes to the payment regime leaving some activity as block not cost and volume (£13.0m impact YTD).
- Underlying other income is £6.0m better than plan YTD (Driven by £3.3m increase in service charges to the University).
- Underlying PP, Overseas and RTA income is £0.2m worse than plan YTD.

### Pay

- Underlying pay is £9.6m worse than plan YTD. This is mainly due to a shortfall against planned cash releasing pay efficiencies of £5.1m.

### Non-Pay

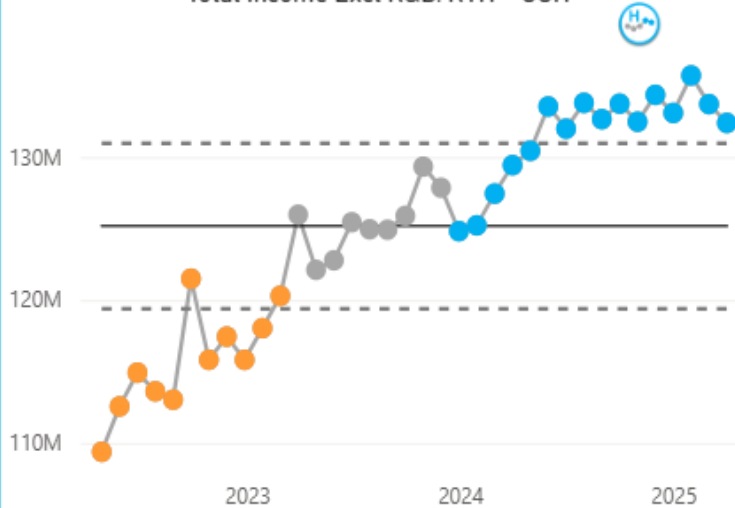
- Underlying non-pay is £38.9m worse than plan YTD. Analysis of non-pay drivers this year revealed an underlying pressure on the level of non-pay spend from non-elective activity growth and inflation pressures being closer to CPI than the NHS Cost Uplift factor.
- A shortfall of £9.6m on cash releasing efficiencies is a further driver of the underlying non pay variance.

## Income Overview

Source: Finance Ledger

\*Income in the charts below were adjusted to remove the FY22, FY23 and FY24 (month 12) year-end pension and annual leave accruals. FY23 was also adjusted to remove the non-consolidated AFC pay bonus funding accrual and to smooth the FY24 AFC and medical pay awards over the YTD. A number of income items including RTA catch up and API performance in FY2024 has been smoothed over the year to avoid distortion to the underlying run rate.

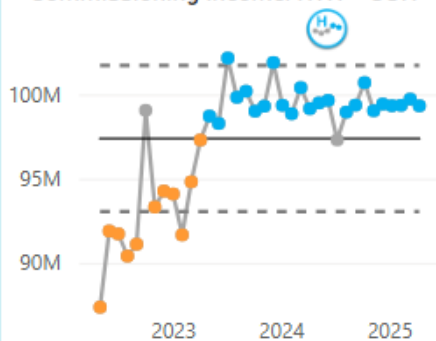
**Total Income Excl R&D: RTH - \*OUH**



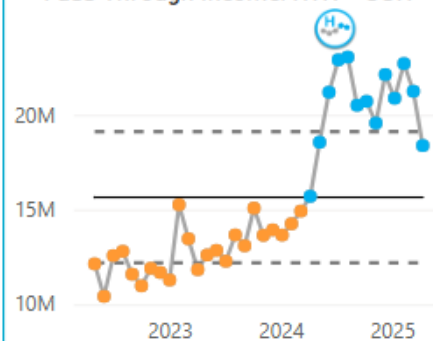
### March 2025 (Month 12) - Total in-month Income of £210.2m

- Passthrough income was £2.8m lower than the previous month and non-passthrough increased by £5m due to ERF and other smaller items.
- The YTD performance indicates activity is running above the commissioned target of c.107% of the VWA delivered in 2019/20. The Trust's plan had assumed achievement of 109% VWA and the M12 value recognises the correction of under-coding and gives a final view for the year of £8.3m above plan.
- Other income was £4.2m lower in March than February. February had included a number of one-off and catch-up items of income recognition. March was still c£5m above the average other income for the year with the main driver being £3.3m of increases to service charges for the University's use of Trust space.
- Private patients, overseas and RTA income decreased in March by £0.1m.

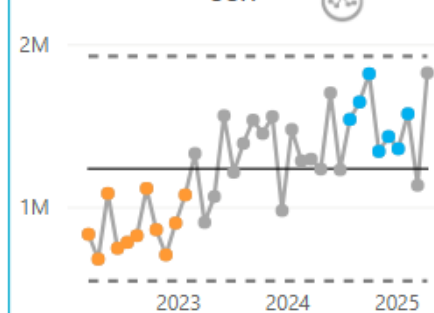
**Commissioning Income: RTH - OUH**



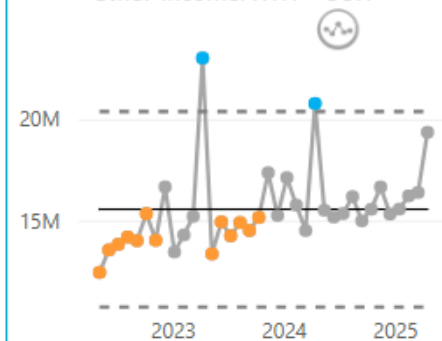
**Pass Through Income: RTH - OUH**



**PP, Overseas & RTA Income: RTH - OUH**



**Other Income: RTH - OUH**



### SPC Trend Analysis

Total Income has consistently increased over the last financial year, driven by commissioning income and passthrough income (also seen in the '[Commissioning Income](#)' and '[Pass Through Income](#)' charts above). This a result of the pay award funding as well as the recognition of additional non-recurrent commissioner funding in the second half of 2022/23 and 2023/24.

- [Total Income](#) in March 2022 and March 2023 were all significantly high as a result of year-end adjustments and R&D income.
- [PP, Overseas and RTA Income](#) showed an upward trend in 2023/24, this is driven by changes in the RTA income capture process.

## Value Weighted Elective Activity only: by Point of Delivery (POD)

POD	2024-25			2019-20	Variance 2425 actual v 1920 baseline	
	M1-11 plan	M1-11 actual	M1-11 Variance	M1-11 1920 baseline		
	£m	£m	£m	£m	£m	%
Day Case	73.01	70.48	(2.54)	70.34	0.13	0.2%
Elective Inpatient	93.64	86.01	(7.63)	82.46	3.55	4.3%
Elective Excess Beddays	1.23	1.00	(0.24)	1.68	(0.68)	-40.7%
Outpatient First Appts	66.38	62.01	(4.37)	68.53	(6.52)	-9.5%
Outpatient Procedures	21.64	27.02	5.37	14.82	12.20	82.3%
<b>Total</b>	<b>255.90</b>	<b>246.51</b>	<b>(9.39)</b>	<b>237.83</b>	<b>8.68</b>	<b>3.6%</b>

## Value Weighted Elective Activity only, by Commissioner

Commissioner	2024-25			2019-20	Variance 2425 actual v 1920 baseline	
	M1-11 plan	M1-11 actual	M1-11 Variance	M1-11 1920 baseline		
	£m	£m	£m	£m	£m	%
BOB ICB	133.22	136.11	2.88	132.15	3.96	3.0%
NHSE Spec Comm	99.61	87.44	(12.17)	78.40	9.05	11.5%
Other Commissioners	23.07	22.96	(0.11)	27.29	(4.33)	-15.9%
<b>Total</b>	<b>255.90</b>	<b>246.51</b>	<b>(9.39)</b>	<b>237.83</b>	<b>8.68</b>	<b>3.6%</b>

## Value Weighted Elective Activity only: by Division

Division	2024-25			2019-20	Variance 2425 actual v 1920 baseline	
	M1-11 plan	M1-11 actual	M1-11 Variance	M1-11 1920 baseline		
	£m	£m	£m	£m	£m	%
NOTSSCAN	122.21	114.73	(7.48)	111.67	3.06	2.7%
SUWON	74.82	72.71	(2.11)	71.91	0.80	1.1%
MRC	51.07	51.15	0.08	50.23	0.92	1.8%
CSS	7.81	7.92	0.11	4.02	3.91	97.3%
<b>Total</b>	<b>255.90</b>	<b>246.51</b>	<b>(9.39)</b>	<b>237.83</b>	<b>8.68</b>	<b>3.6%</b>

NB Data taken from SLAM M11 2425, adjusted to exclude non-ERF elective activity and PSS Top Ups

1920 baseline: 1920 activity

'Other Commissioners' includes LVAs - these are fixed payments; no overperformance will be paid

These figures are from the current version of SLAM, adjusted to exclude the PSS Top Up applied to some NHSE Specialised Commissioning activity. The PSS payments are outside the ERF payment mechanism. M1-9 figures have been published by NHSE on ERF performance in 24/25, and OUH figures are being reconciled to them. All datasets indicate that the Trust continues to underperform against the national ERF targets and therefore will not be delivering the income generation/stretch targets.

By POD:

- Value Weighted Activity was high in M11; in 24/25, it was second only to the average daily activity undertaken in M8, and averaged £1.11m per working day.

- A data issue with OPPROCs being reported as OPFAs has been corrected and continues to support the improved figures.

By Commissioner:

- The M1-9 figures from NHSE show that the OUH is below target for the majority of Commissioners, only achieving above the 2425 target for BOB ICB, Northamptonshire ICB & Beds, Luton and Milton Keynes ICB.

By Division

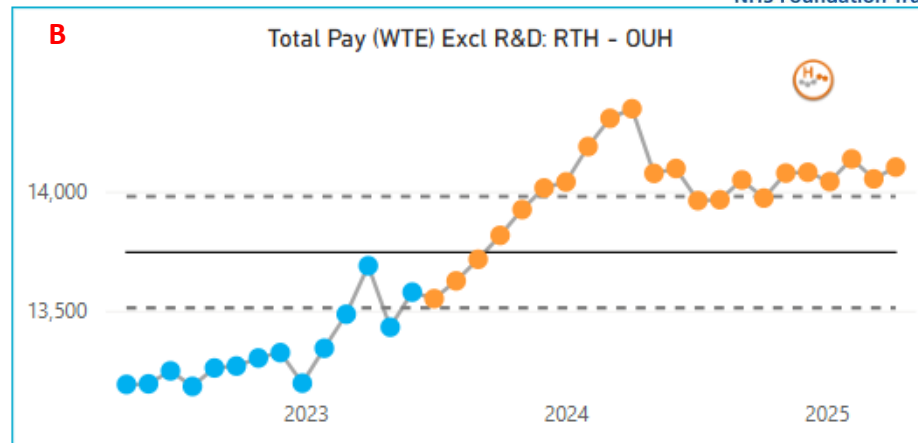
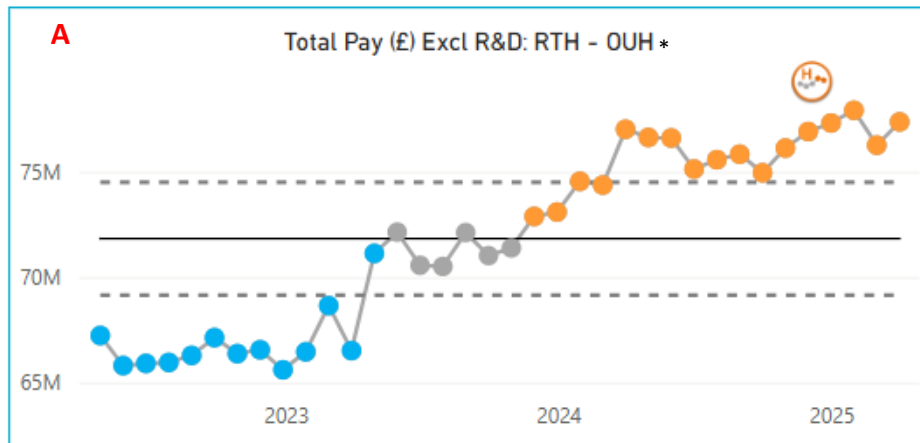
- NOTSSCAN's income variance is due to shortfalls in elective inpatients (-£5m) and outpatient first appointments (-£4.4m). This is mitigated by over performance on OPPROCs (+£2.9m).

- At a directorate level these are driven by elective inpatients in Children's, Neurosciences and Specialist Surgery (all between -£1.5 and -£1.8m). The outpatient first appointments in Ophthalmology (-£2.2m) are offset by OPPROCs overperforming by +£2.7m.



# Pay: Run Rate Overview

Source: Finance Ledger, excluding R&D costs, including COVID and recovery costs.



\*Pay spend in the chart above was adjusted to remove the FY23 and FY24 (month 12) pension and annual leave accruals. The pay awards in each year were spread across the YTD once arrears paid. The additional FY23 non-consolidated AFC pay bonus accrual has been removed. The annual leave accrual releases throughout the year were removed. FY22 pay spend was not adjusted for inflation.

Mar 2025  
(Month 12)

£131.3m  
(£128.0m  
excl.  
R&D)

14,102  
WTE

- Substantive staffing costs, adjusted for the pension contributions, were £0.9m lower in March compared to February. Excluding R&D, substantive pay decreased by £1.1m driven by one-off benefits of revenue to capital transfers for SDE (£1.6m) and the release of accrued costs of national CEA awards (£2.3m). The Trust plan is based on the month 1-9 run rate of 23/24, the run rate for substantive staff increased in quarter 4 and though it had reduced since April it continues to be above the plan assumption and has shown an increasing trend in recent months. The Trust has implemented financial controls on vacancies as part of the overall financial controls required across the ICB.
- Temporary staff in-month expenditure was £0.9m higher in March compared to February. Bank staff costs accounted for most of the increase. By the end of March 371 WTE had been achieved against the 700 WTE targeted reduction. Compared to December 23 temporary staffing costs this month have reduced by £2.7m, reflecting the work to provide additional controls in Q4 over temporary staffing.
- Overall WTEs increased by 49 in March compared to February (excluding R&D), driven by temporary staffing. Substantive staff decreased by 14 WTE, Bank staff increased by 45 WTE and agency staff increased by 18 WTE.
- Additional Measures in Q4 to reduce pay expenditure were brought in at the end of January, including a Q4 Pay bill target reduction of £3.5m, measured against the baseline of month 9 pay costs. As at month 11, forecast delivery is £2.6m for Q4. Other additional measures implemented include strict controls around recruitment, pausing and reprioritising business case implementation and delaying non-clinical non-pay projects without short term return on investment.

Trend  
Analysis

- Pay spend continued its upward trend in Q4, albeit at a reduced rate, in part due to lower costs in February. Overall WTE has been stable and trended more slowly upwards (with decreases in bank and agency staff masking an upward trend in substantive staff). These are shown in Chart A and B above. Prior to this year, the previously increasing trend was driven by the annual pay awards, alongside other increases in pay relating to approved business cases, overall pay increase for Junior Doctors, open escalation beds and the use of temporary staffing to backfill sickness. Trend by staff group and type are shown in the additional detail provided in the Diligent Reading Room.



# Non-Pay Run Rate Overview

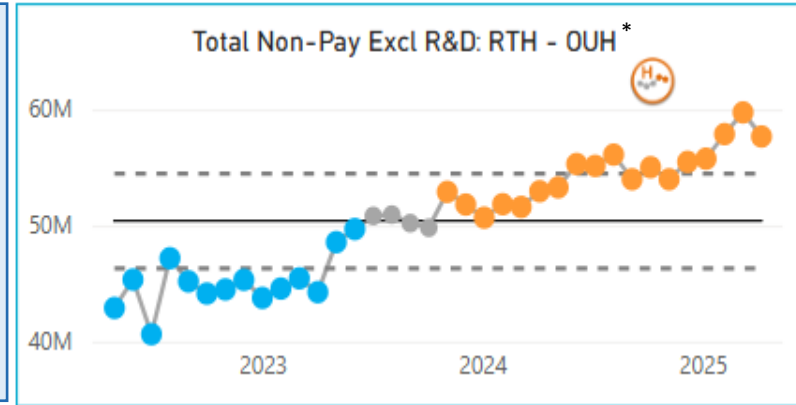


Source: Finance Ledger, excluding R&D costs, including COVID and recovery costs.

\* FY23 non-pay spend in the charts below has been adjusted to remove the ROE staff non-consolidated AFC pay bonus accrual.

## March 2025 (Month 12) – Total Non-Pay £54.3m (£50.5m excl. R&D)

- Total non-pay was £6.8m lower in March than in February. Excluding R&D, non-pay costs were £9.4m lower than last month. This is mainly due to premises expenditure being £9.1m better than last month, driven by the creation of a debtor for the Churchill PFI (£6.0m) and the release of a PFI provision (£1.1m).
- Underlying non-pay at £39.1m is £4.7m higher than the average for this financial year, this is primarily driven by increased supplies and services costs.
- The 2024/25 plan includes £4.6m more per month in pass-through items that were classified as non-pass through in 2023/24. This has the effect of distorting the trend for the pass through and non-passthrough drugs in the charts below.

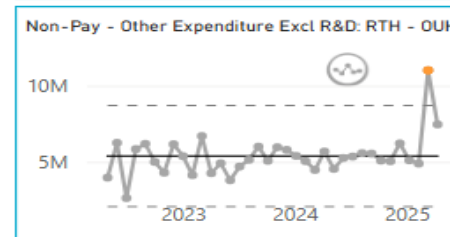
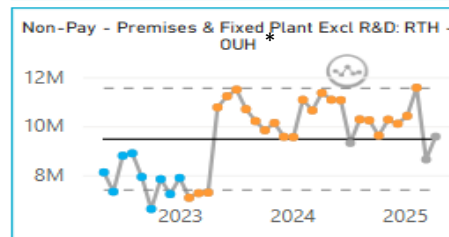
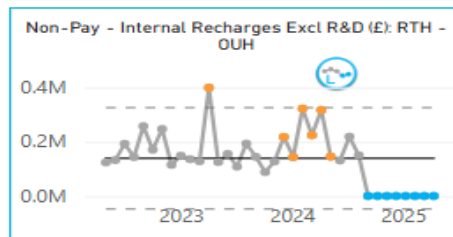
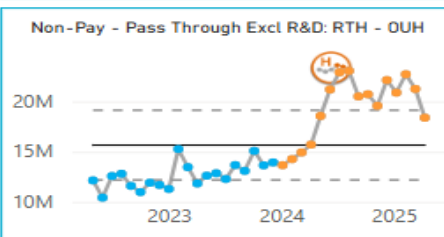
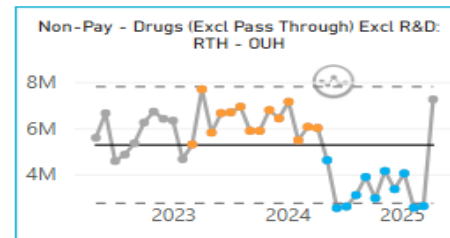
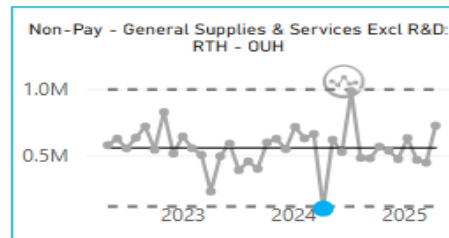
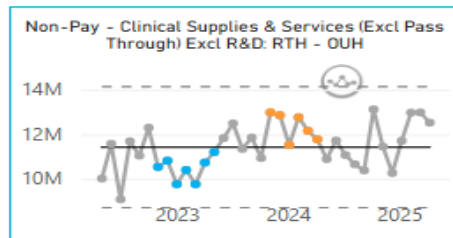
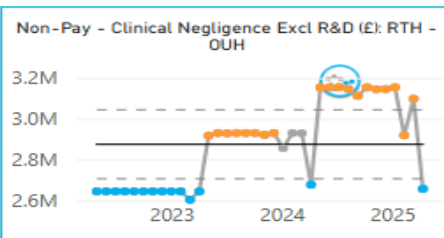


## SPC Trend Analysis

Non-pay expenditure has increased over the last two financial years and is an adverse special cause variation. This is driven by three principal factors.

- Activity driven non-passthrough costs, analysis suggest that in 2023/24 activity increased by 4.4%, we were also exposed to increased inflation, above the CUF assumed in the plan (+3.1%). These are seen in the clinical supplies special cause variation in H2 2023/24.
- Non-elective (NEL) activity has grown significantly over the last 12 months (along with ALOS), this growth is unfunded in the commissioner contracts (see Non-Elective Activity analysis in the reading room pack).
- Non-activity driven non-pay costs have been impacted by extra-inflationary increases, premises & fixed plant has seen an increase in PFI costs from high RPI uplifts over the last two years (in excess of that allowed for in the CUF). Energy prices increased 226% in 2023/24 driving up costs in this area.

(Drugs (excluding passthrough) costs have reduced since re-categorising some pass-through items incorrectly included in non-pass through in 2023/24).



Indicator	Target	Unit	£/unit	Actual vs Target (£m)						
				Q1 24-25	Q2 24-25	Q3 24-25	Jan-25	Feb-25	Mar-25	Total YTD
Elective ALOS	3.9	Days, per Patient	1 day = £0.740m/month	(£0.7)	£0.5	(£0.6)	£0.3	£0.1	£0.1	(£0.4)
Non-Elective ALOS	4	Days, per Patient	1 day = £4.2m/month	£1.7	£2.9	£2.1	(£0.4)	(£0.8)	£0.0	£5.4
Theatre Session Units (Planned)	1,782	Sessions per month	1 session = £12.1k income	(£4.9)	£1.9	£0.3	£2.5	(£1.5)	(£0.4)	(£2.0)
Non F2F Outpatients Appointments	25%	% of all appt	1 Appt = £100	(£2.4)	(£2.5)	(£2.3)	(£0.8)	(£0.7)	(£0.7)	(£9.4)
Staff Sickness Rate	3.1%	% of staff	1% = £0.85m/month	(£2.1)	(£3.1)	(£4.5)	(£1.5)	(£1.3)	(£0.9)	(£13.3)
Staff Turnover Rate	12%	% of staff	1% = £440k/month	£2.4	£2.7	£3.1	£1.1	£1.1	£1.1	£11.5
Total Impact, Favourable/(Adverse)				(£6.0)	£2.5	(£1.9)	£1.1	(£3.1)	(£0.9)	(£8.2)

### Impact of key indicators

The selected productivity key indicators above represent the drivers to performance and the financial impact of movements versus the Trust's planning assumptions. The approach seeks to join up the operational data with the financial run rate.

The Trust's run rate deficit is driven by the estimated negative impact of reductions in productivity. For the full year, the overall negative impact is estimated at **£8.2m** and is driven by:

- **£0.4m** from an increase in Elective ALOS (vs. prior year), predominantly for activity that excludes medically fit patients.
- **£2.0m** from a decrease in planned Theatres sessions activity compared to prior year. There is a significant decrease of Theatre sessions in Jun-24 of **£2.9m**, likely linked to industrial action. Since Sep24 ALOS has steadily increased from 3.6 to 4.2 days.
- **£9.4m** from the proportion of Non-F2F Outpatients appointments being too low (target of 25%).
- **£13.3m** from sickness rate landing above trust target (for the 12-month rolling average and the in-month rate), This drives the use of temporary staffing to fill staffing gaps. For month 8-10 the 12-month rolling was 4.1%, increasing to 4.2% in months 11 & 12, however the in-month rate has been reducing during February/March and is now at 4.2% (lowest for 7 months).
- The YTD estimated positive financial impact of **£11.5m** for staff turnover, which was achieved through programmes targeting hospital discharges and recruitment of international nurses, and **£5.4m** for ALOS for NEL activity.

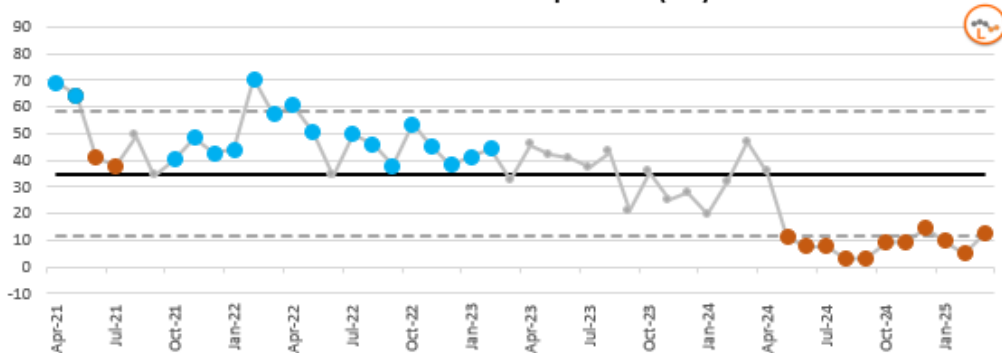
	Plan 2024/25 (£m)	Plan YTD (£m)	Delivered YTD (£m)	Variance to Plan (£m)	Percentage Delivered
<b>Income</b>					
Private Patient	1.4	1.4	1.4	0.1	105%
Overseas Visitors	0.4	0.4	0.2	-0.2	51%
Non-Patient Care/Other Income	19.0	19.0	12.9	-6.1	68%
<b>Total Income</b>	<b>20.8</b>	<b>20.8</b>	<b>14.5</b>	<b>-6.3</b>	<b>70%</b>
<b>Pay</b>					
Bank	31.0	31.0	11.7	-19.2	38%
Agency	4.2	4.2	13.3	9.0	313%
Staffing	2.4	2.4	12.4	10.0	515%
<b>Total Pay</b>	<b>37.6</b>	<b>37.6</b>	<b>37.4</b>	<b>-0.2</b>	<b>100%</b>
<b>Non-Pay</b>					
Medicines efficiencies	1.2	1.2	0.6	-0.6	48%
Procurement	9.0	9.0	13.3	4.3	148%
Net zero carbon	1.0	1.0	0.0	-1.0	0%
Other Non-Pay	18.9	18.9	14.0	-4.9	74%
<b>Total Non-Pay</b>	<b>30.1</b>	<b>30.1</b>	<b>27.9</b>	<b>-2.2</b>	<b>93%</b>
Non-EBITDA	4.0	4.0	3.8	-0.2	0%
<b>TOTAL £m</b>	<b>92.5</b>	<b>92.5</b>	<b>83.7</b>	<b>-8.8</b>	<b>90%</b>

Division	Plan (£m)	Identified 2024/25 (£m)	Percentage Identified 2024/25	Delivered YTD (£m)	Variance to Plan YTD (£m)	Percentage Delivered
CSS	12.8	13.4	104%	10.0	-2.8	78%
MRC	15.6	18.8	121%	19.1	3.5	123%
NOTSSCAN	18.9	20.6	109%	15.3	-3.6	81%
SUWON	17.0	16.1	95%	15.9	-1.1	94%
Corporate	5.8	4.4	75%	3.9	-1.9	67%
Operational Services	0.8	0.8	100%	0.3	-0.6	31%
Education	0.9	0.0	1%	0.0	-0.9	1%
Estates	1.7	5.8	347%	5.8	4.2	347%
Central	18.9	21.9	116%	13.3	-5.7	70%
<b>TOTAL £m</b>	<b>92.5</b>	<b>101.8</b>	<b>110%</b>	<b>83.7</b>	<b>-8.8</b>	<b>90%</b>

## Efficiency savings

- Total efficiencies delivered in 2024/25 is £83.7m (£67.8m I&E impacting) which is £8.8m below plan of £92.5m (all I&E impacting). However, the result is driven by central non-recurrent items, including agreement of balances £3.3m and review of PFI £1.2m, valuation gains £3.3m and £1.1m relating to reclaim of VAT.
- The clinical divisions delivered £60.4m of efficiencies (£48.3m I&E Impacting), which is £3.9m behind plan.
- The corporate directorates (including estates) delivered £10.0m of efficiencies which is £0.8m above plan and this includes RTA income (above plan) of £1.4m.
- The central efficiency plan for 2024/25 was a total of £18.9m, of which £13.2m are non-recurrent efficiencies. £13.3m was delivered, driven by agreement of balances £3.3m and review of PFI £1.2m. The YTD position includes schemes that have delivered earlier than initially planned. The majority of the plan (84%) was phased for delivery in Q4 24/25.

Cash and Cash Equivalent (£m)

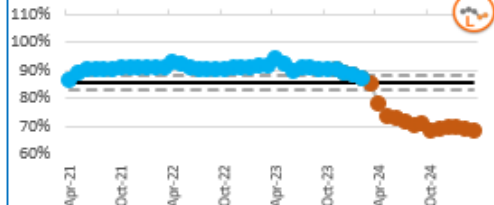


## Cash

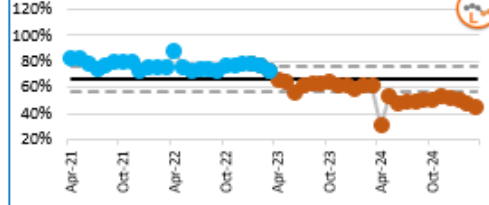
Cash decreased year-to-date (YTD) by £34m. Headline reasons for the decrease YTD are:

- £10m receipt of PDC revenue support;
- £30m increase in trade and other receivables – intra NHS is primarily the cause, also a new long-term debtor related to PFI;
- £25m repaying borrowings including PFI liabilities;
- £66m payment of capital (including prior year capital creditors); and
- £16m receipt of Capital PDC funding.

BPPC £ % NON-NHS



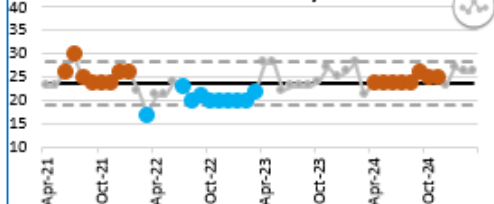
BPPC £ % NHS



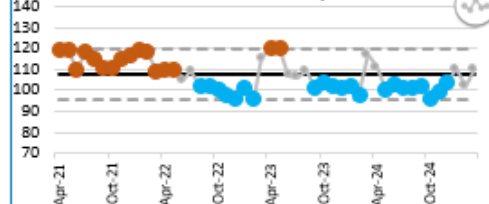
## Better Payment Practice Code (BPPC)

Performance has declined due to less cash being available to pay suppliers.

Debtor Days



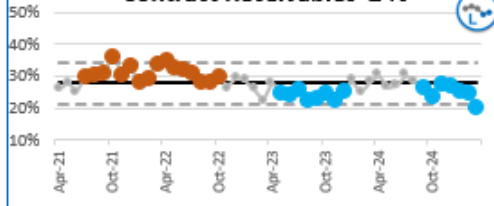
Creditor Days



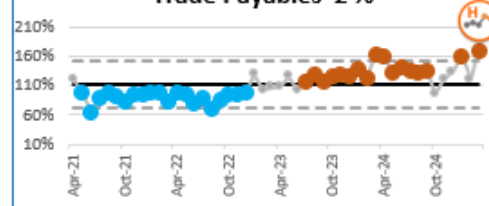
## Contract Receivables as a % income

Contract receivables are in line with trends.

Contract Receivables £ %



Trade Payables £ %



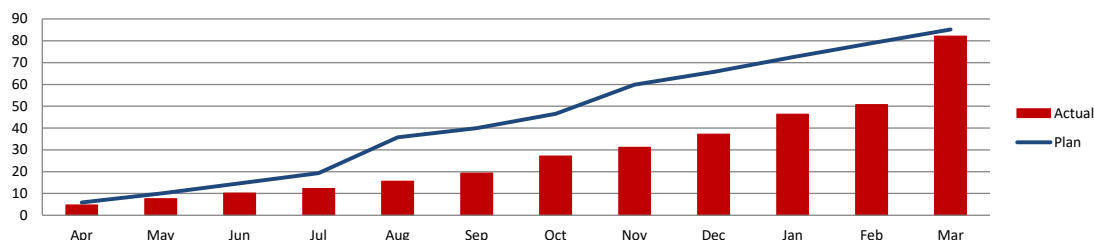
## Trade Payables as a % of costs

Trade payables are running higher than average due to the Trust not having sufficient funds to pay all amounts falling due.

£m	IN MONTH 12			YEAR TO DATE			Full year Plan
	Plan	Actual	Variance	Plan	Actual	Variance	
Gross Capital Expenditure included in Capital Allocation	£3.3	£18.4	(£15.1)	£29.5	£36.7	(£7.2)	£29.5
Less disposals/other deductions included in CDEL	£0.0	(£0.0)	£0.0	£0.0	(£0.1)	£0.1	£0.0
Purchase/(Sale) of Financial Assets	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0
<b>Net Capital Expenditure included in Capital Allocation before IFRS 16</b>	<b>£3.3</b>	<b>£18.4</b>	<b>(£15.1)</b>	<b>£29.5</b>	<b>£36.6</b>	<b>(£7.1)</b>	<b>£29.5</b>
IFRS 16 - Right of Use assets/Lease accounting	£0.3	£4.3	(£4.1)	£19.7	£13.4	£6.3	£19.7
<b>Net Capital Expenditure included in Capital Allocation after IFRS 16</b>	<b>£3.5</b>	<b>£22.7</b>	<b>(£19.1)</b>	<b>£49.2</b>	<b>£50.0</b>	<b>(£0.8)</b>	<b>£49.2</b>
National Funding PDC	£0.5	£5.7	(£5.2)	£4.6	£8.2	(£3.7)	£4.6
Residual interest (UK GAAP accounting for PFI life-cycling)	£0.5	£0.4	£0.0	£5.4	£5.4	£0.0	£5.4
<b>Capital Departmental Expenditure Limit (CDEL)</b>	<b>£4.5</b>	<b>£28.8</b>	<b>(£24.3)</b>	<b>£59.2</b>	<b>£63.6</b>	<b>(£4.5)</b>	<b>£59.2</b>
Charitable and other donations	£0.4	£0.1	£0.3	£3.3	£1.3	£2.0	£3.3
Government grants	£0.3	£1.5	(£1.2)	£12.4	£11.5	£0.9	£12.4
IFRIC 12 - PFI life-cycling (less Residual Interest)	£1.0	£1.0	£0.0	£10.4	£5.6	£4.8	£10.4
<b>Net Capital Expenditure</b>	<b>£6.2</b>	<b>£31.4</b>	<b>(£25.3)</b>	<b>£85.3</b>	<b>£82.1</b>	<b>£3.2</b>	<b>£85.3</b>
Add back sales, disposals, and other deductions	£0.0	£0.0	(£0.0)	£0.0	£0.1	(£0.1)	£0.0
<b>Gross Capital Expenditure</b>	<b>£6.2</b>	<b>£31.4</b>	<b>(£25.3)</b>	<b>£85.3</b>	<b>£82.1</b>	<b>£3.1</b>	<b>£85.3</b>

£m	IN MONTH 12			YEAR TO DATE			Full year Plan
	Plan	Actual	Variance	Plan	Actual	Variance	
Replacement / compliance	£3.8	£12.2	(£8.4)	£47.4	£46.9	£0.5	£47.4
Clinical strategy	£2.3	£17.5	(£15.2)	£37.5	£31.8	£5.7	£37.5
People plan	£0.0	£0.0	£0.0	£0.4	£0.4	(£0.1)	£0.4
Other	£0.0	£1.7	(£1.7)	£0.0	£3.0	(£3.0)	£0.0
<b>Gross Capital Expenditure</b>	<b>£6.2</b>	<b>£31.4</b>	<b>(£25.3)</b>	<b>£85.3</b>	<b>£82.1</b>	<b>£3.1</b>	<b>£85.3</b>

Cumulative Performance Against Plan (£m)



Gross CapEx at year end was £82.1m, £3.1m below plan, overall.

Note: base plan has not been adjusted for in-year awards.

Spend within the ICS CDEL allocation after IFRS is £50.0m, over plan by £0.8m.

Spend within the IFRS bracket was £6.3m under plan due to lower than planned impact of leases for MK and Abbott. The CDEL impact of leases under IFRS16 is based on the lease repayments over then contract term rather than the full capital value.

Spend within the original ICS CDEL allocation (before IFRS16) is £36.6m, £7.1m above plan, overall, offsetting the IFRS16 shortfall, with variances within that total:

Major overspends: self-funded SDE £7.5m over, including staff capitalization and revenue to capital transfers; CT (ED) £1.1m, which required replacement in year but was not in plan; MEPG and MERRP £0.7m over, due accelerated acquisitions; RAAC £1.2m over, including additional funding; Estates CIR £1.8m, including carry forwards from prior and new pressures identified in year; PSDS (self-funded) £0.7m, including accelerated works.

Major underspends: SEC £2.3m under, due to deferment of works on SSD/substation; BiPlane, £2.9m as moved to MSA contract in 2025/6; Gamma, £2.5m, likewise; digital infrastructure for MK Radiotherapy, £0.8m in plan not required.

Other variances outside ICS CDEL include: PDC £0.4m, predominantly due to undelivered order on Imaging DDCP, NIHR grants £1.0m, following a restructuring of the equipment award in year and a new award for Pharmacy refurb, charitable and other donations (£2.0m), mostly due HH Dialysis, deferred subject to confirmation of funding, and PFI life-cycling (£4.8m), due to restructuring of MES life-cycling post DoV.

## **Appendix 1 – Other Supporting Analysis: Month 12 2024/25**

## Adjusted Run Rate and Underlying Position

2024/25 Reported Position excl. Pass-through and R&D £m	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	YTD
Income	107.2	108.1	103.6	104.9	107.8	113.5	136.3	114.8	115.5	113.9	121.1	185.3	<b>1,432.1</b>
Pay	(75.1)	(73.7)	(73.4)	(73.1)	(73.1)	(72.6)	(94.3)	(77.4)	(77.5)	(77.3)	(73.3)	(128.0)	<b>(968.7)</b>
Non-Pay	(32.2)	(31.4)	(29.0)	(31.9)	(32.9)	(31.4)	(34.6)	(29.8)	(32.5)	(30.5)	(38.7)	(32.1)	<b>(387.1)</b>
Operational EBITDA	(0.0)	2.9	1.3	(0.2)	1.8	9.4	7.3	7.7	5.4	6.1	9.2	25.2	<b>76.3</b>
Financing and Capital Charges (Excl Tech Adj)	(6.6)	(8.0)	(7.3)	(7.9)	(7.0)	(6.1)	(7.6)	(7.4)	(7.3)	(8.2)	(9.6)	(2.7)	<b>(85.8)</b>
Operational Surplus / (Deficit)	(6.7)	(5.1)	(6.1)	(8.0)	(5.2)	3.3	(0.3)	0.3	(1.8)	(2.1)	(0.4)	22.5	<b>(9.5)</b>
<b>Smoothing Adjustments</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>	<b>YTD</b>
Income	4.6	5.3	5.5	7.1	3.9	4.2	(19.5)	(2.0)	0.5	(0.7)	(5.1)	(4.0)	<b>0.0</b>
Pay	(1.7)	(2.6)	(2.1)	(2.6)	(2.8)	(2.4)	14.1	0.4	0.2	(0.1)	0.0	(0.4)	<b>0.0</b>
Non-Pay	(1.1)	(0.8)	(0.0)	(0.2)	0.6	(0.9)	0.8	(2.2)	(0.7)	(0.2)	(1.0)	5.7	<b>0.0</b>
Financing and Capital Charges	(0.5)	0.5	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.8	2.8	(3.5)	<b>0.0</b>
Smoothing Adjustments Total	1.4	2.5	3.3	4.2	1.8	0.9	(4.6)	(3.8)	(0.0)	(0.3)	(3.1)	(2.3)	<b>0.0</b>
<b>2024/25 'Smoothed' Position excl. Pass-through and R&amp;D £m</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>	<b>YTD</b>
Income	111.9	113.4	109.1	112.0	111.7	117.6	116.8	112.9	116.0	113.2	116.1	181.4	<b>1,432.1</b>
Pay	(76.8)	(76.4)	(75.5)	(75.8)	(75.8)	(75.0)	(80.2)	(76.9)	(77.3)	(77.5)	(73.2)	(128.4)	<b>(968.7)</b>
Non-Pay	(33.2)	(32.2)	(29.0)	(32.2)	(32.3)	(32.3)	(33.9)	(32.1)	(33.2)	(30.7)	(39.6)	(26.5)	<b>(387.1)</b>
Operational EBITDA	1.9	4.8	4.6	4.1	3.6	10.4	2.8	3.9	5.4	5.1	3.2	26.5	<b>76.3</b>
Financing and Capital Charges (Excl Tech Adj)	(7.2)	(7.4)	(7.3)	(7.9)	(7.1)	(6.2)	(7.6)	(7.4)	(7.3)	(7.4)	(6.8)	(6.2)	<b>(85.8)</b>
Operational Surplus / (Deficit)	(5.3)	(2.6)	(2.7)	(3.8)	(3.4)	4.2	(4.9)	(3.5)	(1.8)	(2.4)	(3.5)	20.3	<b>(9.5)</b>
<b>Run Rate Adjustments</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>	<b>YTD</b>
Income	0.0	(1.1)	(0.0)	(1.2)	0.4	(4.6)	(3.9)	(0.7)	(3.8)	(0.2)	(3.6)	(67.3)	<b>(86.1)</b>
Pay	0.2	(0.2)	0.4	0.2	0.0	0.0	4.1	0.0	0.0	(0.5)	(3.1)	51.0	<b>52.1</b>
Non-Pay	(1.5)	(1.9)	(3.3)	(0.9)	(1.2)	(2.0)	(0.6)	(1.3)	(1.6)	(4.5)	1.1	(12.6)	<b>(30.2)</b>
Financing and Capital Charges	0.0	0.0	(0.1)	0.0	0.0	(1.4)	0.0	0.0	(0.1)	0.0	0.0	(1.7)	<b>(3.2)</b>
Run Rate Adjustments Total	(1.4)	(3.2)	(3.0)	(1.9)	(0.8)	(8.0)	(0.4)	(1.9)	(5.5)	(5.2)	(5.5)	(30.7)	<b>(67.4)</b>
<b>2024/25 Run Rate Position excl. Pass-through and R&amp;D £m</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>	<b>YTD</b>
Income	111.9	112.3	109.1	110.7	112.1	113.0	112.9	112.2	112.2	113.0	112.5	114.0	<b>1,346.0</b>
Pay	(76.6)	(76.6)	(75.1)	(75.6)	(75.8)	(75.0)	(76.1)	(76.9)	(77.3)	(77.9)	(76.3)	(77.4)	<b>(916.6)</b>
Non-Pay	(34.7)	(34.1)	(32.2)	(33.1)	(33.5)	(34.3)	(34.4)	(33.4)	(34.9)	(35.2)	(38.5)	(39.1)	<b>(417.3)</b>
Operational EBITDA	0.5	1.6	1.7	2.1	2.8	3.8	2.4	2.0	0.0	(0.1)	(2.3)	(2.4)	<b>12.1</b>
Financing and Capital Charges (Excl Tech Adj)	(7.2)	(7.4)	(7.4)	(7.9)	(7.1)	(7.5)	(7.6)	(7.4)	(7.3)	(7.4)	(6.7)	(8.0)	<b>(89.0)</b>
Operational Surplus / (Deficit)	(6.7)	(5.8)	(5.7)	(5.8)	(4.2)	(3.8)	(5.3)	(5.5)	(7.3)	(7.5)	(9.0)	(10.4)	<b>(76.9)</b>

### Revisions to monthly underlying deficit values

To note, the estimated monthly underlying deficit can change in subsequent months due to new income or expenditure items which are then smoothed over prior months (if applying to the YTD), for example when the pay award funding and costs are actioned in the year. Further analysis can sometimes also mean adjustments to the monthly estimated deficits are necessary.

- This table shows underlying financial position to the end of the financial year adjusted for timing differences (smoothing adjustments in the table above) and the position when in-year one-off costs and benefits are removed from the reported position (run rate adjustments in the table above).
- The average run rate deficit for 2022/23 was £2.2m a month, last year this worsened to an average of £5.1m a month. The average run rate deficit to date is now £6.4m for the current year, this is a deterioration of £1.3m a month from the average underlying deficit last financial year. This underlying deficit continues to trigger an adverse special cause variation.



## Income and Expenditure: Subjective Analysis in-month – Reported Position

Source: Budget in Finance Ledger. Adjusted from plan submitted to NHSE for pay deals.

I & E Subjective £m	IN MONTH 12			
	Plan	Actual	Var	Var %
<b>Income</b>				
Commissioning Income	101.5	169.3	67.8	66.8%
Passthrough Drugs & Devices	17.8	18.4	0.5	3.1%
Other Income	18.2	21.5	3.4	18.5%
PP, Overseas and RTA Income	1.6	1.0	(0.5)	-33.8%
<b>Total Income</b>	<b>139.0</b>	<b>210.2</b>	<b>71.2</b>	<b>51.2%</b>
<b>Pay</b>				
Consultants and Medics	(26.6)	(24.6)	1.9	7.3%
Health Care Assistants & Support	(6.6)	(6.5)	0.1	2.2%
Nurse and Midwives	(18.1)	(22.2)	(4.1)	-22.7%
Other Staff	(15.5)	(66.7)	(51.2)	-331.1%
Scientific, Therapeutic and Technical	(11.0)	(11.3)	(0.3)	-2.3%
<b>Total Pay</b>	<b>(77.8)</b>	<b>(131.3)</b>	<b>(53.5)</b>	<b>-68.8%</b>
<b>Non-Pay</b>				
Clinical negligence	(3.1)	(2.7)	0.5	15.4%
Clinical Supplies & Services	(9.0)	(16.9)	(8.0)	-88.8%
Drugs & Devices	(21.8)	(25.7)	(3.8)	-17.6%
Passthrough Drugs & Devices	(17.8)	(18.4)	(0.5)	-3.1%
Drugs	(4.0)	(7.3)	(3.3)	-82.0%
General Supplies & Services	(0.2)	(0.7)	(0.5)	-213.4%
Internal Recharges	(0.3)	0.0	0.3	100.0%
Premises & Fixed Plant	(8.1)	(0.2)	7.9	98.0%
Other Expenditure	(3.6)	(8.3)	(4.7)	-130.0%
<b>Total Non-Pay</b>	<b>(46.2)</b>	<b>(54.5)</b>	<b>(8.2)</b>	<b>-17.8%</b>
<b>Operational EBITDA</b>	<b>15.0</b>	<b>24.4</b>	<b>9.4</b>	<b>62.6%</b>
<b>Financing and Capital Charges (Excl Tech Adj)</b>	<b>(9.3)</b>	<b>(2.5)</b>	<b>6.8</b>	<b>73.2%</b>
<b>Operational Surplus / (Deficit)</b>	<b>5.7</b>	<b>21.9</b>	<b>16.2</b>	<b>286.3%</b>

### Income

- Commissioning income, including passthrough, was £68.3m better than plan in March. £0.5m is due to passthrough drugs and devices (offset by increased expenditure), £54.9m from additional pension contributions funding, £9.5m additional non-recurrent funding from BOB ICB and £9.8m from API overperformance offset by a shortfall on planned business case income.
- Other income was £3.4m better than plan in-month, £2.0m was due to R&D income and £1.7m from non-patient care income.
- PP, Overseas and RTA income was £0.5m worse than plan in March. Private patient income was £1.0m worse than plan and RTA income was £0.3m better than plan and overseas income was £0.2m better than plan.

### Pay

- Pay was £53.5m worse than plan in March. Excluding R&D, pay for March was £53.4m worse than plan. Excluding the additional pension contribution costs of £54.9m, pay costs were £1.5m better than plan (excluding R&D). Substantive staff costs were £3.1m better than plan in month (excluding the additional pension contributions), due to the pay controls in place in Q4. Bank staff costs were £2.1m worse than plan and agency staff costs were £0.4m better than plan.

### Non-Pay

- Non-pay was net £8.2m worse than plan in March, removing the £3.2m adverse position on passthrough and R&D, it was £5.0m worse than plan. This is due to clinical supplies and services being £7.6m worse than plan, drugs expenditure being £3.3m worse than plan, other expenditure being £3.0m worse than plan, offset by premises expenditure being £8.1m better than plan, mainly due to PFI costs being £7.6m better than plan in March.

## Income and Expenditure: Subjective Analysis YTD – Reported Position

Source: Finance Ledger (Includes COVID-19 and Recovery)

I & E Subjective £m	IN MONTH 12				YEAR TO DATE				FULL YEAR
	Plan	Actual	Var	Var %	Plan	Actual	Var	Var %	Plan
<b>Income</b>									
Commissioning Income	101.5	169.3	67.8	66.8%	1,213.5	1,272.4	58.9	4.9%	1,213.5
Passthrough Drugs & Devices	17.8	18.4	0.5	3.1%	213.9	251.7	37.8	17.7%	213.9
Other Income	18.2	21.5	3.4	18.5%	189.6	200.5	10.9	5.8%	189.6
PP, Overseas and RTA Income	1.6	1.0	(0.5)	-33.8%	17.6	14.8	(2.8)	-16.0%	17.6
<b>Total Income</b>	<b>139.0</b>	<b>210.2</b>	<b>71.2</b>	<b>51.2%</b>	<b>1,634.6</b>	<b>1,739.4</b>	<b>104.8</b>	<b>6.4%</b>	<b>1,634.6</b>
<b>Pay</b>									
Consultants and Medics	(26.6)	(24.6)	1.9	7.3%	(323.8)	(329.9)	(6.1)	-1.9%	(323.8)
Health Care Assistants & Support	(6.6)	(6.5)	0.1	2.2%	(80.2)	(80.4)	(0.2)	-0.2%	(80.2)
Nurse and Midwives	(18.1)	(22.2)	(4.1)	-22.7%	(233.3)	(266.6)	(33.3)	-14.3%	(233.3)
Other Staff	(15.5)	(66.7)	(51.2)	-331.1%	(175.8)	(197.5)	(21.7)	-12.3%	(175.8)
Scientific, Therapeutic and Technical	(11.0)	(11.3)	(0.3)	-2.3%	(135.8)	(134.9)	0.9	0.7%	(135.8)
<b>Total Pay</b>	<b>(77.8)</b>	<b>(131.3)</b>	<b>(53.5)</b>	<b>-68.8%</b>	<b>(948.9)</b>	<b>(1,009.3)</b>	<b>(60.3)</b>	<b>-6.4%</b>	<b>(948.9)</b>
<b>Non-Pay</b>									
Clinical negligence	(3.1)	(2.7)	0.5	15.4%	(37.7)	(37.0)	0.7	1.8%	(37.7)
Clinical Supplies & Services	(9.0)	(16.9)	(8.0)	-88.8%	(124.9)	(141.2)	(16.2)	-13.0%	(124.9)
Drugs & Devices	(21.8)	(25.7)	(3.8)	-17.6%	(262.9)	(295.7)	(32.7)	-12.4%	(262.9)
Passthrough Drugs & Devices	(17.8)	(18.4)	(0.5)	-3.1%	(213.9)	(251.7)	(37.8)	-17.7%	(213.9)
Drugs	(4.0)	(7.3)	(3.3)	-82.0%	(49.1)	(44.0)	5.1	10.4%	(49.1)
General Supplies & Services	(0.2)	(0.7)	(0.5)	-213.4%	(4.5)	(6.0)	(1.5)	-34.1%	(4.5)
Internal Recharges	(0.3)	0.0	0.3	100.0%	(0.6)	(0.0)	0.6	100.0%	(0.6)
Premises & Fixed Plant	(8.1)	(0.2)	7.9	98.0%	(113.6)	(105.5)	8.1	7.1%	(113.6)
Other Expenditure	(3.6)	(8.3)	(4.7)	-130.0%	(47.1)	(66.1)	(19.0)	-40.4%	(47.1)
<b>Total Non-Pay</b>	<b>(46.2)</b>	<b>(54.5)</b>	<b>(8.2)</b>	<b>-17.8%</b>	<b>(591.2)</b>	<b>(651.4)</b>	<b>(60.1)</b>	<b>-10.2%</b>	<b>(591.2)</b>
<b>Operational EBITDA</b>	<b>15.0</b>	<b>24.4</b>	<b>9.4</b>	<b>62.6%</b>	<b>94.4</b>	<b>78.8</b>	<b>(15.7)</b>	<b>-16.6%</b>	<b>94.4</b>
<b>Financing and Capital Charges (Excl Tech Adj)</b>	<b>(9.3)</b>	<b>(2.5)</b>	<b>6.8</b>	<b>73.2%</b>	<b>(94.7)</b>	<b>(85.6)</b>	<b>9.1</b>	<b>9.6%</b>	<b>(94.7)</b>
<b>Operational Surplus / (Deficit)</b>	<b>5.7</b>	<b>21.9</b>	<b>16.2</b>	<b>286.3%</b>	<b>(0.2)</b>	<b>(6.8)</b>	<b>(6.5)</b>	<b>-2633.0%</b>	<b>(0.2)</b>

### Income

- Commissioning income, including passthrough, was £96.7m better than plan in 2024/25. £37.8m is due to passthrough drugs and devices (offset by increased expenditure), £54.9m is additional pension contributions funding and £9.5m from additional non-recurrent BOB ICS funding.
- Other income was £10.9m better than plan. R&D income is £3.2m better than plan and education income £3.5m better than plan.
- PP, Overseas and RTA income was £2.8m worse than plan driven by a write-off of BUPA private patient debtors of £2.2m (offset by reduced bad debt provision in non-pay).

### Pay

- Pay was £60.3m worse than plan, £61.7m excluding R&D. Excluding the additional pension contributions of £54.9m, pay was £6.8m worse than plan (excluding R&D). This is principally due to a higher run rate of pay since Q4 of last financial year (higher than allowed for in the plan). Temporary staffing pay was £6.9m worse than plan, reflecting the increasing efficiency targets on the temporary staffing reduction efficiency programme that were not fully delivered.

### Non-Pay

- Non-pay was net £60.1m worse than plan, removing the £40.1m adverse position on passthrough and R&D, it was £20.0m worse than plan, largely due to clinical supplies.

# Income and Expenditure: Division Subjective Analysis

Source: Finance Ledger (Includes COVID-19 and Recovery)

I&E Variance Analysis £ms			IN MONTH 12				YEAR TO DATE			
			Budget	Actual	Variance	Var %	Budget	Actual	Variance	Var %
<b>Clinical</b>	Income		£10.8	£11.8	£1.0	9.2%	£129.7	£134.3	£4.6	3.6%
	Clinical Support Services	Pay	(£12.7)	(£13.5)	(£0.8)	(6.3%)	(£158.6)	(£167.5)	(£8.9)	(5.6%)
		Non-Pay	(£0.9)	(£1.5)	(£0.6)	(59.3%)	(£13.8)	(£20.1)	(£6.3)	(45.6%)
<b>Total Clinical Support Services</b>			<b>(£2.8)</b>	<b>(£3.2)</b>	<b>(£0.4)</b>	<b>(12.8%)</b>	<b>(£42.7)</b>	<b>(£53.3)</b>	<b>(£10.6)</b>	<b>(24.9%)</b>
	Income		£30.6	£33.7	£3.0	10.0%	£372.0	£384.0	£12.0	3.2%
	Medicine Rehabilitation and Cardiac	Pay	(£16.6)	(£16.5)	£0.1	0.6%	(£203.3)	(£206.2)	(£2.9)	(1.4%)
		Non-Pay	(£9.5)	(£12.0)	(£2.5)	(25.8%)	(£116.1)	(£127.8)	(£11.6)	(10.0%)
<b>Total Medicine Rehabilitation and Cardiac</b>			<b>£4.5</b>	<b>£5.2</b>	<b>£0.7</b>	<b>15.3%</b>	<b>£52.6</b>	<b>£50.0</b>	<b>(£2.6)</b>	<b>(4.9%)</b>
	Income		£37.0	£38.8	£1.9	5.0%	£443.3	£448.3	£5.0	1.1%
	Neurosciences Orthopedics Trauma	Pay	(£18.0)	(£19.8)	(£1.8)	(9.9%)	(£229.3)	(£240.6)	(£11.4)	(5.0%)
	Specialist Surgery Childrens and Neonates	Non-Pay	(£11.5)	(£14.3)	(£2.8)	(24.1%)	(£136.9)	(£151.7)	(£14.8)	(10.8%)
<b>Total Neurosciences Orthopedics Trauma Specialist Surgery Ch</b>			<b>£7.5</b>	<b>£4.8</b>	<b>(£2.7)</b>	<b>(36.1%)</b>	<b>£77.2</b>	<b>£55.9</b>	<b>(£21.2)</b>	<b>(27.5%)</b>
	Income		£36.0	£38.4	£2.4	6.6%	£432.4	£452.8	£20.4	4.7%
	Surgery Women and Oncology	Pay	(£16.4)	(£16.5)	(£0.1)	(0.6%)	(£203.1)	(£205.7)	(£2.6)	(1.3%)
		Non-Pay	(£12.7)	(£15.3)	(£2.6)	(20.3%)	(£154.5)	(£180.4)	(£25.9)	(16.8%)
<b>Total Surgery Women and Oncology</b>			<b>£6.9</b>	<b>£6.6</b>	<b>(£0.3)</b>	<b>(4.2%)</b>	<b>£74.8</b>	<b>£66.7</b>	<b>(£8.1)</b>	<b>(10.8%)</b>
<b>Clinical Total</b>			<b>£16.0</b>	<b>£13.4</b>	<b>(£2.7)</b>	<b>(16.6%)</b>	<b>£161.9</b>	<b>£119.4</b>	<b>(£42.5)</b>	<b>(26.3%)</b>
<b>Non-Clinical</b>	Corporate	Total	(£9.9)	(£6.1)	£3.7	37.7%	(£121.5)	(£120.3)	£1.2	1.0%
	Education and Training	Total	£3.3	£3.4	£0.1	4.1%	£35.1	£41.1	£6.1	17.3%
	Estates	Total	(£11.9)	(£2.6)	£9.3	77.9%	(£142.6)	(£132.6)	£10.0	7.0%
	Hosted Services	Total	£0.0	£0.1	£0.1	4201.8%	£0.0	£0.1	£0.1	394.1%
	Operational Services	Total	(£0.6)	(£0.8)	(£0.2)	(40.0%)	(£8.8)	(£10.4)	(£1.6)	(17.7%)
	Research and Development	Total	£0.0	(£0.6)	(£0.6)		(£0.0)	£2.7	£2.7	
<b>Non-Clinical Total</b>			<b>(£19.1)</b>	<b>(£6.8)</b>	<b>£12.4</b>	<b>64.7%</b>	<b>(£237.9)</b>	<b>(£219.3)</b>	<b>£18.5</b>	<b>7.8%</b>
<b>Technical</b>	Operating Expenses	Total	(£4.8)	£3.0	£7.9	162.9%	(£41.7)	(£28.0)	£13.7	32.9%
	Trust Wide Services	Total	£13.6	£12.2	(£1.4)	(10.1%)	£117.4	£121.2	£3.8	3.2%
<b>Technical Total</b>			<b>£8.8</b>	<b>£15.3</b>	<b>£6.5</b>	<b>74.5%</b>	<b>£75.7</b>	<b>£93.2</b>	<b>£17.5</b>	<b>23.1%</b>
<b>Control Total</b>			<b>£5.7</b>	<b>£21.9</b>	<b>£16.2</b>	<b>286.3%</b>	<b>(£0.2)</b>	<b>(£6.8)</b>	<b>(£6.5)</b>	<b>(2633.0%)</b>

## Clinical Divisions

- Clinical divisions are £42.5m off plan of which a maximum of £2m can be attributed to industrial action. Variances in this format are distorted by £37.8m of over-performance on passthrough which increases income and non-pay. Pay variances in CSS and NOTSSCAN reflect limited success to date on temporary staff reduction.

## Corporate, Opex, Trustwide Services

- Underspends in corporate areas and operating expenses are primarily one-off items in Estates, Opex (PFI accounting) and R&D. This has partially offset overspending in the clinical divisions.

# Statement of Financial Position (SOFP)

Statement of Financial Position £m	MONTH 12 2024	IN MONTH 12 YTD		
		Plan	Actual	Variance
<b>Non Current Assets:</b>				
Property, Plant and Equipment	739.8	829.6	741.1	(88.5)
Intangible Assets	16.6	13.7	28.1	14.4
Investment Property	44.8	44.8	47.8	3.0
Other investments/financial assets	12.9	12.9	12.9	(0.0)
Other property, plant and equipment (excludes leases)	1.1	1.1	1.4	0.3
Trade and Other Receivables	8.7	8.6	14.0	5.3
<b>Total Non Current Assets</b>	<b>823.9</b>	<b>910.8</b>	<b>845.2</b>	<b>(65.5)</b>
<b>Current Assets:</b>				
Inventories	32.2	35.7	32.9	(2.8)
Trade and Other Receivables	87.3	115.9	109.1	(6.8)
Credit Loss Allowances	(17.9)	(17.0)	(16.0)	1.0
Cash and Cash Equivalents	46.8	14.4	12.5	(1.9)
<b>Total Current Assets</b>	<b>148.5</b>	<b>149.0</b>	<b>138.4</b>	<b>(10.5)</b>
<b>Total ASSETS</b>	<b>972.4</b>	<b>1,059.7</b>	<b>983.7</b>	<b>(76.1)</b>
<b>Current Liabilities:</b>				
Trade and Other Payables	(198.1)	(206.5)	(197.6)	8.9
Borrowings	(13.8)	(19.5)	(8.1)	11.4
Commercial Loans	(0.7)	(0.5)	(0.5)	0.0
DH Capital Loan	(0.7)	(0.7)	(0.7)	0.0
Provisions	(1.3)	(1.3)	(0.9)	0.4
Other Liabilities	(2.7)	(2.7)	(1.3)	1.2
<b>Total Current Liabilities</b>	<b>(217.4)</b>	<b>(231.3)</b>	<b>(209.4)</b>	<b>21.9</b>
<b>Net Current Assets/(Liabilities)</b>	<b>(68.9)</b>	<b>(82.3)</b>	<b>(71.0)</b>	<b>11.4</b>
<b>Total Assets Less Current Liabilities</b>	<b>755.0</b>	<b>828.4</b>	<b>774.3</b>	<b>(54.2)</b>
<b>Non Current Liabilities:</b>				
Borrowings	(360.1)	(357.6)	(356.6)	1.1
Commercial Loans	(5.1)	(4.6)	(4.6)	0.1
DH Capital Loan	(13.9)	(13.3)	(13.3)	(0.0)
Provisions	(6.2)	(6.2)	(6.4)	(0.2)
Other Liabilities	(5.5)	(5.3)	(2.3)	(0.0)
<b>Total Non Current Liabilities</b>	<b>(390.9)</b>	<b>(387.0)</b>	<b>(386.6)</b>	<b>0.4</b>
<b>Assets Less Liabilities (Total Assets Employed)</b>	<b>364.1</b>	<b>441.4</b>	<b>387.6</b>	<b>(53.8)</b>
Public Dividend Capital	329.2	333.8	355.0	21.3
Revaluation Reserve	212.6	260.6	195.3	(65.4)
FV Assets Reserve	(9.8)	(9.8)	(9.9)	(0.0)
Other Reserves	1.7	1.7	1.7	0.0
Retained Earnings reserve	(169.6)	(144.9)	(154.5)	(9.7)
<b>Total Taxpayers Equity</b>	<b>364.1</b>	<b>441.4</b>	<b>387.6</b>	<b>(53.8)</b>

- The PPE balance has increased due to additions exceeding depreciation.
- Intangible assets have increase due to capitalisation of SDE costs.
- Cash has reduced significantly since year-end. The Trust drew down PDC revenue support of £10m in M6 and used this to pay some revenue creditors.
- Long term borrowings have reduced since year-end due to the scheduled repayments of loans, leases and PFI arrangements.
- Capital PDC funding of £16m has been received

Cash flows from operating activities £m	MONTH 12 2024	MONTH 1 2025	MONTH 2 2025	MONTH 3 2025	MONTH 4 2025	MONTH 5 2025	MONTH 6 2025	MONTH 7 2025	MONTH 8 2025	MONTH 9 2025	MONTH 10 2025	MONTH 11 2025	MONTH 12 2025	YTD Movement
<b>Cash Flows from Operating Activities</b>														
Operating Surplus/(Deficit)	(27.8)	(1.0)	(1.4)	(2.2)	(2.9)	(0.9)	6.1	3.9	4.8	0.9	2.6	5.9	13.0	26.9
Depreciation and Amortisation	0.0	3.9	5.0	4.6	4.4	4.4	4.5	4.5	4.5	4.5	4.5	4.5	1.8	4.4
Impairments and Reversals	28.6	0.0	0.0	0.0	0.1	0.0	0.5	0.0	0.0	0.0	0.0	0.0	11.6	(28.6)
Donated Assets received credited to revenue but non-cash	(1.3)	(2.5)	(0.7)	(1.1)	(0.1)	(1.6)	(1.6)	(0.5)	(1.2)	0.7	(1.3)	(0.8)	(2.0)	(0.3)
non-cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.3)	0.0
Interest Paid	(1.8)	(1.7)	(1.8)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.8)	(1.7)	(1.7)	(1.7)	(2.0)	0.1
Dividend Paid	0.0	0.0	0.0	(0.0)	0.0	0.0	(2.5)	0.0	0.0	0.0	0.0	0.0	(4.5)	0.0
Release of PFI/deferred credit	0.7	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.2	0.2	(0.0)	0.2	(0.7)
(Increase)/Decrease in Inventories	(0.8)	0.1	(0.4)	(0.5)	1.0	(0.4)	0.5	0.2	(2.0)	(0.8)	0.1	0.1	1.5	0.4
(Increase)/Decrease in Trade and Other Receivables	31.3	(8.4)	(1.6)	2.3	(4.9)	(1.7)	(9.2)	3.7	(2.1)	5.9	(17.5)	1.9	1.3	(33.0)
Increase/(Decrease) in Trade and Other Payables	14.2	(1.7)	(6.0)	7.1	(1.3)	(1.1)	1.9	(11.6)	4.3	6.5	10.7	(11.6)	0.7	(15.3)
Increase/(Decrease) in Other Current Liabilities	(12.5)	10.5	(4.2)	(4.1)	8.5	0.9	(5.4)	13.2	(1.0)	(7.3)	(2.8)	1.1	(10.5)	13.5
Provisions Utilised	(0.9)	(0.2)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	0.0	(0.0)	(0.1)	0.1	(0.2)	0.8
Increase/(Decrease) in Movement in non Cash Provisions	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.5
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>29.2</b>	<b>(0.9)</b>	<b>(11.1)</b>	<b>4.2</b>	<b>3.1</b>	<b>(2.2)</b>	<b>(7.1)</b>	<b>11.5</b>	<b>5.3</b>	<b>8.9</b>	<b>(5.3)</b>	<b>(0.6)</b>	<b>11.2</b>	<b>(31.4)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>														
Interest Received	0.3	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.2	(0.1)
(Payments) for Property, Plant and Equipment	(10.2)	(8.7)	(11.3)	(5.6)	(1.0)	(0.3)	(0.2)	(4.4)	(3.8)	1.5	(4.6)	(2.6)	(19.1)	9.9
(Payments) for Intangible Assets	(2.3)	(0.0)	(0.0)	(0.7)	(0.8)	(0.0)	(0.9)	(2.4)	0.1	(0.0)	(0.1)	(0.3)	(1.0)	2.2
Receipt of cash donations to purchase capital assets	0.0	0.0	0.0	0.0	(0.1)	0.0	0.2	0.0	0.0	0.0	0.0	0.0	11.9	0.0
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(12.2)</b>	<b>(8.3)</b>	<b>(11.0)</b>	<b>(6.0)</b>	<b>(1.6)</b>	<b>(0.2)</b>	<b>(0.7)</b>	<b>(6.6)</b>	<b>(3.5)</b>	<b>1.7</b>	<b>(4.4)</b>	<b>(2.7)</b>	<b>(7.9)</b>	<b>12.0</b>
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	<b>17.1</b>	<b>(9.2)</b>	<b>(22.1)</b>	<b>(1.8)</b>	<b>1.5</b>	<b>(2.4)</b>	<b>(7.9)</b>	<b>4.9</b>	<b>1.8</b>	<b>10.6</b>	<b>(9.7)</b>	<b>(3.3)</b>	<b>3.3</b>	<b>(19.4)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>														
Public Dividend Capital Received	0.0	0.0	0.0	0.0	0.0	0.0	10.3	0.0	0.2	0.0	0.0	1.3	8.4	(0.0)
Principal	0.0	0.0	(0.3)	0.0	0.0	0.0	0.0	0.0	(0.3)	0.0	0.0	0.0	0.0	0.0
Other Loans Repaid	(0.1)	0.0	(0.0)	(0.1)	0.0	0.0	(0.1)	(0.0)	0.0	(0.2)	0.0	0.0	(0.2)	0.1
On-SoFP PFI and LIFT	(1.9)	(1.9)	(2.0)	(1.8)	(1.2)	(2.4)	(1.9)	0.8	(1.6)	(5.2)	(0.8)	(2.8)	(4.0)	(0.5)
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>(2.0)</b>	<b>(1.9)</b>	<b>(2.4)</b>	<b>(1.9)</b>	<b>(1.2)</b>	<b>(2.4)</b>	<b>8.3</b>	<b>0.8</b>	<b>(1.7)</b>	<b>(5.3)</b>	<b>4.8</b>	<b>(1.5)</b>	<b>4.3</b>	<b>(0.4)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>15.0</b>	<b>(11.1)</b>	<b>(24.5)</b>	<b>(3.6)</b>	<b>0.3</b>	<b>(4.8)</b>	<b>0.4</b>	<b>5.7</b>	<b>0.1</b>	<b>5.3</b>	<b>(4.9)</b>	<b>(4.9)</b>	<b>7.5</b>	<b>(19.8)</b>
<b>the Period</b>	<b>31.8</b>	<b>46.8</b>	<b>35.7</b>	<b>11.3</b>	<b>7.6</b>	<b>8.0</b>	<b>3.1</b>	<b>3.6</b>	<b>9.3</b>	<b>9.4</b>	<b>14.7</b>	<b>9.8</b>	<b>4.9</b>	<b>(23.8)</b>
Restated Cash and Cash Equivalents ( and Bank Overdraft) at Beginning of the Period	31.8	46.8	35.7	11.3	7.6	8.0	3.1	3.6	9.3	9.4	14.7	9.8	4.9	(23.8)
<b>Cash and Cash Equivalents (and Bank Overdraft) at YTD</b>	<b>46.8</b>	<b>35.7</b>	<b>11.3</b>	<b>7.6</b>	<b>8.0</b>	<b>3.1</b>	<b>3.6</b>	<b>9.3</b>	<b>9.4</b>	<b>14.7</b>	<b>9.8</b>	<b>4.9</b>	<b>12.5</b>	<b>(43.7)</b>

The cash balance at the end of March was £12.5m. The forecast is indicating the cash position into quarter 1 of 2025/26 is challenging, and the Trust is taking action to convert debtors to cash and prioritise staff and supplier payments as far as possible, indications from 2025/26 planning work shows that quarter 2 will be a critical time when the Trust can see the impact of the quarter 1 changes.