

Finance, Procurement and Contracting

Financial Performance Report: Month 6

Jason Dorsett: Chief Finance Officer

Financial Performance Report

Integrated themes and issues from Month 6 (September 2025)

Executive Summary

Overall

Income and Expenditure (I&E) was a £3.2m surplus in Month 6, which was on plan. The underlying deficit was estimated to be £6.6m, £2.3m worse than plan. This was driven by underlying non-pay expenditure. Overall worked WTE (excluding R&D) decreased by 69 WTE in September, this was due predominantly to the doctor cohort in the August rotation which is settling after last month. The Trust reported to NHSE an estimated underlying deficit forecast of £69.7m and a control total surplus plan of £2m. There is currently £15m of net risk to this plan.

Activity

Elective and variable commissioner income performance is estimated to have improved in September, based on the number of working days and pass-through income levels, increasing estimated patient care income this month by £2.8m. A net £4.5m overperformance is now being recognised YTD, there is risk in recognising this if performance is not maintained or if commissioners implement an 'Activity Management Plan (AMP)', but BOB has indicated this is unlikely.

Income

Commissioning income (excluding passthrough) was £1.9m better than plan for Month 6, driven by an additional £2.3m income included for September elective and variable activity. Passthrough drugs and devices were £0.5m above plan in month, this is neutral to the bottom line as matched with expenditure.

Other income was £2.7m worse than plan in Month 6, this was driven by reversal of £1.0m additional income reported in August as well as a shortfall of £1.5m on valuation gains included in the plan. This was offset by R&D income (£0.7m better than plan).

Private patients, overseas and RTA income was £0.2m worse than plan in Month 6, due to Private Patient income which was £0.3m worse than plan.

Headcount

Whole Time Equivalent headcount (excluding R&D) in September decreased by 69 WTE. The decrease has been in substantive staffing (52 WTE), including a 32 decrease in medical staff (principally from resident doctors decreasing by 29 WTE, with the new starters in the August rotation). Bank staff reduced by 18 WTE.

Pay Expenditure

Pay costs are on plan in Month 6, however the in-month run-rate remains higher than required to achieve efficiency targets but is offset by non-recurrent opportunities. This includes £1.4m this month of non-recurrent benefit from releasing further pay enhancement provision from the in-year balance sheet (£0.9m) as well as the 2024/25 annual leave provision (£0.5m).

Non-Pay Expenditure

Non-pay costs were on plan in Month 6, (£0.2m favourable to plan excluding the £0.5m passthrough variance and R&D £0.2m underspend). However, this included a non-recurrent £2.3m PFI debtor increase as well as recognising £1.5m of PFI deductions.

Cash

Cash was £32.2m at the end of September, £14.2m lower than the previous month but £29.1m higher than plan. The Trust has deferred more supplier payments for a few days at month end than originally planned to manage cash as there has been no external cash support available (up to £25-£30m deferred YTD). Capital cash outflows are also lower than plan (£8.6m).

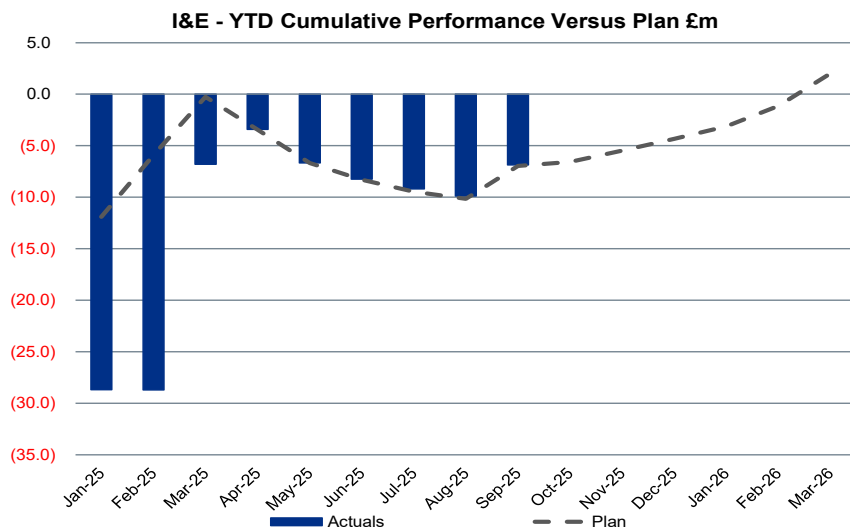
Conclusion

The Trust is on plan in month and £0.3m ahead of plan year to date with a £6.7m deficit, this has been partly achieved through non-recurrent measures. Month 6 included over £4m of non-recurrent (non-cash backed) benefits to get to the plan position.

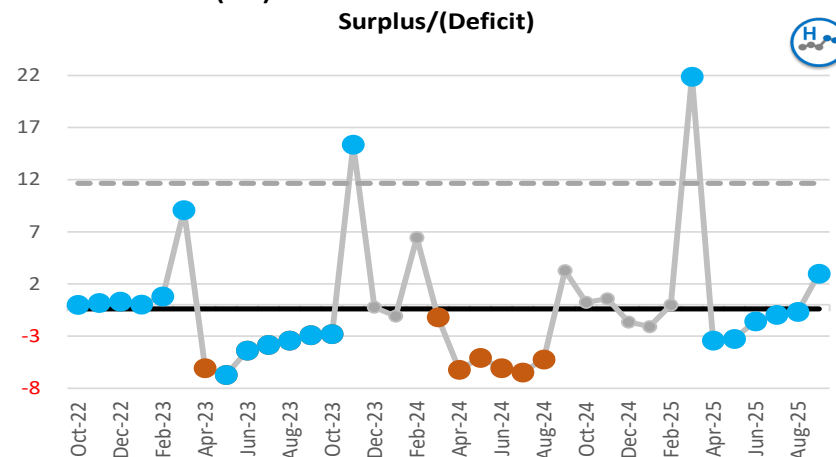
Financial Performance Report

Integrated themes and issues from Month 6 (September 2025)

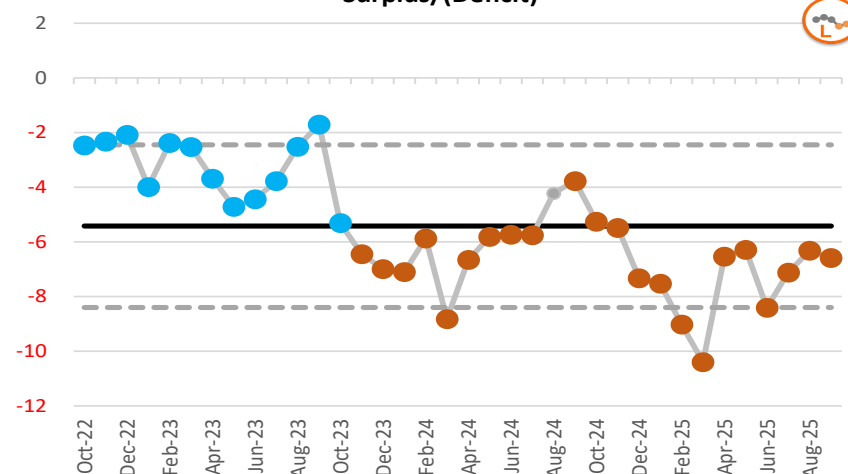
Summary Charts



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



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



Financial Performance Report

Integrated themes and issues from Month 6 (September 2025)

New Actions Arising from Month 6

CIP

The key action arising from the month 6 financial position remains the need to improve the delivery of the CIP programme. The YTD delivery is 85% of the planned level. Delivery of the full £99m plan is fundamental to the Trust meeting its financial plan. 100% of the CIP programme was identified by the end of June deadline and all the schemes now have a fully developed status as at the end of August. At month 6 reporting 38% of schemes were classified as high risk. Additional one-off items are also being developed as a mitigation.

Corporate overspend

At month 6, all clinical divisions and Corporate division are in the formal rectification process with no agreed rectification plans in place. This means that:

- No new posts can go out to recruitment.
- No discretionary non-clinical non pay
- No new business cases to BPG even if funded.

If rectification plans cannot be agreed, it is likely that further financial controls will be required to deliver the financial plan.

Non-Pay improvement

A non pay oversight group has been established with four work streams focusing on purchase order compliance, drug controls, stock materials management and divisional financial controls. Terms of reference to be shared with TME.

Previous actions

Progress on actions proposed as part of financial planning or in previous months are set out in the appendices. Reporting on completed actions has been shortened.

Income and Expenditure: Overview – Reported Position

Source: Budget in Finance Ledger.

I & E Subjective £m	IN MONTH 6				YEAR TO DATE				FULL YEAR Plan
	Plan	Actual	Var	Var %	Plan	Actual	Var	Var %	
Income									
Commissioning Income	106.4	108.3	1.9	1.8%	637.6	641.5	3.9	0.6%	1,275.2
Passthrough Drugs & Devices	20.9	21.4	0.5	2.2%	125.4	133.9	8.5	6.8%	250.8
Other Income	18.3	15.6	(2.7)	-14.8%	95.0	94.2	(0.8)	-0.8%	189.3
PP, Overseas and RTA Income	2.0	1.8	(0.2)	-9.8%	11.0	8.5	(2.5)	-22.7%	20.1
Total Income	147.6	147.0	(0.6)	-0.4%	869.1	878.2	9.2	1.1%	1,735.4
Pay									
Consultants and Medics	(29.4)	(29.0)	0.4	1.4%	(177.3)	(175.0)	2.3	1.3%	(353.1)
Health Care Assistants & Support	(6.6)	(7.0)	(0.4)	-6.6%	(40.5)	(42.9)	(2.5)	-6.1%	(79.0)
Nurse and Midwives	(23.1)	(23.2)	(0.1)	-0.3%	(141.4)	(138.7)	2.7	1.9%	(277.3)
Other Staff	(11.7)	(11.5)	0.2	1.4%	(72.0)	(72.6)	(0.6)	-0.9%	(139.9)
Scientific, Therapeutic and Technical	(11.7)	(11.8)	(0.1)	-0.9%	(71.2)	(70.7)	0.6	0.8%	(140.1)
Total Pay	(82.4)	(82.4)	(0.1)	-0.1%	(502.3)	(499.9)	2.4	0.5%	(989.3)
Non-Pay									
Clinical negligence	(3.2)	(3.2)	0.0	0.3%	(19.1)	(19.0)	0.1	0.3%	(38.2)
Clinical Supplies & Services	(10.1)	(11.9)	(1.9)	-18.5%	(60.4)	(68.1)	(7.7)	-12.8%	(120.7)
Drugs & Devices	(25.1)	(26.2)	(1.0)	-4.1%	(150.1)	(159.4)	(9.2)	-6.2%	(300.3)
Passthrough Drugs & Devices	(20.9)	(21.4)	(0.5)	-2.2%	(125.4)	(133.9)	(8.5)	-6.8%	(250.8)
Drugs	(4.2)	(4.8)	(0.6)	-13.6%	(24.7)	(25.5)	(0.7)	-2.9%	(49.5)
General Supplies & Services	(0.5)	(0.6)	(0.0)	-3.4%	(3.2)	(3.2)	(0.0)	-0.4%	(6.4)
Internal Recharges	(0.0)	(0.0)	0.0	100.0%	(0.1)	0.0	0.1	100.0%	(0.3)
Premises & Fixed Plant	(10.4)	(8.6)	1.9	18.0%	(63.8)	(57.3)	6.5	10.2%	(124.5)
Other Expenditure	(4.3)	(3.4)	1.0	22.6%	(27.4)	(30.5)	(3.2)	-11.5%	(52.4)
Total Non-Pay	(53.7)	(53.8)	(0.0)	0.0%	(324.1)	(337.6)	(13.4)	-4.1%	(642.8)
Operational EBITDA	11.4	10.8	(0.6)	-5.5%	42.6	40.7	(1.9)	-4.4%	103.3
Financing and Capital Charges (Excl Tech Adj)	(8.2)	(7.6)	0.6	7.7%	(49.6)	(47.4)	2.1	4.3%	(101.3)
Operational Surplus / (Deficit)	3.2	3.2	0.0	0.0%	(7.0)	(6.7)	0.3	3.9%	2.0

Income

- Commissioning income is £12.4m better than plan to date. £8.5m is due to passthrough drugs and devices (offset by increased expenditure), other commissioning income is £3.9m better than plan mainly due to a £4.5m favourable variance from contract activity (with estimated September benefits).
- Other income is £0.8m worse than plan YTD. R&D income is £2.0m better than plan (£1.6m contribution from R&D YTD). The adverse variance excluding R&D (£2.8m) is driven by a shortfall of £1.5m on valuation gains and £1.0m unidentified income included in the plan.
- Private patients, overseas and RTA income is £2.5m worse than plan to date, principally from private patient income (£2.4m), where the efficiencies are £1.3m below the target.

Pay

- Pay is £2.4m better than plan to date (£3.2m better than plan excluding R&D). The variance is driven by non-recurrent benefit from releasing pay enhancement provision from the Balance Sheet (£2.0m) as well as annual leave provision £0.5m) and lower than planned pay award impact (£0.7m).

Non-Pay

- Non-pay is £13.4m worse than plan YTD, excluding the £8.5m adverse variance on passthrough and the R&D underspend of £0.4m, it is £5.3m worse than plan. The main drivers of this variance are under-delivery of the non-pay savings target (£2.4m) and the balance of factors that the clinical divisions and corporate directorates cannot currently explain.

Income and Expenditure: Divisional Positions

Source: Finance Ledger.

I&E Variance Analysis			IN MONTH 6				YEAR TO DATE				FULL YEAR
£ms			Budget	Actual	Variance	Var %	Budget	Actual	Variance	Var %	Budget
Clinical		Income	£11.8	£11.5	(£0.3)	(2.5%)	£69.6	£69.4	(£0.2)	-0.3%	£138.7
	Clinical Support Services	Pay	(£14.4)	(£14.7)	(£0.2)	(1.6%)	(£87.4)	(£88.2)	(£0.8)	-0.9%	(£172.5)
		Non-Pay	(£5.4)	(£6.4)	(£1.0)	(19.2%)	(£30.2)	(£35.1)	(£4.9)	-16.4%	(£59.3)
Total Clinical Support Services			(£8.0)	(£9.6)	(£1.6)	(19.4%)	(£48.0)	(£53.9)	(£5.9)	-12.3%	(£93.1)
		Income	£36.8	£35.7	(£1.2)	(3.1%)	£209.2	£211.0	£1.8	0.9%	£418.2
	Medicine Rehabilitation and Cardiac	Pay	(£17.6)	(£18.0)	(£0.4)	(2.2%)	(£105.8)	(£107.5)	(£1.7)	-1.6%	(£207.9)
		Non-Pay	(£10.4)	(£9.4)	£0.9	9.1%	(£57.4)	(£60.0)	(£2.6)	-4.5%	(£114.5)
Total Medicine Rehabilitation and Cardiac			£8.9	£8.3	(£0.6)	(6.8%)	£46.0	£43.5	(£2.5)	-5.4%	£95.8
	Neurosciences Orthopedics Trauma	Income	£41.8	£42.0	£0.3	0.6%	£235.9	£235.8	(£0.1)	0.0%	£471.7
	Specialist Surgery Childrens and Neonates	Pay	(£20.6)	(£20.5)	£0.1	0.5%	(£125.8)	(£124.7)	£1.1	0.9%	(£246.6)
		Non-Pay	(£12.1)	(£11.9)	£0.2	1.9%	(£64.8)	(£69.7)	(£4.9)	-7.6%	(£129.4)
Total Neurosciences Orthopedics Trauma Specialist Surgery Ch			£9.0	£9.6	£0.6	6.4%	£45.3	£41.4	(£3.9)	-8.6%	£95.6
		Income	£42.4	£41.0	(£1.4)	(3.2%)	£244.5	£253.2	£8.7	3.5%	£488.6
	Surgery Women and Oncology	Pay	(£17.5)	(£18.7)	(£1.1)	(6.4%)	(£107.5)	(£110.7)	(£3.3)	-3.0%	(£210.7)
		Non-Pay	(£13.6)	(£14.7)	(£1.1)	(7.7%)	(£79.8)	(£88.9)	(£9.1)	-11.4%	(£158.5)
Total Surgery Women and Oncology			£11.2	£7.7	(£3.5)	(31.4%)	£57.2	£53.5	(£3.7)	-6.4%	£119.4
Clinical Total			£21.1	£16.0	(£5.1)	(24.2%)	£100.5	£84.5	(£16.0)	-15.9%	£217.7
Non-Clinical	Corporate	Total	(£11.3)	(£11.4)	(£0.2)	(1.5%)	(£63.9)	(£64.8)	(£0.9)	-1.5%	(£127.7)
	Education and Training	Total	£4.2	£4.1	(£0.1)	(3.0%)	£23.9	£22.3	(£1.5)	-6.4%	£47.8
	Estates	Total	(£12.1)	(£10.8)	£1.3	10.8%	(£73.3)	(£70.3)	£3.0	4.1%	(£146.5)
	Hosted Services	Total	£0.0	(£0.1)	(£0.1)	N/A	£0.0	(£0.0)	(£0.0)	-1134.2%	£0.0
	Operational Services	Total	(£0.9)	(£0.9)	£0.0	2.3%	(£5.4)	(£5.0)	£0.5	8.4%	(£10.7)
	Research and Development	Total	£0.0	£0.4	£0.4	N/A	(£0.0)	£1.6	£1.6		(£0.0)
Non-Clinical Total			(£20.0)	(£18.7)	£1.3	6.6%	(£118.8)	(£116.3)	£2.5	2.1%	(£237.2)
Technical	Operating Expenses	Total	(£0.9)	(£2.6)	(£1.7)	(189.2%)	(£19.4)	(£20.7)	(£1.3)	-6.8%	(£41.8)
	Trust Wide Services	Total	£3.0	£8.5	£5.5	181.8%	£30.7	£45.8	£15.1	49.1%	£63.3
Technical Total			£2.1	£5.9	£3.8	178.7%	£11.3	£25.1	£13.8	121.5%	£21.5
Control Total			£3.2	£3.2	£0.0	0.0%	(£7.0)	(£6.7)	£0.3	3.9%	£2.0

- Clinical divisions** are £16.0m off plan year to date. CSS are the most significant at £5.9m adverse to plan, driven by a £4.8m efficiency shortfall. NOTSSCaN are £3.9m off plan, driven by a £4.6m efficiency shortfall, which is partially offset by increased activity and increased contract income. MRC are £2.5m off plan, driven by a £3.3m efficiency shortfall. SUWON are £3.7m off plan, driven by a £2.1m efficiency target shortfall, pay cost pressures and non-passthrough drugs.
- Trust wide** budgets are £15.1m better than plan YTD, an increase of £5.5m in month. This increase relates to £2.3m included for September elective and variable activity, further release this month of non-recurrent pay enhancement provision from the Balance Sheet (£0.9m) as well as annual leave provision £0.5m. There are also offsetting saving targets of £2.8m between Trust Wide and Operating Expenses Divisions (relating to valuation gains and income savings).
- Non-Clinical** areas are £2.5m better than plan, driven by underspends in the Estates Division of £3.0m (non-recurrent Churchill PFI rebate accrual of £1.3m and the non-recurrent JR PFI 5-year insurance credit of £1.2m) and the R&D Division contribution of £1.6m YTD. The Corporate Division is over-spent (£0.9m YTD) and the budget control policy is being applied.

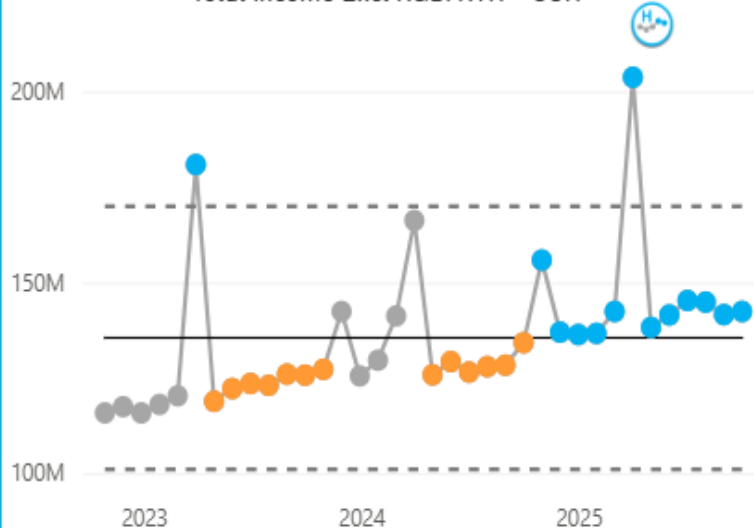
	Month6 YTD	Month7	Month8	Month9	Month10	Month11	Month12	FOT
	£m							
Plan	- 6.97	0.40	1.09	1.14	1.21	1.99	3.14	2.00
Extrapolated Run rate	- 6.70	- 1.12	- 1.12	- 1.08	- 1.00	- 1.00	- 1.00	- 13.00
Remaining CIP delivery		2.00	2.00	2.00	2.00	2.00	5.00	15.00
Impact of other run rate changes		- 1.67	- 1.67	- 1.67	- 1.67	- 1.67	- 1.67	- 10.00
<u>Risks</u>								-
Efficiency Risk (PFR) assessment		- 2.67	- 3.67	- 3.67	- 3.67	- 3.67	- 3.67	- 21.00
Payment Risk- BOB HCDD							- 1.00	- 1.00
Payment Risk- BOB overperformance							- 2.00	- 2.00
Winter Activity Risk						- 1.00	- 1.00	- 2.00
<u>Mitigations</u>								
CIP recovery actions				1.00	1.00	2.00	1.00	5.00
Winter Activity Mitigation						1.00	1.00	2.00
Balance sheet management		0.43	1.00	0.43	0.43	0.43	0.43	3.15
PFI contract management		1.75	1.50	1.00	1.00	1.00	1.00	7.25
Other one off items		1.67	3.00				-	4.67
								-
Forecast Run rate after Risks and Mitigation	- 6.70	0.40	1.05	- 1.98	- 1.90	- 0.90	- 1.90	- 11.94
FOT Variance to Plan	0.27	0.00	- 0.04	- 3.12	- 3.11	- 2.90	- 5.04	- 13.94

The Trust was required to submit a route map to NHSE demonstrating the route to year end financial plan delivery. It showed:

- There is currently £15m of net risk identified to the financial forecast of £2m surplus as at Month 6.
- £21m of this risk related to the delivery of the efficiency programme, this is calculated using an NHSE methodology based on the status of our identified schemes.
- There are a further £5m of risks identified based upon risk to payment of activity overperformance, changes to the BOB high-cost drugs and devices arrangement and potential pay costs relating to winter pressures.
- These risks have been offset by an assumed mitigation of £22.07m relating to additional one-off items.
- There remains £13.94m of unmitigated risk to delivery of the finance plan. This relates to the change in guidance relating to wholly owned subsidiaries.
- Further work to is underway to identify one off mitigations to mitigate the risk to delivery of the plan. **NHSE's template uses the word "forecast", but this is not a formal forecast and NHSE agrees that it is not.**

Source: Finance Ledger

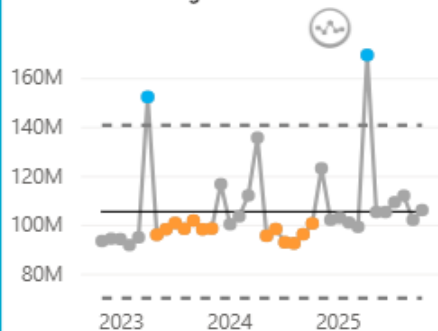
Total Income Excl R&D: RTH - *OUH



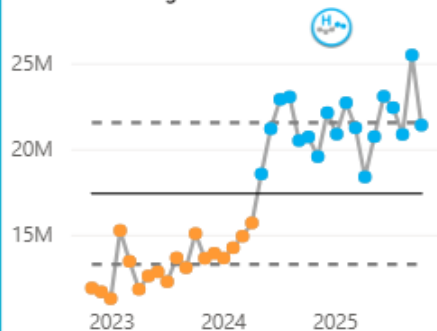
September 2025 (Month 6) - Total in-month Income of £147.0m

- Total income is £1.2m higher in September compared to August.
- Commissioning income is £2.2m higher in September. Passthrough income was £4.1m lower than the previous month and non-passthrough income was £6.3m higher in September due to £3.8m additional elective and variable income, £2.1m block drugs income and £0.5m on contract changes.
- VWA targets have been replaced for 2025/26 with Indicative Activity Plans (IAPs) with commissioners that enable us to achieve the RTT / performance targets we committed to in the plan. The IAPs are currently part of contract negotiations.
- Other income was £1.5m lower in September than August. £2.0m of this was due to reversal of additional income reported in August, partly offset by £0.3m of additional R&D income.
- Private patient, overseas and RTA income increased in September by £0.4m. The increase was driven by Private Patient income, which was £0.5m higher this month offset by RTA Income being £0.2m lower than in August.

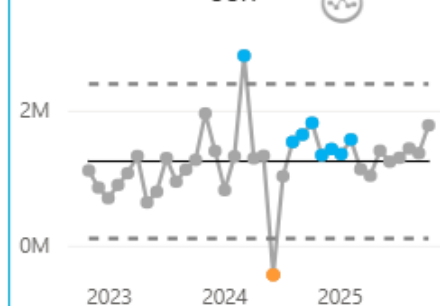
Commissioning Income: RTH - OUH



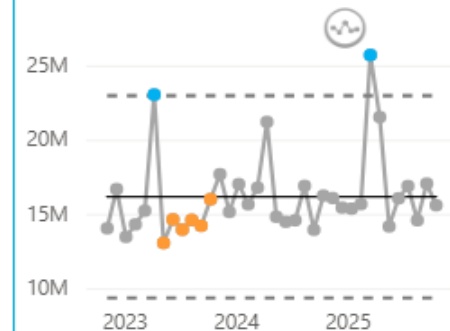
Pass Through Income: RTH - OUH



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 is a result of the pay award funding as well as the recognition of additional non-recurrent commissioner funding in the second half of each financial year (including deficit support funding in 2024/25).

- Total Income (and Commissioning income) each year-end above were all significantly high because of additional pension contributions funding.

Variable Elective Activity only: by Point of Delivery (POD)

POD	2025-26			
	M1-M5 Plan	M1-M5 Actual	M1-M5 Variance	M1-M5 % Variance
	£m	£m	£m	%
Day Case	35.45	35.44	(0.01)	0.0%
Elective Inpatient	44.91	44.42	(0.49)	-1.1%
Elective Excess Beddays	0.66	0.42	(0.24)	-36.9%
Outpatient First Appts	30.47	31.89	1.42	4.7%
Outpatient Procedures	13.58	14.66	1.08	7.9%
Total	125.06	126.82	1.75	1.4%

Variable Elective Activity only: by Commissioner

Commissioner	2025-26			
	M1-M5 Plan	M1-M5 Actual	M1-M5 Variance	M1-M5 % Variance
	£m	£m	£m	%
BOB ICB	67.05	67.79	0.74	1.1%
NHSE Spec Comm	46.12	46.93	0.81	1.8%
Other Commissioners	11.89	12.10	0.20	1.7%
Total	125.06	126.82	1.75	1.4%

Variable Elective Activity only: by Division

Division	2025-26			
	M1-M5 Plan	M1-M5 Actual	M1-M5 Variance	M1-M5 % Variance
	£m	£m	£m	%
NOTSSCAN	59.78	58.60	(1.19)	-2.0%
SUWON	37.16	39.34	2.18	5.9%
MRC	24.56	24.99	0.42	1.7%
CSS	3.56	3.90	0.34	9.4%
Total	125.06	126.82	1.75	1.4%

NB Actuals data taken from SLAM M5v4 2526, adjusted to exclude elective activity not included within the definition of the Variable Elective envelope.

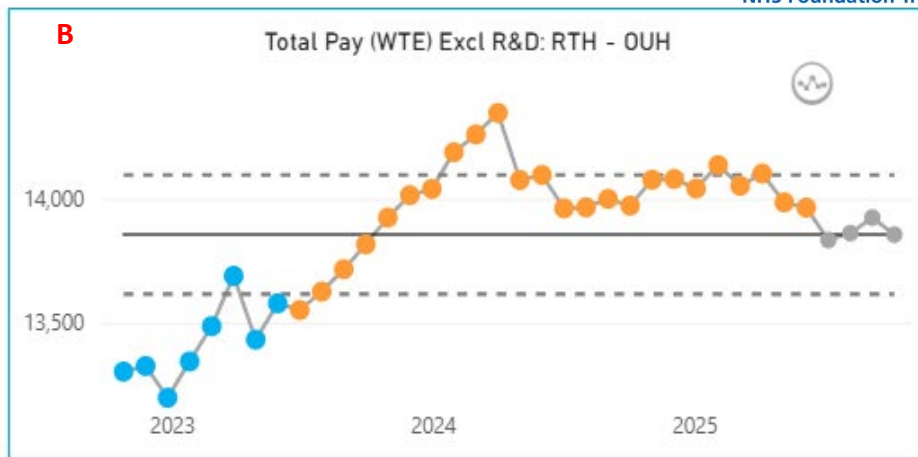
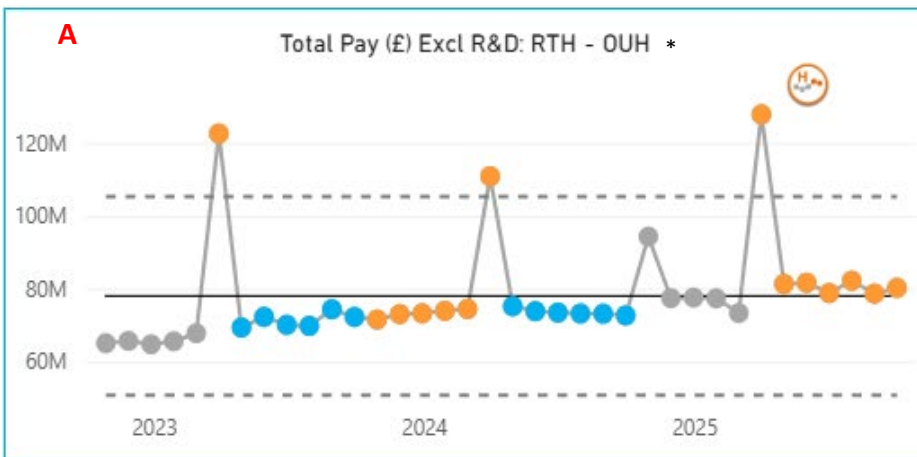
NHSE Spec Comm includes both

NHSE and Delegated Specialised Services contracts and activity plans not yet agreed. Activity performance is reported above using our internal SLAM plan. One key change to be applied is for NHSE's intention to monitor using SUS data, different to the SLAM based ICB contracts.

- M5 shows an overperformance of 1.4%/£1.8m on variable elective activity. This is an improvement on the M4 position of £0.8m.
- There was a +£0.6m gain between M4 flex and freeze as more activity data was added. This still resulted in an overall underperformance, which will have been impacted by industrial action in July.
- SuWOn continues to drive the majority of elective overperformance, with significant overperformance within Oncology & Haematology and Renal directorates.
- The underperformance in NOTTSCAN is driven by both activity/capacity and case mix.
- The main driver of this is Specialist Surgery (-£1.1m YTD), although the in-month underperformance has reduced in M5.

Pay: Run Rate Overview

Source: Finance Ledger, excluding R&D costs.



Sep 2025
(Month 6)

£82.4m
(£79.0m
excl.
R&D)

13,855
WTE
(excl.
R&D)

Trend
Analysis

- Total pay was £0.9m higher in September compared to August. Excluding R&D, pay costs were £0.4m higher in September than in August.
- Substantive staffing costs were £1.2m higher in September compared to August. Excluding R&D, substantive pay increased by £0.7m driven by the fallout of £1.8m of one-off benefits in the month 5 position (£1.1m enhancement provision release and £0.7m pay award benefit) and an increase of £0.4m in actual enhancement payments due to an additional weekend in September compared to August, offset by non-recurrent benefits from releasing further pay enhancement provision from the Balance Sheet of £0.9m as well as annual leave provision of £0.5m.
- Temporary staff in-month expenditure was £0.3m lower in September compared to August at £3.4m. The decrease in the cost of temporary staffing was in Consultant and Medics Bank and agency spend.
- Overall WTEs decreased by 69 in September compared to August (excluding R&D), driven by a 52 WTE decrease in substantive staffing, partly due to Consultants and medics reducing by 32 WTE this month following an increase last month from the new intake of resident doctors (Health Care Assistants -39 WTE, Consultants and Medics -32 WTE, Scientific +30 WTE, Other staff -11 WTE). Bank staff decreased by 18 WTE and agency staff increased by 1 WTE. The Trust plan assumes a WTE reduction of 675 (575 substantive staff and 100 on temporary staffing) by M12 2025/26 to achieve the savings target.
- The Trust plan is based on the month 11 run rate of 2024/25.
- Note the Reading Room pack includes a reconciliation from ESR to the general ledger which provided assurance on data quality.
- 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 has been on a downward trend now for the last four months (with decreases in substantive, bank and agency staff since March). 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.

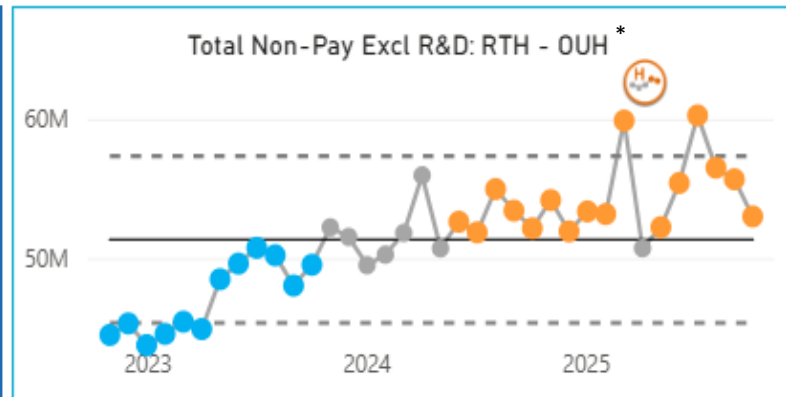
Non-Pay Run Rate Overview

Source: Finance Ledger, excluding R&D costs.



September 2025 (Month 6) – Total Non-Pay £53.8m (£53.0m excl. R&D)

- Total non-pay is £3.0m lower in September than in August. Excluding R&D, non-pay costs are £2.7m lower than last month. Excluding passthrough costs that are £4.1m lower than in August, non-pay costs are £1.4m higher in September. Drugs costs are £3.5m higher than last month due to a year-to-date correction of drugs costs in August because of a reclassification between drugs and passthrough drugs, both have returned to normal run-rate levels this month. The non-pay position also includes one-off benefits of £2.3m PFI debtor increase as well as £1.5m of PFI deductions.
- Underlying non-pay at £35.1m is £0.3m higher than the average for the 2024/25 financial year.

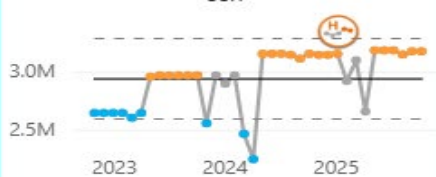


SPC Trend Analysis

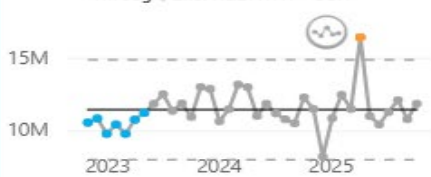
Non-pay expenditure has increased over the last two financial years and is an adverse special cause variation. This is driven by three principal factors.

- 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.
- Passthrough drugs and devices costs grew significantly during 2024/25 (matched by income).
- Drugs (excluding passthrough) costs had reduced since re-categorising some pass-through items in 2023/24, however this financial year is showing an increasing cost trend in this area.

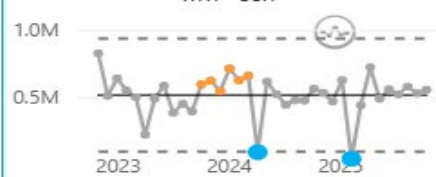
Non-Pay - Clinical Negligence Excl R&D (£): RTH - OUH



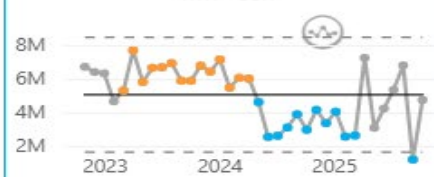
Non-Pay - Clinical Supplies & Services (Excl Pass Through) Excl R&D: RTH - OUH



Non-Pay - General Supplies & Services Excl R&D: RTH - OUH



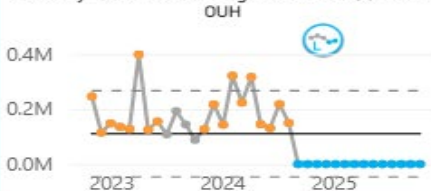
Non-Pay - Drugs (Excl Pass Through) Excl R&D: RTH - OUH



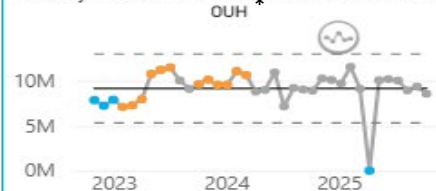
Non-Pay - Pass Through Excl R&D: RTH - OUH



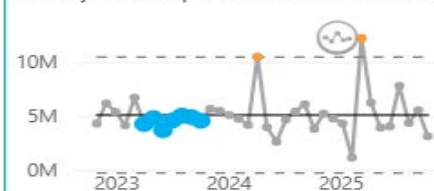
Non-Pay - Internal Recharges Excl R&D (£): RTH - OUH



Non-Pay - Premises & Fixed Plant Excl R&D: RTH - OUH



Non-Pay - Other Expenditure Excl R&D: RTH - OUH



Division	Plan 2025/26 (£m)	YTD Plan (£m)	Identified 2025/26 (£m)	Percentage Identified 2025/26	Forecast 2025/26 (£m)	Percentage Forecast 2025/26	Delivered YTD (£m)	Variance to Plan YTD (£m)	Percentage Delivered
CSS	19.4	8.5	15.1	78%	10.1	52%	3.8	-4.8	44%
MRC	15.7	6.3	12.0	77%	8.2	52%	3.0	-3.3	48%
NOTSSCAN	21.6	8.8	16.9	78%	12.0	55%	4.2	-4.6	48%
SUWON	20.6	8.8	18.6	90%	11.7	57%	6.6	-2.1	76%
Corporate	8.1	3.7	24.0	297%	7.3	90%	4.2	0.5	114%
Education	1.2	0.6	0.0	0%	0.0	0%	0.0	-0.6	0%
Estates	7.0	3.6	6.1	88%	5.6	80%	2.6	-1.0	73%
Operational Services	0.6	0.2	0.5	82%	0.5	82%	0.3	0.0	115%
Operating Expenses	4.8	2.8	3.6	75%	2.7	57%	1.5	-1.3	54%
Central			16.6	0%	40.9	0%	10.7	10.7	0%
TOTAL CASH RELEASING	99.0	43.2	113.3	114%	99.0	100%	36.9	-6.3	85%
TOTAL NON-CASH RELEASING	0.0	0.0	5.3	0%			5.3	5.3	0%
TOTAL SAVINGS	99.0	43.2	118.6	120%	99.0	100%	42.2	-1.0	98%

Progress to Date

114% (£113.3m) of the total £99.0m cash-releasing target has been identified. Receiving the deficit support funding from NHSE on a quarterly basis was conditional on the Trust's efficiency programme being fully identified by the end of Q1 and efficiency plans had to be fully developed by the end of August, the Trust achieved this target.

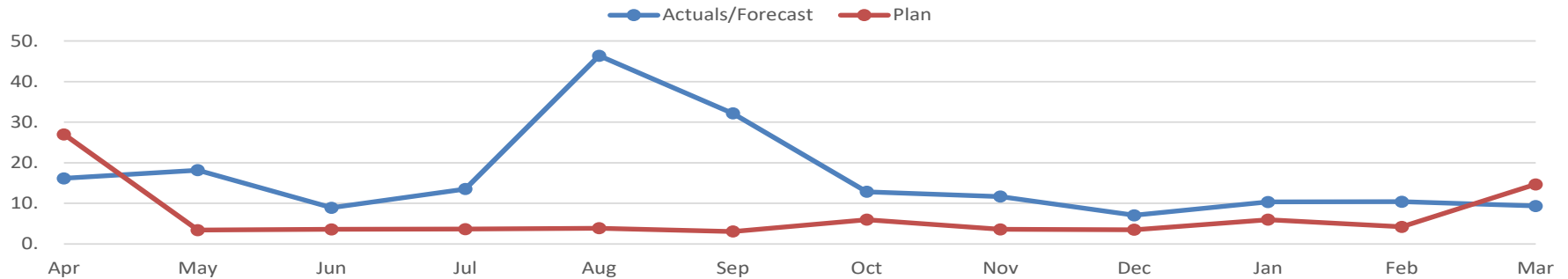
Total cash-releasing savings reported as delivered in Month 6 amounted to £36.9m against a target of £43.2m (85%). Clinical divisions are £14.8m worse than plan, corporate divisions and Estates are £1.1m worse than plan, offset by £9.4m of central savings. The Trust is still on plan even though only 85% of savings have been delivered, this will become more difficult to maintain if efficiency delivery does not continue to pick up.

£5.3m of non-cash releasing savings were also reported at M6 to NHSE.

Productivity

The Trust's Implied Productivity Growth compared to last year is +4.3%, which puts the trust 1.4% above the national average, and 0.8% above the average across the Trust's peer group. (Latest available data as at March 2025).

Actuals/Forecast vs Plan Cash Balance £m

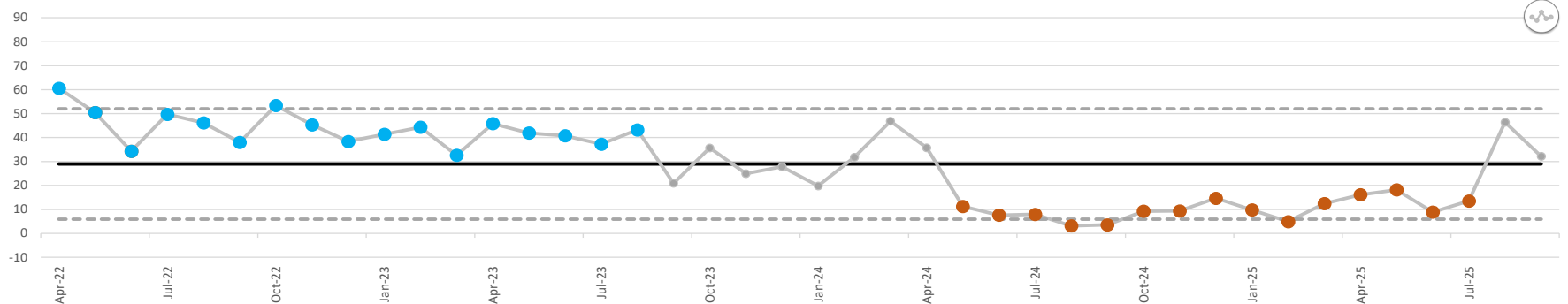


Cash is above plan at Month 6 by £29.1m.

- The Trust received £20.2m in advance from the ICB to cover the pay award costs in case other commissioners didn't update the amounts paid over – half of this has been repaid, and half is due to be returned to the ICB in October £10.1m.
- The Trust deferred more supplier payments than originally planned to manage the Trust's cash as there has been no external cash support available so far in 2025/26 ~£25-30m.
- Capital expenditure has been lower than plan £8.6m.

Any upsides in cash, for example, additional income received related to 2024/25 activity, are being used to offset the need for external cash support. Ongoing actions through the Operational and Strategic Cash Committees are aiming to minimise the risk of cash issues and optimise any cash flows to the Trust's advantage. The cash forecast remains tight, especially as the Trust has £35m of cash releasing savings in its forecast in the second half of the financial year.

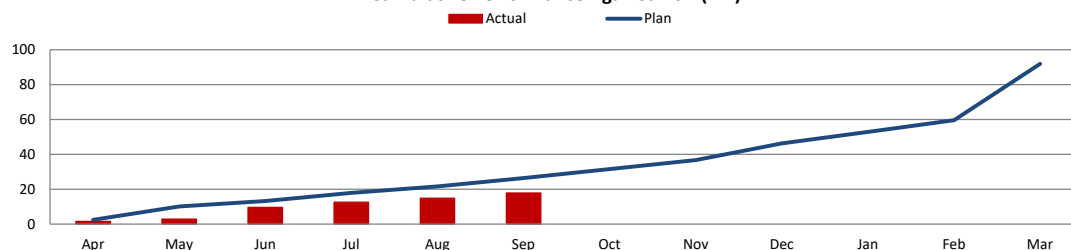
Cash and Cash Equivalent (£m)



Capital Expenditure - by funding source £m	IN MONTH 6			YEAR TO DATE			Full year Plan
	Plan	Actual	Variance	Plan	Actual	Variance	
Gross Capital Expenditure included in Capital Allocation	£0.8	£0.6	£0.2	£4.4	£2.4	£2.1	£16.3
Less disposals/other deductions included in CDEL	£0.0	£0.0	£0.0	(£1.5)	(£0.0)	(£1.5)	(£14.8)
Purchase/(Sale) of Financial Assets	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0
Net Capital Expenditure included in Capital Allocation before IRFS 16	£0.8	£0.6	£0.2	£2.9	£2.3	£0.6	£1.5
IFRS 16 - Right of Use assets/Lease accounting	£0.1	£0.0	£0.1	£6.5	£6.0	£0.4	£32.6
Net Capital Expenditure included in Capital Allocation after IRFS 16	£0.8	£0.6	£0.3	£9.4	£8.4	£1.0	£34.0
National Funding PDC	£2.5	£0.7	£1.9	£6.2	£1.2	£5.1	£23.1
Residual interest (UK GAAP accounting for PFI life-cycling)	£0.5	£0.5	£0.0	£2.8	£2.8	£0.0	£5.6
Capital Departmental Expenditure Limit (CDEL)	£3.8	£1.7	£2.1	£18.4	£12.3	£6.1	£62.7
Government grants	£0.1	£0.0	£0.1	£0.8	£0.5	£0.3	£0.8
Charitable and other donations	£0.1	£0.1	£0.0	£0.5	£0.4	£0.1	£1.0
IFRIC 12 - PFI life-cycling (less Residual Interest)	£0.9	£1.2	(£0.3)	£5.2	£4.5	£0.7	£12.7
Net Capital Expenditure	£4.9	£2.9	£2.0	£25.0	£17.8	£7.1	£77.1
Add back sales, disposals, and other deductions	£0.0	£0.0	£0.0	£1.5	£0.0	£1.5	£14.8
Gross Capital Expenditure	£4.9	£2.9	£2.0	£26.5	£17.8	£8.6	£91.9

Capital Expenditure - by strategic theme £m	IN MONTH 6			YEAR TO DATE			Full year Plan
	Plan	Actual	Variance	Plan	Actual	Variance	
Replacement / compliance	£4.5	£2.4	£2.2	£24.4	£15.9	£8.5	£56.1
Clinical strategy	£0.2	£0.6	(£0.4)	£1.2	£1.5	(£0.3)	£34.8
People plan	£0.0	£0.0	£0.0	£0.1	(£0.0)	£0.1	£0.3
Other	£0.1	(£0.0)	£0.2	£0.8	£0.4	£0.4	£0.8
Gross Capital Expenditure	£4.9	£2.9	£2.0	£26.5	£17.8	£8.6	£91.9

Cumulative Performance Against Plan (£m)



Overall Position

- Gross Capital Expenditure: £17.83m — £8.34m (33%) below plan
- Operating Capital Spend: £8.36m — £1.03m (11%) under plan.

Operating Capital

MRIN Transfer & Lease Accounting Impact

- Total current pressure added: £2.30m, comprising:
 - Deferred derecognition of transferred equipment NBV (£1.50m) → £1.50m pressure.
 - IFRS16 lease impact: Actual cost £2.60m vs planned £1.50m → £1.10m pressure.
 - VAT release: £0.30m offset.
 - Upgrade/enabling works: £1.49m incurred in 2024/25 to be credited over the year → net forecast pressure of £0.81m

VAT Adjustments

- Negative CDEL impact: £0.87m due to prior-year VAT corrections: RAAC: £0.48m; Digital: £0.39m

Phasing Variance

- Current-year net underspend: £2.13m due to programme timing
- Other prior-year items: £0.33k net credit

Outside Operating Capital

PDC-Funded Projects

- Spend to date: £1.18m vs £6.24m plan → £5.06m underspend.

Grant-Funded Projects

- NIHR CTASU/Pharmacy: £0.53m spent, £0.27m behind plan.

Charitable & Donation-Funded Projects

- Spend to date: £0.45m, slightly behind plan:

PFI Lifecycle (Non-CDEL)

- Spend to date: £4.52m — £0.73m behind straight-line plan for Radiology MES replacements.

Appendix 1 – Other Supporting Analysis: Month 6 2025/26

Month 6 Year to Date (£m)	Pass				
Plan	Underlying	R&D	through	One-off	Reported
Income	715.2	22.6	125.4	5.9	869.1
Pay	(488.4)	(17.7)	0.0	3.8	(502.3)
Non pay	(205.0)	(4.9)	(125.4)	11.1	(324.1)
Non-Opex	(49.6)	0.0	0.0	0.0	(49.6)
Total Plan	(27.8)	0.0	(0.0)	20.8	(7.0)
Actuals	Underlying	R&D	Pass through	One-off	Reported
Income	705.8	24.6	133.9	13.9	878.2
Pay	(487.7)	(18.5)	0.0	6.3	(499.9)
Non pay	(210.5)	(4.5)	(133.9)	11.3	(337.6)
Non-Opex	(48.9)	0.0	0.0	1.4	(47.4)
Total Actuals	(41.2)	1.6	0.0	33.0	(6.7)
Variance	Underlying	R&D	Pass through	One-off	Reported
Income	(9.4)	2.0	8.5	8.0	9.2
Pay	0.7	(0.8)	0.0	2.5	2.4
Non pay	(5.5)	0.4	(8.5)	0.2	(13.4)
Non-Opex	0.7	0.0	0.0	1.4	2.1
Total Variance	(13.5)	1.6	0.0	12.2	0.3

R&D:

- £1.6m underspend due to surpluses on commercial and non-commercial income. This was released from the Balance Sheet once it was clear deferred income was not needed to cover any further trial costs.
- Small mix change between pay and non-pay due to specific grants won and projects/trials delivered.

Pass through:

- Passthrough income and expenditure are above plan by £8.5m to date, net nil impact.
- The Trust is paid 3+ months in arrears for over-performance and after suppliers have been paid.
- On passthrough drugs and devices there are currently £15.0m of cash payments still due to the Trust, with £9.5m of this due from NHSE and £5.5m due from BOB ICB (including £7.1m relating to the last financial year, almost all of which relates to BOB). 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:

- Deficit support funding (£9.7m)
- Non-recurrent efficiency savings (£11.7m)
- Gain on Disposals (£1.1m)
- PFI Insurance Benefit (£1.2m)

NHSE data collection – for medium term plan

- NHSE collected estimates of the underlying financial performance of the Trust as part of planning. OUH reported that it estimated its underlying deficit plan to be £56.2m for 2025/26 (2024/25: £71.9m). The £2m planned surplus was adjusted for non-recurring efficiencies (£38.9m) and deficit support (£19.3m). NHSE's methodology required us to treat contractually non-recurrent income as recurrent. This is different to the methodology used above.
- NHSE believes it is important to understand the underlying position of the NHS before commissioners plan to shift funding into community services and prevention. Further data collections have taken place in September and October.
- The underlying deficit in the M5 and M6 submissions was £69.7m. The £2m planned surplus was adjusted for Non-recurrent CIPs (-£57.3m); Deficit Support Funding (-£19.3m); Full year effect of CIPs (+£6.1m); FYE NR items (-£10.9m); and Other impacts (+£15.5m).

Statement of Financial Position (SOFP)

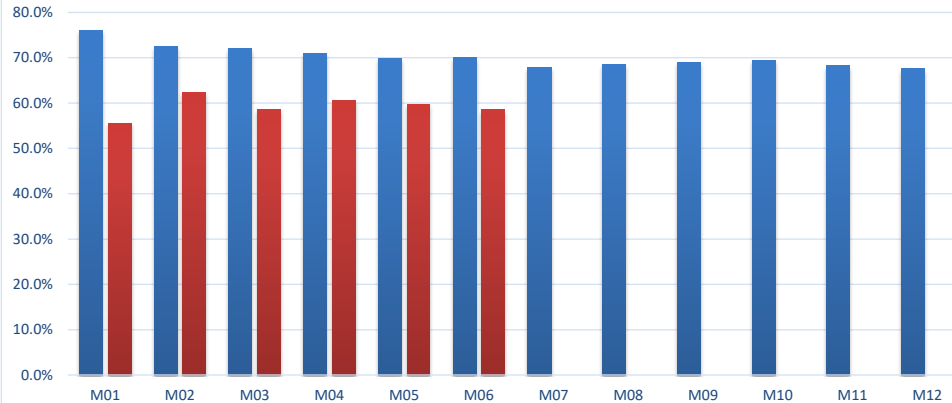
Statement of Financial Position 2024/25	M12 2025	In Month 6 2026	In Mth PLAN	Variance to PLAN	Movement in month	Movement from year- end
NON-CURRENT ASSETS:						
Property, Plant and Equipment	£769.2	£757.6	£777.0	(£19.4)	(£1.9)	(£11.6)
Investments	£62.1	£62.4	£60.4	£2.0	£0.4	£0.3
Trade and Other Receivables - non current	£14.0	£17.8	£9.1	£8.7	£3.9	£3.8
Total Non Current Assets	£845.2	£837.7	£846.4	(£8.7)	£2.3	(£7.5)
CURRENT ASSETS:						
Inventories	£32.9	£31.2	£34.2	(£3.0)	(£0.9)	(£1.7)
Trade and Other Receivables - current	£93.1	£79.0	£92.8	(£13.7)	£4.6	(£14.1)
Cash	£12.5	£32.2	£3.1	£29.1	(£14.2)	£19.7
Total Current Assets	£138.4	£142.4	£130.0	£12.3	(£10.6)	£0.7
TOTAL ASSETS	£983.7	£980.1	£976.5	£3.6	(£8.2)	(£6.7)
CURRENT LIABILITIES						
Trade and Other Payables - current	(£197.6)	(£187.7)	(£167.3)	(£20.4)	£8.0	£9.9
Other Liabilities: Deferred Income - current	(£1.3)	(£11.3)	(£12.1)	£0.8	£2.8	(£10.0)
Other Liabilities: - current	(£0.3)	(£0.3)	(£0.3)	(£0.1)	(£0.0)	(£0.0)
Provisions current	(£0.9)	(£0.7)	(£0.9)	£0.1	£0.1	£0.2
Borrowings - current	(£8.1)	(£7.6)	(£25.1)	£17.5	(£0.6)	£0.5
Loans - current	(£1.2)	(£1.2)	(£1.6)	£0.4	£0.0	(£0.0)
Total Current Liabilities	(£209.4)	(£208.9)	(£207.1)	(£1.7)	£10.3	£0.5
NET CURRENT ASSETS/(LIABILITIES)	(£71.0)	(£66.5)	(£77.1)	£10.6	(£0.2)	£1.3
TOTAL ASSETS LESS CURRENT LIABILITIES	£774.3	£771.2	£769.3	£1.9	£2.1	(£6.2)
NON-CURRENT LIABILITIES:						
Other Liabilities: Deferred Income - non current	(£2.3)	(£2.3)	(£2.5)	£0.2	£0.0	£0.0
Other Liabilities: - non current	(£3.6)	(£3.7)	(£3.3)	(£0.3)	(£0.0)	(£0.1)
Provisions - non current	(£6.4)	(£6.4)	(£6.2)	(£0.2)	£0.0	£0.0
Borrowings - non current	(£356.6)	(£357.4)	(£347.2)	(£10.2)	£1.2	(£0.8)
Loans - non current	(£17.8)	(£17.2)	(£17.3)	£0.1	£0.2	£0.7
Total Non-Current Liabilities	(£386.6)	(£386.9)	(£376.5)	(£10.4)	£1.4	(£0.3)
TS LESS LIABILITIES (Total Assets Employed)	£387.6	£384.3	£392.9	(£8.6)	£3.5	(£6.5)
TAXPAYERS EQUITY						
Public Dividend Capital	£355.0	£358.6	£377.3	(£18.7)	£0.4	£3.6
Retained Earnings reserve	(£154.5)	(£156.0)	(£166.9)	£10.9	£4.0	(£1.4)
Revaluation Reserve	£195.3	£189.8	£190.5	(£0.7)	(£0.9)	(£5.4)
Other Reserves	£1.7	£1.7	£1.7	£0.0	£0.0	£0.0
FV Assets Reserve	(£9.9)	(£9.9)	(£9.8)	(£0.0)	£0.0	£0.0
Total	£387.6	£384.3	£392.9	(£8.6)	£3.5	(£3.3)

Balance Sheet

- PPE has reduced YTD due to additions being lower than depreciation and amortisation.
- Trade and other receivables are lower than plan, the Trust is anticipating repaying the remaining £10.1m receipt in advance from the ICB to cover the pay award in October.
- Cash is above plan – see earlier slide.
- Trade and other payables are higher than plan largely due to deferral of payments since no external cash support was available.
- Borrowings are lower in total (current and non-current taken together) than plan due to the Trust changing its policy on when to account for remeasurement of two of its largest PFI liability balances.

Total Bills Paid Within Target - Number

■ Bills Paid Within Target 2024-25 ■ Bills Paid Within Target 2025-26



	2025	2026					
	M12	M01	M02	M03	M04	M05	M06
Debtor Days	8.09	6.71	7.36	5.43	8.30	6.21	6.79
Creditor Days	52.33	43.32	45.32	38.65	43.70	39.38	41.48

BPPC

- Performance of paying invoices within 30 days has dropped due to managing the Trust's cash position. The Trust is taking action to prioritise and cycle supplier payments as appropriate to maintain services and relationships.

Debtor Days

- Debtor days are in line with previous averages; work is ongoing to reduce aged debt in particular and cashflows around intra NHS bodies.

Creditor Days

- Creditor days have increased in M6 due to the Trust deferring more payments to suppliers than expected.

Appendix 2 – Financial Control Update

Activity	Outputs	Deadline	Update	RAG
1. 2025/26 budget setting	First iteration of budgets agreed and locked down prior to start of 25/26 FY	27/3	Complete. TME 26/6 agreed business case funding devolved at M3.	Complete
2. Implementation of budgetary controls	Budgetary control policy developed and approved by TME and communicated	27/3	Complete. Budget reconciliation in place. £52.7m of funding distributed to divisions at month 3 and 155.34 WTE.	Complete
3. SFI and SoDA and review	Revised SFIs and SoDA developed and approved by Audit Committee and Board.	30/4. Completed 1/7	SFIs approved by May Board and SoDA approved by Board in June. Communications launched 1/7.	Complete
4. Divisional Finance operating model	In Divisional Finance operating model to ensure resilience and alignment of actions to the Trust financial plan and budget. Supported by internal audit	18/4 in progress	Final report to Audit Committee 29/10.	In progress
5. Review and implementation of financial control best practice	Further review of HFMA Financial Sustainability Checklist and Grip and Control checklists undertaken	31/7 Outcome reviewed by Productivity Committee	Initial review undertaken. Paper at Productivity Committee discussed and agreed proposed priorities, timescales and owners. Programme of work being mobilised)	In progress
6. Maximise 3rd line of defence assurance	Internal Audit plan to increase focus on control / align better to key priorities	30/4	Plan approved, audits started in Q1 for divisional control and stock. Reporting it October. Both report limited assurance	Complete
7. Budget holder training	Rolling Trust wide budget holder training programme to equip budget holders with skills and information to more effectively manage their budgets	March 25 & ongoing	164 staff trained to date (M4 122). Variable attendance by division (SuWON 53, CSS 44, MRC 28, NOTTSCAN 19, Corporate 15, Other 5)	Complete

Activity	Outputs	Deadline	Update	RAG
8. Monthly Performance Process	- Review of monthly finance performance reporting - Review of meeting structure and content of material presented to ensure good financial management. - Detailed mitigation plans required for any areas off plan	31 st July 2025	Paper went to IAC outlining potential options in August.	In progress
8. Non pay control	- Purchase Order (PO) only payment - Non Passthrough Drugs Controls - Stock Management - Divisional Financial Control	TBC	The 4 outputs to enhance grip and control on non-pay are being worked into a programme. Each is being given an SRO with an outline of objectives, and a task list will follow.	In progress