

Board of Directors (held in Public)
30 January 2025
Agenda Item: 3.4



Report Title	Financial Performance as at 31 December 2024 (Month 9)
Author (name and title)	Matt Turner, Head of Financial Management; Louise Engledow, Deputy Director of Finance
Accountable Director	Kathryn Vause, Executive Director of Finance
Previous committees/groups	Finance & Performance Committee 28 January 2025
Recommended action(s) Approval, Assurance, Information	Information
Purpose of the paper	To inform Trust Board of the current financial position as at month 9, period ending 31 December 2024.
Recommendation(s)	It is recommended that the Trust Board note: - <ul style="list-style-type: none"> the Trust's financial performance to 31 Dec 2024; the capital expenditure against plan; and all associated risks.

Executive summary (overview of main points)

Trust Position as at Month 9

YTD expenditure exceeds income by £501k, against a planned surplus of £408k. Therefore, the Trust are reporting a deficit variance of £910k.

The Trust have reported a 'probable' break-even position with a 'worst-case' risk of £3.5m deficit if corrective action is not taken, due to demand-driven cost increases in PTS, cost pressures in Support Service and the withdrawal of some performance-related income. The Trust have taken a number of actions to achieve a break-even position at year end.

Year to date, the Trust is underspending against the capital plan but expects to spend the full allocation by the year end, and so is reporting break-even.

The Trust has an adverse variance against the efficiency plan; YTD £1.0m and forecast £1.9m.

Trust Strategy Bold Ambitions Select the most relevant points from the bold ambitions.	Our Patients	
	Our People	
	Our Partners	
	Our Planet and Pounds	Use our resources wisely and ensure value for money. Ensure decisions are informed by evidence, research, data and intelligence.
Link to Board Assurance Framework Risks (board and level 2 committees only)		12. Secure sufficient revenue resources and use them wisely to ensure value for money.

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Financial Performance as at 31 December 2024 (Month 9)

1. SUMMARY

1.1 At month 9, the Trust is reporting a year-to-date deficit of £910k and a forecast break-even position against plan.

1.2 Key Financial Metrics:

Income & Expenditure Position: £910k deficit year to date and break-even forecast outturn			
Agency Cap:	YTD overspend £518k against cap. FCOT underspend £437k against cap.		
Cash:	Month end balance £48.6m		
BPPC YTD:		Volume	Value
	Non NHS	97%	96%
	NHS	95%	93%
Capital:	Purchased assets:	YTD underspend of £5.7m. FCOT break-even.	
	Leased Assets:	YTD underspend £8.4m. FCOT break-even.	
Cost savings / efficiencies Delivery:	The Trust is currently reporting under performance against the cost savings plan: YTD £1.01m under plan. FCOT £1.9m under plan		

2. MONTH 9 POSITION

2.1 The Trust-wide summary financial position at month 9 is shown below at table 1, with more detail at directorate level shown at table 2.

2.2 Trust *Pay* budgets reflect the agreed vacancy factor and unidentified efficiency targets. Overall, there is a £3.63m year-to-date underspend indicating that the vacancy factor is being achieved. However, the forecast, which reflects recruitment trajectories and higher staffing levels over the winter months (based on service information) indicates a reduced underspend of £2.57m.

2.3 *Non-pay* expenditure is higher than plan YTD (£1.79m). Key adverse variances are:

- PTS third party resource pressures associated with increasing demand.
- Equipment & consumables in Fleet and Procurement.

2.4 The Trust have reported a 'worst-case' position of £3.5m deficit if corrective action is not taken. A number of actions are being considered and the reported position is one of break-even.

2.5 The accrual for NHSE Performance income has been removed which has caused a deterioration of the year-to-date position.

2.6 **Agency** spend is £4.7m year-to-date which exceeds the plan by £518k. The majority of this expenditure is within IUC for the first half of the year but has now reduced. The forecast is to be £437k under the agency cap.

	Year to date (Dec 24)			Full Year 2024/25		
	PLAN	ACTUAL	VARIANCE	PLAN	ACTUAL	VARIANCE
	£000			£000		
Income	(322,567)	(319,428)	3,138	(430,385)	(427,261)	3,124
Pay	246,312	242,680	(3,632)	330,354	327,784	(2,570)
Non Pay	75,846	77,633	1,787	100,031	99,861	(170)
(Surplus)/Deficit	(408)	885	1,294	0	384	384
Remove impact of I&E impairments / reversals	-	(384)	(384)	-	(384)	(384)
Adjusted (Surplus)/Deficit	(408)	501	910	0	0	0

Table 1: Financial Performance M9 - Summary Trust Position

Summary Directorate Position

	Year to Date (Apr - Dec)			Forecast		
	Plan	Actual	Variance	Plan	Actual	Variance
	£000	£000	£000	£000	£000	£000
Income (excluding MHIS)	(308,283)	(308,263)	20	(404,377)	(404,373)	4
Block Income	(308,283)	(308,263)	20	(404,377)	(404,373)	4
Income	-	(13)	(13)	-	(13)	(13)
Pay	593	626	33	769	806	37
Non Pay	-	40	40	-	44	44
Chief Operating Officer	593	653	60	769	837	68
Income	(3,516)	(2,287)	1,229	(5,033)	(3,637)	1,395
Pay	137,034	138,082	1,048	183,885	186,584	2,698
Non Pay	6,470	5,938	(531)	8,067	7,521	(546)
A&E	139,988	141,733	1,746	186,920	190,468	3,548
Income	(255)	(55)	200	(255)	(55)	200
Pay	20,984	20,247	(737)	28,121	26,727	(1,394)
Non Pay	896	877	(19)	1,430	1,671	241
EOC	21,625	21,069	(556)	29,295	28,343	(953)
Income	-	(51)	(51)	-	(67)	(67)
Pay	22,029	23,069	1,039	29,934	30,429	495
Non Pay	707	819	112	943	1,117	174
NHS 111	22,737	23,837	1,100	30,877	31,479	603
Income	-	(254)	(254)	-	(307)	(307)
Pay	16,761	17,643	882	22,348	23,520	1,172
Non Pay	11,477	13,552	2,075	15,302	17,685	2,382
Patient Transport Services	28,237	30,940	2,703	37,651	40,898	3,247
Income	(2,002)	(2,203)	(201)	(2,744)	(3,136)	(392)
Pay	9,037	8,602	(435)	12,110	11,760	(350)
Non Pay	1,464	978	(486)	1,975	1,589	(386)
Central Services	8,499	7,377	(1,122)	11,341	10,213	(1,128)
Income	(3,825)	(2,350)	1,475	(5,100)	(3,770)	1,330
Pay	2,881	1,552	(1,328)	3,871	2,459	(1,412)
Non Pay	944	794	(150)	1,229	1,298	69
Mental Health	(0)	(3)	(3)	-	(12)	(12)
Income	(9,627)	(8,885)	742	(12,798)	(11,837)	961
Pay	35,688	32,929	(2,759)	47,807	44,561	(3,246)
Non Pay	52,052	54,905	2,853	69,752	73,844	4,476
Support Services	78,113	78,949	836	104,761	106,568	1,807
Income	(58)	(66)	(8)	(78)	(66)	11
Pay	1,305	(70)	(1,375)	1,508	938	(571)
Non Pay	1,836	(654)	(2,490)	1,333	(5,291)	(6,624)
Reserves	3,082	(791)	(3,873)	2,764	(4,420)	(7,184)
(Surplus)/Deficit	(408)	501	910	0	0	0

Table 2: Financial Performance M9 – Summary Directorate Position

3. CAPITAL

- 3.1 Year to date the Trust is underspending against the capital plan by £14.2m (purchased and leased assets combined) but expects to spend the full capital allocation by 31 March. There are risks to delivery, however the Trust will seek to mitigate this by bringing forward 25/26 capital schemes where possible.

OWNED & LEASED ASSETS	M09 YTD (Dec '24)			Full Year Forecast		
Capital Expenditure Analysis 2024-25	Budget	Actual	Variance	Budget	Outturn	Variance
	£'000s			£'000s		
Estates	2,543	826	(1,717)	4,343	7,130	2,787
Fleet	7,254	2,795	(4,459)	9,942	6,765	(3,177)
ICT	198	625	427	1,473	1,406	(67)
Sub Total Capital Expenditure - Purchased Assets	9,995	4,246	(5,749)	15,758	15,301	(457)
Estates	1,500	-	(1,500)	2,360	1,563	(797)
Fleet	8,688	1,790	(6,898)	9,699	8,966	(734)
ICT	-	-	-	-	1,543	1,543
Sub Total Capital Expenditure - Leased Assets	10,188	1,790	(8,398)	12,059	12,071	12
TOTAL CAPITAL EXPENDITURE	20,183	6,036	(14,147)	27,817	27,372	(445)
Mitigating Actions:						
Revenue to Capital tfrs & Other Schemes				0	445	445
TOTAL CAPITAL EXPENDITURE	20,183	6,036	(14,147)	27,817	27,817	0

4. CASH

- 4.1 At 31 December 2024 the Trust holds a cash balance of £48.69m with low borrowings of £2.7m (excluding IFRS16 lease arrangements).

5. PAYABLES PERFORMANCE

- 5.1 The table below summarises the monthly and year-to-date Better Payment Practice Code (BPPC) performance. The Trust has achieved volume performance for the last 6 months however failed the value target in December due to one large invoice being paid outside of terms. The process for payment of future invoices relating to this type of expenditure have been put in place to prevent further occurrence.

Monthly BPPC performance - Overall percentage paid within 30 days

Category	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	YTD
Invoice Volume	98%	96%	81%	95%	98%	96%	97%	98%	95%	97%
Invoice Value	98%	96%	81%	95%	98%	96%	98%	98%	93%	96%

6. STATEMENT OF FINANCIAL POSITION

- 6.1 The SoFP at any year end reflects the timing of transactions and matters which may be specific to that year end.

	31 Dec 24	30 Nov 24
	£m	£m
Non-current assets	139.8	140.0
Current assets		
Inventories	2.7	2.5
Trade and other receivables	12.1	14.4
Assets Held for Sale	-	-
Cash and cash equivalents	48.6	53.9
Total current assets	63.5	70.8
Current liabilities		
Creditors - Capital	1.2	(4.4)
Creditors - Other	(26.8)	(26.4)
Trade and other payables	(25.6)	(30.8)
Borrowings	(6.6)	(6.3)
Provisions	(1.2)	(2.1)
Other liabilities: deferred income	(0.4)	(0.5)
Total current liabilities	(33.7)	(39.6)
Total assets less current liabilities	169.5	171.1
Non-current liabilities		
Borrowings	(11.4)	(11.7)
Provisions	(7.3)	(7.3)
Total non-current liabilities	(18.7)	(19.0)
Total net assets employed	150.8	152.1
Financed by		
Public dividend capital	94.4	94.4
Revaluation reserve	22.5	22.5
Income and expenditure reserve	33.9	35.2
Total taxpayers' and others' equity	150.8	152.1

Table 4: Statement of Financial Position

7. EFFICIENCY PROGRAMME

- 7.1 The Trust is behind plan in meeting the efficiencies target, both year-to-date and forecast.
- 7.2 Q1, Q2 and Q3 insurance rebates were higher than expected and it is now assumed that overall, the annual rebate will be £500k higher than anticipated, at £1.5m.
- 7.3 The unachieved Telematics saving reflects the delayed implementation. The project is now underway and it is expected that savings will be delivered from early Q1 25/26 onwards.
- 7.4 The vacancy factor/unidentified CIP: *Pay* reflects the current overall pay forecast of the Trust.

Scheme	M09 YTD Plan	M09 YTD	M09 YTD Variance	Full year Plan	Forecast	Full year variance
Interest receivable	(2,850)	(2,017)	833	(3,800)	(2,914)	886
Insurance Rebate	(750)	(1,000)	(250)	(1,000)	(1,500)	(500)
Telematics	(380)	0	380	(507)	0	507
Logistics Hub (premises double running)	(96)	(96)	(0)	(128)	(128)	0
Procurement - consumable savings	(309)	0	309	(412)	(412)	0
Microsoft 365	(258)	(66)	192	(344)	(88)	256
WAN reprocurement	(65)	(65)	(0)	(86)	(86)	(0)
Interpreters reprocurement	(23)	(23)	0	(30)	(30)	0
Other Fleet (PYE 80 DCAs)	(397)	(397)	0	(529)	(529)	0
Vacancy factor	(4,885)	(4,885)	0	(6,513)	(6,513)	0
Unidentified CIP: Pay	(2,537)	(3,644)	(1,108)	(3,382)	(4,253)	(871)
Unidentified CIP: Non Pay	(497)	(883)	(385)	(663)	57	720
SUB TOTAL	(13,046)	(13,074)	(29)	(17,394)	(16,395)	999
Efficiencies Netted off in A&E Demand Modelling:						
1% sickness reduction	(1,256)	(431)	826	(1,675)	(849)	826
Hear & Treat	(1,943)	(1,727)	217	(2,591)	(2,503)	88
SUB TOTAL	(3,200)	(2,157)	1,042	(4,266)	(3,352)	914
TOTAL	(16,245)	(15,232)	1,013	(21,660)	(19,748)	1,912

8. FINANCIAL GRIP AND CONTROL

- 8.1 As a result of the deteriorating system financial position, and potential deficit for YAS, the ICB have instigated a number of system-wide reviews and a deep dive of the Trusts' financial position which has yielded some positive outcomes. Further investigation is required to consider the impact of potential options.

9. RISKS

- 9.1 The efficiency target is not being fully achieved, which presents challenges to delivering a break-even position.
- 9.2 The forecast includes an assumption of £0.9m income for PTS ECR's that exceed the level defined in the block income contract. Invoices have not yet been raised and could be challenged.
- 9.3 At this stage in the financial year there are a number of 'unknowns' particularly for technical budgets, provisions and PDC which is dependent upon the final SOFP. These could result in favourable or adverse variances and so create challenges for forecasting.
- 9.4 A significant element (75%) of the capital plan is due to be delivered in Q4. There is a risk of underspending against the allocation however there are a number of mitigations that could offset this.

10. RECOMMENDATIONS

- 10.1 It is recommended that the Board note:
- the Trust's financial performance to 31 December.
 - all associated risks.