

Board of Directors - Public

SUMMARY REPORT

Meeting Date: 22 May 2024
 Agenda Item: 13

Report Title:	Financial Plan 2024/25		
Author(s):	Jill Savoury, Head of Finance Chris Cotton, Deputy Director of Finance Phillip Easthope, Executive Director of Finance, Digital & Performance		
Accountable Director:	Phillip Easthope, Executive Director of Finance, Digital & Performance		
Other meetings this paper has been presented to or previously agreed at:	Committee/Tier 2 Group/Tier 3 Group	Finance & Performance Committee Executive Management Team	
	Date:	9 May 2024 2 May 2024	
Key points/recommendations from those meetings	Update to Financial plan (attached in Confidential papers) presented in FPC, discussion around phasing breakdown and saving plans update. Updates have been include in this summary report in line with the discussion.		

Summary of key points in report

Following approval of the 24-25 Financial Plan at the April Board of Directors meeting there has been minor changes to Board approved finance plan:

- There has been a change to the planned deficit following receipt of non-recurrent income from South Yorkshire ICB relating reducing the deficit from £6.8m to **£6.52m**.
- Income & Expenditure phasing has been completed and included (this includes phasing of savings)
- Budgets by Directorate compared to 23/24 spend
- Update on Savings plans as per 7th May.

Appendices within Confidential papers:

- Item 07 May 2024 FPC – Financial Plan 2024-25

Recommendation for the Board/Committee to consider:

Consider for Action		Approval		Assurance	X	Information	X
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Please identify which strategic priorities will be impacted by this report:

Effective Use of Resources	Yes	X	No	
Deliver Outstanding Care	Yes	X	No	

Great Place to Work					Yes	X	No	
Ensuring our services are inclusive					Yes	X	No	
Is this report relevant to compliance with any key standards ? State specific standard								
Care Quality Commission Fundamental Standards	Yes	X	No		Regulation 13 Financial Position Regulation 17 Good Governance			
Data Security and Protection Toolkit	Yes		No	X				
Any other specific standard?	Yes		No	X				
Have these areas been considered ? YES/NO								
					If Yes, what are the implications or the impact? If no, please explain why			
Service User and Carer Safety, Engagement and Experience	Yes	X	No		No adverse impact			
Financial (revenue & capital)	Yes	X	No		As detailed in the paper			
Organisational Development /Workforce	Yes	X	No		No adverse impact			
Equality, Diversity & Inclusion	Yes	X	No		No adverse impact			
Legal	Yes	X	No		No adverse impact			
Environmental sustainability	Yes	X	No		No adverse impact			

2024-25 Financial Plan and Planning Principles

Section 1: Analysis and supporting detail

Background

- 1.1 The paper aims to provide an update on the final status of financial plans for April 2024 to March 2025.
- 1.2 The Financial Plan was approved in April, the final version of the financial plan was submitted to NHS England (NHSE) in advance of the deadline on May 2nd.

Updates to Financial Plan since April Board paper

- 2 There has been a change to the planned deficit following receipt of non-recurrent income from South Yorkshire ICB relating reducing the deficit from £6.8m to **£6.52m**.
- 2.1 Further work has been completed since April's Board paper on the phasing of the plan across the financial year. The table below shows the phasing of the plan submitted to NHS England.

	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income													
Income from Patient Care Activities	10,775	10,775	10,775	10,775	10,775	10,775	10,752	10,752	10,752	10,752	10,752	10,595	129,008
Other Operating Income	1,738	1,738	1,738	1,738	1,738	1,738	1,738	1,738	1,738	1,738	1,738	1,738	20,852
Total Income	12,513	12,513	12,513	12,513	12,513	12,513	12,490	12,490	12,490	12,490	12,490	12,333	149,860
Expenditure													
Substantive	(9,773)	(9,800)	(9,822)	(9,654)	(9,659)	(9,652)	(9,642)	(9,642)	(9,642)	(9,643)	(9,643)	(9,480)	(116,053)
Bank	(225)	(225)	(225)	(225)	(225)	(225)	(225)	(225)	(225)	(225)	(225)	(225)	(2,702)
Agency	(457)	(457)	(450)	(440)	(440)	(378)	(351)	(332)	(312)	(272)	(272)	(270)	(4,430)
Other (Apprenticeship Levy)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(482)
Total Pay	(10,495)	(10,522)	(10,538)	(10,359)	(10,364)	(10,296)	(10,259)	(10,240)	(10,220)	(10,180)	(10,180)	(10,016)	(123,667)
Out of Area healthcare	(627)	(627)	(627)	(627)	(627)	(627)	(604)	(604)	(604)	(604)	(604)	(540)	(7,319)
Drugs	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(98)	(825)
Other non pay	(1,706)	(1,699)	(1,699)	(1,669)	(1,669)	(1,669)	(1,666)	(1,693)	(1,693)	(1,688)	(1,688)	(1,723)	(20,260)
Total Non Pay	(2,398)	(2,392)	(2,392)	(2,361)	(2,361)	(2,361)	(2,336)	(2,363)	(2,363)	(2,358)	(2,358)	(2,362)	(28,404)
Total Expenditure	(12,894)	(12,914)	(12,930)	(12,720)	(12,725)	(12,657)	(12,594)	(12,602)	(12,583)	(12,537)	(12,537)	(12,377)	(152,072)
EBITDA	(381)	(402)	(417)	(207)	(212)	(144)	(105)	(112)	(93)	(48)	(48)	(44)	(2,212)
Depreciation & Amortisation	(330)	(330)	(330)	(330)	(330)	(330)	(330)	(330)	(330)	(320)	(320)	(320)	(3,925)
Net Operating Surplus / (Deficit)	(710)	(731)	(747)	(537)	(542)	(473)	(434)	(442)	(422)	(367)	(367)	(364)	(6,137)
Interest receipts	174	171	174	185	183	170	168	169	167	151	148	144	2,005
Finance expense	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(68)
PDC dividends payable	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(2,493)
Net Finance Costs	(39)	(42)	(39)	(28)	(31)	(43)	(45)	(44)	(47)	(62)	(66)	(69)	(556)
Technical Adjustments	14	14	14	14	14	14	14	14	14	14	14	14	173
Adjusted Net Surplus / (Deficit)	(735)	(759)	(772)	(551)	(558)	(502)	(465)	(472)	(455)	(415)	(419)	(419)	(6,520)
<i>Savings included in the planned deficit:</i>													
Value improvement programme	285	285	291	302	302	364	413	432	452	492	492	494	4,603
Other savings	224	224	224	224	224	230	230	230	230	230	230	230	2,731
TOTAL SAVINGS FOR 2024/25	509	509	515	526	526	594	643	662	682	723	723	724	7,334

- 2.2 Income and Expenditure have a base phasing in equal 12ths, there is a slight discrepancy in phasing for month 12 but there is offset between income and expenditure, this will be updated in budgets in Month 2.
- 2.3 Phasing has been altered in line with the saving plans and expectation that overspending areas will reduce through recovery plans. The saving phasing is

shown at the bottom of the table. This phasing is based on plans at the point of submitting the financial plan to NHS England. The difference in phasing from Quarter 1 to Quarter 4 is £338k per month are as follows:

- 2.4 £212k – Saving plan phasing – based on current submitted plans (£51k Achieved/Green, £143k Amber rated, £19k Red)
- 2.5 £126k – Phasing on expected overspend in financial plan higher in Quarter 1.
- 2.6 Budgets have been set at cost centre level and agreed by Executive budget managers. Below is a breakdown of the budgets within the financial plan:

Directorate	£'000		24/25 WTE Budget
	23/24 Spend	24/25 Budget	
Acute & community	46,715	42,528	675
Rehab & specialist	42,657	40,409	1,117
Directorate Management Central	2,560	1,672	159
Medical	5,829	5,828	203
Chair & CEO	1,455	1,585	16
Corporate Governance	1,522	1,520	13
Director of Finance	7,369	7,201	96
Exec Director of Operations	78	81	1
Nursing & Professions	3,480	3,651	79
People	4,146	3,770	58
Strategy, Estates & facilities	7,747	7,476	90
Central budgets	(112,601)	(112,841)	-
Reserves	(1,888)	3,812	-
Total Directorate Budgets	9,068	6,693	2,506
Technical Adjustments	(4,136)	(173)	
Planned Deficit 2024/25	4,932	6,520	2,506

- 2.7 Budgets are reduced from spend as a result of agreed saving targets or overspends not being funded within individual budgets. The net expected overspend (40% of overspending areas) is included within the reserves line of the breakdown. The reserves position in 23/24 was due to prior year balances released in year. The majority of the technical adjustments in 23/24 were due to impairments not expected within 24/25.
- 2.7 The latest update on saving plans as per 7th May are shown in the table below, work continues to reduce the gap to meet the targets shown. All leads are completing Quality & Equality Impact Assessment (QEIA) screening tool to ensure Quality and safety will not be adversely affected by the changes. Leads are also completing detailed planning templates so that the schemes can be monitored on a weekly basis to ensure actions are being completed in line with the plan.

Directorate	Target	Finance RAGrating				Total Draft plan	Gap	2025/26 Plans
		Achieved	Green	Amber	Red			
Clinical	8,397	3,482	745	2,557	153	6,937	1,460	1,149
Medical	278	-	26	-	212	238	39	44
Nursing, Quality & Professions	137	53	14	52	-	119	18	148
People	263	138	-	44	-	182	81	20
Strategy & Estates	300	23	3	214	-	240	60	79
Corporate Governance	62	10	20	-	-	29	33	-
Finance & Digital	294	104	163	-	-	266	27	176
Total	9,730	3,809	971	2,868	365	8,012	1,717	1,615
Headroom Created/(Shortfall)	2,430					712		

- 2.8 As shown in the table the current plans are above the £7.3m required in the financial plan but with risk of underperformance and other risks that will be experienced in year it is essential that the Trust increases plans to the target value of £9.7m.

- 2.9 The latest saving plans phasing shows 21% in Quarter 1, 23% in Quarter 2, 27% in Quarter 3 and 29% in Quarter 4. This is seen as a reasonable phasing to enable achievement of the plan and is partly due to a number of saving plans including out of area reduction being a full year effect of 23/24 savings and therefore already achieved.