

## Council of Governors

### Item 11.1

**Subject:** Finance Report for the Period Ended 31<sup>st</sup> August 2024  
**Date of Meeting:** 3<sup>rd</sup> December 2024  
**Presented by:** James Thomson, Chief Finance Officer  
**Purpose of Report:** To note

BAF Reference	Impact on BAF
BAF 5	The report outlines the Trusts financial performance at Month 5, 2024/25. The Trust has achieved a £3,953k surplus in the year to date, an adverse variance of £1,578k.

<b>Level of assurance (please tick one)</b> <i>To be used when the content of the report provides evidence of assurance</i>					
<input checked="" type="checkbox"/>	<b>Acceptable assurance</b> Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/>	<b>Partial assurance</b> Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/>	<b>Low assurance</b> Evidence indicates poor effectiveness of controls

### 1. Executive Summary

The financial performance for the first five months is a surplus of £3,953k. This represents a £1,578k adverse variance to plan. The in-month performance, albeit still a small adverse variance to plan, represents an improvement in performance compared to previous months.

The summary position is outlined in the table below and shows the performance with the Hosted Services separately.

M5 LHCH (exluding Hosted Services)	In Month Plan £'000	In Month Actual £'000	In Month Variance £'000	YTD Plan £'000	YTD Actuals £'000	YTD Variance £'000
Total Income	21,066	21,380	314	102,859	102,220	(639)
Total Pay	(9,125)	(9,135)	(10)	(45,596)	(45,487)	109
Total Non Pay	(10,165)	(10,634)	(469)	(48,377)	(49,750)	(1,374)
Depreciation & Technical	(671)	(609)	62	(3,356)	(3,084)	272
Surplus / (Deficit)	1,105	1,002	(103)	5,531	3,900	(1,631)
Removal Transactions Relating to Donated Assets	0	15	15	0	53	53
Surplus / (Deficit) on a control total basis	1,105	1,017	(88)	5,531	3,953	(1,578)

M5 Hosted Serivces	In Month Plan £'000	In Month Actual £'000	In Month Variance £'000	YTD Plan £'000	YTD Actuals £'000	YTD Variance £'000
Total Income	478	464	(14)	2,403	2,189	(214)
Total Pay	(399)	(364)	36	(1,998)	(1,860)	138
Total Non Pay	(75)	(95)	(20)	(387)	(299)	88
Depreciation & Technical	(4)	(6)	(2)	(18)	(30)	(12)
Surplus / (Deficit)	0	(0)	(0)	0	0	(0)
Removal Transactions Relating to Donated Assets	0	0	0	0	0	0
Surplus / (Deficit) on a control total basis	0	(0)	(0)	0	0	(0)

M5 Total Trust	In Month Plan £'000	In Month Actual £'000	In Month Variance £'000	YTD Plan £'000	YTD Actuals £'000	YTD Variance £'000
Total Income	21,544	21,845	300	105,262	104,409	(853)
Total Pay	(9,525)	(9,499)	26	(47,594)	(47,347)	247
Total Non Pay	(10,240)	(10,729)	(489)	(48,764)	(50,049)	(1,285)
Depreciation & Technical	(675)	(615)	60	(3,374)	(3,114)	261
Surplus / (Deficit)	1,105	1,002	(103)	5,531	3,900	(1,631)
Removal Transactions Relating to Donated Assets	0	15	15	0	53	53
Surplus / (Deficit) on a control total basis	1,105	1,017	(88)	5,531	3,953	(1,578)

Key issues to note in the month 5 position are as follows:







- English NHS commissioners are following an Aligned Payment and Incentive (API) contract model, with fixed and variable elements. Many of the variable elements come under the Elective Recovery Fund (ERF). The targets for the ERF have been increased in 2024/25, representing a risk to the Trust. This has been raised with the commissioners. Monthly reporting of performance against the ERF targets is usually shared by NHSE through a national reporting tool. However, no reporting against performance has been received to date. Because of the remaining uncertainty, the income from the ICB and NHSE has been matched to plan, with the exception of the under-performance in Surgery (£756k).
- Contract negotiations with Welsh commissioners has not yet been fully concluded, but it has been agreed that it will be on a full cost and volume basis. This was agreed following the month 5 reporting process, and so the figures represented in the reported position have been matched to the original plan.
- The Trust has recognised some of the over-performance related to the 23/24 ERF scheme. Near the end of 2023/24, a calculation was carried out nationally to predict the ERF income performance based on an extrapolation of month 9 performance. This figure was reflected in our year-end accounts, with any material deviation to be reflected in the 24/25 position. The Trust is working with the ICB to ensure recognition of this income, with £165k recognised to date.
- The Isle of Man and Private Patients income remains on a cost per case arrangement. In August, income from Isle of Man (excluding drugs & devices) was £119k above plan, with a year-to-date overperformance of £100k. The main reason for this overperformance is elective activity. Private patients' income was £15k above plan in August, with the year-to-date (YTD) over-performance at £279k above plan.
- Targeted Lung Health Check (TLHC) activity has now commenced in the new areas, beginning with Wirral. The income has increased in August, but remains lower than planned, with the take-up of health checks lower than predicted. However, costs have also been lower than plan, resulting in an overall position for TLHC that is largely consistent with budget in August. The YTD shortfall remains, but it is anticipated that

some of that shortfall will be recovered as the programme expands into new areas later in the year. The forecast adverse variance to budget is predicted to be c.£400k at the end of the year.

- Pay spend is £10k higher than plan in August and £109k below plan YTD. Bank costs continued to be high, with additional session payments to consultants also high so far this year.
- The largest non-pay pressure in the month relates to the undelivered Cost Improvement Programme (CIP). The Trust has transacted 66.0% of its target (identified 89.7%). Confirm and Challenge sessions are in place with divisions and corporate departments that have not met delivery and identification milestones.
- Drug price inflation continues to cause an overspend, particularly in the Medicine division. This is in addition to overspends in clinical consumables in theatres and cath lab, driven by significant overperformance in emergency surgery and inflation.
- High cash balances and high interest rates are yielding interest payments which are partially offsetting the expenditure overspends.
- At the end of month 5, capital expenditure was £1,725k which primarily relates to backlog maintenance, Cath Lab 7 and the Decant Theatre. The Trust has a capital plan of £7,811k and is forecasting to spend all the allocation by the end of the year.
- **FORECAST** – All providers within the System have been asked to prepare year-end forecasts because of the challenging YTD financial position for the region. At this stage of the year, despite the current adverse variance, the Trust continues to forecast achievement against the plan. The Trust has considered the causes of the variance to date, the plans to mitigate, and the continued uncertainties in a range of areas. This will continue to be reviewed on a monthly basis along with divisional recovery plans.

## 2. Key Financial Performance Indicators

The Key Performance Indicators (KPI) for the period are set out below:

KPI	RAG rating	Comments
Overall Financial position		The Trust has an adverse variance to plan of £1,578k.
Income		Trust income (excl. hosted services) was £639k lower than plan.
Expenditure		Operating expenditure (excl. hosted services) is £1,264k higher than plan.
CIP		Annual CIP of £7,067k (66%) has been transacted against a target of £10,644k.
Capital Expenditure		At the end of month 5, capital expenditure was £1,725k.
Cash		The month 5 cash position is £44.1m.

### 3. Financial Position as at 31<sup>st</sup> August 2024 (month 5)

M5 Financial Position LHCH (excludes Hosted Services)	Annual Plan £'000	In Month Plan £'000	In Month Actual £'000	In Month Variance £'000	YTD Plan £'000	YTD Actuals £'000	YTD Variance £'000
<b>Total Income</b>	239,983	21,066	21,380	314	102,859	102,220	(639)
Employee Expenses	(108,179)	(9,125)	(9,135)	(10)	(45,596)	(45,487)	109
Drugs	(35,466)	(3,278)	(3,289)	(11)	(15,924)	(16,099)	(175)
Clinical supplies	(56,967)	(5,504)	(5,795)	(291)	(25,673)	(26,325)	(653)
Non Clinical supplies	(8,961)	(744)	(774)	(30)	(3,774)	(3,903)	(129)
<b>Total Direct Costs</b>	(209,573)	(18,651)	(18,993)	(342)	(90,966)	(91,814)	(847)
<b>Gross Surplus</b>	30,410	2,415	2,387	(28)	11,893	10,406	(1,486)
Total Overhead expenses	(8,215)	(639)	(776)	(137)	(3,006)	(3,423)	(417)
EBITDA	22,195	1,776	1,611	(165)	8,887	6,983	(1,903)
Depreciation & Technical	(8,054)	(671)	(609)	62	(3,356)	(3,084)	272
<b>Surplus / (Deficit)</b>	<b>14,141</b>	<b>1,105</b>	<b>1,002</b>	<b>(103)</b>	<b>5,531</b>	<b>3,900</b>	<b>(1,631)</b>
Removal of transactions relating to donated assets	0	0	15	15	0	53	53
<b>Surplus / (Deficit) on a control total basis</b>	<b>14,141</b>	<b>1,105</b>	<b>1,017</b>	<b>(88)</b>	<b>5,531</b>	<b>3,953</b>	<b>(1,578)</b>

#### Income

The contracts with NHS England (NHSE) and the Integrated Care Board (ICB) follow an Aligned Payment and Incentive (API) model. Elements of the contract are on a fixed basis, with most of planned care on a variable basis. All new outpatient attendances, outpatient procedures and elective/daycase care are paid on a cost per case basis. Outpatient follow-ups, critical care and non-elective activity is all fixed.

The core contracts have been increased to incentivise elective recovery and address the increased waiting lists since the pandemic. The Elective Recovery Fund (ERF) targets are calculated nationally. The targets have increased in 2024/25. The increased targets make it more difficult to earn the ERF funding, and this represents a risk to the Trust which is being discussed with commissioners.

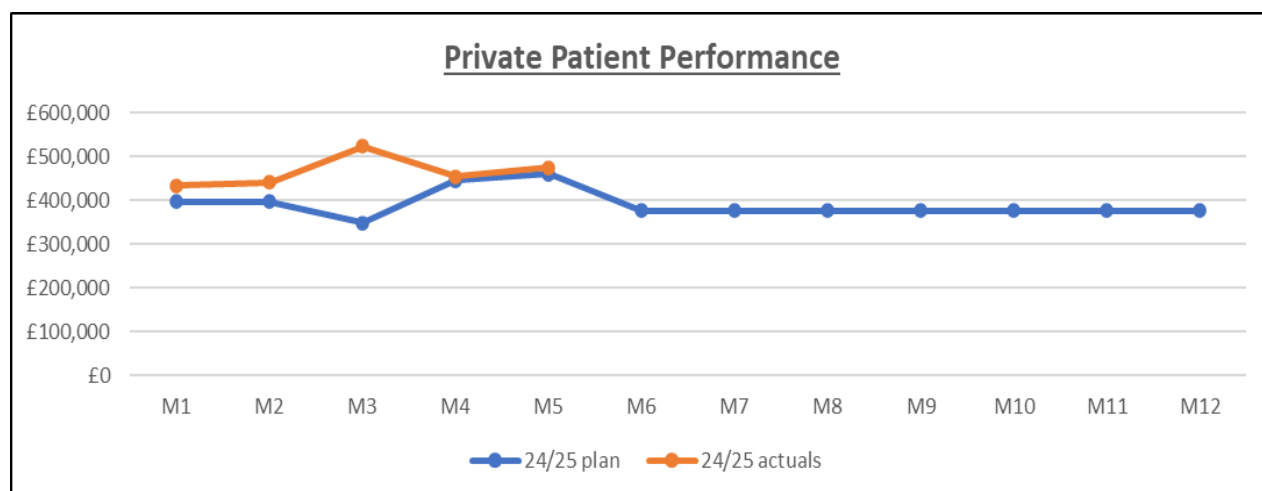
In addition, the final 2023/24 ERF has not yet been transacted. An interim position was agreed and transacted as part of the year-end financial position, with any material differences resolved in 2024/25. The Trust has recognised £165k of this income in month 5, and continues to discuss a full resolution with the ICB.

The Trust is also undergoing a review of outpatient coding to ensure consistency of coding and reporting. Because of the uncertainty around the ERF targets and the outpatient coding changes, the income has been matched to the plan for NHSE, the ICB and Welsh commissioners, with the exception of the current level of under-performance against the surgical elective plan (£756k) and passthrough drugs and devices.

The contract with Wales has yet to be signed, but it has been agreed verbally that it will follow a full cost per case arrangement. This agreement has been reached following month 5 reporting, hence why the position this month has been matched to the original plan. Although a full variable contract can present risks to the Trust, activity and referrals from Wales have grown in recent years.

For 2024/25, the Isle of Man continues to be on a full cost per case contract and was the highest monthly income to date at £120k above the plan (excluding drugs and devices), with a year-to-date overperformance of £100k. The in-month overperformance is due to inpatient activity.

Private patient income was £15k above plan in month and above plan year to date by £279k. All divisions are overperforming in the year to date.



## Expenditure

Pay costs were £10k higher than plan in month, however £109k lower than plan YTD. Bank costs showed a reduction from the prior month, but additional session payments to consultants rose and remain high.

There continues to be some areas of pay overspend, most notably driven by premium spend for medical staff (e.g. to cover sickness, annual leave, or gaps in rotas).

The budgetary spend position by staffing groups is outlined in the table below. Bank, agency, overtime, and Waiting List Initiative (WLI) spend by category is also given (see appendix 5 for further information).

August 2024 LHCH Staffing group (excluding Hosted Services)	In Month Budget £'000	Substantiv e costs (incl overtime) £'000	Bank £'000	Agency £'000	Overtime £'000	WLI £'000	In Month Total spend £'000	In Month Variance £'000
Medical	(2,558)	(2,370)	(43)	0		(257)	(2,670)	(112)
Registered Nursing	(2,750)	(2,546)	(133)	(6)	(7)		(2,693)	57
Support to clinical staff	(982)	(875)	(78)	0	(9)		(962)	20
Scientific, Therapeutic & Technical	(1,365)	(1,268)	(3)	(39)	(7)		(1,316)	49
Non Clinical	(1,280)	(1,170)	(46)	0	(10)		(1,226)	54
Other pay costs incl. apprenticeship levy	(191)	(268)					(268)	(77)
	(9,125)	(8,497)	(302)	(45)	(33)	(257)	(9,135)	(10)

August 2024 LHCH Staffing group (excluding Hosted Services)	YTD Budget £'000	Substantiv e costs (incl overtime) £'000	Bank £'000	Agency £'000	Overtime £'000	WLI £'000	YTD Total spend £'000	YTD Variance £'000
Medical	(12,681)	(11,689)	(249)	0		(1,017)	(12,955)	(274)
Registered Nursing	(13,763)	(12,969)	(713)	(4)	(42)		(13,728)	35
Support to clinical staff	(5,000)	(4,501)	(313)	0	(46)		(4,861)	139
Scientific, Therapeutic & Technical	(6,906)	(6,403)	(16)	(268)	(23)		(6,710)	195
Non Clinical	(6,324)	(5,799)	(250)	1	(54)		(6,102)	222
Other pay costs incl. apprenticeship levy	(923)	(1,131)					(1,131)	(208)
	(45,596)	(42,493)	(1,541)	(271)	(165)	(1,017)	(45,487)	109

Medical staffing has an overspend, with high costs due to high additional session costs in a number of areas, partly to cover long-term sickness, annual leave and weekend lists.

Agency spend continues to be an area of focus nationally, with all providers instructed to spend no more than 3.2% of their pay costs on agency staffing. The Trust's agency spend in August is £45k and £271k YTD, and represents under 1% of the total pay costs, well within the national limits.

Agency costs in the Scientific, Therapeutic & Technical category is largely in theatres, with the continuation of supernumerary working whilst new staff are trained. This has been partially funded from reserves and costs continue to reduce.

Nursing bank costs have dropped in August, after rises in June and July. It is important that bank costs remain stable through effective rostering arrangements.

There is a focus nationally on the workforce numbers. This has been triggered by a significant increase in Whole-Time Equivalents (WTE) across the NHS in recent years, without a commensurate increase in activity. There have also been concerns over the national increase in non-clinical roles.

The Trust's workforce data shown in the table below (including Hosted Services) highlights that the WTE have remained relatively stable. WTE trends and the plan v actual for month 5 is detailed in the table below. The table shows that actual WTEs are within planned levels in August. The numbers of substantive and agency staff are very stable over the first five months, but there are fluctuations in bank staff numbers.

Substantive	2024/25 Submitted Plan	2024/25 M4	Variance to Plan	2024/25 M1	2024/25 M2	2024/25 M3	2024/25 M4	2024/25 M5
Medical	195.89	187.88	8.01	183.21	186.75	186.75	187.88	194.13
Registered Nursing	628.08	613.01	15.07	617.49	613.63	610.60	613.01	611.74
Scientific, Therapeutic & Technical	267.14	267.29	(0.15)	285.39	283.19	282.19	267.29	267.29
Support to clinical staff	261.07	259.02	2.05	251.99	254.14	255.40	259.02	258.20
NHS infrastructure support	478.48	473.39	5.09	468.56	469.77	472.85	473.39	474.94
<b>TOTAL WTE Substantive Staff</b>	<b>1,830.66</b>	<b>1,800.59</b>	<b>30.07</b>	<b>1,806.64</b>	<b>1,807.48</b>	<b>1,807.79</b>	<b>1,800.59</b>	<b>1,806.30</b>
Bank	59.68	80.77	(21.09)	59.74	67.63	85.13	80.77	77.19
Agency	9.94	7.33	2.61	10.16	7.60	8.30	7.33	5.49
<b>TOTAL WTE</b>	<b>1,900.28</b>	<b>1,888.69</b>	<b>11.59</b>	<b>1,876.54</b>	<b>1,882.71</b>	<b>1,901.22</b>	<b>1,888.69</b>	<b>1,888.98</b>

The Trust's workforce plan includes a reduction of 20 WTE in non-clinical roles. This is an estimate of the number of posts required to deliver the pay reduction target given by the ICB. This reduction is planned to start in the second half of the year.

The key variances in non-pay spend categories are outlined below:

- Unachieved CIP – £145k in August 2024 and £1,090k YTD.
- The cost of clinical consumables has been significantly higher than budget for the first four months of the year. This is in both cath labs and theatres. Activity levels have been high, particularly for emergency surgery which has significant over-performance, but remains on a block income arrangement for English commissioners. There have been inflationary increases in a range of cath lab consumables, and a number of these have recently been renegotiated to reduce the price. It is anticipated that these price reductions will be seen in future months.
- Drugs inflation has been funded from reserves, but drug price increases within the Medicine division this year are significant and exceed the risk reserve.

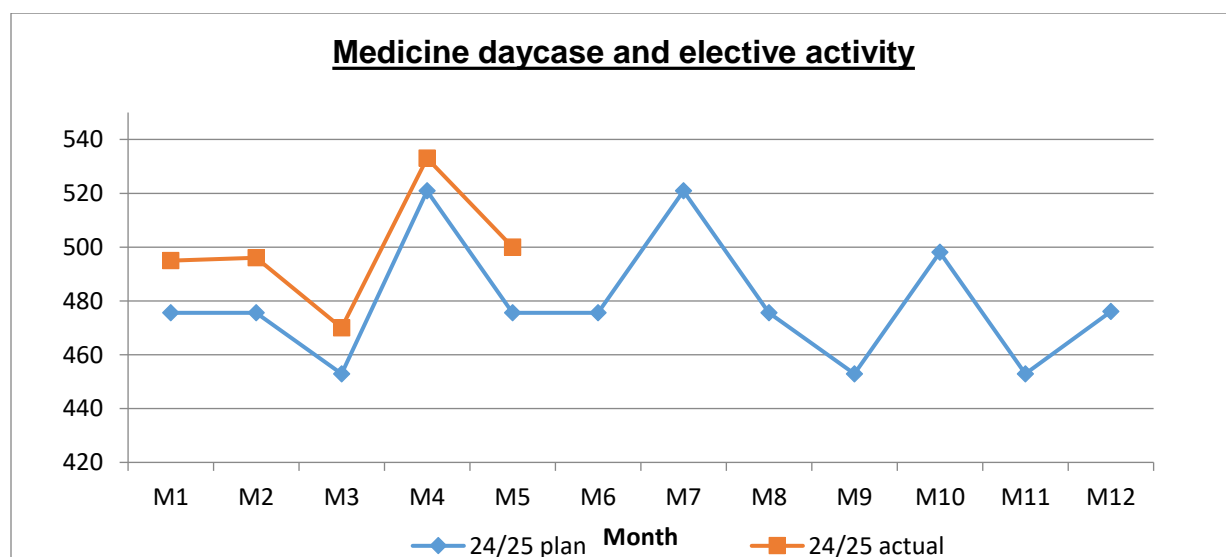
#### 4. Divisional Performance

		IN MONTH Aug-2024			YTD Aug-2024		
		Plan £000	Actual £000	Variance £000	Plan £000	Actual £000	Variance £000
<b>Medicine Division</b>	Income	6,114	6,059	(55)	30,263	29,335	(928)
	Pay	(3,280)	(3,310)	(29)	(16,299)	(16,132)	167
	Non Pay	(6,898)	(7,026)	(128)	(32,439)	(33,194)	(755)
	<b>Contribution</b>	<b>(4,065)</b>	<b>(4,277)</b>	<b>(212)</b>	<b>(18,474)</b>	<b>(19,991)</b>	<b>(1,517)</b>
<b>Surgery Division</b>	Income	4,573	4,551	(22)	22,644	22,070	(575)
	Pay	(1,840)	(1,883)	(43)	(9,299)	(9,511)	(212)
	Non Pay	(1,225)	(1,456)	(231)	(5,806)	(6,734)	(929)
	<b>Contribution</b>	<b>1,508</b>	<b>1,213</b>	<b>(296)</b>	<b>7,540</b>	<b>5,824</b>	<b>(1,716)</b>
<b>Clinical Services Division</b>	Income	2,138	2,153	14	10,540	10,774	233
	Pay	(2,613)	(2,629)	(16)	(13,145)	(13,147)	(2)
	Non Pay	(661)	(704)	(44)	(3,009)	(3,129)	(120)
	<b>Contribution</b>	<b>(1,135)</b>	<b>(1,181)</b>	<b>(45)</b>	<b>(5,613)</b>	<b>(5,502)</b>	<b>111</b>
<b>Corporate Division</b>	Income	371	338	(33)	1,795	1,708	(87)
	Pay	(1,041)	(993)	48	(5,035)	(4,940)	95
	Non Pay	(1,382)	(1,484)	(102)	(7,124)	(7,394)	(270)
	<b>Contribution</b>	<b>(2,052)</b>	<b>(2,140)</b>	<b>(88)</b>	<b>(10,364)</b>	<b>(10,626)</b>	<b>(262)</b>

#### Medicine

The Medicine Division is reporting a £212k adverse variance for August and £1,517k adverse variance YTD.

In August, overall elective activity is 105% above their activity plan and casemix is 97%.



Income - Private patient activity was £87k above plan for August and £174k above plan year to date.



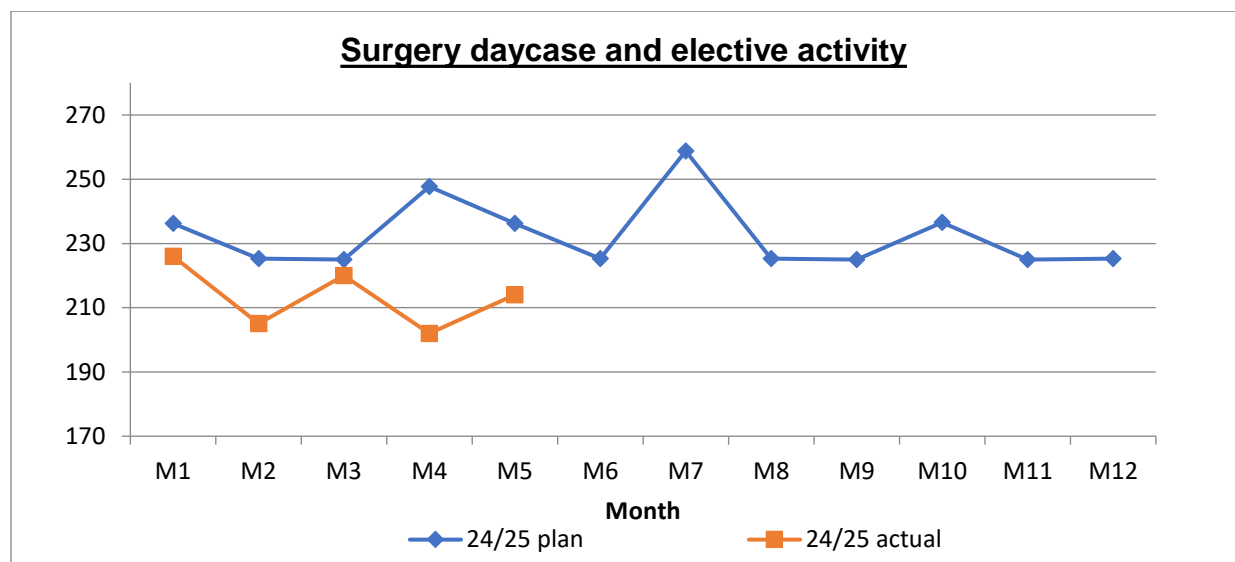
Income for the Targeted Lung Health Check (TLHC) programme was £100k below plan in August and £1,145k below plan year to date. It is the primary driver of the income underperformance within the division. The plan had assumed the phase 4 expansion would start in April, but it was delayed, causing an adverse performance. Health checks and CT scans have now commenced in Wirral, but take-up of the health checks has been lower than originally predicted. There are some underspends associated with the delay in phase 4 TLHC expansion contributing to pay and non-pay underspends, with a £659k net adverse variance.

The non-pay budgetary pressure is caused by CIP slippage (£58k in month and £390k YTD), higher than planned consumables spend predominantly in cath labs and increased drugs spend this year following significant price rises.

### **Surgery**

The Surgery Division is reporting a £296k adverse variance for August and £1,716k adverse variance YTD.

In August, overall elective and daycase activity was 91% of plan and casemix 99% of plan.



Income – the majority of the £575k YTD underperformance relates to elective and IOM underperformance. This masks the true extent of activity delivery by the Division, which has seen more than £2,000k over-performance associated with emergency activity. However, this is on a block contract for English commissioners so does not show in the division's financial performance.

Pay costs are £43k overspent in month and £212k YTD, mainly relating to Theatre agency and Junior Doctor bank staff.

The non-pay overspend is caused by slippage on CIP delivery and high spend on theatre consumables predominantly linked to an increase in non-elective activity.

### **Clinical Services**

Clinical Services is reporting an adverse in-month performance of £45k, but a favourable YTD variance of £111k.

Income is £233k above plan year to date which relates to Radiology provider to provider referrals.



Pay costs are above plan in August due an overspend in anaesthesia relating to additional session payments for consultants. YTD pay costs are largely consistent with the budget.

Non pay spend was higher than budget in August, with overspends in SICU (partly driven by inflation which is under review by procurement), and outsourced radiology reporting. The Division is performing well in terms of CIP identification and delivery.

### **Corporate**

Corporate Services is reporting a £88k adverse variance for August and an YTD adverse variance of £262k.

Income is below plan in month due to underachievement of Education & training income however it is anticipated that this will catch up as the year progresses.

Pay costs are lower than plan, with a small underspend resulting from vacancies. The non-pay overspend results from CIP under-delivery and overspends in tissue viability and estates (repairs and maintenance). The energy bill for quarter 1 has now been received and it is consistent with the values accrued.

## **5. CIP Performance**

The Trust's CIP target for the year is £10,644k. The Divisional target is £4,811k, with £5,833k attributed to central Trust-wide schemes. The undelivered CIP of £911k from 2023/24 (which was delivered through non-recurrent means) was added to the in-year target.

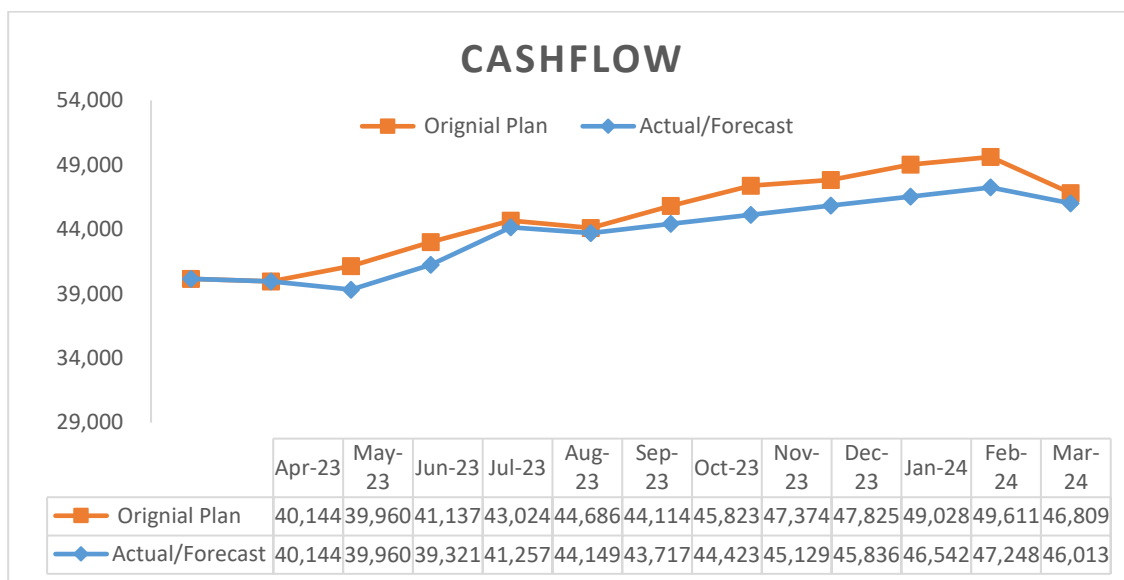
The table below shows the performance of each division against the CIP target for 2024/25. Year to date, 66.4% of the CIP target has been delivered, with 89.7% identified.

The undelivered CIP represents the single largest expenditure pressure. Confirm and Challenge sessions continue to be held with each clinical division and high-risk corporate area. Each division will need to expedite the identification and delivery of CIP schemes as the year progresses, and there are delivery milestones in place.

August 2024				Part Year Effect (2024/25)		Full Year Effect (2025/26)			
Divisional Area	2024/25 Target £'000	C/F 2023/24 £'000	Total CIP £'000	Delivered (Transacted)	Identified	Delivered (Transacted)	Identified	Deliver (Transacted) %	Identified %
Corporate	744	165	909	439	599	439	588	48.3%	64.7%
Clinical Services	759	588	1,347	872	1,044	872	1,224	64.8%	90.9%
Medicine	1,247	158	1,405	609	949	623	1,050	44.3%	74.7%
Surgery	1,150	0	1,150	415	839	415	851	36.1%	74.0%
<b>Divisional Total</b>	<b>3,900</b>	<b>911</b>	<b>4,811</b>	<b>2,335</b>	<b>3,432</b>	<b>2,349</b>	<b>3,713</b>	<b>48.8%</b>	<b>77.2%</b>
Central schemes (incl. interest)	5,833		5,833	4,718	5,833	4,718	5,833	80.9%	100.0%
<b>Trust Total</b>	<b>9,733</b>	<b>911</b>	<b>10,644</b>	<b>7,053</b>	<b>9,265</b>	<b>7,067</b>	<b>9,546</b>	<b>66.4%</b>	<b>89.7%</b>

## **6 Cash Balance**

The month 5 cash position is £44.1m. Appendix 2 shows the statement of cash flows. The trust continues to hold sufficient cash balances to meet payment obligations as they fall due.



## 7 Debtors and Creditors

- Better Payment Practice Code (BPPC):** The Trust is measured on its performance against the Better Payment Practice Code (BPPC), which assesses the number and value of invoices paid within 30 days, the target for which is 95%. Overall, the Trust is performing at 97.1% for the number of invoices paid and 97.4% for the value of invoices paid.
- Debtors:** The total outstanding aged debt as of 31st August 2024 is £4.73m, an increase of £0.36 from the previous month and summarised in the three tables below.

### NHS Debtors over £250k

Debtor	Total Debt	Debt < 90 Days		Debt > 90 days	
	£000's	£000's	£000's	Number	Number
DEBTORS >£250k	806	171	635	68	11
OTHER DEBTORS <£250k	154	79	76	29	13
<b>TOTAL</b>	<b>961</b>	<b>250</b>	<b>711</b>	<b>97</b>	<b>24</b>

Total NHS debt is £0.961m, which decreased by £0.082m compared to July. The debtors over 90 days relate to LUFT and Manchester University Hospitals. These aged debts are being pursued with the relevant individuals within these organisations.

### Non-NHS Debtors over £250k

Debtor	Total Debt	Debt < 90 Days		Debt > 90 days	
	£000's	£000's	£000's	Number	Number
MANX CARE	1,391	1,391	-	1	1
AXA PPP HEALTHCARE	543	334	209	265	140
BUPA	290	237	53	178	116
OTHER DEBTORS <£250k	1,129	500	629	808	316
<b>TOTAL</b>	<b>3,354</b>	<b>2,462</b>	<b>891</b>	<b>1,252</b>	<b>573</b>

Non-NHS Debt has increased by £0.19m when compared to July 2024, mainly because of the timing of invoicing the Isle of Man (Manx Healthcare). The debts over 90 days have reduced this month. A lot of these debts relate to private healthcare insurance companies and are being actively pursued.

#### Hosted Services

Debtor	Total Debt	Debt < 90 Days	Debt > 90 days	Total Debt	Debt < 90 Days	Debt > 90 days
	£000's	£000's	£000's	Number	Number	Number
OTHER DEBTORS <£250k	414	260	154	8	2	6
<b>TOTAL</b>	<b>414</b>	<b>260</b>	<b>154</b>	<b>8</b>	<b>2</b>	<b>6</b>

Debt relating to hosted services is £0.414k (M04 24/25 £0.163m).

## 8 Capital

At the end of month 5, capital expenditure was £1,725k which primarily relates to backlog maintenance, Cath Lab 7, and the Decant Theatre.

Capital expenditure was reduced by £650k due to a VAT credit relating to the original Cath Lab programme.

The Trust has a capital plan of £7,811k and is forecasting to spend all of the allocation by the end of the year.

A breakdown of capital spend by scheme is outlined in Appendix 3.

## 9 Conclusion

The Trust's planned surplus for the year is £14.1m in response to the stretch target given by the ICB. The Trust continues to forecast achievement of the plan.

In the first five months of the year, the Trust has an adverse variance of £1,578k. The primary reasons for this are slippage against the CIP plan, delays to the expansion of the Targeted Lung Health Check programme and overspends in a number of areas, predominantly theatres, cath labs and drugs. Emergency pressures are driving higher spend levels, but the block contract for non-elective care means that there is no growth in income to support it. Although pay costs have remained largely stable and within budget, there are pockets of overspends that need to be addressed.

The financial pressure caused by the delay in TLHC expansion is a temporary one, with the programme now operational. However, the Trust needs to expedite CIP delivery in all divisions, review all areas of budgetary overspend, and continue to develop and deliver mitigations to offset them.

## 10 Recommendation

The Council of Governors is asked to:

- NOTE the financial position of the Trust for the five months ending 31<sup>st</sup> August 2024.