

Council of Governors

Item 10.1

Subject: Finance Report for the Period Ended 31st January 2025
Date of Meeting: 4th March 2025
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 10 2024/25. The Trust has achieved a £11,437k surplus in the year to date, an adverse variance of £214k.

Level of Assurance (please tick) To be used to provide the Board / Committee with a guide on the extent of assurance and evidence of assurance provided within the report		☒
Level of Assurance	Description	
High	There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.	☐
Substantial	There is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.	☒
Moderate	There is an adequate system of internal control, however, in some areas weakness in design and/or inconsistent application of controls puts the achievement and some aspects of the system objectives at risk.	☐
Limited	There is a compromised system of internal control as weaknesses in the design and / or inconsistent application of controls puts the achievement of the system objectives at risk.	☐
No	There is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the system objectives.	☐

1. Executive Summary

The financial performance for the ten-month period is a surplus of £11,437k. This represents a £214k adverse variance to plan. The in-month performance continues the improvement that commenced in September, recovering some of the adverse variance reported in the first 5 months of the year.

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

M10 LHCH (excluding 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	22,864	22,754	(111)	210,959	213,391	2,431
Total Pay	(9,514)	(9,924)	(410)	(94,936)	(95,611)	(675)
Total Non Pay	(11,428)	(10,706)	723	(97,661)	(100,264)	(2,602)
Depreciation & Technical	(671)	(631)	40	(6,712)	(6,191)	521
Surplus / (Deficit)	1,251	1,493	242	11,651	11,326	(324)
Removal Transactions Relating to Donated Assets	0	14	14	0	111	111
Surplus / (Deficit) on a control total basis	1,251	1,507	256	11,651	11,437	(214)

M10 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	496	522	26	4,731	4,532	(200)
Total Pay	(410)	(442)	(31)	(3,939)	(3,860)	78
Total Non Pay	(82)	(74)	8	(756)	(611)	145
Depreciation & Technical	(4)	(6)	(2)	(37)	(61)	(24)
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)

M10 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	23,360	23,275	(85)	215,691	217,922	2,232
Total Pay	(9,924)	(10,366)	(442)	(98,874)	(99,471)	(597)
Total Non Pay	(11,510)	(10,780)	731	(98,417)	(100,874)	(2,457)
Depreciation & Technical	(675)	(637)	38	(6,749)	(6,251)	498
Surplus / (Deficit)	1,251	1,493	242	11,651	11,326	(325)
Removal Transactions Relating to Donated Assets	0	14	14	0	111	111
Surplus / (Deficit) on a control total basis	1,251	1,507	256	11,651	11,437	(214)

Key issues to note in the month 10 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). Monthly reporting of performance against the ERF targets is shared by NHSE through a national reporting tool. Months 1 to 7 information has now been shared, and this is broadly consistent with the internal monitoring data used by the Trust. The YTD income reported in the Trust accounts reflects the actual performance to date against the elective recovery targets.
- NHS England has announced that the Elective Recovery Fund income will be capped for 2024/25. The Trust has shared a forecast with the commissioners and is awaiting an update to determine whether there is a risk to income for this year. The national announcements have indicated that the cap will be at, or close, to the forecast shared at month 8, and it is anticipated that this will not present a significant risk to the Trust.

- Following contract negotiations with Welsh commissioners, it has been agreed that the contract for 2024/25 will follow a full PbR (cost and volume) basis. The activity for Welsh patients continues to be significantly higher than the historic contract, and the year-to-date over-performance is reflected in the accounts.
- Targeted Lung Health Check (TLHC) income in January was £15k above plan. The YTD shortfall resulting from the delay in expansion earlier in year is reducing, and it is forecast to be c.£400k worse than budget at the end of the year (£574k next adverse variance YTD).
- Pay spend was £410k higher than plan in January and £675k higher than plan for the year to date. The largest pressure on the overall pay budget is the stretch target imposed by the Integrated Care Board (ICB) and the vacancy factor. Pay spend is generally stable, but it has not reduced in line with this stretch target.
- The Trust has now transacted 82% of its CIP target (identified 98.8%). Confirm and Challenge sessions have been held 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. There was also a continuation of the overspend in cath labs driven by activity levels and inflation. Theatre spend continues to cause financial pressure, 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 10, capital expenditure was £4,986k 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** – The Trust continues to forecast achievement against the plan. The Trust remains in line with the recovery trajectory agreed with the ICB at month 5.

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 £214k. This represents an improvement over the last four months.
Income		Trust income (excl. hosted services) is £2,431k above plan.
Expenditure		Operating expenditure (excl. hosted services) is £3,277k higher than plan.
CIP		Annual CIP of £8,764k (82%) has been transacted against a target of £10,644k.
Capital Expenditure		At the end of month 10, capital expenditure was £4,986k.
Cash		The month 10 cash position is £42.8m.

3. Financial Position as at 31st January 2025 (month 10)

M10 Financial Position LHCH (excludes Hosted Services)	Annual Plan	In Month Plan	In Month Actual	In Month Variance	YTD Plan	YTD Actuals	YTD Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total Income	252,109	22,864	22,754	(111)	210,959	213,391	2,432
Employee Expenses	(113,898)	(9,514)	(9,924)	(410)	(94,936)	(95,611)	(675)
Drugs	(36,888)	(3,421)	(3,301)	120	(31,263)	(31,441)	(179)
Clinical supplies	(60,147)	(5,437)	(5,205)	232	(50,953)	(52,313)	(1,360)
Non Clinical supplies	(9,298)	(861)	(881)	(20)	(7,763)	(8,005)	(241)
Total Direct Costs	(220,230)	(19,232)	(19,311)	(79)	(184,915)	(187,370)	(2,455)
Gross Surplus	31,879	3,632	3,443	(189)	26,045	26,021	(24)
Total Overhead expenses	(9,684)	(1,710)	(1,319)	391	(7,682)	(8,504)	(822)
EBITDA	22,195	1,922	2,124	202	18,362	17,517	(846)
Depreciation & Technical	(8,054)	(671)	(631)	40	(6,712)	(6,191)	521
Surplus / (Deficit)	14,141	1,251	1,493	242	11,651	11,326	(324)
Removal of transactions relating to donated assets	0	0	14	14	0	111	111
Surplus / (Deficit) on a control total basis	14,141	1,251	1,507	256	11,651	11,437	(214)

Income

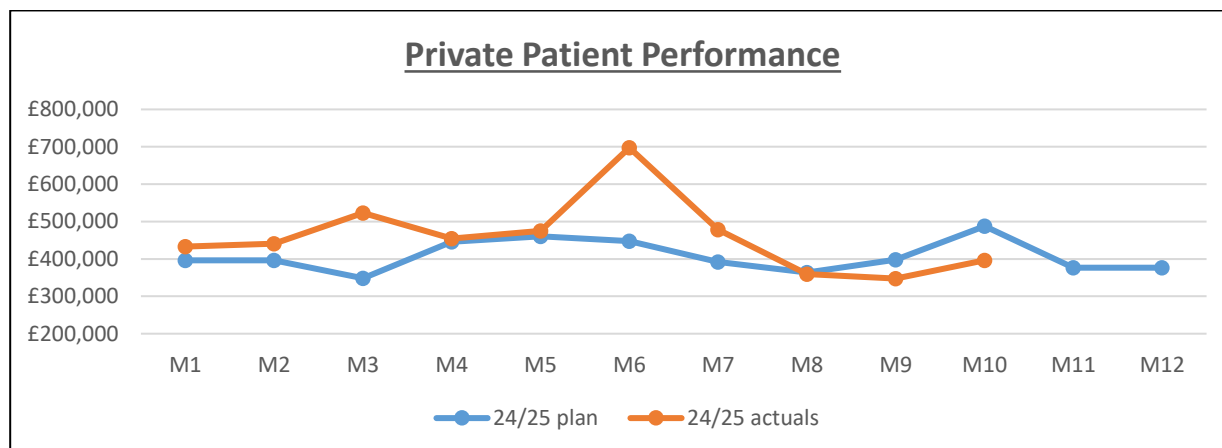
The contracts with NHS England (NHSE) and the Integrated Care Board (ICB) follow an Aligned Payment and Incentive (API) model. Elements of the contract are on a fixed basis, with most of planned care on a variable basis. All new outpatient attendances, outpatient procedures and elective/daycase care 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. ERF performance is published on a national reporting tool. Months 1 to 7 information has now been shared, and this is broadly consistent with the internal monitoring data used by the Trust. The YTD income reported in the Trust accounts reflects the actual performance to date against the elective recovery targets (£487k behind plan, driven by the surgery under-performance).

The contract with Welsh commissioners follows a full cost per case arrangement. The actual activity for Welsh patients has been substantially higher than the historic plan, and this income is reflected in the Trust's income position, contributing significantly to the financial position.

For 2024/25, the Isle of Man continues to be on a full cost per case contract and was £16k above plan (excluding drugs and devices) in month, with a year-to-date overperformance of £77k. The year-to-date overperformance is due to inpatient activity.

Private patient income was £91k below plan in month however above plan year to date by £468k.



Expenditure

Pay costs were £410k higher than plan in month and are £675k above budget in the year-to-date.

Bank costs and overtime both reduced slightly in the month and there are vacancies in a range of areas which is partially offsetting some areas of pay overspend.

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).

The overspends are primarily within the 'Other pay costs category' (£1,270k ytd) and medical staffing group (£429k ytd). Within the 'Other pay costs' the ytd overspend is due to the savings target issued by the ICB during annual planning, the Vacancy factor and pay award pressure. The overspend medical staffing is driven by premium spend for staff (e.g. to cover sickness, annual leave, or gaps in rotas). The large in-month deterioration in 'other pay costs' also relates to a realignment of reserves budgets between pay and non-pay categories.

January 2025 LHCH Staffing group (excluding Hosted Services)	In Month Budget £'000	Substantive costs (incl overtime) £'000	Bank £'000	Agency £'000	Overtime £'000	WLI £'000	In Month Total spend £'000	In Month Variance £'000
Medical	(2,826)	(2,558)	(33)	(1)		(184)	(2,775)	51
Registered Nursing	(2,935)	(2,806)	(136)	18	(10)		(2,934)	1
Support to clinical staff	(1,081)	(958)	(53)	0	(8)		(1,019)	62
Scientific, Therapeutic & Technical	(1,422)	(1,391)	(3)	(23)	(12)		(1,429)	(7)
Non Clinical	(1,393)	(1,309)	(32)	0	(8)		(1,349)	43
Other pay costs incl. apprenticeship levy	143	(418)					(418)	(560)
	(9,514)	(9,440)	(256)	(5)	(38)	(184)	(9,924)	(410)

Year to date LHCH Staffing group (excluding Hosted Services)	YTD Budget £'000	Substantive costs (incl overtime) £'000	Bank £'000	Agency £'000	Overtime £'000	WLI £'000	YTD Total spend £'000	YTD Variance £'000
Medical	(27,495)	(25,396)	(396)	(20)		(2,112)	(27,924)	(429)
Registered Nursing	(29,108)	(27,603)	(1,414)	(41)	(80)		(29,138)	(31)
Support to clinical staff	(10,565)	(9,515)	(618)	0	(94)		(10,227)	338
Scientific, Therapeutic & Technical	(14,404)	(13,518)	(37)	(429)	(95)		(14,080)	325
Non Clinical	(13,526)	(12,588)	(481)	40	(105)		(13,134)	392
Other pay costs incl. apprenticeship levy	163	(1,108)					(1,108)	(1,270)
	(94,936)	(89,726)	(2,947)	(450)	(375)	(2,112)	(95,611)	(675)

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 continues to be significantly lower than the beginning of the year, and in January was £5k, although this includes a one-off benefit of £18k in month due to lower than estimated agency costs in Clinical Services. YTD agency spend is £450k, and represents under 1% of the total pay costs, well within the national limits, and lower than previous years.

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 has reduced in recent months as more of the new staff complete their training.

Nursing bank costs have remained stable in the last couple of months, after rises during the summer months. It is important that bank costs remain stable through effective rostering arrangements, and management of annual leave.

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 is 18.47 above the substantive plan in month, however, with increased Bank use, the overall WTE is 23.78 above plan.

Substantive	2024/25 Submitted Plan	2024/25 M10	Variance to Plan	2024/25 M1	2024/25 M2	2024/25 M3	2024/25 M4	2024/25 M5	2024/25 M6	2024/25 M7	2024/25 M8	2024/25 M9	2024/25 M10
Medical	195.89	196.61	(0.72)	183.21	186.75	186.75	187.88	194.13	193.23	189.15	189.23	193.23	196.61
Registered Nursing	628.08	620.08	8.00	617.49	613.63	610.60	613.01	611.74	611.76	628.29	629.35	620.72	620.08
Scientific, Therapeutic & Technical	267.14	283.49	(16.35)	281.39	279.19	279.19	272.29	271.29	271.69	274.79	278.40	282.43	283.49
Support to clinical staff	261.07	259.04	2.03	255.99	258.14	258.40	254.02	253.20	254.89	260.50	259.27	260.18	259.04
NHS infrastructure support	470.48	481.91	(11.43)	468.56	469.77	472.85	473.39	474.94	482.56	485.73	480.88	483.44	481.91
TOTAL WTE Substantive Staff	1,822.66	1,841.13	(18.47)	1,806.64	1,807.48	1,807.79	1,800.59	1,805.30	1,814.13	1,838.46	1,837.13	1,840.00	1,841.13
Bank	55.68	66.19	(10.51)	59.74	67.63	85.14	80.77	78.37	68.98	72.16	60.17	55.42	66.19
Agency	9.49	4.29	5.20	10.16	7.60	8.30	7.33	5.50	5.28	7.12	6.22	3.61	4.29
TOTAL WTE	1,887.83	1,911.61	(23.78)	1,876.54	1,882.71	1,901.23	1,888.69	1,889.17	1,888.39	1,917.74	1,903.52	1,899.03	1,911.61

The Trust's workforce plan includes a reduction of 20 WTE in non-clinical and bank roles. This is an estimate of the number of posts required to deliver the pay reduction target given by the ICB. This reduction was planned to start in the second half of the year, with the WTE plan reducing each month from October. Although pay costs are generally stable, the reduction target has not been met.

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

- Unachieved CIP – there has been significant improvements in CIP in month, which has improved the ytd budgetary pressure by £281k to an adverse variance of £995k year to date.
- The cost of clinical consumables has been significantly higher than budget throughout the year. However, in January there is an underspend of £232k as some Cath lab inflationary pressures have been funded from reserves, as well as underspends in month for TLHC and pacing consumables. Year to date, spend is £1,360k above planned levels with the main contributing factors being 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.
- In month drug costs are lower than plan due to underspends in Cath lab. Year to date, drugs inflation has been funded from reserves, but drug price increases within the Medicine division this year are significant and exceed the risk reserve.

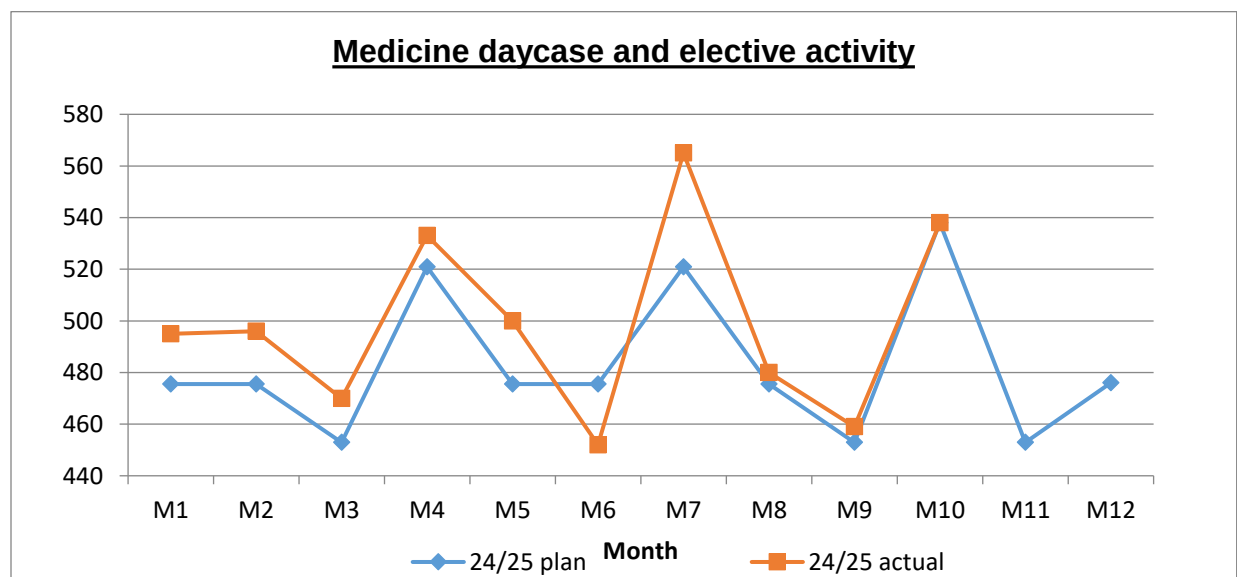
4. Divisional Performance

		IN MONTH Jan-2025			YTD Jan-2025		
		Plan £000	Actual £000	Variance £000	Plan £000	Actual £000	Variance £000
Medicine Division	Income	12,277	12,480	203	114,811	115,919	1,108
	Pay	(3,615)	(3,527)	88	(34,912)	(34,596)	316
	Non Pay	(7,231)	(6,630)	601	(64,048)	(64,842)	(794)
	Contribution	1,431	2,323	892	15,851	16,481	630
Surgery Division	Income	4,748	4,484	(264)	47,003	46,753	(250)
	Pay	(1,920)	(1,991)	(71)	(19,559)	(20,073)	(514)
	Non Pay	(1,462)	(1,368)	94	(12,268)	(13,503)	(1,235)
	Contribution	1,366	1,125	(241)	15,176	13,178	(1,998)
Clinical Services Division	Income	2,132	2,394	262	21,400	22,150	750
	Pay	(2,838)	(2,778)	59	(28,026)	(27,854)	172
	Non Pay	(780)	(664)	116	(6,487)	(6,691)	(203)
	Contribution	(1,486)	(1,049)	438	(13,113)	(12,394)	719
Corporate Division	Income	388	327	(61)	3,677	3,438	(239)
	Pay	(1,094)	(1,078)	16	(10,789)	(10,593)	196
	Non Pay	(1,557)	(1,564)	(7)	(14,412)	(15,015)	(603)
	Contribution	(2,263)	(2,314)	(51)	(21,524)	(22,170)	(646)

Medicine

The Medicine Division is reporting a favourable £892k variance for January and £630k favourable variance YTD.

In January, overall elective activity is 100% of their activity plan and case mix is 95%.



Income - Private patient activity was £37k below plan in January and is £324k above plan year to date.

Income for the Targeted Lung Health Check (TLHC) was £15k above plan in January. However, there was a delay in the expansion of the programme earlier in the year, and this is the primary driver of the income underperformance within the division (£1,366k). There are some underspends associated with the delay in phase 4 TLHC expansion contributing to pay and non-pay underspends, with a £574k net adverse variance. This represents an improvement from last month, and it is forecast to be a £400k net adverse variance by the end of the year.

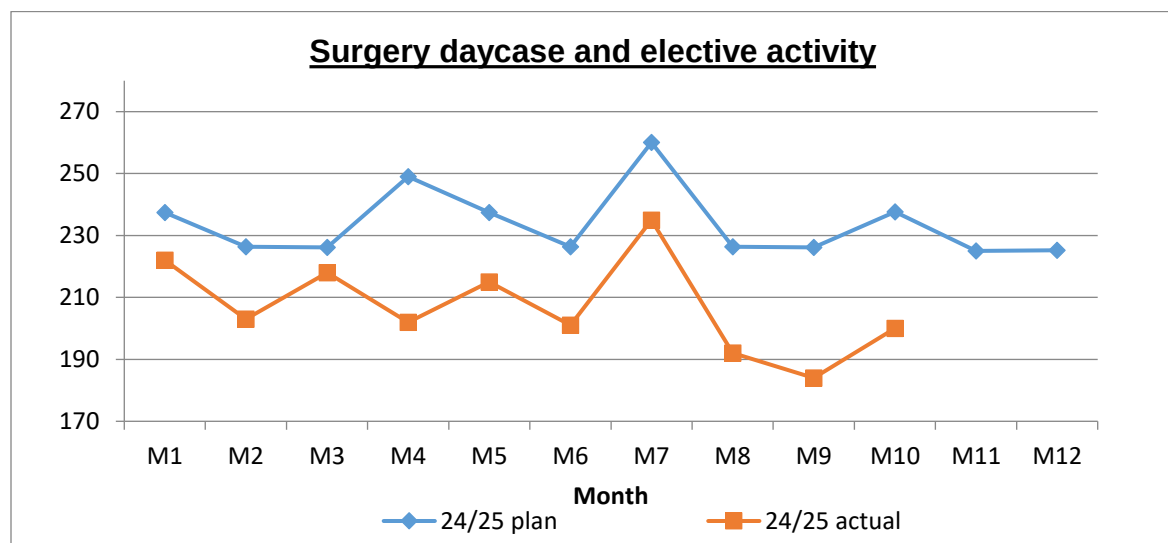
In month, pay is £88k below budget mainly due to medical staffing vacancies in the new Cath Lab 7 and hypertension service (£56k) as well as admin vacancies across the division (£35k). Year to date, pay is underspent due to a range of vacancies across the Division, most notably, TLHC and admin.

The significant underspend in Non pay in month (£601k) is due to a cumulative catch up in some Cath lab inflationary pressures being funded from reserves (£300k) as well as CIP transacted in month for income from Wales, a Tavi rebate and private patients (£217k) and underspends in TLHC (£100k). Year to date, non-pay is £794k over budget mainly due to Cath lab overspends

Surgery

The Surgery Division is reporting a £241k adverse variance for January and £1,998k adverse variance YTD.

In January, overall elective and daycase activity was 84% of plan and case mix 86% of plan.



Income – a shortfall in elective activity for English patients. This is partially offset by over-performance in activity for patients from Wales which is on a cost per case contract.

YTD there has been significant over-performance of non-elective activity within surgery, resulting in high costs and reduced elective capacity.

Pay costs are overspent due to theatre agency, payments to cover junior doctor rota gaps, and additional session payments to consultants. The cost pressure in theatres is reducing and is expected to ease further as staff finish their training period. A working group has been set up to review the records and processes in place relating to medical additionality payments.

The non-pay underspend in month (£94k) is due to transacting CIP. However, year to date, slippage on CIP delivery is £203k with spend on theatre consumables and sterile

services predominantly linked to an increase in non-elective activity, also being a contributing factor to the year to date overspend of £1,235k.

Clinical Services

Clinical Services is reporting a favourable in-month performance of £438k, and a favourable YTD variance of £719k.

The over-performance in income is predominantly linked to increased provider to provider radiology referrals.

Pay costs are lower than budget, with an underspend in critical care in January. There are overspends caused by high additional session payments for consultants being offset by vacancies in other areas.

Non-pay spend was lower than budget in month due to a CIP scheme being transacted in month. Year to date, non-pay is higher than budget, with a large increase in pathology and blood products, with higher activity levels driving higher usage.

Corporate

Corporate Services is reporting a £51k adverse variance for January and an YTD adverse variance of £646k.

Income was £61k below plan in January, and YTD is £239k below plan. Under-performance is mainly due to education funding from Health Education England (HEE). The Trust receives a quarterly finance schedule. The Q4 schedule is yet to be received, and usually shows an improved income position. Those received to date are showing lower than planned levels of funding.

Pay costs are lower than plan in the year-to-date, with the underspend resulting from vacancies. The non-pay overspend results from CIP under-delivery and overspends in tissue viability and estates (repairs and maintenance).

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.

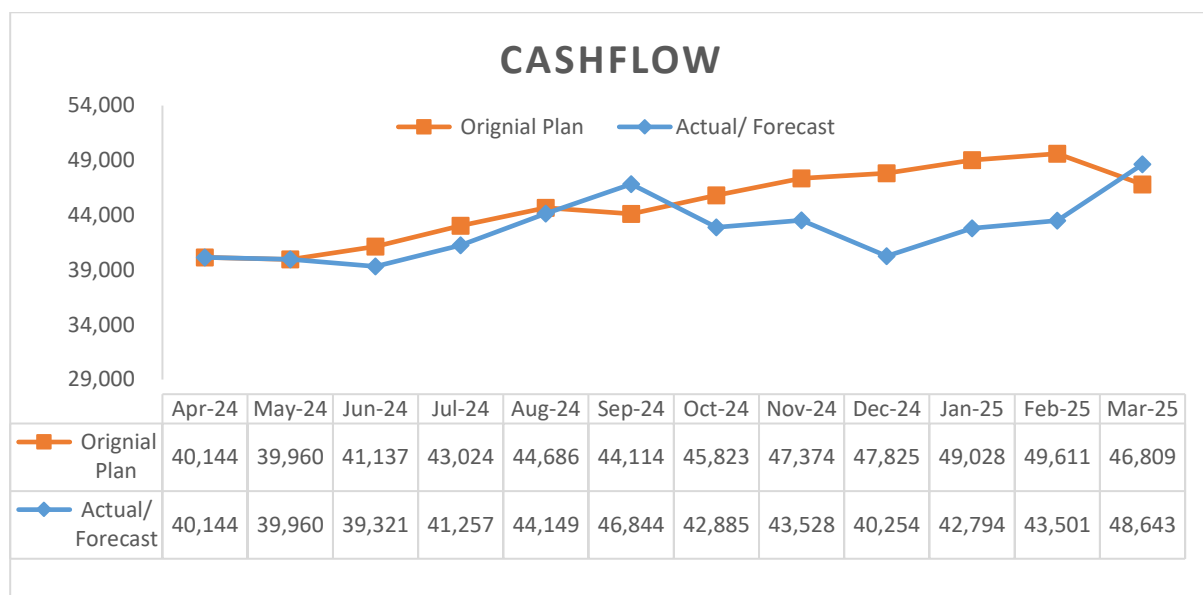
The table below shows the performance of each division against the CIP target for 2024/25. Year to date, 82% of the CIP target has been delivered, with 98.8% identified. The full year amount delivered to date is £8,764k, an increase of £709k since last month.

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.

January 2025				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	603	695	603	693	66.3%	76.3%
Clinical Services	759	588	1,347	1,223	1,345	1,223	1,570	90.8%	116.5%
Medicine	1,247	158	1,405	1,120	1,336	1,221	1,410	86.9%	100.4%
Surgery	1,150	0	1,150	909	977	920	1,015	80.0%	88.3%
Divisional Total	3,900	911	4,811	3,855	4,354	3,967	4,689	82.5%	97.5%
Central schemes (incl. interest)	5,833		5,833	4,797	5,833	4,797	5,833	82.2%	100.0%
Trust Total	9,733	911	10,644	8,652	10,186	8,764	10,521	82.3%	98.8%

6 Cash Balance

The Month 10 cash position is £42.8m. The Statement of Cash Flows is shown in Appendix 2. 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 97.21% for the number of invoices paid and 98.08% for the value of invoices paid.
- Debtors:** The total outstanding aged debt as of 31st January 2025 is £10.8m, an increase of £0.3 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	3,626	2,992	634	81	22
OTHER DEBTORS <£250k	413	357	56	47	34
TOTAL	4,039	3,348	690	128	56

Total NHS debt is £4.04m, which increased by £1.62m compared to December. This is mainly because debts with Liverpool University Hospitals and Mersey and West Lancashire Teaching Hospitals increased in January. The finance team continues to pursue the debt over 90 days.

Non-NHS Debtors over £250k

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
BETSI CADWALADAR UNIVERSITY HEALTH BOARD	2,607	2,608	- 0	6	2	4
MANX CARE	2,466	2,466	-	1	1	-
OTHER DEBTORS <£250k	1,610	809	800	1,189	539	650
TOTAL	6,683	5,883	800	1,196	542	654

Non-NHS Debt has decreased by £0.455m when compared to December 2024. Betsi Cadwaladr University Health board and Manx Care (Isle of Man) are the two largest debtors, but these debts remain current, and have not gone beyond 90 days. The main debts over 90 days relate mainly to Aviva & Bupa, and there are ongoing discussions with them to recover the debt.

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	111	112	- 1	7	5	2
TOTAL	111	112	- 1	7	5	2

Debt relating to hosted services is £0.111k (M09 24/25 £0.969k).

8 Capital

At the end of month 10, capital expenditure was £4,986k 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.

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.

In the first ten months of the year, the Trust has achieved a surplus of £11,437k, which represents an adverse variance of £214k. The value of the adverse variance is reducing in line with the recovery forecast agreed with the ICB earlier in the year. The Trust continues to forecast achievement of the plan.

The primary reasons for the adverse variance in the year to date 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 overspend that need to be addressed.

Income against cost per case contracts (e.g. Wales, Private Patients and Isle of Man) has performed well and is offsetting some of the pressures in other areas. In addition, interest received from a high cash balance is yielding higher than planned interest income.

10 Recommendation

Council of Governors is asked to:

- Note the financial position of the Trust to the period ending 31st January 2025.