Ashford and St. Peter's Hospitals NHS Foundation Trust

Council of Governors			
Date of meeting	2nd July 2025	**Agenda Item**	7.1
Author(s)	Paul Doyle, Interim Chief Financial Officer	**Confidential**	**No**
Exec Sponsor	Paul Doyle, Interim Chief Financial Officer	**Date submitted**	30th June 2025
Title of paper	Financial Update including Surrey Elective Centre		
Presented by	Chris Kane, Non-Executive Director		

Committee(s) where paper has been discussed previously and outcome of discussion:

N/a

Strategic Objective(s)

Quality of Care		**People**		**Modern Healthcare**	x	**Digital**		**Collaborate**	

Executive Summary

The attached paper gives the Council of Governors a Financial Update including the Ashford Elective Centre.

As at month 2 the Trust is slightly ahead of its financial plan, but is aware that we still have a challenging CIP programme to deliver, whilst also meeting constitutional standards.

Recommendation	For: Decision ☐ Discussion ☐ Information ☒

Key issues: State impact/implications and mitigation (*detailed info should be in the report)*

Quality, safety & patient impact	
Employee	
Other stakeholder(s)	The Trust is required to breakeven financially over the 2025/26 financial year as well as delivering its operational targets
Equality, diversity & inclusion	
Finance	The Trust is required to breakeven financially over the 2025/26 financial year
Legal	

Risk(s) Identified (include link to Corporate Risk Register / Strategic (Board Assurance Framework) Risks:

Strategic Risk 1 - we may not operate effectively, and our finances may become unsustainable over the short and longer term.

Strategic Risk 2 - we may not operate effectively and may not be able to deliver constitutional access and performance standards sustainably, patient care may suffer and we may face regulatory enforcement.

Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

Council of Governors

Financial Update including Surrey Elective Centre

2nd July 2025

2025/26 Plans

The final plan for 2025/26 was approved by the Trust Boad in March 2025 and:

- aims to deliver all of the national operational targets;
- sets a breakeven plan for the financial year;
- includes a Cost Improvement Programme of £32.9m;
- includes system deficit support funding of £6.7m; and
- includes an allocation of £13.3m for the Surrey Elective Centre.

The phasing of the plan starts off with monthly deficits for months 1 to 3, and then monthly surpluses expected from month 4 onwards, resulting in an overall breakeven plan.

It should be noted that the national deficit support funding ceases on 31st March 2026, hence the importance of achieving monthly surpluses in the latter half of the financial year.

Cost Improvement Programme

This is the highest CIP plan that the Trust has had and equates to c6.1% of operating expenditure (although this is under the national average for 2025/26).

There are a wide range of schemes being considered in the plan and NHS England has shared lots of data on benchmarking and productivity that the Trust is using to develop and deliver its plan.

All CIP schemes undergo a Quality and Safety Impact Assessment (QSIA) and a weekly QSIA panel meets to review and approve as necessary, with schemes being tasked to come back for re-review.

There has been good engagement from staff with ideas being put forward both through Senior Leadership Forum events, but also through financial engagement sessions with all staff. A new section of the Trust's Intranet has been set up called the ASPH Finance Programme, see below. This section of the Intranet includes an electronic suggestion form for staff to complete and submit. This has seen good usage.

The Trust is mindful of the impact that such financial messaging may have on staff, so has signposted colleagues to wellbeing offerings, as well as to staff governors.

Year to Date Finances

	Plan to 31 March	Mth 2 YTD Plan	Mth 2 YTD Actual	Mth 2 YTD Variance	Forecast
Income	494,912	82,243	80,354	(1,889)	495,091
Pay	(326,236)	(57,335)	(54,846)	2,488	(326,401)
Non-Pay	(160,076)	(27,981)	(27,892)	89	(160,174)
Operating Surplus/(Deficit)	8,600	(3,072)	(2,385)	687	8,515
Operating Surplus (Deficit) %	*1.7%*	*-3.7%*	*-3.0%*		*1.7%*
Finance Costs	(6,988)	(1,165)	(1,069)	96	(6,904)
Overall Surplus (Deficit)	**1,612**	**(4,237)**	**(3,454)**	**783**	**1,612**
Excluded from Control Total					
Impairments	0	0	0	0	0
Net Donated Assets	(1,612)	24	89	65	(1,612)
Movement in Stocks of Centrally Procurred PP	0	0	0	0	0
NHSE Control Total Surplus (Deficit)	**0**	**(4,213)**	**(3,364)**	**848**	**0**

The Trust is reporting that it was ahead of its planned deficit at month 2 YTD by £0.8m on an NHSE control total basis and has held the forecast at the planed level.

As at month 2 the Surrey Heartlands system overall was showing as being on plan.

The Trust continues to work through with commissioners the activity that can be delivered against the £13.3m of funding received for the Surrey Elective Centre. This involves the ICB looking to see if it is able to redirect some of the funding that they currently spend in the independent sector.

Internally the Trust is looking to maximise the use of the new complex, but is mindful that it needs guarantees that any activity that generates income over and above the £13.3m will be paid. The Trust cannot incur additional costs that will not be paid for in the current financial environment.

The Woking Community Diagnostic Centre opened recently and this another key element of the Trust plans, both operationally and financially.

Paul Doyle
Interim Chief Financial Officer
June 2025