Ashford and St. Peter's Hospitals
NHS Foundation Trust

Report title:	Finance Report Month 10		
Report to:	**Public Council of Governors**		
Date of meeting:	Tuesday, 03 March 2026	**Agenda item:**	8.1
Report summary:	This report summary provides an update on the Trust's financial position as at 31st January 2026. It shows that the Trust is currently on track with its YTD plan for revenue and is slightly ahead of the CIP plan. The current forecast is that the Trust will meet its full year plan but risks to delivery are highlighted in the slides which means that this position is being closely reviewed and actions being taken.		
Recommendation:	For assurance		
Report lead:	Hannah Hamilton, Chief Finance Officer		
Report author:	Paul Doyle, Director of Operational Finance		

Purpose of report:	**For Noting** ☐	**For Decision** ☐	**For Assurance** ☒

Assurance level:	**Significant** ☐ High level of confidence / evidence in delivery	**Acceptable** ☒ General confidence / evidence in delivery	**Partial** ☐ Some confidence / evidence in delivery	**No Assurance** ☐ No confidence / evidence in delivery

Link to Strategic Objectives:	Modern Healthcare
Link to CQC Domains:	WELL LED
Link to BAF risk:	SR1: We may not operate effectively, and our finances may become unsustainable over the short and long term
Potential impact on stakeholders:	As noted with the attached report.
Next steps	Ongoing monthly review at TEB and Finance & Performance Committee.
Appendices:	See attached report

Ashford and St. Peter's Hospitals
NHS Foundation Trust

Finance Report
31st January 2026

Patients first • Personal responsibility • Passion for excellence • Pride in our team

Executive Summary – 31st January 2026

	Plan to 31 March 2026	Mth 10 YTD Plan	Mth 10 YTD Actual	Mth 10 YTD Variance	Forecast
Income	498,166	413,568	417,466	3,898	505,529
Pay	(328,464)	(274,852)	(275,337)	(485)	(331,228)
Non-Pay	(161,102)	(134,401)	(138,465)	(4,064)	(166,342)
Operating Surplus/(Deficit)	8,600	4,315	3,664	(651)	7,958
Operating Surplus (Deficit) %	*1.7%*	*1.0%*	*0.9%*		*1.6%*
Finance Costs	(6,988)	(5,824)	(5,270)	554	(6,346)
Overall Surplus (Deficit)	**1,612**	**(1,508)**	**(1,606)**	**(98)**	**1,612**
Excluded from Control Total					
Impairments	0	0	0	0	0
Net Donated Assets	(1,612)	151	250	99	(1,612)
NHSE Control Total Surplus (Deficit)	**0**	**(1,357)**	**(1,356)**	**1**	**(0)**

The plan figures presented in this report reflect the approved budget, uplifted for the final pay awards and associated income tariff uplifts.

The Trust is meeting its planned deficit of £1.4m for month 10, on an NHSE control total basis.

The forecast remains at breakeven for the full year, however the Committee should be aware of the risks facing the Trust over the remaining 2 months of the year as set out in slide 8, and the challenge in delivering the year end breakeven position as well as operational performance targets. However as we get closer to year end the confidence in financial delivery increases.

CIP performance is £0.2m ahead of plan for the year to date in January, however it should be noted that there are risks due to a small number of high-risk schemes and a few medium-risk schemes. Various actions are ongoing to address this, with new schemes being added continuously and grip and control continuing and being reinforced.

The following slides provide further information on I&E and CIP performance, forecast and risks and then capital and balance sheet.

Whilst the actions taken to date have assisted in the delivery of the financial position, it has had an impact on operational performance. Some of those actions are being reversed in a controlled manner to ensure operational delivery alongside financial delivery.

Executive Summary – 31st January 2026

The main variances are:

Income

- Income is £3.9m favourable to plan, of which:
- (i) there is a £2.4m favourable variance on Commissioned activity income. Shortfalls from the stretch additional elective activity income budget (£2.5m YTD) and the late opening of Woking CDC (£1.5m YTD), have been offset by IA funding (£1.1m), agreed income from the ICB (£2.0m), as well as income for drugs and devices and additional income from settling 2024/25 contracts; and
- (ii) Other non-commissioned income streams (non-activity) are £1.5m higher than plan, which includes private patient income (+£0.4m) and Education & Training (+£0.6m).

Pay

- Pay is £0.5m adverse to plan. There are favourable variances across many staff groups (predominantly nursing and infrastructure teams) but we incurred Industrial Action costs in July, November and December 2025 totalling £1.1m;
- Pressures from the cost of RMN's to support patients presenting with mental health conditions (c£1.9m YTD agency only), £0.9m over plan and forecast to be £1.2m over plan at year end; and
- Agency costs have now fallen by £1.6m (20%) compared to the same period in 2024/25. The Trust continues to drive this down further in line with the revised targets set by NHSE. Bank/locum costs fell by £5.9m (18%) over the same period with this being mainly in Urgent & Emergency Care, General & Specialist Medicine and Estates & Facilities.

Non-Pay

- Non-pay – £4.1m adverse to plan. Clinical & General Supplies were underspent by £5.6m and there were underspends in other areas, but these were offset by Drugs budgets overspends (£1.2m), Estates and Facilities overspends and unallocated CIP targets within Divisions (net £9.4m unallocated CIP within Other).

CIP's

CIP performance was £0.2m ahead of the YTD plan, although December saw a lower level of delivery. There are now no unidentified CIPs, although £0.9m of CIPs within the programme remain as high or medium-risk.

Risks

See the Forecast and Risks slide for the latest risks position.

Summary

The Trust was remains on plan at month 10. However as previously advised to the Board, the rest of the financial year requires monthly surpluses to be delivered. Trust actions to deliver this are geared to grip and control and to accelerating CIP delivery.

Cost Improvement Programme (CIP's)

YTD Month 10

The CIP plan focuses on national priorities, including productivity, temporary staffing, corporate services, medicines management, and exploring potential commercial opportunities. The CIP profile in the plans started at relatively low values for quarter 1 (£3.4m), before stepping up in quarters 2 (£8.6m) and 3 & 4 (£10.5m). The Trust has delivered £26.156m of CIP savings for the year to date and was £0.2m ahead of plan for the year to date.

Efficiency Status at M10 – Forecast Outturn

Fully Developed	£32.627m
Plans in Progress	£0.300m
Opportunities	-
Unidentified	-
Total Planned Efficiencies	£32.927m

Further actions being undertaken are described below.

	Plan to 31 March 2026	Mth 10 YTD Plan	Mth 10 YTD Actual	Mth 10 YTD Variance	Forecast
Total CIP's as reported to NHSE at M10	32,927	25,946	26,156	210	32,927
Changes identified subsequent to submission	0	0	0	0	0
Updated CIP's	32,927	25,946	26,156	210	32,927

Actions to ensure full delivery

The following actions have been taken and are aimed at ensuring full CIP delivery and mitigating any risks:

- Review of CIP processes, tracking, monitoring and reporting;
- Operational Financial Recovery meetings held bi-weekly, to include the Improvement Programme;
- Enhanced PMO in place – this includes quality, information, operations and strategy, along with existing PMO support;
- Senior Leadership Forums and financial engagement sessions held with staff – a number of ideas were received following these and we have developed a webform to capture further new ideas;
- Monthly CIP (weeks 1 and 2) and budget spend review (weeks 3 and 4) meetings with Divisions; and
- Opportunities and difficult decisions are being worked up to see what the scope of these might be if deliverable. These have initially been discussed at Trust Executive Board and now a number are being taken forward through the Executive Financial Recovery Board.

QSIA

All CIPs are required to go through the panel. Weekly QSIA panel meetings have been taking place since 2nd April 2025 and to date over 70 schemes have been presented to the Panel. The Panel decides whether a scheme needs to come back for periodic review. Teams have been chased requesting that they submit outstanding QSIA's to the panel.

Pay Expenditure

	Mth 10 2025/26 Actual	Mth 10 2024/25 Actual	Variance to Prior Year	Mth 10 2025/26 Budget	Mth 10 2025/26 Variance
Pay Expenditure:					
Medical Staff (incl locum)	87,049	82,753	5.2%	86,941	(109)
Medical Agency	1,225	1,148	6.7%	153	(1,072)
Nursing Staff (incl bank)	97,627	90,101	8.4%	101,842	4,215
Nurse Agency	4,021	4,949	-18.8%	1,721	(2,300)
PAM's, Prof & Tech and Scientific	30,735	28,083	9.4%	33,255	2,519
PAM's, Prof & Tech and Scientific Agency	1,130	1,308	-13.6%	236	(894)
NHS Infrastructure Support	52,622	53,145	-1.0%	56,868	4,247
Other Agency	83	611	-86.4%	2	(82)
Apprenticeship Levy	1,111	1,087	2.3%	1,091	(21)
Other employee expenses	0	23	-100.0%	0	0
Recoveries	(266)	0	0.0%	(7,256)	(6,990)
	275,337	263,208	4.6%	274,852	(485)

Pay costs are £0.5m higher than plan ytd at month 10. There has been a £12.1m (4.6%) increase in year on year pay costs, but this includes the pay award of 3.6% for Agenda for Change staff, and c4% for Medical staff, in total £4.8m, and an increase in employers NI from April 2025 which has added (c£4.1m YTD), so the net real increase is £3.2m. This also includes IA costs of £1.1m. RMN costs are forecast to be £1.2m over budget at year end.

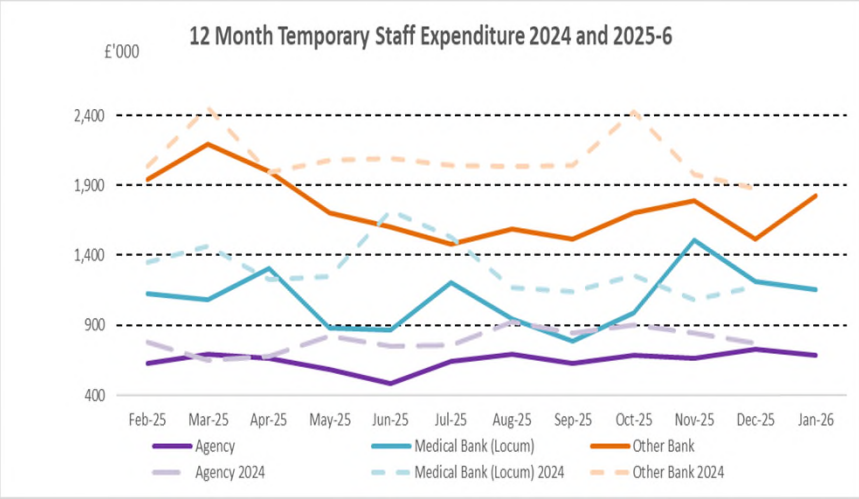
Total medical pay costs have increased by £4.4m (5.2%), nursing has increased by £6.6m (6.9%) compared to last year and other staff groups increased by £1.4m (1.7%). As well as the medical pay awards, the medical costs in 2024/25 will include differing levels of additional payments made to provide cover during industrial action, and in July, November and December 2025 also. Given that the Agenda for Change pay in 2024/25 increased between 3-4% over and above the 2% in the July 2024 figures, that 3.6% has been paid for the 2025/26 pay award and the increase in employers NI, nursing spend overall has seen a real terms increase over the last 12 months, despite further reductions in nurse bank and agency spend. Some of this will be linked to opening areas such as the Elective Centre and Woking CDC.

Reported WTE data is as follows, with falls in bank and overall WTE's compared to April in line with spend reductions. October showed an increase mainly through newly qualified nurses and additional activity, while Industrial action impacted November and December Bank /Locum spend.

	Apr-25		May-25		Jun-25		Jul-25		Aug-25		Sep-25		Oct-25		Nov-25		Dec-25		Jan-26	
	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual
Substantive Staff	4,778.24	4,779.35	4,777.24	4,765.56	4,776.25	4,758.48	4,775.26	4,724.14	4,774.27	4,739.66	4,743.27	4,757.18	4,742.28	4,803.04	4,741.29	4,816.96	4,740.30	4,806.26	4,739.30	4,798.99
Bank Staff	539.84	522.33	518.26	431.93	496.68	396.02	475.10	409.93	453.52	403.31	431.94	391.28	410.36	415.89	388.78	492.10	367.19	428.58	345.61	436.45
Agency Staff	90.45	120.18	86.85	105.41	83.26	91.30	79.67	119.41	76.07	137.92	72.48	129.95	68.89	137.18	65.29	134.98	61.70	144.19	58.11	125.82
	5,408.52	5,421.86	5,382.35	5,302.90	5,356.19	5,245.80	5,330.02	5,253.48	5,303.86	5,280.89	5,247.69	5,278.41	5,221.52	5,356.11	5,195.36	5,444.04	5,169.19	5,379.03	5,143.03	5,361.26

Pay Expenditure – Temporary Staffing

	Sep-25 £'000	Oct-25 £'000	Nov-25 £'000	Dec-25 £'000	Jan-26 £'000
Medical Staff					
Agency	90	87	104	112	157
Locum	784	990	1,511	1,210	1,158
	873	1,076	1,615	1,321	1,315
Nursing Staff					
Agency	424	451	446	510	409
Bank	1,136	1,335	1,383	1,195	1,427
	1,560	1,786	1,829	1,705	1,836
Other Staff					
Agency	117	147	113	106	118
Bank	380	371	406	317	396
	497	517	519	422	514
Total	**2,930**	**3,380**	**3,963**	**3,449**	**3,665**
Agency	631	685	663	727	685
Locum	784	990	1,511	1,210	1,158
Bank	1,516	1,706	1,789	1,512	1,823
Total	**2,930**	**3,380**	**3,963**	**3,449**	**3,665**
Total Pay Bill	**27,259**	**27,611**	**28,167**	**27,908**	**28,103**
% all Temp staff of Pay Bill	**10.7%**	**12.2%**	**14.1%**	**12.4%**	**13.0%**
% Agency of total temp staff	**21.5%**	**20.3%**	**16.7%**	**21.1%**	**18.7%**
% Agency of total Paybill	**2.3%**	**2.5%**	**2.4%**	**2.6%**	**2.4%**



Temporary staff expenditure for 2024/25 was 15.5% of total pay expenditure (excluding Notional Pension expenditure). For January 2026 YTD this has fallen to 12.4%. Agency costs have now fallen by £1.6m (20%) compared to the same period in 2024/25 against a target of 30%. At M10 YTD the Trust was £1.1m over the NHSE plan for agency costs; the Trust continues to try to drive this down further, although this is challenged by operational pressures and activity performance recovery. Bank/locum costs fell by £5.9m (18%) over the same period against a target of 10%; spend was £1.3m under the NHSE target.

Nursing agency expenditure decreased by £101k against the previous month's spend. Factors driving agency expenditure included annual and sickness leave, bank holidays, increased activity, specialling for patients with a mental health diagnosis and awaiting care elsewhere and capacity cover within A&E. Agency controls have had an impact in 2025/26 and nurse agency spend for the year to date is £929k (19%) lower compared to the same point in 2024/25. Bank nursing spend increased by £231k (19%) compared to the previous month, and for the year to date is £1.7m (12%) lower than the same period last year.

Medical staffing agency costs were £157k in January, which was £45k higher than the previous month. Spend for the year to date shows an increase of £77k against the same period in 2024/25, with the largest spend being in Anaesthetics. The figures for April - June 2024 included cover for junior doctors strikes, and the Medical locum spend for July, November and December 25 also includes a total of £1.1m in respect of the resident doctors strikes in 2025. The locum spend in January is £52k lower than the previous month, which included cover for Industrial action. For the year to date locum spend is £1.9m (15%) lower than the same period last year.

Non-Pay Expenditure

	Mth 10 2025/26 Actual	Mth 10 2024/25 Actual	Variance to Prior Year	Mth 10 2025/26 Budget	Mth 10 2025/26 Variance
Non-Pay Expenses:					
Purchase of healthcare from NHS bodies	3,168	2,924	8.3%	3,365	197
Purchase of healthcare from non-NHS bodies	9,706	10,402	-6.7%	10,846	1,140
Supplies and services - Drugs	26,602	25,568	4.0%	25,423	(1,179)
Supplies and services - Clinical & General	41,912	40,871	2.5%	47,491	5,579
Other Non Pay	57,077	55,208	3.4%	47,276	(9,800)
	138,465	134,972	2.6%	134,401	(4,064)

Non-Pay costs are £4.1m above plan and there has been a £3.5m (2.6%) increase in year-on-year costs.

Drivers of the £4.1m YTD variance to plan are:

- Drugs costs are £1.2m above plan. Some of this is driven by Tariff excluded Drugs and these are being discussed with ICB's
- Clinical & General Supplies expenditure is £5.6m under budget with £2.2m of this being within main theatres and day surgery
- Electricity and gas costs are £1.1m adverse
- Catering costs are £0.4m adverse YTD due to the impact of the main supplier ceasing trading
- Unidentified/unallocated CIP is an adverse variance of £9.4m

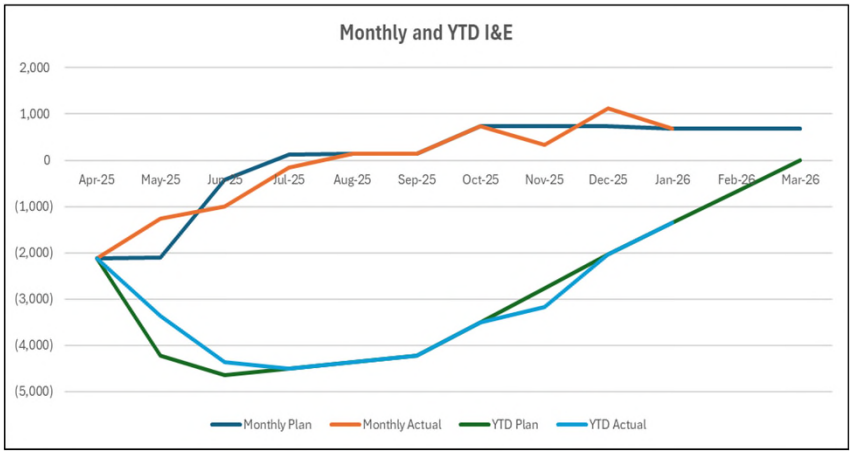
Drivers of the year-on-year increase are :

- Drugs costs have increased by £1.0m year on year (4.0%). Some of this is driven by Tariff excluded Drugs and these are being discussed with ICB's.
- Clinical & General Supplies expenditure has increased by £1.0m (2.5%) against last year, some of which relates to the commencement of joint procurement services and higher activity.
- The year-on-year increase of £1.9m in Other non-pay relates to Premises costs.

Forecast and Risks

The actual monthly (deficits)/surpluses, including deficit support funding, have been as follows:

	Plan		Actuals		Variance
	In-Month	YTD	In-Month	YTD	YTD
M1	(2,111)	(2,111)	(2,111)	(2,111)	0
M2	(2,102)	(4,213)	(1,254)	(3,364)	848
M3	(421)	(4,633)	(990)	(4,354)	279
M4	127	(4,506)	(152)	(4,506)	0
M5	139	(4,367)	140	(4,366)	1
M6	138	(4,229)	137	(4,229)	(0)
M7	732	(3,497)	733	(3,496)	0
M8	730	(2,767)	331	(3,166)	(399)
M9	731	(2,036)	1,130	(2,036)	0
M10	680	(1,357)	680	(1,356)	0
M11	678	(679)			
M12	679	0			



At month 10 the forecast remains at breakeven.

At the mid year review meeting with NHSE, the straightline forecast was £8.14m deficit. Compared to the breakeven plan we highlighted £6.5m of risks (plus loss of Deficit support funding in Q4 of £1.67m). We anticipated mitigating £2m which left £4.5m unmitigated. Risks and mitigations then were:

- Downsides/Risks: winter pressures (£1.0m), income under-performance (£1.5m), CIP under-delivery (£4.0m) and loss of Q4 system deficit support funding (£1.7m) = £8.2m; and
- Mitigations: theatre costs generate additional income (£0.5m) and balance sheet opportunities (£1.5m) = £2.0m. If the Trust received the Q4 deficit support funding (£1.7m) then there would be an unmitigated risk or stretch of £4.5m.

The latest position at the end of January is that most of the risks have been mitigated by the additional IA and ICB funding. The main risks in the next 2 months are the additional costs we are incurring from operational pressures and to deliver the elective programme.

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Surrey Heartlands System – 31st January 2026

As at 31st January 2026, the Surrey Heartlands system as a whole was reporting being favourable to plan by £0.7m. This is caused by SASH being behind plan YTD by £13.1m, which is mainly being offset by a favourable variance for the ICB which is £13.6m favourable to plan.

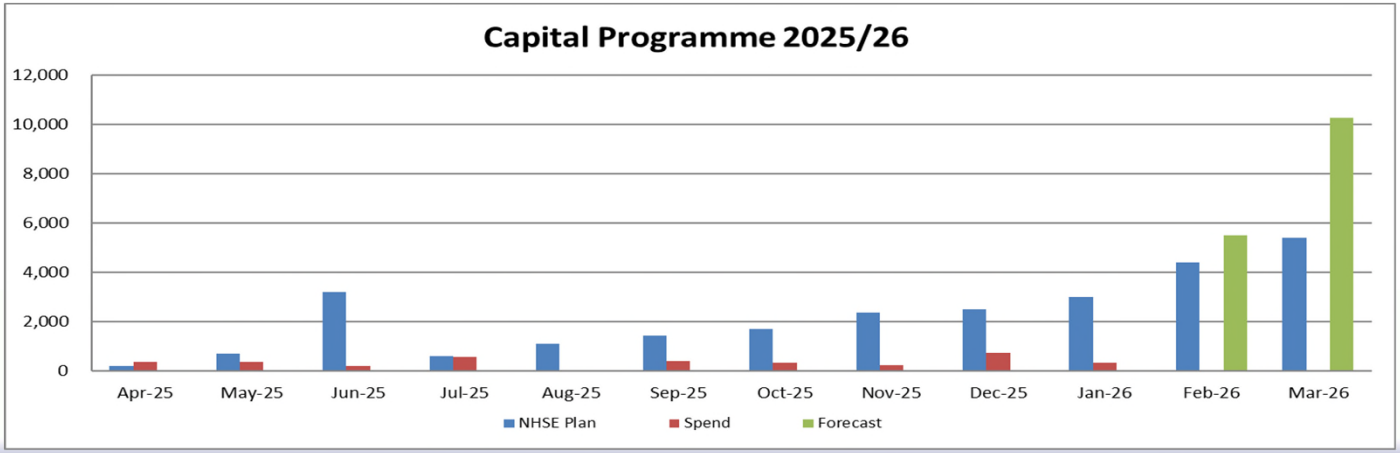
Following regional and national review, the system was awarded its deficit support funding for quarter 4. Whilst awarded, NHSE have said that they will claw it back if the system does not deliver its breakeven plan.

£m			M10 v Plan				YTD v Plan		
ORG	FY Plan		M10 Act	M10 Plan	M10 Var		YTD	Plan	YTD Var v Plan
ASPH	0.0		0.7	0.7	0.0		-1.4	-1.4	0.0
RSH	0.0		0.7	0.7	0.0		-1.6	-1.6	0.1
SASH	-9.1		-3.0	-0.3	-2.7		-21.5	-8.4	-13.1
SABP	0.0		0.1	0.1	0.0		-0.3	-0.4	0.1
SECAMB	0.0		0.8	0.8	0.0		-1.2	-1.2	0.0
Provider	**-9.1**		**-0.7**	**2.0**	**-2.7**		**-25.9**	**-13.0**	**-12.9**
ICB	9.1		4.3	1.5	2.7		19.7	6.1	13.6
ICS	**0.0**		**3.6**	**3.5**	**0.1**		**-6.2**	**-7.0**	**0.7**

Capital

CAPITAL EXPENDITURE	Annual Plan (Board Approved)	Mth 10 YTD Plan	Mth 10 YTD Actual	Mth 10 YTD Variance	Forecast (Full Year)	Forecast Variance
Operational Capital Allocation (incl IFRS 16)	13,180	11,834	2,980	(8,854)	8,476	(4,704)
PDC - Op Standards:Urology & Vascular Rooms	1,500	400	12	(388)	1,500	0
PDC - ED & Assessment Unit	1,500	1,300	100	(1,200)	1,500	0
PDC - CDC Pathways	112	112	1	(111)	112	0
PDC - CIR - SPH Theatre	2,500	1,100	0	(1,100)	0	(2,500)
PDC - CIR - Theatre & OPD Chiller	700	0	0	0	700	0
₹ - Other	0	0	0	0	828	828
PDC - Estates Safety Phase II	0	0	332	332	1,114	1,114
PDC - Estates Safety Phase II - Maternity	0	0	0	0	100	100
PDC - CBRN	0	0	0	0	11	11
PDC - Cyber	0	0	0	0	68	68
PDC - Wayfinder Programme	0	0	0	0	100	100
PDC - Robot	0	0	0	0	2,330	2,330
PDC - Fielding Ward	0	0	0	0	398	398
Purchased Capital Programme	**19,492**	**14,746**	**3,425**	**(11,321)**	**17,237**	**(2,255)**
Donated & Granted Assets	2,194	2,124	224	(1,900)	2,194	0
Total Capital Programme reported to NHSE	**21,686**	**16,870**	**3,649**	**(13,221)**	**19,431**	**(2,255)**

The Trust submitted its capital programme to NHSE in April 2025 totalling £26.7m, however the Board then approved a revised plan of £21.7m in July 2025. The spend at 31st January 2026 was £3.6m which represents a £13.2m underspend against the year to date plan. The underspend is related to the Operational Capital Allocation and is across a number of programmes and also impacted by HPL now buying and owning equipment assets (which are reported through Royal Surrey).

The Trust has received confirmation of the award of £6.312m of PDC funding as set out above. This includes £1.5m for the ED/Assessment Unit scheme - the Trust has been advised that this scheme is nationally supported, and fees funding has been agreed.

Of the operating capital allocation, £4.7m is forecast to now be spent and reported through HPL.