Ashford and St. Peter's Hospitals NHS Foundation Trust

Report title:	Finance Report M1 2026/27		
Report to:	**Public Council of Governors**		
Date of meeting:	Tuesday, 02 June 2026	**Agenda item:**	6.1
Report summary:	The attached report sets out the Trust's financial position as at 30th April 2026 which is M1 2026/27. The Trust has a breakeven plan for the full financial year. The plan for month 1 was a £812k deficit and the Trust has met this despite incurring Industrial Action pay costs of £0.5m net (£0.6m temporary staffing costs less £0.1m of recoveries from Resident Doctors). The NHSE expectation was that Trusts should absorb the Industrial Action costs with no central funding. The Trust has covered the IA costs by bringing forward mitigations expected to be needed in the second half of the financial year. Cost Improvement plan benefits are reported at £0.8m in month 1 which is £1.5m behind plan. Actions are in train to develop the CIP programme. Temporary staffing is above the NHSE plan by £1.1m, of which £0.6m relates to unplanned Industrial Action costs		
Recommendation:	For assurance		
Report lead:	Julie Fisher, Non-Executive Director		
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

Month 1 2026/27

30th April 2026

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

Executive Summary – 30th April 2026

Key Financial Indicators (£'000)	Annual	In-Month			Year to Date		
	Plan	Plan	Actual	Variance	Plan	Actual	Variance
Financial Performance							
Operating Income	**511,488**	**42,023**	**42,827**	**804**	**42,023**	**42,827**	**804**
- Income from Patient Care Care Activities	477,535	39,406	39,990	584	39,406	39,990	584
- Other Operating Income	33,953	2,616	2,837	220	2,616	2,837	220
Expenditure	**(502,198)**	**(42,289)**	**(43,143)**	(854)	**(42,289)**	**(43,143)**	**(854)**
- Employee Expenses	(336,535)	(28,207)	(28,817)	(611)	(28,207)	(28,817)	(611)
- Non-Pay Expenses	(165,663)	(14,082)	(14,325)	(243)	(14,082)	(14,325)	(243)
Operating Surplus/(Deficit)	**9,290**	**(266)**	**(316)**	**(50)**	**(266)**	**(316)**	**(50)**
- Operating Surplus (Deficit) %	*1.8%*	*-0.6%*	*-0.7%*		*-0.6%*	*-0.7%*	
Finance Costs	**(6,278)**	**(523)**	**(546)**	**(23)**	**(523)**	**(546)**	**(23)**
Total I&E Surplus (Deficit)	**3,012**	**(789)**	**(861)**	**(72)**	**(789)**	**(861)**	**(72)**
- Less Control total adjustments	(3,012)	(23)	49	72	(23)	49	72
Adjusted Financial Performance (NHSE Reporting)	**0**	**(812)**	**(812)**	**0**	**(812)**	**(812)**	**0**
Other Metrics							
CIP (£'000)	36,699	2,314	776	(1,538)	2,314	776	(1,538)
- % of Operating Expenditure	*6.8%*	*5.2%*	*1.8%*		*5.2%*	*1.8%*	
Temporary Staff Expenditure (£'000)	(30,521)	(2,661)	(3,748)	(1,087)	(2,661)	(3,748)	(1,087)
- % of Employee Expenses	*18.4%*	*18.9%*	*26.2%*		*18.9%*	*26.2%*	
WTE	5,182	5,427	5,402	25			
Capital Expenditure - Purchased (£'000)	35,899	578	253	325	578	253	325
Cash (£'000)	34,609	38,376	30,717	(7,659)			

Financial Performance

- Reported as being on plan at month 1
- This is after incurring Industrial Action pay costs of £0.5m net (£0.6m temporary staffing costs less £0.1m of recoveries from Resident Doctors)
- NHSE expectation that Trusts should absorb the Industrial Action costs with no central funding
- In reporting the month 1 position, the Trust has covered the IA costs by bringing forward mitigations expected to be needed in the second half of the financial year.
- No change to forecast breakeven position

Other Metrics

- CIPs reported at £0.8m in month1, £1.5m behind plan
- Temporary staffing above the NHSE plan by £1.1m, of which £0.6m relates to unplanned Industrial Action costs
- WTE marginally under plan, as is capital expenditure
- Cash is significantly under the plan submitted to NHSE in March 2026, however that plan needs to be amended to reflect the final cash position at 31st March 2026 which was £4.9m lower. In addition to that, the Trust is still awaiting some funding for 2025/26 activities.

Income by Source – 30th April 2026

Income Source (£'000)	Annual	In-Month			Year to Date		
	Plan	Plan	Actual	Variance	Plan	Actual	Variance
Income from Patient Care Activities							
NHS England	12,665	1,055	962	(93)	1,055	962	(93)
Integrated Care Boards	461,107	38,037	38,760	723	38,037	38,760	723
Local Authorities	212	18	18	0	18	18	0
Private Patient Income	1,697	141	146	4	141	146	4
Overseas Visitors Income (Individuals Chargeable)	703	59	17	(42)	59	17	(42)
Other Clinical Income	1,151	96	88	(8)	96	88	(8)
Total Income from Patient Care Activities	**477,535**	**39,406**	**39,990**	**584**	**39,406**	**39,990**	**584**
Other Operating Income							
Research & Development	1,129	94	79	(15)	94	79	(15)
Education & Training	15,411	1,284	1,236	(48)	1,284	1,236	(48)
Car Parking Income	2,510	209	247	38	209	247	38
Catering Income	1,936	161	160	(1)	161	160	(1)
Donated & Granted Income	3,594	72	0	(72)	72	0	(72)
Other	9,372	796	1,115	319	796	1,115	319
Total Other Operating Income	**33,953**	**2,616**	**2,837**	**220**	**2,616**	**2,837**	**220**

Income from Patient Care Activities

- Income from Patient care activity is £0.6m favourable to plan and relates to ICB activity income. In particular, this is Elective Sprint income which was unplanned as the national request was for this activity to be completed by 31st March 2026.

Other Operating Income

- Other non-commissioned income streams (non-activity) are £0.2m higher than plan. A change in how services sold to Healthcare Partners Limited (HPL) have been reported has led to a £0.4m favourable income variance; however, this is offset by an adverse £0.4m swing in the non-pay cost variance. Note that a budget change will be made from month 2 to recognise this change in reporting.
- This is partially offset by smaller adverse variances across various other areas.

Employee Expenses

Employees Expenses (£'000)	Annual	In-Month			Year to Date		
	Plan	Plan	Actual	Variance	Plan	Actual	Variance
Employee Expenses:							
Medical Staff (incl locum & agency)	102,598	8,763	9,427	664	8,763	9,427	664
Nursing Staff (incl bank & agency)	121,587	10,301	10,473	172	10,301	10,473	172
PAM's, Prof & Tech and Scientific	42,967	3,541	3,375	(166)	3,541	3,375	(166)
NHS Infrastructure Support	68,015	5,488	5,428	(59)	5,488	5,428	(59)
Apprenticeship Levy	1,369	114	115	1	114	115	1
Other employee expenses	0	0	0	0	0	0	0
Total Employee Expenses	**336,535**	**28,206**	**28,817**	**611**	**28,206**	**28,817**	**611**

Pay was £0.6m higher than plan at month 1.

- There are adverse variances across several staff groups (predominantly Medical and Nursing teams), with Medical costs including £0.5m net of Industrial Action costs to cover the Resident Doctors strike in April. Nursing costs were high due to escalation areas remaining open; and
- Agency costs totalled £0.7m, having fallen by £0.1m (7.1%) compared to the same period in 2025/26. The Trust continues to try to drive this down further in line with the revised targets set by NHSE for 2026/27. Bank/locum costs at £3.1m fell by £0.2m (5.3%) compared to April 2025 despite the Industrial Action temporary staffing costs.

There has been a £0.9m (3.1%) increase in year on year pay costs. Within this the pay award of 3.3% has been paid to Agenda for Change staff, and 2.0% accrued for Medical staff. The pay figure also includes IA costs of £0.5m net in April 2026.

Reported WTE data is as follows:

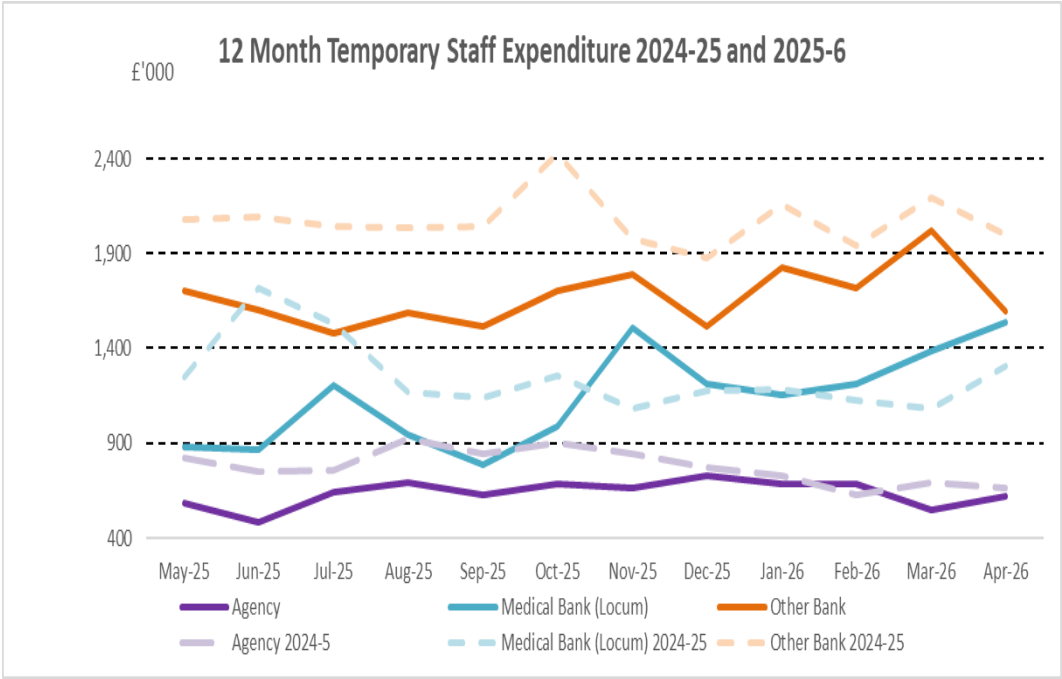
	Jan-26		Feb-26		Mar-26		Apr-26	
	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual
Substantive Staff	4,739.30	4,798.99	4,738.31	4,797.27	4,737.43	4,798.37	4,802.80	4,788.68
Bank Staff	345.61	436.45	324.03	492.86	302.45	503.47	486.12	497.49
Agency Staff	58.11	125.82	54.51	137.31	50.92	131.43	138.35	116.06
	5,143.03	5,361.26	5,116.86	5,427.44	5,090.80	5,433.28	5,427.27	5,402.24

Employee Expenses – Temporary Staffing

	Jan-26 £'000	Feb-26 £'000	Mar-26 £'000	Apr-26 £'000
Medical Staff				
Agency	157	172	143	161
Locum	1,158	1,211	1,384	1,537
	1,315	1,383	1,527	1,699
Nursing Staff				
Agency	409	402	304	359
Bank	1,427	1,321	1,608	1,200
	1,836	1,723	1,912	1,559
Other Staff				
Agency	118	115	97	98
Bank	396	394	410	393
	514	509	508	491
Total	**3,665**	**3,614**	**3,947**	**3,748**
Agency	685	688	544	618
Locum	1,158	1,211	1,384	1,537
Bank	1,823	1,715	2,019	1,593
Total	**3,665**	**3,614**	**3,947**	**3,748**

Total Pay Bill	**28,103**	**28,157**	**28,439**	**28,817**

% all Temp staff of Pay Bill	**13.0%**	**12.8%**	**13.9%**	**13.0%**
% Agency of total temp staff	**18.7%**	**19.0%**	**13.8%**	**16.5%**
% Agency of total Paybill	**2.4%**	**2.4%**	**1.9%**	**2.1%**



NHS England expected Trusts to reduce their agency spend from their Forecast outturn in 2025/26. In terms of M1, the Trust was £0.2m over its NHSE agency spend target.

In addition, NHS England requires Trusts to reduce their bank spend from their Forecast outturn in 2025/26, and against this the Trust was £0.9m over its target, which included £0.6m of additional Industrial Action cover costs.

Non-Pay Expenditure

Non-Pay Expenditure (£'000)	Annual	In-Month			Year to Date		
	Plan	Plan	Actual	Variance	Plan	Actual	Variance
Non-Pay Expenditure:							
Supplies and services - Clinical & General	49,923	4,272	4,336	64	4,272	4,336	64
Supplies and services - Drugs	29,706	2,590	2,493	(97)	2,590	2,493	(97)
Purchase of healthcare from NHS bodies	6,232	519	336	(183)	519	336	(183)
Purchase of healthcare from non-NHS bodies	6,232	941	1,445	504	941	1,445	504
Other Non Pay	73,569	5,759	5,715	(44)	5,759	5,715	(44)
Total Non-Pay Expenditure:	**165,663**	**14,082**	**14,325**	**243**	**14,082**	**14,325**	**243**

Non-Pay costs are £0.2m above plan and there has been a £0.4m (2.9%) increase in year-on-year costs.

- Clinical Supplies was overspent against budget by £0.1m, due to additional activity and underachieved CIP but this was offset by Drugs budgets underspends (£0.1m), Estates and Facilities underspend (£0.2m)
- Purchase of Healthcare from NHS bodies underspent by £0.2m, but was offset by an overspend of £0.5m against Purchase of Healthcare from non-NHS bodies, which was driven by costs incurred for Woking CDC, Imaging St Peters and additional Elective Activity.

Drivers of the year-on-year increase include :

- Drugs costs have increased by £0.4m year on year (16.6%). Some of this is driven by Tariff excluded Drugs
- Purchase of Healthcare from non-NHS bodies increased by £0.4m, mainly driven by Woking CDC and Imaging St Peters.

Cost Improvement Programme (CIP's)

2026/27 Plan

The Trust Board approved a breakeven financial plan for 2026/27 that included a Cost Improvement Programme (CIP) of £36.7m and which included a high level of unidentified and high-risk CIPs. At c6.8% of operating expenditure, this is a challenging target.

The profile of CIPs within the NHSE plan submission was for 20.4% to be delivered in Q1 and then the following three quarters at Q2 25.8%, Q3 26.9% and Q4 26.9%.

Efficiency Status at M1

The CIPs reported to NHSE at month 1 were:

	Plan to 31 March 2027	Mth 1 YTD Plan	Mth 1 YTD Actual	Mth 1 YTD Variance
Total CIP's as reported to NHSE at M1	36,699	2,314	776	(1,538)
Changes identified subsequent to submission	0	0	0	0
Updated CIP's	**36,699**	**2,314**	**776**	**(1,538)**

The Trust held the full year forecast = plan of £36.7m. The current forecast is summarised as follows:

Fully Developed	£10.034m
Plans in Progress	£12.026m
Opportunities	£6.095m
Unidentified	£8.544m
Total Forecast Efficiencies	£36.699m