

# System Finance Report

## Board Meeting – September 2025

Month 4 – 2025/26

# Summary and Key Messages

System Metrics M04 2025/26	YTD surplus/ (deficit)		Forecast surplus/(deficit)		YTD Efficiency as % of YTD plan		Forecast Efficiency as % of Plan		Agency cap underspend/ (overspend) YTD		Bank cap underspend/ (overspend) YTD		Capital forecast surplus/ (deficit)		Net risk	
	£m		£m		%		%		£m		£m		£m		£m	
Bedfordshire Hospitals	(4.1)	↓	0.0	→	95.1%	↑	100.0%	→	0.6	↑	(0.3)	↑	0.0	→	0.0	↑
Milton Keynes Hospital	(3.4)	↓	0.0	→	81.5%	↑	100.0%	→	0.4	↑	(0.5)	↑	0.0	→	(5.0)	↑
BLMK ICB	(0.4)	↑	0.0	→	99.4%	↑	100.0%	→					0.0	→	(14.4)	↑
<b>System Total</b>	<b>(7.9)</b>	<b>↓</b>	<b>0.0</b>	<b>→</b>	<b>93.7%</b>	<b>↑</b>	<b>100.0%</b>	<b>→</b>	<b>1.0</b>	<b>↑</b>	<b>(0.9)</b>	<b>↑</b>	<b>0.0</b>	<b>→</b>	<b>(19.4)</b>	<b>↑</b>

Arrows show movement from previous month's report.

- At M4, NHS organisations across the system are reporting a collective year-to-date deficit of £7.9m against a planned YTD deficit of £3.1m. At this stage, all organisations are forecasting a full year break-even position against plan.
- Without intervention, the system is projected to end the year in deficit. A range of recovery actions and mitigations are underway to address the shortfall.
- Efficiencies - The system financial plan includes £119m of planned efficiencies across NHS partners. At month 4, the system is 6.3% behind target year to date. Recovery is expected over the remainder of the year and the system is forecasting to deliver 100% of plan.
- Bank & Agency
  - BHFT is exceeding its bank cap YTD, due to increased elective activity whilst agency is underspent is due to recruiting into roles substantively, and robust agency controls.
  - MKUH spend is within the agreed revised cap for agency and marginally above the cap for bank, but this is forecast to improve by year end and remain below the annual cap.
  - Trusts have been advised to update plans in line with pay awards, but the national cap has not been updated for this yet.
- Capital - The ICS has received a total system capital allocation of £74m (including a £25m bonus), alongside £76m in national capital. In month 4 the national capital was adjusted to reflect the approved constitutional standards schemes, this included deferring £17m of funding for Luton CDC into 2026/27 and additional schemes to be delivered in 2025/26 valued at £12m.
- The system plan included a net risk of £27.8m, risks have been updated at month 4 and the reported net risk is now £19.4m.

# System - Risks

BLMK ICS Risks & Mitigations not included in FOT	Memo - Risks as per April Plan Submission	Risks & Mitigations as at July 2025			
		BHFT	MKUH	ICB	System Total
		£m	£m	£m	£m
Demand & Capacity	(2.0)	0.0	0.0	0.0	0.0
Efficiency Risk	(29.8)	(14.5)	(7.0)	0.0	(21.5)
Additional cost risk (inflation)	(2.0)	0.0	0.0	0.0	0.0
Income risk	(2.5)	0.0	(0.5)	0.0	(0.5)
CHC cost & volume	(3.6)	0.0	0.0	(2.0)	(2.0)
Prescribing Growth	(2.6)	0.0	0.0	(1.6)	(1.6)
GP Practice demand & capacity and resilience issues	(1.2)	0.0	0.0	(3.1)	(3.1)
RTT targets for independent sector providers	0.0	0.0	0.0	(4.0)	(4.0)
Termination of Pregnancy Services Guidance	(0.5)	0.0	0.0	0.0	0.0
Mental Health & Community Cost Pressures	(8.3)	0.0	0.0	0.0	0.0
Mental Health School Teams Cost Pressure.	(1.6)	0.0	0.0	0.0	0.0
Children's Complex Care Placements	0.0	0.0	0.0	(3.0)	(3.0)
Industrial Action	0.0	0.0	(1.0)	0.0	(1.0)
Other low value	0.0	0.0	0.0	(0.7)	(0.7)
<b>Total Risks</b>	<b>(54.1)</b>	<b>(14.5)</b>	<b>(8.5)</b>	<b>(14.4)</b>	<b>(37.4)</b>
Additional cost control or income	10.0	9.5	1.0	0.0	10.5
Efficiency mitigation	7.3	5.0	0.0	0.0	5.0
Transformational / Pathway changes	8.0	0.0	0.5	0.0	0.5
Non Recurrent Mitigation	1.0	0.0	2.0	0.0	2.0
<b>Total mitigations</b>	<b>26.3</b>	<b>14.5</b>	<b>3.5</b>	<b>0.0</b>	<b>18.0</b>
<b>Net Risk</b>	<b>(27.8)</b>	<b>0.0</b>	<b>(5.0)</b>	<b>(14.4)</b>	<b>(19.4)</b>

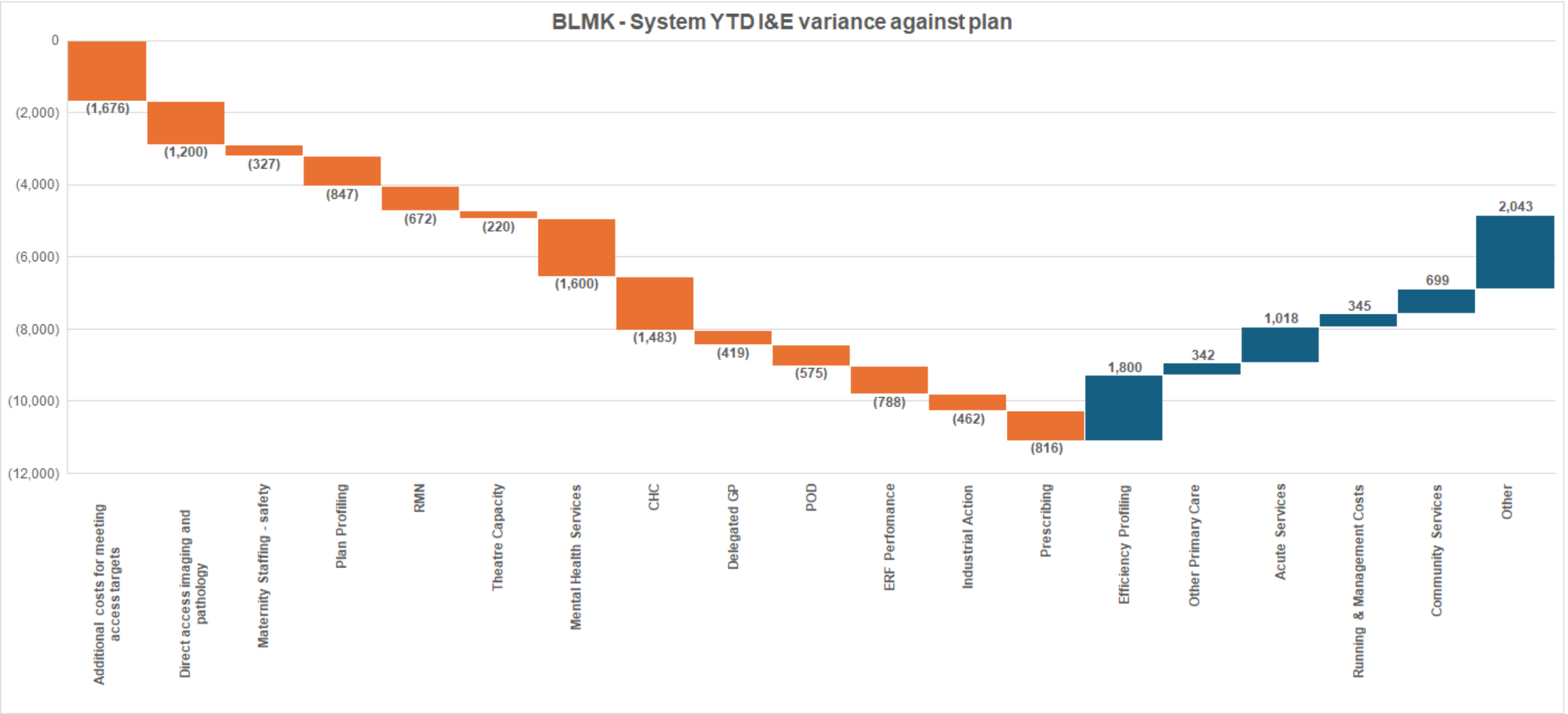
The table sets out each organisations assessment of risks and mitigations not included in the month 4 forecast outturn.

- The net risk has reduced by £8.4m since the April plan submission.
- The Industrial action that took place in July is included in M4 accounts. Milton Keynes hospital have reported a risk of £1m relating to potential industrial action in future months.
- Each organisation is working to develop further mitigations to fully offset the identified risks:
  - BHFT - review of enhanced rates & overtime, Pathology Demand Management, introduction of RMN agency use policy and delivery of PIFU pathways.
  - MKUH – a range of actions including a review of non-core loss making services, reducing length of stay, outpatient transformation, reduction in external consultancy usage and review of corporate structures.
  - ICB – development of the efficiency/transformation pipeline overseen by FIG, non-recurrent mitigations and contract management.

# System - Income and Expenditure

System Income & Expenditure	Plan YTD M04	Actual YTD M04	Variance YTD M04	Annual Plan	Forecast	Variance	Net Neutral YTD Variances	
	£m	£m	£m	£m	£m	£m	Excluded Drugs/ Devices £m	Other £m
System Allocation	896.1	896.1	0.0	2,662.5	2,662.5	0.0	0.0	0.0
Transfer between ICB and Trusts within ICS	(360.7)	(360.8)	(0.1)	(1,086.7)	(1,087.5)	(0.8)	0.0	0.0
<b>Net ICB Allocation</b>	<b>535.4</b>	<b>535.3</b>	<b>(0.1)</b>	<b>1,575.8</b>	<b>1,575.0</b>	<b>(0.8)</b>	<b>0.0</b>	<b>0.0</b>
Income	448.9	448.3	(0.6)	1,346.0	1,348.2	2.2	0.6	2.0
<b>Total Provider Income</b>	<b>448.9</b>	<b>448.3</b>	<b>(0.6)</b>	<b>1,346.0</b>	<b>1,348.2</b>	<b>2.2</b>	<b>0.6</b>	<b>2.0</b>
<b>Total System Funding</b>	<b>984.3</b>	<b>983.6</b>	<b>(0.7)</b>	<b>2,921.8</b>	<b>2,923.2</b>	<b>1.4</b>	<b>0.6</b>	<b>2.0</b>
Pay	289.0	292.4	(3.4)	859.2	859.2	0.0	0.0	0.5
Non-Pay	155.4	156.4	(1.0)	463.9	466.1	(2.2)	(0.6)	0.4
Non Operating Items	7.6	6.9	0.7	22.9	22.9	0.0	0.0	(2.9)
<b>Total Provider Expenditure</b>	<b>452.0</b>	<b>455.7</b>	<b>(3.8)</b>	<b>1,346.0</b>	<b>1,348.2</b>	<b>(2.2)</b>	<b>(0.6)</b>	<b>(2.0)</b>
Acute Services (Inter System, LVA & IS)	88.2	87.6	0.6	247.3	246.7	0.6	0.0	0.0
Mental Health Services	79.8	80.9	(1.1)	237.4	240.7	(3.2)	0.0	0.0
Better Care Fund	11.9	11.9	(0.0)	35.8	35.8	0.0	0.0	0.0
Other Community Services	56.8	56.1	0.8	167.3	166.9	0.4	0.0	0.0
Continuing Care Services	40.3	41.8	(1.5)	119.5	124.0	(4.5)	0.0	0.0
Primary Care Co-Commissioning	70.8	71.2	(0.4)	214.7	217.4	(2.7)	0.0	0.0
Pharmacy, Ophthalmic & Dental Co-Commissioning	29.9	30.4	(0.5)	88.9	88.9	0.0	0.0	0.0
Prescribing	57.4	58.2	(0.8)	173.9	176.0	(2.1)	0.0	0.0
Other Primary Care Services	11.1	10.7	0.3	33.2	32.8	0.4	0.0	0.0
Delegated Specialised Commissioning	72.7	72.7	0.0	208.5	208.5	0.0	0.0	0.0
Other Programme Services (incl. Reserves)	11.4	9.1	2.3	33.5	21.7	11.8	0.0	0.0
ICB Running Costs	5.2	5.1	0.1	15.7	15.5	0.2	0.0	0.0
<b>Total ICB Expenditure</b>	<b>535.4</b>	<b>535.7</b>	<b>(0.3)</b>	<b>1,575.8</b>	<b>1,575.0</b>	<b>0.8</b>	<b>0.0</b>	<b>0.0</b>
<b>Total System Expenditure</b>	<b>987.4</b>	<b>991.5</b>	<b>(4.1)</b>	<b>2,921.8</b>	<b>2,923.2</b>	<b>(1.4)</b>	<b>(0.6)</b>	<b>(2.0)</b>
<b>System surplus/ (deficit)</b>	<b>(3.1)</b>	<b>(7.9)</b>	<b>(4.8)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

# System - Bridge to year-to-date variance against plan



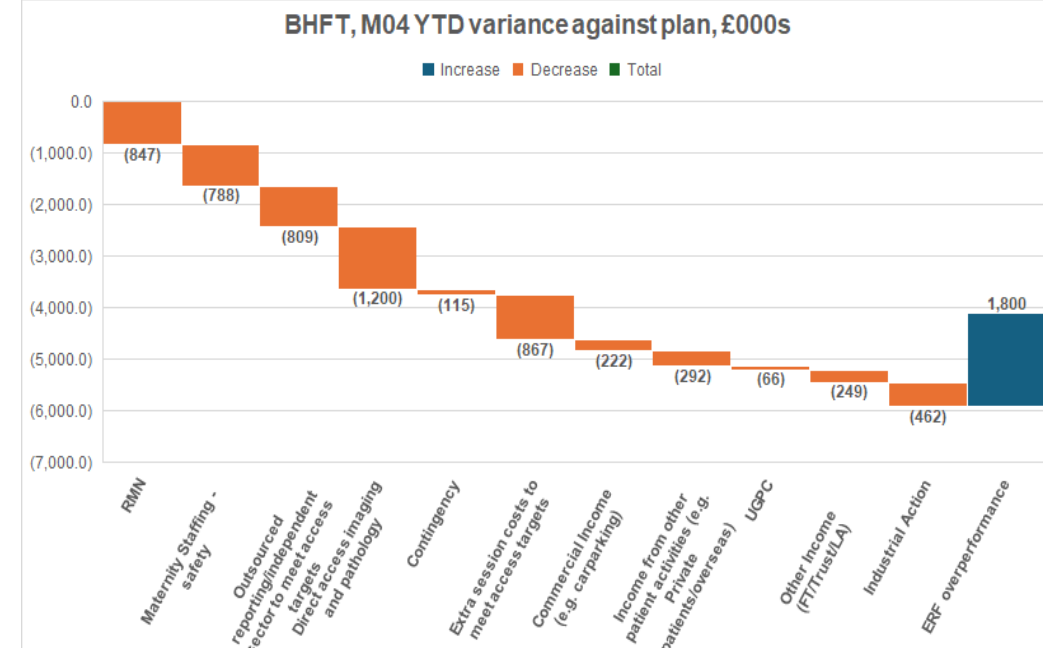
# Bedfordshire Hospitals - Income & Expenditure

BHFT Income & Expenditure	Year to Date M04				Year to Date Prior Month				Movement	Net Neutral YTD Variances		
	Plan	Actual	Variance	Variance	Plan	Actual	Variance	Variance		Variance	Pay Awards	Other
	£m	£m	£m	%	£m	£m	£m	%			£m	£m
Income	305.1	303.9	(1.1)	(0.4%)	227.2	225.5	(1.7)	(0.8%)	↑	0.4%	(2.0)	2.9
Pay	(195.7)	(199.1)	(3.4)	1.8%	(145.2)	(148.1)	(2.9)	2.0%	↓	(0.3%)	2.0	0.0
Non-Pay	(104.6)	(104.6)	0.0	(0.0%)	(78.5)	(77.2)	1.2	(1.6%)	↑	1.6%	0.0	0.0
Non Operating Items	(4.7)	(4.3)	0.4	(8.5%)	(3.6)	(3.2)	0.3	(9.0%)	↑	0.5%	0.0	(2.9)
<b>Surplus/ (deficit)</b>	<b>(0.0)</b>	<b>(4.1)</b>	<b>(4.1)</b>		<b>(0.0)</b>	<b>(3.1)</b>	<b>(3.1)</b>				<b>0.0</b>	<b>0.0</b>

BHFT Income & Expenditure	Forecast M04				Forecast Prior Month				Movement
	Plan	Actual	Variance	Variance	Plan	Actual	Variance	Variance	
	£m	£m	£m	%	£m	£m	£m	%	%
Income	914.6	916.8	2.2	0.2%	908.8	911.0	2.2	0.2%	⇒ (0.0%)
Pay	(586.5)	(586.5)	0.0	0.0%	(580.7)	(580.7)	0.0	0.0%	⇒ 0.0%
Non-Pay	(313.8)	(316.0)	(2.2)	0.7%	(313.8)	(316.0)	(2.2)	0.7%	⇒ (0.0%)
Non Operating Items	(14.2)	(14.2)	0.0	(0.0%)	(14.2)	(14.2)	0.0	(0.0%)	⇒ 0.0%
<b>Surplus/ (deficit)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

- Trust has reported a £4.1m deficit YTD in M4, consistent with previous months run-rate of ~£1m deficit per month. Of this, £0.5m relates to the Industrial Action; excluding this impact the underlying run rate would have shown an improvement.
- Income is £1.1m under plan YTD. This is due to underperformance in patient care income (£1.8m), primarily driven by cancer drugs, Hep C, and other pass-through drugs (£0.9m). Patient Care Income from ICB underperformance (£0.3m) due to ERF overperformance (£1.8m) being offset by anticipated depreciation clawback (£2.9m) and Trust recognising RTT validation sprint income (£0.7m). Non-NHS patients and income from other Trusts is also behind plan (£0.5m). Trust is overperforming in relation to Other Income (£0.4m), primarily due to education contract funding and rental income.
- Pay is £3.4m over plan, with key pressures from RMN spend (£0.9m) which has grown since 24/25, maternity services (£0.8m) due to external scrutiny, increased births and complexity, extra elective sessions to meet targets (£0.8m), strike costs (£0.2m), and contingency-driven overspends (£0.7m), partially balanced by education income.

- Trust incurred costs of £0.5m relating to strike action (£0.2m pay, £0.3m lost income).
- Trust continues to spend above plan on RMN staff (£0.9m), this value has increased since the same time in 24/25, Trust continues to ask for robust contractual levers.
- Maternity Staffing (£0.8m) due to increased external scrutiny, increased births and increased complexity.
- Unmitigated demand in pathology and imaging are continuing to drive spend within the Trust.
- Underperformance on non-patient income streams, i.e. car parking, private patients – private patients expected to pick up going forward.
- Spend on extra sessions to meet access targets (£0.8m) and move from tier 1 elective.



# Bedfordshire Hospitals - Risks & Mitigations

Bedfordshire Hospitals Risks & Mitigations	Risks & Mitigations as at July 2025		
	Memo - Risks as per April Plan Submission	Risks previously reported now in FOT	Risks not included in FOT
	£m	£m	£m
Efficiency risk	(21.8)	(7.3)	(14.5)
<b>Total Risks</b>	<b>(21.8)</b>	<b>(7.3)</b>	<b>(14.5)</b>
Additional cost control	7.0	2.3	4.7
Additional income	7.3	2.4	4.9
Efficiency Mitigation	7.5	2.5	5.0
Transformation / Pathway Changes			
<b>Total mitigations</b>	<b>21.8</b>	<b>7.3</b>	<b>14.5</b>
<b>Net Risk</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

The Trust had identified £21.8m of risks. At M4, the Trust has identified mitigations of £7.3m off-setting risks of £7.3m which are now in the forecast.

The following actions are being taken by the Trust to further mitigate the identified risks:

- Ceasing a significant proportion of enhanced rates and overtime.
- Vacancy Control Panel to scrutinise all recruitment
- Working with the ICB to demand manage pathology activity. Initially in 4 areas:
  - Calprotectin testing in over 60-year-olds –switch-off
  - Allergy testing in adults –switch-off
  - HbA1C in children – switch-off
  - Haematics – reduction to be determined.
- Working with system partners to introduce RMN agency usage policy
- Delivery of PIFU pathways

# Milton Keynes Hospital - Income & Expenditure

MKUH Income & Expenditure	Year to Date M04				Year to Date Prior Month				Movement	Net Neutral YTD Variances		
	Plan	Actual	Variance	Variance	Plan	Actual	Variance	Variance		Variance	Excluded Drugs/ £m	Other £m
	£m	£m	£m	%	£m	£m	£m	%			%	
Income	143.8	144.3	0.5	0.4%	107.2	106.7	(0.5)	(0.5%)	↑	0.9%	0.6	(0.9)
Pay	(93.3)	(93.3)	(0.0)	0.0%	(69.5)	(69.3)	0.3	(0.4%)	↑	0.4%	0.0	0.0
Non-Pay	(50.8)	(51.8)	(1.1)	2.1%	(38.2)	(38.8)	(0.7)	1.7%	↑	0.3%	(0.6)	0.4
Non Operating Items	(2.9)	(2.6)	0.3	(9.8%)	(2.2)	(1.9)	0.2	(10.4%)	↑	0.6%	0.0	0.0
<b>Surplus/ (deficit)</b>	<b>(3.1)</b>	<b>(3.4)</b>	<b>(0.3)</b>		<b>(2.7)</b>	<b>(3.4)</b>	<b>(0.7)</b>				<b>0.0</b>	<b>(0.5)</b>

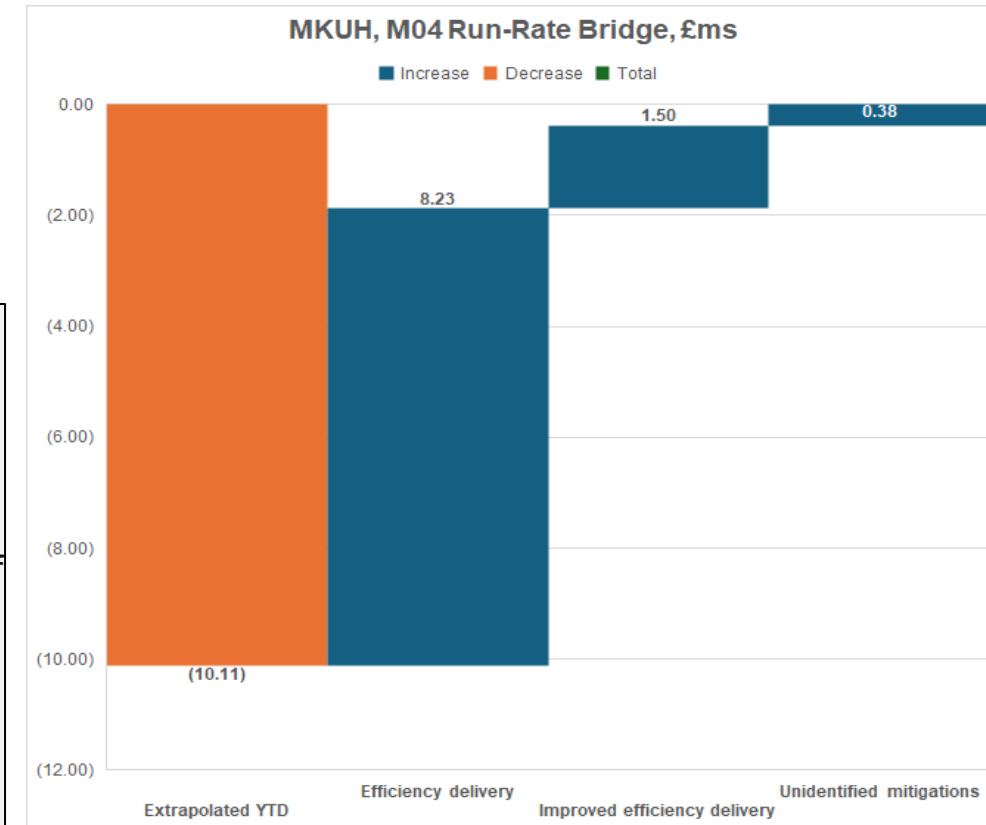
The run-rate has continued to improve steadily (£1.6m M1, £1.2m deficit M2, £0.6m deficit M3 and £10k surplus in M4). This has primarily been driven by the efficiency programme, increased clinical and non-clinical income, and reduced agency staff costs.

MKUH Income & Expenditure	Forecast M04				Forecast Prior Month				Movement	
	Plan	Actual	Variance	Variance	Plan	Actual	Variance	Variance		Variance
	£m	£m	£m	%	£m	£m	£m	%		
Income	431.4	431.4	(0.0)	(0.0%)	428.9	428.9	(0.0)	(0.0%)	⇒	0.0%
Pay	(272.7)	(272.7)	0.0	0.0%	(270.2)	(270.2)	(0.0)	0.0%	⇒	(0.0%)
Non-Pay	(150.1)	(150.1)	0.0	(0.0%)	(150.1)	(150.1)	0.0	(0.0%)	⇒	0.0%
Non Operating Items	(8.6)	(8.6)	0.0	0.0%	(8.6)	(8.6)	0.0	0.0%	⇒	0.0%
<b>Surplus/ (deficit)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>			

The Trust is reporting a **£3.4m deficit** on a Control Total basis to the end of July, which is **£0.3m adverse to plan**. The in-month position is a surplus of £10k, which is £0.4m favourable to plan with an improving monthly run-rate as noted above.

The year-to-date variance has primarily been driven the factors below but with improvements in the latest month driving the run-rate improvement despite one-off costs of £0.15m relating to the doctors strike in July:

- Lower than planned clinical income (although non-clinical income is higher than plan);
- Higher non pay costs, including drugs; and
- Under-delivery of the Cost Improvement Programme (CIP) as compared to phasing in the plan.



# Milton Keynes Hospital - Risks & Mitigations

Milton Keynes Hospital Risks & Mitigations	Memo - Risks as per April Plan Submission £m	Risks & Mitigations as at July 2025	
		Risks previously reported now in FOT £m	Risks not included in FOT £m
Additional cost risk (capacity, pressures, winter, COVID)	(2.0)	(2.0)	0.0
Additional cost risk (inflation)	(2.0)	(2.0)	0.0
Efficiency risk	(6.0)	1.0	(7.0)
Income risk	(2.5)	(2.0)	(0.5)
Industrial Action		1.0	(1.0)
<b>Total Risks</b>	<b>(12.5)</b>	<b>(4.0)</b>	<b>(8.5)</b>
Additional cost control or income	3.0	2.0	1.0
Transformational / Pathway changes	0.5		0.5
Non-recurrent mitigation	1.0	(1.0)	2.0
			0.0
<b>Total mitigations</b>	<b>4.5</b>	<b>1.0</b>	<b>3.5</b>
<b>Net Risk</b>	<b>(8.0)</b>	<b>(3.0)</b>	<b>(5.0)</b>

- The Trust is currently managing £8.5m of risks that are not included in the forecast, a reduction from the £11.5m reported last month.
- This improvement is primarily due to lower risks associated with costs and inflation, although it is partially offset by increased risks related to efficiency and a newly identified £1m risk linked to industrial action.
- Overall, the net risk position has improved, decreasing from £7m in last month's report to £5m in the current report. This reflects the increased assurance gained from the Trust's improving monthly financial run-rate

# BLMK ICB - Income & Expenditure

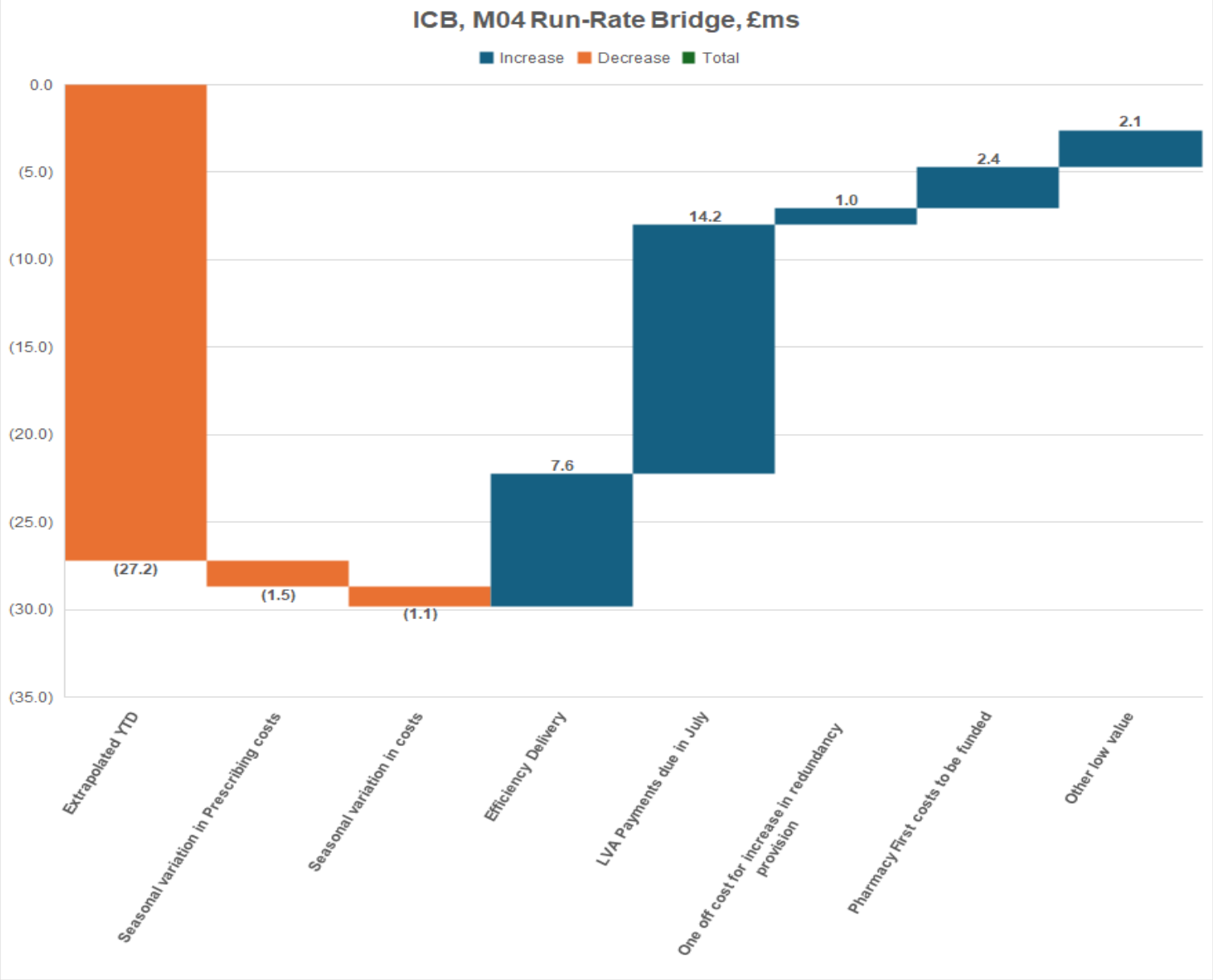
BLMK ICB Income & Expenditure	Year to Date					Forecast				
	July 2025 - M04				Movement on prior month	July 2025 - M04				Movement on prior month
	Plan £m	Actual £m	Variance £m	Variance %	Variance %	Plan £m	Actual £m	Variance £m	Variance %	Variance %
<b>Total ICB Allocation</b>	<b>896.1</b>	<b>896.1</b>	<b>0.0</b>	<b>0.0%</b>	⇒ <b>0.0%</b>	<b>2,662.5</b>	<b>2,662.5</b>	<b>0.0</b>	<b>0.0%</b>	⇒ <b>0.0%</b>
Acute Services	425.9	425.4	0.5	0.1%	⇒ 0.0%	1,265.2	1,264.5	0.6	0.0%	↑ 0.0%
Mental Health Services	79.9	81.0	(1.1)	(1.4%)	↑ 0.6%	237.8	241.1	(3.2)	(1.4%)	↓ (1.4%)
Better Care Fund	11.9	11.9	(0.0)	(0.0%)	⇒ 0.0%	35.8	35.8	0.0	0.0%	⇒ 0.0%
Other Community Services	58.2	57.4	0.8	1.3%	↑ 0.9%	171.3	170.8	0.5	0.3%	↑ 0.3%
Continuing Care Services	40.3	41.8	(1.5)	(3.7%)	↓ (0.6%)	119.5	124.0	(4.5)	(3.8%)	↓ (3.8%)
Primary Care Co-Commissioning	71.7	72.1	(0.4)	(0.6%)	↑ 0.0%	217.4	220.1	(2.7)	(1.2%)	↓ (1.2%)
Pharmacy, Ophthalmic & Dental Co-Commissioning	33.8	34.4	(0.5)	(1.6%)	↑ 2.0%	100.8	100.8	0.0	0.0%	⇒ 0.0%
Prescribing	57.4	58.2	(0.8)	(1.4%)	↓ (3.2%)	173.9	176.0	(2.1)	(1.2%)	↓ (1.2%)
Other Primary Care Services	11.1	10.7	0.3	3.1%	↓ (0.1%)	33.2	32.8	0.4	1.2%	↑ 1.2%
Delegated Specialised Commissioning	89.4	89.4	0.0	0.0%	⇒ (0.0%)	258.8	258.8	0.0	0.0%	⇒ 0.0%
Other Programme Services (incl. Reserves)	11.3	9.1	2.2	19.7%	↑ 7.6%	33.1	22.2	10.9	33.0%	↑ 33.0%
<b>Total Commissioning Expenditure</b>	<b>890.9</b>	<b>891.4</b>	<b>(0.5)</b>	<b>(0.1%)</b>	↑ <b>0.1%</b>	<b>2,646.8</b>	<b>2,646.9</b>	<b>(0.1)</b>	<b>(0.0%)</b>	⇒ <b>(0.0%)</b>
Running Costs	5.2	5.1	0.1	1.6%	↓ (4.9%)	15.7	15.6	0.1	0.7%	↑ 0.7%
<b>Surplus/ (deficit)</b>	<b>(0.0)</b>	<b>(0.4)</b>	<b>(0.4)</b>			<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>		

- The ICB is reporting a £0.4m deficit year-to-date (YTD) (£0.6m deficit in Month 03) against a planned breakeven position.
- The ICB is forecasting a full year breakeven financial position, but this is dependent on several factors:
  - Managing an unidentified efficiency target of £3.7m.
  - Mitigation of risks valued at £14.4m.
  - Assumed delivery of RTT targets within allocation (including independent sector providers).
  - Assumption that ICB restructuring costs are net neutral and there are no operational delivery issues arising from ICB transition.
- The ICB continues to operate strengthened financial recovery measures. Recovery is led by the Financial Improvement Group (FIG) chaired by the CFO. The Investment Oversight Panel has continued into 2025-26, meeting fortnightly and chaired by the CEO.

## BLMK ICB - Income & Expenditure Key issues

- **Continuing Healthcare (CHC):** YTD overspend of £1.5m (£0.9m adverse at M3) and an adverse forecast outturn of £4.5m (£4.0m adverse at M3). A significant part of the YTD overspend is associated with four appeal cases. The remaining YTD overspend is driven by an increase in activity.
- **Mental Health:** YTD overspend of £1.1m (£1.2m adverse at M3) with an adverse forecast outturn £3.2m (£4.1m adverse at M3). This is driven by pressures in complex placements out of area or under S117 and ADHD services, both of which are experiencing heightened demand. Although lead provider contracts are now agreed, both trusts are holding significant financial risk with financial recovery efforts coordinated across the collaborative and supported by clinical oversight.
- **Prescribing & Home Oxygen:** YTD overspend of £0.8m (£0.7m favourable at M3) and an adverse forecast outturn of £2.1m over plan (£0.5m favourable at M3). The movement in month is driven by a combination of increased costs and volume of scripts. Drugs data is available up to May 2025, reflecting a two-month reporting lag. As a result, the current month's position and forecast rely on a material judgement in estimating accruals.
- **Primary Care Co-commissioning:** YTD overspend of £0.4m (£0.3m adverse at M3) and an outturn forecast of £2.7m above plan (£1.2m adverse at M3). Overspend reflects pressure from growing GP list sizes and inflation exceeding allocation growth. This position is expected to worsen following the aborted procurement of services previously delivered by ELFT, the impact of this is expected to be circa £2.0m-£3.5m as shown in the risks table.
- **Elective Recovery Fund (ERF):** For 2025/26, funding has been provided upfront, based on forecast limits set in 2024/25, with no further in-year funding expected. The ICB is working with providers to align elective activity plans to meet the 65% RTT target, manage costs, and support fair access across BLMK. Indicative activity plans (IAPs) for acute independent sector were agreed by the national deadline of 30<sup>th</sup> June. The M4 overspend for these providers is £0.4m the IAPs will need to be closely managed to ensure no further overspend is incurred in the remaining months of the year.

# BLMK ICB - Run-Rate Bridge



- A straight-line extrapolation of the year to date spend would result in an overspend of £27.2m against plan.
- Accounting for forecast seasonal variation of £2.6m brings the extrapolated deficit up to £29.8m.
- However, adjusting the run-rate for the following items brings spend back to break-even:
  - Payments for low volume activity for the full year were made in July valued at £14.2m.
  - Higher level of efficiency delivery is forecast in months 5-12 valued at £7.6m.
  - Anticipated allocations for Pharmacy First £2.4m.
  - Redundancy estimate of £1m
  - Other low value items of £2.1m.

# BLMK ICB - Risks & Mitigations

BLMK ICB Risks & Mitigations	Memo - Risks as per April Plan Submission £m	Risks not included in M04 FOT £m
CHC cost & volume	(3.6)	(2.0)
Prescribing Growth associated with pop growth, new therapeutics / NICE TAs	(2.6)	(1.6)
RTT targets for independent sector providers	0.0	(4.0)
GP Practice demand & capacity and resilience issues	(1.2)	(3.1)
Termination of Pregnancy Services Guidance	(0.5)	0.0
Mental Health & Community Cost Pressures arising from planning round	(8.3)	0.0
Mental Health School Teams Cost Pressure.	(1.6)	0.0
Children's Complex Care Placements	0.0	(3.0)
Efficiency Delivery Risk	(2.0)	0.0
Other low value		(0.7)
<b>Total Risks</b>	<b>(19.8)</b>	<b>(14.4)</b>
<b>Total mitigations</b>	<b>0.0</b>	<b>0.0</b>
<b>Net Risk</b>	<b>(19.8)</b>	<b>(14.4)</b>

- The ICB plan had unmitigated net risks of c£19m: The risks to the delivery of the break-even position broadly relate to cost increases in prescribing £2.6m, continuing health care £3.6m, GP resilience issues £1.2m and contract negotiation differences for mental health and community services £9.9m.
- The risk of resilience in primary care contracts has now partially crystallised with £1.3m included in the forecast position. However, prescribing risks have increased in month.
- The risks associated with redundancy / merger costs of the ICB are estimated to be c£12m. At this stage it is assumed that equivalent funding will be released by NHSE so that this risk does not impact on the ICB financial position.
- All risks will need to be fully mitigated through the delivery of the efficiency / transformation pipeline overseen by FIG, non-recurrent mitigations and contractual management.

# Inter System Mental Health – Income & Expenditure

Mental Health Services	Year to Date M04			Forecast Outturn		
	Plan	Actual	Variance	Plan	Actual	Variance
	£m	£m	£m	£m	£m	£m
CNWL	2.8	2.4	(0.5)	7.8	6.3	(1.5)
ELFT	6.2	6.8	0.6	20.4	20.6	0.1
<b>Total Direct costs</b>	<b>9.0</b>	<b>9.1</b>	<b>0.1</b>	<b>28.3</b>	<b>26.9</b>	<b>(1.4)</b>

**CNWL** - The service reported a £0.5m year to date overspend, with an adverse forecast variance of £1.5m by year-end.

Cost pressures include:

- Rising costs from complex placements
- Higher-than-planned ECR/PICU (Crisis Response and Psychiatry Intensive Care Unit) activity
- Increased medical and inpatient nursing temporary staffing, linked to greater observation needs and patient acuity
- Extra temporary staffing to support both the MK111 urgent care service and the Eating Disorder Service
- Pressure from unfunded Mental Health Support Team services
- Unachieved YTD cost improvement targets (CIP)
- Although the forecast assumes full CIP delivery by year-end, significant risks remain.
- If risks materialise, further deterioration of the financial position is likely.

*Note: Figures reflect direct costs only and exclude overheads.*

**ELFT** – The service reported a £0.6m YTD underspend, and a favourable £0.1m forecast at year end.

The favourable financial position is primarily driven by underspends in Children and Young People (CYP) services (£1.0m) and Talking Therapies (£0.3m), largely due to non-recurrent Health Education England (HEE) training allocations and recruitment delays. These positive variances fully offset a £0.7m overspend in Adult Mental Health. The adverse position is being driven by the following factors:

- Private beds usage due to higher out of area placement and bed capacity
- Inpatient settings cost pressure primarily driven by Clinically Ready for Discharge (CRFDs) delayed discharges due to community pathway or placement constraints.
- Increased enhanced observations and high occupancy rates due to discharge delays.
- Medical Staffing due to recruitment challenges for permanent roles.
- Utilities & Building Repairs - Inflationary pressures and increased usage.
- Unachieved Savings Target.

*Note: Figures reflect direct costs only and exclude overheads.*

## Inter System Community Services – Income & Expenditure

Community Services	Year to Date M04			Forecast Outturn		
	Plan	Actual	Variance	Plan	Actual	Variance
	£m	£m	£m	£m	£m	£m
CNWL	2.0	1.6	(0.3)	6.0	4.8	(1.3)
ELFT	1.9	1.6	(0.3)	6.2	5.4	0.8
CCS	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Direct costs</b>	<b>3.9</b>	<b>3.2</b>	<b>(0.6)</b>	<b>12.3</b>	<b>10.2</b>	<b>(0.5)</b>

**CNWL** - At Month 4, MK Community Health Service reported a year to date overspend of £0.3m and an adverse forecast variance of £1.3m.

Key drivers for the adverse position:

- Unachieved cost improvement plans (CIP)
- Rising temporary staffing costs in WICU
- Unfunded locum cover to reduce paediatric waiting lists
- Increased demand in podiatry and audiology
- Inflation-related rises in clinical supplies and consumables, including continence products
- Forecast assumes full CIP delivery by year-end however, significant risks remain within current assumptions that could further impact the financial position.

*Note: Figures reflect direct costs only—overheads are excluded.*

**ELFT** – Community Health Services reports a £0.3m YTD overspend, mainly driven by:

- Primary Care Home Teams (notably District Nursing in North Bedfordshire) due to sustained demand pressures. A mitigation plan is in progress.
- Continence products and wheelchair costs due to inflation, QIAs are in development with the ICB.
- Rapid response services stemming from agency/bank staffing costs and demand, transformation work is underway.

These pressures are partially offset by underspends, primarily from vacancies in psychology, admin, and community services.

CHS has achieved £0.4m in savings to date, significantly ahead of plan.

*Note: Figures reflect direct costs only—overheads are excluded*

**CCS** - The position shown above is Trust-wide as that related to BLMK level data is not available, however the Trust is expected to achieve its planned breakeven position.

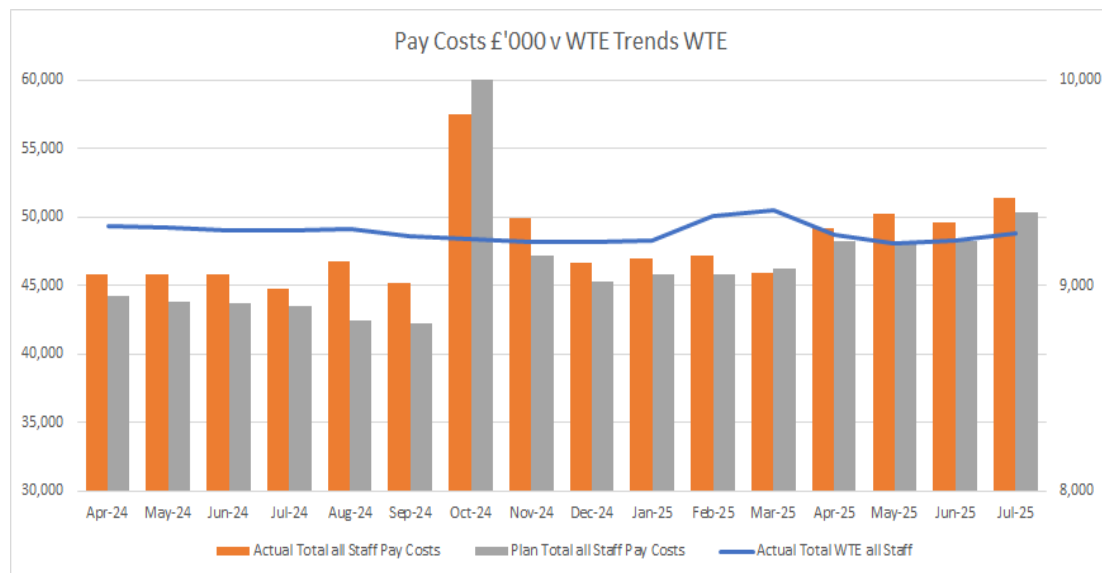
CCS were unable to provide further commentary on their financial position.

# Bedfordshire Hospitals - Staff Costs

BHFT Pay Metrics M04	Finance			
	Total Pay £000's	Substantive £000's	Bank £000's	Agency £000's
<b>YTD Actual v Plan</b>				
YTD Plan	194,907	171,867	18,281	4,759
YTD Actuals	200,305	177,508	18,621	4,177
<b>YTD Variance</b>	● (5,398)	● (5,642)	● (339)	● 583
<b>In - month Actual v Plan</b>				
Plan	50,331	44,399	4,742	1,190
Actuals	51,351	45,895	4,551	905
<b>In-month Variance</b>	● (1,020)	● (1,496)	● 191	● 285
Prior Month Actuals	49,568	44,206	4,455	907
<b>MoM movement (actuals)</b>	● (1,783)	● (1,689)	● (96)	● 2

Workforce			
Total WTE	Substantive WTE	Bank WTE	Agency WTE
9,160	8,416	629	114
9,231	8,403	688	140
● (71)	● 13	● (58)	● (26)
9,181	8,438	629	114
9,252	8,421	690	141
● (70)	● 17	● (61)	● (26)
9,222	8,386	695	141
● (30)	● (35)	● 5	● 0

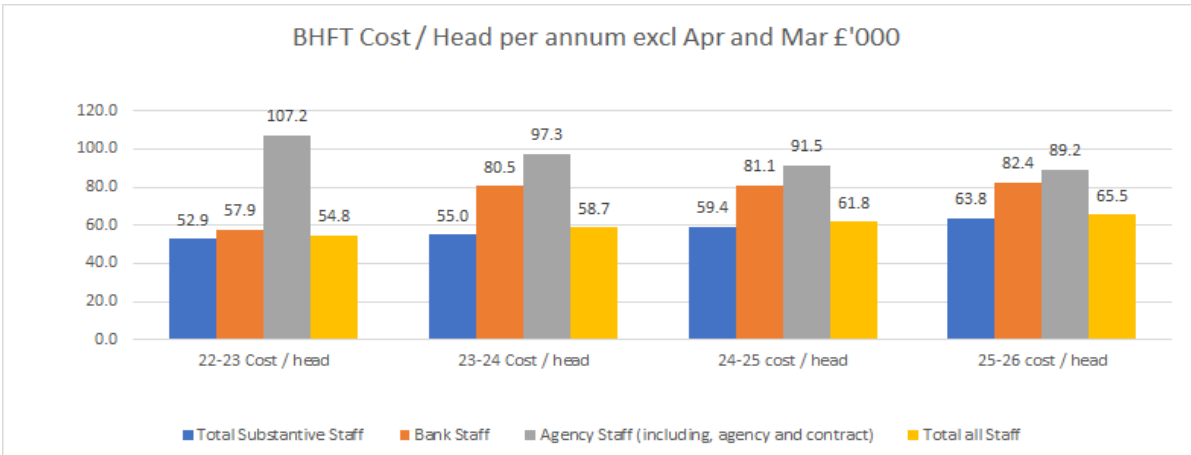
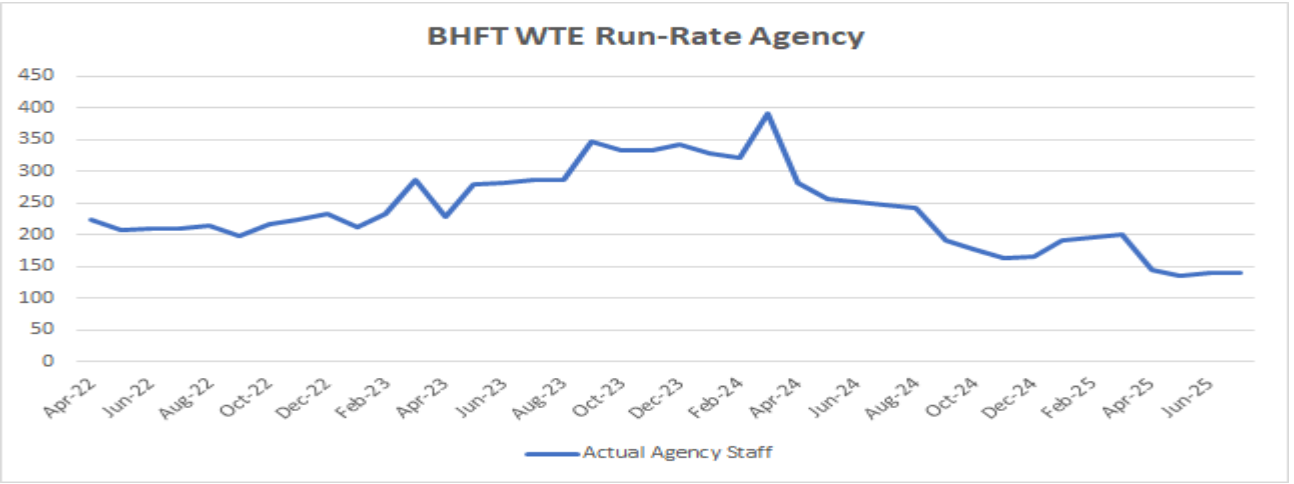
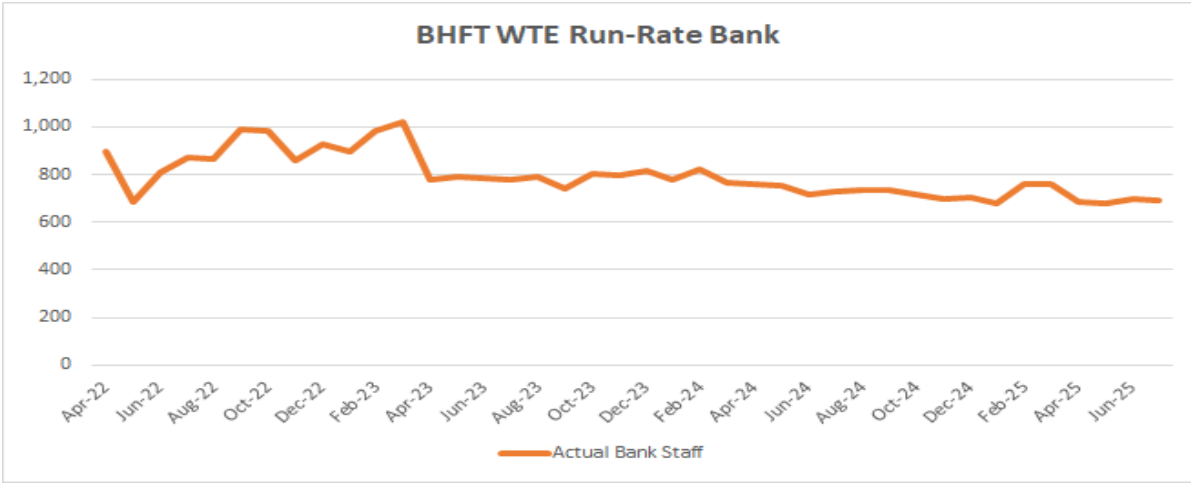
Cost per wte		
Substantive £000's	Bank £000's	Agency £000's
61.26	87.15	124.79
63.37	81.24	89.36
● (2.11)	● 5.91	● 35.43
63.14	90.42	124.79
65.40	79.14	77.25
● (2.26)	● 11.28	● 47.54
63.26	76.90	77.41
● (2.14)	● (2.24)	● 0.16



- Table includes cost of capitalised staff and excludes apprenticeship levy.
- M4 includes adjustments for pay awards, making direct comparison with prior month difficult.
- Substantive pay £5.6m overspent due to successfully recruiting from agency to permanent (£0.8m). Maternity pressures (£0.8m) due external scrutiny, increased births and increasing complexity.
- Bank £0.3m overspent due to increased elective activity. Trust has been working towards getting out of Tier 1 for Elective Care. Trust is reviewing bank and agency bookings.
- Agency £0.6m underspent due to recruiting into roles substantively, and robust agency controls. If mental health agency nursing spend was reduced, this underspend would further off-set substantive spend (£0.9m).

# Bedfordshire Hospitals - Bank & Agency Target

BHFT Bank & Agency	Year to Date M04				Forecast Outturn vs Plan					Forecast Outturn vs National Cap			
	Plan	Actual	Variance	Variance	Plan	FOT	Variance to Plan	Variance to Plan	Movement	National Cap	Variance to Cap	Variance to Cap	Movement
	£m	£m	£m	%	£m	£m	£m	%	£m	£m	£m	%	£m
Bank Staff	18.3	18.6	(0.3)	(1.9%)	54.7	54.7	0.0	0.0%	0.0	54.2	(0.6)	(1.1%)	0.0
Agency Staff	4.8	4.2	0.6	12.2%	14.3	14.3	0.0	0.0%	0.0	14.3	0.0	0.0%	0.0
<b>Total</b>	<b>23.0</b>	<b>22.8</b>	<b>0.2</b>	<b>1.1%</b>	<b>69.0</b>	<b>69.0</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>68.4</b>	<b>(0.6)</b>	<b>(0.9%)</b>	<b>0.1</b>



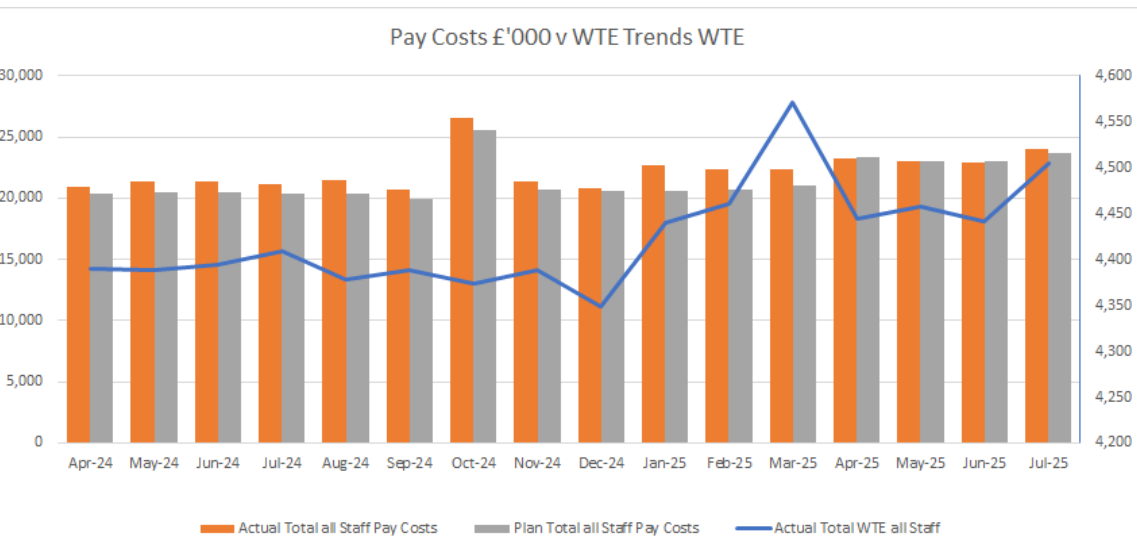
- National guidance was to increase expenditure plan in line with pay awards, hence movement from cap.
- Bank £0.3m overspent due to increased elective activity. Trust has been working towards getting out of Tier 1 for Elective Care. Trust is reviewing bank and agency bookings.
- Agency £0.6m underspent due to recruiting into roles substantively, and robust agency controls. If mental health agency nursing spend was reduced, this underspend would further off-set substantive spend (£0.9m).

# Milton Keynes Hospital - Staff Costs

MKUH Pay Metrics M04	Finance			
	Total Pay £000's	Substantive £000's	Bank £000's	Agency £000's
<b>YTD Actual v Plan</b>				
YTD Plan	93,255	81,361	9,484	2,410
YTD Actuals	93,268	81,200	10,031	2,036
<b>YTD Variance</b>	● (13)	● 161	● (547)	● 373
<b>In - month Actual v Plan</b>				
Plan	23,713	20,843	2,294	575
Actuals	23,979	20,939	2,546	493
<b>In-month Variance</b>	● (266)	● (96)	● (252)	● 82
Prior Month Actuals	22,967	20,128	2,530	309
<b>MoM movement (actuals)</b>	● (1,012)	● (812)	● (17)	● (184)

Workforce			
Total WTE	Substantive WTE	Bank WTE	Agency WTE
4,464	3,952	439	72
4,462	3,996	419	47
● 1	● (44)	● 20	● 25
4,451	3,958	425	69
4,504	4,012	459	33
● (53)	● (55)	● (34)	● 36
4,442	3,982	423	37
● (62)	● (31)	● (36)	● 4

Cost per wte		
Substantive £000's	Bank £000's	Agency £000's
61.76	64.74	100.81
60.96	71.77	131.35
● 0.80	● (7.03)	● (30.53)
63.20	64.78	100.58
62.62	66.54	180.28
● 0.57	● (1.76)	● (79.71)
60.66	71.73	100.04
● (1.96)	● 5.19	● (80.25)



- Table includes cost of capitalised staff and excludes apprenticeship levy.
- The pay expenditure for July is £24m which is slightly adverse to plan in the month but broadly in line with plan year to date. The year-to-date adjustment for the pay award was made in M4 with the Plan being adjusted by the same value of £0.8m.
- NB: WTE shown above is based on ESR staff in post as reported in the PWR. This is different from the worked WTE figure reported in the General Ledger (GL).

# Milton Keynes Hospital - Bank & Agency Target

MKUH Bank & Agency	Year to Date M04				Forecast Outturn vs Plan					Forecast Outturn vs National Cap			
	Plan	Actual	Variance	Variance	Plan	FOT	Variance to Plan	Variance to Plan	Movement	National Cap	Variance to Cap	Variance to Cap	Movement
	£m	£m	£m	%	£m	£m	£m	%	£m	£m	£m	%	£m
Bank Staff	9.5	10.0	(0.5)	● (5.8%)	26.0	26.0	0.0	● 0.0%	⇒ 0.0	18.8	(7.2)	● (38.5%)	⇒ 0.0
Agency Staff	2.4	2.0	0.4	● 15.5%	6.4	6.4	0.0	● 0.0%	⇒ 0.0	5.4	(1.0)	● (17.8%)	⇒ 0.0
<b>Total</b>	<b>11.9</b>	<b>12.1</b>	<b>(0.2)</b>	● (1.5%)	<b>32.3</b>	<b>32.3</b>	<b>0.0</b>	● 0.0%	⇒ 0.0	<b>24.2</b>	<b>(8.2)</b>	● (33.9%)	⇒ 0.0

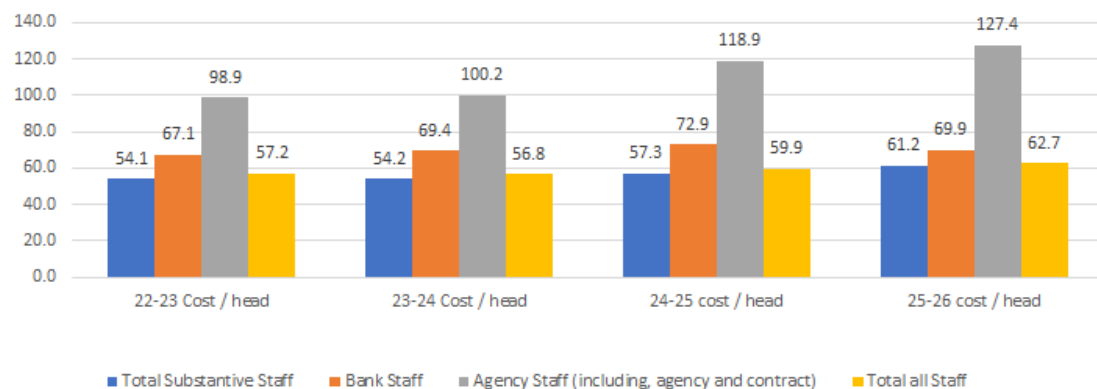
MKUH WTE Run-Rate Bank



MKUH WTE Run-Rate Agency



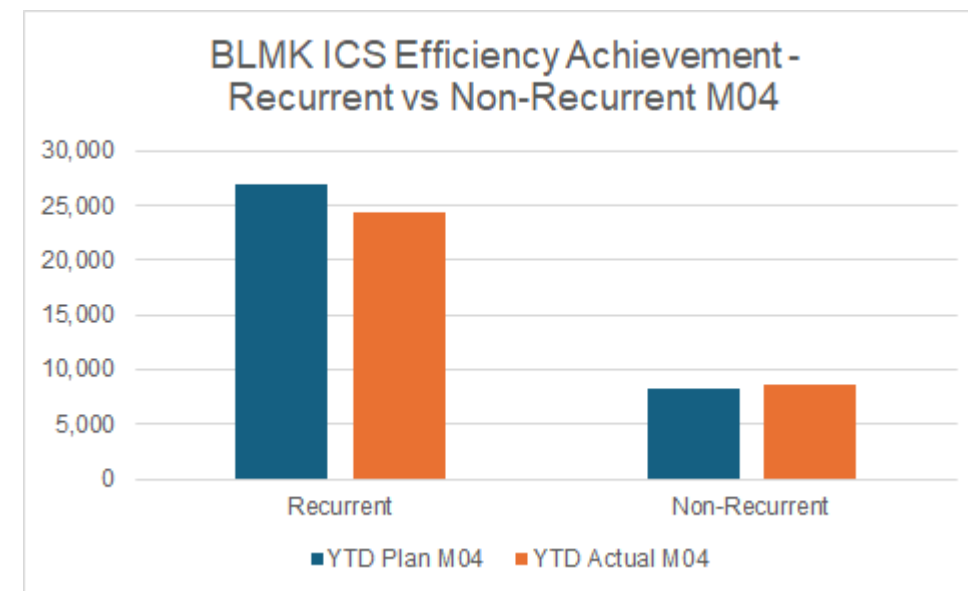
MKUH Cost / Head per annum excl Apr and Mar £'000



- As agreed in 25/26 planning round the M8 forecast in the PFR was erroneous and required updating to reflect genuine cost in 24/25.
- Trust spend is within the agreed revised cap for agency and marginally above the cap for bank but this is forecast to improve by year end and remain below the annual cap.
- MKUH has expressed interest in taking part in the Variable Pay Improvement Programme.

## Efficiencies – System Overview

BLMK System Efficiencies M04	BHFT £000s	MKFT £000s	ICB £000s	Totals £000s
<b>Full Year Efficiency Plan</b>	<b>62,736</b>	<b>23,822</b>	<b>32,442</b>	<b>119,000</b>
<b>Forecast by development Status:</b>				
Fully Developed	52,270	14,247	25,909	<b>92,426</b>
Plans In Progress	3,684	4,377	2,764	<b>10,824</b>
Opportunity	6,783	5,192	50	<b>12,025</b>
Unidentified	-	-	3,719	<b>3,719</b>
<b>Totals</b>	<b>62,737</b>	<b>23,816</b>	<b>32,442</b>	<b>118,995</b>
<b>% Fully Developed or Plans in Progress</b>	<b>89.19%</b>	<b>78.18%</b>	<b>88.38%</b>	<b>86.77%</b>
<b>Efficiencies as % of gross operating expenses/ ICB discretionary spend</b>	<b>6.95%</b>	<b>5.63%</b>	<b>6.58%</b>	<b>6.54%</b>

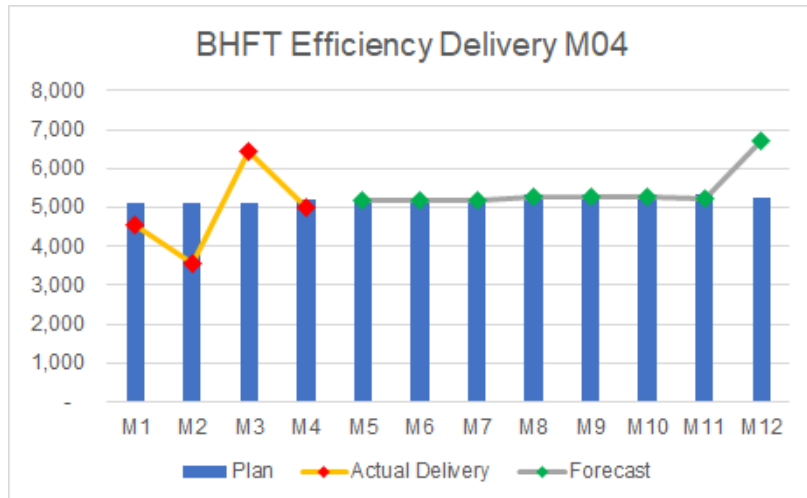
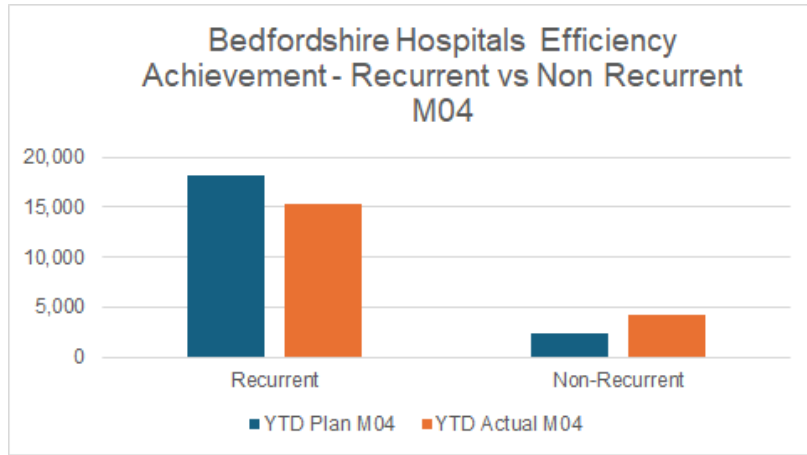


- Across the System, 87% of efficiency plans are fully developed or in progress. All organisations are forecasting that they will deliver their efficiency plans in full.
- BHFT have 89% schemes fully developed and with plans in progress. Work is on-going with the financial turnaround team and General Managers to identify and allocate opportunity CIPs.
- MKFT – have seen a sustained improvement, with a 4% increase in fully developed schemes since last month. Over time, more initiatives are consistently progressing to the ‘fully developed’ or ‘in progress’ stages, which is steadily reducing the size of the opportunity bucket (16% reduction since M3).
- ICB - The ICB is reporting 88% fully developed/in progress plans. The ICB needs to identify additional schemes totalling £3.7m to fully identify and deliver the full year efficiency plan.

# Efficiencies – Bedfordshire Hospitals

BHFT Efficiencies	Year to Date M04				Forecast Outturn			
	Plan £000s	Actual £000s	Variance £000s	Variance %	Plan £000s	Actual £000s	Variance £000s	Variance %
Income	3,395	5,294	1,899	55.9%	10,181	13,960	3,779	37.1%
Pay	8,814	9,549	736	8.3%	27,031	26,829	(202)	(0.7%)
Non-pay	8,341	4,710	(3,632)	(43.5%)	25,524	21,948	(3,576)	(14.0%)
<b>Total</b>	<b>20,550</b>	<b>19,553</b>	<b>(997)</b>	<b>(4.9%)</b>	<b>62,736</b>	<b>62,737</b>	<b>0</b>	<b>0.0%</b>

BHFT Efficiency Risk	Forecast Outturn			
	Plan £000s	Actual £000s	Variance £000s	Variance %
High	25,917	21,954	(3,963)	(15.3%)
Medium	30,870	34,943	4,073	13.2%
Low	5,949	5,840	(109)	(1.8%)
<b>Total</b>	<b>62,736</b>	<b>62,737</b>	<b>0</b>	<b>0.0%</b>

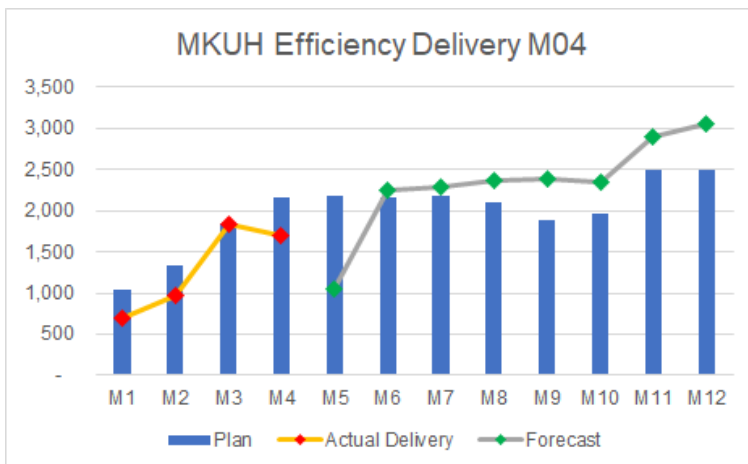
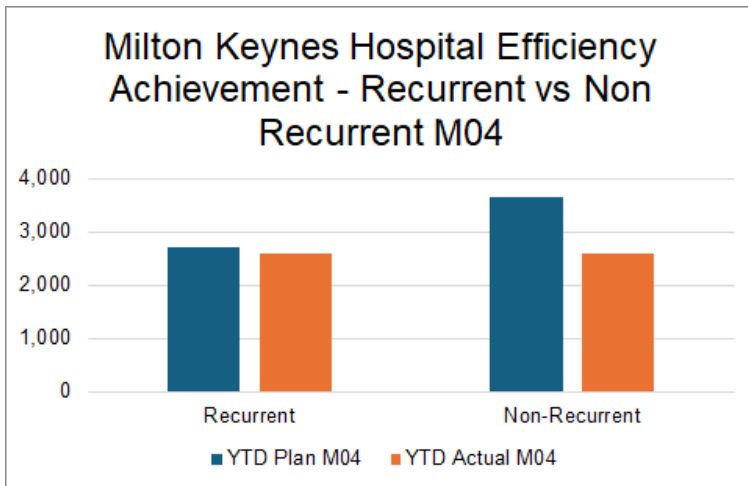


- The Trust has delivered 95% of its year-to-date CIP target.
- Trust continues to deliver on CIPs within its control, i.e. ERF overperformance, agency spend (apart from RMN), and vacancy factors held through the vacancy control panel and recruitment controls.
- The shortfall on current CIPs is driven by under delivery against the system CIPs.

# Efficiencies – Milton Keynes Hospital

MKUH Efficiencies	Year to Date M04				Forecast Outturn			
	Plan	Actual	Variance	Variance	Plan	Actual	Variance	Variance
	£000s	£000s	£000s	%	£000s	£000s	£000s	%
Income	294	571	277	94.0%	1,093	1,871	778	71.2%
Pay	4,005	2,446	(1,559)	(38.9%)	15,800	14,928	(872)	(5.5%)
Non-pay	2,076	2,177	101	4.9%	6,923	7,017	94	1.4%
<b>Total</b>	<b>6,375</b>	<b>5,195</b>	<b>(1,181)</b>	<b>(18.5%)</b>	<b>23,816</b>	<b>23,816</b>	<b>(0)</b>	<b>(0.0%)</b>

MKUH Efficiency Risk	Forecast Outturn			
	Plan	Actual	Variance	Variance
	£000s	£000s	£000s	%
High	11,354	8,161	(3,193)	(28.1%)
Medium	2,953	2,597	(355)	(12.0%)
Low	9,509	13,058	3,548	37.3%
<b>Total</b>	<b>23,816</b>	<b>23,816</b>	<b>(0)</b>	<b>(0.0%)</b>



YTD the Trust has delivered 21.8% of its total efficiency target and 81.5% against YTD efficiency target. Month-on-month improvement seen in reducing risk to our existing deliverability of schemes. The following actions are being taken by the Trust to proactively mitigate potential risk to delivery:

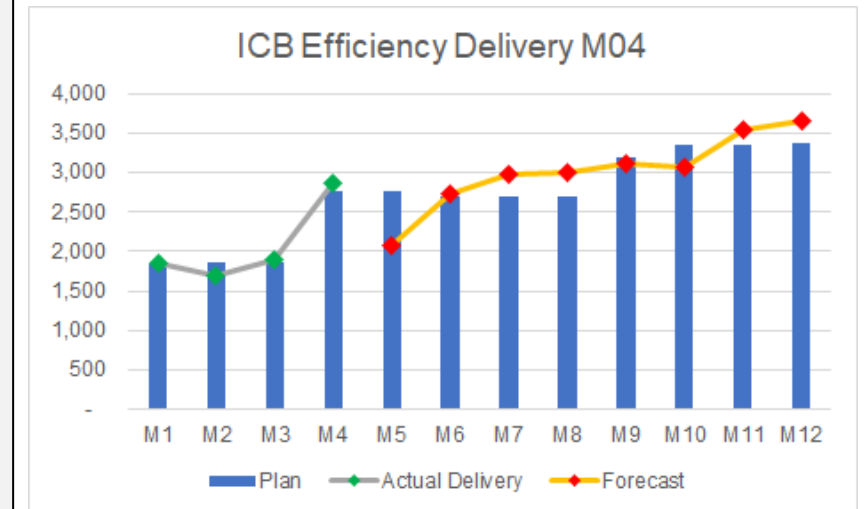
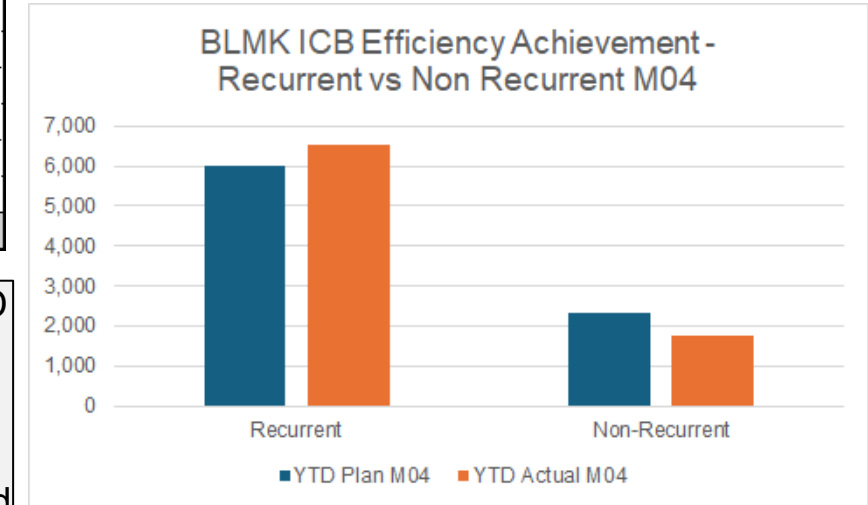
- Enhanced cost scrutiny and budget management inc. minimising temporary staff usage where possible/in line with safe staffing levels
- Progression of services options appraisals for non-core, fragile and loss-making services to agree through internal and external governance/sign-offs
- Reduction in open escalation areas with an increased focus on reducing length of stay through our refreshed UEC and Flow programme
- Progression of Outpatient Transformation Programme proposal to support national direction on left shift inc. reducing unnecessary follow-ups, and reduce waiting lists
- Delivery of our corporate services reconfiguration programme to minimise corporate costs where avoidable
- Review of Administrative & Clerical structures across clinical divisions

# Efficiencies – ICB

BLMK ICB Efficiencies	Year to Date M04				Forecast Outturn			
	Plan	Actual	Variance	Variance	Plan	Actual	Variance	Variance
	£000s	£000s	£000s	%	£000s	£000s	£000s	%
Acute	521	1,631	1,110	213.1%	2,700	5,976	3,276	121.3%
Community Healthcare	1,181	1,117	(64)	(5.4%)	5,402	3,092	(2,310)	(42.8%)
Mental Health	1,125	518	(607)	(54.0%)	3,455	2,896	(559)	(16.2%)
Ambulance	0	0	0	0.0%	0	0	0	0.0%
Primary Care (inc. Primary Co-Commissioning)	3,406	3,619	213	6.3%	9,675	10,287	612	6.3%
All-age Continuing Care	299	218	(81)	(27.1%)	2,414	2,466	52	2.2%
Running Costs	696	696	0	0.0%	2,205	2,205	0	0.0%
Other Programme Services	580	496	(84)	(14.5%)	1,798	1,801	3	0.2%
Unidentified	533	0	(533)	(100.0%)	4,793	3,719	(1,074)	(22.4%)
<b>Total</b>	<b>8,341</b>	<b>8,295</b>	<b>(46)</b>	<b>(0.6%)</b>	<b>32,442</b>	<b>32,442</b>	<b>0</b>	<b>0.0%</b>

BLMK ICB Efficiency Risk	Forecast Outturn			
	Plan £000s	Actual £000s	Variance £000s	Variance %
High	7,193	7,205	12	0.2%
Medium	11,310	7,241	(4,069)	(36.0%)
Low	13,939	17,996	4,057	29.1%
<b>Total</b>	<b>32,442</b>	<b>32,442</b>	<b>0</b>	<b>0.0%</b>

- The ICB is reporting a YTD delivery of £8.3m of its £32.4m efficiency programme - 99% of YTD plan.
- Year to date efficiency delivery is currently close to breakeven, despite under performance across Mental Health, Primary Care, and Dental programmes.
- Within Mental Health, a review of Talking Therapies is underway, with savings forecasts revised to reflect more realistic targets. Additionally, projected efficiencies for ADHD/Autism assessments and support are not being delivered year to date.
- Primary Care under-delivery is linked to asylum seeker funding, while there remains an opportunity to claim, the expected funding will fall short of the levels assumed in the original plan.
- Identified efficiencies for Dental are restricted to ringfenced funding, which may be subject to clawback.
- The plan included unidentified efficiencies of £4.8m of which £1.1m has been identified at Month 4, with £3.7m still to find.



## Industrial Action - Month 4

Trusts were asked to assess the impact of the July resident doctors strikes on their financial position as well as quantify the activity cancelled as a result of the strikes. The costs below are accounted for in the month 4 position:

BHFT covered the resident doctor's workload through a combination of consultants and/or SAS's acting down to cover striking resident doctors. The resultant acting down caused activity to be cancelled and rearranged.

Resident Doctors workload at MKUH was managed through a combination of other staff covering, the cancellation or rescheduling of some elective procedures and by a proportion of Resident Doctors not taking part in industrial action. For those who did, Senior Doctors (Consultants/SAS) provided cover where needed.

Financial Impact of Industrial Action in July 2025	BHFT £000's	MKUH £000's	Total £000's
Total cost incurred in month 4 for industrial action	182	112	294
Total income lost as result of industrial action in month 4	280	43	323
<b>Total Financial Impact</b>	<b>462</b>	<b>155</b>	<b>617</b>

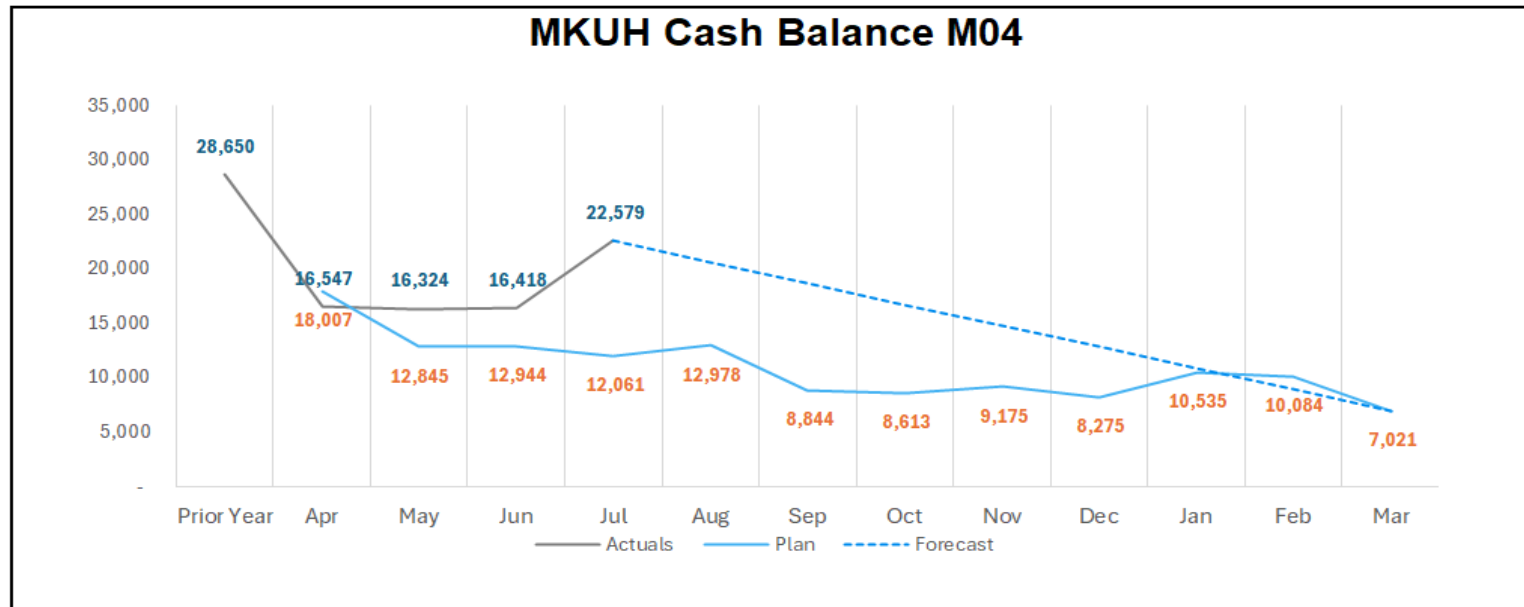
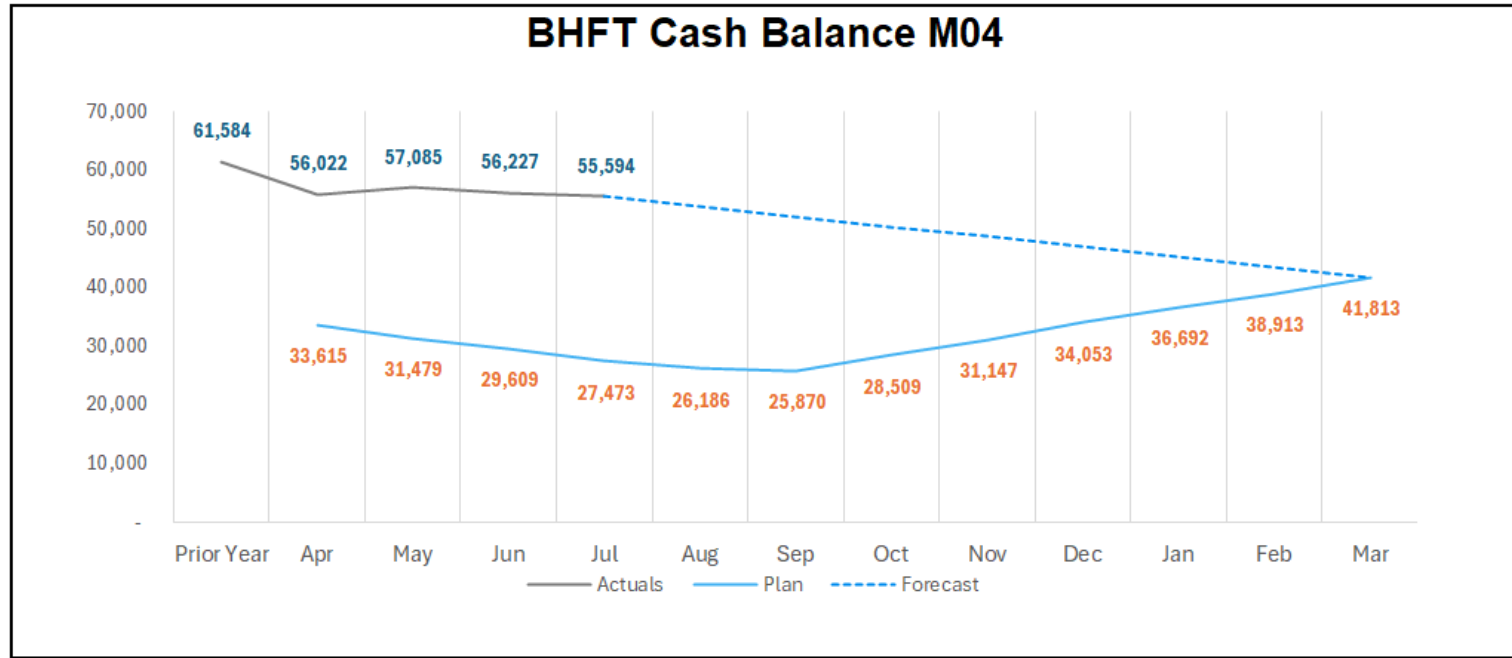
Activity cancelled due to Industrial Action in July 2025	BHFT	MKUH	Total
Outpatient appointments cancelled	208	152	360
Elective/ daycase/ out patient procedures cancelled	71	23	94

Hours not worked due to Industrial Action in July 2025	BHFT	MKUH	Total
Hours not worked	6,648	2,594	9,242

# Cash Position

Cash Balances M04	Prior Year £000's	Year to £000's	Forecast £000's
BHFT	61,584	55,594	41,813
MKUH	28,650	22,579	7,021
<b>Total</b>	<b>90,234</b>	<b>78,173</b>	<b>48,834</b>

- BHFT currently holding more cash than planned (not much improvement from M3) however forecasted to be in line with plan at the end of the year.
- MKUH slightly above planned cash levels. Due to its current cash position, Milton Keynes Trust has advised NHSE and the ICB that it will require additional cash support to fully utilise its capital allocation, citing low cash reserves.



## Capital - System

BLMK System Capital	Year to Date M04			Forecast			Prior Month Forecast			Forecast Movement		
	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m
<b>Net System Operating Capital</b>	33.6	20.8	12.8	74.2	74.2	0.0	74.2	74.2	0.0	0.0	0.0	⇒ 0.0
National Capital	14.7	7.3	7.4	70.7	70.7	(0.0)	74.1	75.6	(1.5)	(3.3)	(4.8)	↑ 1.5
Technical Adjustments	0.0	0.1	(0.1)	0.0	0.2	(0.2)	0.2	0.2	0.0	(0.2)	0.0	↓ (0.2)
<b>Total System CDEL</b>	<b>48.3</b>	<b>28.2</b>	<b>20.1</b>	<b>144.9</b>	<b>145.2</b>	<b>(0.3)</b>	<b>148.5</b>	<b>150.0</b>	<b>(1.5)</b>	<b>(3.6)</b>	<b>(4.8)</b>	↑ 1.3
Community and Mental Health Capital	0.0	0.0	0.0	4.9	4.9	0.0	4.7	4.7	0.0	0.2	0.2	⇒ 0.0
<b>Total Capital</b>	<b>48.3</b>	<b>28.2</b>	<b>20.1</b>	<b>149.8</b>	<b>150.0</b>	<b>(0.3)</b>	<b>153.2</b>	<b>154.7</b>	<b>(1.5)</b>	<b>(3.4)</b>	<b>(4.7)</b>	↑ 1.3

- The ICS has received a total system operating capital allocation of £74.2m (including a £25m bonus).
- £3.9m of the system allocation will be spent on Primary Care IT , Estates schemes Additional Roles Reimbursement Scheme(ARRS) roles.
- The system has also received £75.6m in national capital this includes:
  - £69.0m (includes MKUH' New Hospital Programme (NHP) program £24.0m) is allocated to acute trusts. A further capital allocation of £6m (not included above) is being finalised with NHSE bringing the total NHP allocation to £30m.
  - £1.7m Utilisation and Modernisation funding will be spent on Primary Care Estates
  - £4.9m to spend on community and Mental Health.
- The £4.9m mental health and community investment will be allocated to out of system trusts for projects that will benefit the BLMK population. This is because our providers for mental health and community services sit outside of the BLMK system.

## Capital - Bedfordshire Hospitals

BHFT Capital	Year to Date M04			Forecast			Prior Month Forecast			Forecast Movement		
	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m
Gross Total System Operating Capital	26.9	13.7	13.3	44.0	44.2	(0.2)	44.0	44.2	(0.2)	0.0	0.0	→ 0.0
Total Disposals, Grants and Donations	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	→ 0.0
less PFI / IFRIC12	0.0	(0.2)	0.2	0.0	(0.2)	0.2	0.0	(0.2)	0.2	0.0	0.0	→ 0.0
<b>Net System Operating Capital</b>	<b>26.9</b>	<b>13.4</b>	<b>13.5</b>	<b>44.0</b>	<b>44.0</b>	<b>(0.0)</b>	<b>44.0</b>	<b>44.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>→ 0.0</b>
National Capital	8.9	1.7	7.1	29.5	29.5	(0.0)	41.4	41.4	0.0	(12.0)	(12.0)	→ (0.0)
Technical Adjustments	0.0	0.0	0.0	0.0	0.2	(0.2)	0.2	0.2	0.0	(0.2)	0.0	↓ (0.2)
<b>Total Capital</b>	<b>35.8</b>	<b>15.2</b>	<b>20.6</b>	<b>73.4</b>	<b>73.7</b>	<b>(0.2)</b>	<b>85.6</b>	<b>85.6</b>	<b>(0.0)</b>	<b>(12.2)</b>	<b>(12.0)</b>	<b>↓ (0.2)</b>

- Trust is behind plan by £20.6m on capital.
- Trust is behind plan by £7.1m on nationally funded schemes, CDC has recently been phased between the years. In-year CDC costs are expected to pick up from next month due to the Trust starting to incur transformation costs for the space.
- Tranches of schemes have been approved internally, therefore spend against internally funded schemes expected to increase as well.

## Capital - Milton Keynes Hospital

MKUH Capital	Year to Date M04			Forecast			Prior Month Forecast			Forecast Movement		
	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m
Gross Total System Operating Capital	9.6	7.3	2.2	38.1	38.1	0.0	38.1	38.1	0.0	0.0	0.0	⇒ 0.0
Total Disposals, Grants and Donations	(2.9)	(0.0)	(2.9)	(11.6)	(11.6)	0.0	(11.6)	(11.6)	0.0	0.0	0.0	⇒ 0.0
less PFI / IFRIC12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	⇒ 0.0
<b>Net System Operating Capital</b>	<b>6.6</b>	<b>7.3</b>	<b>(0.7)</b>	<b>26.5</b>	<b>26.5</b>	<b>0.0</b>	<b>26.5</b>	<b>26.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>⇒ 0.0</b>
National Capital	5.8	5.6	0.2	39.6	39.6	0.0	31.0	32.5	(1.5)	8.6	7.1	↑ 1.5
Technical Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	⇒ 0.0
<b>Total Capital</b>	<b>12.4</b>	<b>12.9</b>	<b>(0.4)</b>	<b>66.1</b>	<b>66.1</b>	<b>0.0</b>	<b>57.5</b>	<b>59.0</b>	<b>(1.5)</b>	<b>8.6</b>	<b>7.1</b>	<b>↑ 1.5</b>

The YTD actual is above plan by £0.4m which is being driven by the timing of the Oak wards scheme being partially offset by the Salix Heat Decarbonisation scheme. This is currently in the latter stages of awarding its main contract. Both schemes are forecasting to spend all of their allocations by the end of March 25. The £7.1m increase in month for the year end forecast relates to the additional funding approved for the following items since the plan was agreed;

- £0.3m for LIMS,
- £7.0m Elective Constitutional Standards funding for an additional theatre,
- £0.1m for IPC from Constitutional Standards Funding and
- a reduction in the Diagnostics Constitutional Standard for Audiology scheme not supported.

## Capital - BLMK ICB

BLMK ICB Capital	Year to Date M04			Forecast			Prior Month Forecast			Forecast Movement		
	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m
<b>Net System Operating Capital</b>	0.0	0.0	0.0	3.7	3.7	0.0	3.5	3.5	0.0	0.2	0.2	→ 0.0
National Capital	0.0	0.0	0.0	1.7	1.7	0.0	1.7	1.7	0.0	0.0	0.0	→ 0.0
Technical Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	→ 0.0
<b>Total Capital</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.4</b>	<b>5.4</b>	<b>0.0</b>	<b>5.2</b>	<b>5.2</b>	<b>0.0</b>	<b>0.2</b>	<b>0.2</b>	<b>→ 0.0</b>

- The ICB has received £2.2m of BAU capital plus a £1.5m share of the bonus capital. This is planned to be spent on:
  - GP IT - £2m
  - Primary Care Estates - £1.5m
  - IFRS16 leases - £0.2m
  
- All PIDs for GP IT initiatives have now been approved by NHSE.
- The national capital of £1.7m is the Primary Care Utilisation Fund. The ICB is going through the national process to agree schemes to be funded from these monies and develop PIDs for these.

# Productivity 2024-25 vs 2023-24

Provider Productivity (Acute)	Month 12			Month 11		
	Input	Output	Productivity	Productivity	Movement	
Bedfordshire Hospitals	0.0%	5.5%	5.5%	3.5%	↑	2.0%
Milton Keynes University Hospital	0.7%	6.2%	5.5%	13.6%	↓	(8.1%)
<b>System</b>	<b>0.2%</b>	<b>5.7%</b>	<b>5.5%</b>	<b>6.6%</b>	↓	<b>(1.1%)</b>
<b>Region Average</b>	<b>3.2%</b>	<b>5.6%</b>	<b>2.3%</b>	<b>3.3%</b>	↓	<b>(1.0%)</b>

Real term cost growth (Inputs) on prior year	Month 12		Month 11		Movement			
	BHFT	MKUH	BHFT	MKUH	BHFT	MKUH		
Total pay bill - Substantive staff	4.5%	(0.9%)	6.7%	3.3%	↑	2.3%	↑	4.1%
Total pay bill - bank staff	(13.8%)	(3.3%)	(13.0%)	(7.4%)	↑	0.8%	↓	(4.1%)
Total pay bill - agency & contract staff	(41.2%)	(9.2%)	(39.6%)	(9.9%)	↑	1.6%	↓	(0.7%)
<b>TOTAL PAY excl. Capitalised staff costs</b>	<b>1.4%</b>	<b>0.5%</b>	<b>1.4%</b>	<b>1.4%</b>	↑	<b>0.1%</b>	↑	<b>0.8%</b>
Non-pay Procurement	2.0%	3.2%	2.7%	5.0%	↑	0.6%	↑	1.7%
Non-pay operational Total	(7.9%)	4.7%	0.7%	14.3%	↑	8.6%	↑	9.6%
Non-pay other Total	8.0%	(2.9%)	6.4%	1.1%	↓	(1.5%)	↑	4.0%
CNST	5.3%	22.1%	5.8%	4.9%	↑	0.4%	↓	(17.3%)
<b>Total Non Pay for Productivity Calculation</b>	<b>1.0%</b>	<b>4.2%</b>	<b>3.0%</b>	<b>7.2%</b>	↑	<b>2.0%</b>	↑	<b>3.0%</b>
<b>TOTAL PAY AND NON PAY</b>	<b>0.0%</b>	<b>0.7%</b>	<b>2.0%</b>	<b>3.5%</b>	↑	<b>2.0%</b>	↑	<b>2.8%</b>

Cost weighted activity growth (Outputs)	Month 12		Month 11		Movement			
	BHFT	MKUH	BHFT	MKUH	BHFT	MKUH		
A&E attendances	0.7%	0.4%	0.2%	0.5%	↑	0.5%	↓	(0.1%)
Elective	2.7%	2.4%	2.9%	2.8%	↓	(0.2%)	↓	(0.4%)
Non-elective	(0.4%)	2.3%	(0.4%)	13.1%	→	(0.0%)	↓	(10.8%)
Outpatients	2.0%	0.7%	1.9%	0.7%	↑	0.1%	↑	0.0%
Regular day/night attenders	(0.0%)	(0.0%)	(0.0%)	(0.0%)	→	(0.0%)	→	(0.0%)
Adult critical care	0.2%	(0.3%)	0.1%	(0.3%)	→	0.0%	→	0.0%
Diagnostic Imaging	(0.3%)	0.0%	0.1%	0.2%	↓	(0.4%)	↓	(0.1%)
Advice & Guidance	0.6%	(0.0%)	0.7%	(0.0%)	↓	(0.0%)	→	(0.0%)
High cost drugs	0.2%	0.7%	0.2%	0.7%	↓	(0.1%)	→	0.0%
<b>TOTAL</b>	<b>5.5%</b>	<b>6.2%</b>	<b>5.6%</b>	<b>17.6%</b>	↓	<b>(0.1%)</b>	↓	<b>(11.3%)</b>

- System productivity is calculated by NHS England; the calculation looks at the change in inputs (costs) vs the change in outputs (activity).
- The tables reflect the NHS England calculation. In the month 12 calculation the end of year adjustment for centrally funded pension costs has been included in the pay growth but not the total growth which is why total pay and non pay growth looks low when compared to growth on pay and growth on non pay.
- Milton Keynes hospital have corrected an issue with NEL 0 LOS activity which had led to an overstatement of their productivity in prior months reporting. This explains the adverse movement in cost weighted activity growth between month 11 and month 12.
- Both trusts are seeing an increase in planned care activity as they work towards elective recovery targets although performance has dipped slightly in month 12.
- Real terms cost growth is driven by the costs associated with the delivery of additional elective activity such as staffing costs, drugs, outsourcing and consumables. There has also been a significant increase in depreciation and PDC dividends as a result of recent capital schemes at both trusts.

## Links to LA reports

- **Bedford Borough Council:**

- [MEMBER'S BRIEFING NOTE](#) (Budget Position 2025/26)

- **Central Bedfordshire Council:**

- [21.1 Capital Budget Monitoring Q1 \(June\) 202526.pdf](#)
- [Appendix A.pdf](#) (202.26 KB)

- **Luton Borough Council:**

- [Document.ashx](#) (Provisional Revenue and Capital Outturn 2024/25)

- **Milton Keynes Council:**

- [\(Public Pack\)Agenda Document for Budget & Resources Scrutiny Committee, 15/07/2025 19:00](#)