

Head of Treasury
Financial System and Services
NHS England

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10th October 2025

Dear [REDACTED]

This letter confirms that the Chair and Chief Executive have the delegated authority from the Board of Directors to confirm support for the Trust's request for revenue support PDC of £11.3m for the month of November of 2025/26.

The potential need for working capital support stems from the challenging financial environment that the Trust found itself operating since 2023/24. Specifically, these are the impact of high, unfunded inflationary pressures, the impact of industrial action and the growth in our staffing.

Cash has been managed carefully by the Trust whilst waiting for the cash regime to be finalised leading to an increase in aged creditors until a request for the planned £20m of PDC backed cash support included in the 25/26 plan for the Trust was possible.

Progress against delivery of 2025/26 plan

Oxford University Hospitals (OUH) has reported the Month 5 financial performance. The results are summarised in the table below:

Measure	YTD Month 5 Plan	YTD Month 5 Actual	YTD Month 5 Variance
I&E Control total performance	-£10.1m	-£9.9m	£0.3m
CDEL	£14.6m	£10.6m	£4.0m
Cash	£3.9m	£46.4m	£42.5m

The positive control total variance of £0.3m to Month 5 reflects the Trust's performance tracking closely to plan. Although overall the Trust's efficiency delivery is on plan, there is a delay in this presenting in cash terms. This is contributing to the Trust's current cash need, as the Trust has had to manage supplier payments carefully leading to an aged creditors position of c.£30m.

The cash plan had assumed £20m of PDC revenue cash support in year, and managing the working capital in this way was done whilst waiting for the cash support regime to be finalised for the year. This request for working capital cash support is therefore aligned with the Trust's cash plan for 25/26.

CDEL performance is favourable, within an acceptable tolerance and isn't contributing to the challenge on cash currently.

Cash is temporarily higher than plan largely due to pay award timing – the Trust received increased funding from commissioners and providers in August and September to cover the pay award back pay element including on costs, which takes until end of September to be fully paid

over to HMRC and pension provider. The remainder of the variance is due to the Trust managing its supplier payments to match the timing of funding, but also not spending ring fenced income such as pay award monies on other items which would have the potential to cause severe cash flow challenges in future months.

2025/26 cash control measures

The Trust's plan was for cash to be positive by the year end but even that was dependent on receipt of £20m of revenue support funding. In its reported M5 position, the Trust is showing an adverse underlying forecast position of £69.7m

The key factors for this have been assessed by the Trust as:

1. Excess inflationary pressures.
2. Efficiencies are broadly on plan, but are currently being achieved mainly through one-off, non-recurrent items.
3. High-cost drugs and devices are ahead of plan compounding the impact of timing of reimbursement

The Trust has already implemented, and continues to refine, a suite of cash management measures, including the implementation of actions from a Cash Improvement Plan setting out measures to better manage, collect, raise and monitor cash. These measures are subject to extensive levels of governance and oversight including:

- Oversight of, and assurance of Trust cash position on a week-by-week basis is provided by a weekly Operational Cash Committee, chaired by the Deputy Director of Finance.
- A monthly Strategic Cash Committee chaired by the Director of Finance, which reviews medium- and long-term actions to improve cash position.
- Non-Executive Directors continue to provide significant oversight of cash management at the Trust via the Trust Board, and Integrated Assurance Committee.

Alongside cash-specific measures, Management are continuing to maintain temporary, but stringent, pay (including a recruitment pause with exceptions reviewed by a Chief Officers' Pay Panel) and non-pay controls with the aim of mitigating, as much as possible, the need for cash support.

Progress in implementing the 2025/26 workforce plan measures

The Trust's plan assumes a reduction of 575 WTE for substantive staff and a further 100 WTEs for temporary staffing for the year. As of Month 5, we are making positive progress towards achieving this target, with a reported reduction of 538.5 WTE, which is 148.5 WTEs better than plan.

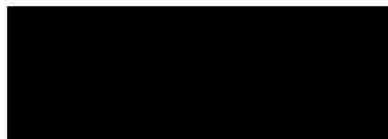
The Trust is also working with the ICB to discuss cash needs across the system. These measures are reflected in the financial plan for the year.

Through a Chair's Action taken at the Trust's Integrated Assurance Committee on 8th October 2025, the recommendation to proceed with a PDC revenue cash support application for £11.3m for November 2025 was approved.

Yours sincerely



Chair



Interim Chief Executive Officer