





### TRUST BOARD COVER SHEET

	<p>The cover sheet purpose is to provide the Trust Board/Committee with a clear summary of the paper being presented, how it impacts on the people we serve, key matters for attention and the ask of the Trust Board/Committee</p> <p>The Accountable Director must satisfy themselves that the cover sheet is accurate and fully reflects the paper. The expectation is that the Accountable Director has read and agreed the content of both the cover sheet and paper.</p>	
<b>Meeting and Date of meeting</b>	<p>Trust Board Meeting 29<sup>th</sup> January 2026</p>	
<b>Title of paper</b>	<p>Financial Performance Report - 9 months ended 31 December 2025</p>	
<b>Accountable Director</b>	<b>Name</b>	<p>Catherine Marks</p>
	<b>Position</b>	<p>Director of Finance, Procurement &amp; Estates</p>
<b>Report Author</b>	<b>Name</b>	<p>Catherine McCaul</p>
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<b>This paper sits within the Trust Board role of:</b>	<p>Accountability</p>	
<b>This paper is presented for:</b>	<p>Approval <i>(Notes on completion at end of document)</i></p>	
<b>Links to Trust Strategic Priorities</b>  	<input checked="" type="checkbox"/>	<p>Collaborative Working</p>
	<input checked="" type="checkbox"/>	<p>Learning Organisation</p>
	<input checked="" type="checkbox"/>	<p>Safety, Quality &amp; Experience</p>
	<input checked="" type="checkbox"/>	<p>Community First</p>
	<input checked="" type="checkbox"/>	<p>Whole-Life Approach</p>

## 1. Reason for Presentation of Paper / Report

This report provides SLT with a Financial Position at Month 9 December 2025.

## 2. Detailed summary of paper contents:

This report attached provides SLT with an analysis of the use of the Trust's financial resources, to aid decision-making and to raise an awareness/highlight areas requiring further action.

The Trust is reporting a £2.4m surplus against the Month 9 control total. The primary drivers of the positive variance are underspends in residential MHD beds and memory beds alongside increased savings. The majority of Directorates are reporting underspends against their control totals and further cost control measures have been implemented to support delivery of increased savings target. The Trust is forecasting a breakeven outturn 2025/26 with the expectation that savings target will be achieved at year end. However, a deficit of £20.69m relating solely to the pay award underfunding will be reported at year end.

## 3. Areas of improvement/achievement:

### Month 9 Financial position

The Trust is forecasting break-even position at month 9 in 2025/26, reflecting a projected underspend across Directorates and savings delivery above target. The improvement is primarily driven by underspends within mental health directorate, overall directorates at break-even, taking into consideration increased savings achieve and increased income in client contributions. The forecast assumes that Directorates continue to remain within their control totals and that the Trust achieves its overall savings target by year-end. However, a deficit of £20.69m relating solely to the pay award underfunding will be reported at year end.

### Overachievement of savings target at month 9

The Trust Savings targets for 25/26 has increased to £43m following confirmation the Permanent Secretary on 31 October 2025 of increased savings of £8m low/medium and some high risk savings. However the target increased by £2m following improved run rates, largely from underspends across Directorates. The savings target at Month 09 is £27.48m, with an achievement of £22.18m. The Trust has overachieved

by £703k or 2.6% of the target to date, with increased savings in discretionary, nurse workforce reform, travel and other in-year opportunities across Directorates, offset by underachievement in medical locum savings.

### **Achievement of Prompt Payment**

The Trusts prompt payment performance in the month of Dec was 96.9% with a cumulative position to date of 96.2%. Therefore, the Trust met and exceeded both its in-month prompt payment target for December, and year-to-date cumulative position as at 31<sup>st</sup> December 25.

#### **4. Areas of concern/risk/challenge:**

##### **Reported Position as at Month 9 December 2025**

- For the nine months, ending 31 December 2025 the Trust is reporting a surplus of £2.4m against the variance control.

	<b>Budget Total Mth 9</b>	<b>Actual Spend Mth 9</b>	<b>Actual Variance</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
Pay	560.5	565.4	(4.9)
Non Pay	304.2	307.7	(3.6)
Income	(43.2)	(46.1)	2.8
<b>Total</b>	<b>821.5</b>	<b>827</b>	<b>(5.7)</b>

- The actual variance at Month 8 is £5.67m, with the expected control variance (on a straight-line basis) being £8.115m.
- Payroll is over budget by £5m in the main due specifically to Medical being overspent £13.8m and Nursing and Midwifery overspent £18.5m abated by underspends in other areas and the benefit overall of the non-recurrent deficit funding given in year.

- The total cumulative spend for flexible staffing in Mth 09 is c£68.3m (12% of total payroll spend) with 1,162 WTE's employed on these flexible arrangements
- Non-Pay is reporting a cumulative overspend at month 9 of c£3.6m in the main due to spend within Medical & Surgical Supplies overspent by £2.3m. Also pressures within Independent Sector provision but this is partially abated with the over-recovery in Client Contribution income noted below.
- Income is over-recovered by £2.8m, in the main due to over-recovery of Client Contribution income

### **Forecast Year-End Position**

The Trust is forecasting break-even position at month 9 in 2025/26, reflecting a projected underspend across Directorates and savings delivery above target. The improvement is primarily driven by underspends within mental health directorate, overall directorates at break-even, taking into consideration increased savings achieve and increased income in client contributions. The forecast assumes that Directorates continue to remain within their control totals and that the Trust achieves its overall savings target by year-end. However, a deficit of £20.69m relating solely to the pay award underfunding will be reported at year end.

### **5. Impact on Statutory Duties: Provide details on the impact of the following and how.**

<b><i>Financial Impact</i></b>	<b><i>Safety and Quality Impact</i></b>
Yes, there are Financial Impacts	Yes, there are Quality, Safety or Experience Impacts

### **6. Risk Assessment (Risk level and state if a risk assessment be completed)**

The risks are set out in section 8 of the report.

### **7. Other Business Intelligence/data (If appropriate)**

None

**8. Impact: Provide details on the impact of the following and how. If this is N/A you should explain why this is an appropriate response.**

<b>Corporate Risk Register</b>	Corporate Risk Register Key Risk 5.1 Finance - ability to meet statutory break-even target
<b>Board Assurance Framework</b>	Financial Risk included in Board Assurance Framework
<b>Equality and Human Rights</b>	The high impact savings relating to vacancy control and reduction in agency (non-medical/non-nursing) will be implemented in areas with least impact on equality and human rights.

**Trust Board Role Fulfilment**

<b>Strategy</b>	<i>Papers in this category should address forward-looking priorities, long-term objectives, or service transformation. These are typically focused on shaping the future of the organisation and will often involve decisions on direction, investment, or innovation.</i>
<b>Culture</b>	<i>These papers aim to influence or reflect the values, behaviours, and staff or patient experiences within HSC. They may relate to leadership development, equality, diversity and inclusion, staff engagement, or initiatives intended to reinforce our organisational ethos.</i>
<b>Accountability</b>	<i>Papers falling into this area relate to governance, assurance, performance monitoring, compliance, and risk. They provide evidence that responsibilities are being fulfilled, standards are being met, and corrective actions are being taken where necessary.</i>

**Reasons for Paper Presentation**

<b>Approval</b>	<i>Used when an item requires a formal agreement or endorsement by the meeting / committee members. Examples are approving minutes, budgets, proposals or policies.</i>
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<b>Assurance</b>	<i>Used when an item can be measured against a certain criteria / standard. Examples are a project is on course with delivery or financial targets are being met.</i>
<b>Information</b>	<i>Used when an item is presented for the purpose of updating or informing the attendees without requiring a decision or action, such as reports, updates, or announcements.</i>
<b>Discussion</b>	<i>Used when an item is listed primarily for open discussion, brainstorming or gathering input from the members without requiring an immediate decision.</i>