



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>	
Meeting and Date of meeting	<p>Trust Board 26th March 2026</p>	
Title of paper	<p>Financial Performance Report - 11 months ended 28 February 2026</p>	
Accountable Director	Name	<p>Catherine Marks</p>
	Position	<p>Director of Finance, Procurement & Estates</p>
Report Author	Name	<p>Catherine McCaul</p>
	Email	<p>Catherine.mccaul@southerntrust.hscni.net</p>
This paper sits within the Trust Board role of:	<p>Accountability</p>	
This paper is presented for:	<p>Approval <i>(Notes on completion at end of document)</i></p>	
Links to Trust Strategic Priorities 	<input checked="" type="checkbox"/>	<p>Collaborative Working</p>
	<input checked="" type="checkbox"/>	<p>Learning Organisation</p>
	<input checked="" type="checkbox"/>	<p>Safety, Quality & 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 11 February 2026.

2. Detailed summary of paper contents:

The Trust is reporting a £3m surplus against the Month 11 control total. The primary drivers of the favourable variance are primarily driven by underspends in residential MHD beds and memory beds, alongside the delivery of savings. The position also reflects the impact of February being a shorter, four-week month. The AFC pay award was paid in February, being fully funded by SPPG.

The majority of Directorates are reporting underspends against their respective control totals. Overall, the Trust is forecasting a breakeven outturn for 2025/26. It is expected that any shortfall in savings will be offset by underspends, with March reflecting typical year end accounting adjustments.

3. Areas of improvement/achievement:

Month 11 Financial position

The Trust is forecasting break-even position at month 11 in 2025/26, reflecting a projected underspend across Directorates and savings delivery slightly under target. This is primarily driven by underspends within mental health directorate, overall directorates at break-even, taking into consideration increased savings achieved and increased income in client contributions. The forecast assumes that Directorates continue to remain within their control totals and that the Trust shortfall in savings is offset by underspend at year end.

Savings target at month 11

The savings plan for 2025/26 is £43m. Of these savings £37.87m has been retracted from budgets as at Month 11 and £37.48m savings has been achieved to date with an underachievement of £384k against the target at Month 11 (1% of the target). At month 11 88% of overall savings target has been achieved to date with accounting adjustments and further nursing savings target forecasted in March.

Achievement of Prompt Payment

The Trust's prompt payment performance in the month of February was 95.8% with a cumulative position to date of 96.2%. Therefore, the Trust met and exceeded both its in-month prompt payment target for February, and year-to-date cumulative position as at 28th February 26.

4. Areas of concern/risk/challenge:

Reported Position as at Month 11 February 2026

- For the 11 months, ending 28 February 2026 the Trust is reporting a surplus of £3m against the variance control.

	Budget Total Mth 11	Actual Spend Mth 11	Actual Variance
	£'m	£'m	£'m
Pay	715.6	714.3	1.3
Non Pay	381.9	384.8	(2.9)
Income	(52.5)	(56.2)	3.7
Total	1,045	1,042.9	2.1

- Payroll is under budget by £1.3m in the main due to Pay Award budget profiling. Although an underspend overall Medical is overspent £17m and Nursing and Midwifery overspent £22m funded from SPPG deficit funding allocated in year and payroll underspend/savings.
- Non-Pay is reporting a cumulative overspend at month 11 of c£2.9m in the main due to spend within Medical & Surgical Supplies overspent by £4.5m. 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 £3.7m, in the main due to over-recovery of Client Contribution income.
- The majority of Directorates are overachieving against their control totals, mainly MHD due to underspends in Residential MHD beds and Memory beds, with adjustments completed in Mth 11 for Praxis c£1m, Direct Payments £460k and Residential and Home care c£1.2m. Also, within MUSC due to ongoing savings achievements within MORE Pharmacy.

- There are a number of Directorates with Red Rag status due to their reported position being over the expected control total. For the Directorates reporting a variance of >£100k the key drivers for each are as follows:
- **Medical Directorate** – Ongoing pay pressures due to unfunded posts.
- **Encompass** – Pressure is wholly due to additional posts agreed at SLT for which there is no funding cover, funded by unallocated funds.
- **Planning, Performance and Improvement-** Budget for Child Health Bureau being realigned to Children's Directorate where the spend has been historically recorded and increased spend within IT costs.

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

<i>Financial Impact</i>	<i>Safety and Quality Impact</i>
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.

Corporate Risk Register	Corporate Risk Register Key Risk 5.1 Finance - ability to meet statutory break-even target
Board Assurance Framework	Financial Risk included in Board Assurance Framework
Equality and Human Rights	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

Strategy	<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>
Culture	<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>
Accountability	<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

Approval	<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>
Assurance	<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>
Information	<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>
Discussion	<i>Used when an item is listed primarily for open discussion, brainstorming or gathering input from the members without requiring an immediate decision.</i>