

Minutes of a Meeting of the Finance and Performance Committee held on Thursday, 18th June 2026 at 09.30 a.m. in the Committee Room, Trust HQ, Craigavon

PRESENT:

Mr A Hughes, Non-Executive Director (Chair)
Mrs L Ensor, Non-Executive Director
Mrs G Browne, Non-Executive Director
Mr S Spoerry, Interim Chief Executive (Left meeting after item 12)
Mrs E Wilson, Director of Planning, Performance and Informatics (via teams)
Mrs C Marks, Executive Director of Finance, Procurement and Estates (Left meeting after item 12)
Mrs G. Hamilton, Executive Director of Nursing.

IN ATTENDANCE:

Mr C McCafferty, Executive Director of Social Work / Director of Children and Young People's Services (Item 6)
Mrs D Livingstone, Assistant Director Performance Improvement
Ms R Marks, Assistant Director Unscheduled Care (Item 16)
Mrs B Hughes, Assistant Director Surgery and ATICS
Mrs S Barr, EQUIP Project Manager (Item 12)
Mrs S Wallace, Head of Office
Mrs R Montgomery, Senior Project Manager
Mr B Creighton, Committee Secretary

1. WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting and accepted apologies on behalf of Mrs D Burns, noting that Mrs B Hughes was attending on her behalf.

2. DECLARATION OF INTERESTS

The Chair asked members to declare any conflict of interests in relation to items on the agenda. None were noted.

3. CHAIR'S BUSINESS

The Chair noted that an additional committee meeting was held on 20 May to seek the F&P NEDs' views on issues raised by the Director of Finance about some of the underlying assumptions within the *Encompass BAU and Optimisation* Business Case. The chair noted that all relevant papers have been provided to any Committee Members who were unable to attend this meeting.

The Chair wishes to ensure transparency and noted that the Chief Executive has now received a briefing paper outlining a number of mitigating measures requiring his consideration. The Committee will maintain a "watching brief" on this matter.

4. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 5th March 2026, and 20th May 2026 were taken as read and approved.

5. MATTERS ARISING FROM PREVIOUS MEETING

None to highlight

STANDING REPORTS

6. UNALLOCATED CHILDCARE CASES REPORT

Mr C McCafferty presented the report, noting that the overall position remained broadly consistent with previous updates. He advised that there are encouraging signs of improvement in some areas, particularly in relation to children with disabilities, where a positive trajectory is expected to continue.

However, he highlighted that the number of unallocated looked-after children remains a significant concern, currently at approximately 56 cases. While this represents a reduction from earlier figures, it remains below the standard the Trust would expect and reflects ongoing workforce challenges.

Mr McCafferty reassured the Committee that there are no immediate safeguarding concerns, emphasising that robust mitigation arrangements are in place. These include regular oversight, aligned foster placement social workers, and continued engagement through family support staff.

Nevertheless, he acknowledged that the position represents a breach of statutory responsibilities.

Members welcomed the additional context provided regarding the complexity of cases, including examples illustrating the intensity of support required for individual children. This reinforced the broader point that headline figures do not fully capture the operational pressures faced by services.

The Committee also noted positively that new funding has been secured through the “Together for Families” initiative, aimed at strengthening early intervention and prevention. While this will not deliver immediate relief, it was recognised as an important step towards longer-term system improvement.

The Chair requested that future reports include additional reference to SOM measures and progress against internal audit actions to strengthen oversight.

FINANCE REPORTING

7. FINANCE REPORT MONTH 2

Mrs C Marks presented the Month 2 financial position, noting that the Trust is currently reporting an overspend and remains in a challenging financial position.

She outlined that:

- an overspend of £3.9m is being reported at Month 2
- the Trust is still operating against an indicative budget, pending confirmation for 2026/27
- a savings target of £29.9m remains in place, with early underachievement noted

Mrs Marks emphasised that this position is partly reflective of the timing of savings delivery, with a number of programmes not yet fully implemented. However, she was clear that there is a need to “work at pace” to stabilise the financial position and reverse the overspend trajectory.

Members explored the underlying drivers in detail. Mrs L Ensor queried progress in aligning budgets within MUSC, with Mrs Marks confirming that this remains a complex area, although work is ongoing to stabilise and better align budgets with operational reality.

Mr S Spoerry highlighted wider systemic pressures, particularly in relation to bed capacity and staffing requirements, noting that the presence of additional beds in corridors inevitably drives additional cost pressures. He also emphasised the challenges associated with delayed discharges, including the increasing reliance on costly care home placements due to difficulty securing community care packages, particularly in rural areas.

Overall, members acknowledged both the scale of the challenge and the work underway to address it but emphasised the urgency of delivering sustainable improvement.

8. IMPLEMENTATION AND MONITORING OF FINANCIAL CONTINGENCY/SAVINGS PLAN - RISE

Mrs Marks provided an update on the RISE programme, noting that it has now transitioned fully into implementation.

She advised that external review by PA Consulting had validated the robustness of the Trust's savings plan, with approximately 70% of planned savings assessed as achievable or on track. This was welcomed as providing a level of external assurance; however, it was also acknowledged that more challenging savings remain within the pipeline.

Members discussed the importance of strong governance and accountability, with particular focus on:

- clarity of roles across SROs
- need for timely escalation where savings are at risk
- ensuring that alternative options are identified early

Mrs Marks highlighted that while progress is being made, there are capacity challenges, including the absence of a dedicated programme manager, which may impact pace and coordination.

The Committee recognised the strong framework in place but noted that delivery remains dependent on sustained operational focus and adequate support arrangements.

9. FINANCIAL PLANNING 2026/27

Mrs Marks advised that recent correspondence from SPPG has requested an increase in savings targets to 4%, significantly increasing the level of financial challenge facing all Trusts.

Mr Spoerry confirmed that the Trust Board had previously written to SPPG outlining the potential consequences of implementing savings beyond the agreed level. However, no formal response addressing these concerns had been received.

Discussion reflected the seriousness of the position, with members noting:

- uncertainty regarding expectations from SPPG
- lack of clarity on what services may need to change or cease
- the likely requirement for consultation on some measures

Ms E Wilson and Mrs Marks outlined that while efforts are being made to identify savings that do not require consultation, it is unlikely that all required savings can be achieved without impacting services.

The Committee recognised that this creates a complex and challenging environment, requiring difficult decisions, and noted that further discussion would take place at Trust Board level.

10. MUSC FINANCIAL REVIEW (DEFERRED TO SEPTEMBER MEETING)

11. PATIENT LEVEL INFORMATION AND COSTING SYSTEM (PLICS) DATA UPDATE AND DEEP DIVE

Mrs C Marks introduced the PLICS update, providing a detailed overview of the Trust's current position and the evolving use of patient-level costing data. She explained that this represents the third year of reporting within Northern

Ireland and that, while the system is well established in other jurisdictions such as England and Scotland, its use locally remains at an earlier stage of maturity.

Mrs Marks outlined that the data for 2024/25 provides the most recent available position, although she cautioned that there remain limitations due to inconsistencies in data collection and methodology across Trusts, as well as the impact of Encompass implementation. As a result, while the data offers valuable insight, it must still be interpreted with a degree of caution.

She provided an overview of the Trust's relative position, noting that the Southern Trust has moved from being the lowest-cost Trust to the second lowest across Northern Ireland. While this reflects an increase in overall spend, it must be considered in the context of known pressures, including increased activity, service demands, and comparatively lower levels of deficit funding relative to other Trusts.

Members explored the value of PLICS data in more depth, with discussion focusing on its potential to support benchmarking, identify variation, and better understand cost drivers across services. Mrs Marks highlighted specific areas of variation, including community hospitals, gastroenterology pathways, and aspects of maternity services, where costs appear higher than the regional average. She emphasised that these "outliers" do not necessarily indicate inefficiency but instead highlight areas requiring further detailed analysis to understand underlying causes.

Mr A Hughes welcomed the potential of PLICS to support more informed decision-making and emphasised that benchmarking must be considered alongside contextual factors, including geography, population need, and service delivery models. This view was supported by Mr S Spoerry, who noted that differences between urban and rural service delivery inevitably

influence cost structures and must be taken into account when interpreting comparative data.

The Committee also discussed the importance of using PLICS data to drive engagement with clinical teams. Mrs Marks noted that the long-term aim is to embed this information within service areas, enabling clinicians to better understand the cost implications of their practice and identify opportunities for improvement.

Members recognised that while the data is not yet fully mature, it represents a significant opportunity to strengthen financial and operational decision-making. The Committee supported the continued development of this work, including the involvement of external expertise to support analysis and ensure that the Trust is maximising the value of the information available.

12. EQUIP UPDATE

Mrs S Barr provided a comprehensive update on the EQUIP programme, outlining both progress and ongoing challenges. She explained that the programme represents a major digital transformation across finance, HR, payroll, and procurement systems, with Oracle identified as the core system platform.

Mrs Barr advised that the programme has experienced further delays, with timelines now significantly extended – Release 1 (Finance, PaLS and 'skinny' HR now scheduled for November 2026, and Release 2 (Core HR and Payroll) rescheduled for 2027 following completion of a replan. She noted that all organisations involved in the programme are currently reporting a high level of risk, reflecting pressures associated with compressed timelines, limited testing opportunities, and ongoing uncertainty regarding key elements of implementation.

A key area of concern highlighted was the delay in user acceptance testing, which is now running approximately three weeks behind schedule. Mrs Barr explained that this delay has implications for training, readiness, and the overall ability of staff to engage effectively with the system prior to go-live.

Members discussed the communication challenges associated with the programme. Mrs Barr noted that communication from the regional team has been inconsistent and, at times, insufficiently detailed to support effective local planning. As a result, Trust teams have had to take a more proactive role in preparing for implementation, including progressing data cleansing and business continuity planning in advance of formal direction.

Mrs Marks reinforced the pressure this is placing on teams, noting that finance and HR staff are already operating within a highly challenging environment, balancing ongoing operational demands with the requirements of programme delivery. She highlighted the risk of “change fatigue” and the importance of ensuring that staff are adequately supported throughout the process.

The Committee expressed concern regarding the limited opportunity for staff to engage with the system prior to implementation. Mrs Barr confirmed that, unlike previous programmes such as Encompass, there has been no opportunity to work within a live or test environment as yet, which makes it more difficult to fully understand the practical implications of the system.

Members also discussed the importance of maintaining staff morale and ensuring that the benefits of the new system are clearly communicated. While it was recognised that the programme introduces complexity in the short term, there was acknowledgment that the longer-term benefits, including improved reporting and integration, have the potential to significantly enhance organisational capability.

The Committee concluded that while the programme remains on track in governance terms, the level of risk and operational pressure remains high. Continued oversight and support will be essential to ensure successful delivery.

Mrs C. Marks and Mr S. Spoerry left meeting.

PERFORMANCE REPORTING

13. UPDATED PERFORMANCE FRAMEWORK

Ms E Wilson presented the updated Performance Framework, advising that this represents a significant revision of the Trust's approach to performance management. She explained that the framework had not been updated in recent years due to system transformation and changes in regional reporting structures, but that recent developments, including the introduction of the Support and Intervention Framework (SIF), provided an appropriate opportunity to refresh the model.

Ms Wilson outlined that the framework is based on a four-tier structure, designed to provide clear lines of accountability from operational teams through to Trust Board. A key objective of the revised approach is to strengthen ownership of performance at service level, ensuring that teams are equipped to interpret and act on their own data, rather than relying solely on central reporting functions.

Members welcomed this emphasis on embedding accountability within services. The Chair noted that this represents an important cultural shift and will be essential in ensuring that performance management becomes an integral part of day-to-day operational practice.

Discussion also focused on the maturity of data underpinning the framework. Ms Wilson acknowledged that while data availability has improved significantly, particularly following Encompass implementation, there are still limitations and inconsistencies that need to be addressed. She emphasised that the framework should be viewed as evolving, with further refinement expected as data quality improves and systems become more established.

Members also noted the importance of ensuring that reporting is meaningful and supports decision-making, rather than becoming a purely procedural exercise. There was recognition that achieving this will require ongoing engagement with services and continued investment in analytical capability, including the expansion of the Business Intelligence function.

The Committee approved the framework, subject to ongoing review, and supported the principle of strengthening operational ownership of performance.

14. CAPITAL REPORTING

Ms Wilson presented an overview of capital allocation and expenditure, noting that the majority of funding available to the Trust is ring-fenced for specific programmes and therefore offers limited flexibility for local prioritisation.

She explained that of the total allocation, only a relatively small proportion is available for discretionary use, with decisions regarding this element managed through the Capital Allocation Group. This group considers competing priorities across estates, equipment, fleet, and ICT, and makes recommendations based on a structured prioritisation process.

Members discussed future capital priorities, with particular reference to the proposed fire safety works at Daisy Hill Hospital. Ms Wilson confirmed that this will be subject to separate ring-fenced funding and will not be met from the Trust's discretionary capital allocation. A business case has been submitted to the Department and remains under consideration.

Further discussion touched on procurement approaches and the use of frameworks, with members seeking reassurance regarding governance and value for money. Ms Wilson advised that the majority of capital expenditure is delivered through established procurement frameworks, although she agreed to provide further information on the use of direct award contracts in future reporting.

The Committee noted the report and acknowledged the constraints within which capital decisions are currently made.

ACTION – Ms E Wilson agreed to provide further information on the use of direct award contracts in future reporting.

15. SYSTEM OVERSIGHT MEASURES (SOM) UPDATE

Mrs D Livingstone presented the updated System Oversight Measures report, outlining current performance against a range of indicators.

She advised that while progress has been made in a number of areas, several indicators remain in a red position, reflecting ongoing system pressures, particularly in relation to workforce and service capacity.

Members welcomed the clarity of the report and its alignment with regional frameworks, although there was recognition that the prevalence of red indicators reflects the wider system context rather than issues unique to the Trust.

Mrs Livingstone highlighted specific areas of improvement, including elective recovery, noting that significant progress has been achieved in reducing waiting times and addressing backlogs. However, she cautioned that sustaining this progress will depend on continued investment and the availability of workforce capacity.

Mrs G Browne noted that while the high number of red indicators is concerning, it is important to consider the broader regional context. She observed that similar challenges are evident across other Trusts and that comparative performance remains broadly aligned.

The Committee acknowledged both the progress achieved and the ongoing challenges, emphasising the importance of maintaining focus on improvement trajectories rather than solely headline performance ratings.

16. SUPPORT AND INTERVENTION FRAMEWORK (SIF) OVERVIEW

a. SIF DEEP DIVE – UNSCHEDULED CARE (AMBULANCE HANDOVER AND 12 HOUR WAITS)

Ms E Wilson introduced the SIF overview, followed by a detailed deep dive into unscheduled care, focusing on ambulance handovers and 12-hour waits.

The Committee was advised that demand within emergency departments continues to increase, with a notable rise in the complexity and age of patients presenting. This is placing significant pressure on services and contributing to extended waiting times.

Ms R Marks outlined a range of initiatives aimed at improving flow through emergency departments, including the introduction of frailty assessment at the front door, expansion of discharge lounge capacity, and the development of new care models such as EEMAC (Extended Emergency Ambulatory Care).

Members discussed the challenges associated with identifying appropriate alternatives to emergency department attendance. It was noted that it is often difficult to determine whether attendance is inappropriate, given the complexity of presenting symptoms and limited alternative pathways available to patients.

The Committee recognised that while progress is being made, improvements are constrained by wider system issues, including workforce availability, estate limitations, and community capacity.

17. ENCOMPASS – ACTIVITY STABILISATION

The paper was taken as read. Ms Wilson advised that the Encompass system has now largely stabilised, with performance returning to expected levels across most areas.

She explained that remaining issues are not directly related to the system itself but reflect broader operational pressures, including staffing challenges. As a result, reporting will transition back to standard performance management processes.

Members noted the update and acknowledged the progress made.

OTHER MATTERS

18. CORPORATE RISK REGISTER

The Committee reviewed the Corporate Risk Register and noted its role in providing oversight of key organisational risks.

Members acknowledged that a number of issues discussed during the meeting, particularly those relating to financial pressures, workforce challenges, and programme delivery, are reflected within the register.

19. COMMITTEE ANNUAL REPORT

The Committee members were content to approve the annual report.

20. ITEMS TO ESCALATE TO TRUST BOARD

The Committee considered whether any matters arising required formal escalation to the Trust Board.

While recognising the significance of the financial position and wider system pressures, members agreed that these issues are already subject to ongoing Board-level discussion and did not require separate escalation at this time.

The Committee was satisfied that the threshold for formal escalation had not been met.

21. COMMITTEE MEETING DATES 2027

The Committee approved the committee meeting dates for 2027.

22. WORKPLAN

The workplan was provided for information.

The Chair invited members to consider the future workplan and the approach to deep dive sessions.

Mr A Hughes outlined a number of areas where more detailed exploration would be beneficial to support the Committee's assurance role. These included topics such as elective performance, workforce utilisation, medical locum arrangements, nursing workforce and agency reduction, as well as "invest to save" initiatives. He emphasised that, given the breadth and

complexity of issues being considered by the Committee, the current meeting structure may not provide sufficient capacity to explore these areas in the depth required.

Members discussed the potential for scheduling additional dedicated sessions to support more focused scrutiny. It was suggested that a separate meeting, or series of shorter sessions, could be arranged to allow more detailed examination of key areas, without impacting the main Committee agenda.

Ms E Wilson noted that deep dives linked to the Support and Intervention Framework would continue to form part of the core Committee agenda, with topics evolving over time based on performance priorities. However, she supported the proposal for additional sessions, recognising the value of providing more in-depth discussion on both financial and operational topics.

The Committee agreed that an additional session would be scheduled, with flexibility regarding format and duration, to facilitate more detailed review of priority areas. It was noted that this would enhance the Committee's ability to provide robust oversight and challenge.

ACTION – Committee Secretary to canvass committee members for a suitable date to undertake focused deep dives (potentially 16th November 2026)

The meeting ended at 1p.m.

Date of next meeting 10th September 2026