



Southern Health
and Social Care Trust

TOGETHER, IMPROVING CARE, TRANSFORMING LIVES

FINANCE AND PERFORMANCE COMMITTEE

ANNUAL REPORT 2025/26



PURPOSE OF REPORT

Good practice states that the Trust Board should review the performance of its committees annually to determine if they have been effective. The purpose of this Annual Report of the Finance and Performance Committee to the Trust Board during the financial year 1 April 2025 to 31 March 2026, and to give assurance regarding the Committee's discharge of its delegated responsibilities in respect of financial stewardship and performance oversight.

COMMITTEE REMIT AND NAME CHANGE DURING THE YEAR

During 2025/26, the Committee operated for part of the year as the Finance, Performance and Workforce Committee. Following a review of governance arrangements, the Committee's title and remit were formally amended from October 2025 to become the Finance and Performance Committee.

This change reflected an evolution in governance structures across the Trust, with workforce matters strengthened through other Board and executive arrangements, while the Committee retained clear responsibility for financial governance, performance assurance and oversight of delivery against strategic and operational priorities.

The transition was managed in a way that ensured continuity of oversight and assurance to the Trust Board throughout the year.

CHAIR'S FOREWORD

During 2025/26, the Finance and Performance Committee continued to provide focused oversight and assurance to the Trust Board in a period of sustained financial constraint, continuing service pressures and significant system change.

The Committee maintained a clear line of sight on the Trust's financial position, recovery actions, and performance risks, with particular emphasis on workforce sustainability, unallocated childcare cases, waiting list management, and the stabilisation of activity following the implementation of Encompass.

Members provided constructive challenge and scrutiny of management reports, while recognising the complexity of the operating environment and the importance of maintaining safety, quality, and statutory responsibilities. The Committee also gave detailed consideration to planning assumptions for 2026/27, including the risks associated with non-recurrent funding and the scale of savings required in future years.

I would like to thank all Committee members, executive colleagues, and officers for their professionalism and commitment throughout the year. The Committee remains focused on supporting the Trust Board in navigating ongoing challenges while ensuring appropriate governance, assurance, and accountability.

THE WORK OF THE COMMITTEE

The purpose of the Committee is to support the Board and the Accounting Officer to ensure that the Trust is operating within the financial resource allocation and is delivering on its statutory responsibility to 'break-even' at year end and to ensure delivery of planned results for performance and service improvement targets.

The remit of the Committee as laid down in its revised Terms of Reference is: -

Finance

- To review in detail the financial strategy, so as to be able to confirm to the Trust Board the basis of acceptance.
- To review the financial monitoring process and reporting in sufficient detail to advise the Trust Board, with confidence, concerning the financial performance of the Trust.
- To be assured that Directors are effectively carrying out duties as Budget Holders and are well informed regarding the financial outlook for the Trust and monitoring their achievement of financial targets.
- To review achievement of activities in line with the Trust RISE programme and holding budget holders to account for financial performance.
- To review monthly financial reporting (ongoing on a regular basis).
- To receive regular updates on actions taken by SLT to improve the financial position within the Trust including relevant external reviews
- To ensure the Director of Finance and Estates provides assurance that adequate training is delivered on an ongoing basis to budget holders to enable them to manage their responsibilities.

- To provide assurance to the Board that the Trust operates under a sound performance management framework, and that performance risks are understood and mitigated
- To review in detail any areas of Trust financial performance that are appropriate for further Board scrutiny, as agreed by Committee members.
- To consider Trust financial performance in a regional context and identify areas for additional scrutiny
- To review financial and estates benchmarking data as it relates to Trust services
- Provide oversight of the Trust Patient Level Information and Costing System (PLICS) data
- To review the Trust Capital Allocation Plan

Value for Money

- Oversee the adequacy of the Trust's arrangements for ensuring that value for money is obtained in the expenditure of all public funds entrusted to its care. This will include a review of the findings from, and management's response to, all value for money audit reports issued to the Trust from the Comptroller and Auditor General (C&AG).

Operational Performance

- Provide oversight of the Trust's Performance Management Framework ensuring that there are effective and regularly reviewed structures in place to support the effective implementation and continued development of integrated performance management arrangements across the Trust
- Ensure there is sufficient independent and objective assurance as to the robustness of key processes across all areas of performance
- Identify risks and gaps in control and assurance and seek assurance that risks are mitigated and being managed effectively.
- Review the monitoring information in sufficient detail to advise the Trust Board, with confidence, concerning the performance of the Trust
- Receive internal and external reports on performance improvement initiatives, including efficiency and benchmarking and review progress
- Ensure timely reports are made to the Trust Board, including recommendations and remedial action taken or proposed with timeframes.
- Ensure recommendations considered appropriate by the Committee are made to the Trust Board

The Committee shall review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications for the performance of the organisation.

The committee undertook some focused areas of review during the year and will undertake a programme of formal deep dives in 2026/27.

The Committee will receive a copy of the Corporate Risk Register at every meeting for reference.

TERMS OF REFERENCE FOR THE COMMITTEE

The Committee's Terms of Reference (ToR) are reviewed on annual basis and were last reviewed by the Committee on 4th December 2025.

MEMBERSHIP OF THE COMMITTEE

The membership of the Committee is set out below:-

- Chair of Finance, Performance and Workforce Committee (Non-Executive Finance Director)
- 2 Non-Executive Directors, following recommendation from the Trust Chair
- Chief Executive/Accounting Officer
- Executive Director of Finance, Procurement and Estates
- Executive Director of Nursing, Midwifery & AHPs and Functional Support Services
- Director of Planning, Performance and Informatics

In attendance

- Assistant Director of Performance Improvement
- Assistant Director of Financial Management
- Assistant Director Costing, Efficiencies and Capital

Other Trust Directors and Trust staff are invited to attend meetings, as required.

The Board Assurance Manager, supported by the Committee Secretary is the Secretary to the Committee and attends all meetings to provide appropriate support to the Chair and Committee members.

MEETINGS OF THE COMMITTEE

In line with its Terms of Reference, the Committee should meet on a quarterly basis during 2025/26. A meeting scheduled for June 2025 did not take place due to the rollout of Encompass, however, meetings were held in September 2025 and December 2025 under the Finance, Performance and Workforce Committee title, and in March 2026 under the revised Finance and Performance Committee title.

the Committee met on 3 occasions as detailed below:-

- 5th June 2025 – did not take place
- 8th September 2025
- 4th December 2025
- 5th March 2026

The attendance record for members was as follows:-

Name of Finance and Performance Committee member	No. of Meetings attended	No. of Possible Meetings
Mr A Hughes Non-Executive Director	2	3
Mrs L Ensor Non-Executive Director	3	3
Mrs G Browne Non-Executive Director	2	2
Ms E Mullan Trust Chair	1	1
Mrs D Ferguson Executive Director of Nursing, Midwifery, AHPs and Functional Support Services (Retired 26 th October 2025)	1	1
Mrs G Hamilton Executive Director of Nursing, Midwifery, AHPs and Functional Support Services	1	2

Name of Finance and Performance Committee member	No. of Meetings attended	No. of Possible Meetings
(Commenced 27 th October 2025)		
Mrs C Marks Executive Director of Finance, Procurement and Estates	3	3
Ms E Wilson Director of Planning, Performance and Informatics	3	3
Mr S Spoerry Interim Chief Executive	3	3

- i) Formal minutes are recorded of each meeting and these are approved at the subsequent meeting. Minutes of meetings reflect discussions held by the Committee and any actions agreed.
- ii) The Committee has an appropriate process between meetings in place for actions/matters arising from Committee business to be appropriately pursued by the relevant Director.
- iii) The Committee has a process in place for recording declarations of conflicts of interest and this mirrors the process used at Trust Board level.

REPORTING TO TRUST BOARD

Formal minutes were submitted to the Trust Board for information, following Committee approval.

The Chair of the Committee presented a summary report to the subsequent Board meeting bringing to the attention of Trust Board any items requiring attention or escalation to the Board.

SUMMARY OF COMMITTEE WORK – 2025/2026

During 2025/26, the Committee operated initially as the Finance, Performance and Workforce Committee, before transitioning in December 2025 to the Finance and Performance Committee following a review of governance arrangements. Throughout the year, and during a period of sustained financial challenge, service pressure and organisational change, the Committee supported the Trust Board and the Accounting Officer by providing assurance on the Trust's financial stewardship, the effectiveness of financial grip and control arrangements, and the identification and management of performance risks. The Committee also maintained oversight of safeguarding matters, particularly unallocated childcare cases, and considered workforce issues where they directly impacted on financial sustainability, service delivery or risk.

Key Focus Areas:

1. Finance

- Regularly reviewed the Trust's in-year financial position and forward forecasts, maintaining a sustained focus on delivery of year-end break-even.
- Applied detailed scrutiny to cost pressures, directorate control totals and delivery of savings plans, with particular attention to medical locum costs, nursing agency expenditure, vacancy control and the financial position within Medicine and Unscheduled Care.
- Maintained oversight of the Recovery, Innovation, Sustainability and Efficiency (RISE) Programme, monitoring delivery against savings targets, risks of underachievement and agreed remedial actions.
- Considered findings and recommendations from external and regional reviews, including critical friend work and the MUSC external review, and monitored the implementation of associated action plans.
- Received assurance on improvements to financial governance arrangements, including budget realignment and strengthened accountability, in preparation for the implementation of the Equip system.
- Reviewed the Trust's developing use of patient level information and costing data, recognising its future role in supporting value for money, service pathway understanding and informed decision-making.

2. Performance

- Maintained regular oversight of Trust performance across the year, including scrutiny of the transition from Service Delivery Plan measures to Strategic Outcome Measures.
- Monitored progress in improving data quality and confidence following Encompass go-live, recognising both the improvements achieved and the scale of organisational change required.
- Considered waiting list performance and recovery as a key area of focus, noting significant improvements delivered through additional investment and targeted initiatives.
- Expressed concern regarding the sustainability of waiting list improvements where reliant on non-recurrent funding, and escalated related risks to the Trust Board, particularly in relation to gastroenterology services.
- Reviewed the Trust's position within the Support and Intervention Framework and received assurance regarding de-escalation in a number of areas.
- Utilised external benchmarking, including CHKS reporting, to provide independent assurance on quality and performance, including mortality and length of stay indicators.

3. Encompass and System Stabilisation

- Received regular assurance regarding the stabilisation of activity and data following the implementation of Encompass.
- Considered updates covering both acute and community services, with a focus on data quality, backlog validation and accurate reporting.
- Recognised progress made towards stabilisation while acknowledging the scale of organisational change and the need to fully embed system ownership and business-as-usual performance management within services.

4. Safeguarding Assurance

- Safeguarding assurance remained a core feature of the Committee's work throughout the year, notwithstanding the change in Committee remit.
- Unallocated childcare cases were retained as a standing agenda item at each meeting, reflecting the ongoing importance of statutory safeguarding responsibilities and associated risk.

- The Committee monitored trends in unallocated cases, demand pressures within Children's Services, and the effectiveness of mitigation and governance arrangements in place.
- Regular assurance was provided that risk stratification, senior oversight and escalation processes were operating effectively.
- The Committee received assurance throughout the year that there were no unallocated child protection cases.

5. Workforce-Related Assurance

- For the period in which workforce matters formed part of the Committee's remit, the Committee received assurance on workforce capacity, sustainability and resilience in areas of identified risk.
- Particular attention was given to the interaction between workforce challenges and service delivery pressures, especially within Children's Services and financially pressured clinical areas.
- The Committee noted the impact of recruitment, retention and absence on performance and financial position, and received updates on actions being taken to stabilise workforce capacity.
- Following the revision of governance arrangements in December 2025, workforce oversight was transitioned to alternative structures, while the Committee continued to consider workforce issues where they directly impacted on financial control, performance delivery or safeguarding risk.

GOVERNANCE AND OVERSIGHT

During 2025/26, the Committee maintained appropriate governance and oversight arrangements in line with its approved Terms of Reference, supporting a culture of challenge, assurance and continuous improvement. The Committee operated effectively throughout the year, including during the transition from the Finance, Performance and Workforce Committee to the Finance and Performance Committee in December 2025, with continuity of oversight maintained.

The Committee reviewed and approved its Terms of Reference during the year to reflect the revised remit and governance arrangements, ensuring continued clarity of role, responsibilities and reporting lines. A forward work plan was also

For Approval by Finance & Performance Committee

For Approval by Trust Board

approved to support delivery of the Committee's priorities and statutory responsibilities.

Formal minutes were recorded for each Committee meeting, approved in accordance with governance requirements. The Chair of the Committee provided reports to the Trust Board highlighting matters requiring attention and escalation. The Committee maintained robust arrangements for tracking actions arising from meetings, with progress monitored through standing action logs.

The Committee routinely considered external and internal assurance to support its oversight role and to provide independent challenge on financial stewardship and performance. Reports presented to the Committee during 2025/26 included, but were not limited to:

- External critical friend reviews relating to financial grip and control
- Medicine and Unscheduled Care external review and associated action plans
- CHKS external benchmarking reports
- Support and Intervention Framework updates
- Strategic Outcome Measures performance reports
- Financial performance reports and forward planning submissions
- Patient Level Information and Costing System (PLICS) updates
- Encompass activity stabilisation reports

These reports supported the Committee in assessing the Trust's position relative to peers, identifying areas of risk, and monitoring the effectiveness of management responses.

The Committee also played a key role in identifying matters requiring escalation to the Trust Board. During the year, this included escalation of risks associated with waiting list recovery funding and the potential impact on service sustainability and patient safety should non-recurrent funding cease.

CONCLUSION

As Chair of the Finance and Performance Committee, I am satisfied that the Committee discharged its responsibilities effectively during 2025/26 and provided appropriate assurance to the Trust Board throughout the year, including during the transition in its remit and title.

Looking forward, the Committee will continue to focus on supporting the Trust through a challenging financial and operational environment, while maintaining strong oversight of financial performance, delivery and risk.

Mr Alastair Hughes
Chair, Finance and Performance Committee
11 June 2026

