



## TRUST BOARD COVER SHEET

|                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                            |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
|                                                      | <p><i>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</i></p> <p><i>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.</i></p> |                                            |
| <b>Meeting and Date of meeting</b>                                                                                                    | Trust Board 24 <sup>th</sup> September 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                            |
| <b>Title of paper</b>                                                                                                                 | Financial Performance Report - 05 months ended 31 August 2026                                                                                                                                                                                                                                                                                                                                                                                                                                |                                            |
| <b>Accountable Director</b>                                                                                                           | <b>Name</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Catherine Marks                            |
|                                                                                                                                       | <b>Position</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Director of Finance, Procurement & Estates |
| <b>Report Author</b>                                                                                                                  | <b>Name</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Carol Cassells                             |
|                                                                                                                                       | <b>Email</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Carol.cassells@southerntrust.hscni.net     |
| <b>This paper sits within the Trust Board role of:</b>                                                                                | Accountability                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                            |
| <b>This paper is presented for:</b>                                                                                                   | Approval<br><i>(Notes on completion at end of document)</i>                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                            |
| <b>Links to Trust Strategic Priorities</b><br><br> | <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Collaborative Working                      |
|                                                                                                                                       | <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Learning Organisation                      |
|                                                                                                                                       | <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Safety, Quality & Experience               |
|                                                                                                                                       | <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Community First                            |
|                                                                                                                                       | <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Whole-Life Approach                        |

## **1. Reason for Presentation of Paper / Report**

This report provides SLT with a Financial Position at Month 05 August 2026.

## **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 forecasting a year-end deficit of £10.6m, being the gap on savings plan of £5.110m and remaining growth pressure of £2.8m (after notification from SPPG of Growth funding for 26/27 of £2.2m) and increased forecasted spend for Energy £1.8m and funding deficit for Muckamore Resettlement of £900k. When spend is compared to control total a negative variance of £2.38m is noted at Month 5. One of the drivers contributing to the negative variance within Directorates is the under achievements in 26/27 savings and in addition some evidence of growth spend outside of that anticipated for 2026/27. The majority of operational Directorates are reporting overspends against their control totals and further cost control measures must be implemented to support delivery against increased savings targets for 2026/27.

## **3. Areas of improvement/achievement:**

### **Month 05 Financial position**

The Trust is forecasting a deficit position of £10.6m at month 05 in 2026/27. The forecast assumes that Directorates remain within their control totals and that the Trust achieves in full its savings plan to a value of £42.4m by financial year-end. There is still a gap of £5.11m in the overall savings plan of £47.5m. In addition, there is an emerging pressure in Energy costs forecasting an additional increase in spend of c£1.8m by financial year-end and a funding deficit relating to Muckamore resettlement equating to £900k by financial year end.

The Trust has yet to receive formal opening budget allocations from Commissioners therefore the expected income RRL is indicative and assumed income only, yet to be confirmed.

### **Underachievement of savings target at month 05**

The savings plan for 2026/27 now sits at £47.5m (both Phase 1 and Phase 2 savings). Savings of £15.2m has been retracted from budgets as at Month 05 and £14.8m of savings has been achieved with an underachievement of £416k against the target at Month 05 (3% of the

target). There is an improved position in the month 05 savings reflected. Phase 1 savings have been reviewed and amended to the revised agreed targets in each Directorate. Phase 2 targets (endorsed at Trust Board in August 2026), at a value of £12.49m, are now being retracted from budgets. Whilst it is understood that they may still be instances where there is a differential between the profiling in the savings and the actual achievement it is critical that all agreed savings plans are achieved in full by financial year-end. There is a remaining gap of £5.11m within the total savings target of £47.5m.

### **Achievement of Prompt Payment**

The Trust's prompt payment performance in the month of August was 97.3% with a cumulative position to date of 97.5%. Therefore, the Trust met and exceeded both its in-month prompt payment target for August, and year-to-date cumulative position as at 31st August 2026.

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

### **Reported Position as at Month 05 August 2026**

For the 05 months, ending 31 July 2026 the Trust is reporting a deficit of £2.38m against the variance control total.

Payroll is over budget by £3.26m. Medical is overspent £6.2m and Nursing and Midwifery overspent £9.1m abated by underspends in other areas such as General Admin £2m, AHPs £1.4m and Dom Care £1.2m. The payroll variance position has benefitted overall from funding aligned in against baseline payroll deficits as part of the budget realignment exercise. Payroll spend trends remain relatively steady month on month with the exception of some expected additional spend due to temporary cover for leave over summer months.

The total cumulative spend for flexible staffing in Mth 05 is c£35.48m (11% of total payroll spend) with 1,265 WTE's employed on these flexible arrangements.

Non-Pay is reporting a cumulative overspend at month 05 of c£5.9m in the main due to spend within Medical & Surgical Supplies and Equipment with spend trending higher than an average 5 months from 2025/26. In addition, there is a corresponding movement to that in payroll due to the budget realignment exercise. There is an emerging pressure in Energy costs which cumulatively to date is adding c£300k to the non-pay deficit. Also, an increased pressure relating to a funding deficit for Muckamore Resettlement of c£370k.

Income is over-recovered by £1.4m, in the main due to over-recovery of Client Contribution income.

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

The Trust is forecasting a deficit outturn of £10.6m in 2026/27. The variation against control total does not take account of expected growth in later months.

There is an agreement regionally for a hard review of the Month 05 financial position to determine any impact on the forecasted deficit position.

### **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

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|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <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>          |
| <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>                     |