



# Financial Performance Report

For the 10 months ended 31 January 2026

## **Contents**





Executive summary	Page 3
Statutory financial performance targets	Page 4
Financial plan 2025/26	Page 5
Control total monitoring including financial performance	Page 6-7
Savings targets	Page 8-9
Key risks and mitigations	Page 10
Expenditure analysis – key areas	Page 11-17
Capital expenditure	Page 18
Key messages	Page 19

## **Executive Summary**

The Trust's projected out-turn position against budget remains unchanged from that reported previously. During the month there have been no material changes in Trust performance and therefore I remain in a position to forecast a breakeven position for the financial year 2025/26.

The announcement on 11 February that an additional £400 million is to be made available to Stormont to support public services in Northern Ireland has resulted in funding secured for the previously unfunded element of the 2025/26 HSC pay award for the Trust. The previously reported control total of £18.6m, therefore, no longer applies.

## Statutory Financial Performance Targets

	Rag Status
<p><b>Manage within allocated Revenue Resource Limit (RRL) / Operate within Control Total</b>                      The Trust is now forecasting a break-even position against its revenue resource limit for 2025/26. This reflects updated guidance that the previously unfunded element of the pay award is now also to be fully funded.</p>	Green 
<p><b>Deliver against 2025/26 savings targets</b>                      The Trust has achieved £17.8m/ 98% of contingency savings against the profiled target at January 2026.</p>	Green 
<p><b>Manage within allocated Capital Resource Limit (CRL)</b>                      The Trust has a total capital allocation (Capital Resource Limit) of £49.5m. Capital expenditure to the end of December 2025 is £21.9m.</p>	Green 
<p><b>Prompt payment target – 95% of suppliers within 30 days</b>                      The Trust has paid <b>90.36%</b> of its undisputed invoices with suppliers within 30 days at 31 January 2026 against its target of 95%. In the month of January 2026, <b>95.30%</b> of undisputed invoices with suppliers were paid within 30 days. Prompt payment performance in high-volume areas such as the nurse bank office and Pharmacy remain strong and continue to exceed the 95% target. Performance in estates showed further improvement in January.</p>	Amber 

## Financial plan 2025/26

The Trust is projecting a breakeven position for 2025/26 following confirmation by DoH that the Trust should assume the 2025/26 HSC pay award will be fully funded. Table 1 below shows the progression of the forecast position throughout the year.

**Table 1. Projected Deficit 2025/26**

	Financial Plan				
	June 2025	Oct 2025	Nov 2025	Jan 2026	Feb 2026
	(v3) £'m	(v4) £'m	(v5) £'m	(v6) £'m	(v7) £'m
Opening financial pressures	34.6	34.6	34.6	34.6	34.6
Savings targets 2023/24/ MORE savings target 2024/25	26.4	26.4	26.4	26.4	26.4
Forecast pressures 2025/26 (net of indicative/ assumed income)	11.0	7.5	7.5	7.5	7.5
<b>Forecast gross deficit 2025/26</b>	<b>72.0</b>	<b>68.5</b>	<b>68.5</b>	<b>68.5</b>	<b>68.5</b>
Phase 1: Low/medium savings	(31.5)	(31.5)	(31.5)	(31.5)	(31.5)
Phase 2: Low/medium savings	0.0	(7.3)	(7.1)	(7.1)	(7.1)
Phase 2: High savings			(0.5)	(0.5)	(0.5)
Other opportunities	(9.0)	(10.4)	(11.6)	(14.2)	(14.2)
<b>Trust led savings &amp; managed risk</b>	<b>(40.5)</b>	<b>(49.2)</b>	<b>(50.7)</b>	<b>(53.3)</b>	<b>(53.3)</b>
<b>Forecast net deficit 2025/26</b>	<b>31.5</b>	<b>19.3</b>	<b>17.8</b>	<b>15.2</b>	<b>15.2</b>
SPPG Deficit Funding	(15.2)	(15.2)	(15.2)	(15.2)	(15.2)
<b>Revised forecast deficit 2025/26</b>	<b>16.3</b>	<b>4.1</b>	<b>2.6</b>	<b>0.0</b>	<b>0.0</b>
Control limit: 2025/26 pay award				18.6	0.0
<b>Forecast deficit 2025/26 (including agreed control limit)</b>				<b>18.6</b>	<b>0.0</b>

## Control Total Monitoring

Following improved performance against savings targets in January, alongside lower than planned growth in the latter months of the year in some areas and the profile of the application of in-year opportunities identified in the January financial plan assessment, the Trust is now reporting a favourable variance of £0.3m against control totals at 31 January 2026, maintaining improved performance previously reported.

**Table 2. Control Total Monitoring by Directorate**

<b>Directorate</b>	<b>Control Total 2025/26 £'000</b>	<b>Projected at Jan 26 £'000</b>	<b>Actual at Jan 26 £'000</b>	<b>Variance £'000</b>
Unscheduled Care, Cancer, Diagnostics & Medicine	17,769	15,313	14,737	(576)
Surgery, Paediatrics & Women's Service	6,774	5,820	7,608	1,788
Adult Mental Health & Disability	4,566	3,636	4,125	489
Community & Older People's Services	6,463	4,190	3,412	(778)
Children & Families	(3,401)	(2,650)	(1,848)	802
Nursing Midwifery and AHP	(2,128)	(1,788)	(2,683)	(895)
PPCS	(4,341)	(3,354)	(3,183)	171
Finance, Contracts & Capital Development	(411)	(283)	(288)	(5)
Human Resources	(210)	(160)	(234)	(74)
Chief Executive	13	20	45	25
Medical	(280)	(214)	(297)	(83)
Corporate Pay & Non Pay	8,713	7,294	6,110	(1,184)
<b>Directorate Total</b>	<b>33,527</b>	<b>27,824</b>	<b>27,504</b>	<b>(320)</b>

Despite some Directorates continuing to face pressures from unplanned growth, overall performance has significantly improved. Continued focus on delivering savings and controlling expenditure is essential to support year-end targets, however, we can have improved confidence in the year end projection following the excellent outcome for this month.

## Financial Performance

The Trust is reporting an overspend against its budgets of £0.9m (0.1%) at 31<sup>st</sup> January 2026, a reduction from the prior period, with most Directorates achieving a reduction in variance against budget during the period.

**Table 3. Summary Financial Performance by Directorate**

Directorate	Budget	Expenditure	January Variance		December Variance		Restated Variance 2024/25
	£'000	£'000	£'000	%	£'000	%	%
Unscheduled Care, Cancer, Diagnostics & Medicine	196,192	210,930	14,738	7.5%	13,474	7.6%	9.4%
Surgery, Paediatrics & Women's Services	129,199	136,807	7,608	5.9%	6,926	6.0%	6.2%
Adult Mental Health & Disability	140,126	144,251	4,125	2.9%	4,045	3.2%	2.3%
Community & Older People's Services	184,228	187,640	3,412	1.9%	3,501	2.1%	2.1%
Nursing, Midwifery & AHP's	35,249	32,566	(2,683)	(7.6%)	(2,368)	(7.5%)	(5.4%)
Children & Families	83,514	81,666	(1,848)	(2.2%)	(1,271)	(1.7%)	(3.1%)
Medical	4,725	4,428	(297)	(6.3%)	(287)	(6.7%)	(2.7%)
Planning, Performance & Corporate Services	64,196	61,013	(3,183)	(5.0%)	(2,781)	(4.8%)	(6.1%)
Finance, Contracts & Capital Development	6,189	5,901	(288)	(4.7%)	(220)	(4.0%)	(2.9%)
Human Resources	6,833	6,599	(234)	(3.4%)	(187)	(3.1%)	(4.7%)
Office of the Chief Executive	2,290	2,335	45	2.0%	35	1.7%	11.5%
Trust Wide Corporate Services	78,758	84,868	6,110	7.8%	5,557	7.9%	9.5%
Opportunities against Directorate Pressures	1,566		(1,566)	(100.0%)	(1,393)	(100.0%)	(100.0%)
<b>Directorate sub-total</b>	<b>933,065</b>	<b>959,004</b>	<b>25,939</b>	<b>2.8%</b>	<b>25,031</b>	<b>3.0%</b>	<b>3.5%</b>
Covid19	2,818	2,979	161	5.7%	168	6.4%	0.0%
Deficit funding/ Other opportunities	25,156		(25,156)	(100.0%)	(23,703)	(100.0%)	(100.0%)
<b>Reported Deficit</b>	<b>961,039</b>	<b>961,983</b>	<b>944</b>	<b>0.1%</b>	<b>1,496</b>	<b>0.2%</b>	<b>0.0%</b>

## Savings Targets

For 2025/26, the Trust has a Phase 1 contingency savings target of £31.5m. Cumulative recurring savings of £16.5m from 2023/24 and 2024/25 have been achieved and therefore target savings of £15.1m are required for 2025/26. Additional phase 2 savings plans against a target of £7.6m have been implemented effective from 1 November 2025. The total savings target is £22.7m.

Tables 4 and 5 below summarise performance at 31<sup>st</sup> January 2026 by both Directorate and by work-stream. In spite of the additional savings requirements having been implemented effective from November 2025, Directorates performance continues to improve and achievement of 98% is being reported for this period, an increase from 95% in the prior period.

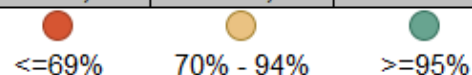
**Table 4: Savings Target Monitoring by Directorate**

Directorate	Total Target £'000	Target Profile £'000	Savings Delivered £'000	% of Profile Achieved	RAG rating
Unscheduled Care, Cancer, Diagnostics & Medicine	5,294	4,420	4,421	100%	●
Surgery, Paediatrics & Women's Services	2,737	2,215	2,006	91%	●
Adult Mental Health & Disability	2,716	2,082	1,729	83%	●
Community & Older Peoples Services	2,889	2,595	2,776	107%	●
Nursing, Midwifery & AHP's	543	414	499	121%	●
Children & Families	1,501	1,055	1,054	100%	●
Planning, Performance & Corporate Services	1,901	1,271	1,182	93%	●
Medical Directorate	352	227	227	100%	●
Finance, Contracts & Capital Development	301	192	192	100%	●
Human Resources	237	169	201	119%	●
Chief Executive Office	58	39	39	100%	●
Corporate	4,204	3,485	3,485	100%	●
<b>Total</b>	<b>22,733</b>	<b>18,162</b>	<b>17,810</b>	<b>98%</b>	●

● ≤69%      ● 70% - 94%      ● ≥95%

**Table 5: Savings Target Monitoring by work stream**

Workstream	Total Target £'000	Target Profile £'000	Savings Delivered £'000	% of Profile Achieved	RAG rating
Medical locum reduction	2,469	1,988	959	48%	●
Rota optimisation/ Dom Care	515	388	388	100%	●
High cost cases/ enhanced rate efficiencies	1,100	802	907	113%	●
Nursing agency	2,410	1,961	1,125	57%	●
Workforce control increase (non-recurrnt repeatable)	6,280	5,242	7,611	145%	●
Admin efficiencies	1,618	1,201	795	66%	●
MORE	1,068	1,026	1,026	100%	●
Medical & surgical consumables	1,900	737	502	68%	●
Corporate and facilities management service reduction	1,694	1,341	1,286	96%	●
Mental health crisis service	500	357	94	26%	●
Other Opportunities	3,180	3,118	3,117	100%	●
<b>Total</b>	<b>22,733</b>	<b>18,162</b>	<b>17,810</b>	<b>98%</b>	●



Improved performance being reported suggests that in spite of ongoing challenges across some of the work streams Directorates are over delivering against workforce controls to compensate. However, those workstreams performing poorly, i.e. Medical Locum reduction, Nursing agency, Admin efficiencies, Medical and surgical consumables and Mental Health crisis service, have for the most part reported improved performance from the prior month.

- Medical locum and nurse agency savings continue to face delivery challenges. Targeted support is being provided locally by work stream SROs to strengthen accountability arrangements and enhance oversight;
- Focused work continues in administration primarily through strengthened controls, as a dedicated work stream is established through our Delivering Value programme. Directors continue to bridge the in-year gap through increased workforce controls savings.
- There are a number of programmes of work in place to support reductions in medical & surgical consumables. Work continues on procurement initiatives to deliver savings.

The management of risks in relation to all savings plans continue to be undertaken by project leads with accountability through the Trust Delivering Value Management Board.

## **Key Risks and Mitigations**

### **Expenditure growth**

The Trust's projected financial position depends on Directors continuing to manage expenditure within their agreed control total limits. With only two months remaining in the year, it is important that expenditure is contained wherever possible to protect the overall financial position recognising that there is limited capacity to absorb additional growth in the final periods of the year.

### **Savings plans**

Directors have continued to make strong progress in delivering savings, with current achievement of 98% up from 95% last month. It remains essential that efforts are maintained to fully deliver planned savings for 2025/26 and to maximise both in-year and recurrent delivery. DVMB will continue to be the primary forum for examining risks, reviewing barriers to delivery and identifying opportunities to accelerate savings. While the focus for this year remains on achieving the current target, a number of workstreams have been identified that require increased focus and an injection of pace to support the Trust's financial plan for 2026-27.

### **New / emerging service pressures**

Following a further review of the financial plan, income has been confirmed to partially offset against unplanned growth. However, with limited opportunities to absorb further growth in the remaining months of the year, it is critical Directors maintain close oversight of emerging risks, ensure any additional expenditure is fully justified, escalate material issues promptly and implement mitigating actions where available to protect the breakeven position.

## Expenditure Analysis – Key Areas

The following section focuses on key areas where trends may have a material impact on the delivery of the financial plan and Directorate performance.

### Flexible Staffing Expenditure

Total flexible expenditure in 2025/26 to date is £71.2m and is summarised by Directorate below. Total agency expenditure is £47.7m, which includes £25m (53.1%) of medical agency, £18m (37.7%) of nursing agency and £4m (9.2%) across other professional groups. Expenditure on bank staff over the same period is £19.3m. Overall, the use of flexible staffing continues to reduce month on month, indicating that grip and control is being exercised where it can be.

**Table 6: Total Flexible Staffing Expenditure**

Directorate	Cum to January 2026				Growth from Prior Period	Cum to December 2025
	Overtime	Agency	Bank	Total		Total
	£'000	£'000	£'000	£'000	%	£'000
Unscheduled Care, Cancer, Diagnostics & Medicine	1,231	21,526	3,062	25,819	(1.1%)	23,492
Surgery, Paediatrics & Women's Services	671	8,845	1,433	10,949	(0.8%)	9,930
Adult Mental Health & Disability	609	10,464	4,264	15,337	(1.8%)	14,059
Children & Families Directorate	563	1,259	2,852	4,673	0.8%	4,173
Nursing, Midwifery & AHP's	73	139	356	567	(10.0%)	568
Community & Older Peoples Services	589	4,874	2,754	8,217	(0.4%)	7,428
Finance, Contracts & Capital Development	7	259	18	283	0.9%	253
Human Resources	12	0	134	146	(2.6%)	135
Medical Directorate	1	-	10	11	(4.3%)	10
Chief Executive Office	-	0	-	0	(10.0%)	0
Planning, Performance & Corporate Services	454	280	4,270	5,004	(1.2%)	4,556
COVID19 - commissioned	4	7	184	195	1.0%	173
<b>Total</b>	<b>4,213</b>	<b>47,652</b>	<b>19,336</b>	<b>71,202</b>	<b>(1.1%)</b>	<b>64,777</b>

## Medical

Table 7 illustrates that the Trust has experienced an increase in total medical expenditure of £4.94m (4.3%) when compared to the average in 2024/25. Spend has reduced in the current month indicating an improvement, however underlying pressures remain which are mainly due to the filling of vacancies and cover for absence and unplanned leave.

**Table 7: Total Medical**

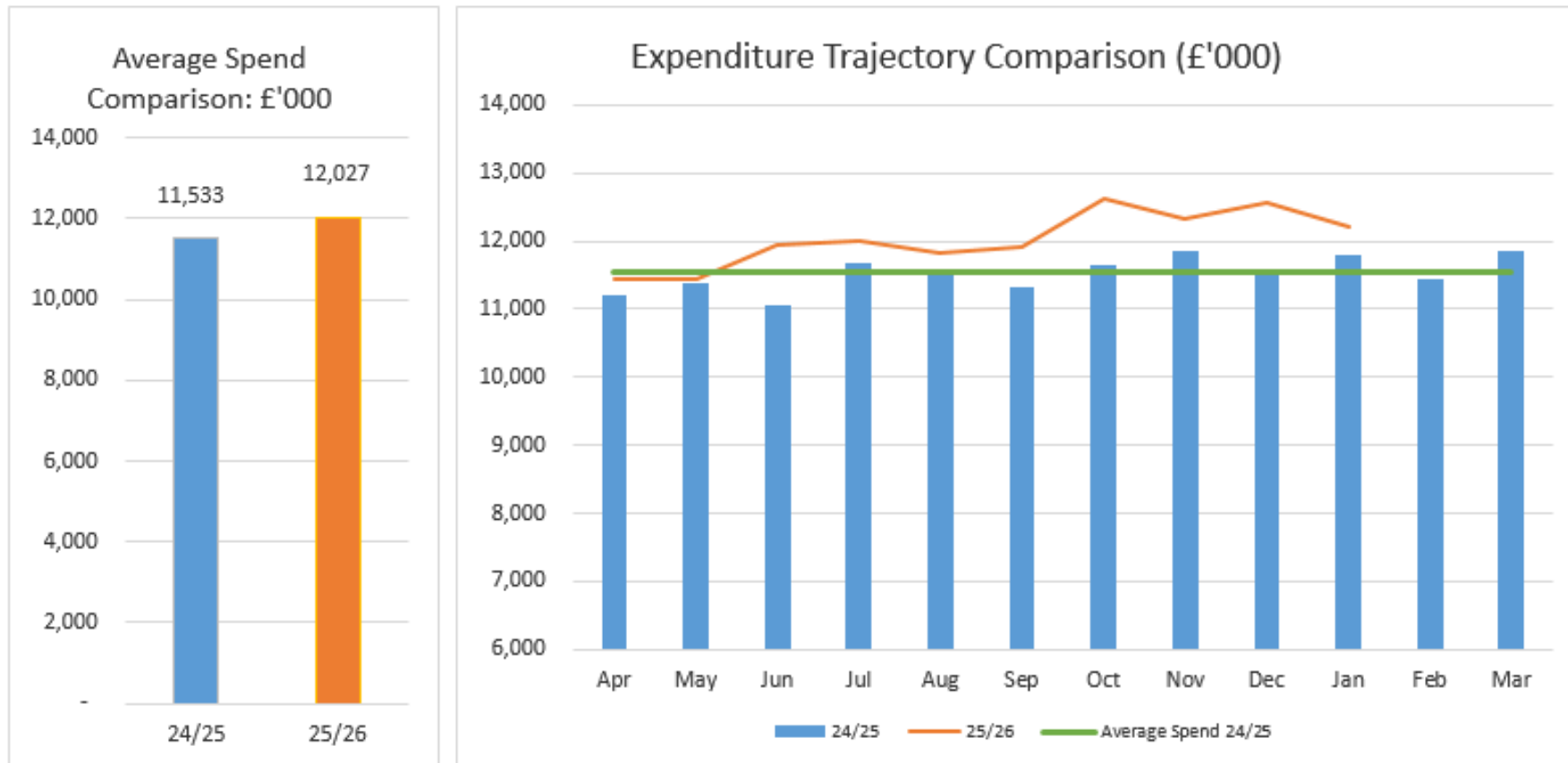
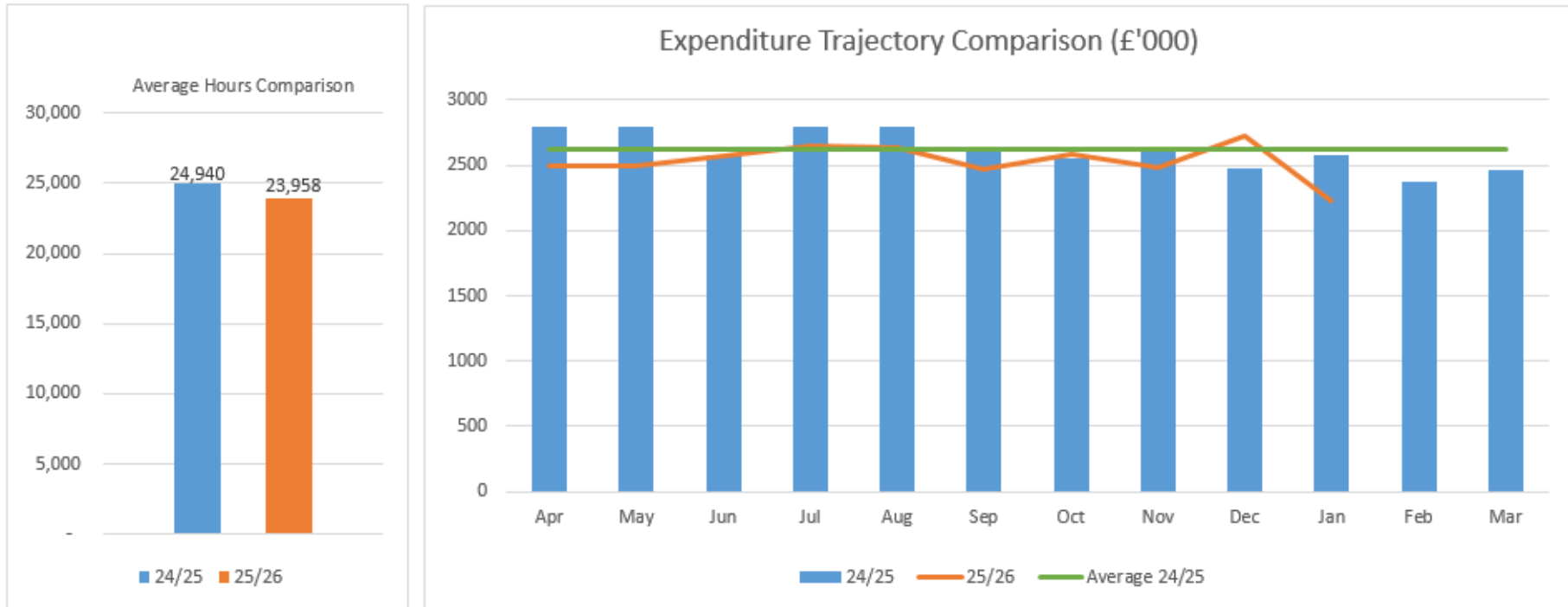


Table 8 below illustrates that there has been a decrease in average medical agency expenditure of 3.3% when compared to the average in 2024/25. In January we are seeing the positive impact of a reduction in agency hours and an opportunity from conversion of doctors from agency to HSC contracts.

**Table 8: Medical Agency**



As previously reported, there are a number of work-streams in place which are focused on stabilisation of the medical workforce and on medical agency reduction. These local work-streams are led by the Medical Director as SRO with nominated leads across Directorates. Given the complexity of this work and interdependencies of various work-streams both local and regional, the Trust has appointed a programme manager to drive this work forward. Monthly accountability arrangements are in place to focus attention on the various work-streams below which include:

- International recruitment (IMR):** The Trust has appointed 22 doctors through international recruitment to date in 2025/26. Of these appointments, four were expected to displace existing locum agency, two have been released, one, who had been

released, was subsequently re-engaged to cover sickness and the other has been retained to support additional pressures and on-call in the area. In the other 18 cases, successful candidates have filled vacancies, which is a contributory factor to the increased expenditure in 2025/26. There are a further 2 going through pre-employment checks.

- **Removal of the highest cost agency doctors:** of the top 10 highest cost doctors across each tier, 3 have now exited at consultant tier and 1 at resident doctor tier. Directorates are continuing to risk assess and action removal of agency doctors where it has been assessed as safe to do so.
- **Resident doctors banding reduction:** there are currently 11 non-compliant rotas in the Trust with approximately 40% of doctors in receipt of Band 3 - 100% additional allowances. Additional HR resource has been secured to support the actions required to resolve this. It must be noted that as trainees are provided by and contracted to NIMDTA (NI Medical and Dental Training Agency), the Trust has strongly challenged NIMDTA with regards to its role to address doctors' non-compliance with rota monitoring. The Trust had a positive meeting with NIMDTA in February where discussions included ways to engage doctors in the monitoring exercises and increase the number of responses.
- **Strengthening the control environment around locum engagement:** the objective of this project is to enhance and strengthen controls in the engagement of locums to align with Trust standard recruitment processes. An internal Financial Governance Review has been completed and an action plan is addressing core issues. Core principles for all relevant stakeholders to further strengthen the control environment is under development and the SRO has implemented ongoing accountability arrangements with service Directorates to strengthen controls around medical workforce engagement and retention.
- **Agency hourly rates negotiation:** the Trust continues to challenge and negotiate rates with providers. Whilst there have been successes in 2024/25 in reducing and stabilising the average rate, ongoing focus is required by Directorates which will be supported by the new medical agency framework.
- **Progress on the implementation of the new Regional medical framework** continues with Directorates currently completing a risk matrix to assess the impact to service of potential non-compliant locums. The framework goes live on 2<sup>nd</sup> March 2026. Risk assessed transitional planning is currently underway. It is expected that certain vulnerable specialties may require a transition period of up to 4 months.

## Nursing

Table 9 below illustrates that there has been an increase of £6.1m (3%) in total nursing expenditure when compared to expenditure in 2024/25. The nursing workforce continues to be challenged with significant increases in escalation beds and rising absence. While nurse agency savings are currently below the year-to-date target, figures indicate that operational controls implemented earlier in the year have had a positive impact on nurse agency volume. Pressures remain in Adult Mental Health & Disability services for additional nursing support. Excluding this Directorate, nursing agency volumes have reduced across other services from July 2025.

**Table 9: Total Nursing**

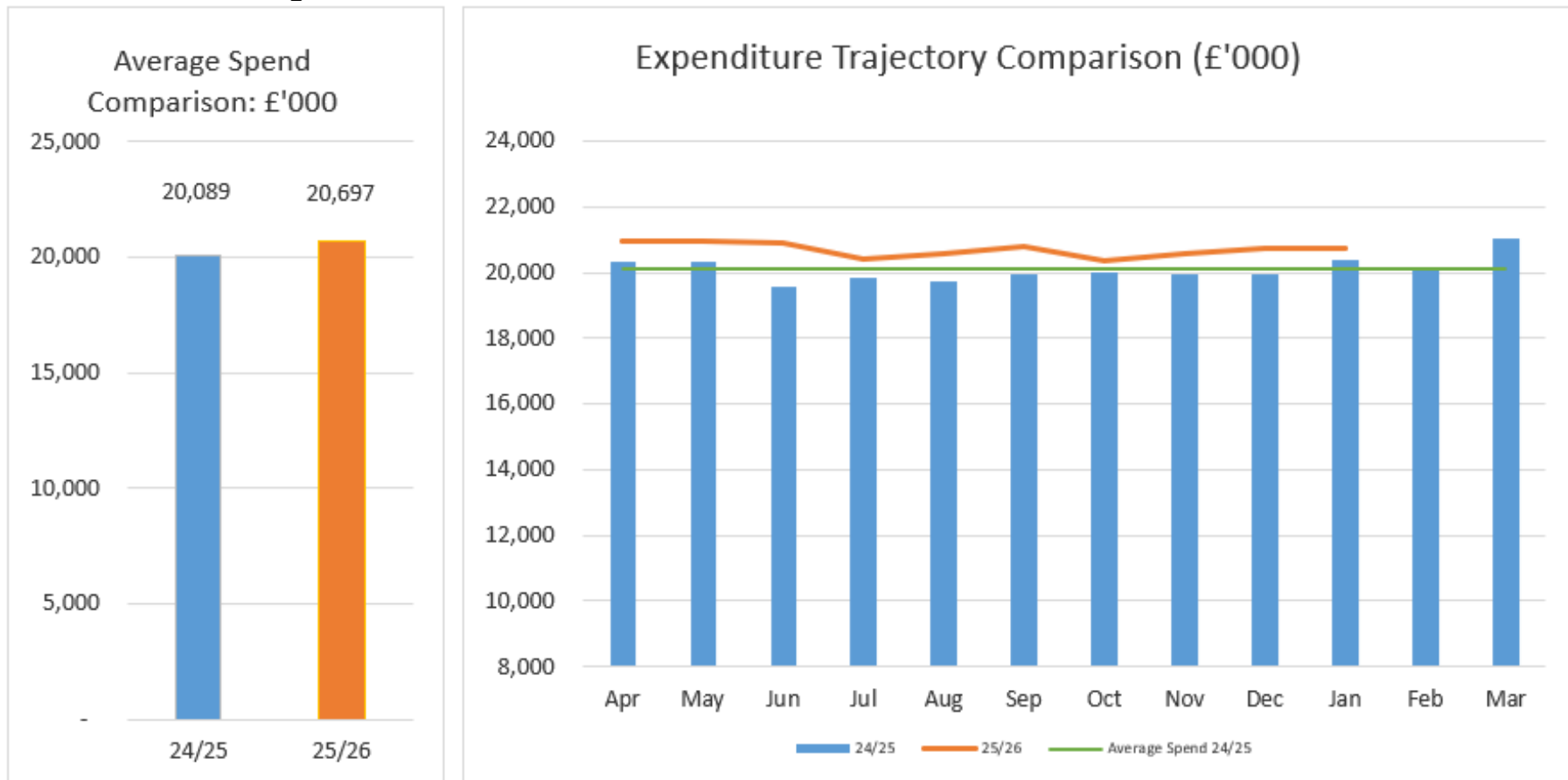
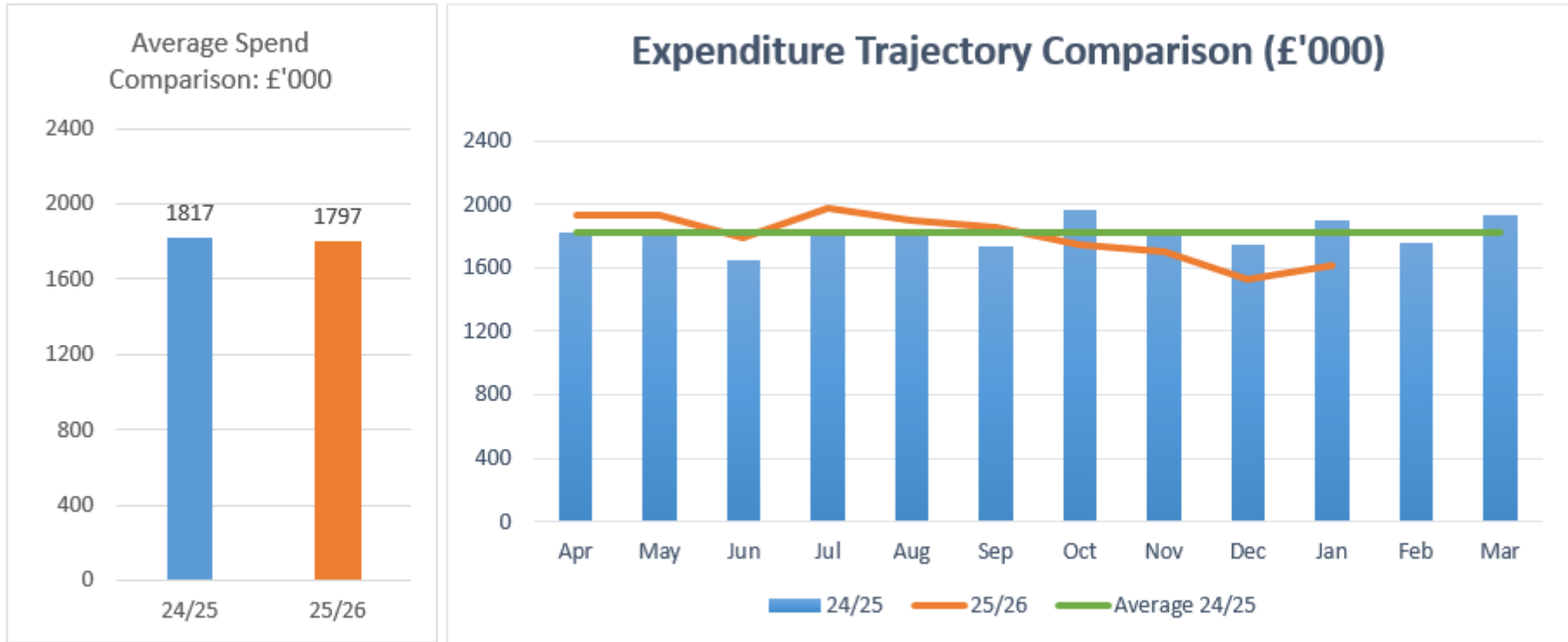


Table 10 below indicates that nursing agency expenditure levels have been reducing steadily since July and average levels remain below the prior year average, indicating a continued positive trajectory. While this is encouraging, further reductions will be required to deliver planned savings at pace, particularly moving into the 2026-27 financial year.

**Table 10: Nursing Agency**



As previously reported, there are a number of work streams that are focused on stabilisation of the nursing workforce and nursing agency reduction. These work streams are led by the Executive Director of Nursing as SRO with nominated leads across Directorates. Work streams include:

- **Nurse Governance Framework:** The Executive Director of Nursing holds regular accountability sessions across service Directorates focusing on agency reduction, roster management and appropriate staffing. This exercise requires extensive

reach and change management through nursing structures. Signs of change have materialised, while not at the pace preferred for savings achievement, at a pace which it is hoped will embed improved sustainable control.

- **Roster planning and management:** the objective in 2025/26 is to fully utilise the capabilities of available technologies to embed best practice at operational level including enhanced controls in relation to roster approval and compliance with Trust policy.
- **Targeted training:** the ongoing focus on e-Roster training provides increased assurance around the effective management of nursing resources and alignment of staffing to patient need. Bespoke finance training has been delivered to nurse managers.
- **Nurse staffing reviews:** an active programme of nurse staffing reviews continues to assess appropriate nurse staffing levels taking account of patient acuity, increased escalation beds, patient safety and alignment with current funding levels. There are a number of complex issues currently under consideration as part of the overall solution. Wards have not been commissioned to the appropriate staffing levels, taking account of the volume of escalation beds which have been in place in recent years and also the acuity of patients which is considered to be much more complex than ever before. This is an important commissioning issue which will have to be addressed in the fullness of time with DoH/SPPG but for now we are endeavouring to stabilise the workforce through the conversion of temporary / flexible arrangements to permanent posts which should result in a significant reduction in reliance on flexible staffing arrangements including agency, bank, overtime and shift premium. Putting this arrangement in place will support the framework of control which is needed to balance the appropriate staffing models with cost containment objectives now and into the future.
- **Control Measure:** A number of KPIs are being used to control nurse staffing to appropriate levels including shift fill targets, lead time for roster planning, skill mix variances and funded establishment variance.

These are some of the measures implemented to deliver a further step change in savings opportunities from these budgets and will continue to support the financial recovery agenda.

## Capital Expenditure

The Trust has received a total capital allocation (Capital Resource Limit) of £49.5m, as per a letter dated 11<sup>th</sup> February 2026 from the Department of Health, providing an increased funding allocation of £10.5m. Of this additional funding, £6.6m has been provided for ICT, £2.4m for general capital and £1.5m for leases. The table below reports expenditure to 31st December 2025 and the planned year end position to 31<sup>st</sup> March 2026.

**Table 11: Capital Expenditure**

<b>Project</b>	<b>Capital Resource Limit (CRL) £'000</b>	<b>Expenditure at 31 December 2025 £'000</b>	<b>Forecast Expenditure at 31 March 2026 £'000</b>
Cityside HCC	183	121	183
Lisnaskea	12,450	7,803	12,450
GP Improvement Scheme	150		150
Research & Development	702	671	702
ICT – Various Projects	7,187	377	7,187
General Capital	13,183	7,481	13,183
Car Parking - Hospital Parking Charges Act	208	25	208
Backlog Maintenance	6,725	3,337	6,725
MH Task & Finish	570	162	570
Linacs NW Cancer Centre	120		120
IFRS Leases	1,741	265	1,741
Altnagelvin teaching space	281	185	281
Strabane Health & Care Centre (City Deal)	350	106	350
Ventilation North West Cance Centre	1,000	255	1,000
Imaging Diagnostics	3,982	1,000	3,982
Elective Care	736	86	736
Disposals - other assets	(21)	(21)	(21)
<b>Total</b>	<b>49,547</b>	<b>21,853</b>	<b>49,547</b>

## **Key Messages**

- The Trust is reporting a deficit position of £0.9m at 31<sup>st</sup> January 2026, an improved position from prior period with no material changes.
- The Trust is projecting a break-even position for 2025/26.
- Directors have continued to make strong progress in delivering savings, with current achievement of 98% up from 95% last month. This indicates a positive momentum in delivery as we move toward year-end.
- Control total monitoring is indicating improved performance in January. This is mainly due to the profile of additional funding applied against pressures, growth running lower than originally profiled in some areas and improved savings delivery.
- 90% of undisputed invoices were paid within 30 working days of receipt against the target of 95%, however the in-month performance demonstrates excellent performance of 95%

**Eimear McCauley**

**Executive Director of Finance, Contracts & Capital Development**