Western Health and Social Care Trust

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Financial Performance Report

For the 2 months ended 31 May 2026

Executive Summary

The Trust's 2026/27 financial planning process has taken place against a backdrop of significant financial challenge across the Health and Social Care system. The draft DOH Strategic and Operational Planning Guidance issued in February highlighted a projected departmental deficit of £800m to £1bn (subsequently reduced to £0.76bn), driven by current demand, expenditure pressures and the requirement to absorb the 2025/26 overspend. In response, all ALB's were asked to develop plans based on expenditure reductions of between 10% and 12%. While no final budget settlement has been approved, DoH has consistently emphasised the need for organisations to proactively identify and implement savings measures that can be delivered safely and with minimal impact to services.

In response to the guidance, the Trust developed and submitted savings plans against a range of scenarios, including a 6% savings requirement and a 12% requirement. Feedback from the Chief Executives, SPPG and PHA recognised that the Trust had identified a credible and challenging route to achieving the first 6% savings target and requested progression of all low and medium-risk measures, alongside further consideration of higher risk proposals. More recently correspondence issued in June by the Chief Executive, SPPG, confirmed the Minister's expectation that organisations should proceed with all savings measures that can be delivered without causing harm, with Trusts now expected to target savings of at least 4%, in addition to managing any underlying deficit position.

The Trust continues to progress the delivery of approved low and medium risk savings measures and has undertaken a detailed assessment of higher risk proposals to evaluate their potential impact on patient and client care, service delivery and organisational risk whilst waiting on confirmation of the final budget allocation and assessing the associated operational and financial risks.

As this is the first reporting period post budget-setting for 2026/27, there is significant due diligence undertaken by the Financial Management team following month 2 reporting to ensure the accuracy of the budget-setting process for the year ahead. Therefore confidence in figures being reported is expected to be much improved for the report ending 30th June 2026.

Statutory Financial Performance Targets

	Rag Status
Manage within allocated Revenue Resource Limit (RRL) / Operate within Control Total The Trust continues to liaise with SPPG in relation to the Trust financial plan. The Trust is currently projecting an underlying break-even position for 2026/27 before the impact of the savings target for 2026/27 of 4%/ £41m. Based on low and medium savings proposals approved to date, a residual gap of £14.5m remains against this target.	Red 
Deliver against 2026/27savings targets The Trust has achieved £2.4m of contingency savings at May 2026.	Amber 
Manage within allocated Capital Resource Limit (CRL) The Trust has a total capital allocation (Capital Resource Limit) of £32.7m. Capital expenditure to the end of April 2026 is £2.1m.	Green 
Prompt payment target – 95% of suppliers within 30 days The Trust has paid **95.94%** of its undisputed invoices with suppliers within 30 days at 31 May 2026 against its target of 95%. This represents an excellent start to the financial year demonstrating continued commitment to the timely settlement of supplier invoices. In the month of May 2026, **96.18%** of undisputed invoices with suppliers were paid within 30 days.	Green 

Financial plan 2026/27

The Trusts approved financial plan was developed to deliver a break-even position through recurrent recovery applications and in year solutions. However following receipt of the Strategic and Operational Planning Guidance, the Trust was issued with a 6%/£61.5m financial savings target which will be retracted from Trust budgets. Subsequent communication has set an expectation that the Trust should seek to deliver a minimum of 4%/£41m. The current approved plans of £26.5m for low and medium impact proposals therefore result in a gap of £35m against the 6% target and a £14.5m gap against the 4% expectation. The Trust will continue to engage with SPPG regarding the implications of the budget retraction and the management of any residual financial deficit.

The variance to plan at June is driven by a combination of savings under delivery against profile of £0.8m and an increase in expenditure run rates of £0.8m. Delivery of savings plans at pace, alongside robust management of expenditure run rates, will be imperative to mitigate against any risk to the financial plan.

Table 1. Projected Deficit 2026/27

	Financial Plan 2026/27 £'m	Projected at June 26 £'m	Actual at June 26 £'m	Variance £'m
2026/27 Financial Pressures				
Opening financial pressures 2025/26	56.2	9.4	9.4	0.0
Financial pressures 2025/26 FYE	9.1	1.2	2.0	0.8
Demographic growth/ other pressures 2026/27 TYE	9.8	0.2	0.2	0.0
Forecast gross deficit 2026/27	**75.1**	**10.7**	**11.5**	**0.8**
2026/27 Solutions				
Recurrent savings 2023/24 - 2025/26	(34.0)	(5.7)	(5.7)	0.0
SPPG recurrent deficit funding	(21.5)	(3.6)	(3.6)	0.0
Total recovery applications	**(55.5)**	**(9.3)**	**(9.3)**	**0.0**
Forecast deficit 2026/27	**19.6**	**1.5**	**2.3**	**0.8**
In year solutions				
Annual workforce controls savings	(5.0)	(0.8)	(0.8)	0.0
Other opportunites	(14.6)	(0.6)	(0.6)	0.0
Total	**(19.6)**	**(1.5)**	**(1.4)**	**0.0**
Projected Outturn	**0.0**	**0.0**	**0.8**	**0.8**
Recurrent budget reduction: 6% savings target	61.5	10.3	10.3	0.0
Phase 1 savings: low/ medium	(26.5)	(3.2)	(2.4)	0.8
Forecast Gap 2026/27 against 6% target	**35.0**	**7.1**	**8.7**	**1.6**
Forecast Gap 2026/27 against 4% target	**14.5**			

Financial Performance

The Trust is reporting an overspend against its budgets of £8.7m at 31 May 2026. Table 2 below summarises the financial performance by Directorate. Directorates are reporting an over spend of 1.6% which is in line with the restated prior year reported budget variance. The bottom-line position for the Trust is an overspend of 4.6%.

Monitoring against control totals will be incorporated into the Trust Board report for the reporting period to 30 June 2026.

Table 2. Summary Financial Performance by Directorate

Directorate	Budget	Expenditure	May Variance		Restated Variance 2025/26
	£'000	£'000	£'000	%	%
Unscheduled Care, Cancer, Diagnostics & Medicine	41,111	43,740	2,629	6.4%	6.4%
Surgery,Paediatrics & Women's Services	26,524	27,656	1,132	4.3%	4.6%
Adult Mental Health & Disability	29,462	29,789	327	1.1%	0.5%
Community & Older People's Services	38,938	38,982	44	0.1%	(0.3%)
Nursing, Midwifery & AHP's	7,392	6,988	(404)	(5.5%)	(6.9%)
Children & Families	17,183	16,847	(336)	(2.0%)	(2.0%)
Medical	1,068	995	(73)	(6.8%)	(6.7%)
Planning, Performance & Corporate Services	12,947	12,151	(796)	(6.1%)	(5.2%)
Finance,Contracts & Capital Development	1,512	1,265	(247)	(16.3%)	(5.8%)
Human Resources	1,459	1,380	(79)	(5.4%)	(3.2%)
Office of the Chief Executive	483	535	52	10.8%	1.6%
Trust Wide Corporate Services	16,311	17,596	1,285	7.9%	7.2%
Opportunities against Directorate Pressures	373		(373)	(100.0%)	(100.0%)
Directorate sub-total	**194,763**	**197,924**	**3,161**	**1.6%**	**1.6%**
Covid19	300	300	0	0.0%	0.0%
Savings target 6%	(10,250)		10,250	(100.0%)	0.0%
Deficit funding/ Other opportunities	4,756		(4,756)	(100.0%)	(100.0%)
Reported Deficit	**189,569**	**198,224**	**8,655**	**4.6%**	**0.0%**

Savings Targets

The Strategic and Operational Planning Guidance had set out a Scenario 1 savings target of 6%/ £61.5m. Following consideration of Trust plans, the Minister has asked Trusts to target savings of at least 4% resulting in a target of £41m for the Trust. At this stage, £26.5m of proposals rated as low and medium risk have received approval through the Trust's governance processes and therefore monitoring is consequently being undertaken against these proposals at this point.

Tables 3 and 4 below summarise performance at 31 May 2026 by both Directorate and by work-stream.

Table 3: 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	6,595	1,059	729	69%	
Surgery, Paediatrics & Women's Services	3,804	435	449	103%	
Adult Mental Health & Disability	4,518	651	291	45%	
Community & Older Peoples Services	4,524	484	314	65%	
Nursing, Midwifery & AHP's	295	33	50	149%	
Children & Families	1,467	145	132	91%	
Planning, Performance & Corporate Services	4,877	394	386	98%	
Medical Directorate	92	3	2	70%	
Finance, Contracts & Capital Development	163	5	-	0%	
Human Resources	141	7	5	75%	
Chief Executive Office	24	2	2	101%	
	-	-	-		
Total	**26,500**	**3,219**	**2,361**	**73%**	

<=49% 50% - 74% >=75%

Table 4: Savings Target Monitoring by work stream

Workstream	Total Target £'000	Target Profile £'000	Savings Delivered £'000	% of Profile Achieved	RAG rating
Medical locum reduction	4,280	713	306	43%	
Community care service reduction (dom care & community equipment)	1,500	-	-	-	
High cost cases/ enhanced rate efficiencies	1,500	250	73	29%	
Complex cases	500	83	-	-	
Nursing agency staffing reductions	5,000	833	582	70%	
Embedding current nursing agency price reset	500	83	-	-	
Corporate opportunities: workforce controls	4,000	667	852	128%	
Social work initiatives	1,000	-	-	-	
Acute non pay deep dive, including specialist and non specialist Drugs F	1,000	167	167	100%	
Medical & surgical consumables	1,000	-	-	-	
Corporate and facilities management service reduction	3,720	338	337	100%	
Admin & Encompass	2,000	-	-	-	
Discretionary spend heightened controls	500	83	45	53%	
Total	**26,500**	**3,219**	**2,361**	**73%**	
		<=49%	50% - 74%	>=75%	Future Profiled

Directorates have achieved savings of £2.4m against a profiled target of £3.2m. Some workstreams are profiled for delivery later in the year. Key insights from the May monitoring are:

- Medical and nursing agency reduction remain below plan despite a range of measures put in place to support savings including approved safe staffing establishments in 2025/26. Directors need to review and identify barriers to delivery and implement additional actions to recover this position;

- Savings from high-cost case reviews remain significantly below the planned trajectory. This reflects both the time required for newly introduced review panels and assurance processes to embed and deliver the full potential financial benefit, alongside the Regional decision to pause engagement with the external provider that was intended to support this work.

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 2026/27 to date is £13m and is summarised by Directorate in Table 5 below. Total agency expenditure is £8m, which includes £4.7m (58.3%) of medical agency, £2.5m (30.9%) of nursing agency and £0.8m (10.8%) across other professional groups. Expenditure on bank staff over the same period is £4.1m.

Table 5: Total Flexible Staffing Expenditure

Directorate	Cum to May 2026			
	Overtime	Agency	Bank	Total
	£'000	£'000	£'000	£'000
Unscheduled Care, Cancer, Diagnostics & Medicine	240	3,314	724	4,278
Surgery, Paediatrics & Women's Services	136	1,475	348	1,959
Adult Mental Health & Disability	160	1,772	870	2,802
Children & Families Directorate	121	405	595	1,122
Nursing, Midwifery & AHP's	-	50	72	121
Community & Older Peoples Services	163	907	576	1,646
Finance, Contracts & Capital Development	4	43	4	52
Human Resources	-	-	28	28
Medical Directorate	1	17	1	18
Chief Executive Office	-	-	-	-
Planning, Performance & Corporate Services	38	63	831	932
COVID19 - commissioned	-	1	43	44
Total	**863**	**8,047**	**4,092**	**13,002**

Medical

Tables 6 and 7 below illustrate the whilst there has been a decrease in medical agency expenditure of 4.3% when compared to the average in 2025/26, there is an increase in total medical expenditure of £0.2m (0.7%) when compared to the average in 2025/26. The Trust financial plan assumes there will be a reduction in total medical expenditure as a consequence of medical agency savings of £4.3m. Savings monitoring confirms that savings are currently running below target across service Directorates. Under achievement is reportedly due to staffing pressures relating to absence and vacancies across services and flow pressures across acute and community hospital services. Directors must work to resolve key flow issues that are negatively impacting on agency usage.

Table 6: Total Medical

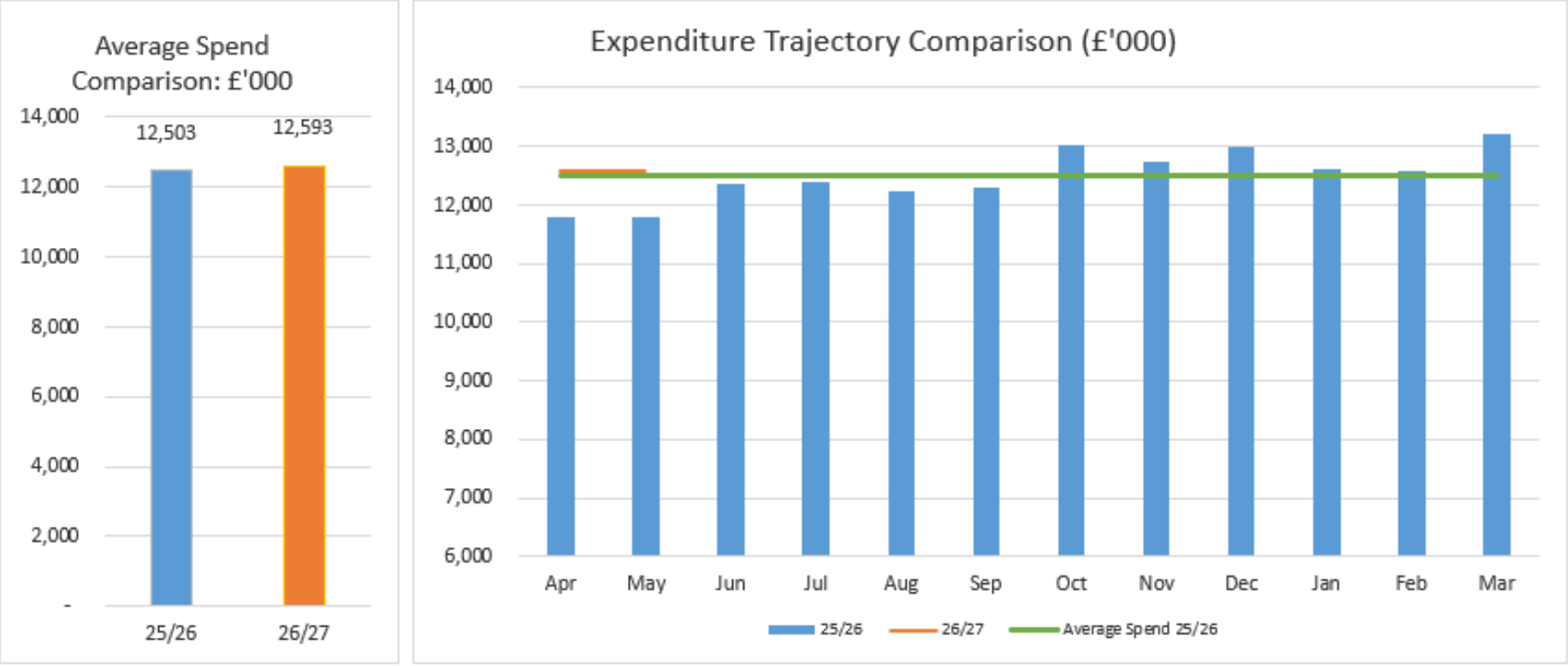
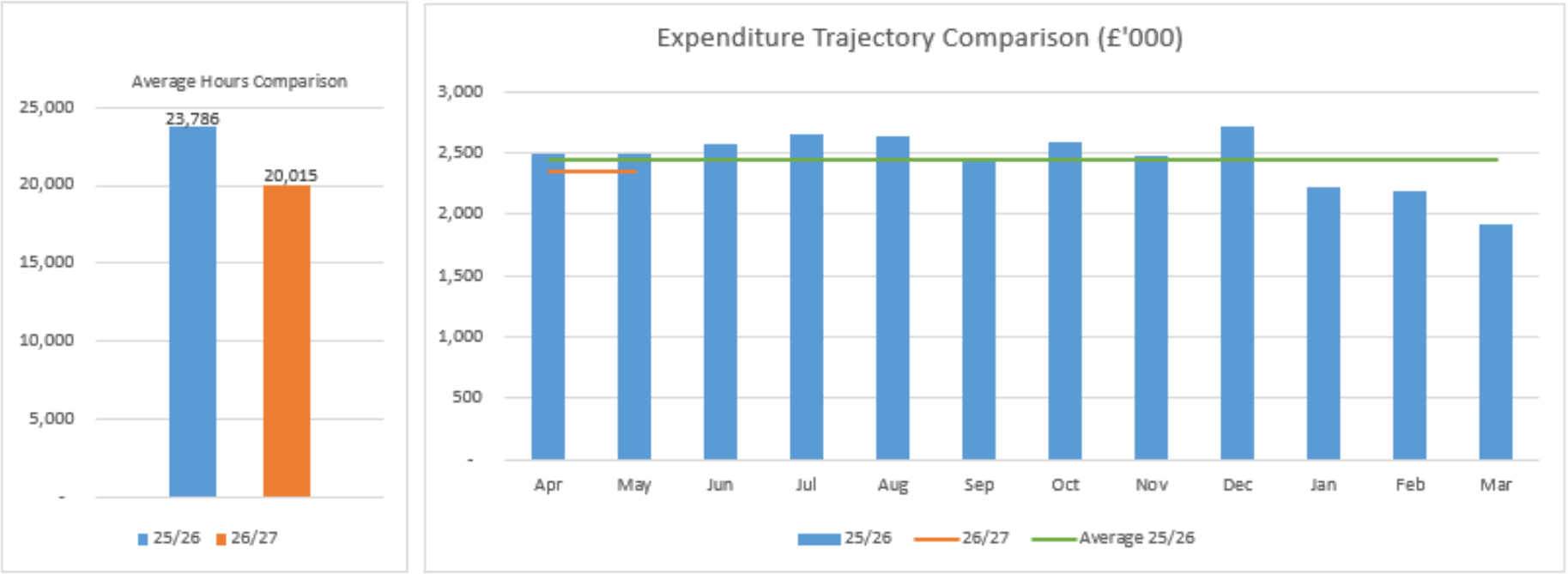


Table 7 below illustrates that there has been a decrease in average medical agency expenditure of £0.2m (4.3%) when compared to the average in 2025/26.

Table 7: 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:

- **Medical recruitment:** International Recruitment (IMR) remains a key enabler to filling medical vacancies, however we are now taking a broader approach by maximising opportunities across both the national and international labour markets. This includes a renewed focus on raising our profile and attracting candidates from the wider UK market, while continuing to utilise

international recruitment to address workforce gaps. The aim is to reduce reliance on agency staffing through the widest possible recruitment pipeline.

- **Removal of the highest cost agency doctors**: following the successful exit of 9 of the top 10 highest cost agency doctors in 2025/26, the process will be refreshed this year to identify further opportunities, with cases subject to robust risk assessment to ensure removal is progressed only where it is safe and appropriate 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. Whilst trainees are provided by and contracted to NIMDTA (NI Medical and Dental Training Agency), the Trust continues to robustly challenge NIMDTA with regards to it role to address doctors' non-compliance with rota monitoring.

- **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. Work will continue to embed the recommendations from the internal Financial Governance Review, with ongoing focus on strengthening controls and accountability arrangements for the engagement of locums. Core principles and standardised processes continue to be reinforced across relevant stakeholders, supported by ongoing oversight from the SRO to ensure effective controls around medical workforce engagement and retention.

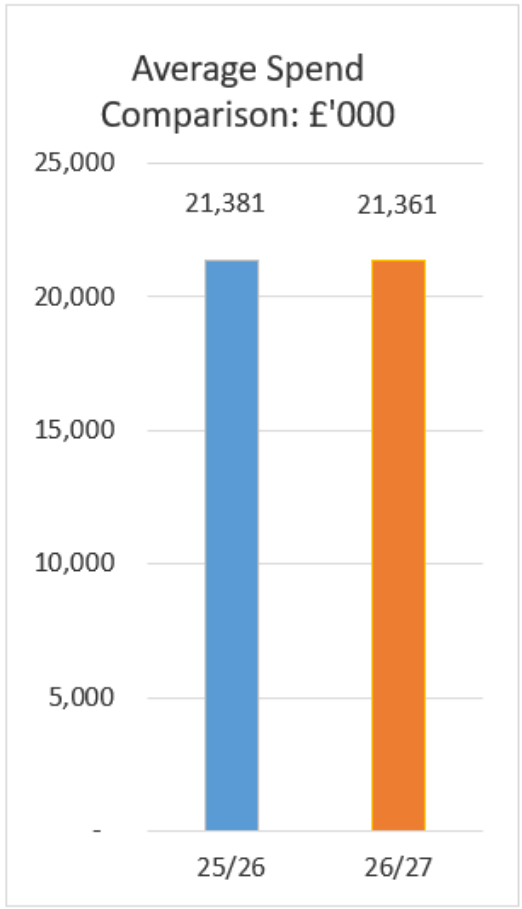
- **Temporary staffing requests**: the Trust is implementing a new system to manage requests for temporary staffing. This will strengthen controls around the approval of additional staffing and will support the DVMB medical programmes of work. Full implementation is expected by 30 June 26. A new technology platform has been introduced to facilitate this work.

- **Regional medical framework:** progress on the implementation of the new framework continues. Directorates have completed a risk matrix to assess the impact of potential non-compliant locums on services and have now moved to risk assessed transitional planning particularly in high-risk areas. The framework went live on 2nd March 2026. It is expected that certain vulnerable specialties may require an extended transition period.

Nursing

Tables 8 and 9 below illustrate the whilst there has been a decrease in nursing agency expenditure of £1m (28.7%) when compared to the average in 2025/26, there has been only a slight decrease (£40k) (0.1%) in total nursing expenditure when compared to average expenditure in 2025/26. This reflects successful recruitment to vacancies, alongside continued operational pressures from increased escalation bed requirements, cover for absence and the ongoing need to maintain safe staffing. There remains a risk that continued demand for escalation beds and additional capacity, including detox beds in ED will continue to impact nursing expenditure.

Table 8: Total Nursing



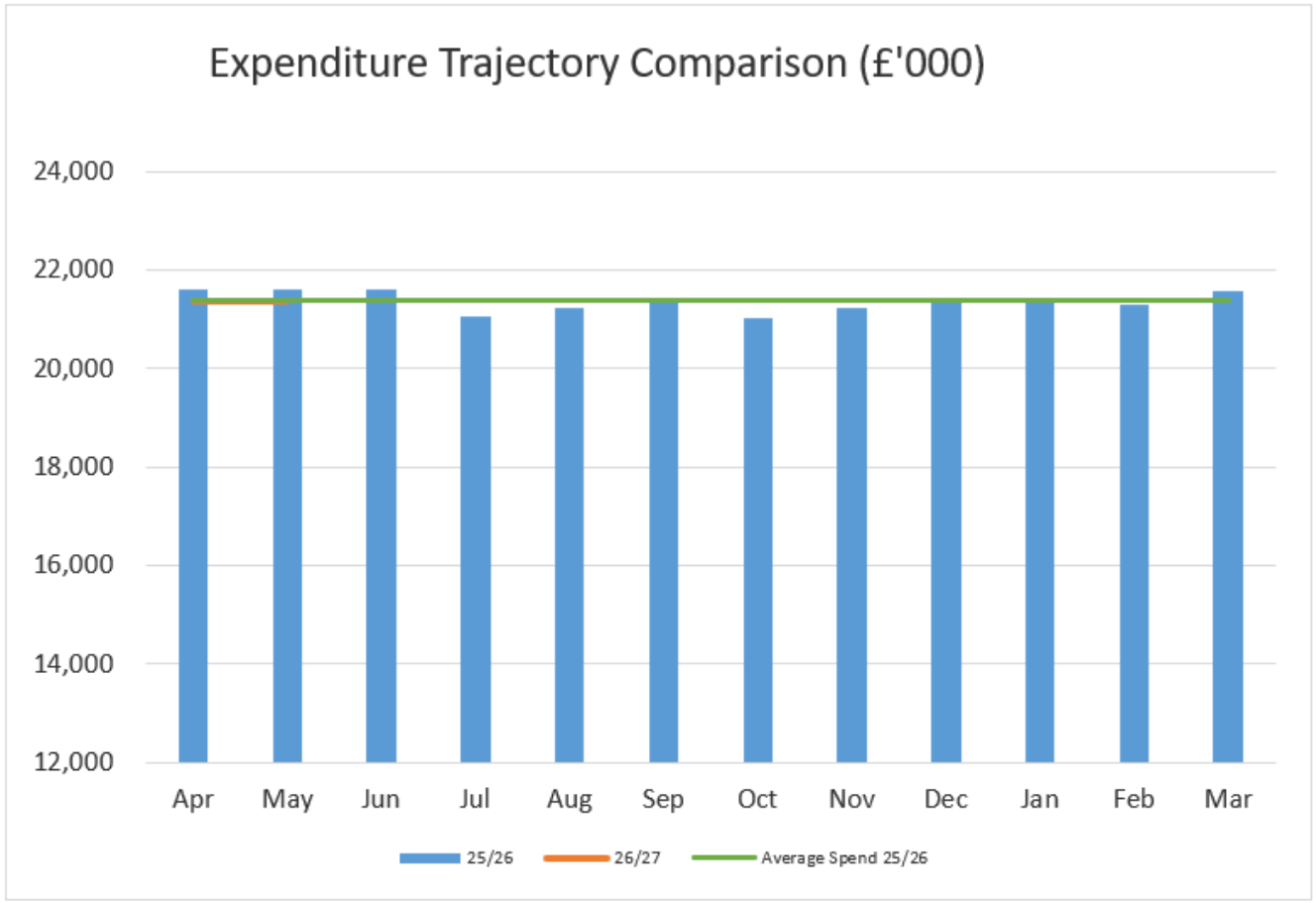
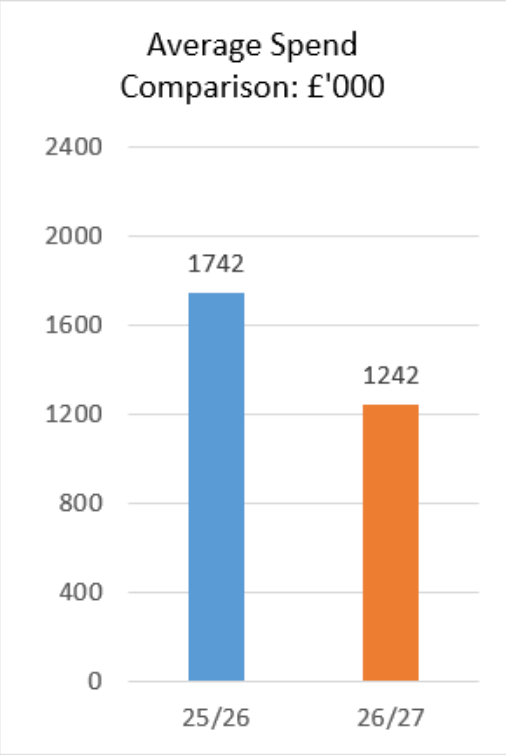
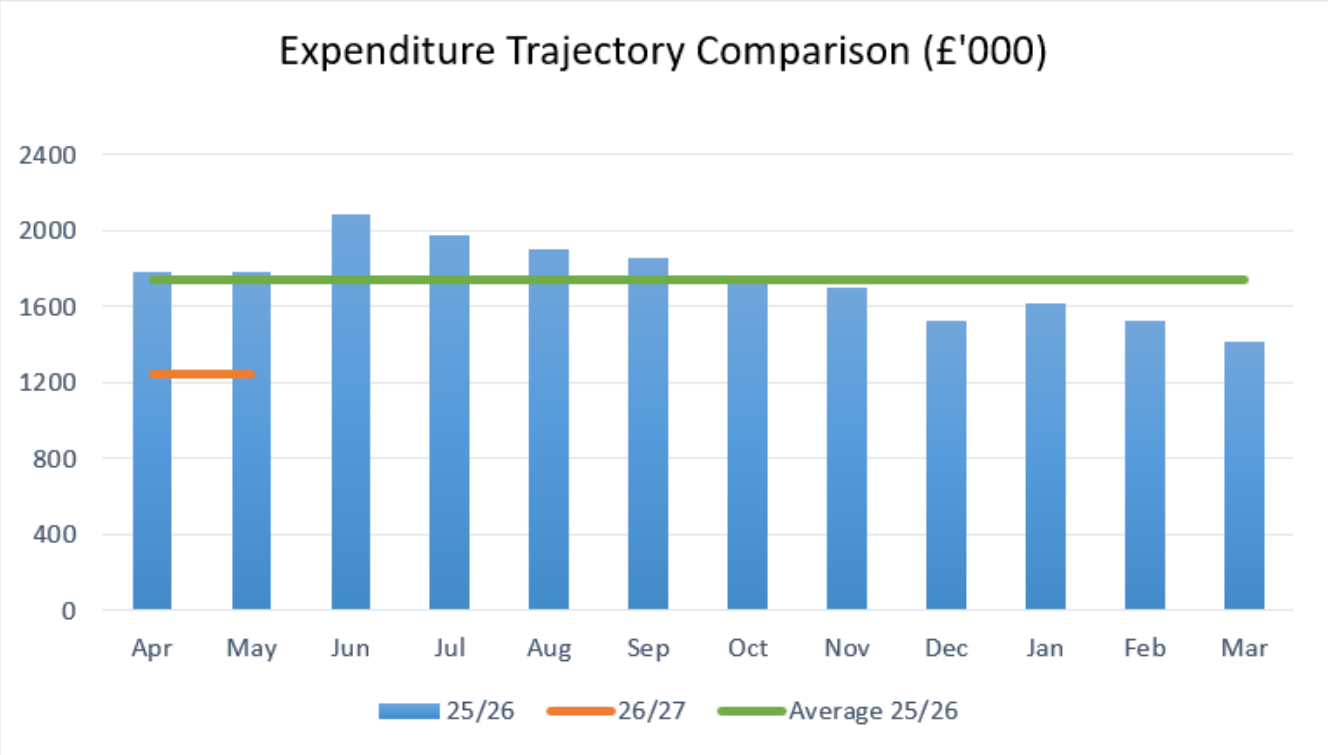


Table 9 indicates a reduction in nursing agency expenditure of £1.0m (28.7%) when compared to the average expenditure of 2025/26. This reflects the full year effect of savings achieved in 2025/26 and savings achieved to date in 2026/27.

Table 9: 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 which it is hoped will embed improved sustainable control.

- **Roster planning and management**: the objective in 2026/27 is to continue to embed the capabilities of available technologies and 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.

- **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.

- **Better Care for Older People:** it is expected that that the workstreams arising from the workshop held on 19 June 2026 will impact positively on flow including escalation beds.

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 an indicative allocation of £32.75m for 2026/27 as per the latest CRL letter of 18th June. While a final budget has not been agreed, the Department of Health (DoH) is facing an extremely challenging financial outlook for 2026/27, resulting in a continued constrained capital position for the Trust. The table below shows expenditure to 30th April 2026 and the planned year end position to 31st March 2027.

Table 10: Capital Expenditure

Project	Capital Resource Limit (CRL) £'000	Expenditure at 30th April 2026 £'000	Forecast to 31 March 2027 £'000
Lisnaskea Health & Care Centre	10,566	769	10,566
General Capital	10,736	966	10,736
Backlog Maintenance	3,652	75	3,652
MH Task and Finish	1,150	0	1,150
ICT (BloodPat)	137	0	137
IFRS16 Cellular Pathology	1,947	0	1,947
Ventilation North West Cancer Centre	3,000	191	3,000
Altnagelvin Teaching Space (IFF)	685	33	685
Strabane Health & Care Centre (City Deal)	477	45	477
Trust R&D Expansion Project (IFF)	398	8	398
Total	**32,748**	**2,087**	**32,748**

The indicative CRL for backlog maintenance (BLM) represents 75% of the capital funding currently available for BLM. The remaining 25% is expected to be allocated following DoH Health Estates' review of BLM information to be submitted by each of the ALBs. IFRS16 Cellular Pathology expenditure is profiled for Autumn/Winter 2026 while we await an updated implementation date.

In addition to the above, the Trust has submitted the following bids:

- A further £1.54m estimated for IFRS16, related to property and equipment lease contracts planned for renewal in year. This funding will be allocated upon confirmation of lease signing and 'Right-of-Use' fixed asset figure.
- £2.24m for Research & Development. This funding will be allocated in line with spend reported in R&D Monitoring Return submissions.
- £0.8m in year requirement for the project to replace the South Block roof.

Key Messages

- The Trust is reporting a deficit of £7.7m at 31 May 2026.
- Directors have achieved £2.4m (73%) of their profiled savings target at May 2026.
- 95.94% of undisputed invoices were paid within 30 working days of receipt against the target of 95%.

Eimear McCauley
Executive Director of Finance, Contracts & Capital Development