



# Financial Performance Report

For the 9 months ended 31 December 2025

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## **Executive Summary**

I am pleased to report that following a further review of the Trust financial plan during January, I am in a position to reduce our projected deficit from £2.6m to breakeven against budget for 2025/26. This reflects the prudent, risk-based approach underpinning the financial plan and its underlying assumptions that have become more refined as greater clarity over income, expenditure and savings trajectories have emerged throughout the year. It is also reflective of the impact of the control total arrangements for Directorates and the commitment by Directors and their teams to delivering against their financial objectives in what has and continues to be an extremely challenging year for services.

A letter from the Permanent Secretary dated 8 January 2026 advised that whilst the Executive has approved the Ministerial Direction to implement the 2025-26 HSC pay award in full, there is a shortfall in funding which will result in an overspend relating to the pay award. Available funding will be allocated on a pro rata basis with the remaining shortfall recorded as an overspend in the Trust accounts for 2025/26. An indicative control limit of £18.6m has been set for the Trust, however this may be adjusted once the actual pay award has been implemented in February 2026 and actual costs are fully confirmed.

As a result, the Trust is reporting break-even against budget for 2025/26 but will have a forecast deficit and control total of c£18.6m relating to the pay award. It is important that this outcome is properly reported and disclosed. Detail of Annual Accounting disclosure requirements are to be included within the accounting guidance to be issued by the DoH Financial Accounting Unit for year end.

## Statutory Financial Performance Targets

	Rag Status
<p><b>Manage within allocated Revenue Resource Limit (RRL) / Operate within Control Total</b> The Trust forecasts break-even against budget in 2025/26 and we expect to report a deficit against the unfunded element of the pay award of c£18.6m in line with our approved control total.</p>	<p>Green (with agreed exception)</p> 
<p><b>Deliver against 2025/26 savings targets</b> The Trust has achieved £14.8m/ 95% of contingency savings against the profiled target at December 2025.</p>	<p>Green</p> 
<p><b>Manage within allocated Capital Resource Limit (CRL)</b> The Trust has a total capital allocation (Capital Resource Limit) of £39.01m. Capital expenditure to the end of November 2025 is £18.9m.</p>	<p>Green</p> 
<p><b>Prompt payment target – 95% of suppliers within 30 days</b> The Trust has paid <b>89.88%</b> of its undisputed invoices with suppliers within 30 days at 31 December 2025 against its target of 95%. In the month of December 2025, <b>96.72%</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 continue to exceed the 95% target. Performance has also improved in Estates in December.</p>	<p>Amber</p> 

## Financial plan 2025/26

The Trust is projecting an underlying breakeven position for 2025/26 against its budget. Table 1 below shows the progression of the forecast position throughout the year, and is adjusted for the control limit relating to the pay award 2025/26

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

	Financial Plan			
	June 2025 (v3) £'m	Oct 2025 (v4) £'m	Nov 2025 (v5) £'m	Jan 2026 (v6) £'m
Opening financial pressures	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
Forecast pressures 2025/26 (net of indicative/ assumed income)	11.0	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>
Phase 1: Low/medium savings	(31.5)	(31.5)	(31.5)	(31.5)
Phase 2: Low/medium savings	0.0	(7.3)	(7.1)	(7.1)
Phase 2: High savings			(0.5)	(0.5)
Other opportunities	(9.0)	(10.4)	(11.6)	(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>Forecast net deficit 2025/26</b>	<b>31.5</b>	<b>19.3</b>	<b>17.8</b>	<b>15.2</b>
SPPG Deficit Funding	(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>
Control limit: 2025/26 pay award				18.6
<b>Forecast deficit 2025/26 (including agreed control limit)</b>				<b>18.6</b>

The Trust has completed a further review of the financial plan which has resulted in a reduction of the previously projected deficit from £2.6m to breakeven. This reflects additional funding allocations confirmed against pressures and refinement of expenditure and savings trajectories. A control limit for the Trust is being set in relation to the 2025/26 pay award which will result in the Trust reporting a deficit position of c£18.6m for 2025/26, with the figure subject to confirmation once payment has been processed..

## Control Total Monitoring

The Trust is reporting a variance against control totals of £1.1m at 31 December 2025. This is due to a net underachievement against contingency savings targets of £0.7 and planned and unplanned growth of £0.4m. Table 2 below summarises performance against control totals by Directorate.

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

<b>Directorate</b>	<b>Control Total 2025/26 £'000</b>	<b>Projected at Dec 25 £'000</b>	<b>Actual at Dec 25 £'000</b>	<b>Variance £'000</b>
Unscheduled Care, Cancer, Diagnostics & Medicine	17,769	13,857	13,474	(383)
Surgery, Paediatrics & Women's Service	6,774	5,342	6,926	1,584
Adult Mental Health & Disability	4,566	3,188	4,045	857
Community & Older People's Services	6,463	3,711	3,501	(210)
Children & Families	(3,401)	(2,274)	(1,271)	1,003
Nursing Midwifery and AHP	(2,128)	(1,631)	(2,368)	(737)
PPCS	(4,341)	(2,972)	(2,780)	192
Finance, Contracts & Capital Development	(411)	(219)	(221)	(2)
Human Resources	(210)	(108)	(188)	(80)
Chief Executive	13	23	35	12
Medical	(480)	(180)	(287)	(107)
Corporate Pay & Non Pay	8,713	6,586	5,556	(1,030)
<b>Directorate Total</b>	<b>33,327</b>	<b>25,323</b>	<b>26,422</b>	<b>1,099</b>

Whilst a number of Directorates continue to be challenged in relation to unplanned growth, performance has improved in December following confirmation of funding by SPPG and NIMDTA against pressures. Directors must ensure there is no further deterioration in financial performance by identifying mitigating action such as the curtailment of planned growth should there be any further unplanned rises.

## Financial Performance

The Trust is reporting an overspend against its budgets of £1.5m (0.2%) at 31<sup>st</sup> December 2025, 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	December Variance		November Variance		Restated Variance 2024/25
	£'000	£'000	£'000	%	£'000	%	%
Unscheduled Care, Cancer, Diagnostics & Medicine	176,327	189,801	13,474	7.6%	12,617	8.1%	9.4%
Surgery, Paediatrics & Women's Services	115,114	122,040	6,926	6.0%	6,382	6.3%	6.2%
Adult Mental Health & Disability	125,901	129,946	4,045	3.2%	3,438	3.1%	2.3%
Community & Older People's Services	165,335	168,836	3,501	2.1%	3,525	2.4%	2.1%
Nursing, Midwifery & AHP's	31,671	29,303	(2,368)	(7.5%)	(2,035)	(7.2%)	(5.4%)
Children & Families	74,680	73,409	(1,271)	(1.7%)	(1,298)	(2.0%)	(3.1%)
Medical	4,259	3,972	(287)	(6.7%)	(219)	(5.8%)	(2.7%)
Planning, Performance & Corporate Services	57,742	54,961	(2,781)	(4.8%)	(2,432)	(4.7%)	(6.1%)
Finance, Contracts & Capital Development	5,501	5,281	(220)	(4.0%)	(125)	(2.6%)	(2.9%)
Human Resources	6,114	5,927	(187)	(3.1%)	(171)	(3.2%)	(4.7%)
Office of the Chief Executive	2,067	2,102	35	1.7%	38	2.1%	11.5%
Trust Wide Corporate Services	70,236	75,793	5,557	7.9%	4,395	7.1%	9.5%
Opportunities against Directorate Pressures	1,393		(1,393)	(100.0%)	(1,222)	(100.0%)	(100.0%)
<b>Directorate sub-total</b>	<b>836,340</b>	<b>861,371</b>	<b>25,031</b>	<b>3.0%</b>	<b>22,893</b>	<b>3.1%</b>	<b>3.5%</b>
Covid19	2,615	2,783	168	6.4%	163	7.3%	0.0%
Deficit funding/ Other opportunities	23,703		(23,703)	(100.0%)	(18,026)	(100.0%)	(100.0%)
<b>Reported Deficit</b>	<b>862,658</b>	<b>864,154</b>	<b>1,496</b>	<b>0.2%</b>	<b>5,030</b>	<b>0.7%</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. Total savings are £22.7m.

Tables 4 and 5 below summarise performance against the total contingency savings target of £22.7m at 31<sup>st</sup> December 2025 by both Directorate and by work-stream. In spite of the additional savings requirements having been implemented effective from November 2025, directorate performance remains strong and achievement of 95% is being reported for this period.

The RAG boundaries have been reset now for reporting over the remainder of this financial year with >95% being defined as Green (from >85% being the former boundary for reporting of performance). This is required to ensure that savings performance is being accurately reported against the overall target for the year which had been subject to profiling variation over time and to ensure focus is targeted to lower performing areas. It is imperative that Directorates who are now being reported in amber step-up savings efforts in the final quarter of the year.

**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	3,665	3,528	96%	●
Surgery, Paediatrics & Women's Services	2,737	1,953	1,736	89%	●
Adult Mental Health & Disability	2,716	1,765	1,484	84%	●
Community & Older Peoples Services	2,889	2,277	2,277	100%	●
Nursing, Midwifery & AHP's	543	349	476	137%	●
Children & Families	1,501	832	639	77%	●
Planning, Performance & Corporate Services	1,901	1,044	998	96%	●
Medical Directorate	352	164	165	100%	●
Finance, Contracts & Capital Development	301	161	161	100%	●
Human Resources	237	135	159	117%	●
Chief Executive Office	58	30	29	98%	●
Corporate	4,204	3,125	3,125	100%	●
<b>Total</b>	<b>22,733</b>	<b>15,500</b>	<b>14,778</b>	<b>95%</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	1,746	753	43%	
Rota optimisation/ Dom Care	515	297	297	100%	
High cost cases/ enhanced rate efficiencies	1,100	652	597	92%	
Nursing agency	2,410	1,737	963	55%	
Workforce control increase (non-recurrnt repeatable)	6,280	4,664	6,827	146%	
Admin efficiencies	1,618	1,032	663	64%	
MORE	1,068	686	686	100%	
Medical & surgical consumables	1,900	556	387	70%	
Corporate and facilities management service reduction	1,694	1,123	1,123	100%	
Mental health crisis service	500	286	-	0%	
Other Opportunities	3,180	2,723	2,483	91%	
<b>Total</b>	<b>22,733</b>	<b>15,500</b>	<b>14,778</b>	<b>95%</b>	

              
 <=69%      70% - 94%      >=95%

Presentation of performance by work stream has also been impacted by the restating of the performance RAG rating boundaries.

Strong performance being reported suggests good momentum in spite of ongoing challenges across some of the work streams.

- 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;
- Further progress is expected in administration primarily through strengthened controls as a dedicated work stream is established through our Delivering Value programme. Directors have committed that any in-year gap will be bridged 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 risk in relation all savings plans continues to be undertaken by project leads with accountability through the Trust Delivering Value Management Board.

## **Key Risks and Mitigations**

### **Expenditure growth**

Expenditure growth remains a key risk to financial performance. Our projected position is dependent on Directors maintaining expenditure with agreed control total limits. Given the limited time remaining this year, Directors should continue to contain expenditure wherever possible to protect the overall financial position, recognising that there is limited opportunity to absorb additional growth in the final months of the year.

### **Savings plans**

It is imperative that Directors continue to focus on delivering savings in full. Efforts must remain strong for the achievement of savings and to maximise in-year and recurrently in order to improve our opening forecast for 2026/27. DVMB will be the primary forum to examine risks in detail, review barriers to delivery and identify opportunities to accelerate savings.

### **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 £64.7m and is summarised by Directorate below. Total agency expenditure is £43.5m, which includes £23.1m (53.1%) of medical agency, £16.4m (37.7%) of nursing agency and £4m (9.2%) across other professional groups. Expenditure on bank staff over the same period is £17.5m. 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 December 2025				Growth from Prior Period	Cum to November 2025
	Overtime	Agency	Bank	Total		Total
	£'000	£'000	£'000	£'000	%	£'000
Unscheduled Care, Cancer, Diagnostics & Medicine	1,137	19,619	2,737	23,492	(0.4%)	20,972
Surgery, Paediatrics & Women's Services	607	8,063	1,259	9,930	(0.9%)	8,909
Adult Mental Health & Disability	555	9,635	3,870	14,059	(0.1%)	12,508
Children & Families Directorate	509	1,092	2,572	4,173	0.9%	3,675
Nursing, Midwifery & AHP's	66	127	375	568	0.7%	501
Community & Older Peoples Services	535	4,419	2,474	7,428	0.5%	6,567
Finance, Contracts & Capital Development	7	231	15	253	1.2%	222
Human Resources	12	-	0	123	(3.3%)	124
Medical Directorate	1	-	9	10	2.0%	9
Chief Executive Office	-	0	-	0	(11.1%)	0
Planning, Performance & Corporate Services	438	256	3,862	4,556	(2.3%)	4,146
COVID19 - commissioned	4	6	163	173	10.6%	139
<b>Total</b>	<b>3,871</b>	<b>43,447</b>	<b>17,460</b>	<b>64,777</b>	<b>(0.3%)</b>	<b>57,774</b>

## Medical

Table 7 illustrates that the Trust has experienced an increase in total medical expenditure of £4.27m (4.1%) when compared to the average in 2024/25. It is disappointing that expenditure has increased in the current month indicating underlying pressures remain which are mainly due to the filling of vacancies and cover for absence and unplanned leave.

**Table 7: Total Medical**

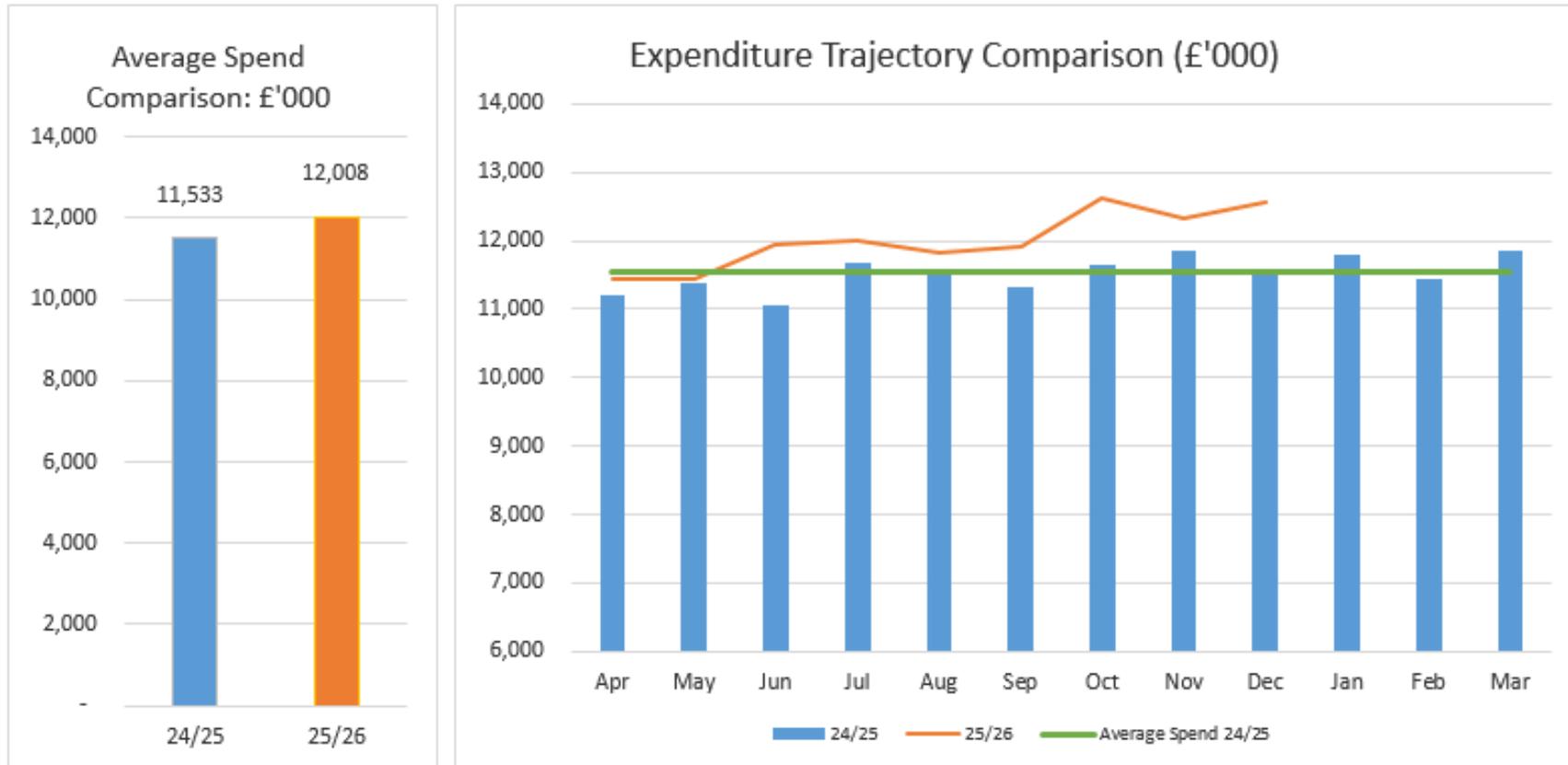
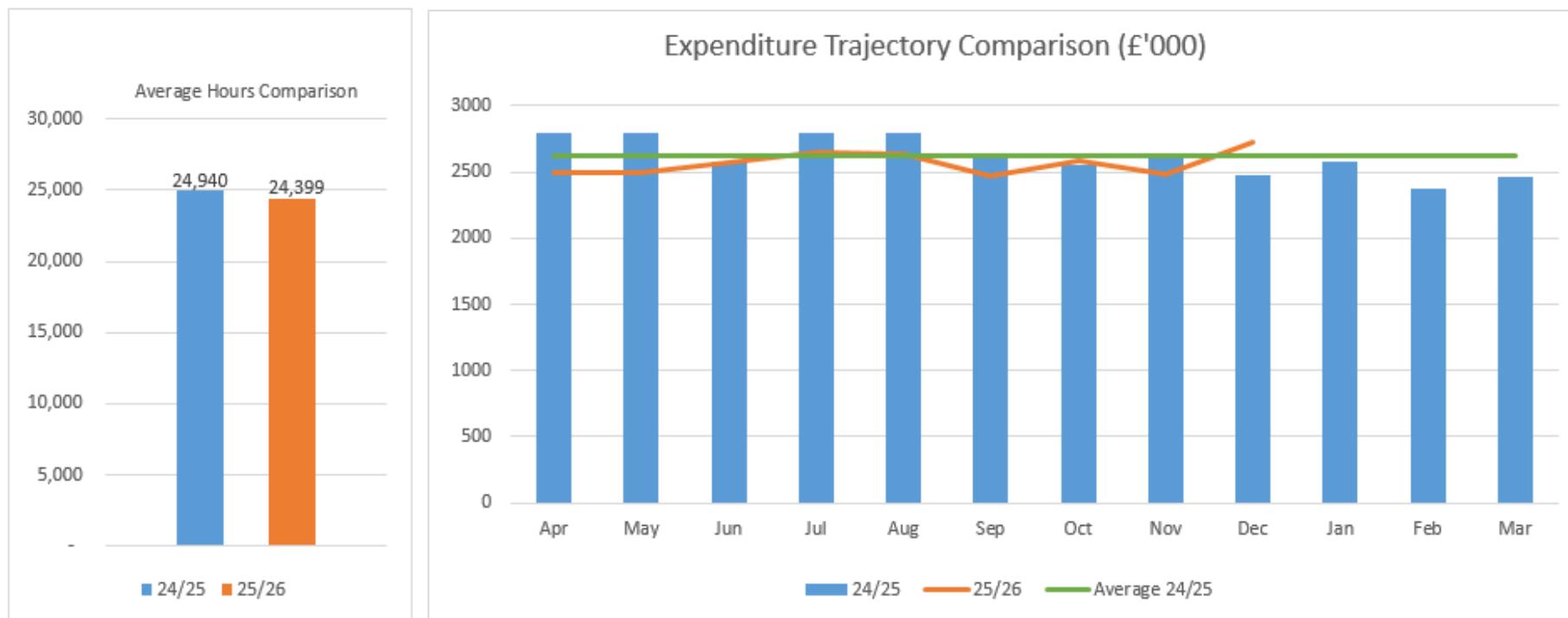


Table 8 below illustrates that there has been a decrease in average medical agency expenditure of 2.0% when compared to the average in 2024/25. However there has been a concerning rise in medical agency expenditure in December due to an increase in the average price per hour driven by variation in utilisation mix indicating a profile of higher grade doctors.

**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 21 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 was released however re-engaged to cover sickness and the other has been retained to support additional pressures and on call in the area. In the other 17 cases, successful candidates have filled vacancies, which is a contributory factor to the increased expenditure in 2025/26. There are a further 3 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 plans to conduct a follow up meeting with NIMDTA in February.
- **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 under development to address 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. Final award letters are expected to be issued in late January with implementation by 2<sup>nd</sup> March 2026. 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 £5.4m (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, early indicators suggest that operational controls put in place from June are having a positive impact on nursing agency volume. However, pressures still 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**

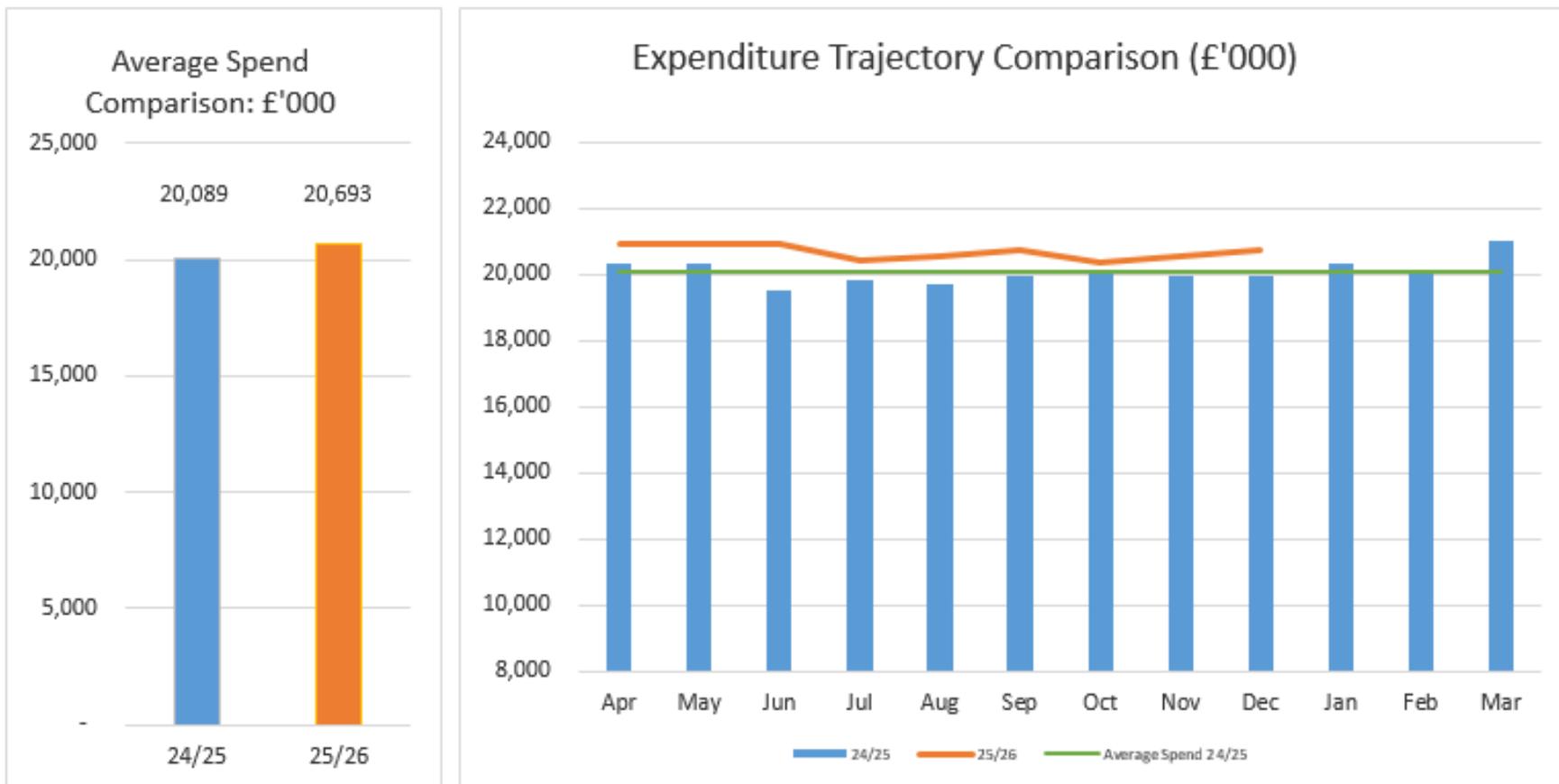
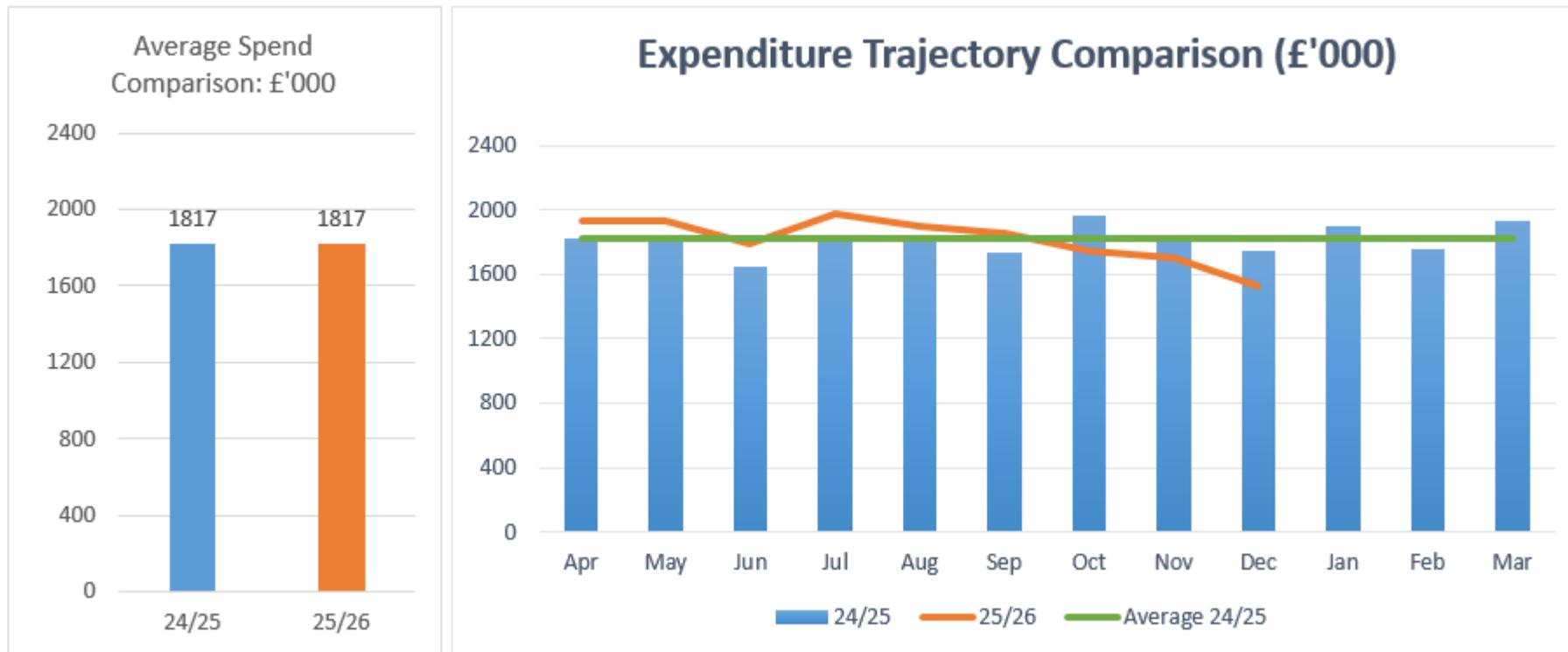


Table 10 below indicates that nursing agency expenditure levels have been reducing steadily since July and average levels are now the same as those reported in 2024/25. The year-to-date position remains 0.8% higher, but this is marginal and reflects a very positive trajectory. Whilst this is encouraging, further reductions in agency expenditure will be critical to meeting our savings targets.

**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 are materialising, 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. The current nursing agency framework has been extended for a further year with work now commencing on a revised framework.

## Capital Expenditure

The Trust has received a total capital allocation (Capital Resource Limit) of £39m, as per the letter dated 13<sup>th</sup> January 2026 from the Department of Health. Additional funding of £1.1m has been provided to support backlog maintenance and the GP improvement scheme. The table below shows expenditure to 30<sup>th</sup> November 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 30th November 2025 £'000</b>	<b>Forecast Expenditure at 31 March 2026 £'000</b>
Cityside HCC	183	121	183
Lisnaskea	12,450	7,156	12,450
GP Improvement Scheme	150		150
Research & Development	702	585	702
ICT – Various Projects	596	351	596
General Capital	10,826	6,824	10,826
Car Parking - Hospital Parking Charges Act	208		208
Backlog Maintenance	6,725	2,995	6,725
MH Task & Finish	670	105	670
IFRS Leases	265	265	265
Altnagelvin teaching space	281	180	281
Strabane Health & Care Centre (City Deal)	350	76	350
Ventilation North West Cance Centre	1,000	235	1,000
Imaging Diagnostics	3,867		3,867
Elective Care	736	30	736
Disposals - other assets	(8)	(8)	(8)
<b>Total</b>	<b>39,001</b>	<b>18,915</b>	<b>39,001</b>

## **Key Messages**

- The Trust is reporting a deficit position of £1.5m at 31<sup>st</sup> December 2025.
- The Trust is projecting a break-even position against budget for 2025/26. However the Ministerial Direction for the payment of the pay award 2025/26 in February 2026 will result in a forecast deficit and control total of c£18.6m (subject to actual cost).
- Although Phase 2 savings are profiled over a five-month delivery period and remain at an early stage, monitoring is indicating stronger than anticipated performance at this stage, with a sustained improvement in delivery. This suggests good momentum despite ongoing challenges across a number of work streams. RAG boundaries have been restated in this report to support targeted focus by Directorates and SRO Leads to workstreams for the final quarter of the year.
- Control total monitoring is indicating improved performance in December. This is mainly due to confirmation of additional funding against pressures.
- 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 97%

**Eimear McCauley**

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