



Western Health
and Social Care Trust



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Financial Performance Report

For the 4 months ended 31 July 2025

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Executive Summary

The Trust has submitted an updated Financial Plan for 2025/26 (version 3) on 7 July 2025. As previously noted, DoH/SPPG are approaching the savings obligations for Trusts on a two phased basis. Phase 1 will focus on Trusts returning to their deficit position in 2024/25. Phase 2 will focus on the delivery of a further £100m of savings from Trust baselines linked to the work-streams of the newly established regional Systems Financial Management Group (SFMG).

Whilst being fully supportive of the DoH/SPPG approach to savings, our Trust assessment of Phase 2 savings targets is currently high risk due to plans being at too early a stage to inform savings potential. On that basis our forecast is a deficit of £16.3m for 2025/25. An extensive programme of work to support SFMG has been supported by the Trust Chief Executive and a selection of Directors to identify opportunities for system-wide savings acceleration opportunities.

A more extensive briefing of the Trust Financial Plan 2025/26 (v3) and the Trust contribution to the SFMG programme is provided separately.

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 a deficit position of £16.3m for 2025/26.	
Deliver against 2025/26 savings targets The Trust has achieved £3.9m/ 85% of savings against the profiled target at July 2025.	
Manage within allocated Capital Resource Limit (CRL) The Trust has a total capital allocation (Capital Resource Limit) of £34.6m. Capital expenditure to the end of June 2025 is £4.8m.	
Prompt payment target – 95% of suppliers within 30 days The Trust has paid 82.68% of its undisputed invoices with suppliers within 30 days at 31 July 2025 against its target of 95%. In the month of July 2025, 88.28% of undisputed invoices with suppliers were paid within 30 days. The improved position has been as a result of sustained focus on the approval of nurse agency and estates invoices in particular within 30 days.	

Financial plan 2025/26

The Trust is projecting a deficit position of £16.3m for 2025/26 as summarised in Table 1 below.

Table 1. Projected Deficit 2025/26

	2025/26 Projected Deficit at June 2025 £'m
Opening financial pressures	34.6
Savings targets 2023/24/ MORE savings target 2024/25	26.4
Forecast pressures 2025/26 (net of indicative/ assumed income)	11.0
Forecast gross deficit 2025/26	72.0
Low/medium savings	(31.5)
Additional opportunities	(2.2)
Phase 1 additional savings	(6.8)
Trust led savings & managed risk	(40.5)
Forecast net deficit 2025/26	31.5
SPPG Deficit Funding	(15.2)
Revised forecast deficit 2025/26	16.3

The Trust will be undertaking a mid-year assessment of the financial position after Month 5 which will take account of all income, including funding confirmed by SPPG, as well as a robust review of expenditure trajectories.

Financial Performance

The Trust is reporting an overspend against its budgets of £7.5m at 31 July 2025. Table 2 below summarises the financial performance by Directorate. Directorates are reporting an overspend of 3.6% for the period against the restated prior year reported budget variance of 3.5%. The bottom-line position for the Trust is an overspend of 2.0% against budget. The reported position for June has been restated following a revision to accounting assumptions.

Table 2. Summary Financial Performance by Directorate

Directorate	Budget	Expenditure	July Variance		June Variance Restated		Restated Variance 2024/25
	£'000	£'000	£'000	%	£'000	%	%
Unscheduled Care, Cancer, Diagnostics & Medicine	75,818	82,869	7,051	9.3%	5,565	9.8%	9.4%
Surgery, Paediatrics & Women's Services	49,092	52,791	3,699	7.5%	2,672	7.3%	6.2%
Adult Mental Health & Disability	55,494	56,890	1,396	2.5%	1,255	3.0%	2.3%
Community & Older People's Services	72,571	75,077	2,506	3.5%	1,838	3.4%	2.1%
Nursing, Midwifery & AHP's	14,058	13,048	(1,010)	(7.2%)	(740)	(7.0%)	(5.4%)
Children & Families	32,581	31,851	(730)	(2.2%)	(599)	(2.5%)	(3.1%)
Medical	1,875	1,755	(120)	(6.4%)	(82)	(5.8%)	(2.7%)
Planning, Performance & Corporate Services	25,777	24,283	(1,494)	(5.8%)	(1,189)	(6.1%)	(6.1%)
Finance, Contracts & Capital Development	2,343	2,288	(55)	(2.3%)	(28)	(1.6%)	(2.9%)
Human Resources	2,645	2,558	(87)	(3.3%)	(80)	(4.0%)	(4.7%)
Office of the Chief Executive	786	789	3	0.4%	(1)	(0.2%)	11.5%
Trust Wide Corporate Services	30,368	32,940	2,572	8.5%	1,804	7.9%	9.5%
Opportunities against Directorate Pressures	549		(549)	(100.0%)	(371)	(100.0%)	(100.0%)
Directorate sub-total	363,957	377,139	13,182	3.6%	10,044	3.7%	3.5%
Covid19	1,041	1,211	170	16.3%	(1)	(0.1%)	0.0%
Deficit funding	5,817		(5,817)	(100.0%)	(4,363)	(100.0%)	(100.0%)
Reported Deficit	370,815	378,350	7,535	2.0%	5,680	2.0%	0.0%

Having recognised that in the current financial year with there being no demographic growth funding, there has been a requirement to implement a Control Total regime for Directorates. Control total monitoring will become the primary indicator of financial performance for Directorates. Therefore growth in budget variance in year will be as a consequence of either planned unavoidable financial growth or unplanned growth. More detail is provided in Table 3, Page 7

Control Total Monitoring

For Service Directorates, a Directorate control total regime to improve control and assurance in relation to expenditure growth in 2025/26 has been implemented and this will be rolled out to all Directorates by the end of September 2025.

Service Directorates are reporting a variance against their control totals at July 2025 of £3.2m. This is due to underachievement of contingency savings of £0.9m and unplanned growth of £2.4m. Table 3 below summarises performance against control totals by Directorate.

Table 3. Control Total Monitoring by Directorate

Directorate	Control Total 2025/26 £'000	Control Total July 25 £'000	Actual July 25 £'000	July Variance £'000
Unscheduled Care, Cancer, Diagnostics & Medicine	18,206	6,270	7,051	781
Surgery, Paediatrics & Women's Service	7,476	2,542	3,699	1,157
Adult Mental Health & Disability	4,855	1,074	1,396	322
Community & Older People's Services	6,701	1,690	2,506	816
Children & Families	(2,561)	(901)	(730)	171
Directorate Total	34,677	10,675	13,922	3,247

It is too early in the financial year to draw any conclusion in relation to this position as it pertains to the financial forecast. However, it does highlight the requirement for urgent and immediate action by Directors and their Senior Teams. It has been the priority discussion at Directorate Finance Focus meetings. Directorates are aware that they must have an improved position at Month 5 to get performance back to within forecast levels. The scheduled financial plan mid-year review will be conducted after the Month 5 report.

Contingency Savings Plan

For 2025/26, the Trust target for savings is £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. This includes repeatable but non-recurrent savings of £4.4m from 2024/25 as a general workforce control target, which is stretched in 2025/26 to £5m. The management of the risk in relation to these savings plans is undertaken by Project leads with accountability through the Trust Delivering Value Management Board.

Tables 4 and 5 below summarise performance against profiled savings targets at 31st July 2025 by both Directorate and by work-stream.

Table 4: Savings Target Monitoring by Directorate

Directorate	Total Target £'000	Target Profile £'000	Savings Delivered £'000	% of Profile Achieved	RAG rating
UCCD&MS	4,357	1,213	895	74%	●
SP&W	2,035	997	766	77%	●
AMH&D	2,427	576	394	68%	●
C&OPS	2,651	779	779	100%	●
NM&AHP	432	179	179	100%	●
C&F	660	220	226	103%	●
PPCS	1,383	356	356	100%	●
Medical	67	22	21	95%	●
Finance	116	39	42	109%	●
HR	116	45	45	100%	●
CX Office	18	6	6	100%	●
Corporate	814	271	271	100%	●
Total	15,076	4,702	3,979	85%	●


















 ≤59%
  60% - 84%
  ≥85%


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	2,169	723	266	37%	
Rota optimisation	315	51	51	100%	
High cost cases/ enhanced rate efficiencies	1,000	111	90	81%	
Nursing agency	2,210	737	273	37%	
Workforce control increase (non-recurrnt repeatable)	5,000	2,337	2,698	115%	
Admin efficiencies 2%	1,100	340	199	58%	
MORE	568	-	-	0%	
Medical & surgical consumables	600	36	36	100%	
Corporate and facilities management service reduction	1,614	367	367	100%	
Mental health crisis service	500	-	-	0%	
Total	15,075	4,702	3,979	85%	


 <=59%


 60% - 84%


 >=85%


 Future Profiled

For the period to 31st July 2025, the Trust has delivered £3.9m of savings against the profiled target of £4.7m with ongoing concerns around specific savings work-streams in particular Directorates. To note, some work streams are profiled for the delivery of savings later in the year. The tables highlight the following key messages:

- In spite of the range of measures in place to support medical locum savings, delivery is currently below profile. The Trust SRO has continued with local accountability frameworks to maintain focus on delivery of savings and the Regional ARIG group continues to work collectively and at pace;
- This is also the position with nurse agency savings;
- Achievement of admin efficiencies continues to be challenging, particularly given the rollout of new technologies. DVMB has acknowledged savings will be achieved in year primarily through workforce controls whilst concurrently establishing change management programs.

Key Risks and Mitigations

Expenditure growth

Trust expenditure forecasts assume that Directors will contain expenditure within the agreed control total limits.

The monitoring of control totals is indicating that expenditure is rising above the planned trajectory at this stage of the year creating potential additional unplanned in-year pressures. Directors will need to further strengthen budgetary control arrangements within their teams to ensure that unplanned expenditure is fully avoided or other activity is displaced in order to remain within their agreed control total. This must include having assurance that the framework for budget holder accountability within their Directorates is robust.

Contingency savings plan

The financial plan assumes Directors will deliver in full against planned savings of £31.5m in 2025/26.

Monitoring of savings performance to date highlights variances in specific areas signalling that closer scrutiny and targeted management action is required if savings delivery is to be assured. Therefore Directors must develop a risk-based approach and much strengthened scrutiny and oversight in the management of agency and recruitment of posts in 2025/26 together with oversight of flexible pay such as overtime and agency. Members of DVMB will discuss the risk with specific work-streams to understand the barriers and consider how savings can be accelerated.

New/ emerging service pressures

As a complex Health and Social Care system, operating within a very constrained financial budget, there is limited scope for being able to absorb any new or emerging financial pressures as a consequence of service pressures. In addition, we continue to be challenged by increased standards around quality, policy compliance and legislation which can be administratively costly and unfunded.

As such pressures emerge, decisions will be taken on a risk-based approach, recognising the potential wider consequences for services, patient safety and outcomes and Trust Statutory Duty.

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 £29.4m and is summarised by Directorate below. Total agency expenditure is £19.6m, which includes £10.2m (51.9%) of medical agency, £7.6m (38.8%) of nursing agency and £1.8m (9.2%) across other professional groups. Expenditure on bank staff over the same period is £7.7m. The average expenditure on flexible staffing for 2025/26 has increased by 3.5% when compared to average spend during 2024/25.

Table 6: Total Flexible Staffing Expenditure

Directorate	Cum to July 2025					Cum to June 2025
	Overtime	Agency	Bank	Total	Growth from Prior Period	Total
	£'000	£'000	£'000	£'000	%	£'000
Unscheduled Care, Cancer, Diagnostics & Medicine	602	9,138	1,193	10,933	(2.4%)	8,399
Surgery, Paediatrics & Women's Services	330	3,760	547	4,637	1.2%	3,436
Adult Mental Health & Disability	225	4,058	1,775	6,058	(1.8%)	4,628
Children & Families Directorate	259	429	1,125	1,813	2.3%	1,330
Nursing, Midwifery & AHP's	33	75	163	272	0.7%	202
Community & Older Peoples Services	231	1,986	1,095	3,312	1.1%	2,456
Finance, Contracts & Capital Development	4	93	5	103	(11.6%)	87
Human Resources	12	- 0	63	74	4.4%	53
Medical Directorate	1	-	2	3	7.5%	2
Chief Executive Office	-	0	-	0	(25.0%)	0
Planning, Performance & Corporate Services	323	100	1,718	2,140	6.1%	1,513
COVID19 - commissioned	3	- 6	61	58	2.7%	42
Total	2,023	19,633	7,748	29,404	(0.4%)	22,150

Medical

Tables 7 and 8 below illustrate that whilst there has been a decrease in average medical agency expenditure of 2.64% when compared to the average in 2024/25, the Trust has experienced an increase in total medical expenditure of £0.6m (1.43%) when compared to the average in 2024/25. The Trust financial plan includes an assumption that there will be a reduction in total medical expenditure as a consequence of medical agency savings of £2.2m, however Table 8 below confirms that savings are continuing to run at levels below the target across service Directorates. Under-achievement against savings targets is reportedly due to staffing pressures relating to increased absence and vacancy levels across services and flow pressures across acute and community hospital services.

Table 7: Medical Agency

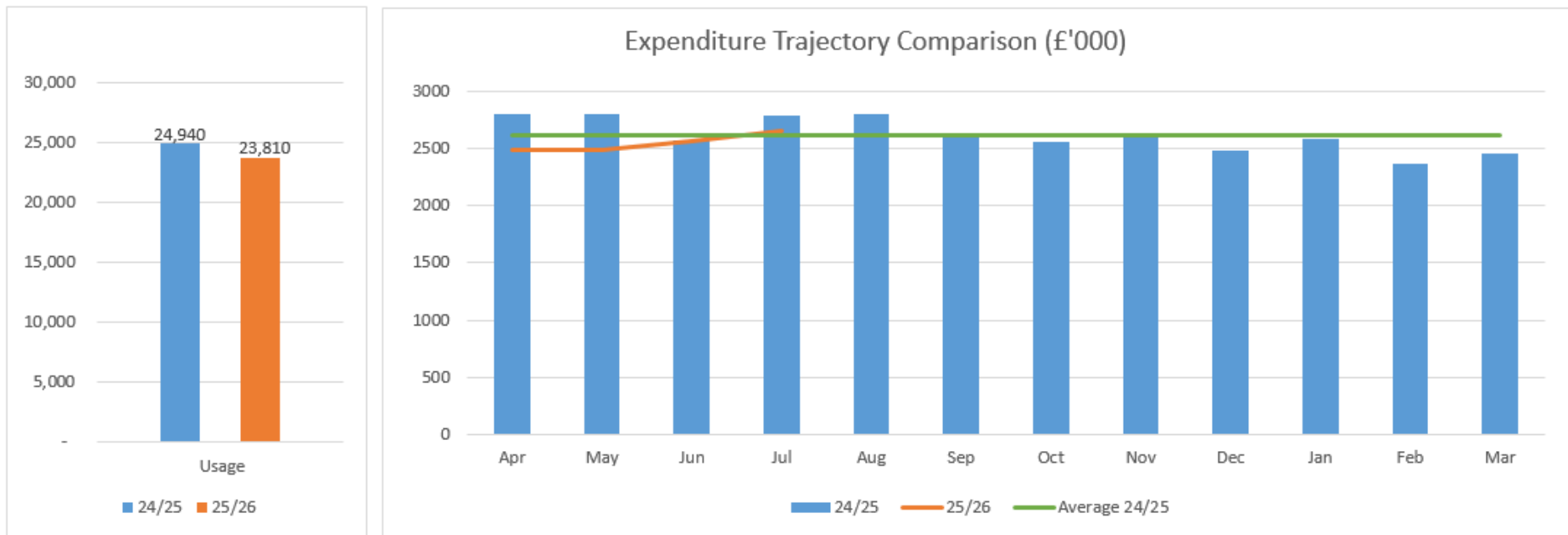
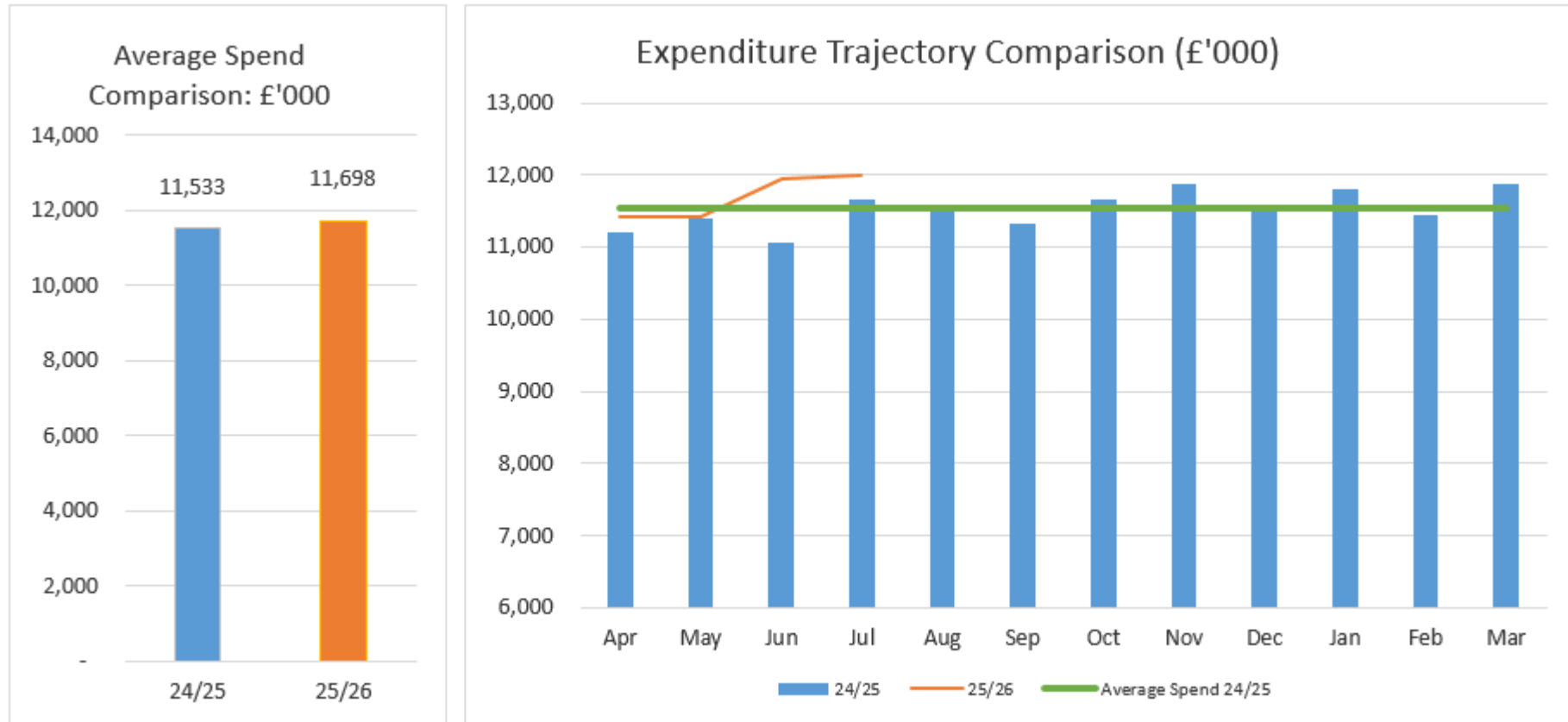


Table 8: Total Medical



There are a number of work streams that are focused on stabilisation of the medical workforce and on medical agency reduction. These local Trust work streams are led by the Medical Director as SRO with nominated leads across Directorates. Work streams include:

- International recruitment: This work stream including the bespoke Mumbai exercise, resulted in the appointment of 53 doctors of which 38 have commenced with the Trust. There continues to be intense focus on exit strategies for locums now displaced. Of the doctors appointed, 16 were expected to displace existing locum agency but 8 have been retained to support extended overlap periods. In other cases, successful candidates have filled vacancies, which is a contributory factor

to the total expenditure rise in 2025/26. Prolonged overlap periods are having a negative impact on savings delivery and overall medical expenditure.

- Removal on the highest cost agency doctors: of the top-10 highest cost doctors across each tier, two have exited at consultant tier, none at middle grade and one at resident doctor tier. Directorates must continue 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. Additional HR resource has been secured to support the actions required to resolve this. It must be noted that as trainees are provided by NIMDTA (NI Medical and Dental Training Agency) the Trust has strongly challenged NIMDTA with regards to doctors non-compliance with 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. An internal Financial Governance Review has been completed and an action plan is developed to address core issues.
- 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, increased focus is required in 2025/26 by Directorates which will be supported by the new medical agency framework.

Progress on the new Regional medical framework continues with Directorates currently completing a risk matrix to assess the impact to service of potential non-compliant locums. It is expected Directorates will have completed plans for risk mitigations by the end of September 2025. Current timelines for the implementation of the new framework have been extended to 31 December 2025 with contract award expected in October/ November.

A range of other opportunities to reduce medical costs are being explored through other Regional fora.

Nursing

Tables 9 and 10 below illustrate that there has been an increase in nursing agency expenditure of 9% when compared to the average in 2024/25, and an increase of £0.7m (3.5%) in total nursing expenditure when compared to the average expenditure in 2024/25. Whilst 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 AMHD services for additional nursing support, with agency hours not reducing in July 25.

Table 9: Nursing Agency

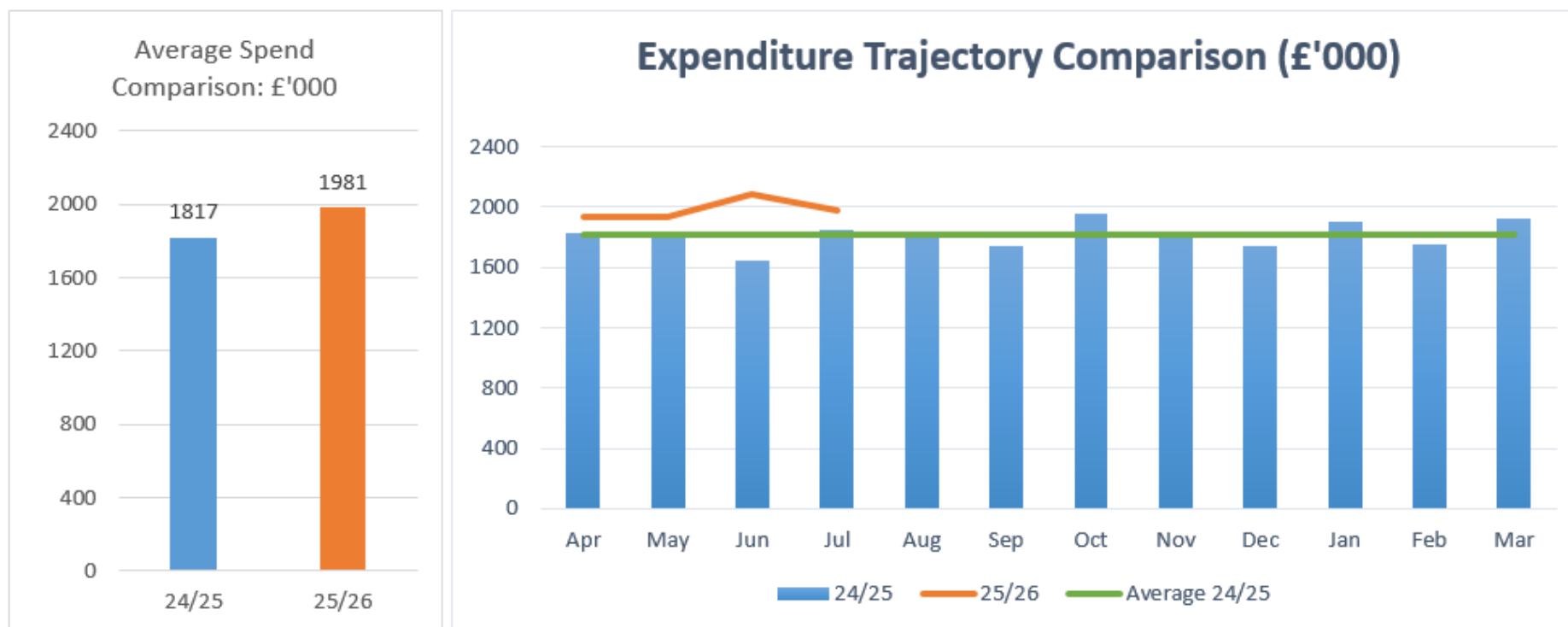
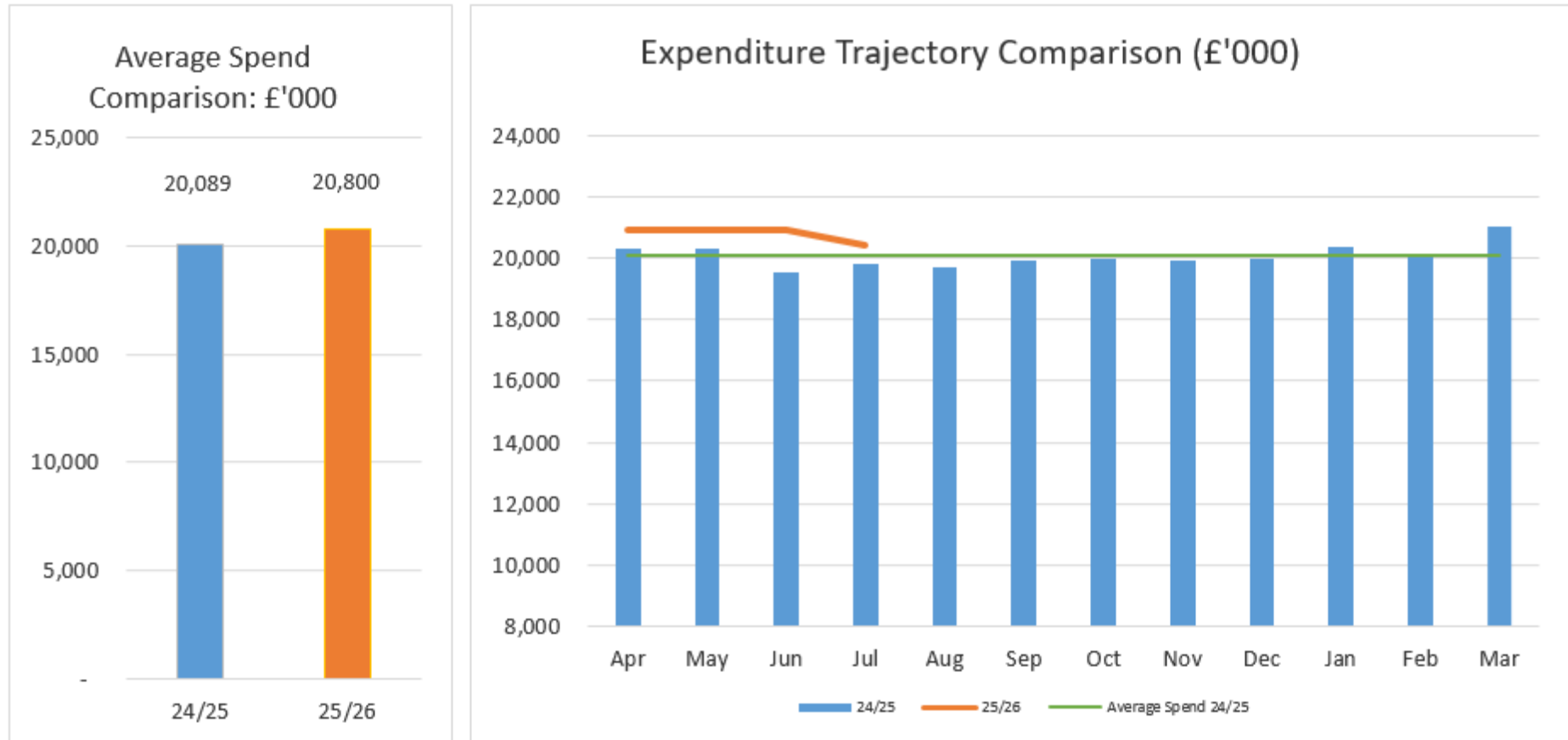


Table 10: Total Nursing



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: this has been developed and implemented and is currently being embedded across Directorates.

- Targeted training: there will be an ongoing focus on budgetary and eRoster training over the coming months including an assessment of its impact to nursing utilisation;
- Monthly Nurse staffing reviews: an active programme of nurse staffing reviews is ongoing to assess appropriate nurse staffing levels taking account of patient acuity, increased escalation beds, patient safety and alignment with current funding levels.
- Roster planning and management: the objective in 2025/26 is to fully utilise the capabilities of available technologies to imbed best practice at operational level including enhanced controls in relation to roster approval and compliance with Trust policy.

These measures are considered to be the enablers required 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

DoH advised of a capital allocation (Capital Resource Limit) of £34.62m for 2025/26 in their letter of 31 July 2025. The Trust capital allocation has increased by £2.7m to fund ventilation in NW Cancer Centre, schemes within Mental Health facilities and other projects. The table below details expenditure by project to 30th June 2025 and the planned year end position to 31st March 2026.

Table 11: Capital Expenditure

Project	Capital Resource Limit (CRL) £'000	Expenditure at 30th June 2025 £'000	Forecast Expenditure at 31 March 2026 £'000
Cityside HCC	183	-	183
Lisnaskea	14,000	1,995	14,000
ICT – Various Projects	596	112	596
General Capital	9,913	2,444	9,913
Car Parking - Hospital Parking Charges Act	208		208
Backlog Maintenance	5,875	196	5,875
MH Task & Finish	670		670
Altnagelvin teaching space (IFF)	200	35	200
Strabane Health & Care Centre (City Deal)	652		652
Ventilation North West Cance Centre	1,000		1,000
Imaging Diagnostics	1,325		1,325
Total	34,622	4,782	34,622

Key Messages

- The Trust is reporting a deficit position of £7.5m at 31st July 2025.
- The Trust is projecting a financial deficit of £16.3m for 2025/26.
- Whilst unplanned growth has not increased further this month, spend remains materially higher than planned. Directorates will need to maintain a clear focus on corrective measures to address this.
- Whilst savings delivery against profile has improved in July, savings are still not delivering at the pace which is required and remedial and urgent attention is also needed in this area.
- 82.68% of undisputed invoices were paid within 30 working days of receipt against the target of 95%.

Eimear McCauley

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