Southern Health and Social Care Trust

Finance Report

Month 12 March 2026

Finance Department

Contents

1. Financial Performance Targets at March 2026

Southern Health and Social Care Trust

Financial Performance Targets	Year to Date	**Year-end Forecast**
1. Achieve financial plan in 2025-26	**Surplus £177k (Control v Actual)**	**Breakeven with control total spend £1,150m**
The Trust has achieved a draft breakeven position for 2025/26, reporting a small surplus of £177k at month 12 against control total (0.02% of RRL). Figures are subject to audit review.		
2. Achieve 2025-26 savings target	**Overachieved by £46k or 0.11%**	**£43m**
The Trust Savings target for 2025/26 was £43.10m. Of the savings target of £43.10m, £43.15m has been achieved with an overachievement of £46k or 0.11% of the target . The main area of overachievement in Month 12 is Discretionary Spend 962k overachieved. The main area of underachievement is Medical Locum Conversion with an underachievement at Month 12 of £1.6m.		
3. Achieve in year break even outturn within Capital Resource Limit (CRL)	**£26.694m**	**£26.706m**
As at month 12 the total expenditure for ringfenced and general capital schemes is £26.694m with an immaterial surplus of £11k, 0.0004% of allocation. For noting the overall value of CRL letter is £27.692m which includes IFRS16 Leasing £424k and R & D Funding £1.368m.		
4. Prompt Payment Target - 95% of suppliers within 30 days	**95.9%**	**96.1%**
The Trust prompt payment performance in the month of March was 95.9% with a cumulative position to date of 96.1%. Therefore, the Trust did meet its Prompt Payment target in Month 12. 36,381 invoices were paid in month.		

2. Draft Financial Position as at March 2026

The Trust achieved a draft break-even position at year-end, reporting a small surplus of £177k (0.02% of RRL) which is subject to audit review.

This draft outturn position has been established measuring actual expenditure against RRL confirmations received from SPPG/PHA and NIMDTA. The total current year allocation in 2025-26 was c£1,150m.

PAYROLL

Payroll expenditure totals £784m at month 12.

The main areas of spend (as in previous months) are within Medical (with a spend of £155m) and Nursing (with a spend of £259m).

Investment in payroll includes agency, bank, locum, overtime and additional duty hours. For the financial year 2025/26 these elements have cost £89.98m. In March 2026 the Trust employed a total of 1,299 WTE's on these flexible arrangements. The most significant area of flexible spend is Agency (including Medical Agency at a value of £25.1m) with a wte of 665 at March 2026 (52% of total flexible wtes) and a cumulative spend of £43m (48% of total flexible spend).

GOODS & SERVICES

Non-pay expenditure at Month 12 totals £429m.

The main area of spend is in Independent Sector Residential, Nursing and Domiciliary Care at a value of £213m.

NON RRL

Income from Non-RRL sources totalled £62m at year-end of which £44m is from Client Contributions.

3. Savings target 2025-26

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Of the £43.10m Savings Targets, £43.10m has been retracted from budgets as at Month 12 and £43.15m savings has been achieved with an overachievement of £46k against the target at Month 12.

The main area of over achievement is Disc Spend at £962k.

The main are of under achievement is Internal Locum Conversion at £1.6m.

Details of the achievement against each of the 61 savings proposals is included in Table 1.

3. Savings target 2025-26

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Table 1: Low & Medium Impact Savings Plan 2025/26

LOW & MEDIUM IMPACT SAVINGS PLAN 2025/26	Expected Saving to Date (£)	Achieved Saving to Date (£)	Overachieved / (Unachieved) Saving to Date (£)	Expected Saving Full Year (£)
Low				
01 - Reduction in Staff Travel	2,500,000	3,122,429	622,429	2,500,000
02 - Reduction in Discretionary Spend	600,000	1,561,974	961,974	600,000
03 - Invest to Save Energy Estates Projects	620,000	620,000	0	620,000
04 - Implementation of Envoy Text Messaging System	102,000	-	(102,000)	102,000
05 - Cessation of Drive Through Phlebotomy Service	228,255	351,323	123,068	228,255
06 - EIDO Electronic Information Library for Patients	20,000	17,304	(2,696)	20,000
07 - Social Workforce Training and Development	50,000	50,000	0	50,000
08 - Saturation Probes - Acute Paediatrics	20,000	-	(20,000)	20,000
10 - Ending of GPOOHs Dalriada Telephone Support Contract	60,000	60,000	0	60,000
11 - Implement Care Line Live in Trust Home Care	301,000	425,000	124,000	301,000
12 - Step Down of Patient Feedback Service	59,000	59,000	0	59,000
13 - Reduce Spend in Bereavement Service	59,000	59,000	0	59,000
14 - Reduce Spend in Nursing Education, Workforce and Training	47,000	47,000	0	47,000
15 - Food Waste Reduction	191,000	191,000	0	191,000
16 - Review of Laundry Shift Patterns	106,000	106,000	0	106,000
17 - Flex Spend Reduction - Other Agency & Bank	300,000	223,976	(76,024)	300,000
18 - CYP Residential Services - Staffing Model and Associated Support Services	460,000	448,452	(11,548)	460,000
30 - Other In-Year Opportunities	3,019,000	3,819,000	800,000	3,019,000
31 - MORE Pharmacy Savings (No Regional Target in 2025/26)	1,300,000	2,008,540	708,540	1,300,000
32 - Normal Recruitment Slippage	1,000,000	1,000,000	0	1,000,000
41 - Equip Finance System Cleansing	1,750,000	1,123,196	(626,804)	1,750,000
51 - Encompass Savings	500,000	262,645	(237,355)	500,000
52 - Increased Income from Charging - Canteen / Car Parking	180,000	141,147	(38,853)	180,000
53 - Review of Technical Adjustments	1,548,000	1,548,000	0	1,548,000
54 - Further Cost Reduction - Travel / Consumables / Training	1,500,000	1,500,000	0	1,500,000
Total Low Impact Savings	**16,520,255**	**18,744,986**	**2,224,731**	**16,520,255**

3. Savings target 2024-25

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Medium				
09 - Service Realignment to Release Commissioned Activity	54,000	55,176	1,176	54,000
19 - ICT Software Savings - Downturn of Contracts	196,000	196,000	0	196,000
20 - Minor Works - Only High Risk and Urgent Work Being Undertaken	750,000	750,000	0	750,000
22 - Review British Red Cross Discharge Support Service	200,000	220,425	20,425	200,000
23 - Review and Discharge Service Users awaiting Dom Care POCs from FOC Care Home Placements	200,000	29,835	(170,165)	200,000
24 - Ending Rental Agreements for SHSCT Employed Nurses in GP Premises	75,000	130,000	55,000	75,000
25 - GP Out of Hours to Commisioned Levels	850,000	1,156,234	306,234	850,000
26 - Transport Reform	250,000	-	(250,000)	250,000
27 - Nurse Workforce Stabilisation	6,032,000	6,134,072	102,072	6,032,000
28 - International Medical Recruitment	2,850,000	2,280,178	(569,822)	2,850,000
29 - Medical Workforce Reform - Locum Conversion	2,000,000	382,617	(1,617,383)	2,000,000
33 - Rationalisation of Estates / Sustainability	490,000	490,000	0	490,000
34 - Non-Pay Procurement Efficiencies (Equipment) 10%	200,000	525,000	325,000	200,000
35 - Pressurised Mattresses (Rental Saving)	665,000	412,302	(252,698)	665,000
36 - PLIC Opportunities - Elective Pathways - GIRFT T&O	73,000	-	(73,000)	73,000
37 - Rental of Coffee Machines - Transfer to Capital under IFRS16	150,000	150,000	0	150,000
38 - Recurrent Impact MORE Pharmacy Savings Achieved Prior Years (With No Target)	1,053,000	1,053,000	0	1,053,000
39 - Reduction in Urology Inquiry Costs	1,200,000	1,581,941	381,941	1,200,000
40 - Reduction in Cervical Cytology Review Costs	342,000	341,124	(876)	342,000
42 - Provision of Wigs & Other Patient Appliances	71,745	63,480	(8,265)	71,745
43 - One Off Cost Avoidance Measures / Further Payroll Savings	5,013,000	5,013,000	0	5,013,000
44 - Review of Allowances	100,000	54,545	(45,455)	100,000
45 - Provision of Incontinence Products	66,000	136,925	70,925	66,000
47 - Acute Transport Review	200,000	134,390	(65,610)	200,000
48 - Timely Care Contribution	500,000	500,000	0	500,000
49 - Postage - Move to Economy Service	40,000	40,000	0	40,000
50 - Capitalisation of Property Leases	25,000	18,182	(6,818)	25,000
55 - Caps on Specialist Rates / Reduction of 121s in Care Home Setting	250,000	354,258	104,258	250,000
56 - Estates - Further Limit Backlog Maintenance Work Repairs	700,000	500,000	(200,000)	700,000
57 - Vacancy Hold - 20% High Impact	400,000	400,000	0	400,000
59 - Cessation of Payment of Medical Agency Breaks	286,000	-	(286,000)	286,000
60 - Reduction of Agency / Bank / Additional Hours / Overtime (Outside Medical / Nursing) - Further 20%	900,000	900,000	0	900,000
Total Medium Impact Savings	**26,181,745**	**24,002,684**	**(2,179,061)**	**26,181,745**
Medium				
61 - Vacancy Hold - 80% Catastrophic Impact - 25%	400,000	400,000	0	400,000
Total Catastrophic Impact Savings	**400,000**	**400,000**	0	**400,000**
Grand Total	**43,102,000**	**43,147,670**	**45,670**	**43,102,000**

Key:	
Achieved	
Partial Achievement	
Not Achieved	