Southern Health and Social Care Trust

Finance Report

Month 02 May 2026

Finance Department

Contents

Southern Health and Social Care Trust

1. Financial Performance Targets at May 2026

Southern Health and Social Care Trust

Financial Performance Targets	Year to Date	Year-end Forecast
1. Achieve financial plan in 2026-27	**Overspend £3.9m (Budget v Actual) overspend £1.33m (Control v Actual)**	**Deficit £10.8m**
The Trust is reporting an overspend against draft indicative budget of £3.9m at month 2. The Trust has an opening deficit of £10.8m, spend against this net control total is overspent by £1.33m at Month 2. The primary drivers of the negative variance are under achievements in 26/27 savings. The majority of Directorates are reporting overspends against their control totals and further cost control measures are being implemented to support delivery against increased savings targets for 2026/27. The Trust is forecasting a deficit outturn of £10.8m in 2026/27. Reported position this early in the financial year must be read with a level of caution and is caveated on this basis.		
2. Achieve 2026-27 savings target	**Underachieved by £2.2m or 14%**	**£29.9m**
The savings plan for 2026/27 is £29.9m . Of these savings £2.553m has been retracted from budgets as at Month 02 and a best estimate of £361k savings has been achieved to date with an underachievement of £2.2m against the target at Month 02 (14% of the target). Savings noted are a best estimate whilst PIDs are completed by Directorates and true profile of anticipated savings for 2026/27 is determined. To note further, of the £29.9m Phase 1 Savings plans for 2026/27, to date only c£16m equivalent full year effect has been retracted. Therefore c£14m of the overall target has yet to be retracted from budgets and increases the risk of underachievement of savings in year.		
3. Achieve in year break even outturn within Capital Resource Limit (CRL)	**£3.7m**	**Breakeven**
As at month 02 total expenditure and commitments is £3.7m. CRL funding notified to date is £12.3m. Forecasted year-end position is breakeven.		
4. Prompt Payment Target - 95% of suppliers within 30 days	**98.2%**	**97.8%**
The Trust's prompt payment performance in the month of May was 98.2% with a cumulative position to date of 97.8%. Therefore, the Trust met and exceeded both it's in-month prompt payment target for May, and year-to-date cumulative position as at 31st May 2026.		

2. Financial Plan 2026-27

The Trust is forecasting deficit position at month 02 in 2026/27, reflecting a projected overspends across Directorates. The forecast assumes that Directorates continue to remain within their control totals and that the Trust achieves its overall savings target by year-end.

The Trust has yet to receive formal opening budget allocations from Commissioners therefore the expected income RRL is indicative and assumed income only, yet to be confirmed.

	Forecast (Month 02) £'m
Indicative RRL (per SPPG, PHA, NIMDTA)	1,125
Assumed Income	21
Expected Income RRL	**1,146**
Forecast Gross Spend 2026-27 at month 02	**1,187**
Phase 1 Savings 2026/27	(30)
Forecast Net Spend 2026-27 at month 02	**1,157**
Forecast Deficit at May 2026	**(10.8)**

Key: brackets denotes an deficit

4. Financial position at May 2026

Southern Health and Social Care Trust

The table below shows Pay, Non-Pay and Income budget, spend and variances year to date for each Directorate.
The actual variance against budget at Month 02 is c£4m overspent with the expected control total being (£2.6m), this results in a negative variance against expected control total of c£1.33m. For noting, this variance does not take account of expected growth in later months.

	Pay			Non Pay			Income							
Directorate	Budget Mth 02	Actual Mth 02	Variance	Budget Mth 02	Actual Mth 02	Variance	Budget Mth 02	Actual Mth 02	Variance	Total Spend YTD	Budget YTD	Actual Variance Mth 02	Expected Control Variance Total Mth 02	Diff Actual to Control Variance Mth 02
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'000	£'000	£'000
Medicine and Unscheduled Care	23.5	24.8	(1.3)	7.7	8.7	(1.1)	(0.1)	(0.1)	0.0	33.4	31.1	(2,311)	(1,752)	(559)
Surgery and Clinical Services	25.0	25.0	0.0	6.0	6.6	(0.5)	(0.5)	(0.6)	0.1	30.9	30.5	(461)	(162)	(299)
Children Young People & Womens Services	22.8	23.4	(0.6)	5.4	5.8	(0.4)	(0.1)	(0.2)	0.0	29.0	28.0	(1,012)	(617)	(395)
Mental Health and Disability	18.6	19.1	(0.6)	19.9	19.0	0.9	(2.2)	(2.2)	(0.0)	35.9	36.2	342	(0)	343
Finance, Procurement and Estates	3.1	3.0	0.1	5.8	5.8	(0.1)	(0.1)	(0.1)	0.0	8.8	8.8	19	7	12
Adult Community Services	24.0	24.2	(0.3)	20.0	20.6	(0.6)	(5.9)	(6.1)	0.2	38.8	38.1	(712)	(537)	(175)
Human Resources and Org Dev	1.3	1.2	0.1	0.2	0.3	(0.1)	(0.0)	(0.0)	(0.0)	1.5	1.5	(6)	(52)	46
Medical Director	1.3	1.8	(0.5)	0.1	0.0	0.0	(0.0)	(0.0)	0.0	1.8	1.4	(465)	(589)	124
Performance, Planning and Informatics	1.8	1.6	0.2	0.3	0.5	(0.2)	(0.0)	0.0	(0.0)	2.1	2.0	(34)	0	(34)
Nursing, Midwifery and AHPs	6.1	5.9	0.2	0.9	0.8	0.1	(0.8)	(0.7)	(0.1)	6.0	6.1	112	0	112
Chief Executive	0.3	0.3	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.0	0.3	0.3	(13)	(0)	(12)
Covid	0.3	0.3	0.0	0.3	0.4	(0.0)	0.0	0.0	0.0	0.6	0.6	(14)	0	(14)
MHD Unallocated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Trust Unallocated	0.1	0.1	0.0	0.6	0.0	0.6	0.0	0.0	0.0	0.1	0.6	581	1,057	(476)
Encompass	0.3	0.2	0.0	0.0	0.0	(0.0)	(0.3)	(0.3)	0.0	0.0	0.0	0	0	0
Directorate Total	**128.2**	**130.9**	**(2.7)**	**67.1**	**68.5**	**(1.4)**	**(10.0)**	**(10.2)**	**0.1**	**189.2**	**185.2**	**(3,973)**	**(2,645)**	**(1,328)**

A figure in brackets represents an overspend. The actual variance, expected control total variance & difference to control variance columns are stated in thousands. All other columns are stated in millions.

4. Financial position at May 2026

Southern Health and Social Care Trust

Explanations for main variances are as follows:

- Payroll is over budget by £2.7m. Medical is overspent £3.4m and Nursing and Midwifery overspent £4.6m abated by underspends in other areas such as General Admin £419k, AHPs £212k and Dom Care £258k. Also, the benefit overall of the 2/12ths of the £21.2m recurrent deficit funding notionally applied to directorate budgets within payroll reserves in mth 02 equating to £3.5m

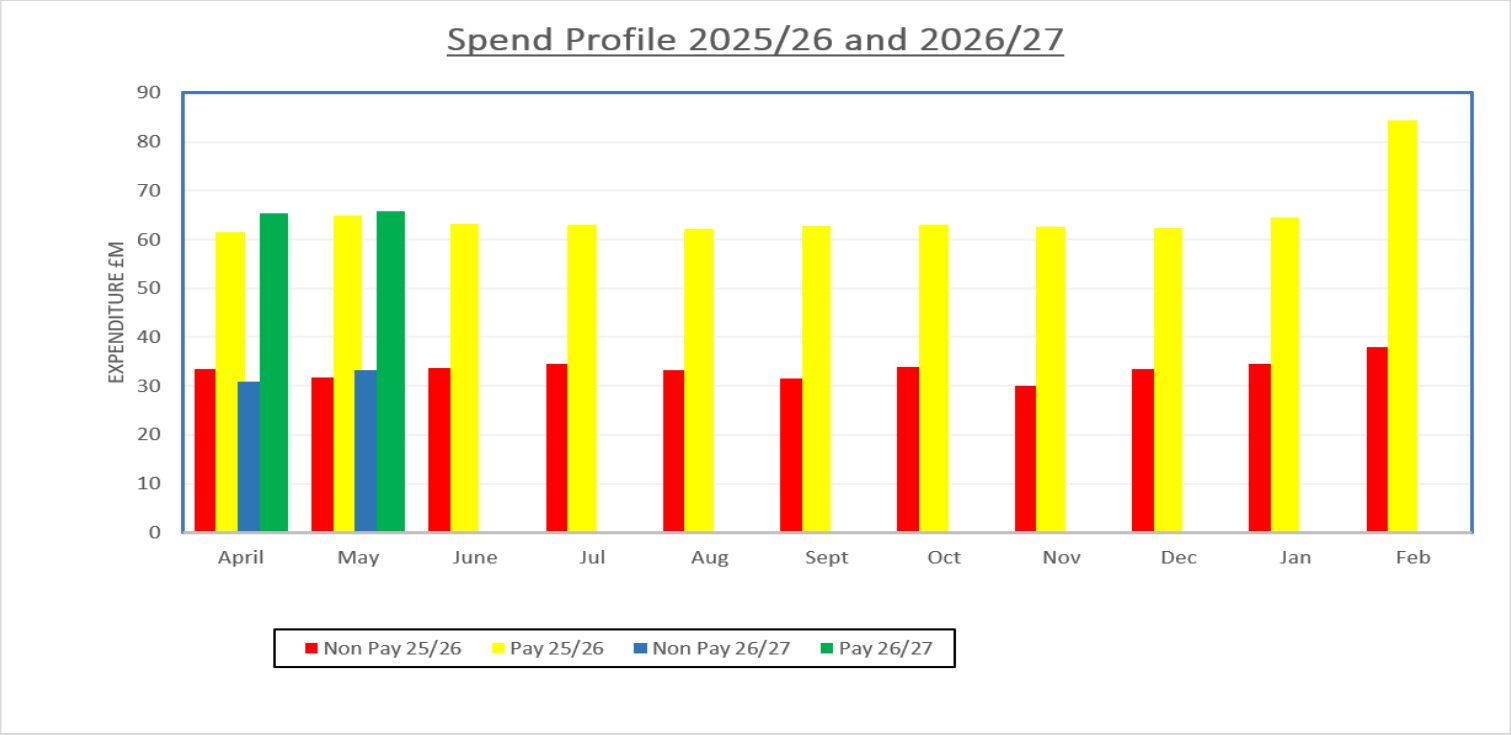
- Non-Pay is reporting a cumulative overspend at month 02 of c£2m in the main due to spend within Medical & Surgical Supplies overspent by £1.3m. Also pressures within Labs and Patient/Client Appliances but this is partially abated with the underspends in General Services of £1.5m.

- Income is over-recovered by £100k, in the main due to over-recovery of Client Contribution income.

- The majority of Directorates are underachieving against their control totals, mainly due to the underachievement of 2026/27 savings in Mth 02.

4. Financial position at May 2026

The profile of the expenditure in the Trust on Pay and Non-Pay for the 02 month period April to May is set out below. Pay in May 2026 has increased when compared to Apr 2026 by c£0.5m (from £64.3m to £65.8m). Non-Pay in May has increased by £2.5m mainly due to additional spend in Medical and Surgical supplies but this is covered by funding.
Increases in Pay costs compared to same period last year is due in the main to impact of pay awards.



Notes: The pay segment is impacted by the number of weeks which fall within the reporting month.
Feb 2025 includes the 2025/26 AfC and Medical & Dental pay award.

5. Flexible Staff Costs as at May 2026

Southern Health and Social Care Trust

The table below shows the flexible staffing by Directorate YTD May 2026. The total cumulative spend for flexible staffing in Mth 02 is c£14.46m (11% of total payroll spend) with 1,224 WTE's employed on these flexible arrangements. Impact of Pay award related movements including National Living Wage are a contributing factor in comparison to last year.

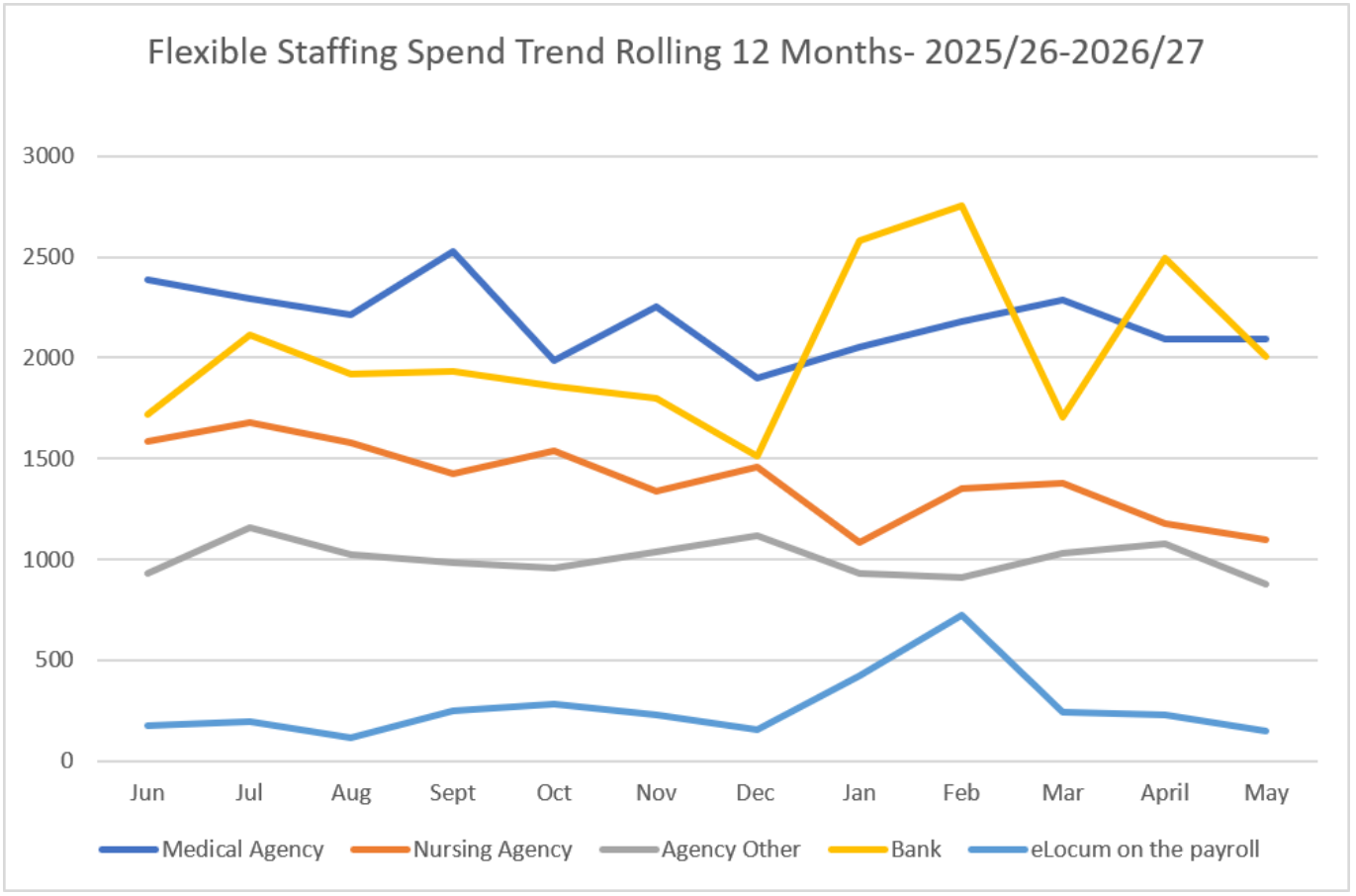
Directorate	Cumulative to May 2026							Cum to MAY 2026	Cum to May 2025	Movement	
	Medical Agency	Nursing Agency	Agency Other	Bank	Locum on the payroll	Overtime	Additional Duty Hours				
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	%
Medical and Unscheduled Care	2,791	1,324	15	1,072	141	142	30	5,516	6,492	-976	-15%
Surgery and Clinical Services	840	333	79	710	169	145	58	2,333	2,815	-481	-17%
Childrens Young People and Womens Se	112	9	45	359	26	141	28	720	808	-88	-11%
Mental Health and Disability	316	446	90	1,084	33	143	23	2,135	2,280	-145	-6%
Adult Community Services	151	158	34	1,161	7	101	174	1,786	2,272	-486	-21%
Finance, Procurement and Estates			53	1		44	3	101	166	-65	-39%
Human Resources & Org	-21	5	7	9	0	0	0	0	48	-48	-99%
Encompass				1		0	0	1	354	-353	-100%
Medical Director			5	-0		2	0	7	27	-20	-73%
Nursing, Midwifery and AHP			1,575	76		48	65	1,764	1,809	-45	-3%
Performance and Reform			15	0		18	1	34	54	-20	-38%
Trust Unallocated						0	0	0	-0	0	-100%
Covid 19			32	27	1	0	0	60	84	-24	-29%
Chief Executive						0	1	1	2	-1	-65%
Urology Inquiry						2	0	2	16	-14	-89%
Totals	**4,189**	**2,276**	**1,950**	**4,501**	**377**	**786**	**382**	**14,460**	**17,228**	**-2,768**	-16%

The most significant area of flexible spend is Medical Agency c£4.2m year to date broadly in line with the prior year spend of £4.1m, to date Medical Locum savings are not being met. Nursing flexible spend has decreased when compared to the same period last year, from £3.97m to £2.28m.

There are some significant monthly movements shown between April and May, however month 01 reporting is always read with a level of caution and cumulative spend at month 2 is more reflective of the actual spend to date.

5. Flexible Staff Costs as at May 2026

The chart below shows Flexible Staffing Spend Trend for a rolling 12 months 2025/26 and 2026/27.



*Excludes Additional Duty Hours and Overtime

6. Savings target 2026-27

The savings plan for 2026/27 is £29.9m . Of these savings £2.553m has been retracted from budgets as at Month 02 and a best estimate of £361k savings has been achieved to date with an underachievement of £2.2m against the target at Month 02 (14% of the target). Savings plans/letters were sent out in April 2026 and there is ongoing work on PIDs being completed by RISE. PA Consulting have been engaged to stress test our savings plan and are also looking for potential areas of savings over and above the current plan. Savings noted are a best estimate whilst PIDs are completed by Directorates and true profile of anticipated savings for 2026/27 is determined. To note further, of the £29.9m Phase 1 Savings plans for 2026/27, to date only c£16m equivalent full year effect has been retracted. Therefore c£14m of the overall target has yet to be retracted from budgets and increases the risk of underachievement of savings in year.

It is imperative that budget holders critically review their variance against savings targets with immediate remedial action considered and notified at the next Directorate RISE Steering group meeting.

Savings plans continue to be monitored and reported at directorate RISE steering group meetings and RISE programme board.

6. Savings target 2026-27

Southern Health and Social Care Trust

Impact	Scenario Number & Title	Expected Saving to Date (£)	Achieved Saving to Date (£)	Overachieved / (Unachieved) Saving to Date (£)	Expected Saving Full Year (£)
Unknown	62 - Nursing Utilisation Savings - Conversion to Bank	469,333	152,182	(317,151)	2,815,998
Unknown	63 - EPCO (Enhanced Patient Care Observation)	0	0	0	1,668,998
Unknown	64 - Nursing Registered - Agency Reduction (Reducing Escalated Beds)	0	0	0	2,106,000
Unknown	65 - Medical Locum - Roster Design, Framework, Recruitment / Tempre on top of 10% & 20% (3 rows)	0	0	0	1,732,548
Unknown	66 - Reduction in Agency "Other"	0	0	0	1,010,344
Unknown	67 - PLICS Opportunities - System Wide (Occupational Therapy & District Nursing)	101,500	0	(101,500)	609,000
Unknown	68 - Workforce Planning (Overtime, Allowances, On Call and Sickness Reductions)	0	0	0	2,225,134
Unknown	69 - Vacancy Control / Recruitment Slippage (2 rows)	789,167	0	(789,167)	4,735,000
Unknown	70 - Reduction in Off Contract Procurement	82,167	0	(82,167)	493,000
Unknown	71 - GIRFT - T&O Specific	25,000	0	(25,000)	150,000
Unknown	72 - Review of CVS Placements	147,500	0	(147,500)	885,000
Unknown	73 - Driving Efficient Prescribing (Price of Drugs)	199,000	0	(199,000)	1,194,000
Unknown	74 - Pharmacy Cost of High Cost Drugs	0	0	0	882,000
Unknown	75 - Encompass Benefits Realisation	0	0	0	500,000
Unknown	76 - Estates - Reduction in Leases, Review of Space Utilisation and Review of Disposal	25,000	0	(25,000)	150,000
Unknown	77 - Estates Maintenance	209,667	208,372	(1,295)	1,258,000
Unknown	78 - MICAD	78,333	0	(78,333)	470,000
Unknown	79 - Invest to Save - FYE	57,167	0	(57,167)	343,000
Unknown	80 - Review of Pathology and Radiology - Cost Efficiencies and Savings	0	0	0	456,000
Unknown	81 - Stop Regional Control Centre	8,000	0	(8,000)	48,000
Unknown	82 - Reducing Unwarranted Variation (Inplementation of Sensible Care) - Including Optimising Tests and Investgat	157,833	0	(157,833)	947,000
Unknown	83 - Embed CareLine Live Across Localities	83,333	0	(83,333)	500,000
Unknown	84 - FOC - Introduction of Charging from Day One in Homes	0	0	0	500,000
Unknown	85 - Taxi Transport Rationalisation	36,667	0	(36,667)	220,000
Unknown	86 - Liaison High Cost Case Review	83,333	0	(83,333)	500,000
Unknown	87 - Daycare Centres Reduction	0	0	0	500,000
Unknown	88 - Client Contributions	0	0	0	1,000,000
Unknown	89 - Non Recurrent Balance Sheet Adjustments	0	0	0	2,000,000
Grand Total		**2,553,000**	**360,554**	**(2,192,446)**	**29,899,022**

Key:	
Achieved	
Partial Achievement	
Not Achieved	

7. Forecasted Plan 2026-27

Southern Health and Social Care Trust

The table below sets out the Base (Plan) and Worst Case Scenarios based on current run rates, pressures and achievement of savings in month 02. Worst case scenario assumes that we will be advised by SPPG to achieve a further 1% of savings, therefore increasing the deficit to £22.8m.

	Base Case	Worst Case
	£'m	£'m
Forecast (Control)	1,156	1,156
Income	1,145	1,145
Additional Savings as per SPPG		12
Total Income	1,145	1,133
(Deficit)/ Surplus	(10.8)	(22.8)

6. Forecasted Plan 2026-27 – Scenarios - basis of assumptions

Southern Health and Social Care Trust

Base Case Scenario: Assumes full achievement of £29.9m 2026/27 savings plans and that Directorates will spend within overall control total.

Worst Case Scenario: Assumes full achievement of £29.9m 2026/27savings plans and that Directorates will spend within overall control total. It also assumes that we will be advised by SPPG to achieve a further 1% of high impact savings in 2026/27, therefore increasing the deficit to £22.8m if these additional savings are not achieved. These are currently being considered regionally.

8. Capital (CRL) at May 2026

Southern Health and Social Care Trust

The table below show Capital (CRL) spend against budget at Month 02.

	Expenditure/ Commitments to Date			*CRL Funding Notified*		*CRL Balance Remaining*	
	Commitments	Specific Schemes	General Capital	Specific Schemes	General Capital	Specific Schemes	General Capital
Scheme Description	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
DHH LOW VOLTAGE ELECTRICAL INFRASTRUCTURE	556,800	-		2,000,000		2,000,000	
BACKLOG MAINTENANCE	22,504	14,700		3,039,583		3,024,883	
GP IMP - RICHHILL HC	28,000	-		28,000		28,000	
GP IMPROVEMENT - MARKETHILL HC	131,909	-		131,909		131,909	
GP IMPROVEMENT - RATHFRILAND HC	910,485	-		910,485		910,485	
GP IMP - WARRENPOINT HC	212,339	95,000		212,339		117,339	
GPIMP- MID ULSTER HEALTH CARE	82,348	-		82,348		82,348	
GP IMPROVEMENT - BROWNLOW HC	930,809	-		930,809		930,809	
PRIMARY CARE INFRASTRUCTURE PROJECTS	-	-		34,489		34,489	
GENERAL CAPITAL							
MEDICAL EQUIPMENT	94,247		1,047		1,094,247		1,093,200
INFORMATION TECHNOLOGY	-		-		500,000		500,000
TRANSPORT	614,209		9		695,638		695,629
ESTATES - GENERAL CAPITAL	-		-		769,605		769,605
UNAPPROVED ORDERS	-		-		-		-
SHORTFALL OF CREDITORS	-		-		-		-
CONTINGENCY	-		-		1,907,804		1,907,804
Total	**3,583,651**	**109,700**	**1,057**	**7,369,962**	**4,967,295**	**7,260,262**	**4,966,238**

As at month 02 total expenditure and commitments is £3.7m. CRL funding notified to date is £12.3m. Forecasted year-end position is breakeven.

9. Risks to Delivery of Plan and Proposed Actions

Southern Health and Social Care Trust

Risk 1 – Increased Savings as per SPPG- SPPG has indicated in recent conversations that savings targets may be set a 4% for 2026/27. At this stage no budget has been set and is currently being considered regionally. If savings are agreed they may require high/catastrophic measures to be put in place.

Proposed Action:
Robust savings plans to be implemented and monitored closely by RISE.

Risk 2 – Non-achievement of Savings target - Savings targets are under achieved at month 02 and c£14m of targets are yet to be applied.

Proposed Action:
Budget holders critically review their variance against savings targets with immediate remedial action considered and notified at the next Directorate RISE Steering group meeting.

9. Risks to Delivery of Plan and Proposed Actions

Southern Health and Social Care Trust

Risk 3 – Under/Overspend on control total - To break-even at year end, spend must be contained within forecasted spend and the variance control totals per Directorate. The Trust is running at a deficit of £1.9m against expected variance budget at Month 02, a number of directorates are outside of expected control totals or actuals are very close to expected and therefore there is a risk when the impact of higher costs over winter period.

Proposed Action:
Budget holders are expected to live within the forecast variance control total.

Risk 4 – Further pressures arise during the year which are unfunded.

Proposed Action:
No spend to be incurred without funding in place. Any unforeseen pressures to be reported to Finance and SPPG immediately. All spend proposals, including Invest to Save proposals, to be taken through SIC for discussion, review and agreement without which no spend should be committed. There must be strict SLT approval for any continued or increased bed escalations to meet demand with specific authorisation and financial controls in place regarding same.