Southern Health and Social Care Trust

TOGETHER, IMPROVING CARE, TRANSFORMING LIVES

TRUST BOARD COVER SHEET

<table>
<tr><td></td><td colspan="3">The cover sheet purpose is to provide the Trust Board/Committee with a clear summary of the paper being presented, how it impacts on the people we serve, key matters for attention and the ask of the Trust Board/Committee

The Accountable Director must satisfy themselves that the cover sheet is accurate and fully reflects the paper. The expectation is that the Accountable Director has read and agreed the content of both the cover sheet and paper.</td></tr>
<tr><td>Meeting and Date of meeting</td><td colspan="3">Trust Board
25th June 2026</td></tr>
<tr><td>Title of paper</td><td colspan="3">Financial Performance Report - 02 months ended 31 May 2026</td></tr>
<tr><td rowspan="2">Accountable Director</td><td>Name</td><td colspan="2">Catherine Marks</td></tr>
<tr><td>Position</td><td colspan="2">Director of Finance, Procurement & Estates</td></tr>
<tr><td rowspan="2">Report Author</td><td>Name</td><td colspan="2">Catherine McCaul</td></tr>
<tr><td>Email</td><td colspan="2">Catherine.mccaul@southerntrust.hscni.net</td></tr>
<tr><td colspan="2">This paper sits within the Trust Board role of:</td><td colspan="2">Accountability</td></tr>
<tr><td colspan="2">This paper is presented for:</td><td colspan="2">Approval
(Notes on completion at end of document)</td></tr>
<tr><td rowspan="5">Links to Trust Strategic Priorities</td><td>☒</td><td colspan="2">Collaborative Working</td></tr>
<tr><td>☒</td><td colspan="2">Learning Organisation</td></tr>
<tr><td>☒</td><td colspan="2">Safety, Quality & Experience</td></tr>
<tr><td>☒</td><td colspan="2">Community First</td></tr>
<tr><td>☒</td><td colspan="2">Whole-Life Approach</td></tr>
</table>

1. Reason for Presentation of Paper / Report

This report provides SLT with a Financial Position at Month 02 May 2026.

2. Detailed summary of paper contents:

This report attached provides SLT with an analysis of the use of the Trust's financial resources, to aid decision-making and to raise an awareness/highlight areas requiring further action.

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.

3. Areas of improvement/achievement:

Month 02 Financial position

The Trust is forecasting a deficit outturn of £10.8m in 2026/27. The variation against control total does not take account of expected growth in later months. Reported position this early in the financial year must be read with a level of caution and is caveated on this basis.

Underachievement of savings target at month 02

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.

Achievement of Prompt Payment

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.

4. Areas of concern/risk/challenge:

Reported Position as at Month 02 May 2026

- For the 02 months, ending 31 May 2026 the Trust is reporting a deficit of £1.33m against the variance control.

	Budget Total Mth 02	**Actual Spend Mth 02**	**Actual Variance**
	£'m	**£'m**	**£'m**
Pay	128.2	130.9	(2.7)
Non Pay	67.1	68.5	(1.4)
Income	(10.0)	(10.2)	0.1
Total	**185.2**	**189.2**	**3.97**

- The actual variance at Month 02 is £3.973, with the expected control variance (on a straight-line basis) being £2.645m.

- 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 in mth 02 equating to £3.5m

- The total cumulative spend for flexible staffing in Month 02 is c£14.46m (11% of total payroll spend) with 1,224 WTE's employed on these flexible arrangements

- 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.

Forecast Year-End Position

The Trust is forecasting a deficit outturn of £10.8m in 2026/27. The variation against control total does not take account of expected growth in later months. Reported position this early in the financial year must be read with a level of caution and is caveated on this basis.

5. Impact on Statutory Duties: Provide details on the impact of the following and how.

Financial Impact	***Safety and Quality Impact***
Yes, there are Financial Impacts	Yes, there are Quality, Safety or Experience Impacts

6. Risk Assessment (Risk level and state if a risk assessment be completed)

The risks are set out in section 8 of the report.

7. Other Business Intelligence/data (If appropriate)

None

8. Impact: Provide details on the impact of the following and how. If this is N/A you should explain why this is an appropriate response.

Corporate Risk Register	Corporate Risk Register Key Risk 5.1 Finance - ability to meet statutory break-even target
Board Assurance Framework	Financial Risk included in Board Assurance Framework
Equality and Human Rights	The high impact savings relating to vacancy control and reduction in agency (non-medical/non-nursing) will be implemented in areas with least impact on equality and human rights.

Trust Board Role Fulfilment

Strategy	*Papers in this category should address forward-looking priorities, long-term objectives, or service transformation. These are typically focused on shaping the future of the organisation and will often involve decisions on direction, investment, or innovation.*
Culture	*These papers aim to influence or reflect the values, behaviours, and staff or patient experiences within HSC. They may relate to leadership development, equality, diversity and inclusion, staff engagement, or initiatives intended to reinforce our organisational ethos.*
Accountability	*Papers falling into this area relate to governance, assurance, performance monitoring, compliance, and risk. They provide evidence that responsibilities are being fulfilled, standards are being met, and corrective actions are being taken where necessary.*

Reasons for Paper Presentation

Approval	*Used when an item requires a formal agreement or endorsement by the meeting / committee members. Examples are approving minutes, budgets, proposals or policies.*
Assurance	*Used when an item can be measured against a certain criteria / standard. Examples are a project is on course with delivery or financial targets are being met.*
Information	*Used when an item is presented for the purpose of updating or informing the attendees without requiring a decision or action, such as reports, updates, or announcements.*
Discussion	*Used when an item is listed primarily for open discussion, brainstorming or gathering input from the members without requiring an immediate decision.*