Southern Health and Social Care Trust

TOGETHER, IMPROVING CARE, TRANSFORMING LIVES

TRUST BOARD COVER SHEET

	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.*		
Meeting and Date of meeting	*Public Trust Board 27 August 2026*		
Title of paper	*Financial Plan 2026-27*		
Accountable Director	**Name**	Catherine Marks	
	Position	Director of Finance, Procurement & Estates	
Report Author	**Name**	Catherine Marks	
	Email	Catherine.marks@southerntrust.hscni.net	
This paper sits within the Trust Board role of:		Accountability	
This paper is presented for:		Approval *(Notes on completion at end of document)*	
Links to Trust Strategic Priorities	☒	Collaborative Working	
	☒	Learning Organisation	
	☒	Safety, Quality & Experience	
	☒	Community First	
	☒	Whole-Life Approach	

1. Reason for Presentation of Paper / Report

To provide the Trust Board with an update on the Trust's 2026/27 Savings Plan requirement to achieve a 4% savings in 26-27, outline the current savings proposals and seek approval for the implementation of the total savings schemes of £42.4m savings schemes. The report also informs the Board of the residual savings gap and the associated risks, governance arrangements and proposed actions to support delivery of the Trust's financial recovery plan.

Board Decision Required

The Trust Board is requested to:

- Approve the implementation of the savings schemes set out within the 2026/27 Savings Plan, totalling £42.4m, representing 3.6% of expenditure.
- Note that the Trust has identified the maximum level of credible and deliverable savings currently available while seeking to minimise the impact on patient care and service delivery.
- Note the remaining savings gap of £5.1m (0.4%) against the 4% target.
- Note the ongoing engagement with SPPG, regional colleagues and PA Consulting to identify further opportunities to address the residual shortfall.
- Note that the Trust's financial position and savings plan will be reviewed further at the mid-year point.

2. Detailed summary of paper contents:

The Trust faces a significant financial challenge in 2026/27, requiring the delivery of savings totalling **£47.5m or 4%:** Savings (£41.7m) and the recovery of the Trust's underlying deficit (£5.8m).

Phase 1 savings proposals totalling **£29.9m** have been approved and are currently being implemented. Following further direction from SPPG, the Trust developed a Phase 2 savings programme and has identified a further **£12.5m** of savings opportunities.

In total, the Trust has identified savings of **£42.4m**, equivalent to **3.6%** of expenditure and approximately **89% of the overall savings target**, leaving a residual gap of **£5.1m (0.4%)**.

The savings plan focuses on temporary staffing reductions, workforce controls, procurement efficiencies, facilities management, pharmacy, digital transformation, income generation and other operational efficiencies. Detailed equality screening and rural needs assessments have been completed, with proposals assessed as having limited adverse impact and not requiring formal public consultation at this stage.

The report also outlines growth pressures and high cost drugs funding, which have been excluded from the savings plan in line with SPPG guidance, together with the governance arrangements that will oversee delivery through the Trust's RISE Programme.

3. Areas of improvement/achievement:

- Identification of **£42.4m** of savings opportunities towards the 2026/27 target.
- Delivery of a comprehensive savings programme covering both Phase 1 and Phase 2 proposals.
- Focus on measures designed to minimise the impact on patient care and frontline services.
- Strong governance arrangements established through the RISE Programme, Executive oversight and Board monitoring.
- Independent review and challenge provided through engagement with PA Consulting to identify further productivity and efficiency opportunities.
- Completion of Equality Screening and Rural Needs Screening for all savings proposals.
- Continued collaboration with SPPG and regional colleagues to identify additional opportunities and support longer term transformation.

4. Areas of concern/risk/challenge:

- A residual savings gap of **£5.1m** remains and the Trust does not currently have a balanced savings plan.
- Delivery of the identified savings is not without risk and will depend on successful implementation and the achievement of ambitious savings targets within a limited timeframe.
- Significant reliance on non-recurrent measures, vacancy management, workforce controls and reductions in agency expenditure.

• Potential impacts on workforce wellbeing, sickness absence, organisational resilience and service performance, particularly during periods of heightened demand. • Ongoing growth pressures, including 1:1 care arrangements, direct payments and high-cost cases, which could create additional financial pressures during the year. • Future delivery of the full 4% requirement would likely require measures carrying greater operational, workforce and clinical risk. • Service transformation, redesign and regional solutions required to deliver further sustainable savings cannot be implemented safely within the timescales available for 2026/27. • Spend relating to growth pressures and high-cost drugs could be higher than forecasted.

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)
See above

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	Equality Screening and Rural Needs Screening attached.

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 formal agreement or endorsement by the meeting/committee members. Examples include 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.*