South Eastern Health and Social Care Trust

Finance Report

Month 2 May 2026

Executive Summary

In the absence of an approved budget for NI, all figures included in this report are DRAFT and subject to amendment when a final budget is agreed.

The Trust has received an indicative opening Revenue Resource Limit (RRL) for 2026/27, and this reflects a retraction of 6% of opening RRL, equating to £63.4m of reduction in opening resources.

The opening allocation also reflects the removal of non-recurrent deficit support in 2025/26 of £28.8m, and the receipt of recurrent deficit funding of £22.5m.

The net impact of this on our forecast position is detailed in the Table on Page 3. With savings identified of £35.1m, the Trust is currently reporting a year end deficit of £46.1m

Discussions with Department of Health (DOH) continue around further savings, and the management of any residual deficit.

Underlying Expenditure Trends

At this early stage of the year, Month 2 performance showed an underlying broadly stable trend, with no significant peaks or troughs from previous year's data.
We continue to see increasing pressure on residential & nursing care home costs due to both price and demand increases, and these will be monitored closely as the year progresses.

Finance update 26/27 forecast

	£m
Opening recurrent deficit (after adjusting for FYE of 25/26 savings)	28.8
Recurrent deficit support funding	(22.5)
Remaining deficit	6.3
New 26/27 Growth*	11.4
Retraction of 6% savings	63.4
Phase 1 savings	(35.1)
Reported forecast deficit for Month 2	46.1
*Growth currently not included in SPPG summary of Trust positions	

Summary of Directorate Spend & Forecast Positions

	SPEND YEAR TO DATE MAY 26	FORECAST
	TOTAL SPEND PER DIRECTORATE	FORECAST POSITION 26-27 (Before savings and deficit allocations)
	£'000	£'m
ADULT & PRISON SERVICES	32,221	6.5
CHILDRENS SERVICES	18,862	6.6
ENCOMPASS	396	-
PRIMARY CARE & OLDER PEOPLE	59,638	11.2
FINANCE & ESTATES	10,246	6.9
MEDICAL DIRECTOR & RISK	870	1.9
SURGERY, ELECTIVE, MATERNITY & PAEDS	37,034	0.9
PLANNING, IT & PERF MGT	3,157	(0.3)
TRANSFORMATION/OTHER RINGFENCED	669	-
COVID	280	-
DIRECTOR OF NURSING & USER EXPERIENCE	10,679	(0.3)
UNSCHEDULED CARE, MEDICINE & CANCER	32,702	4.2
NO MORE SILOS	1,266	-
PEOPLE & ORG DEVELOPMENT	1,778	0.8
CHIEF EXEC & PR	91	-
DIRECTORATE TOTALS	209,891	38.4
RETRACTION 6% BUDGET		63.4
RECURRENT DEFICIT FUNDING SPPG		(22.5)
COST PRESSURES/SAVINGS/INCOME ANTICIPATED		(33.2)
YEAR END FORECAST CLOSING POSITION - DEFICIT		46.1

South Eastern Health and Social Care Trust

Statutory Financial Performance Targets	RAG status
Manage within allocated Revenue Resource Limit (RRL) / Achieve financial break-even	

At this stage of the year, the Trust has developed and is moving into delivery £35.1m of savings plans. This is a very ambitious figure for the Trust, and is reliant on focused work and effort across all teams to drive down temporary staffing spend, manage growth across all areas of spend and stabilise our workforce.

In addition our forecast position is reliant on the management of any emerging pressures across our system –with demand increasing across all areas of service, this is likely to place increasing pressure on our position as we move through the year.

We are also aware that full delivery of a £35.1m plan would not place the Trust in a break-even position ,and we continue to discuss with the DOH further savings requirements to help bridge the gap.

Statutory financial performance targets

Manage within allocated Capital Resource Limit (CRL)

The following summary highlights the breakdown of general capital year to date:

General Allocation summary year to date	£'000
Adults Projects (including CATU & Ravara)	3,302
Children's Projects (including Lakewood, William St & Home Purchase)	2,085
Support Services - CSSD, Vehicles & Barriers	1,212
Surgery Equipment & Estates Projects (including Neely, Maynard & DOU)	1,490
Unscheduled Care Equipment & Estates Projects (including Derm& Neuro move)	494
Primary Care Equipment	200
Other projects below £100k each	1,244
Total funds allocated	**10,027**

To date we do not anticipate any issues with our ability to manage our capital spend within allocated resources.

Other Financial Performance Targets	RAG status

1. Achieve in year savings targets

A full detail of the current £35.1m savings plans is provided on Pages 9-11. We are continuing to work with external partners to develop proposals to ensure delivery of the savings identified to date, as well as developing further proposals for increased expenditure reductions.

Some proposals around for example high cost cases, pharmacy drug switching and savings on community and voluntary contracts are already well progressed, and in delivery. Other around nursing agency reduction are in various stages of development, with some current shortfalls in anticipated delivery which we need to address,

2. Recurrent break-even position

The Trust delivered significant recurrent savings in 2025/26, placing us in a strong position moving into the new financial year.
However the new 2026/27 draft savings targets represent a major challenge to the organisation.

We continue to work as part of the wider health system to identify and deliver all possible efficiency and cash releasing opportunities, but the scale of this challenge should not be understated.

Other Financial Performance Targets	RAG status
3. Prompt Payment Target - 95% of suppliers within 30 days	
The Trust paid 96.2% of our suppliers within 30 days in May 2026.	

Elements of current savings plan 26/27 Phase 1 Scenario 1

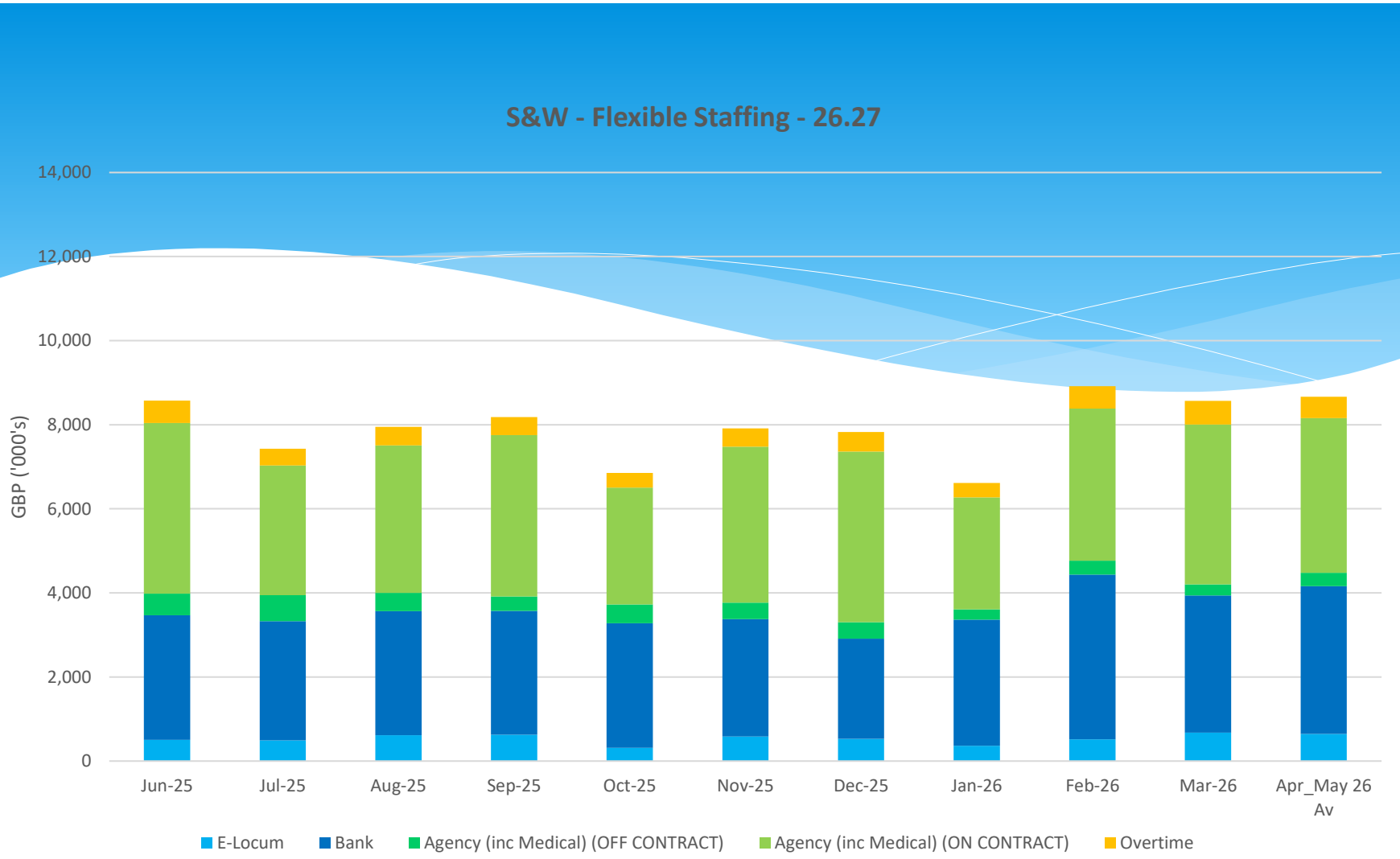
	CYE £m
Modernisation of Admin	1,000
Nursing Projects	5,700
Medical agency projects	3,000
Social care agency - move to bank	1,000
CVS review of underperformance	500
Non pay grip and control	1,000
Pharmacy - switching	1,800
Non recurrent measures	8,000
Reduction in beds / DTAs	2,000 c/f

Elements of current savings plan 26/27 Phase 1 Scenario 1

	CYE £m
Direct payments	500
Homecare validation and review	1,300
Article payments review – Children's services	500
Management of growth in residential and nursing homes	1,300
Reduction in additional care needs costs – package review	2,500 c/f

Elements of current savings plan 26/27 Phase 1 Scenario 1

	CYE £m
Directorate specific targets:	
Surgery, elective, maternity and paediatrics	1,000
Medicine, ED and cancer	1,000
Primary care and older people	1,000
Adult services	500
Childrens services	500
Corporate services	1,000
TOTAL	35,100



The graph illustrates the trend in flexible payroll costs for a rolling period of twelve months. (Figures have been adjusted to remove anomalies created by 4 and 5 week months.) Figures in February include backpay for 2025/26 pay award for Trust paid staff.

Underlying Assumptions

- Funding will be received as per indicative and assumed list from SPPG
- Full agreed savings will be achieved
- All PHA agreed funding will forthcoming
- Any agreed 26/27 Pay Award will be funded
- All agreed levels of Waiting List Initiative work will be funded
- All Encompass funding as agreed per discussions with BSO will be received