



Title of Paper: <u>Financial Plan</u>			
For <u>Decision</u>	For <u>Assurance</u>	For <u>Information</u>	For <u>Discussion</u>

1.0	Background
	The Department of Health's (DOH) Health and Social Care (HSC) Reset Plan, published in July 2025, sets out a programme to stabilise, reform and improve Northern Ireland's health and social care system while addressing severe financial pressures. The plan builds on Minister's 2024 three-year strategic framework of Stabilisation, Reform and Delivery and responds to a projected annual funding gap. At its core is a commitment to develop a neighbourhood-centred model of care, bringing more services closer to people's homes and reducing reliance on hospital-based care. The plan emphasises prevention, early intervention, tackling health inequalities and supporting people to take greater responsibility for their own health and wellbeing. Seven key priorities are identified: • Prevention and population health. • Investment in primary, community and social care. • Better integration of physical, mental and social care. • Improving efficiency and productivity. • Optimising workforce, estates and reducing unwarranted clinical variation. • Expanding digital transformation and the strategic use of data. • Supporting research, innovation and collaborative decision-making. This shift away from costly hospital-based care towards prevention and early intervention is at the core of creating a sustainable financial model for HSCNI. Delivering the neighbourhood model, which means moving services closer to home in the community and providing highly specialised services in acute hospitals is the right thing to do. The Reset Plan also includes what the Department describes as the most ambitious efficiency programme in HSCNI history. 'This includes a suite of actions focused on strengthening Trust financial controls, reducing locum and agency costs, increasing workforce availability through absence reduction, removing unwarranted variation in clinical care, and procurement; optimising medicines spend, and reducing central budgets and administrative costs.' Like all HSCNI bodies, the South Eastern Health and Social Care Trust has a statutory duty to break even and must therefore deliver services within the resources allocated by the Northern Ireland Executive. The Trust must therefore continue to identify opportunities to improve efficiency, reduce costs and reshape services to ensure they remain safe, effective and sustainable in the longer term.

	The Department of Health has required Trusts to identify measures to reduce expenditure during 2026/27. While the financial challenge is significant, this is not solely about delivering financial savings; it is also about supporting the direction set out in the Reset Plan, ensuring the long-term sustainability of health and social care services, and safeguarding the Trust's ability to meet the needs of the population it serves, both now and in the future. This paper outlines the regional and Trust context for the 2026/27 savings plans, summarises the work undertaken to develop the proposals, and seeks Trust Board approval to proceed with the Phase 2 savings measures. A presentation will be delivered at the Trust Board meeting providing further detail on the financial position, the savings requirement and the Phase 2 proposals.
2.0	Financial Context
	In 2025/26 the HSCNI system experienced a substantial funding gap of £600m. In the absence of an agreed Northern Ireland Executive budget, in 2026/27 the Health Service has a projected funding gap of £800 million. The Department of Health has instructed Trusts to deliver savings equivalent to 4% in 2026/27, in addition to addressing underlying deficits, whilst ensuring these savings measures do not cause patient or service user harm. Furthermore, SPPG has confirmed on 14 August 2026 that the financial climate is set to remain challenging with further savings of 4% pa expected to be required over the next 2 years to bring the HSC into a sustainable financial position. The Trust has delivered significant levels of financial savings year on year. In the last financial year 2025/26, the Trust's financial savings were £34m. Significant savings (£30.5m) were also delivered in 2024/25. For the South Eastern Trust, the 4% savings requirement in 2026/27 equates to a total of £42.2 million. When combined with underlying financial pressures carried forward from last year, the total savings requirement for 2026/27 is £50.7 million. In response to this 2026/27 savings requirement, the Trust developed a range of savings proposals focused primarily on service redesign, productivity improvements and organisational efficiencies, with the aim of minimising any impact on frontline services. The proposals were grouped in two phases: Phase 1: Cost-efficiency measures assessed as having no or minimal impact. On 25 March 2026, following careful consideration of all proposals to achieve savings whilst mitigating impact on service users, Trust Board approved the implementation of Phase 1 proposals totalling £35.1million and the Trust is currently working on delivering them. Phase 2: In order to meet this very challenging savings target within a single financial year, the Trust had to develop further plans known as Phase 2. These proposals are more difficult to implement because of significant deliverability challenges or are dependent on enabling actions from Regional Arms Length Bodies such as the Business Service Organisation (BSO).

	The elements of the Phase 2 plan that the Minister is content the Trust proceed with are being tabled at Public Trust Board for consideration. Phase 1 and Phase 2 measures will be outlined within the presentation delivered at the Trust Board meeting. Assurance and Engagement Alongside its statutory duty to break even, the Trust has statutory responsibilities in relation to engagement, equality, rural needs and public consultation. As the Department of Health (DOH) has been clear that the savings are required in-year, it is necessary to implement the measures immediately. The Trust has carried out initial equality screenings, quality impact assessments and rural needs impact assessments on all Phase 2 proposals to determine the overall impact on patients, clients, service users and staff likely to be affected by the collective proposals. Whilst all proposals were assessed as low / minor impact when mitigations are applied, these assessments are not intended to provide final implementation assurance. Further review, monitoring and refinement will be required as implementation plans develop. Based on the initial screening process, the Trust has not identified a requirement for public consultation at this stage. However, this position will remain under continuous review as proposals are implemented and monitored. A comprehensive engagement plan will support the implementation of savings proposals and provide opportunities for stakeholders to raise concerns and feedback. Information gathered through this engagement, alongside ongoing monitoring of patient safety, service quality, workforce and performance impacts, will inform any mitigating actions required. Trust Board is therefore asked to consider the recommendation and approval for implementation of Phase 2 plans tabled at its meeting on 27 August 2026.										
3.0	Link to Strategic Objectives:										
	<table> <tr> <td>Our People</td><td>☒</td></tr> <tr> <td>Population Health & Health Inequalities</td><td>☒</td></tr> <tr> <td>Delivering Care Closer to Home</td><td>☒</td></tr> <tr> <td>Hospital Care</td><td>☒</td></tr> <tr> <td>Safety, Quality and Experience of Care</td><td>☒</td></tr> </table>	Our People	☒	Population Health & Health Inequalities	☒	Delivering Care Closer to Home	☒	Hospital Care	☒	Safety, Quality and Experience of Care	☒
Our People	☒										
Population Health & Health Inequalities	☒										
Delivering Care Closer to Home	☒										
Hospital Care	☒										
Safety, Quality and Experience of Care	☒										
4.0	Resource Implications (inc Organisational, Financial, Human Resources):										
	1. Organisational										
	Implementation will require clear executive ownership, directorate delivery plans, coordinated governance arrangements and regular reporting to the Executive Management Team and Trust Board.										
	2. Financial										
	The measures form part of the Trust's response to the 2026/27 financial challenge. Delivery and financial impact will be monitored through established financial governance and performance management arrangements.										

	3. Human Resources
	Appropriate Human Resources advice, staff engagement and management of change arrangements will be applied where required.
	4. Environmental Factors Yes ☐ No ☒
	No material environmental implications have been identified at this stage. This will remain under review.
5.0	Impact on Safety, Quality and Experience (SQE):
	1. Safety
	Patient and service user safety will remain the primary consideration. Patient safety will be closely monitored throughout implementation through established governance arrangements, with emerging risks and issues informing ongoing review and decision-making.
	2. Quality
	The impact of the savings measures on quality and service delivery will be closely monitored through established governance arrangements, with risks and mitigations kept under ongoing review throughout implementation.
	3. Experience
	The impact of the savings measures on patient, service user, carer and staff experience will be closely monitored throughout implementation through established governance arrangements, with feedback and emerging issues informing ongoing review and decision-making.
6.0	Key Risks and Proposals to Mitigate:
	1. Key Risks
	The Trust recognises that the implementation of savings measures may present risks to service delivery. Risks associated with individual savings measures will be closely monitored through established governance and assurance arrangements, with appropriate mitigating actions implemented and kept under regular review throughout implementation.
	2. Proposals to Mitigate
	The Trust has considered mitigating actions for each savings measure. These will be monitored and refined as necessary throughout implementation to support the safe and effective delivery of services.
7.0	Risk Register:
	It is listed on BAF? Yes ☒ No ☐ Is it listed on CRR? Yes ☐ No ☒

Lead Director:	Wendy Thompson, Deputy Chief Executive, Director of Finance, Contracts and Estates
Date:	20 August 2026

Reasons for Paper Presentation

<i>Approval</i>	<i>Used when an item requires a formal agreement or endorsement by the meeting / committee members. Examples are approving minutes, budgets, proposals or policies.</i>
<i>Assurance</i>	<i>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.</i>
<i>Information</i>	<i>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.</i>
<i>Discussion</i>	<i>Used when an item is listed primarily for open discussion, brainstorming or gathering input from the members without requiring an immediate decision.</i>