South Eastern Health and Social Care Trust

Finance Report

Month 5 August 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.

At its meeting on 27th August the Trust approved further savings plans totalling £15.7m, bringing total savings plans approved by Trust Board to £50.7m. The impact of this is outlined in page 3.

Page 3 outlines, that subject to the achievement of the £50.7m of plans, the Trust would still have a forecast deficit of £28.4m.

At this stage of the year, the Trust is undergoing a detailed review of the progress of its savings plans, in order to determine an accurate figure for what level of in-year delivery of savings is now realistic, given we are 5 months into the year. We have not been in a position this month to submit a forecast outturn to the DOH, as we require a more in-depth analysis of the likely delivery of certain schemes, and in particular the impact of the anticipated pace of that delivery. Strong indications are that there will be a shortfall on in-year delivery of savings, which will worsen our forecast position.

Finance update 26/27 position

	Reported at month 2 £m	Month 5 Updated position £m
Opening recurrent deficit (after adjusting for FYE of 25/26 savings)	28.8	28.8
Recurrent deficit support funding	(22.5)	(22.5)
Remaining deficit	6.3	6.3
New 26/27 Growth*	11.4	9.4
Retraction of 6% savings	63.4	63.4
Phase 1 and Phase 2 savings plans	(35.1)	(50.7)
Reported forecast deficit for Month 2 / Planned deficit Month 5	46.1	28.4
*£2m of growth funding provided		

Summary of Directorate Spend & Forecast Positions

	(SURPLUS)/ DEFICIT YEAR TO DATE AUGUST 26			SPEND YEAR TO DATE AUGUST 26
	SALARIES & WAGES	GOODS & SERVICES	TOTAL VARIANCE	TOTAL SPEND PER DIRECTORATE
	£'000	£'000	£'000	£'000
ADULT & PRISON SERVICES	3,514	7,812	11,326	83,946
CHILDRENS SERVICES	3,602	3,427	7,029	47,042
ENCOMPASS	0	0	0	961
PRIMARY CARE & OLDER PEOPLE	(260)	15,847	15,587	151,016
FINANCE & ESTATES	383	4,391	4,774	24,904
MEDICAL DIRECTOR & RISK	599	781	1,380	2,698
SURGERY, ELECTIVE, MATERNITY & PAEDS	3,785	9,981	13,766	90,560
PLANNING, IT & PERF MGT	236	33	269	7,953
TRANSFORMATION/OTHER RINGFENCED	0	0	0	1,670
COVID	0	0	0	689
DIRECTOR OF NURSING & USER EXPERIENCE	(518)	476	(42)	26,465
UNSCHEDULED CARE, MEDICINE & CANCER	8,868	(532)	8,336	89,733
NO MORE SILOS	0	0	0	3,165
PEOPLE & ORG DEVELOPMENT	305	148	453	4,543
CHIEF EXEC & PR	10	(8)	2	216
TOTAL	20,524	42,356	60,880	535,561

South Eastern Health and Social Care Trust

Statutory financial performance targets	RAG status
Manage within allocated Revenue Resource Limit (RRL) / Achieve financial break-even	
Full delivery of £50.7m of savings would still leave the Trust with a £28.4m deficit, and therefore we do not currently have a route to achievement of a financial break-even. The break-even scenarios submitted by the Trust contained measures that were not endorsed by the Minister, and therefore not taken to Trust Board for consideration. In addition , other than areas of identified and known growth, our estimates do not currently include any contingency for unexpected pressures which may arise during the year, and could therefore impact directly on our reported position.	

South Eastern Health and Social Care Trust

Statutory financial performance targets	RAG status

Statutory financial performance targets

Manage within allocated Capital Resource Limit (CRL)

Current CRL is £16.3m & forecast breakeven. The indicative allocation has increased from £16.2m from last update due to £0.1m IFRS 16.

Financial year to date, four allocations of capital funds have been made and agreed by EMT totalling £16.648m as follows:

Allocation summary year to date	£'000
General Capital - Estates Priorities	7,362
General Capital - Equipment	3,050
General Capital - ICT	381
Ringfenced - Research & Development	459
Ringfenced - GP Improvement Priory	1,094
Ringfenced - ICT Projects	188
Ringfenced - IFS16 Leases	20
Ringfenced - Imaging Diagnostics	670
Ringfenced - Mental Health Minor Works	63
Ringfenced - Backlog Maintenance - Estates projects	3,361
Total funds allocated	**16,648**

Overall, there is a current general capital over commitment of £0.4m which the Trust will manage down in the latter months of the year.

Other Financial Performance Targets	RAG status
1. Achieve in year savings targets	

The Trust has developed £50.7m of savings plans. In arriving at these plans we have applied a systematic and rigorous review of all elements of our expenditure, and considered where we believe are the options to release cash, whilst minimising impact on service users and addressing the strategic priorities contained within the overall DOH Reset Plan.

There is a large focus in our plans on stabilising our workforce through the removal of agency staffing, and the replacement with a substantive workforce. This process is reliant on recruitment and changes in workforce behaviours. It needs to be carefully managed to avoid unintended consequences and adverse impacts on services.

In preparing our plans we were clear that many of them would require a review for deliverability at a mid-year point. This review is currently underway. Current progress against savings is outlined in pages 8-9.

2. Recurrent break-even position	

The majority of the £50.7m savings plans are recurrent in nature, as were the savings delivered in 25/26, with the Trust reporting a small £6.3m deficit brought forward into 26/27.
Therefore the recurrent and in-year position of the Trust are now closer than was historically the case. If the Trust relies on significant non-recurrent measures to compensate for under-delivery of savings, this will worsen this position as we move forward.

Savings plan 2026/27 Phase 1 and Phase 2

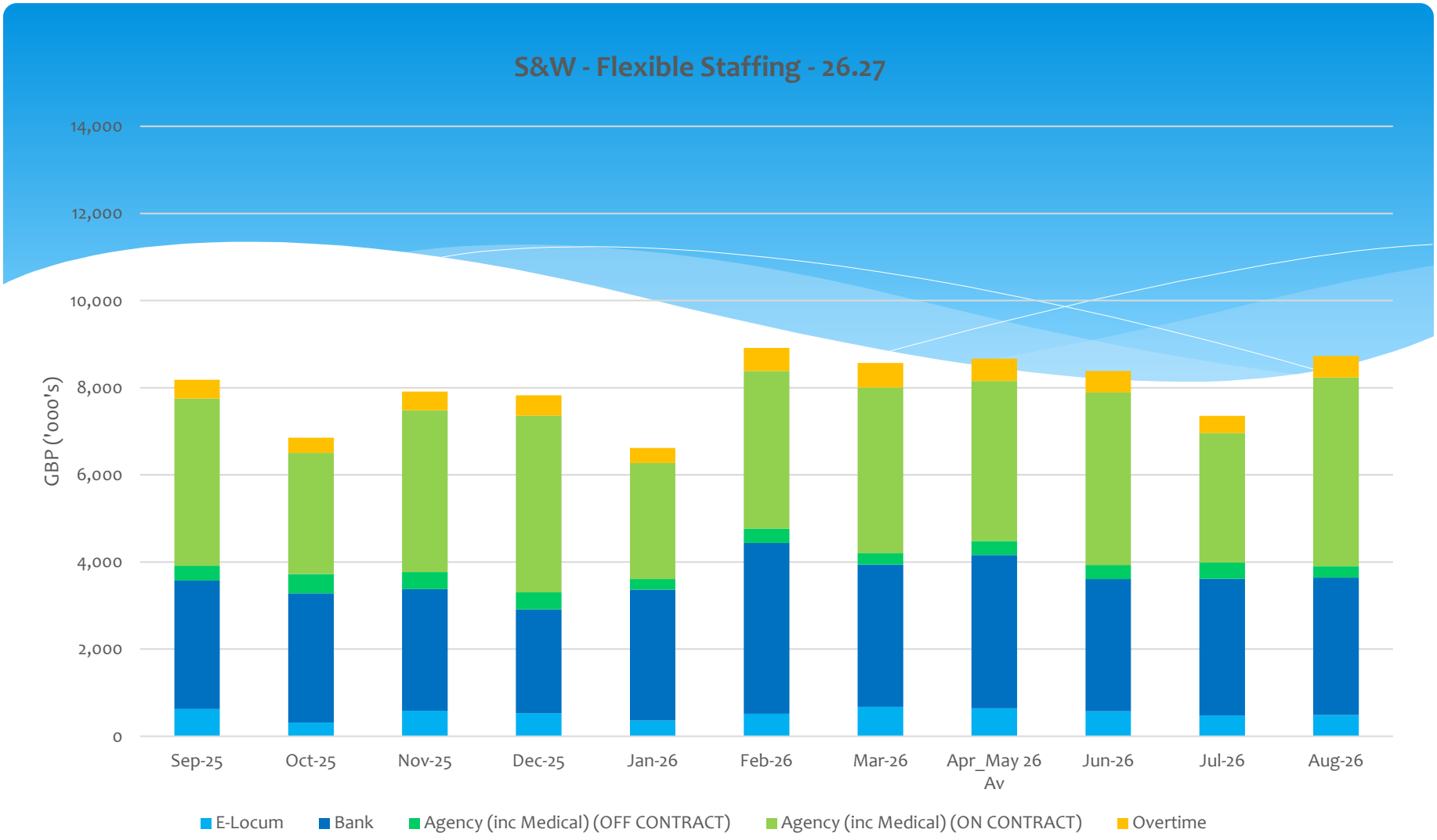
	Total per plan (Phase 1 and Phase 2) £m	FYE of plans in delivery £m
Directorate specific targets	5,000	4,600
Modernisation of Administration functions	2,000	-
Nursing Projects	9,700	-
Medical agency projects	5,000	-
Social care agency - move to bank	1,000	-
CVS review of underperformance	500	-
Non pay grip and control	1,900	-
Pharmacy - switching	1,800	1,800
Non recurrent measures	8,000	8,000
Reduction in beds / DTAs	5,000	-

Savings plan 26/27 Phase 1 and Phase 2

	Total plans (Phase 1 and Phase 2) £m	FYE of plans in delivery £m**
Direct payments	500	600
Homecare validation and review	1,300	-
Article payments review – childrens services	500	500
Management of growth in residential and nursing homes	1,300	-
Reduction in additional care needs costs – package review	4,500	1,100
Freeze on non-rota'd posts (enhanced vacancy control)	2,000	-
Diagnostics reform	500	-
Phone First	200	-
TOTALS	50,700	16,600

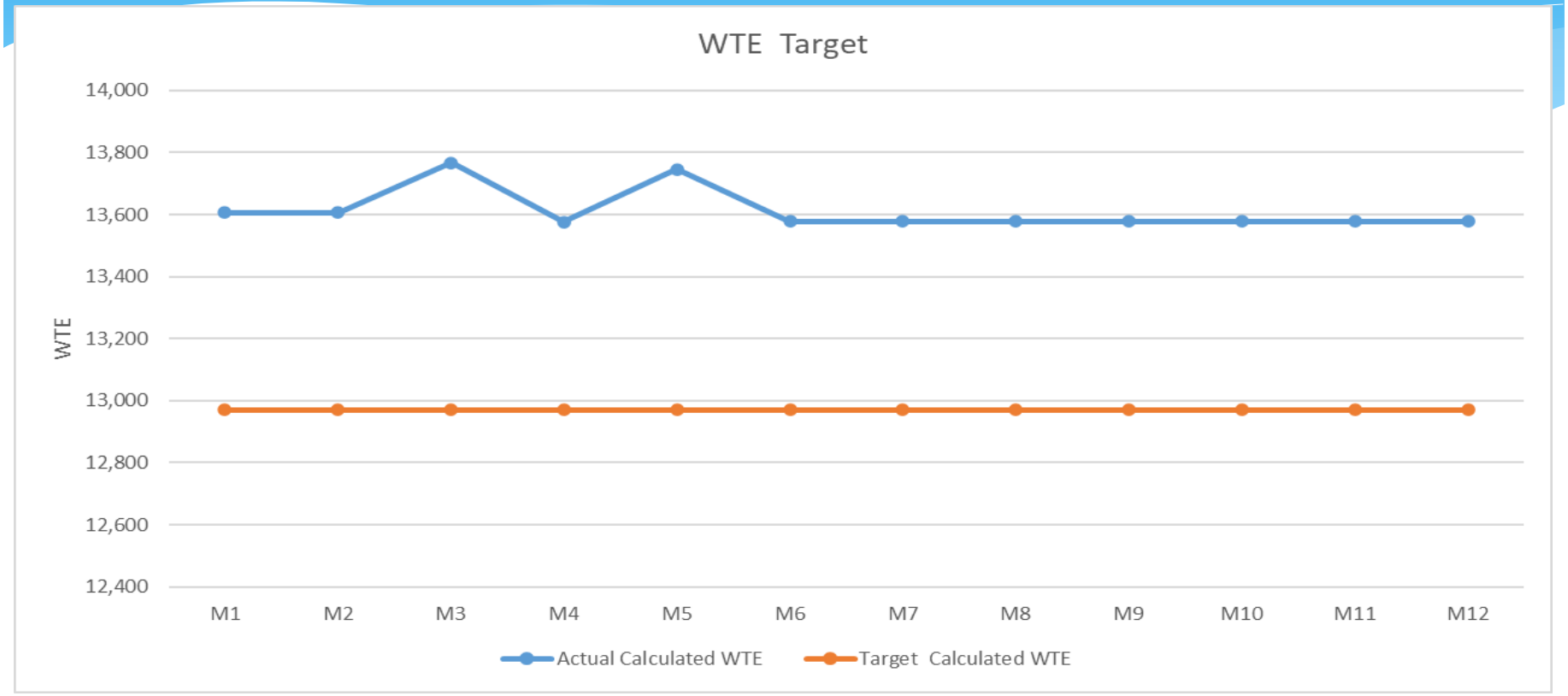
**This represents the full year effect of savings schemes that are in delivery at the end of Month 5. A number of savings schemes are profiled for delivery in the second half of the year.

Other Financial Performance Targets	RAG status
3. Prompt Payment Target - 95% of suppliers within 30 days	
The Trust paid 97.9% of our suppliers within 30 days in August 2026.	



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.

Paybill target converted to whole time equivalents



The WTEs is calculated by taking the entire Trust paybill (substantive and agency staffing), and converting it using an average salary into wtes. The target figures are calculated by converting savings targets in respect of agency spend, by the same average salary.
Month 3 and Month 5 were impacted by backlog agency invoices.

Underlying Assumptions

- Funding will be received as per indicative and assumed list from SPPG/ PHA
- 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