

## HIGH LEVEL SUMMARY OF MONTH 4 FINANCIAL POSITION AND FINANCIAL OUTLOOK 2025/26

***Financial plan forecasts £32m Trust deficit to be achieved through savings identified by SFMG workstreams***

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The Trust began the 2025/26 financial year with an opening underlying gross deficit of £143m before accounting for 2025/26 savings. This deficit comprises historical unmet savings targets of £75m, historical unfunded inescapable pressures of £47m, estimated 2025/26 demographic growth pressures of £16m for which there is no funding, and additional 2025/26 inescapable pressures of £5m.

The Trust's 2025/26 savings plan includes a range of potential measures which, whilst enormously challenging, could deliver £77m of savings (including £22m non-recurrent workforce management) in addition to the £9.1m recurrent savings achieved in 2024/25 which have reduced the opening deficit position.

The Trust has received non recurrent deficit funding of £32.7m from SPPG, albeit this is held as deficit by DoH. This leaves £32.7m deficit. This is to be addressed through savings to be identified by the SFMG workstreams. The Trust has not commenced any work in relation to these savings and these very much depend of the development of the work associated with the workstreams. The Trust continues to work to identify any further slippage or savings to assist with the financial deficit.

**The financial plan is £32m deficit which is anticipated will be achieved through savings identified by SFMG workstreams.**

***£11m reported deficit at the end of July 2025***

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At the end of July 2025 the Trust is showing £11m deficit which pro rates to £33m and reflects the fact that some planned savings will be achieved in the latter part of the year and workforce management savings aren't all being achieved.

The ongoing pressure in relation to workforce continues in 2025/26, with nurse agency slightly above run rates from 2023, albeit in line with 2024, although nurse agency usage in Muckamore is reducing. Medical agency hasn't decreased in comparison to last year and is a significant variance within unscheduled and acute care directorate, although with new medical recruitment in this area, it is expected these agency costs will reduce in Autumn. Absence rates have deteriorated and savings aren't being achieved. Social work agency savings continue to over achieve.

**The Trust is £11m deficit at end July 2025.**

## **2025/26 Financial outlook**

The DoH 2025/26 budget allocated has created a funding gap against projected requirements of £615m made up of 2025/26 pay shortfall, Trust growth pressures, National Insurance shortfall and funding gap caused by waiting list funding commitments.

SPPG have advised the 2025/26 regional savings delivery will be approached in 2 phases. Phase 1 will focus on all Trusts returning to their 2024/25 deficit position which was non recurrently funded last year. Phase 2 will focus on the delivery of a further £100m regional savings from Trust baselines and will rely on the work of Systems Financial Management Group (SFMG) and the development of the workstream programmes reporting into this group. It is unlikely that SFMG will identify the level of savings required in year and Trusts are working to identify accelerated savings that could be achieved in year such as cessation of registered nurse agency and cessation of payment of medical locum breaks.

## **Trust Financial Performance as at 31 July 2025**

### **1. Executive Summary**

- 1.1 The Belfast Trust begins the 2025/26 financial year with an opening underlying gross deficit of £143m before accounting for 2025/26 savings. This deficit comprises historical unmet savings targets of £75m, historical unfunded inescapable pressures of £47m, estimated 2025/26 demographic growth pressures of £16m for which there is no funding, and additional 2025/26 inescapable pressures of £5m.
- 1.2 The Trust's 2025/26 savings plan includes a range of potential measures which, whilst enormously challenging, could deliver approximately £55m of savings with minimal impact on services. These savings are in addition to £22m (1.8%) non-recurrent workforce underspend the Trust is required to deliver every year as part of an historic savings plan and a further £9.1m recurrent savings achieved in 2024/25 which have reduced the opening deficit position.
- 1.3 Delivery of the Trust's total minimal service impact savings plan of circa £77m (to include the workforce savings), will reduce the anticipated deficit to £65.4m. The Trust has received non recurrent deficit funding of £32.7m, albeit this has not all been identified as slippage within DoH. This leaves £32.7m deficit. Further detail is provided in Appendix A. This remaining deficit is to be addressed through savings to be identified by the SFMG workstreams and regional workstreams.
- 1.4 The delivery of the further £100m regional savings from Trust baselines and will rely on the work of Systems Financial Management Group (SFMG) and the development of the workstream programmes reporting into this group. All savings will be identified by SFMG over the coming months and it is expected that greater clarity on the delivery of savings by Trust will emerge as the financial year progresses. The Trust continues to review and analyse expenditure to identify any further savings and work with the regional in developing accelerated savings initiatives.
- 1.5 Since draft financial plan was submitted in March the Trust has reviewed its assumptions around growth and working to contain growth where possible. Care management

expenditure run rates have reduced in comparison to previous years and several high cost children have not been placed as expected. This has allowed the growth and other pressures figure to be reduced, albeit there is a risk that growth could exceed this figure and this will need to be closely monitored as the year progresses.

- 1.6 The Trust is reporting an £11m deficit at the end July 2025, which suggests a full year prorated deficit of £33m. This reflects the fact that some planned savings are being achieved in the latter of months of the year.
- 1.7 Savings of £24.7m have been achieved at the end of month 4, which is slightly above planned savings. Although there is significant shortfall of savings in particular planned schemes, for example medical agency, sickness absence and reduction of enhanced care.

## **2. Trust 2025/26 Savings Programme**

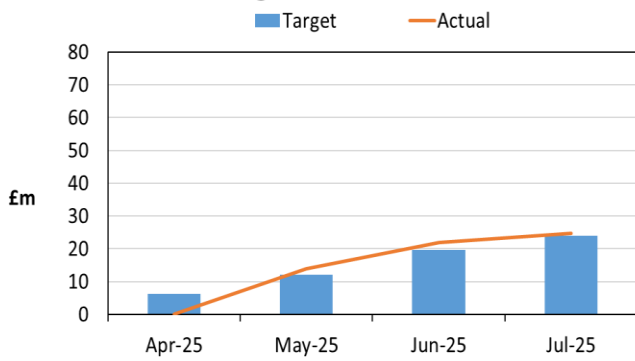
- 2.1 Trust savings are identified and monitored through the Trust's Delivering Value Programme (DVP) which meets on a monthly basis. The DVP is chaired by the Chief Executive and aims to deliver cash releasing savings to meet Departmental savings targets and productivity gains aimed at optimising limited resources and creating capacity to help reduce waiting times, within a robust governance framework.
- 2.2 The Trust has committed to delivering £77m of savings in 2025/26. The cash efficiency savings plan includes a range of targeted actions including:
  - £22m workforce underspends through vacancy/workforce control and backfill management - with ongoing robust scrutiny around new or replacement posts
  - Cost controls and targeted reduction in discretionary spend and estates spend. It is acknowledged that curbing estates expenditure can result in higher costs in future.
  - Further significant reductions in agency and other premium pay rates particularly in nursing, social work, medical and other staff groups
  - Reduced sickness and associated backfill by improving support for staff who are unwell
  - Assessing the additional care and supervision provided to patients in hospitals and care settings to confirm consistent, appropriate and effective support
  - Procurement efficiency review, as part of an ongoing focus on value for money across all savings
  - Driving further Pharmacy savings for example, on price, contract and switching to achieve best value for money
  - Specific social care initiatives including review of statutory domiciliary care through an early review pilot and expediting care reviews. Implementation of Care Line Live software resulting in better utilisation of hours, improved sickness, and new ways of working.
  - Enhanced staff skill-mix initiatives and measures to ensure patients see the right person, at right time, in right place.
- 2.3 Savings of £24.7m have been achieved at the end of month 7, which is slightly above planned savings (Graph 1). Although there is significant shortfall of savings in particular

planned schemes, for example medical agency and sickness absence. In Month 4 however, certain initiatives, for example MORE pharmacy savings have over achieved currently, due to non-recurrent rebates being received at this stage of the year. There needs to be a renewed focus is to ensure that we are maximising all required savings in 2025/26, especially in pay. There was focus on this in particular at the July recent Delivering Value meeting.

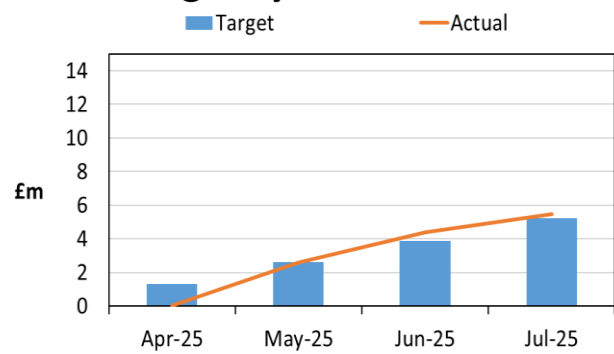
- 2.4 Nursing agency spend at Month 4 is lower than the same period in 2023/24, with a circa £2.5m reduction in qualified nurse agency hours and a £2.98m reduction attributable to a fall in the hourly rate of pay associated with the transfer of hours from off-contract to contract agency. The nurse agency savings are in line with the Target Savings at end July 2025 (Graph 2). A pilot to cease nurse agency staff at night in certain wards commenced in August and regionally there is consideration of cessation of all registered nurse agency from October 2025.
- 2.5 Social work continues to generate agency savings of circa £1.1m at month 4 (£370k more than target) although total staffing costs, including bank and overtime, have increased slightly since 2023/24 (Graph 3). Social work vacancies continue to be unacceptably high, particularly in children's services, and it would be difficult to justify holding the current level of vacancies given the current difficulties in delivering Trust statutory functions. The Trust has a task and finish group for social work workforce planning including initiatives such as international recruitment.
- 2.6 The Trust was achieving its sickness absence target at May 2025, however this has slipped back as at July 25, so now behind this year's target of £2.5m with no savings being achieved. There is an improvement on 2024/25 performance levels however, but requires continued focus to ensure this improvement continues throughout the year so that the target reduction can be achieved (Graph 4).
- 2.7 Medical agency usage has increased since 2023/24 so considerable improvement will be required to deliver savings targets moving through 2025/26. The Target for 2025/26 is £5.175m, and at month 4 we are £1m behind the target. (Graph 5) The agency framework has now been delayed until December 2025, but as a Trust we must continue to work to reduce off contract and high cost agency within the Trust. The regional medical agency reduction group is actively working towards reduction in both agency and locum usage and the Trust will be closely involved in this work.
- 2.8 There is focussed work being undertaken to reduce enhanced care nursing both in hospital and community settings. Savings of £2.5m are required in-year. Enhanced supervision procedures have been developed and the usage of these along with Safe Care are being rolled out in hospital areas, and a reduction in 1:1 'specialling' hours which was noted last year, is not being achieved thus far in 2025/26. There has been a particular increase in non-registrant agency hours within Unscheduled and Acute Care. Community areas are completing early review of enhanced care and there is a reduction noted with Mental Health community settings, although the amount used in Older People's residential and nursing settings has doubled in a year. Overall savings are currently not being achieved in this area, and therefore all relevant Directorates should review to ensure savings targets can be met between now and the end of the financial year. (Graph 6).
- 2.9 There is an overall Pharmacy savings target of £8.4m this year. Plans are progressing to deliver all of this target in year. There is an over-achievement of target at month 4 due to

non-recurrent rebates being received early in the year which has helped the overall performance of this initiative.

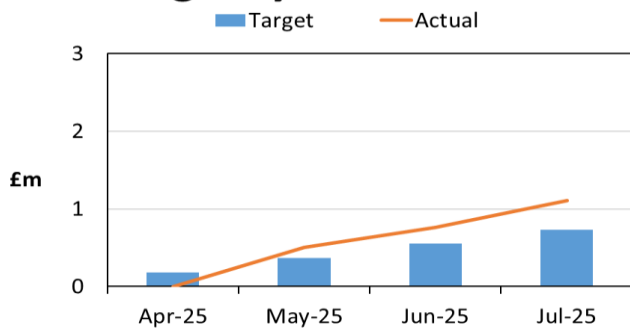
### Graph 1 - Total Trust Savings Target V Actual



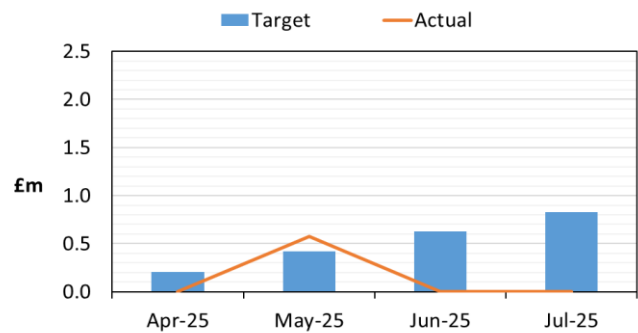
### Graph 2 - Band 5 Nurse Agency Reduction



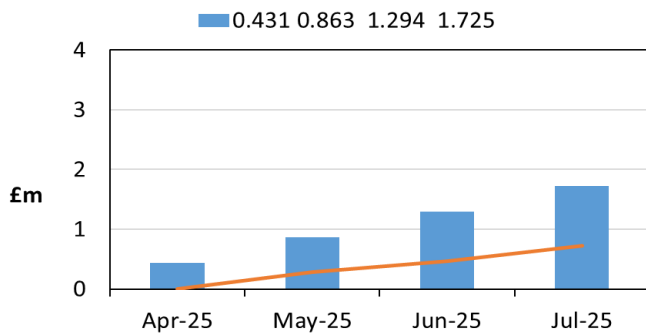
### Graph 3 - Social Work Agency Reduction



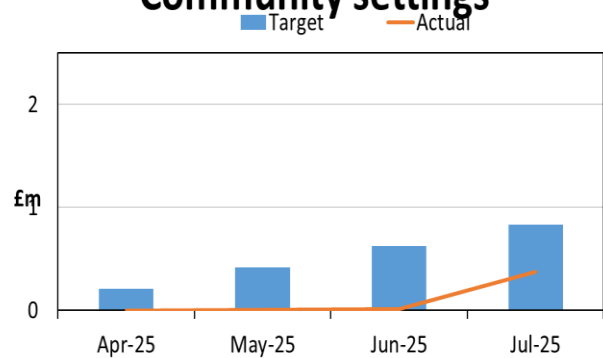
### Graph 4 - Sickness Reduction



**Graph 5 - Medical Workforce Reform**



**Graph 6 - 1:1s in Acute & Community settings**



### 3. Financial Performance at 31 July 2025

- 3.1 At the end of July 2025, the Trust is reporting a £11m deficit which suggests a full year prorated deficit of £33m. This reflects the fact that some planned savings are being achieved in the latter of months of the year. As Section 2 shows sickness absence, enhanced care and medical savings are not being achieved in full at this stage and we will need robust plans to bring these back on line.
- 3.2 The ongoing pressure in relation to workforce continues in 2025/26 with significant and increasing overspends in Unscheduled and Acute Care nursing & medical (urgent care centre, medical speciality & escalation wards), ACCTSS nursing & medical and MHLN nursing. Agency spend at month 4 is £41.6m (nursing £19.2m, medical £11.8m). Nursing agency costs have reduced by £2.9m for the 4 months compared to 2024/25, mainly due to reductions in Muckamore. Medical agency is comparable to 24/25 levels if not slightly higher.
- 3.3 The Trust has not been allocated any new growth funding for 2025/26 other than 2.3% inflationary non pay uplift and so must make all efforts to contain growth where possible. Nursing and residential homes and care management expenditure across all programmes of care continues to present significant financial pressure, especially in relation to the use of enhanced care nursing in care home settings, mental health complex discharges and an increase in rates which are outside of tariff. Care management grew last year but just over 4% (excluding price increases) and it is likely that these areas will see growth at similar levels this year. Children’s fostering continue to increase in growth. There continues to be increased demand and pressure of non elective fractures, with significant numbers being treated in Musgrave Park. It is envisaged that the elective care monies will enable additional fracture lists and beds to open.
- 3.4 The financial position at 31 July 2025, by directorate, is shown in Table 3.1 below:

**Table 3.1 Summary Position by Directorate at 31 July 2025**

| Summary Pay and Goods                  |                 |                      |                   |
|--|-----------------|----------------------|-------------------|
| Directorate                            | Budget<br>£'000 | Expenditure<br>£'000 | Variance<br>£'000 |
| TOR & IMO                              | 54,678          | 58,426               | 3,748             |
| Child Hlth, NISTAR, MDGS               | 59,725          | 60,122               | 398               |
| Adult, Comm & Older People Serv & AHPs | 129,456         | 130,189              | 733               |
| Mental Hlth & Intellectual Disability  | 88,324          | 90,428               | 2,104             |
| Cancer & Specialist Services           | 83,725          | 85,888               | 2,163             |
| Unscheduled Care                       | 76,276          | 88,027               | 11,751            |
| ACCTSS & Surgery                       | 84,942          | 90,789               | 5,847             |
| Soc Wk & Children's Community Services | 41,239          | 40,420               | (820)             |
| Nursing & User Experience              | 35,923          | 36,614               | 692               |
| Other including Corporate Directorates | 88,035          | 72,964               | (15,072)          |
| <b>Total</b>                           | <b>742,323</b>  | <b>753,867</b>       | <b>11,545</b>     |

Note: There is also an income surplus £534k which brings the overall deficit to £11m

#### 4. Summary Capital Position

- 4.1 The Trust's latest Capital Resource Limit (CRL) issued by the Department of Health for 2025/26 is dated 15th August 2025.
- 4.2 The total capital allocation is £84.2m. This consists of ring-fenced and specifically funded schemes totalling £68.4m and a General Capital allocation of £15.8m.
- 4.3 There have been ring fenced allocations for NIPACS ICT support of £0.064m, £33m for R&D and an a retraction of £1m from Imaging schemes
- 4.4 The progress of schemes throughout the year will be monitored each month and should there be any changes identified to the annual spend profiles, these will be highlighted. The Trust's projected capital outturn position for 2025/26 is breakeven.

|   | 2025/26  |                |
|---|----------|----------------|
|   | £'000    | £'000          |
| Historic recurrent unmet savings- WFM   | 22,000   |                |
| 2018/19 General Savings Target shortfall  | 2,450    |                |
| 2019/20 Car parking savings target shortfall  | 947      |                |
| 2023/24 savings target  | 53,496   |                |
| 2024/25 MORE Pharmacy savings target  | 4,697    |                |
| 2024/25 Recurrent savings   | (9,100)  |                |
|   |          |                |
| <b>Gross Deficit Brought Forward from 2024/25 Before Cost Pressures</b>                     |          | <b>74,490</b>  |
|   |          |                |
| 2023/24 or prior year residual unfunded pressures   | 42,147   |                |
| Opening 2024/25 inescapable pressures   | 12,867   |                |
|   |          |                |
|   |          | <b>55,014</b>  |
| <b>2025/26 Opening Deficit before growth and savings</b>                                    |          | <b>129,504</b> |
|   |          |                |
|   |          |                |
| New inescapable 2025/26 pressures identified (not growth)                                   | 4,526    |                |
| 2025/26 Unfunded growth (inc FYE 24/25 growth)  | 16,516   |                |
| Changes to prior year inescapable pressures   | (7,812)  |                |
|   |          | 13,231         |
| <b>2025/26 Opening Deficit after growth</b>   |          | <b>142,735</b> |
|   |          |                |
| Savings with Low/Minimal Service Impact on Services   | (55,326) |                |
| Achievement of historic savings through non recurrent workforce management savings annually | (22,000) |                |
|   |          |                |
|   |          | (77,326)       |
| <b>2025/26 Deficit after minimal impact savings</b>   |          | <b>65,409</b>  |
|   |          |                |
| Non recurrent deficit funding   | (32,661) |                |
|   |          |                |
| <b>2025/26 Deficit after non recurrent funding to be addressed by SFMG workstreams</b>      |          | <b>32,748</b>  |