

HIGH LEVEL SUMMARY OF MONTH 6 FINANCIAL POSITION AND FINANCIAL OUTLOOK 2025/26

Financial plan forecasts £10m Trust deficit. Trust has break even plan with medium and high impact measures

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 been received non recurrent deficit funding of £32.7m. The remaining £32.7m deficit was due to be addressed through savings to be identified by the SFMG workstreams, although this now seems unlikely to be achieved this year. The Trust has produced a break even plan comprising of £22.38m minimal impact service measures, mainly non recurrent in nature. The remaining deficit £10m, can only be achieved through initiatives that have medium to extreme service measures and are being considered by Minister.

The financial plan is £10m deficit but has identified medium and high service impact savings to break even.

£16.2m reported deficit at the end of September 2025

At the end of September 2025 the Trust is showing £16.2m deficit which pro rates to £32.4m, with the additional £19.68m savings to be delivered in latter half of the year. The Trust's initial savings plan is slightly over achieving in respect of nursing and social work agency reduction, making up for shortfalls in other initiatives.

The ongoing pressure in relation to workforce continues in 2025/26, with nurse agency slightly above run rates from 2023, albeit reduced since 2024, including a reduction in nurse agency usage in Muckamore. Medical agency has decreased minimally compared to last year but 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 £16.2m deficit at end September 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 (£200m), Trust growth pressures, National Insurance shortfall and funding gap caused by waiting list funding commitments. Plans have been developed to address all but £110m, this includes additional low impact regional savings of £40m being achieved that Trusts have just identified and excludes shortfall of £200m on pay. The Executive have agreed that DoH (along with Departments) will have first call on up to £100m for pay in December monitoring – the outcome of this is expected before Christmas. Negotiations are proceeding with TUS on the basis that £100m will be received.

Trust Financial Performance as at 30 September 2025

1. Executive Summary

- 1.1 The Belfast 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.
- 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 Since the initial financial plan was submitted in March the Trust reviewed its assumptions around growth and is working to contain growth where possible. Care management expenditure run rates have levelled off in comparison to previous years, private fostering placements have reduced 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.
- 1.4 Delivery of the Trust's minimal service impact savings plan of circa £77m (to include the workforce savings), reduced the anticipated deficit to £65.4m. The Trust has received non recurrent deficit funding of £32.7m, which left a £32.7m deficit. This was planned to be delivered through savings identified by the SFMG workstreams and regional workstreams. However these are struggling to get traction and they are unlikely to deliver planned savings in year.
- 1.5 The Trust was asked to produce a break-even plan at end September, graduated in terms of service impact and risk assessment. After concluded financial summits the Trust identified £22.38m of measures which would have minimal impact on service. In the main there is a significant system generated accrual which could be released, non recurrent easements not being retracted by SPPG, additional pharmacy savings and admin savings from introduction of encompass system that hadn't been included in initial savings plan as it was understood these were to be retracted. The remaining deficit £10m, can only be achieved through

initiatives that have elements of service impact ranging from medium to extreme and are currently with Minister for consideration. A summary of the financial position is provided in Appendix A. The Trust has recently submitted a high level initial savings plan for 2026-27, which is showing a significant deficit, circa £50m (assuming deficit funding £32.7m again), although there are many planning assumptions that need to be worked through with SPPG.

- 1.6 The Trust is reporting £16.2m deficit at the end September 2025, which suggests a full year prorated deficit of £32.4m. The £22.38m additional savings are planned to be saved in the latter half of the year, resulting in the £10m forecast deficit.
- 1.7 Savings of £40.6m have been achieved at the end of month 6, which is c.£500k 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.

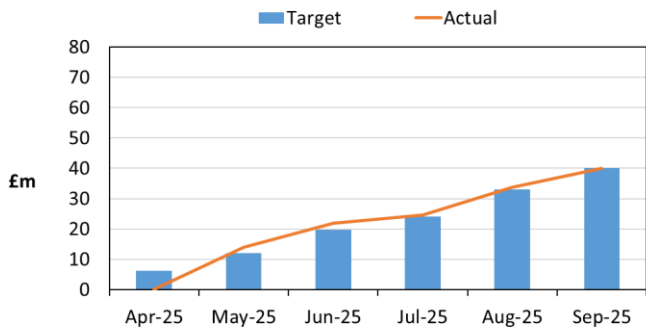
2. Trust 2025/26 Savings Programme

- 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 committed to delivering £77m of savings in 2025/26 in its initial financial plan, including £22m workforce management savings. These savings are in addition to £9.1m recurrent savings from 2024/25. In the recent break even plan the Trust committed to delivering a further £22.38m low impact savings measures, with the vast majority of these being non recurrent in nature, albeit there is a planned reduction of registered nurse agency. The remaining £10m savings detailed in the plan are medium, high and extreme service risk and the Trust is awaiting Ministerial decision of these initiatives.
- 2.3 The original cash efficiency savings plan includes a range of targeted actions including:
 - 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.

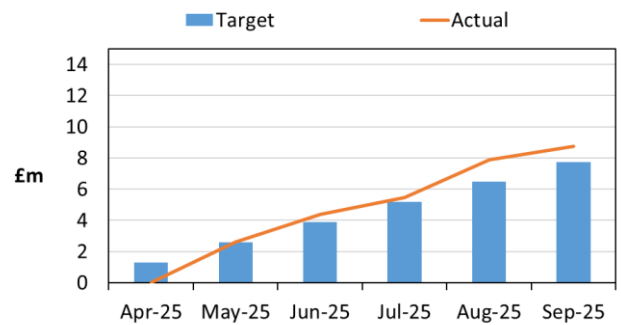
- 2.4 Savings of £40.6m have been achieved at the end of month 6, which is slightly above planned savings (Graph 1). Although there is significant shortfall of savings in particular planned schemes, for example medical agency and sickness absence. In Month 6 however, certain initiatives, for example MORE pharmacy savings, have overachieved, due to non-recurrent rebates being received at this stage of the year and a new biosimilar switching taking place. 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 a specific focus on this in particular issue at the Delivering Value meeting in September.
- 2.5 Nursing agency spend at Month 6 is lower than the same period in 2023/24, with a circa £4.3m reduction in qualified nurse agency hours and a £4.5m 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 ahead of target savings at end September 2025 (Graph 2). A pilot to cease nurse agency staff at night in specific medical wards commenced in August and the Trust has a plan to cease all registered nurse agency by November 2026.
- 2.6 Social work continues to generate agency savings of circa £1.5m at month 6 (£350k 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.
- 2.7 The Trust was achieving its sickness absence target at May 2025, however this has slipped back as at September 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 but requires continued focus to ensure this improvement continues throughout the year so that the target reduction can be achieved (Graph 4).
- 2.8 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 6 we are £1.6m 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.
- 2.9 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 reviews of enhanced care which should lead to improvement. 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).
- 2.10 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 6 due to non-recurrent rebates being received early in the year which has helped the overall

performance of this initiative, although this is now included as a new saving in the break-even plan.

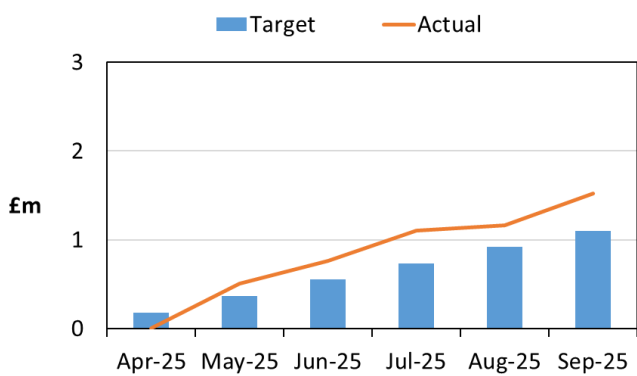
Graph 1 - Total Trust Savings Target V Actual



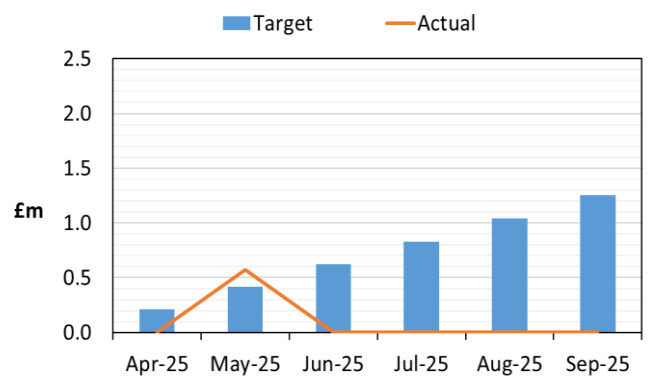
Graph 2 - Band 5 Nurse Agency Reduction Target V Actual



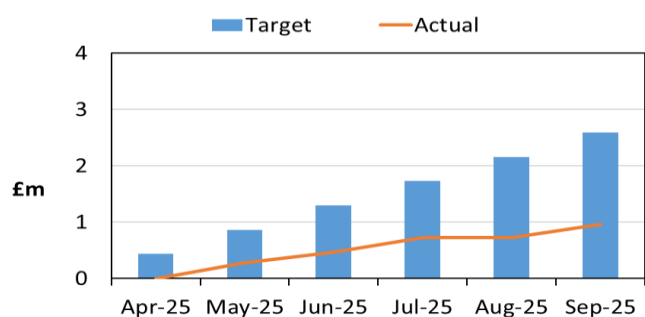
Graph 3 - Social Work Agency Reduction Target V Actual



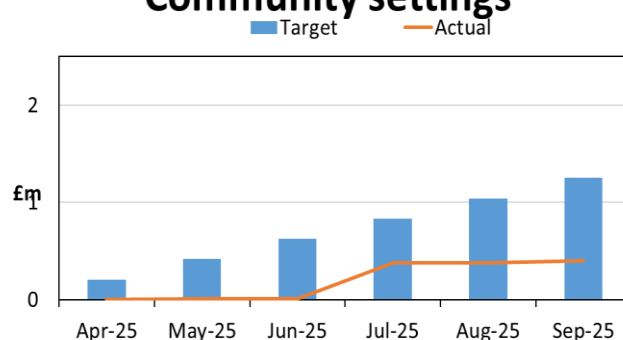
Graph 4 - Sickness Reduction Target V Actual



Graph 5 - Medical Workforce Reform



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



3. Financial Performance at 30 September 2025

- 3.1 At the end of September 2025, the Trust is reporting a £16.2m deficit which suggests a full year prorated deficit of £32.4m. The £22.38m additional savings are planned to be saved in the latter half of the year, resulting in the £10m forecast deficit.
- 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 6 is £60m (nursing £29m, medical £15.2m), this is a decrease on last year of £7m. Nursing agency costs have reduced by £4m for the 6 months compared to 2024/25, mainly due to reductions in Muckamore Abbey. Multi-disciplinary agency costs have reduced by £1m and this reduction should increase due to cessation of off contract 1 October 2025.
- 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 these areas are seeing growth at similar levels this year. Children's fostering with Independent Sector placements has reduced slightly in year. 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 30 September 2025, by directorate, is shown in Table 3.1 below:

Table 3.1 Summary Position by Directorate at 30 September 2025

Summary Pay and Goods			
Directorate	Budget £'000	Expenditure £'000	Variance £'000
TOR & IMO	83,907	87,699	3,791
Child Hlth, NISTAR, MDGS	89,131	90,428	1,298
Adult, Comm & Older People Serv & AHPs	194,711	195,557	846
Mental Hlth & Intellectual Disability	132,512	135,939	3,427
Cancer & Specialist Services	136,719	139,175	2,455
Unscheduled Care	124,161	139,815	15,655
ACCTSS & Surgery	128,238	136,637	8,398
Soc Wk & Children's Community Services	62,426	61,137	(1,289)
Nursing & User Experience	54,320	55,585	1,265
Other including Corporate Directorates	130,818	111,916	(18,902)
Total	1,136,943	1,153,887	16,944

Note: There is also an income surplus £657k and a profit on disposal of fixed asset £68k which brings the overall deficit to £16.2m

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 14th October 2025.
- 4.2 The total capital allocation is £59.3m. This consists of ring-fenced and specifically funded schemes totalling £43.5m and a general capital allocation of £15.8m.
- 4.3 Recent adjustments include ring-fenced retraction of £25.2m from Children's Hospital Scheme.
- 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.

Financial Planning 2025/26		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)		
Gross Deficit Brought Forward from 2024/25 Before Cost Pressures			74,490
2023/24 or prior year residual unfunded pressures	42,147		
Opening 2024/25 inescapable pressures	12,867		
			55,014
2025/26 Opening Deficit before growth and savings			129,504
New inescapable 2025/26 pressures identified (not growth)	4,176		
2025/26 Unfunded growth (inc FYE 24/25 growth)	16,516		
Changes to prior year inescapable pressures	(7,462)		
			13,231
2025/26 Opening Deficit after growth			142,735
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)
2025/26 Deficit after minimal impact savings			65,409
Non recurrent deficit funding	(32,661)		
Additional low impact savings identified as part of break even plan	(22,380)		
Remaining 2025/26 Deficit after non recurrent funding and low impact service measures			10,368