 Belfast Health and Social Care Trust caring supporting improving together		Paper Ref. Num. P170-2026 A <i>Note:- To be completed by HQ meeting organiser</i>
Belfast Health & Social Care Trust Meeting Template Sheet (v11.25)		
Purpose of paper		For Oversight
If other purpose please specify		Please enter text here
Meeting TB Public		
If other meeting please specify		Please enter text here
Presenter		Maureen Edwards
Date of meeting		8/1/26
Title of paper (Maximum of 300 characters)		
2025/26 Month 8 Financial Report		
Background (Maximum of 1500 characters)		
Financial performance, including savings delivery, for 8 months to November 2025, anticipated year-end position and high level financial outlook for 2026/27.		
Date considered at Exec Team (If Applicable)		Enter Date Here
Options for consideration (Maximum of 1500 characters)		
This paper provides: <ul style="list-style-type: none"> ❖ A report of the Trust's actual performance and savings at end of November 2025 and the forecast position for 2025/26; ❖ An update on the regional 2026/27 financial position 		
Recommendations (Maximum of 1500 Characters)		
This paper is for noting and discussion		
Proposed Onward Consideration		Choose an item.
If other		

Note:-

Any papers accompanying this template should not exceed 10 pages in length.

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- (2) Embedded documents should be [provided a separate attachments**
- (3) Append any papers to this coversheet starting on the next page**

MONTH 8 FINANCIAL POSITION 2025/26

EXECUTIVE SUMMARY

Financial plan forecasts a deficit of circa £44m

The Trust began the 2025/26 financial year with an opening underlying gross deficit of £143m before accounting for 2025/26 savings.

The Trust developed a savings plan, aimed at delivering £77m of in-year savings and received non recurrent deficit funding of £32.7m from SPPG. Other minor changes to the position resulted in an anticipated deficit of £32.7m. In September, Trusts were asked to produce graduated risk-assessed breakeven plans, setting out any service impacts. The Minister advised Trust to proceed with all green and amber (excluding Phone First) plans and 25% of those rated as high impact. This amounted to £24m for Belfast Trust, reducing the Trust's projected outturn deficit to £8.7m prior to the 2025/26 pay award.

DoH received funding of £69m through December monitoring against an estimated cost of £208m for the 2025/26 pay award. The anticipated funding shortfall for Belfast Trust is circa £35m.

The current 2025/26 year end forecast for Belfast Trust is a deficit of circa £43.7m, of which £35m relates to a shortfall in funding in relation to the 2025/26 pay award.

The Trust is delivering its savings plan but greater focus is required in key areas

At the end of November 2025, the Trust is reporting a £6.2m deficit prior to reflecting any pay award shortfall. The Trust is on target to deliver its savings plan. Good progress has been made in relation to nursing agency costs which are £4.9m lower than the same period in 2024/25 and plans are on target to cease all registered nurse agency by the end of March 2026. Agency usage and cost in relation to healthcare assistants remains high and requires additional focus by teams. Medical agency and absence management savings targets have not been achieved and social work agency and pharmacy savings continue to over-deliver.

The Trust is reporting a £6.2m deficit at end November 2025.

2026/27 Financial outlook

Although the financial settlement for 2026/27 is not yet known it is widely accepted that the regional gap will be significant and will include a carried forward deficit of circa £240m. A regional financial summit was held in November to focus and plan on priorities for next year and a further is planned for February.

The Trust is planning a delivering value workshop in early February 2026 with wide representation from specialties and professional groups to develop more

robust project management and monitoring arrangements to ensure that current plans are delivered at pace and scale and to generate further ideas for savings.

Trust Financial Performance as at 30 November 2025

1. Financial Performance Summary

- 1.1 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 initial savings plan included a range of potential measures which, whilst enormously challenging, could deliver approximately £55m of savings with minimal impact on services. These savings were in addition to £22m (1.8%) non-recurrent workforce underspends the Trust is required to deliver every year as part of an historic savings plan and £9.1m recurrent savings achieved in 2024/25 which had reduced the opening deficit position.
- 1.3 Following submission of the financial plan in March, the Trust reviewed its assumptions around growth and worked with teams 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 allowed the growth and other pressures figure to be reduced.
- 1.4 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 subsequently received non recurrent deficit funding of £32.7m, leaving a £32.7m deficit. This was planned to be delivered through savings identified by regional Systems Financial Management Group (SFMG) workstreams. However, these failed to get the necessary traction in-year and in September, Trusts were asked to produce graduated risk-assessed breakeven plans, setting out any service impacts. The Minister advised Trust to proceed with all green and amber (excluding Phone First) plans and 25% of those rated as high impact. This amounted to £24m for Belfast Trust, reducing the Trust's projected outturn deficit to £8.7m. In the main, these savings are one-off in nature and include the release of a system generated accrual, non-recurrent slippage which SPPG have allowed the Trust to retain, new rebates, additional

pharmacy savings and admin savings associated with the introduction of encompass.

- 1.5 The Trust has been advised that the remaining deficit £8.7m will be retained by the Trust. The regional shortfall for 2025/26 pay award of £139m, after December monitoring, will also be allocated to Trusts. The Trust is awaiting its pay award allocation but expects a funding deficit of circa £35m. The Trust is therefore anticipating a year-end outturn deficit of circa £44m which means that like other Trusts, the statutory obligation to break even will not be met. The pay award deficit has not yet been reflected in the Trust's position at November or forecast for the year pending confirmation of funding and costs. A summary of the financial position is provided in Appendix A.
- 1.6 The Trust is reporting £6.2m deficit at the end November 2025, which suggests a full year prorated deficit of £9.3m. The £24m additional savings have only commenced in October 2025 and will increase in the latter half of the year, resulting in the £8.7m forecast deficit, excluding the 2025/26 pay award.
- 1.7 Savings of £57.2m have been achieved at the end of month 8, which is £1.8m above planned savings albeit there is a significant shortfall against targeted savings for medical agency, sickness absence and enhanced care.
- 1.8 The Trust has recently submitted a draft high level financial plan for 2026/27, based on a number of broad income assumptions provided by SPPG. This shows a significant deficit of circa £20m, assuming deficit funding of £32.7m in line with 2025/26 and planned low impact savings of £88m. At the request of SPPG, the plan assumes no new inescapable pressures in 2026/27 which is unrealistic.
- 1.9 Although the financial settlement for 2026/27 is not yet known, it is widely accepted that the total HSC gap will be significant- initial broad estimates would suggest it could be in excess of £0.8bn. A regional financial summit was held in November to focus and plan on priorities for next year and another is planned for early February. The Trust has organised a delivery value summit workshop in early February 2026 to include all operational multi-disciplinary teams to focus on efficiencies and savings and generate further saving initiatives. The Trust will enhance its delivering value finance and productivity team to improve governance, and to more effectively identify, implement and monitor cash and non-cash efficiencies.

2. Trust 2025/26 Savings Programme



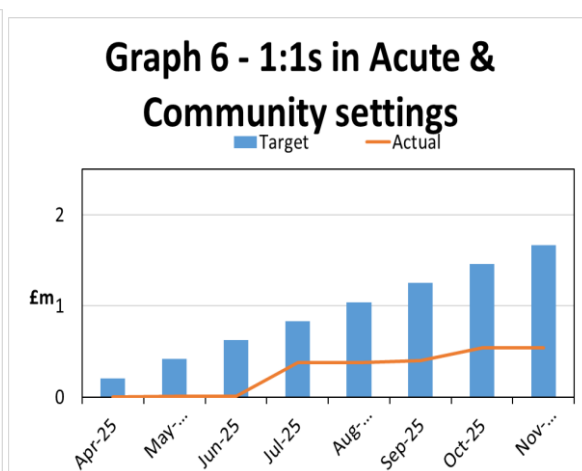
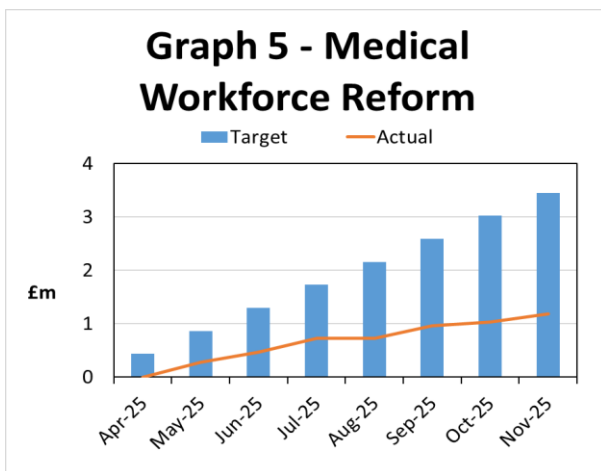
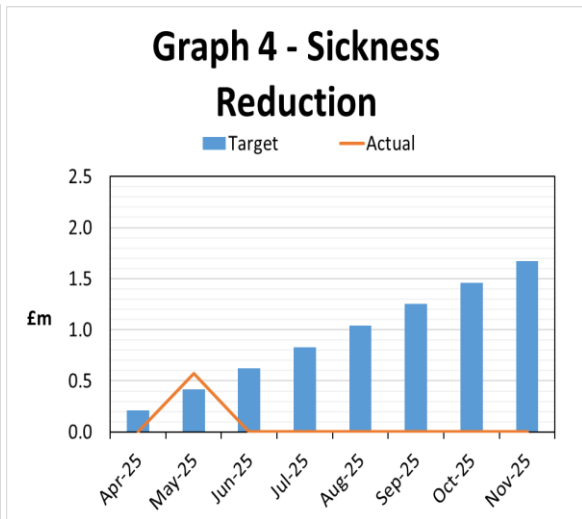
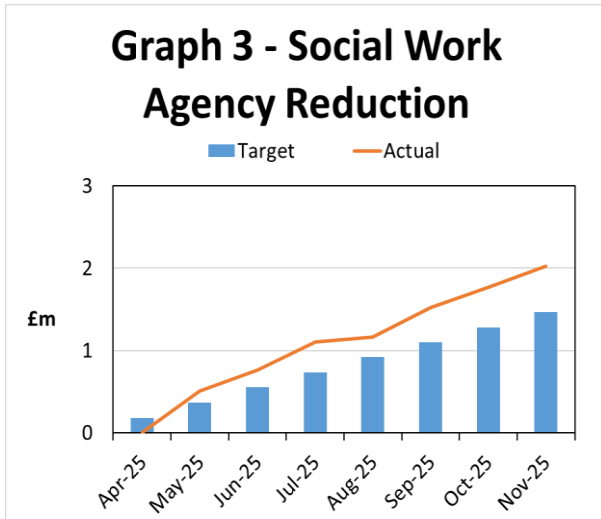
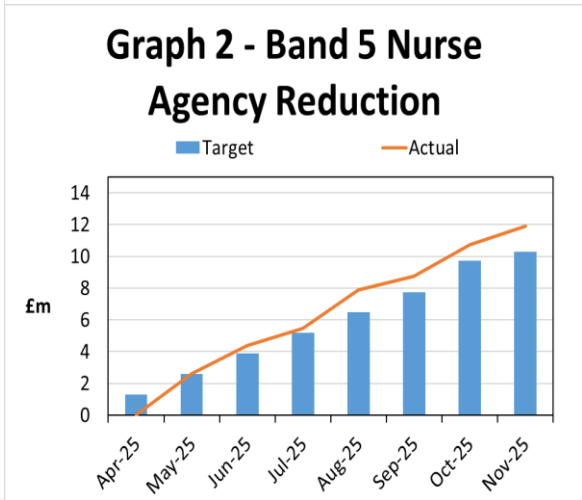
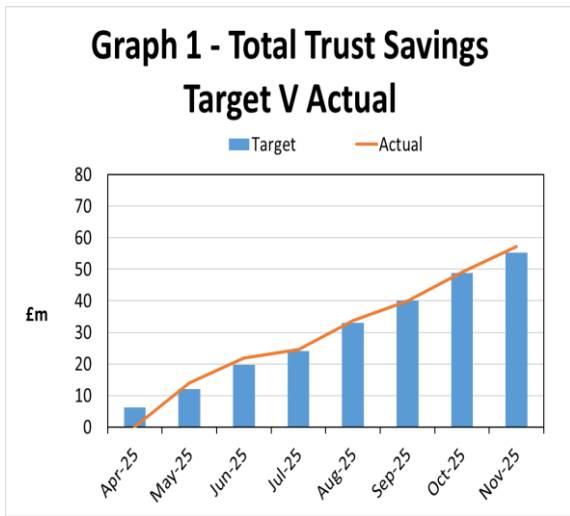
- 2.1 Trust savings are identified and monitored through the Trust's Delivering Value Programme (DVP) which meets on a monthly basis. The DVP is chaired by the Chief Executive and aims to deliver cash releasing savings to meet Departmental savings targets and productivity gains aimed at optimising limited 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 Trust's September breakeven plan, the Trust committed to delivering a further £24m of low/medium impact savings measures, with the vast majority of these being non recurrent in nature, albeit the plan includes a further planned reduction in registered nurse agency. The remaining £8.7m savings detailed in the plan were identified as being of high/extreme service risk and the Minister did not support such measures. This £8.7m now represents the Trust forecast deficit before any pay award funding shortfall.
- 2.3 The original cash efficiency savings plan included a range of targeted actions including:
- Cost controls and targeted reduction in discretionary spend and estates spend, acknowledging that curbing estates expenditure can result in higher costs in future.
 - 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 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 £57.2m have been achieved at the end of month 8, which is slightly above planned savings (Graph 1). Although there is significant shortfall of savings in particular planned schemes including medical agency and sickness absence. Other initiatives, for example MORE pharmacy savings, have

overachieved, due to unexpected non-recurrent rebates and a new biosimilar switching. Continued focus will be required to ensure that we are maximising all required savings in 2025/26, particularly in pay. An update on phase 2 savings totalling £24m at the November Delivery Value meeting.

- 2.5 Nursing agency spend at the end of November 2025 is lower than the same period in 2023/24, with a circa £5.8m reduction in qualified nurse agency hours and a £6.1m 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 November 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 in 2026. A recent discussion at DVP suggests we are ahead of the original target of full implementation by November 2026.
- 2.6 Social work continues to generate agency savings of circa £2m at month 8 (£560k 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 is not achieving its sickness absence reduction target at November 2025. There is an improvement on 2024/25 performance levels but continued focus will be required to ensure this improvement continues throughout the year so that the target reduction can be achieved (Graph 4).
- 2.8 Medical agency usage increased in 2024/25 and savings are measured against 2023/24 so considerable improvement was required this year. The target for 2025/26 is £5.175m, and at month 8 £1.2m has been delivered, circa £2.3m behind target. (Graph 5) The agency framework has now been delayed until January 2026, 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 reducing both agency and locum usage and the Trust will be closely involved in this work. Savings have been realised in the emergency department through the recruitment of permanent staff.
- 2.9 Focused work is 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. A reduction in 1:1 'specialling' hours, the use of which has risen exponentially in recent years, has not been achieved to date in 2025/26. However, community areas are completing early reviews of enhanced care which should lead to improvement. Overall, savings are currently not being delivered in this area, although relevant

directorates are developing plans in an attempt to begin to deliver savings between now and the end of the financial year. (Graph 6).

2.10 There is an overall pharmacy savings target of £10.1m this year, an increase of £1.7m from the original target of £8.4m, due to additional Phase 2 savings. Plans are progressing to deliver all of this target in year. There is an over-achievement of target at month 8 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 savings target in the break-even plan. There has also been strong performance in relation to switching initiatives this year, which has resulted in higher savings than 2024/25.



3. Financial Performance at 30 November 2025

- 3.1 At the end of November 2025, the Trust is reporting a £6.2m deficit which suggests a full year prorated deficit of £9.3m. The £24m additional savings have only commenced and will scale up in the latter half of the year, resulting in the £8.7m forecast deficit. The current position does not reflect any anticipated pay award funding shortfall pending clarity on costs and DoH funding. This is expected to be around £35m.
- 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 staffing (urgent care centre, medical speciality & escalation wards), ACCTSS nursing & medical, and MHLN nursing. Agency spend at month 8 is £81m (nursing £39m, medical £20.6m), representing a reduction on last year of £8.5m. Nursing agency costs have reduced by £4.9m for the 8 months compared to 2024/25. Nursing colleagues have a plan to cease all registered agency staff by end March 2026 (with exceptions in two areas) and are ahead of plan. Usage in healthcare assistants remains high and is offsetting the nursing agency savings. Multi-disciplinary agency costs have reduced by £1.8m and this reduction should increase due to cessation of off contract agency on 1 October 2025.
- 3.3 The Trust was not allocated any new growth funding for 2025/26 other than 2.3% inflationary non pay uplift and is making 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 by just over 4% (excluding price increases) and these areas are seeing growth at similar levels this year. Children's fostering with Independent Sector placements have 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 over the winter.
- 3.4 The financial position at 30 November 2025, by directorate, is shown in Table 3.1 below:

Table 3.1 Summary Position by Directorate at 30 November 2025

Directorate	Budget £'000	Expenditure £'000	Variance £'000
TOR & IMO	112,275	118,823	6,548
Child Hlth, NISTAR, MDGS	119,427	120,944	1,517
Adult, Comm & Older People Serv & AHPs	260,868	261,485	617
Mental Hlth & Intellectual Disability	177,415	181,886	4,471
Cancer & Specialist Services	188,015	191,653	3,638
Unscheduled Care	168,570	189,089	20,519
ACCTSS & Surgery	171,612	183,106	11,494
Soc Wk & Children's Community Services	83,380	82,229	(1,152)
Nursing & User Experience	72,633	74,511	1,878
Other including Corporate Directorates	182,135	139,669	(42,466)
Total	1,536,330	1,543,394	7,065

Note: There is also an income surplus £853k and a profit on disposal of fixed asset £24k which brings the overall deficit to £6.2m

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 12 December 2025.
- 4.2 The total capital allocation is £60m. This consists of ring-fenced and specifically funded schemes totalling £43.2m and a general capital allocation of £16.8m.
- 4.3 Recent adjustments include an allocation to general capital of £1m, additional ring fenced allocations of £0.4m to imaging diagnostics, £0.03m to IFRS16 leases and £1.3m to elective care.
- 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)	
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	(24,022)	
Remaining 2025/26 Deficit after non recurrent funding and low impact service measures		8,726

