

## MONTH 10 FINANCIAL POSITION 2025/26 EXECUTIVE SUMMARY

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### **Financial plan now forecasts break even position**

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 for pay award was £36m. DoH has now been advised of 'reserve claim' funding of £184.5m (to be repaid over 3 years). This, along with central slippage will allow the £197m HSC deficit to be met in full this year. The Trust has been advised it will receive non recurrent funding for both its baseline deficit and pay award deficit and so will break even.

**The current 2025/26 year end forecast for Belfast Trust is breakeven after accounting for £44.8m of non-recurrent additional funding.**

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

At the end of January 2026, the Trust is reporting a £591k deficit after reflecting anticipated additional 'reserve claim' funding. The Trust is on target to deliver its 2025/26 savings plan with good progress in nursing agency where there are now plans in place to cease all registered nurse agency by April 2026. Social work agency and pharmacy savings continue to over-deliver. Agency usage and costs in relation to healthcare assistants remains high due to continued use of unfunded one-to-one care staffing; this requires additional focus by teams. Medical agency and absence management savings targets have not been delivered albeit some progress has been made in relation to medical savings this year.

**The Trust is reporting a £591k deficit at end January 2026 and the savings plan is being achieved.**

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### **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 circa £800m-£1bn and will include a carried forward deficit of circa £185m. The Trust has been asked to identify savings to achieve breakeven which would involve funding its own inescapable pressures from 2025/26 and any new 2026/27 growth/inescapable pressures, including high cost drugs, as well as meeting the Trust's share of the £1bn projected deficit. At this point, in relation to the £1bn deficit, Trusts have been asked to develop plans to deliver both a 6% savings target and a 12% savings.

## **Trust Financial Performance as at 31 January 2026**

### **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 prior to any 2025/26 pay award. 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 Until February 2026, the trust had been anticipating a deficit of £36m in relation to the 2025/26 pay award, its share of the £139m HSC funding shortfall, bringing the total anticipated year end deficit to £44.8m. However, on 11 February 2026, UK Treasury announced a £400m in-year 'reserve claim' for the Northern Ireland Executive to cover urgent budget overspends of which DoH will receive £184.5m. This additional funding, along with a level of central slippage, will enable DoH to forecast financial balance for 2025/26. The Trust

has been advised that it should assume £44.8m of non-recurrent deficit funding to meet its deficit in full. As a result, the Trust is now forecasting a breakeven position. A summary of the financial position is provided in Appendix A.

- 1.6 The Trust is reporting £591k deficit at the end January 2026, after accounting for this non recurrent 'reserve claim' funding but the deficit will be addressed by year-end.
- 1.7 Savings of £89.3m have been achieved at the end of month 10, which is £5m above planned savings albeit there is a significant shortfall against targeted savings for medical agency, sickness absence and enhanced care.
- 1.8 The Trust must submit a draft high level financial plan for 2026/27 by end February, based on a number of broad income assumptions provided by SPPG, including no funding for growth or new inescapable pressures in 2026/27 or funding for the FYE of 2025/26 pressures. The Trust has been advised not to assume the £7m it received non-recurrently in 2025/26 for high cost drugs and therapies and not to assume funding for new high cost drugs in 2026/27. Based on the expected allocation (which includes recurrent deficit funding of £42m) and our best estimate of growth and new pressures in 2026/27, the Trust faces a significant opening deficit of circa £100m, after accounting for recurrent 2025/26 savings of £14.3m. SPPG have also asked the Trust to detail how it would achieve a new savings target of 6% (£123m) and 12% (£246m).
- 1.9 The Trust is enhancing its delivering value finance and productivity team to improve governance, and to more effectively identify, implement and monitor cash and non-cash efficiencies. The Trust held a delivering value workshop in early February 2026 to include all operational multi-disciplinary teams to focus on efficiencies and savings and generate further saving initiatives. This was extremely well attended and additional ideas were generated, albeit many of the proposed savings schemes will take some time to deliver and will require regional and DoH input and support. The Trust has identified, at this stage, circa £75m of savings considered to have minimal service impact, which will be extremely challenging to deliver and sustain, and will require intensive clinical engagement and rigorous monitoring. The Trust will continue to seek to identify further low impact savings over the coming months but it is highly unlikely that the Trust could deliver additional savings of a material scale without severely impacting on the level or quality of services provided.

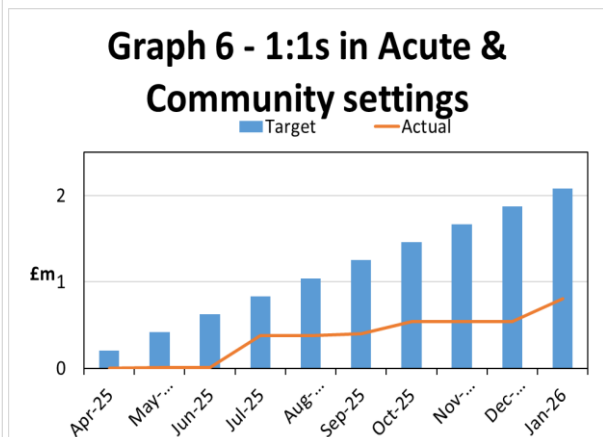
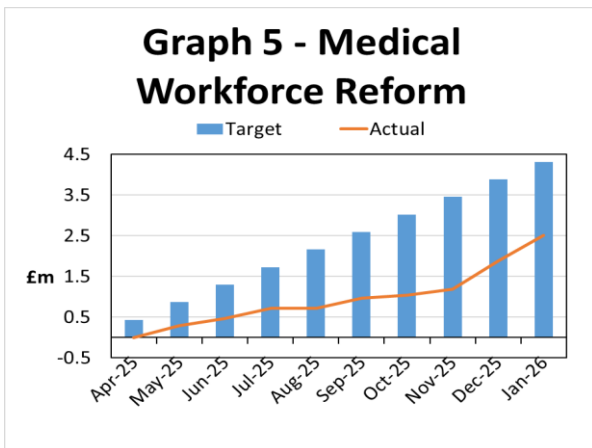
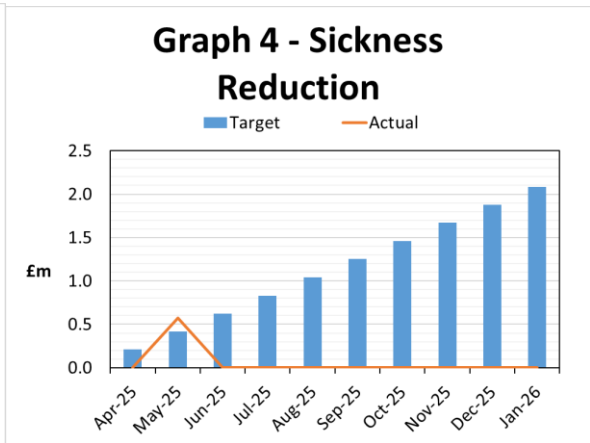
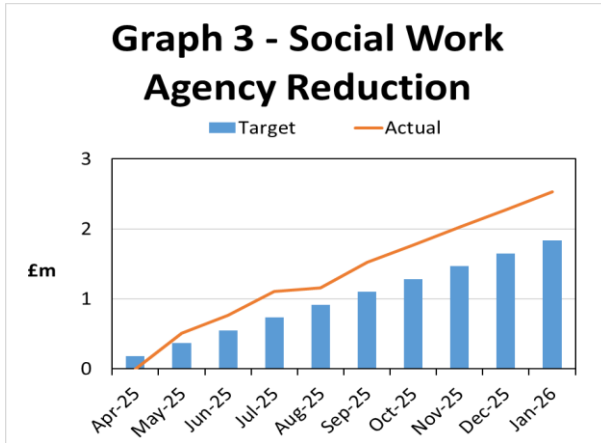
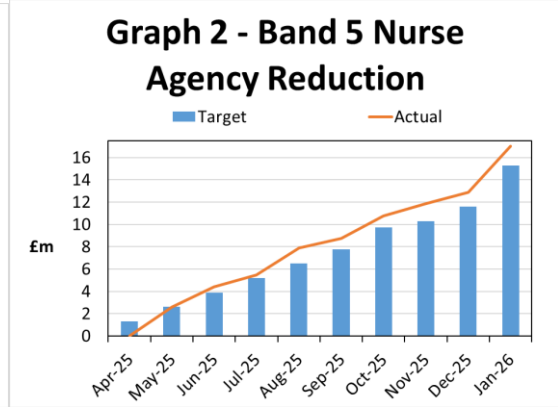
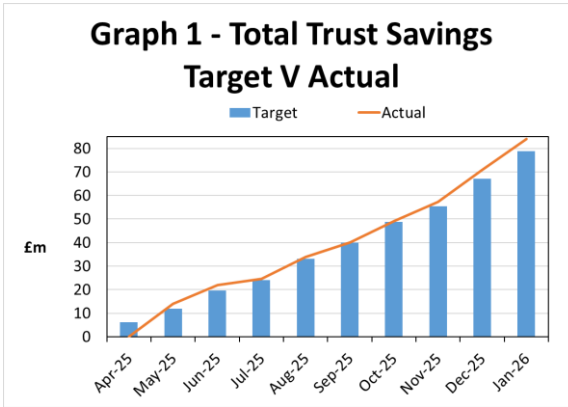
## **2. Trust 2025/26 Savings Programme**

- 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 baseline deficit is now being funded non recurrently through central slippage.
- 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 £83.9m have been achieved at the end of month 10, which is circa £5m above planned savings (Graph 1). Although there is significant shortfall of savings in particular planned schemes including medical agency and sickness absence, other initiatives have overachieved including MORE pharmacy savings which was 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.
- 2.5 Nursing agency spend at the end of January 2026 is lower than the same period in 2023/24, with a circa £8.8m reduction in qualified nurse agency hours and a £8.2m reduction attributable to a fall in the hourly rate of pay associated with the transfer of hours from off-contract to contract agency. Nurse agency savings are ahead of target at end January 2026 (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 indicated that we are ahead of the original target of full implementation by November 2026.

- 2.6 Social work continues to generate agency savings of circa £2.5m at month 10 (£700k 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 December 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 10 £2.5m has been delivered, circa £1.8m behind target (Graph 5). The agency framework has now been delayed until March 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, £800k of savings have been delivered against a target of £2.1m at Month 10 (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 10 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 breakeven 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 31 January 2026**

- 3.1 At the end of January 2026, the Trust is reporting a £591k deficit but forecasting breakeven at year end. The current position reflects anticipated additional funding for the £36m pay award shortfall and the remaining £8.7m Trust 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 staffing (urgent care centre, medical speciality & escalation wards), ACCTSS nursing & medical, and MHLN nursing. Agency spend at month 9 is £98m (nursing £47m, medical £25m), representing a reduction on last year of £13.7m. Nursing agency costs have reduced by £9.5m for the 10 months compared to 2025/26. 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. Multidisciplinary agency costs have reduced by £3.3m and this reduction should increase due to cessation of off contract agency on 1 October 2025. Medical agency spend has reduced £3.5m year on year.
- 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, complex discharges and an increase in rates which are outside of tariff. Care management appears to be growing at circa 3.5% relating to both activity and price increases. Children's independent sector fostering placements have reduced slightly in year due to ongoing work in this area to contain growth and spend. There continues to be increased demand and pressure in relation to non-elective fractures, with significant numbers being treated in Musgrave Park. Elective care monies have enabled some additional fracture lists and beds to open over the winter.
- 3.4 The financial position at 31 January 2026, by directorate, is shown in Table 3.1 below:

**Table 3.1 Summary Position by Directorate at 31 January 2026**

<b>Directorate</b>	<b>Budget £'000</b>	<b>Expenditure £'000</b>	<b>Variance £'000</b>
<b>TOR &amp; IMO</b>	141,900	149,150	<b>7,251</b>
<b>Child Hlth, NISTAR, MDGS</b>	149,271	150,669	<b>1,398</b>
<b>Adult, Comm &amp; Older People Serv &amp; AHPs</b>	331,975	328,223	<b>(3,752)</b>
<b>Mental Hlth &amp; Intellectual Disability</b>	222,906	227,583	<b>4,678</b>
<b>Cancer &amp; Specialist Services</b>	240,743	244,512	<b>3,769</b>
<b>Unscheduled Care</b>	212,607	238,428	<b>25,821</b>
<b>ACCTSS &amp; Surgery</b>	215,668	229,428	<b>13,760</b>
<b>Soc Wk &amp; Children's Community Services</b>	104,668	103,509	<b>(1,159)</b>
<b>Nursing &amp; User Experience</b>	91,093	93,321	<b>2,228</b>
<b>Other including Corporate Directorates</b>	269,867	217,655	<b>(52,212)</b>
<b>Total</b>	<b>1,980,697</b>	<b>1,982,478</b>	<b>1,781</b>

*Note: There is also an income surplus £1175k and a profit on disposal of fixed asset £15k which brings the overall deficit to £591k.*

#### **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 11 February 2026.
- 4.2 The total capital allocation is £71.8m. This consists of ring-fenced and specifically funded schemes totalling £52.7m and a general capital allocation of £19.1m.
- 4.3 Recent allocations include £1.2m for ICT technical debt and £7.7m for ICT device refresh, £0.1m for GP improvement schemes, £2.2m for general capital, £0.7m for IFRS16 leases, £0.05m for NIPACS+. Adjustments to imaging diagnostics funding included retractions of £0.3m and an allocation of £0.1m.
- 4.4 The progress of schemes continues to be closely monitored and should there be any changes identified to the spend profile for the last two months this will be highlighted and acted upon. The Trust's projected capital outturn position for 2025/26 is breakeven.

#### **5. 2026/27 Financial Planning**

- 5.1 The Trust has been asked to submit a draft high level financial plan for 2026/27 by 27 February 2026, as part of the Trust's response to the recently issued DoH Strategic and Operational Planning Guidance. Trusts have been asked to develop plans to meet both a 6% and 12% savings target.
- 5.2 Trusts are clear that before addressing any new 6% savings target, they will have to develop savings plans:
  - ❖ to close any 2025/26 savings plan gap by replacing non-recurrent savings delivered in 2025/26

- ❖ to address residual 2025/26 deficits covered from non-recurrent funding in 2025/26
- ❖ to address the FYE of unfunded 2025/26 inescapable growth/other cost pressures
- ❖ to meet anticipated growth and other inescapable cost pressures expected to emerge during 2026/27

5.3 Based on current estimates, the target for additional new savings prior to the 6% will be in the region of 4.5%. Delivering low impact savings of this scale will be extremely challenging in itself.

5.4 Trust Directors of Finance and Planning and Performance are working closely together to share learning and challenge each other in order to optimise the level of savings identified and implemented in 2026/27. It is evident that current savings plans will need to be expanded and expedited and new savings proposals identified. The DoH planning guidance would suggest opportunities for reductions in beddays and staffing and this needs to be explored at pace, clearly identifying measures to be taken to realise savings and any potential risks to service.

5.5 The first high level draft financial plan and DoH response to that will be shared at the next Trust Board.

**Summary High Level Financial Outlook 2025/26**  
**APPENDIX A**

	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)	4,176	
2025/26 Unfunded growth (inc FYE 24/25 growth)	16,516	
Changes to prior year inescapable pressures	(7,462)	
		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)	
Additional low impact savings identified as part of break even plan	(24,022)	
2025-26 pay award Deficit	36,057	
Assume non recurrent funding	(44,783)	
<b>Remaining 2025/26 Deficit after non recurrent funding and low impact service measures</b>		<b>0</b>