

Belfast Health & Social Care Trust Meeting 2026.08.27_TBP_AgendaItem10.2-P237-2026AFinance	
Purpose of paper	For Approval
Meeting TB Public	
Presenter	Maureen Edwards
Date of meeting	27 August 2026
Title of paper Trust 2026/27 Savings Plan	
Background At the March 2026 Trust Board, members approved savings plans of £67.9m, representing 3.3% of budget. On 10 June 2026, SPPG wrote to Chief Executives, to advise that Trusts should identify savings to deliver a 4% target in addition to opening deficits (1.4% for Belfast Trust). A range of savings measures totalling £43.5m were subsequently submitted by the Trust to SPPG. Following a meeting with SPPG on 6 July 2026 and subsequent review by the Minister, SPPG have asked the Trust to proceed with £20.1m of additional savings. This will bring total savings to £88m (4.3%), leaving a residual savings gap of £23.3m (1.%) against the Trust's 5.4% savings target. Further discussion is required with DoH/SPPG regarding both the residual savings shortfall and a potential £20m shortfall in funding for anticipated in-year new growth and inescapable pressures.	
Date considered at Exec Team (If Applicable)	25 August 2026
Options for consideration (Maximum of 1500 characters) Trust Board members are asked to consider the £20.1m of additional savings outlined in the attached paper. Note that this paper focuses only on the Trust's savings plan in respect of the 4% target set by SPPG and the Trust's opening 2026/27 deficit. It should be noted that on top of the 4% savings target and carried forward deficit, the Trust is anticipating a budget deficit of circa £40m based on the 2026/27 opening income allocation against anticipated spend before growth and other inescapable pressures. There is no clarity from SPPG/DoH at this point on how that deficit would be addressed within the system to enable the Trust to report a breakeven position. Furthermore, the Trust is anticipating unfunded inescapable pressures in 2026/27, primarily associated with demand growth, of circa £22m. The latest correspondence from SPPG on 15 July 2026 indicates that only £2.2m will be provided in relation to these pressures. Further urgent discussion will be required with SPPG colleagues to understand how these anticipated cost pressures can be managed given the severe patient impact associated with not meeting the new demand in full.	
Recommendations (Maximum of 1500 Characters)	

Trust Board members are asked to approve the implementation of phase 2 savings plans which have been rated green by SPPG.

Savings Plan for Review and Approval

27 August 2026

Introduction

The financial and operational challenges facing by the Health and Social Care (HSC) system in Northern Ireland are well documented. The Minister's Reset Plan states that:

- Health and Social Care spending has risen to 52% of the Northern Ireland budget;
- Rising costs for Health and Social Care are not sustainable and impact negatively on other public services;
- HSC Trusts must reduce costs.

Like all HSC bodies, the Belfast Health and Social Care Trust has a statutory duty to breakeven. Put more simply, we must operate within the budget set by the Northern Ireland Executive.

The Minister's strategic aim is to reform our HSC system to focus on prevention and shifting care into the community. As set out in the Reset Plan, the intention is to move to a financially sustainable HSC system based on enhanced prevention and early intervention.

The Reset Plan also includes what the Department of Health describes as the most ambitious efficiency programme in HSC history. The Plan is explicit that this will require 'a suite of actions focused on strengthening Trust financial controls, reducing locum and agency costs, increasing workforce availability through absence reduction, removing unwarranted variation in clinical care, procurement, optimising medicine spend, and reducing central budgets and administrative costs.'

Financial Context for Belfast Trust

In the absence of a formal budget settlement and a projected HSC funding deficit of circa £800m, Belfast Trust had produced its 2026/27 financial plan on the basis of an indicative SPPG budget allocation. This included £42m of deficit funding towards the Trust's underlying recurrent deficit and an income reduction of 6%, representing the Trust's 2026/27 savings target. The Trust had previously submitted a draft balanced financial plan to SPPG which, given the scale of the budget deficit, included a range of savings measures which would have had significant service user impact.

The Chief Operating Officer of SPPG had subsequently written to Chief Executives on 10 June 2026 to advise that Trusts' plans had been submitted to the Minister and he had advised that he wished Trusts 'to move ahead with any and all savings measures that can be undertaken without causing harm to service users.' In the letter, Trusts were asked to submit savings plans equivalent to a reduced target of 4% of their revenue resource limit (RRL) in addition to managing any deficit brought forward which for Belfast represents a further £29m or 1.4%. The Trust's total in-year savings target is therefore 5.4%.

In March 2026, Trust Board had approved the Belfast Trust's phase 1 savings plan which included a range of measures aimed at delivering £67.9m of no/low impact efficiency savings, equivalent to 3.3% of its RRL. £29m of these savings are required to offset the Trust's underlying deficit, meaning that only 1.9% can be counted towards the 4% target, as shown the table below.

Summary Position after Phase 1 Savings

	£'m	% of RRL
Trust underlying deficit (excluding 2026/27 anticipated growth)	29.0	1.4%
4% savings target	82.3	4.0%
Total Savings Requirement to meet deficit and 4% target	111.3	5.4%
Approved Phase 1 plans currently being progressed	67.9	3.3%
Total Shortfall against 4% target and opening deficit - 18 June 2026	43.5	2.1%

At the June Trust Board meeting, the Director of Finance presented a range of additional savings which could potentially be implemented to address the residual £ 43.5m (2.1%) shortfall against a total 5.4% savings target for consideration. These were categorised into:

- ❖ Measures considered to be deliverable without service impact but which had a high implementation risk and which, if not effectively implemented, present a risk of harm to service users
- ❖ Severe/catastrophic savings in terms of likely patient impact and safety

In identifying additional savings proposals, the Trust had focused first on areas of greatest avoidable overspend, primarily premium rate staff costs, and areas where costs have increased exponentially in recent years, e.g. one to one enhanced care and independent sector home costs where there should be more scope to bring costs back to funded levels.

The proposals identified took account of:

- ❖ a detailed regional assessment of cash-release savings options by Directors of Finance which were discussed at regional finance summits
- ❖ a comprehensive assessment of Belfast Trust overspends and opportunities to bring longer term savings plans forward at pace with mitigations, acknowledging the risk of trying to implement significant change without the requisite planning, engagement and governance.

Of the measures presented, circa £19.7m fell into the first category, i.e. measures considered to have a high implementation risk but which should not, if effectively implemented, present a risk of harm to service users. Beyond this, additional savings would be high or catastrophic in terms of both implementation and potential service implication.

SPPG Feedback on Trust Savings Submission

A meeting took place on 6 July 2026 between the Trust and SPPG in relation to the Trust's phase 2 savings submission. SSPG provided a RAG rating of green to all of the Trust's £19.7m savings that were described as achievable without service impact but which carried a high risk of implementation failure as well as £0.4m of transport savings from regional work being done in this area by SPPG and NIAS.

The Minister subsequently approved £18.1m of the £20.1m pending further discussions between the Trust and SPPG on planned estates maintenance savings which have since taken place.

Phase 2 Savings Approved by SPPG for Implementation

The following proposals, amounting to £20.1m, have been rated green by SPPG and as such are expected to be implemented by the Trust.

Measure	Value
Additional savings in registered nursing through roster and absence management and compliance with Safecare	£3.5m
Expedited ban on agency staff (with limited, agreed exceptions) across all staff categories	£8.0m
Additional recruitment controls including delays in admin recruitment	£1.5m
Deeper, expedited reductions in enhanced patient care observations (EPCO)	£1.5m
Accelerated additional work by Liaison	£1.5m
Additional procurement savings initiated/supported by PALS	£0.75m
Expedited diagnostics demand management savings (SFMRG workstream)	£0.25m
Reduced cleaning in admin areas	£0.25m
Reduction in planned estates spend	£2.0m
Cessation of Phone First service	£0.5m
Transport Savings through SPPG-led workstream	£0.4m

For some of these measures, e.g. reduction in planned estates spend and more stringent recruitment controls which will be implemented through a risk assessment-based process, a level of service impact must be expected and accepted.

In relation to reduction in agency costs, this should in theory be possible without any reduction in the level and quality of service. However, it should be stressed that the ambitious savings targeted for agency will be enormously challenging to implement within the timescales required. Successful delivery will be dependent on a range of enablers, for example the establishment of a regional or Trust medical and admin bank, and system synchronicity in relation to the scale and pace of introducing an agency ban for example, without which the chances of success are severely compromised. 'Holding the line' on savings such as an agency ban present significant risk in terms of service impact, and strong regional messaging and support will be required to ensure sustained success. In the event that timescales are missed and the Trust is not able to reduce agency backfill at the levels required, service reductions may be required to deliver savings; at this point, further engagement with DoH and SPPG will be necessary.

Summary Revised 2026/27 Savings Plan

Delivery of the £20.1m phase 2 savings will bring total savings in 2026/27 to £88m, representing 4.3% of the Trust's RRL, resulting in a gap against the DOH target of £23.3m (1.1%) as shown in the table below.

Summary Position after Phase 2 Savings

	£'m	% of RRL
Trust underlying deficit (excluding 2026/27 growth)	29.0	1.42%
4% savings target	82.3	4.00%
Total Savings Requirement to meet deficit and 4% target	111.3	5.42%
Approved Phase 1 plans currently being progressed	67.9	3.30%
Phase 2 plans deemed achievable but high implementation risk and associated service impact- all rated green by SPPG - TB asked to approve	19.7	0.96%
Phase 2 transport plans - rated green by SPPG on the basis of SPPG/NIAS-led regional workstream- TB asked to approve	0.4	0.02%
Total Shortfall against 4% target and opening deficit - July 2026	23.3	1.14%

Engagement, equality and Consultation

The Trust's cost savings and efficiency proposals are predominantly within the scope of management control and general good financial governance and include the need to make choices on flexible and discretionary spend combined with non-front-line or lower impact services. To achieve the maximum level of cost savings in year, phase 1 measures were agreed and implemented early in the financial year, and planning and preparation for additional Phase 2 proposals is ongoing to ensure that those are implemented as soon as possible following Trust Board approval of the revised savings plan.

Each of these savings measures has been carefully risk assessed and will be monitored on a regular basis to ensure that the impact is not more adverse or differential than anticipated. In accordance with our statutory equality duties, equality screenings have been undertaken to assess potential impact on patients, service users and staff with mitigations detailed to lessen any such impact.

Where there are service changes, these will be implemented through timely communication to staff and relevant external stakeholders and the impact on any affected staff will be managed in line with other reconfigurations or service changes within the Trust's management of change processes.

The enhanced workforce control measure aim to create a more sustainable workforce model for the future, by reducing reliance on temporary staffing solutions and ensuring that available resources are directed towards frontline services, improving patient outcomes and delivering high-quality care. These are subject to equality screening and ongoing risk assessment and close monitoring.

Trusts are faced with competing requirements - the statutory duty to break-even and the statutory duties to consult and involve. If it is determined that consultation is required at a later date as we progress with implementation to achieve the savings required by the Department of Health within the current financial year, the Trust cannot undertake the normal engagement and consultation processes, and retrospective consultation would be undertaken in those circumstances. This departs from the customary Trust process, as set out in our Involvement and Consultation Scheme, which places consultation prior to implementation of decisions.

Ask of Trust Board and Risks and Assumptions Therein

Trust Board are asked to approve the implementation of the £20.1m savings for which SPPG has applied a green RAG rating.

In doing so, it is important to stress that:

- Delivering the full £20.1m within the required timescales will be extremely challenging, given the very limited time available to effectively plan and implement the significant changes required.
- Success will depend heavily on regional consistency, Department of Health support and effective communications. Any variation in approach across Trusts, or deviations from agreed processes or actions in the case of agency cessation for example, will impact on the Trust's ability to deliver its savings plan in full.
- Whilst the Trust will of course endeavour to avoid harm and adverse service impact, in 'holding the line' to ensure the long term success of some of the measures, service disruption and service downturn, at least in the short term, may be inevitable. In these circumstances, further discussion with DoH and other system colleagues will be required.

Trust Position in relation to Financial Breakeven

Trusts have a statutory duty to deliver a balanced financial position each year. Belfast Trust's current savings plan will help the Trust deliver 4.3% of its 5.4% savings target which will result in a savings deficit of £23.3m.

Given the size of the shortfall relative to other Trusts, which is wholly attributable to Belfast Trust's disproportionate opening funding deficit, the Trust has been placed on level 3 of the SPPG Support and Intervention Framework. The Trust will continue to seek further opportunities for savings, with the support of SPPG, to close the in-year savings gap, acknowledging that this will require a higher level of savings relative to other HSC Trusts.

It is important to note that the £23.3m deficit does not take account of any new cost pressures in 2026/27.

Belfast Trust has consistently managed a degree of demographic growth and other unavoidable pressures through efficiency, productivity improvements and effective budgetary control. However, the Trust cannot fully absorb the scale of emerging annual pressures associated with an organisation of Belfast's size and complexity without recurrent growth funding. For 2026/27, the Trust has identified anticipated inescapable pressures of £22m, including the full-year effect of acute service demand growth from 2025/26 and a range of community cost pressures linked to demographic growth and high-cost care placements. A review of expenditure and assumptions at month 4 indicates that £22m remains a reasonable estimate for the year.

In July 2026, SPPG indicated that the Trust would be allocated £2.2m against its £22m inescapable pressures, resulting in a potential £20m deficit. Further discussion is urgently required with SPPG to agree how inescapable pressures can be funded or reduced which would inevitably have service implications.