Northern Health and Social Care Trust Board Meeting in Public - Cover Sheet

Subject:	**Trust Board Financial Position Report – October 2025**	**Date of Meeting: 22nd January 26**	
Prepared By:	Financial Management		
Approved By:	Labhaoise Boyle, Interim Assistant Director of Financial Management		
Presented By:	Stevie Lennon, Interim Director of Finance		
Purpose			
To provide an update to Trust Board on the Financial Outturn of the Trust as at Period 9 (Dec 2025).		**Approval**	
		Assurance	X
		Update	
		Noting	

Strategic Objectives				
Build Northern Partnerships and Integrate Care	***Continue to improve Outcomes & Experience***	***Deliver value by optimising Resources***	***Nurture our People, Enable our Talent & Build Our Teams***	***Improve population Health & address health & social care inequalities***
		x		

Risk – please note if links to any principal, corporate or divisional risk	
28	Principle Risk – Failure to Break-even

Committees/groups where this item has been presented before

N/A

Acronyms

BSO: Business Services Organisation
DoH: Department of Health
PHA: Public Health Authority
SPPG: Strategic Planning & Performance Group
FSS: NHSCT Financial Support Services
ARSS: BSO Accounts Receivable Shared Services
FAS: NHSCT Financial Accounting Services
MORE: Medicines Optimisation Regional Efficiency
NIMDTA: Northern Ireland Medical & Dental Training Agency
SFMG: System Financial Management Group
PPE: Personal Protective Equipment
FYE: Full Year Effect
WTE: Whole Time Equivalent
FSL: Funded Staff Level
DLS: Directorate of Legal Services
OCP: Office of Care & Protection
HRPTS: Human Resources, Payroll & Travel System
EJO: Enforcement of Judgement Office

Executive Summary

The Trust is forecasting a deficit on Non Pay Award of £6.6m and £19.5m on the Pay Award – leaving a total defcit forecast of £26.1m. This is a £0.7m reduction in the Non Pay Award deficit due to additional Income, not being previously forecast, from SPPG.

The Trust does not have plans that could bridge that gap and therefore, based on current forecasts, the Trust will not break-even in 2025/26.

The Pay Award expenditure, Income and therefore deficit has been accrued YTD and Forecast to year-end in this months reported position.

Financial Position

Key deficits remain in MEM (forecast £10.8m) and CC (forecast £9.5m), while MHLDPS is under-spent there continues to be a financial pressure on High Cost Placements across all programmes of Care.

Savings

Total savings plan is for £33.6m, with forecast £33.3m of this underway, there remains £0.3m still to commence.

Flexible Staffing

Total Agency Spend to December 25 was £50.9m of which 27% was off-framework. Total Flexible staffing costs are £81.3m which is broadly at the same level as 2024/25.

Risks & Assumptions

1. The Trust does not have a break-even plan and therefore, as things currently stand, the Trust will not breakeven in 2025/26.
2. Forecast assumes that expenditure and income will continue on current trajectories and that funding anticipated will all be received.
3. Assumed that all savings will be fully achieved.
4. The Trust continues to experience pressures in ED and Acute settings with respect to DTA and end of Acutes. There continues to remain a capacity issue in the Care Home and IS Homecare sectors. All of these could have an impact on forecast costs.
5. There continues to be high acuity in Care Homes placements and this is leading to an increased number of High Cost Placements which is continuing to put pressure on costs.

Northern Health and Social Care Trust

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TRUST BOARD

FINANCIAL POSITION REPORT – December 2025

Prepared & Issued by Finance Department

Contents

Section 1: Financial Performance Targets 2025/26

Financial Performance Targets	RAG STATUS
1. Agree in-year break-even financial plan agreed with SPPG and DoH	**R**
The Trust deficit, excluding the Pay Award, is £6.6m. This is after all approved savings have been assumed as achieved and all identified pressures, including growth, have been included. This is a reduction on the deficit set out at month 8 of £0.7m due to additional SPPG Income that has been notified that was not previously being assumed. In addition the 2025/26 Pay Award (including Independent Sector uplifts) is estimated to cost £29.5m, with confirmed funding of £10.0m – leading a Pay Award deficit of £19.5m. The Trust has received a letter from the Permanent Secretary setting out that there has been a Ministerial Direction on the payment of the pay award. Overall the Trust is forecasting to be in deficit by £26.1m. The Trust does not have plans that could bridge that gap and therefore, based on current forecasts, the Trust will not break-even in 2025/26.	
2. Achieve in-year break-even outturn within allocated Revenue Resource Limit (RRL)	**R**
At Mth 9 forecast DEFICIT is £6.6m on non-Pay Award and £19.5m on Pay Award – forecasting a total 2025/26 **deficit** of £26.1m.	
3. Achieve 2025/26 Savings Target	**G**
The total savings that have been identified by the Trust in 2025/26 is £33.6m. These savings are set out in section 4. The Trust is expecting to achieve these savings – **and these are green**.	
4. Reductions to Agency Spend **a) Cease all off Framework Social Work Agency 01/04/23 and all Social Work Agency from 01/07/23** **b) Cease all off Framework Nurse Agency Spend by 15th August 2023**	**G**
The cessation of Off Framework Nursing & Healthcare Agency and all of Social Work Agency has commenced and is being demonstrated in reports. See section 5a.	
5. Prompt Payment Target - 95% of suppliers within 30 days	**G**
Trust performance measure indicates that for December 95.80% of invoices have been paid per prompt payment target.	

Section 2: Financial Plan 2025/26

The Trust has engaged with DoH and SPPG over the Financial Plan for 2025/26 since February 2025. The Trust has developed and refined savings plans over that period and these have been discussed, presented to and approved by SMT, Trust Board and SPPG and DoH. The final set of savings plans, that were acceptable to him, were approved by the Minister and notified to the Trust in October 25 by the Permanent Secretary. This left the Trust with a deficit, excluding the Pay Award of £7.3m. Since that point additional income, not previously assumed, has been notified to the Trust – therefore reducing this non pay award deficit to £6.6m. The Trust does not have Ministerial Direction to cover this deficit and therefore it remains a Trust issue.

Across the Region the cost of the Pay Award is in excess of the funding, identified as part of December 25 Monitoring Round, that has been identified. The Pay Award deficit, therefore, has been incurred following Ministerial Direction, approved by the Executive, to implement the 2025-26 HSC pay award in full. The funding allocated in December 25 monitoring to DoH was not sufficient to cover the expected costs leaving a system deficit of £139m of which the NHSCT share of this is £19.5m. The Permanent Secretary of the DoH has written to the Trust setting out the Minister instruction on the Pay Award, the Trust pay overspend control limit and the reporting requirements for the Trust.

Combined, this means tha the Trust is forecasting a deficit at 2025/26 year-end of £26.1m. Summary of the current position on the Financial Plan is set out in table 1 below:

Table 1: 2025/26 Financial Plan

	£'000
Gross Forecast Deficit 2025/26 at February 2025	53,883
Less Recurrent 2025/26 Savings Planned	(6,302)
Less Non-Recurrent 2025/26 Contingency Savings	(6,450)
2025/26 Net Deficit Reported at February 2025	**41,131**
Less Measures identified in April 2025	(6,533)
2025/26 Net Deficit Report at April 2025	**34,598**
Less further savings	
Less Further Savings & Measures – June 25	(3,566)
Less Deficit Support Funding	(12,931)
2025/26 Net Deficit at July 25	**18,101**
Less Further Savings & Measures – October 25	(10,764)
2025/26 Net deficit following October 25 submissions	**7,337**
Additional Income from SPPG not previously in estimates	(754)
Total Non Pay Award Deficit	**6,583**
Pay Award Deficit	19,491
Grand Total Forecast Deficit – 2025/26	**26,074**

Section 3: Financial Position at December 2025

The Trust has received RRL from SPPG, PHA and NIMDTA. Further assumed income both from indicative allocations from SPPG but also assumptions based on prior year allocations and other policy committed costs that notification has yet to be received have been included.

The Income and Expenditure position at December 2025 is:

Table 2: 2025/26 Month 9 (December 2025) Income & Expenditure

	Actual Expenditure (Mth 9) £'000	Forecast Expenditure 2025/26 £'000
Pay Expenditure	TBC	TBC
Net Non-Pay Expenditure	TBC	TBC
Total Expenditure	928,877	1,248,206
Total RRL	909,321	1,222,132
(Surplus) / Deficit at December 2025	19,556	26,074
% (Surplus)/Deficit against RRL	**2.15%**	**2.13%**

The Monthly Monitoring Return (MMR) for Mth 9 has not yet been submitted, therefore it is not possible to finalise the Pay and Non-Pay break-down yet. These are also indicative figures, which could change between now and submission of the MMR, but the forecast deficit will not change. It has been assumed that the Pay Award costs should be accrued at Month 9, so the YTD position at month 9 includes the accrual of the Pay Award income and expenditure. The DoH may ask for this to be presented differently CYE – if that does happen we will change and re-issue this report.

The forecast is based on is set out in Table 3 below and includes an analysis of the main over/underspends by Division. It excludes estimates for 2025/26 Pay Award.

In Year Position

The Year to date expenditure position per the Trust Monitoring Returns is £928.9 million.

Recurrent Position

The recurrent position is set out in the draft Financial Plan of 2025/26 is to be confirmed following confirmation of allocations on FYE basis.

Division Financial Position at December 2025

Table 3: 2025/26 Projected Outturn by Division

Division/Directorate	Budget £'000	Expenditure £'000	Mth 9 Variance £'000	Projected Outturn March 2026 £'000
Medicine & Emergency Medicine (MEM)	109,486	117,610	8,124	
Surgical & Clinical Services (SCS)	139,064	139,043	(21)	
Community Care (CC)	183,513	190,653	7,140	
Children & Young People (CYP)	79,767	80,293	526	
Mental Health, Learning Disability & Psychology (MHLDPS)	204,499	203,461	(1,038)	
Nursing, Paediatrics, Women & Corporate Services (NPWCS)	85,072	85,444	372	
Medical & Governance (M&G)	19,821	18,567	(1,254)	
Strategic Planning, Performance & ICT (SPPICT)	12,628	12,007	(621)	
Infrastructure	17,620	17,487	(133)	
Corporate Overheads	13,619	13,619	0	
Finance	10,299	10,189	(110)	
Operations Department	2,282	2,210	(72)	
Human Resources, OD & Corp Comms (HROD)	6,061	5,786	(275)	
Chief Executive & Trust Board	558	531	(27)	
Corporate/Cost Pressures (including Covid, WLI, Corp Deficit and deficit funding)	25,032	31,977	6,945	**£26.1m DEFICIT**
Totals	**909,321**	**928,877**	**19,556**	

This position includes a number of accruals, estimates. The accrual for the Pay Award is included in the Corporate Costs section.

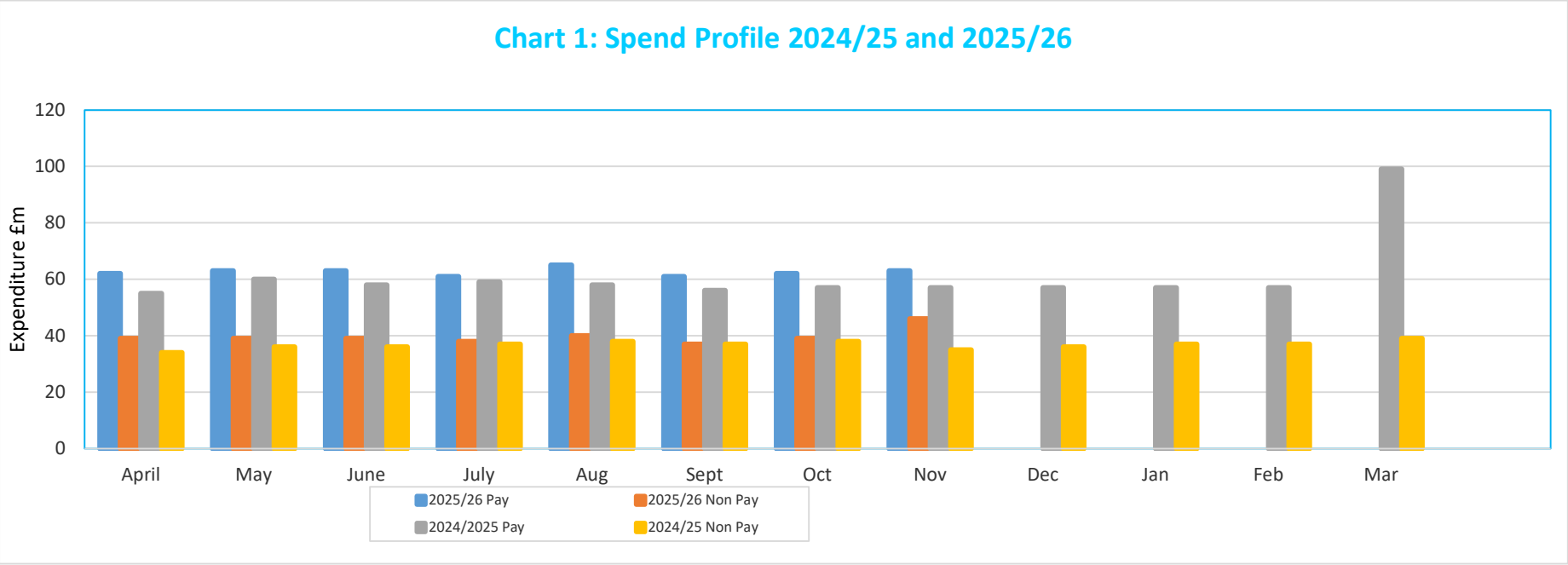
Key Drivers of Variances are:

- Medicine & Emergency Medicine – The projected position is a deficit of £10.8 projected. This deficit continues to be one of the overall key areas of financial risk to the Trust. The most significant deficits are in Medical and Nursing. Medical, as a

result of agency premium on agency doctors, covering vacant posts and gaps in rotas. Nursing, as a result of extended Emergency Department (ED) footprint and Enhanced Care, across a range of wards.

- Surgical & Clinical Services – The projected position is break-even. Despite forecasting break-even, key Deficits still remain within Surgery, Anaesthetics and Radiology – this is mostly all with respect to medical and nursing staff. Cost drivers within medical and nursing being: Utilisation of nursing above budgeted hours and agency premium, on vacant posts. This is offset by vacant posts throughout the Division.
  Community Care – the forecast is a deficit of £9.5m. The biggest issues in this Division remain 1:1's / Bespokes and Intermediate Care (Residential Homes, Community Hospitals and IS Beds) and Contingency beds, there is also an overspend on Independent Sector (IS) Domiciliary Care and Direct Payments. However offset against all of this is an underspend in In House (IH) Domiciliary Care – due to vacancies. As with the Acute Divisions there is an overspend in Nursing Staff – this is both due to utilisation of hours above budget and also premium paid to Nurse Agency staff.
- Children & young People – the forecast is a deficit of £0.7m. There continues to be pressures within Corporate Parenting mainly driven by increased activity resulting in cost pressures on Children's expenditure, but this is being off-set by surpluses in pay driven by vacant posts in other areas in particular Child & Adolescent Mental Health Services (CAMHS). Staffing within Children with Disabilities continues to be problematic. The Division continues to strive towards savings targets for FY24/25 made more challenging by the increase in activity numbers. The Division also has 2 new Children with High Cost Placement packages making cost containment problematic
- Mental Health, LD & PS - the forecast is a surplus of £1.4m. While outturn was a surplus there are still some concerning deficit areas including the continued nursing pressures in Acute Inpatients (including in Inver 4), Bespoke 1:1 packages, High Cost Placements and discharges/resettlements from Holywell (although SPPG Indicative Allocations accrued have eased this pressure). There are also a number of vacant posts in the Community Mental Health, Community LD and Clinical Psychology Services which are also abating the over-spends.
- Nursing, PWCS – the forecast is a deficit of £0.50m. While outturn is forecasting a slight deficit only there are still some areas of concern remaining within medics requiring the use of locums in order to deliver care and B2 catering and domestics pay. Underspends in other areas e.g. women's services, maternity nursing and a surplus from National Living Wage for Band 2s are offsetting these areas of overspend.
- Other Directorates – The other Directorates including Corporate costs are forecasting a deficit of £9.5m. Within this there are surpluses in Medicine & Governance and Pharmacy Services in particular and HR, SPPICT and Capital & Infrastructure. Indicative Waiting List funding for 2025/26 is assumed to be £23.6m including funding for long waits. The Deficit funding from SPPG and savings retracted are offsetting the Divisonal deficits. The deficit for the Pay Award of £19.5m is also presented within this section.

The profile of the expenditure in the Trust on Pay and Non-Pay cumulatively to Month 12 for 2024/25 and 2025/26 is set out below in Chart 1.



Notes: The pay segment is impacted by the number of weeks which fall within the reporting – note that December 25 figures can not be complete until the MMR is completed

Section 4: Savings Target 2025/26

In 2024/25 the Trust achieved £23.2m of recurrent savings. For 2025/26 the identified Savings Plan, following the October 25 update, for the year is £33.6m. Delivery of these savings and additional income of £0.7m will still leave a deficit of £6.6m.

Table 4: Phase 1 Savings Plans 2025/26

Scheme	2025/26 Savings Per Plan £'000	Forecast 2025/26 Achieved at December 25 £'000	Forecast Savings Yet to Start £'000	Total Forecast Variance v Plan £'000	RAG Rating
Clinical Fellow	51	16	0	(35)	
Reduced Medical Costs in MEM	163	163	0	0	
Medical Workforce Reform	1,241	1,068	173	0	
Intermediate Care Reform	500	0	0	(500)	
Domiciliary Care - Reduce Contingency Beds	700	0	0	(700)	
Enhanced Care	875	875	0	0	
Sustainability	217	217	0	0	
Medical Imaging	100	0	0	(100)	
Nurse Stabilisation	2,291	2,291	0	0	
Corporate Services Efficiencies	104	35	22	(47)	
Cease use of Foster Care Agencies	302	0	0	(302)	
Children's Order Article Spend	129	0	0	(129)	
Absence Measures	40	40	0	0	
Other Non-Pay & Cost Containment Measures	1,534	1,534	0	0	
Multi-Disciplinary Agency Savings and Other Payroll Efficiencies	3,449	3,449	0	0	
Over-achievement of 24/25 MORE Savings	163	163	0	0	
Over-achievement of 24/25 Savings	1,415	1,415	0	0	
Cost Containments and Cost Avoidance	8,365	8,365	0	0	
Service Development Slippage, Technical Adjustments & holding non-urgent spend and Pharmacy Rebates – Non-Recurrent Contingencies	10,290	12,103	0	1,813	
2025/26 MORE Savings	1,600	1,477	123	0	
Catering & Car Parking Income	85	85	0	0	
Grand Total	**33,614**	**33,296**	**318**	**0**	

Green: Savings have commenced. Amber: Savings are yet to start or are not expected to fully deliver. Red: Savings are not expected to deliver.

Section 5: Flexible Staffing Costs as at 31st December 2025

The Trust continues to have a high level of spend on Flexible Staffing. A significant proportion of the Trust's expenditure is on Agencies and on off Framework Agencies. There is now regional focus on reducing Agency spend and in particular reducing off Framework spend, this has commenced in Social Worker and Nursing Agency staff.

This section of the report is therefore split into a) Monitoring the targets set for Agency across Social Work and Nursing Agency andb) presenting the position on overall flexible staffing and c) Total Trust WTE including estimated flexible staffing WTE against FSL.

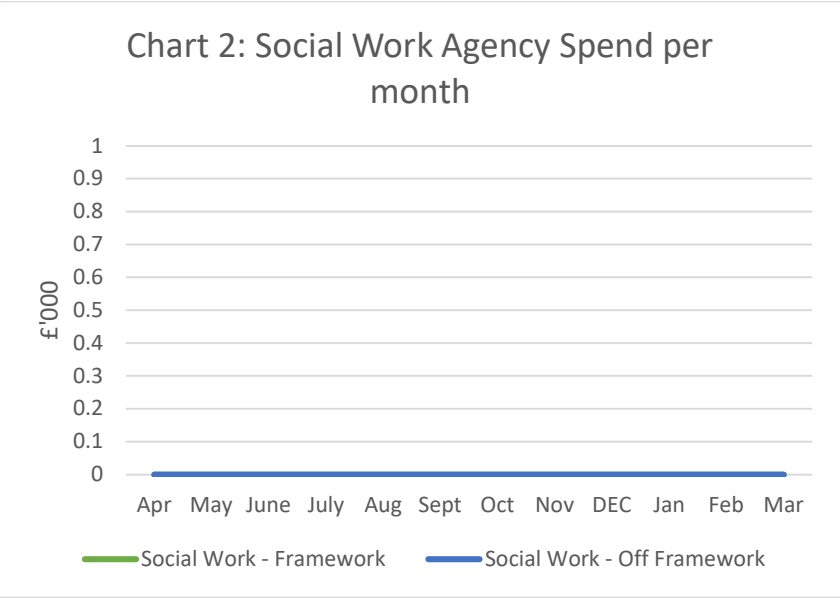
a) Regional Initiatives for Agency Staffing

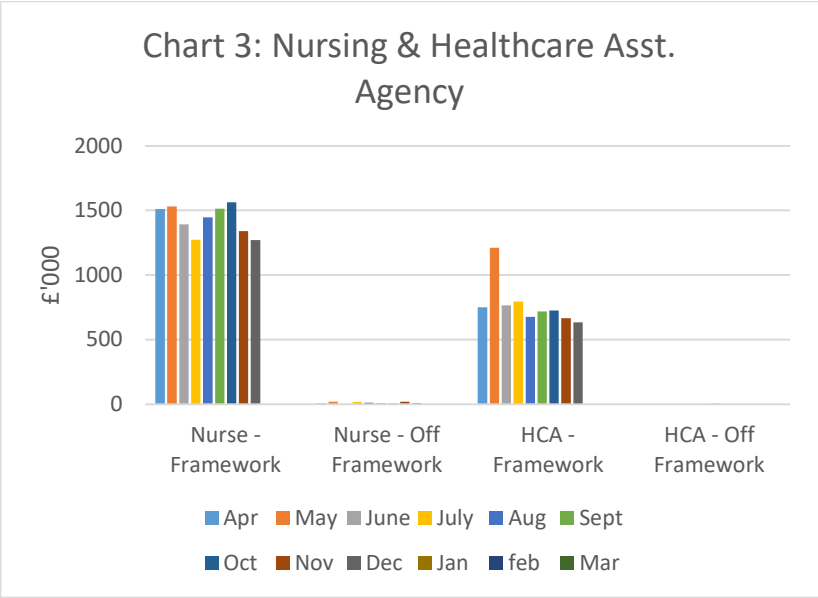
As part of the Regional work on Agency Staffing there has been 2 initiatives for removing off Framework and over all Agency expenditure. A range of employer's statements to staff and DoH press releases have supported these initiatives. These 2 initiatives are:

- Social Worker: From the 1st of April 2023 all off framework social worker agency utilisation ceased across Health & Social Care (HSC) including NHSCT;
- Social Worker: By the 1st of July 2023 all Social Worker Agency utilisation is due to cease across the HSC [except in exceptional situations which will be defined by the escalation process being worked up by the social worker task and finish group];
- Nursing: By the 15th August 2023 there should be no further off-framework Nursing Agency utilisation across the HSC

Social Work Agency, there are some issues with coding of invoices – these appear in month and are then investigated and recharged to correct professional heading the following month. However YTD at December 2025 there has been no Social Work Agency Spend in 2025/26.

Nursing & Nursing Health Care Assistants Agency (HCA), All off framework spend should have ceased completely by 2024/25, except for deviation approved regional for 1 service in Complex Health in Community Care, this deviation is to cease from mid January 26, after this point all spend will be from framework agencies. From the charts you can see that off-framework spend is extremely low – 99.5% of all Nursing and 99.8% of all Nursing Health Care Assistant Agency expenditure is now delivered through Framework Agencies.





Non Contract Agency Spend

Overall the total Agency spend at 31st December 2025 was £50.9m, of this 27.0% (£13.7m) was on off-framework Agencies. Nursing, Healthcare Assistants and Medical Locum Agency spend represent 78% of the total Agency spend. Medical Agencies represent 85% of the total off-framework spend. Only 42.7% (32.5% in 24/25) of all Medical Agency spend and 43.6% (25.6% in 24/25) of all Radiographer Agency spend is spend with Framework Agencies

The Divisions with the biggest Off-Framework expenditure are MEM (Medical Agencies), SCS (Medical & Radiographer Agencies), MHLDCW (Medical Agencies) and NPWCS (Medical & Ancillary Staff Agencies). The spend in these Divisions on off-Framework Agencies is £12.5m cumulatively at December 25.

The new Multi-Disciplinary Framework for Agencies is effective from June 2025 – over a phased basis. This will be the next tranche in the reduction of Agency spend – with a focus on moving away from off-framework Agencies in the first phase. There are only a very limited number of off-framework agencies still in place, it is expected that these will all have ceased by the 31st March 2026.

The new Medical & Dental Framework is progressing throught he final stages, it is likely that this will be operational at the Start of March 2026, with a transitional period similar to roll out of the other Frameworks.

Table 4: Cumulative Agency Spend December 2025 by Director and Family Group

Directorate	Contract £'000	Non Contract £'000	Total £'000
Medicine & EM	17,849	5,329	23,178
Surgical & Clinical Services	5,552	4,057	9,609
Community Care	2,069	105	2,174
Children & Young People	1,603	127	1,730
Mental Health, LD & CWD	4,393	1,207	5,600
Nursing, Paeds, Women & CS	3,917	1,912	5,829
Medical & Governance	239	20	259
SPP&ICT	137	95	232
Infrastructure & Capital	135	69	204
Finance	88	43	131
Operations Department	10	0	10
HR	35	8	43
Other Corporate	1,148	772	1,920
TOTAL	**37,175**	**13,744**	**50,919**

Family Group		Contract £'000	Non-Contract £'000	Total £'000	Contract %
Admin & Clerical		2,691	302	2,993	89.9%
AHP		126	186	312	40.4%
Ancillary		3,312	823	4,135	80.1%
Health Care Support		6,416	13	6,429	99.8%
Medical		8,653	11,620	20,273	42.7%
Nursing & Midwifery		12,887	93	12,980	99.3%
Other		48	48	96	50.0%
P&T (mto)		223	143	366	60.9%
Pathology		144	1	145	99.3%
Pharmacy		35	7	42	83.3%
Radiography		374	484	858	43.6%
Social Care		2,266	24	2,290	99.0%
TOTAL		**37,175**	**13,744**	**50,919**	**73.0%**

b) Total Spend on Flexible Staffing

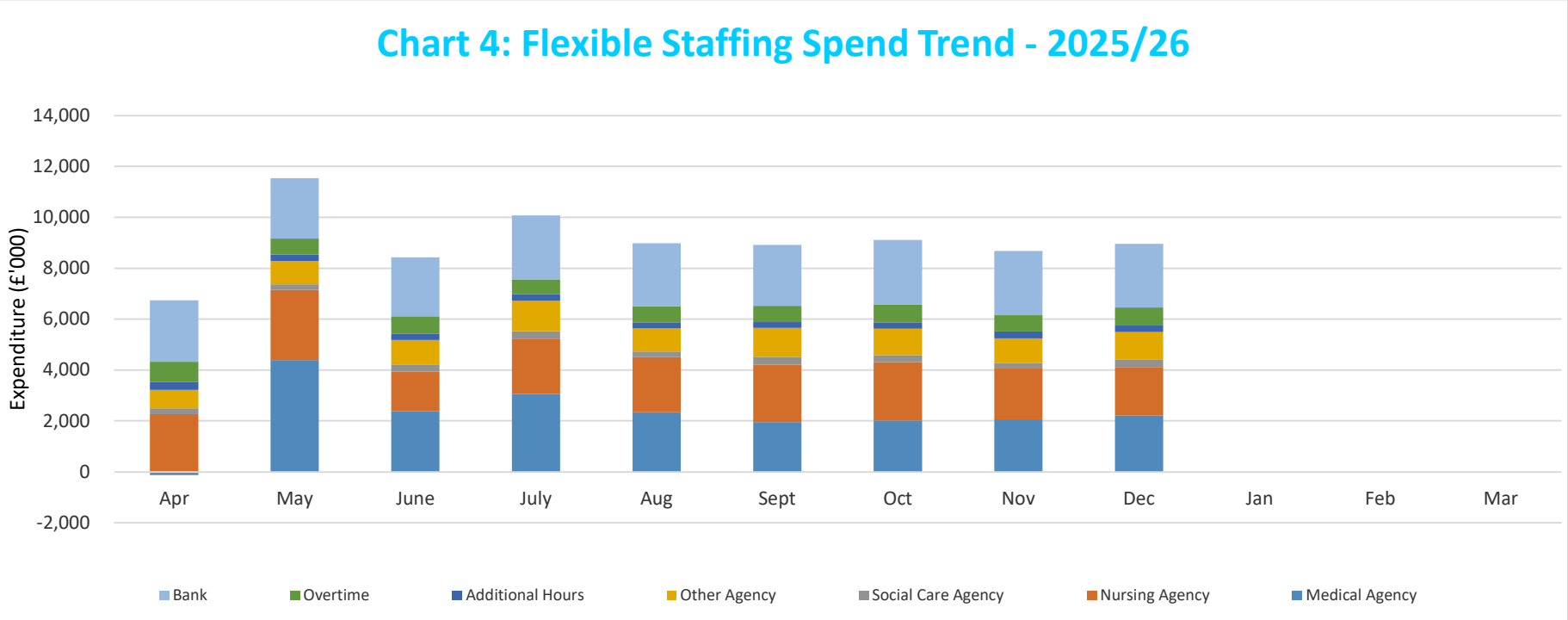
The total spend in these areas is summarised below:

Table 5: Flexible Spend at December 2025

Division/Directorate	Cum to December 2025						Cum to Dec 24 £000's	Movement	
	Agency Locum £000's	Agency Other £000's	Bank £000's	Overtime £000's	Add hrs £000's	Totals £000's		£000's	%
Medicine & Emergency Medicine	10,287	12,891	2,951	703	149	26,981	26,776	205	0.8%
Surgical & Clinical Services	5,516	4,094	1,996	1,373	329	13,308	14,051	(743)	(5.3%)
Community Care	0	2,174	7,171	1,039	458	10,842	11,442	(600)	(5.2%)
Children & Young People	0	1,731	2,060	1,410	183	5,384	4,885	499	10.2%
Mental Health, LD & CWD	1,892	3,692	3,955	664	157	10,360	11,639	(1,279)	(11.0%)

Medical & Governance	-	259	42	45	60	406	428	(22)	(5.1%)
Nursing, Paeds, Women's & Corp Serv.	1,809	4,021	3,337	439	926	10,532	9,407	1,125	12.0%
Others	770	1,783	544	313	63	3,473	2,497	976	39.1%
TOTALS	**20,274**	**30,645**	**22,056**	**5,986**	**2,325**	**81,286**	**81,125**	**161**	**0.2%**

Note that October 2024 was before the application of the 24/25 pay award – this was circa 5.5% for AFC staff and the Employers National Insurance increase which was circa 1.8% effective April 25.



This report includes both ACTUAL invoices on the system and accruals included in the financial position where it is anticipated that they might be missing. There is no reporting on month 1 – therefore July actual includes accruals not posted in April which is why there is an increase in spend in July v April.

Expenditure on Flexible nursing is £34.6m cumulative to December 2025. However the main spend is directly linked to agency spend (as opposed to Bank, Overtime and Additional Hours) which is £19.4m cumulative at December 2025.

Total flexible staffing expenditure is c.14% of the total payroll costs.

c) Funded Staff Establishments

The Trust has a funded level of staffing posts, which is continually being updated for both recurrent and non-recurrent service developments.

The budgetary process monitors the contracted hours for staff appointed and on our payroll against the budgeted level; this is in line with the Trust's Standing Financial Instructions. An adjustment has been made to account for Domiciliary Care staff who work above contracted hours. In addition, where there is a need to avail of medical and non-medical agency cover (for vacancies, sickness, and maternity), this expenditure is indicatively adjusted to provide an estimated level of WTE. Other backfill flexibility is sourced from bank, overtime and additional hours and this expenditure has also been adjusted to provide an indicative WTE.

Table 6: FSL against Indicative total WTE

Category	Total FSL (WTE) (including Non recurrent)	Staff on Payroll		Agency Indicative (WTE)	Flexible Backfill Indicative (WTE)	Total Indicative Staff (WTE)	Variance (WTE)
		Perm (WTE)	Temp (WTE)				
Admin & Clerical	1,896	1,642	77	100	27	1,846	-50
Estates	181	166	3	3	9	181	0
Medical & Dental	786	674	28	157	16	875	89
Nursing Registered	3,130	3,000	57	247	199	3,503	373
Nursing – HCA	804	666	5	190	131	992	188
Professional/Technical	1,764	1,612	89	57	63	1,821	57
Social Work	1,012	968	25	0	96	1,089	77
Social Care	1,899	1,415	32	76	347	1,870	-29
Support Services	987	790	18	138	77	1,023	36
TOTALS	**12,459**	**10,933**	**334**	**968**	**965**	**13,200**	**741**

Currently the Trust has in the region an additional 741 WTE staff over the funded staffing level; that equates to a staffing level of 5.9% above FSL. The majority of this additional staff is in Nursing Staff.

Whilst maternity and sickness backfill will account for the majority of this, there will be a small number of staff who have been appointed as a result of:

- Career breaks or peripatetic appointments.
- Advancement appointment where funding has not yet been received from the Commissioner but is confirmed (timing delay).
- Additional staffing in respect of encompass.

Section 6: Prompt Payment

The Late Payment of Commercial Debts Regulations 2002 (updated 2013) allows commercial organisations to levy both interest and penalty charges on invoices that are deemed overdue for payment. The measure is generally payment is to be made within 30 days of receipt of the invoice or the delivery of the goods or services.

To negate the impact of this potential late payment liability, the Trust endeavours to settle all outstanding invoices within the required period and currently the Trust performance measure indicates that for December 2025 almost 95.80% of invoices have been paid.

Section 7: Debtors Position – December 2025

Northern Trust Debtor Balance

Active cases are subject to ongoing recovery actions through the issue of 3 reminder letters after which cases under £5k are referred to Small Claims Court. DLS is engaged in respect of higher value debt recovery and, where possible, the Trust will secure FSS debt against property though the application of an Order Charging Land.

Credit control for social care payments is managed by the FSS team. ARSS, BSO, provide a credit control function for all other Trust debtors, with performance overseen by the FAS team. Payroll overpayment recovery is managed in the first instance by PSSC but falls to the Trust when staff have left or refuse a repayment plan.

Category	At Mar24		At Mar25		At Dec 25	
	£'000s	No of Invoices	£'000s	No of Invoices	£'000s	No of Invoices
Independent Homes	16,278	4,389	19,493	4,782	21,620	4,917
Direct Payments	170	115	158	109	161	126
Dom Care			15	1		
Social Care Debt	**16,448**	**4,504**	**19,666**	**4,892**	**21,781**	**5,043**
Staff Related Debt	669	2,948	536	2,725	642	2,393
Commercial	271	140	312	130	193	116
Health Centre / GP Charges	216	129	453	174	212	140
Inter NHS/Government Bodies	283	123	516	131	342	112
Private Patients	168	87	195	147	167	96
Client Meals / Services	58	102	102	120	41	66
Other	22	3	21	24	25	27
ARSS Debt	**1,687**	**3,532**	**2,135**	**3,451**	**1,622**	**2,950**
Total	**18,135**	**8,036**	**21,801**	**8,343**	**23,403**	**7,993**

Key points to note:

Debt Related to Social Care Payments:-

The following amounts are included in the Independent Home Debt £000s:-

- Current Mth and Dunning Period 6,287
- DLS cases 4,376
- OCP Referrals 3,047
- EJO cases 4

- Property Dunning Suppression 1,668
- Deceased 2,303
- Other 3,935

Independent Homes invoice recovery. Total percentage of invoices paid Dec 25: -

- In month invoices 91%
- 30-day invoices 50%
- 60-day invoices 20%
- 90-day invoices 35%

Additional Independent Home information

There are currently 211 Independent Home debt cases, referred to DLS.
Payments received Dec 25 £117k, cumulative **April 25 – Dec 25 £1,953k** in respect of DLS cases.

Table below details payment summary: -

	Dec 25 - £000's	Cum April 25 – Dec 25 £000's
Debt Fully Paid	57	1,098
Debt Partially Paid	40	662
Payment Plan	20	193
Total	**117**	**1,953**

FSS has an additional temporary part-time resource within the credit control team focusing on recovery of debt relating to deceased clients. Payments received **April 25 – Dec 25 inclusive £765k**

Write-offs Completed

Independent Homes DLS write-offs completed 25/26 financial year
- Pre-April 25 – 2 clients £17k

Independent Homes Trust write-offs completed 25/26 financial year – To date none

Pending Write-offs

Independent Homes 6 clients pending write-off approval £34.6 (DLS cases)
- April 25 – 1 client £2.3k*
- June 25 – 2 clients £9.9k
- Sept 25 – 1 client £8.2k
- Nov 25 – 1 client £6.4k
- Dec 25 – 1 client £7.8k

**April 25 write-off has reduced due to receipt of monies from EJO. This will be further reviewed next month to determine if there will be any further payments and if a payment plan may be considered.*

Independent Homes (Non DLS cases) 23 clients pending write-off approval £33.0k
- April 25 – 3 clients £1.4k
- May 25 – 6 clients £7.4k
- June 25 – 3 clients £10.5k**
- July 25 – 3 clients £2.6k
- Sept 25 – 3 clients £2.4k
- Nov 25 – 1 client £6.0k
- Dec 25 – 4 clients £2.7

***June 25 write-off has reduced due to a final payment made from the clients PPP a/c towards the debt.*

Direct Payments

Direct Payment debt is currently part of the FSS internal dunning process.

ARSS Debt:

- Inter NHS and Government Bodies – 69% of this debt is less than 90 days old with no anticipated issues with collecting this debt;
- Staff Related Debt – 79% relates to salary/travel overpayments with the remaining 21% relating to Staff Accommodation debt, of which, 68% is less than 90 days. £147k (23%) is currently being repaid through repayment plans, while DLS is currently reviewing £128k (13 cases) relating to salary overpayments;
- Commercial – 67% of the debt is less than 90 days old;
- Health Centre/GP Charges – Currently 7 Health Centres are continuing to dispute the service charges - £164k. The ongoing dispute with GPs in respect of the annual increase continues to impact this debt position. FAS await an update on the Trust's discussions with the GPs. 92% of the debt excluding HSC escalated is less than 90 days old;
- Private Patients – Five invoices (£48k) are being actively progressed by DLS; and
- Overall ARSS debt – Repayment plans are in place for 11% of the total value of debt, accounting for 67% of the total number of invoices. FAS continue to focus on engaging with debtors to set up suitable repayment plans to reduce the risk of debt becoming statute barred.

Section 8: Covid Cost Implications

Covid costs continue to reduce year on year. For 2025/26 the most significant expected Covid cost is PPE.

Table 8: Outturn Covid Expenditure at December 2025

Classification	Expenditure at December 25 £'000	Projected Expenditure £000's
Lab Testing	548	690
Long Covid	41	113
PPE Consumables & FIT Testing	1,537	1,759
Vaccinations	120	160
Total	**2,246**	**2,722**
Indicative Funding	**2,246**	**2,722**
Variance	**0**	**0**

Some additional Testing and PPE costs have been incurred during the 2025/26 Winter period, these costs are being charged to Winter Plan and are not included above.

Section 9: Key Assumptions and Risks

A number of financial assumptions and risks were made in relation to the Financial Plan for 2025/26 and also with regard to the overall financial position.

- The Financial Plan and this forecast are based on a number of expenditure and income assumptions all of which continue to be reviewed internally and with SPPG.
- The Trust is forecasting and therefore assuming full delivery of £33.6m of savings and cost avoidance for 2025/26. These continue to be monitored through Delivering Value.
- There remains a deficit, outside of the Pay Award, of £6.6m, there are no scenarios to deliver savings to address this without significant impact to patient care and therefore there exists a significant risk to Statutory Break-even. There is also a forecast Pay Award deficit of £19.5m, which is being incurred due to a Ministerial Direction. This is a forecast total deficit of £26.1m for 2025/26.
- The Trust continues to experience a shortfall in the recruitment and retention of mainly medical and nursing staff. As a result, there is a reliance on high cost off contract agency appointments. This continues to be a financial pressure, which will impact into 2025/26. A range of Trust and Regional initiatives are underway to mitigate these pressures including the management of the new Regional Frameworks, recruitment drives and reviews of agency and locum utilisation, including a medical scrutiny committee and Trust Agency Utilisation Group. The Trust continues to review, monitor and drive down costs where applicable.
- Cost pressures continue to be raised by providers in the Independent Sector with regard to the impact of the National Minimum Wage in Social settings, and other inflationary pressures i.e. within Nursing and Residential Care settings and with Domiciliary Care providers. The Trust continues to liaise with Providers to quantify and contain this pressure, but National Living Wage (NLW) uplifts have been applied to Nursing & Residential, Community & Voluntary and Supported Living Providers.
- A number of job evaluations are pending and will if successful impact on both the Trust recurrent position and the provision of arrears. From 2022/23 it has been agreed regionally that the PSNI holiday and sickness accrual will now be recognised in the Trust Accounts as a provision.
- The HRPTS (Payroll) has a range of outstanding issues, which impact on our current position. It is understood that the Payroll system requires a number of ‘fixes’ in order that these issues are corrected and fit for purpose. The Trust continues to liaise with the BSO Customer Forum to drive these issues forward. Accruals are being carried with respect to these issues.

- The Trust continues to experience pressures in ED and Acute settings with respect to DTA and end of Acutes. There continues to remain a capacity issue in the Care Home and IS Homecare sectors. All of these could have an impact on forecast costs.
- There continues to be high acuity in Care Homes placements and this is leading to an increased number of High Cost Placements which is continuing to put pressure on costs.
- There are a number of accruals and estimates within this forecast which continue to be monitored and discussed with Divisions. There are a number of Income Assumptons that continue to be monitored with SPPG.

Our Vision

To deliver excellent integrated services in partnership with our community

If you would like to give feedback on
any of our services please contact:
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