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

Subject:	**Trust Board Financial Position Report – July 2026**	**Date of Meeting: 27th August 2026**	
Prepared By:	Financial Management		
Approved By:	Stevie Lennon, Interim Director of Finance		
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 4 (July 26).		**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	Principal 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
RRL: Revenue Resource Limit

Executive Summary

The Trust is currently forecasting a deficit of £51.0m for 2026/27. This includes the remaining gap after the £35.5m of savings already approved by Trust Board, forecast demographic growth net of confirmed funding, and the £22.9m difference between the 6% budget retraction applied by SPPG and the 4% savings target. The forecast does not reflect the further £14.5m of Phase 2 savings being presented to Trust Board for approval in August 2026. If approved and delivered in full, these plans would reduce the forecast deficit.

The Trust does not currently have an approved plan that fully addresses this forecast deficit and, based on the current position, is not forecasting financial break-even in 2026/27.

The forecast includes indicative and assumed income where formal confirmation has not yet been received, together with accruals and estimates. No assumption has been included for the 2026/27 pay award. The position will be reviewed further at Month 5 as funding, expenditure trends and savings delivery become clearer.

Financial Position

At Month 4, the Trust is reporting expenditure of £424.5m against RRL of £402.4m, resulting in a year-to-date deficit of £22.1m. The underlying position remains under significant pressure across operational divisions, particularly in medical and nursing staffing, unscheduled care, enhanced care, intermediate care, Independent Sector provision and high-cost placements.

Demographic Growth

The forecast includes demographic growth of £12.4m and confirmed funding of £2.6m, leaving a net pressure of £9.8m. A significant proportion of this growth is already evident in the Month 4 position, particularly in Independent Care Homes and high-cost placements. There is currently no separate plan to address this pressure and further discussion with SPPG will be required.

Savings

Phase 1 and initial Phase 2 savings totalling £35.5m have been approved by Trust Board. A further £14.5m of Phase 2 savings, approved by SPPG, are being presented to Trust Board in August 2026, leaving a remaining gap of £3.8m under discussion with SPPG.

At Month 4, £14.5m, or 41%, of approved savings is forecast to be achieved by year-end. A significant proportion of schemes has not yet commenced or remains at an early stage. Full delivery, particularly of agency reduction and workforce schemes, remains a material risk.

Flexible Staffing

Agency expenditure to July 2026 was £20.4m, of which £0.5m, or 2.4%, was recorded as non-contract expenditure, mainly relating to the transition to the Medical and Dental framework. All agency frameworks are now in place.

Total flexible staffing expenditure was £34.6m, broadly in line with the same period in 2025/26. However, the prior-year comparator did not include the subsequent pay award, indicating a reduction in real terms. Flexible staffing nevertheless remains a significant financial pressure.

Risks and Assumptions – Additional to above

1. The financial forecast assumes that expenditure and income will continue on current trajectories and that anticipated funding will be received. No assumption has been included for the 2026/27 pay award.
2. The forecast assumes full delivery of all savings already approved by Trust Board. A significant proportion of schemes has not yet commenced or remains at an early stage, and delivery—particularly of agency reduction and workforce schemes—carries material risk.
3. Demographic growth and continuing pressures across unscheduled care and community services may exceed the levels currently reflected in the forecast.
4. Vacancies across critical professional groups and continuing reliance on agency and other premium-cost staffing remain significant financial risks.

Northern Health and Social Care Trust

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TRUST BOARD

FINANCIAL POSITION REPORT – July 26

Prepared & Issued by Finance Department

Contents

Section 1: Financial Performance Targets 2026/27

Financial Performance Targets	RAG STATUS
1. Agree in-year break-even financial plan agreed with SPPG and DoH	R
The Trust is working with SPPG and DoH to deliver an agreed Financial Plan for 2026/27, including the required savings to break-even and the actions that the Trust needs to take to achieve this. There will need to be significant effort to achieve a break-even plan and it will need to align with the foundations of the 3-year reset plan.	
2. Achieve in-year break-even outturn within allocated Revenue Resource Limit (RRL)	R
The Trust is forecasting a £51.0m deficit, reflecting the remaining savings gap, net demographic growth and the £22.9m difference between the 6% budget retraction and 4% savings target. Further Phase 2 savings will be presented to Trust Board in August 2026	
3. Achieve 2026/27 Savings Target	A
The Trust has approved Phase 1 & initial Phase 2 Savings plans totalling £35.5m, this will require hard work across the Trust to deliver. To date 41% of savings are forecast to be achieved. The assumption at Mth 4 is that full delivery, while challenging, is achievable. However, the overall target is rated Amber due to the number of schemes yet to commence.	
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
All Social Work Agency has ceased and all Off-Framework Agency Spend for Registered Nursing and HCA has ceased.	
5. Prompt Payment Target - 95% of suppliers within 30 days	A
Trust performance measure indicates that at 1st June 94.6% of invoices have been paid per prompt payment target.	

Section 2: Financial Position at July 2026

The Department of Health and Social Care reset plan, published in July 2025, sets out a programme to stabilise, reform and improve Northern Ireland's health and social care system while addressing severe financial pressures. The plan builds on the 2024 three-year strategic framework of Stabilisation, Reform and Delivery.

As part of this programme the DoH has set all Trusts a savings target of 4% for 2026/27, together with a requirement to address any underlying financial deficit carried forward from previous years. There is also the need to manage increasing demand for services and demographic pressures within the existing funding envelope. For the Trust we will have to manage these financial challenges while continuing to provide safe and effective care.

The Trust has engaged with SPPG since early 2026 to develop a plan that will meet the financial gap. The financial quantification of the gap is set out below.

Summary	NHSCT £'M	As % of RRL
Opening (Deficit) / Surplus	(8.0)	
Savings of 4%	(45.8)	
TOTAL Savings Required to Break-even	**(53.8)**	**4.7%**

Growth Forecast for 2026/27 is indicative at £12.4m (excluding High-Cost Drugs and any funding)

The assumptions below this are:
The Trust has engaged with SPPG since early 2026 to develop a plan that will meet the financial gap. The Financial quantification of the gap is set out below. The assumptions below this are:

- High-cost drugs expenditure, forecast at approximately £4.2m, will be fully funded. This is consistent with SPPG guidance and correspondence.

- The plans developed do not cover the estimated 2026/27 demographic growth, net of confirmed additional growth funding. Further discussion with SPPG will be required and the Trust may be asked to identify additional savings. This would be extremely challenging in the current financial environment.
- SPPG retracted 6% of the Trust's budget but set a 4% savings target. The resulting £22.9m difference is included in the forecast deficit.

The Trust has developed savings plans to address the £53.8m opening financial gap. These plans have been presented to Trust Board in phases and have received SPPG and Ministerial approval where required. At July 2026, £35.5m of Phase 1 and initial Phase 2 savings had been approved by Trust Board, leaving an £18.3m gap before demographic growth and the effect of the difference between the 6% budget retraction and 4% savings target. Further savings proposals totalling £18.3m were shared with SPPG for review and approval by SPPG and the Minister.

The delivery of all savings should not be underestimated. The Phase 1 savings carry delivery risk, with there being increased challenges in delivering Phase 2 savings – which are in Phase 2 as there are particular difficulties with each scheme. Delivering these savings will require sustained effort across the organisation, difficult decisions, strong financial discipline and a relentless focus on implementation.

The Savings approved up to July 26 and the impact on the Trust Financial Position at 31st July is set out below:

Table 1: 2026/27 Month 4 (July 2026) – Financial Plan

	£'m
(Surplus) / Deficit (opening deficit + Savings Target)	53.8
Phase 1 Savings Plans – Approved TB March/May 26	(30.9)
Phase 2 Tranche 1 – Approved TB June 26	(4.6)
TOTAL Net Deficit Forecast	**18.3**
2026/27 Forecast Demographic Growth	12.4
2026/27 SPPG Confirmed Demographic Growth Funding	(2.6)
Difference in 6% budget retraction and 4% Savings target	22.9
Total Deficit Forecast	**51.0**

The remaining Phase 2 savings which have been approved by SPPG, totalling £14.5m, are being presented to Trust Board for approval at its August 2026 meeting. This leaves a gap of £3.8m. The Trust continues to engage with SPPG and DoH on the 2026/27 Financial Plan. These additional savings, for approval by Trust Board, are not included in the £35.5m approved savings and the £51.0m forecast deficit shown above has not been reduced.

Section 3: Financial Position at July 2026

The Trust has received its RRL from SPPG and PHA. Estimates arising from discussions with NIMDTA have also been included. The forecast includes indicative allocations from SPPG, assumptions based on prior-year allocations and other policy commitments where formal notification has not yet been received. No assumption has been included for the 2026/27 pay award.

The Income and Expenditure position at July 2026 is:

Table 2: 2026/27 Month 4 (July 2026) Income & Expenditure

	Actual Income & Expenditure (Mth 4) £'000	Forecast Income & Expenditure 2026/27 £'000
Pay Expenditure	263,297	784,610
Net Non-Pay Expenditure	161,230	473,689
Total Expenditure	424,527	1,258,299
Total RRL	402,432	1,207,297
(Surplus) / Deficit	22,095	51,002
% (Surplus)/Deficit against RRL	**5.5%**	**4.0%**

The forecast basis is set out in Table 3 below, together with an analysis of the main divisional over- and underspends.

In Year Position

The Year-to-date expenditure position per the Trust Monitoring Returns is £424.5 million.

Recurrent Position

The estimated opening underlying deficit for 2026/27 is £8.0m. This is before 2026/27 demographic growth, indicative funding and the savings retractions applied by DoH. The current forecast deficit for 2026/27 is £51.0m, as set out in Table 1. Further work will be required to refine the forecast year-end position.

Division Financial Position at July 2026

Table 3: 2026/27 Month 4 Position by Division

Division/Directorate	Budget £'000	Expenditure £'000	Mth 4 Variance £'000	Outturn March 2027 £'000
Medicine & Emergency Medicine (MEM)	51,235	57,254	6,019	
Surgery, Women's Health & Diagnostic Services (SWHDS)	60,746	64,531	3,785	
Adult Community & Older Peoples Services (ACOPS)	66,795	72,503	5,708	
Children & Young People (CYP)	31,739	33,481	1,742	
Mental Health, Learning Disability & Psychology (MHLDPS)	91,475	97,002	5,527	
AHPs, Intermediate Care & Integrated Discharge (AHPICID)	27,460	29,026	1,566	
Nursing, Corporate Support & Paediatric Services (NCSPS)	28,747	30,363	1,616	
Medical, Pharmacy & Governance (MPG)	9,106	8,858	(248)	
Strategic Planning, Performance & ICT (SPPICT)	7,688	7,331	(357)	
Infrastructure	5,865	6,003	138	
Corporate Overheads	5,811	6,067	256	
Finance	4,653	4,795	142	
Human Resources, OD & Corp Comms (HROD)	2,622	2,649	27	
Chief Executive & Trust Board (CEXTB)	267	230	(37)	
Corporate/Cost Pressures (including Covid, WLI, Corp Deficit and deficit funding)	8,223	4,434	(3,789)	
Totals	**402,432**	**424,527**	**22,095**	**Deficit: £51.0m**

This position includes a number of accruals and estimates.

Key Financial Issues in each Division are:

- Medicine & Emergency Medicine – This Division 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, because of agency premium on agency doctors, covering vacant posts and gaps in rotas. Nursing, because of extended Emergency Department (ED) footprint and Enhanced Care,

across a range of wards. This Division will have the highest level of savings and there will be risks to delivery of these savings due to the impact that they might have on patient services if non-agency alternatives are not available.

- Surgery, Women's Health & Diagnostic Services – Key Deficits 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. Adult Community & Older Peoples Services – 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 premium paid to Nurse Agency staff. Demographic growth is being experienced within this Division in 2026/27.
- Children & young People – 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 offset 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 was unable to deliver savings targets made challenging by the increase in activity numbers.
- Mental Health, LD & PS - 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 Allocations have eased this pressure). There are also several vacant posts in the Community Mental Health, Community LD and Clinical Psychology Services which are also abating the over-spends. The most significant 2026/27 growth is within this Division. Forecasting adjustments have been made in respect of this and these will need monitored in coming months.
- AHPs, Intermediate Care & Integrated Discharge – The expenditure pressures in this Division are within Intermediate Care across bed based services. This includes the use of Nursing Agency staff above budget and at a premium, but also the use of assessment beds.
- Nursing, Corporate Support & Paediatric Services – There are still some areas of concern remaining within medics requiring the use of locums 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 – Within this there are surpluses in Medicine & Governance and Pharmacy Services and SPPICT.

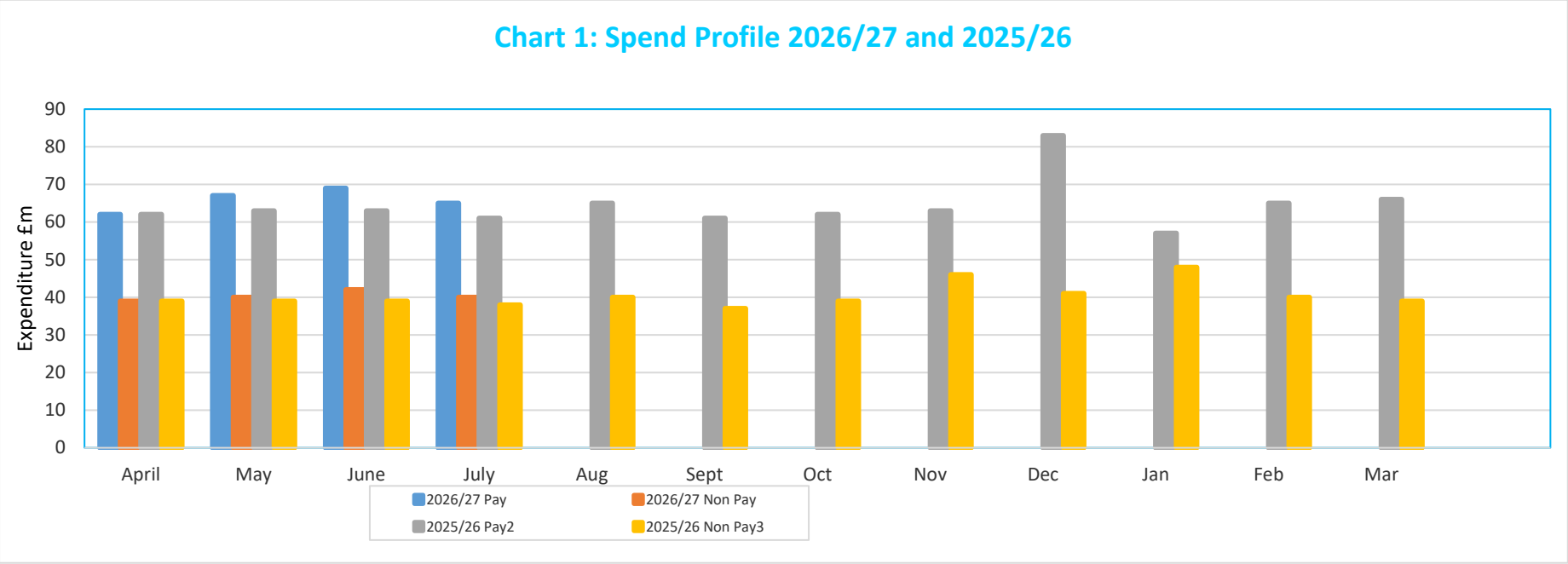
Across all Divisions the 4% savings targets have been retracted from budget, this will show as a deficit within divisions until the associated savings commence. Forecasting adjustments have been made in the Other Corporate Costs section to assume that these savings will be made.

The Month 4 position shows continuing financial pressure across the underlying divisional position, demographic growth and delivery of savings. Although this remains relatively early in the financial year, there are significant concerns about the overall 2026/27 position. Sustained focus, control and delivery will be required throughout the remainder of the year. An early and extensive mid-year review is planned for Month 5 to provide greater clarity on the forecast outturn.

Demographic Growth

The Trust Financial Plan includes estimated 2026/27 demographic growth of £12.4m. Confirmed growth funding of £2.6m has been included, leaving a net pressure of £9.8m within the £51.0m forecast deficit. A significant proportion of the growth is already evident in the Month 4 position and is considered unavoidable. Further time is required to determine how much represents recurring system pressure; however, growth is already higher than would normally be expected at this stage of the year. No separate savings plan has been developed to absorb this pressure and further discussion with SPPG will be required.

The profile of the expenditure in the Trust on Pay and Non-Pay cumulatively to Month 4 for 2025/26 and 2026/27 is set out below in Chart 1.



Notes: The pay segment is impacted by the number of weeks which fall within the reporting. The pay award for 2025/26 was not processed, with arrears, until February 26 – therefore prior months 25/26 costs exclude the pay award. For Purchased Social Care (IS Care Homes and Homecare) the 2026/27 tariff uplifts have been applied.

Section 4: Savings Target 2026/27

For 2026/27 the identified Savings Plan, at Phase 1, for the year is £35.5m. At July 2026 a forecast £14.5m of savings have been achieved. This represents 41% of approved savings plans, but only 27% of the full targeted savings required – excluding Demographic growth.

The Savings plans have commenced, primarily these are in corporate schemes or schemes coming forward from 2025/26. There remains risk with the savings delivery, and it will require sustained effort across the organisation, difficult decisions, strong financial discipline and a relentless focus on implementation.

At month 4 there are concerns that some of the large-scale Agency reduction programmes are not yet delivering savings at the scale required. This is being discussed at Divisional DMTs and will continue to be monitored at Delivering Value, at SMT and Executive Team. There continues to be risk associated with the delivery of the savings required.

Table 4: Phase 1 & Initial Phase 2 Savings Plans 2026/27

Scheme	2026/27 Savings Per Plan £'000	Forecast 2026/27 Achieved at March 26 £'000	Forecast Savings Yet to Start £'000	Total Forecast Variance v Plan £'000	RAG Rating
Nurse Stabilisation – Agency Reduction	4,248	259	3,989	0	
Medical Workforce – Agency Reduction	3,245	350	2,895	0	
Multi-Disciplinary Agency – Agency Reduction	1,010		1,010	0	
Review of Payroll Savings	1,000	1,000	0	0	
Workforce Reduction	1,150		1,150	0	
Recruitment Delays – natural slippage on 2 x new services appointments	250	250	0	0	
Transport & Taxis	100		100	0	
Over achievement of Pharmacy Rebates	150		150	0	
Encompass - paper savings achieved	125	125	0	0	
Further Reduction in Backlog of Maintenance	275	275	0	0	
Pathology Demand Management	150		150	0	
2025/26 Postage Scheme	65	65	0	0	
MORE	1,600		1,600	0	
Skill Mix Diagnostics	100		100	0	
Administration Staffing	285		285	0	
Administration, Publications & Postage	89		89	0	
Income Generation Schemes	132		132	0	
NIMDTA - funding	250	250	0	0	
Funding of Phlebotomy Services – funding	341	341	0	0	
Cellular Pathology – funding	265	265	0	0	
Funding of DECC Services	212	212	0	0	
Care Homes Income Uplift	1,945		1,945	0	
Other Income Uplift schemes	160		160	0	
Stat Residential Homes	390	390	0	0	

Efficiency of Trust Estate – manage minor works spend	200		200	0	
Sustainability	147	147	0	0	
Reducing Conveyancing to ED from Care Homes	164		164	0	
Reform of Home Care	500		500	0	
Community Hospitals & Statutory Residential Care	459		459	0	
Care Homes - EPCO / Falls	900		900	0	
Continued Review of High-Cost Placements	1,000		1,000	0	
Non-Recurrent Adjustments (including vacancy controls)	10,000	10,000	0	0	
Further Agency Reduction – Phase 2	2,000		2,000	0	
Further Enhanced Vacancy Control – Phase 2	1,800		1,800	0	
Repairs, maintenance & equipment – Phase 2	606	606	0	0	
Staff car parking charges – Phase 2	120		120	0	
Staff accommodation charges – Phase 2	35		35	0	
Reduce equipment variation – Phase 2	30		30	0	
Grand Total	**35,498**	**14,535**	**20,963**	**0**	

Green: Savings have commenced and forecasting to fully achieve. Amber: Savings are yet to start, have started but have not fully delivered or are not expected to fully deliver. Red: Savings are not expected to deliver.

Section 5: Flexible Staffing Costs as at 31st July 2026

The Trust continues to incur a high level of flexible staffing expenditure. All agency frameworks are now in place and current agency staffing is procured through framework agencies. The recorded non-contract expenditure mainly relates to the earlier Medical and Dental framework transition, late invoices and coding corrections.

As per the regional programme all Social Work Agency has ceased – there are no Social Work Agency costs in the Trust.

Non-Contract Agency Spend

The Medical and Dental framework was the final framework to go live. Its transition period extended into 2026/27 but has now ended. Residual non-contract expenditure recorded in 2026/27 relates to the transition period, late invoices and coding issues, rather than current off-framework procurement.

Total agency expenditure to 31 July 2026 was £20.4m, of which £0.5m, or 2.4%, was recorded as non-contract expenditure. The majority related to Medical Agencies during the framework transition.

Table 5: Cumulative Agency Spend July 2026 by Director and Family Group

Directorate	Contract £'000	Non-Contract £'000	Total £'000
Medicine & Emergency Medicine	9,274	209	9,483
Surgery, Women's Health & Diag. Ser.	3,930	295	4,225
Adult Comm & Older People Ser.	411		411
Children & Young People	603	(14)	589
Mental Health, LD & PS	2,072	5	2,077
AHP, Int. Care & Integrated Disc.	551		551
Nursing, Corp Support & Paeds Ser.	1,772	1	1,773
Medical, Pharm & Gov.	121		121
Strategic Plan, Perf. & ICT	86		86
Infrastructure	117		117
Finance	92		92
HR, OD & Corp Comms	19		19
Other Corporate Costs	883		883
TOTAL	**19,931**	**496**	**20,427**

Family Group	Contract £'000	Non-Contract £'000	Total £'000	Contract %
Admin & Clerical	1,174		1,174	100.0%
AHP	122		122	100.0%
Ancillary	1,680	1	1,681	99.9%
Health Care Support	2,624		2,624	100.0%
Medical	7,595	507	8,102	93.7%
Nursing & Midwifery	5,286		5,286	100.0%
Other	33		33	100.0%
P&T (mto)	77	1	78	98.7%
Pathology	106		106	100.0%
Pharmacy	7		7	100.0%
Radiography	407		407	100.0%
Social Care	820	1	821	99.9%
Social Work	0	(14)	(14)	-
TOTAL	**19,931**	**496**	**20,427**	**97.6%**

Other Corporate Costs include Winter Run Through, Winter & Elective Care Reform (WLI). It will also be where agency pay award costs are charged (Agencies submit 1 invoice for arrears)

a) Total Spend on Flexible Staffing

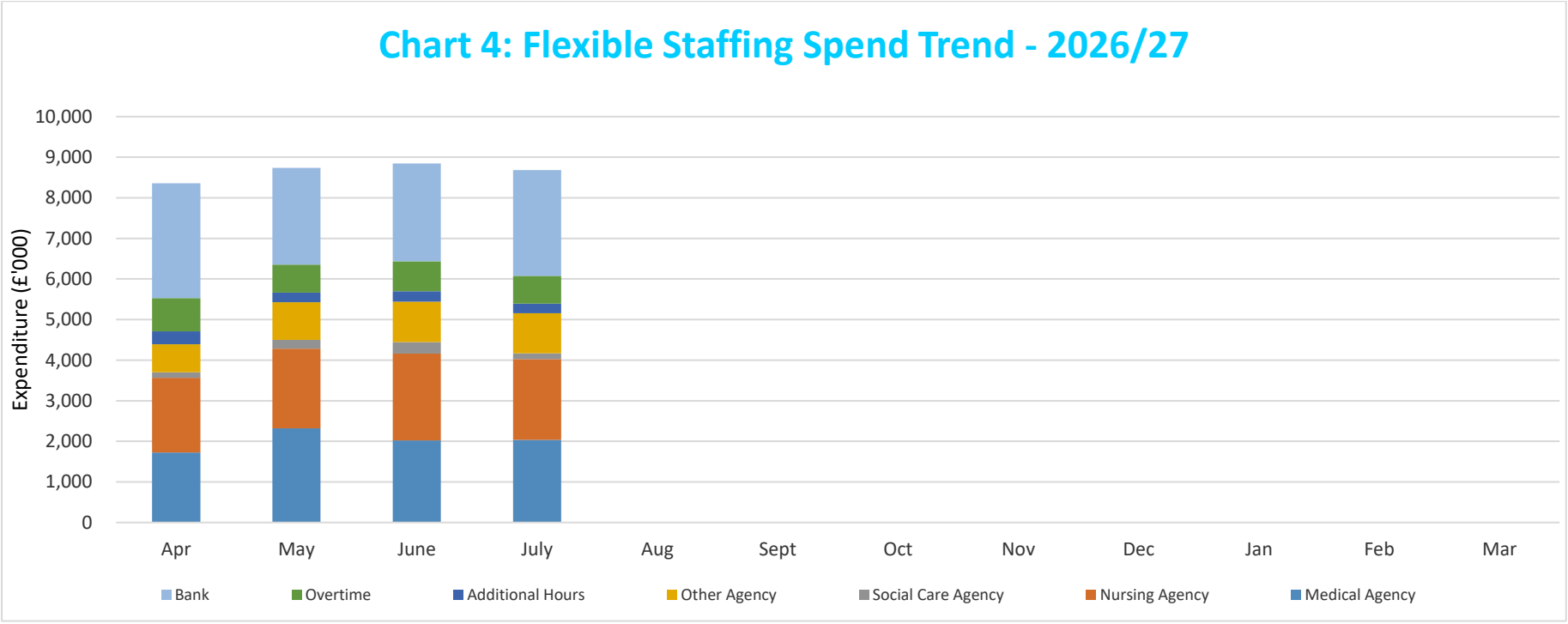
The total spend in these areas is summarised below:

Table 6: Flexible Spend at July 26

Division/Directorate	Cum to July 2026						Cum to July 25 £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	3,848	5,635	1,302	434	84	11,303	11,684	(380)	(3%)
Surgery, Women's Health & Diagnostic Services	2,597	1,629	1,418	689	149	6,482	6,257	224	4%
Adult Community & Older Peoples Services		411	2,051	475	143	3,080	4,868	(1,788)	(37%)

Children & Young People		589	938	638	79	2,244	2,205	39	2%
Mental Health, Learning Disability & Psychology Services	815	1,262	1,830	255	54	4,216	4,718	(503)	(11%)
Allied Health Professionals, Intermediate Care & Integrated Discharge		551	1,363	101	102	2,117	0	2,116	-
Nursing, Corporate Support & Paediatric Services	331	1,441	1,092	183	391	3,438	4,157	(719)	(17%)
Medical, Pharmacy & Governance		121	30	27	27	205	174	30	(11%)
Others	511	686	203	120	18	1,538	523	1,017	(11%)
TOTALS	**8,102**	**12,325**	**10,227**	**2,922**	**1,047**	**34,623**	**34,586**	**36**	**0%**

The comparators between Divisions is not useful due to the restructuring in 2026/27. However, based on the position at the total Trust, the spend in 2026/27 is on par with the spend at the same time in 2025/26. However, the spend in 2025/26 at the same point in time did not have the pay award included – therefore it is an effective reduction in spend in real-terms. This is being reflected in the savings plans.



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 May actual includes accruals not posted in April which is why there is an increase in spend in May v April.

Expenditure on Flexible nursing is £15.1m cumulative to July 2026. However, the main spend is directly linked to agency spend (as opposed to Bank, Overtime and Additional Hours) which is £7.9m cumulative to July 2026.

Total flexible staffing expenditure is c.13.2% of the total payroll costs.

b) 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 7: 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	1,906	1,657	61	85	20	1,823	(83)
Estates	181	164	2	2	8	176	(5)
Medical & Dental	784	681	23	145	17	866	82
Nursing Registered	3,135	3,047	42	219	198	3,506	371
Nursing – HCA	801	646	4	170	144	964	163
Professional/Technical	1,764	1,629	84	52	64	1,829	65
Social Work	1,005	983	21	0	99	1,102	97
Social Care	1,905	1,448	32	57	350	1,888	(17)
Support Services	989	800	16	122	86	1,023	34
TOTALS	**12,470**	**11,055**	**284**	**852**	**986**	**13,177**	**707**

Currently the Trust has an indicative additional 70 WTE staff over the funded staffing level; that equates to a staffing level of 6.0% above FSL. Much 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 because 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, as amended in 2013, allow commercial organisations to apply interest and penalty charges where invoices are overdue. The Trust therefore aims to pay 95% of valid invoices within 30 days of receipt of the invoice or delivery of the goods or services. At July 2026, 94.61% of invoices were paid within 30 days, a slight reduction from 94.68% in June 2026 and marginally below the 95% target.

Section 7: Debtors Position – July 2026

At 31 July 2026, total debtor balances were £29.5m across 6,084 invoices, compared with £24.8m at March 2026. The increase is mainly due to a single £4.0m invoice to SPPG within Inter NHS/Government Bodies. Excluding this invoice, most ARSS debt categories are stable or reducing and the majority of balances remain less than 90 days old.

Table 8: Debtor Balances at July 2026

Category	March 2025 £'000	March 2026 £'000	July 2026 £'000	July 2026 invoices No
Social Care debt	19,666	23,243	23,925	5,149
ARSS debt	2,135	1,550	5,557	935
Total	**21,801**	**24,793**	**29,482**	**6,084**

Social Care debt remains the largest element at £23.9m, including £23.6m relating to Independent Homes. Recovery action continues through the Trust's reminder process, Small Claims Court and DLS, with property debt secured where appropriate. There

are 205 Independent Homes cases with DLS. Payments of £330k were received in July, bringing cumulative DLS recoveries from April to July 2026 to £700k. Additional temporary resource focused on deceased clients has recovered a further £335k over the same period.

Independent Homes invoice collection is strongest for current invoices, with 91% of July invoices paid, reducing to 49% at 30 days, 22% at 60 days and 19% at 90 days. No write-offs have been completed in 2026/27. Write-offs totalling £45.9k across 22 Independent Homes clients are awaiting approval.

Within ARSS debt, the main routine balance is staff-related debt of £556k, of which salary overpayments account for £467k. Recovery continues through repayment plans, DLS and Small Claims Court. Seven Health Centres continue to dispute service charges totalling £187k, while seven private patient invoices totalling £63k are being actively progressed by DLS. Finance teams continue to monitor repayment plans and recovery action to prevent debts becoming statute-barred.

Section 8: Key Assumptions and Risks

The 2026/27 forecast financial position is dependent on a number of material assumptions and remains subject to significant risk:

- At July 2026, Phase 1 and initial Phase 2 savings totalling £35.5m had been approved by Trust Board. A further £14.5m of Phase 2 savings, approved by SPPG, is being presented to Trust Board in August 2026. This will leave a remaining savings gap of £3.8m, which continues to be discussed with SPPG.
- SPPG retracted 6% of the Trust's RRL while the savings target set for Trusts was 4%. The resulting £22.9m difference is included in the £51.0m forecast deficit. Clarity is still required on how this will be addressed during the financial year.
- The forecast includes indicative allocations, estimates based on prior-year funding and policy commitments where formal confirmation has not yet been received. Any difference between assumed and confirmed income would affect the forecast position. No assumption has been included for the 2026/27 pay award, and the financial impact will need to be assessed once agreed.
- The forecast assumes full delivery of all currently approved savings by year-end. At Month 4, £14.5m, or 41%, of the £35.5m approved savings plans is forecast to be achieved. A significant proportion of savings has therefore not yet commenced or remains at an early stage of implementation, creating a material delivery risk.
- Achieving savings on this scale will require sustained effort across the organisation, difficult decisions, strong financial discipline and continued focus on implementation. There is particular risk around the large-scale agency reduction and workforce schemes, which are not yet delivering at the level required.

- The underlying financial position across operational divisions remains under significant pressure. This includes pressures across the unscheduled care pathway, community services, high-cost placements, enhanced care and independent sector provision. These pressures may reduce the Trust's ability to deliver the forecast position and achieve its financial targets.
- Vacancies across critical professional groups continue to create reliance on agency and other flexible staffing, including high-cost medical and nursing cover. Although all agency frameworks are now in place, delivery of the planned reduction in agency usage and cost remains critical to achievement of the 2026/27 savings target.
- The Financial Plan includes forecast demographic growth of £12.4m and confirmed funding of £2.6m, leaving a net pressure of £9.8m within the £51.0m forecast deficit. There is currently no separate plan to absorb this pressure. Managing it within the existing financial position or through further savings would be extremely challenging. The principal pressures relate to Independent Care Homes, the acuity and cost of placements, and other high-cost care packages.
- Independent sector providers continue to raise cost pressures associated with National Living Wage increases and wider inflation across nursing and residential care, domiciliary care, supported living and community and voluntary services. Relevant uplifts have been applied, but further pressure may emerge during the year.
- Several job evaluation outcomes remain outstanding. Successful claims may increase both the recurrent pay position and the requirement for arrears accruals. The Trust also continues to recognise the regionally agreed provision for PSNI holiday and sickness pay.
- Outstanding HRPTS payroll issues continue to affect the reported position. Accruals are being carried where appropriate, and the Trust continues to work through the BSO Customer Forum to secure the required system corrections.
- The Month 4 position includes accruals and estimates and remains relatively early in the financial year. The forecast may change as expenditure patterns, demographic growth, savings delivery and funding assumptions become clearer. The planned Month 5 review will provide a more developed assessment of the year-end position.
- The format and content of the Finance Report will continue to be developed over the coming months to improve its clarity and accessibility for readers, strengthen the presentation and assessment of key financial risks, and provide greater focus on material areas such as staffing costs. These improvements will be introduced progressively from autumn 2026.

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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