Northern Health and Social Care Trust

Trust Savings Plan 2026/27

For approval at Trust Board: 27 Aug 2026

Introduction

The Department of Health's Health and Social Care (HSC) 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 and responds to a projected annual funding gap of more than £600 million.

At its core is a commitment to develop a neighbourhood-centred model of care, bringing more services closer to people's homes and reducing reliance on hospital-based care. The plan emphasises prevention, early intervention, tackling health inequalities and supporting people to take greater responsibility for their own health and wellbeing.

Seven key priorities are identified:

- Prevention and population health.
- Investment in primary, community and social care.
- Better integration of physical, mental and social care.
- Improving efficiency and productivity.
- Optimising workforce, estates and reducing unwarranted clinical variation.
- Expanding digital transformation and the strategic use of data.
- Supporting research, innovation and collaborative decision-making.

This shift away from costly hospital-based care towards prevention and early intervention is at the core of creating a sustainable financial model for HSCNI.

The Reset Plan also includes what the Department describes as the most ambitious efficiency programme in HSC history. 'This includes 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, and procurement; optimising medicines spend, and reducing central budgets and administrative costs.'

Financial Context

The Northern HSC Trust delivers health and social care services to a population of approximately 480,000 people, employing around 12,000 staff and with a budget of £1.2 billion.

The Trust has delivered significant levels of financial savings year on year: in 2025/26 our savings delivery was £33.6m or approximately 2.7% of our total budget,

although £11.3m of this related to savings which were one-off (non-recurrent) and could not easily be repeated in future years.

The Trust's savings target for 2026/27 was initially set at 6% of total budget, with the understanding that further savings of 3% would be required both in 2027/28 and in 2028/29. Correspondence received from the Strategic Planning and Performance Group of the Department of Health on 10 June 2026 provided clarification that the savings target applied to all Trusts for 2026/27 would be 4% of total budget, along with any underlying deficit from previous years.

For the Northern Trust this represents a savings figure of **£53.8m** (4% = £45.8m + £8.0m underlying deficit), or 4.7% of total budget. This figure assumes that demographic growth, such as an increased requirement for care home placements or home care packages, can be absorbed by the Trust without an overall increase in cost, or offset by further savings measures.

Savings Plans

The Trust has been developing savings plans for 2026/27 for some time and was able to present an initial set of schemes (known as Phase 1) to Trust Board on 26 March and 28 May 2026. These proposals did not impact on service delivery but were largely focused on improved efficiency and cost reduction. These schemes were approved by Trust Board for implementation and are presented here in summary.

Phase 1 scheme	**Value (£k)**
Efficiency and productivity	**30,493**
N/R Savings - Service Development Slippage, Technical Adjustments etc	10,000
Nurse Utilisation – Agency Reduction	4,248
Medical Workforce – Agency Reduction	3,245
Care Homes – Re-Assessment following Inflationary Income Uplift	1,945
MORE – Drugs Procurement and Biosimilar Switching	1,600
Workforce Reduction – Vacancy Control	1,150
Multi-Disciplinary Agency – Agency Reduction	1,010
Payroll Savings – FYE tail of 2025/26 Savings Schemes	1,000
Review of Long-Term Enhanced Care Packages – Care Homes	1,000
Reform of Home Care – Productivity, reduce Contingency Beds	500
Review of Short-Term Enhanced Care Packages – Care Homes	500
Enhanced Care Rates – Care Homes	400
Stat Residential Income – following opening 2 Units to Permanent Places	390
Commissioner Funding of Phlebotomy Services	341
Review of Administration Staffing	285
Further Reduction in Backlog of Maintenance – Revenue	275
Additional Funding IRO Cellular Pathology	265
Recruitment Delays – natural delay in recruitment to 2 new services	250

Phase 1 scheme	Value (£k)
Funding from NIMDTA for posts	250
Community Hospitals & Statutory Residential Care	250
Funding of DECC Services deficit	212
Review of Assessment beds and charging – Care Homes	209
Efficiency of Trust Estate – Reduction in Revenue New works	200
Income Uplift – FYE of price increases actioned in 2025/26	160
Over achievement of Pharmacy Rebates IRO Drug contracts	150
Sustainability – Energy Efficiency Schemes	147
Encompass – Reduce Paper costs following system implementation	125
Income Generation/ Temporary Placement income	115
Transport & Taxis	100
Administration, Publications & Postage	89
2025/26 Postage Scheme – New Contract	65
Income Generation / Lab Testing	17
Service reform and consolidation	**414**
Diagnostic Skill Mix Review	100
Reducing Conveyancing to ED from Care Homes	164
Pathology Demand Management	150
Total	**30,907**

The total value of all Phase 1 schemes is £30.9m, which leaves a shortfall against the target of **£22.9m**.

In order to meet this very challenging savings target within a single financial year, the Trust developed a further set of plans, known as Phase 2. These schemes are more difficult to implement, either because they impact directly on service delivery, face significant deliverability challenges, or are dependent on enabling actions from regional bodies such as the Business Services Organisation (BSO).

A first set of Phase 2 plans was approved by Trust Board on 24 June 2026; these are set out below.

Phase 2 scheme	Value (£k)
Reduce agency staffing costs	2,000
Enhance vacancy control measures	1,800
Reduction in repairs, maintenance and equipment costs	606
Increase car parking charges	120
Increase charges for staff accommodation	35
Reduce variation in equipment	30
Total	**4,591**

Further scrutiny was undertaken by Trust Board on the rest of the Phase 2 schemes, and a further set of proposals was submitted to SPPG on 17 July 2026.

Correspondence received from SPPG on 14 Aug indicated approval for schemes with a combined value of £19.0m, including the £4.5m set out in the table above.

The Phase 2 schemes approved by SPPG but not yet by Trust Board have a combined value of £14.5m and are set out below in three categories:

1. Efficiency and Productivity
2. Service reform and consolidation
3. Workforce planning

More detail on each of the Trust's Phase 2 schemes is provided in Appendix 1.

Phase 2 scheme	**Value (£k)**
Efficiency and productivity	**8,302**
Reduction in adult care home placement costs	2,500
External review of further efficiency opportunities	2,000
PaLS procurement efficiencies	1,819
Reduction in additional winter-related capacity	606
Reduce transport costs - taxis	374
Reduce overspend in children's services	340
BSO reduction on contracted services costs	315
Reduce transport costs - private ambulance	221
Review of non-procured CVS contracts	127
Service reform and consolidation	**2,700**
Consolidation of theatre sessions	1,500
EPCO Model - Acute	700
Stand down Phone First service	500
Workforce planning	**3,500**
Review of Medical & Nursing staffing in high-cost areas	3,500
Total	**14,502**

The total value of SPPG-approved schemes in Phase 1 and Phase 2 is **£50.0m**. This falls **£3.8m** short of the Trust's savings target of £53.8m, and engagement with SPPG is ongoing to agree how this shortfall can be addressed.

Engagement and assessing the requirement for future consultation

The Trust's cost savings and efficiency proposals are predominantly within the scope of management control and general good financial governance, including the need to make choices in-year on flexible and discretionary spend combined with some impact on non-frontline or lower risk services. To achieve the maximum level of cost savings in-year some measures were agreed and commenced implementation early in 2026/27, and additional proposals of approx. £10m will be implemented with immediate effect subject to Trust Board approval of the updated plan.

Each of these savings measures has been 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 handled as with other reconfigurations or service changes within the Trust's management of change processes.

The workforce control measures 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 within the current financial year, the Trust may not be in a position to 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.

Trust Board approval

Having given due consideration to the proposed schemes set out above, Trust Board is asked to approve the full £50m savings plan as outlined, including the £14.5m of additional Phase 2 measures.

Appendix 1 – Detail of Phase 2 schemes

Strategic Workforce Reform (incorporating 'Reduce agency staffing costs' and 'Enhance vacancy control measures')

This project will be taken forward in four separate but related strands of workforce modernisation.

Nurse stabilisation. This project aims to reduce expenditure on nursing and midwifery agency staffing through strengthened workforce controls, improved roster utilisation, increased use of internal staffing solutions where available, and targeted recruitment to substantive posts.

The focus will be on supporting the cessation of routine agency usage, ensuring any ongoing agency use is exceptional, risk assessed and required to maintain safe and effective services.

The initiative will support the Trust's financial sustainability objectives by promoting more efficient deployment of the existing workforce, strengthening internal supply routes and maintaining safe staffing levels, service continuity and quality of care

Medical workforce reform. This project aims to reduce expenditure on medical locum staffing through strengthened workforce controls, improved rota management, targeted recruitment to substantive posts, and increased use of internal workforce solutions where available.

A key element of the project will be the development and implementation of Divisional Medical Agency Reduction Action Plans. These plans will identify current agency locum usage by specialty/service and grade, set expected timeframes for cessation or reduction, and identify where agency cessation is not possible within agreed timescales with rationale and associated risks.

The project will also improve understanding of the financial and operational impact of medical training arrangements through NIMDTA, including costs associated with trainee rotations, study leave, examination leave and other training-related absences. This will support development of sustainable workforce solutions and reduce unnecessary reliance on high-cost locum cover where alternative models can be safely implemented.

The focus will be on reducing reliance on high-cost medical locum staffing while maintaining safe staffing levels, service continuity and quality of care.

Workforce supply and flexible staffing. This project seeks to strengthen workforce supply, vacancy control and flexible staffing arrangements across NHSCT to reduce workforce expenditure and contribute to delivery of the Trust's financial savings targets.

The approach will ensure that vacancies and flexible workforce usage are subject to appropriate review, with consideration given to service necessity, patient/client

safety, statutory and regulatory requirements, redeployment opportunities, skill mix changes, service redesign and alternative delivery models.

Recruitment to critical, statutory and safety-essential posts will continue where required to maintain safe and effective service provision.

The project aims to maximise workforce efficiency, reduce reliance on temporary staffing, support cessation of routine agency usage where possible, and ensure staffing resources are aligned to organisational priorities and available funding. Specific service risks will be considered and addressed through Divisional/ Directorate workforce plans and governance arrangements.

Administrative workforce modernisation. The project aims to review and redesign administrative processes across the Trust to reduce inefficient manual activity, eliminate duplication and maximise the use of digital solutions, including encompass and other enabling technologies. The project will focus on streamlining administrative functions, standardising processes, improving data quality and reducing reliance on paper-based and manual systems to support more efficient ways of working.

Reduction in repairs, maintenance and equipment costs

This project will deliver a risk-based review of repairs, maintenance and equipment expenditure to optimise the use of resources, prioritise statutory and safety-critical assets, and identify opportunities to reduce or defer non-essential spend. The project will support financial recovery objectives through the reduction of maintenance-related expenditure and backlog maintenance liabilities whilst maintaining compliance, operational resilience and quality of care.

The project will include planned maintenance programmes, reactive maintenance activity, equipment replacement schedules and discretionary capital and revenue expenditure to ensure resources are targeted towards essential operational requirements. Opportunities to standardise maintenance practices, extend asset life, optimise equipment utilisation and strengthen prioritisation processes will be explored to achieve sustainable cost reductions.

The scheme will support the Trust's financial recovery objectives by reducing expenditure on repairs, maintenance and equipment while maintaining compliance with statutory requirements, minimising operational risk and protecting patient and staff safety.

Increase car parking charges

This project seeks to review and revise staff car parking charges to bring NHSCT tariffs into line with those applied across other HSC Trusts. The aim is to generate additional recurring income to support financial sustainability while ensuring a consistent and equitable regional approach to car parking charges. The review will consider existing charging structures, affordability, accessibility, and any relevant Department of Health policy or regional guidance. Income generated through the

revised charging arrangements will contribute towards the Trust's overall savings and income generation targets.

Increase charges for staff accommodation

This project seeks to review and increase staff accommodation charges for staff residing on Trust property. Accommodation charges within the trust have not been uplifted for some time. The aim is to generate additional recurring income to support financial sustainability while ensuring a fair and equitable rate for accommodation. Income generated through the increased charging arrangements will contribute towards the Trust's overall savings and income generation targets.

Reduce variation in equipment

This project seeks to reduce unwarranted variation in the procurement and use of surgical consumables through the standardisation and alignment of products used across NHSCT. The project will focus on high-volume and high-cost consumables, including surgical gloves, haemostatic agents, laparoscopic consumables and surgical meshes. By adopting a consistent range of clinically approved products, the Trust aims to achieve cost efficiencies, improve purchasing leverage, reduce stock complexity, and support standardised clinical practice, while maintaining quality, safety and clinical outcomes.

Reduction in adult care home placement costs

These savings are split into four categories.

Top-ups. Increase education to named worker to communicate financial risks to families. Strengthen the wording on undertakings to pay to ensure court action is successful. Introduce risk assessment for third party contribution. This will require regional input to ensure consistency.

Temporary Beds. All temporary beds will commence financial assessment from date of placement with a view to reduce the number of temporary placements and move to permanent so full assessment of CRAG can be applied. This will require regular reports from system and agreement on the target number of days that a bed remains temporary. This will require regional input to ensure consistency.

Enhanced care. This is in addition to the savings in Phase 1 in this area. Review the provision of additional and enhanced care in Care Homes - particularly short-term and temporary provision for falls. Further focus on the number of these short-term placements including identifying baseline and monitoring.

Assessed Income Thresholds. Currently the cost that service users are assessed against as part of CRAG is the tariff rates set by SPPG. The proposal is to increase this assessment against the full cost of the placement. This would be for new placements only and would not be applied retrospectively to those service users already placed. This will require regional input to ensure consistency.

External review of further efficiency opportunities (incorporating 'Review of Medical & Nursing staffing in high-cost areas')

The Trust has developed a comprehensive savings plan to support delivery of its financial recovery objectives. However, given the scale of the financial challenge and the need to maximise recurring savings opportunities, there is value in obtaining an independent external assessment to provide assurance that all viable opportunities have been considered and to identify any additional areas for improvement.

This project will commission an experienced external review partner to undertake a rapid diagnostic review of high-cost staffing. The review will focus on identifying further efficiency opportunities within high-cost workforce areas and vacancy controls

The review will provide an independent perspective on opportunities to reduce costs, improve value and optimise service delivery.

The outcome will be a prioritised set of recommendations, including estimated financial cost savings, implementation requirements, risks, dependencies and delivery timescales, to support the Trust in strengthening its savings programme and ensuring that all reasonable opportunities to improve financial sustainability have been fully explored.

PaLS procurement efficiencies

Trusts carry out procurement activity via the FPL system using standard catalogue items that are managed by BSO and within a value for money pricing scheme and non-catalogue items which are more at the discretion of the trust in choosing a suitable supplier.

The project aims to identify cash savings by working with Procurement and Logistics Services (PaLS) to undertake a comprehensive review of Trust procurement activity, including non-purchase order (non-PO) transactions and non-catalogue spend, to identify opportunities to strengthen financial controls, improve compliance with procurement processes, and maximise value for money.

Working with PaLS the review will analyse current purchasing practices, identify areas of unwarranted variation, and determine opportunities for greater standardisation of products and services to achieve cash savings.

In parallel, PaLS benchmarking tools will be utilised to compare purchasing patterns and pricing across HSC organisations, enabling the identification of cost reduction opportunities, improved contract utilisation, and more consistent purchasing arrangements. The project will support the Trust's cost improvement objectives while maintaining service quality and operational effectiveness.

Reduction in additional winter-related capacity

Historically, NHSCT has allocated non-recurrent funding to support winter pressures and maintain operational resilience during periods of increased demand. Through

the annual Winter Planning process, services identify additional capacity requirements, including extra beds, enhanced discharge support, extended staffing arrangements, increased weekend working, escalation capacity, and other targeted initiatives to improve patient flow. These projects are prioritised and monitored through established Winter Planning governance arrangements.

The proposed savings will reduce winter planning funding by approximately 23%. However, the impact is partially mitigated through £2m of recurrent investment from SPPG to support schemes focused on ambulance handover, helping to sustain system flow and operational capacity.

Reduce transport costs – taxis and private ambulances

This project seeks to reduce transport costs through the review and optimisation of private ambulance transport and use of taxi transport for patients. This work is part of the regional SFMRG workstream looking at sustainable reduction in transport expenditure whilst maintaining service quality and equity of access for patients and service users.

Reduce overspend in children's services

This project seeks to reduce excess expenditure on flexible staffing arrangements within residential homes and Looked After Children (LAC) teams by aligning staffing utilisation and deployment practices with those operating in comparable services. The review will focus on identifying and addressing the use of flexible staffing and capping any overspends, reviewing waking nights and rotas across residential homes where excess costs are identified, ensuring that staffing resources are deployed efficiently and proportionately to assessed need. The project is not anticipated to have any direct impact on service provision, quality of care, or service user outcomes, as staffing levels required to deliver safe and effective services will be maintained.

BSO reduction on contracted services costs

BSO provide a range of centralised business support and specialist professional functions on behalf of Trusts under a service level agreement. These typically include:

- Procurement and Logistics
- Shared services for Payroll, financial transaction processing, HR and recruitment, pensions
- Digital and Information services – development of regional systems programmes, data centres and IT infrastructure, regional systems implementations and support
- Legal services
- Other specialist services (Family Practitioner Services, Interpreter and translation services, regional training and support programmes

Working in partnership with BSO, the Trust aims to review utilisation of regional shared services, including procurement, payroll, recruitment, legal and digital support functions, to identify opportunities for greater efficiencies, enhanced value for money and ultimately cash savings. Benchmarking information will be used to identify variation and support implementation of best practice across the HSC system.

Review of non-procured CVS contracts

NHSCT currently commissions 59 Community and Voluntary Sector contracts that have not been subject to a competitive procurement process. A phased review will be undertaken to evaluate each contract against agreed outcomes, service utilisation and value for money criteria. The review will identify opportunities to release savings through the reduction, redesign or termination of contracts where benefits and value cannot be clearly demonstrated.

Consolidation of theatre sessions

This project will transfer selected theatre activity currently delivered at Whiteabbey Hospital and Mid-Ulster Hospital to Antrim Area Hospital and Causeway Hospital from October 2026.

Currently theatres at these peripheral sites do not meet performance targets in terms of their utilisation. The aim is to maximise the utilisation of available theatre capacity, improve productivity and throughput, and reduce the number of theatre lists required to treat the same volume of patients.

By consolidating activity onto higher-volume sites such as Antrim, the Trust will seek to improve efficiency, increase patient access to treatment, optimise workforce deployment and resource, and support the delivery of elective care targets within available resources.

EPCO model – acute

The Trust currently delivers approximately 200k hours of Enhanced Patient Care Observation (EPCO) annually across acute hospital services. This project will establish a multidisciplinary review group to examine how enhanced care can be delivered more effectively and efficiently, including the potential for a more centralised model of provision rather than the current predominantly ward-based approach.

The review will assess current utilisation, demand patterns, staffing models, governance arrangements and opportunities for alternative approaches that maintain patient safety and quality of care while reducing reliance on enhanced observation hours.

The objective is to redesign the model of care and achieve a 25% reduction in EPCO hours during the final six months of 2026/27, to deliver recurring financial savings

while ensuring that patients who require enhanced supervision continue to receive safe and appropriate care.

Stand down Phone First service

Phone First provides an initial assessment and triage for urgent care and aims to ensure patients are directed to the most appropriate care setting, reduce unnecessary hospital attendances, improve patient flow and support timely access to treatment through scheduled assessment and intervention where clinically required.

This project will implement the planned cessation of the Phone First contracted service subject to regional agreement and contractual requirements. While the proposal will result in the removal of the current telephone triage and booking model, it is not intended to reduce the availability of urgent or emergency care services or restrict access to treatment. Following screening there is no evidence to suggest that this change would disproportionately disadvantage any specific equality group.

The service currently operates as part of the urgent and emergency care pathway and any decision to discontinue the model will require a coordinated regional approach to ensure consistency of access arrangements across Northern Ireland.