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

Subject:	**Trust Board Financial Position Report – September 2026**	**Date of Meeting: 22nd September 2026**
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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 6 (September 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 forecasting a £60.0m deficit for 2026/27, compared with the financial planning position of £36.5m. The deterioration of £23.5m reflects additional pressures of £3.0m relating to energy, £2.7m relating to High-Cost Drugs, £5.8m of additional demographic and placement growth, and £12.0m of forecast slippage against the approved savings programme.

Financial Position

At Month 6, the Trust is reporting a year-to-date deficit of £30.3m. The underlying position remains under significant pressure across operational Divisions, particularly in medical and nursing staffing, unscheduled care, placements, enhanced care, community services and independent sector provision.

The forecast will continue to be reviewed during the remainder of the year. Based on the current forecast position, there is no identified pathway to achieve break-even in 2026/27. The Trust will continue to work with SPPG and DoH while maintaining a clear focus on savings delivery and management of underlying cost pressures.

Demographic Growth

The Financial Plan included a net demographic growth pressure of £9.8m. The Month 5 review identified a further £5.8m pressure, bringing the current demographic growth pressure to £15.6m. The additional pressure has been reflected in the £60.0m forecast deficit. There is currently no separate plan to absorb this pressure and further demographic and placement growth remains a material financial risk.

Savings

Trust Board has approved savings plans totalling £50.0m for 2026/27. At Month 6, £18.9m (38%) is forecast to be achieved, with a further £19.1m currently planned for delivery during the remainder of the year. The Month 5 review identified £12.0m of forecast slippage, which has been reflected in the £60.0m forecast deficit. Delivery of the remaining savings continues to be challenging, particularly the larger workforce, agency reduction and placement schemes. Savings delivery will continue to be closely monitored throughout the remainder of the year

Flexible Staffing

Total agency expenditure to 30 September 2026 was £30.1m. Overall flexible staffing expenditure was £51.2m, compared with £54.5m at the same point in 2025/26, a reduction of £3.3m. Whilst this is encouraging, the overall pay position remains under pressure and further reductions will be required to achieve the planned workforce savings. The Strategic Workforce Review Group has now been established and is providing oversight of workforce establishment, utilisation and affordability in support of the Trust's workforce sustainability and financial recovery objectives.

Risks and Assumptions – Additional to above

1. The £22.9m difference between the 6% budget retraction and 4% savings target remains unresolved with SPPG.
2. The forecast remains dependent on a number of indicative allocations and funding assumptions which have not yet been formally confirmed.
3. No assumption has been included for the 2026/27 pay award.
4. Outstanding job evaluation outcomes and HRPTS payroll issues may result in further financial pressure.
5. The £60.0m forecast remains subject to ongoing review as expenditure, savings delivery and funding assumptions become clearer.

Northern Health and Social Care Trust

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TRUST BOARD

FINANCIAL POSITION REPORT – September 26

Prepared & Issued by Finance Department

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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. The current plan does not break-even.	
2. Achieve in-year break-even outturn within allocated Revenue Resource Limit (RRL)	R
The Trust is forecasting a £60.0m deficit against the approved financial planning position of £36.5m. The movement reflects additional energy, high-cost drug and demographic growth pressures, together with forecast slippage in delivery of the approved savings programme. There is no current pathway to break-even.	
3. Achieve 2026/27 Savings Target	R
At Month 6, £18.9m (38%) of the approved savings programme is forecast to be achieved. The Month 5 review identified £12m of forecast slippage, which has been reflected in the current financial forecast. Delivery of the remaining savings programme continues to be closely monitored but remains challenging.	
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 30th September 26 93.5% of invoices have been paid per prompt payment target.	

Section 2: Financial Plan 2026/27

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 significant financial pressures. It builds on the 2024 three-year strategic framework of Stabilisation, Reform and Delivery.

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

The Trust has engaged with SPPG since early 2026 to develop a plan to address the financial gap. The £36.5m represents the current planning position. The financial position and the key assumptions underpinning it are 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)

- High-cost drugs expenditure included within the original Financial Plan, estimated at approximately £4.2m, was assumed to be fully funded, consistent with SPPG guidance and correspondence. Subsequent growth in demand has resulted in additional forecast expenditure above this planning assumption, which is reflected in the current financial forecast.
- The approved savings plans do not address 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, which would be extremely challenging in the current financial environment.

- SPPG retracted 6% of the Trust's budget while setting a 4% savings target. The resulting £22.9m difference is included in the financial planning position.

The Trust has developed savings plans to address the £53.8m opening financial gap. These have been presented to Trust Board in phases and have received SPPG and Ministerial approval where required. Following SPPG approval, Trust Board approved a further £14.5m of Phase 2 savings at its August 2026 meeting. This brings the total value of approved savings plans to £50.0m, leaving a residual gap of £3.8m for which there are currently no approved plans

Delivery of the approved savings programme in full will be exceptionally difficult. Phase 1 schemes continue to carry delivery risk, while Phase 2 schemes are generally more complex and difficult to implement, with some not yet commenced or remaining at an early stage. There is therefore a material risk that planned savings will not be delivered in full or within the required timescale. Delivery will require sustained organisational focus, difficult decisions, strong financial discipline and close monitoring. As implementation progresses, further operational and financial risks may emerge and will require active management and, where necessary, escalation to Trust Board.

The approved savings plans as approved by Trust Board is set out below.

Table 1: 2026/27 – Financial Plan as approved by Trust Board

	£'m
(Surplus) / Deficit (opening deficit + Savings Target)	53.8
Phase 1 Savings Plans – Approved TB March/May 26	(30.9)
Phase 2 Savings Plans – Approved TB June/August 26	(19.1)
Residual Savings Gap	**3.8**
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
Financial Planning Deficit	**36.5**

Section 3: Financial Position at September 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.

In month 5 the Trust, along with all Trusts, submitted an initial Monitoring Return setting out the Year-to-date position only. This was due to the underlying pressures materialising and the need to carry out a more detailed review. The final Month 5 forecast identified a deterioration of £23.5m against the £36.5m financial planning position, resulting in a forecast deficit of £60.0m. The deterioration was made up of:

- Energy Pressures as a result of global prices due to international conflicts: £3.0m.
- High-Cost Drug pressures due to increased demand: £2.7m.
- Underlying financial pressures primarily driven by Nursing & Residential growth in placements and costs: £5.8m.
- Considerable risk of achievement of savings: £12m.

The Income and Expenditure position at September 2026 is:

Table 2: 2026/27 Month 6 (September 2026) Income & Expenditure

	Actual Income & Expenditure (Mth 6) £'000	**Forecast Income & Expenditure 2026/27 £'000**
Pay Expenditure	392,769	779,906
Net Non-Pay Expenditure	243,937	492,858
Total Expenditure	636,706	1,272,764
Total RRL	606,382	1,212,764
(Surplus) / Deficit	30,324	60,000
% (Surplus)/Deficit against RRL	**5.0%**	**5.0%**

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 £636.7 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.. Further work will be required to refine the forecast year-end position recurrent estimate.

Division Financial Position at September 2026

Table 3: 2026/27 Month 6 Position by Division

Division/Directorate	Budget £'000	Expenditure £'000	Mth 6 Variance £'000	Outturn March 2027 £'000
Medicine & Emergency Medicine (MEM)	64,074	71,120	7,046	
Surgery, Women's Health & Diagnostic Services (SWHDS)	75,746	80,621	4,875	
Adult Community & Older Peoples Services (ACOPS)	83,278	91,209	7,931	
Children & Young People (CYP)	39,689	42,186	2,497	
Mental Health, Learning Disability & Psychology (MHLDPS)	114,532	122,967	8,435	
AHPs, Intermediate Care & Integrated Discharge (AHPICID)	34,316	35,874	1,558	
Nursing, Corporate Support & Paediatric Services (NCSPS)	35,860	37,843	1,983	
Medical, Pharmacy & Governance (MPG)	11,383	11,032	(351)	
Strategic Planning, Performance & ICT (SPPICT)	9,728	9,216	(512)	
Infrastructure	7,311	7,525	214	
Corporate Overheads	7,248	8,827	1,579	
Finance	5,816	5,994	178	
Human Resources, OD & Corp Comms (HROD)	3,344	3,387	43	
Chief Executive & Trust Board (CEXTB)	334	305	(29)	
Corporate/Cost Pressures (including Covid, WLI, Corp Deficit and deficit funding)	10,926	929	(9,997)	
Totals	**606,382**	**636,706**	**30,324**	**Deficit: £60.0m**

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. Costs continue to reflect demographic pressures identified in Mth 5 review.
- 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. Costs continue to reflect demographic pressures identified in Mth 5 review.
- 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. Costs continue to reflect demographic pressures identified in Mth 5 review.
- 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.

Energy Pressure: The Trust is experiencing cost pressures related to energy prices, analysis identifying a deficit on £3.0m, this is after hedging the majority of costs and therefore mitigating costs.

High-Cost Drugs: The Trust is experiencing cost pressures related to High-Cost Drugs due to increased growth, particularly in Cancer Products. Analysis identified a deficit of £2.7m forecast in month 5 and the estimates in month 6 remain consistent with that.

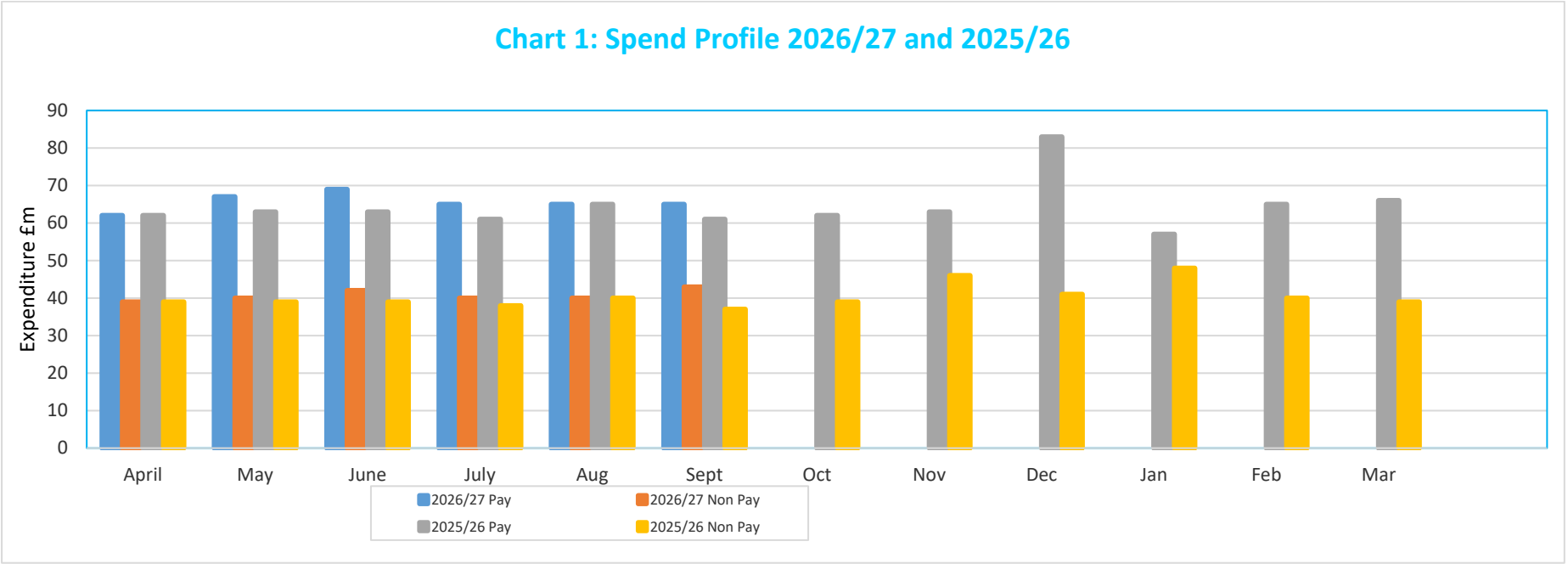
Across all Divisions the 4% savings targets have been retracted from budget, this will show as a deficit within divisions until the associated savings commence. Forecasting adjustments have been made in the Other Corporate Costs section to assume that these savings will be made. However, at month 5 review, £12m of these savings were considered to be at risk and therefore this has been recognised in the deficit position and remains current position at month 6.

The Month 6 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 concerns about the overall 2026/27 position.

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 £36.5m financial planning position. A significant proportion of the growth was already evident in the Month 5 position and is considered unavoidable. Further analysis identified an additional pressure – net £5.8m bringing the total demographic growth pressure to £15.6m. 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 6 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, Trust Board has approved savings plans totalling £50.0m. At Month 6, £18.9m (38%) of the programme is forecast to be achieved, with a further £19.1m of savings currently planned for delivery during the remainder of the year. The Month 5 risk assessment identified £12.0m of forecast slippage, which has been reflected in the current financial forecast. Delivery of the remaining savings continues to be closely monitored and remains challenging.

Delivery of the savings plan remains one of the most significant financial risks facing the Trust in 2026/27. There are particular concerns regarding a number of the larger workforce-related schemes, including those associated with reducing agency expenditure, which are not currently delivering at the scale required. There is also concern on the delivery of the Placement savings, particularly in light of the growth pressures. Achieving the approved savings target will require sustained management focus, strong financial discipline and effective implementation across all Divisions.

Given the significance of this risk, a risk-assessed review of savings delivery was completed at Month 5. This identified forecast slippage of £12.0m, which has been reflected in the Month 6 financial position. Savings delivery will continue to be closely monitored throughout the remainder of the year and remains challenging.

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

Scheme	2026/27 Savings Per Plan £'000	Forecast 2026/27 Achieved at March 27 £'000	Forecast Savings Yet to Start £'000	Total Forecast Variance v Plan £'000	RAG Rating
NT-AOPS-1.0 Home Care Reform & Contingency Beds	500	-	500	-	
NT-AOPS-4.0 ED Conveyance from Care Homes	164	-	164	-	
NT-CN-1.0 Staff Accommodation	35	35	-	-	
NT-CN-2.0 EPCO Model	700	-	700	-	
NT-CN-3.0 Transport Costs	695	-	695	-	
NT-CYP-1.0 Children's Services Costs	340	100	240	-	
NT-FIN-1.0 BSO Contracted Services	315	-	315	-	
NT-FIN-2.0 PALS Procurement Efficiencies	1,819	-	1,819	-	
NT-FIN-3.0 External Review - Further Opportunities	2,000	-	2,000	-	
NT-FIN-4.0 Other Corporate Savings	14,852	13,531	1,321	-	

NT-INF-1.0 Maintenance & Repairs	881	606	275	-	
NT-INF-2.0 Car Parking Charges	120	-	120	-	
NT-INF-3.0 Minor Works	200	113	87	-	
NT-INF-4.0 Reduction of HLP, Waste, Water Costs	147	147	-	-	
NT-ICS-2.0 Intermedicate Care Costs	640	390	250	-	
NT-ICS-3.0 Placement Costs	2,124	-	2,124	-	
NT-MED-1.0 MORE Pharmacy	1,600	1,600	-	-	
NT-MED-2.0 Reduce variation in equipment	30	-	30	-	
NT-MEM-2.0 Phone First	500	-	500	-	
NT-MEM-3.0 Medical & Nursing Staffing (MEM)	3,500	-	3,500	-	
NT-OPS-1.0 Winter Plan	606	606	-	-	
NT-OPS-2.0 Placement Costs (Enhanced Care)	2,600	-	2,600	-	
NT-SPPICT-1.0 Contracts Review	127	-	127	-	
NT-SWP-1.0 AFC Workforce Planning and Flexible Staffing	5,960	589	5,371	-	
NT-SWP-2.0 Medical Workforce	3,245	741	2,504	-	
NT-SWP-3.0 Admin Review	285	140	145	-	
NT-SWP-4.0 Nurse Stabilisation	4,248	324	3,924	-	
NT-SWHDS-1.0 Labs & Demand Management	167	-	167	-	
NT-SWHDS-2.0 Diagnostic Skill Mix	100	-	100	-	
NT-SWHDS-3.0 Theatre Productivity	1,500	-	1,500	-	
Risk Assessment of Savings Schemes	0	0	(12,000)	12,000	
Grand Total	**50,000**	**18,922**	**19,078**	**12,000**	

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 September 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. The Strategic Workforce Review Group has now been established and is providing oversight of workforce establishment, utilisation and affordability, supporting the Trust's wider workforce sustainability and financial recovery objectives.

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 30 September 2026 was £30.1m, of which £0.5m, or 2.0%, was recorded as non-contract expenditure. The majority related to Medical Agencies during the framework transition.

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

Directorate	Contract £'000	Non-Contract £'000	Total £'000
Medicine & Emergency Medicine	13,286	209	13,476
Surgery, Women's Health & Diag. Ser.	5,937	299	6,236
Adult Comm & Older People Ser.	686	0	686
Children & Young People	1,003	(13)	990
Mental Health, LD & PS	3,213	5	3.218
AHP, Int. Care & Integrated Disc.	842	0	842
Nursing, Corp Support & Paeds Ser.	2,706	1	2.707
Medical, Pharm & Gov.	182	0	182
Strategic Plan, Perf. & ICT	135	0	135
Infrastructure	157	0	157
Finance	136	0	136
HR, OD & Corp Comms	31	0	31
Other Corporate Costs	1,289	0	1,289
TOTAL	**29,584**	**501**	**30,085**

Family Group	Contract £'000	Non-Contract £'000	Total £'000	Contract %
Admin & Clerical	1,916	0	1,916	100%
AHP	209	0	209	100%
Ancillary	2,576	1	2,577	100%
Health Care Support	3,684	0	3,684	100%
Medical	11,218	511	11,729	96%
Nursing & Midwifery	7,626	0	7,626	100%
Other	35	0	35	100%
P&T (mto)	142	-1	141	101%
Pathology	136	0	136	100%
Pharmacy	12	0	12	100%
Radiography	633	3	636	100%
Social Care	1,397	2	1,399	100%
Social Work	0	-15	-15	0%
TOTAL	**29,584**	**501**	**30,085**	**98%**

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)

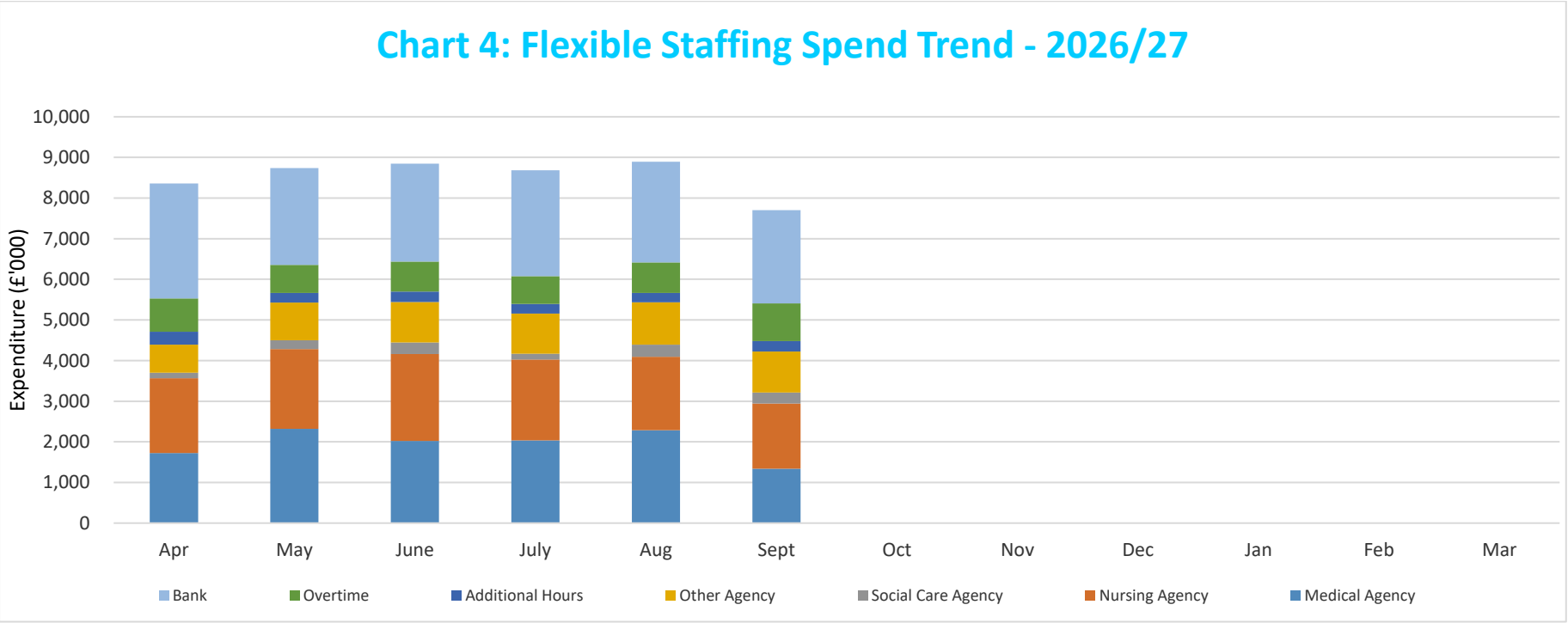
a) Total Spend on Flexible Staffing

The total spend in these areas is summarised below:

Table 6: Flexible Spend at September 26

Division/Directorate	Cum to September 2026						Cum to September 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	5,541	7,936	1,953	666	124	16,220	17,899	(1,679)	(10%)
Surgery, Women's Health & Diagnostic Services	3,735	2,501	2,149	1,010	227	9,622	8,925	697	7%
Adult Community & Older Peoples Services	0	686	2,855	883	103	4,527	7,170	(2,643)	(58%)
Children & Young People	0	991	1,436	916	88	3,431	3,608	(177)	(5%)
Mental Health, Learning Disability & Psychology Services	1,151	2,067	2,628	437	93	6,376	7,221	(845)	(13%)
Allied Health Professionals, Intermediate Care & Integrated Discharge	0	842	1,992	176	316	3,326	0	3,326	100%
Nursing, Corporate Support & Paediatric Services	489	2,217	1,639	306	516	5,167	7,196	(2,029)	(39%)
Medical, Pharmacy & Governance	0	182	46	38	37	303	265	38	13%
Others	815	932	300	166	31	2,244	2,259	(15)	(1%)
TOTALS	**11,731**	**18,354**	**14,998**	**4,598**	**1,535**	**51,216**	**54,543**	**(3,327)**	**(6%)**

The comparators between Divisions is not useful due to the restructuring in 2026/27. At Trust level, flexible staffing expenditure at September 2026 is £51.2m, compared with £54.5m at the same point in 2025/26, a reduction of £3.3m. Whilst this is encouraging, the overall pay position remains under pressure and further reductions will be required to achieve the planned workforce savings.



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 £22.0m cumulative to September 2026. However, the main spend is directly linked to agency spend (as opposed to Bank, Overtime and Additional Hours) which is £11.3m cumulative to September 2026.

Total flexible staffing expenditure is c.13.0% 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	1,907	1,649	59	92	20	1,820	(87)
Estates	179	166	2	2	7	177	(2)
Medical & Dental	790	732	22	131	17	902	112
Nursing Registered	3,145	3,038	43	210	195	3,486	341
Nursing – HCA	795	639	4	159	146	948	153
Professional/Technical	1,772	1,625	74	55	62	1,816	44
Social Work	1,008	1,006	28	0	95	1,129	12
Social Care	1,932	1,460	31	66	352	1,909	(23)
Support Services	993	799	12	124	86	1,021	28
TOTALS	**12,521**	**11,114**	**275**	**839**	**980**	**13,208**	**687**

Currently the Trust has an indicative additional 687 WTE staff over the funded staffing level; that equates to a staffing level of 5.5% above FSL. Much of this additional staff is in Nursing Staff.

Whilst maternity and sickness backfill will account for the majority of this, other factors contributing to the position include:

- 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. In September 2026, 93.5% of invoices were paid within 30 days, a slight reduction from 94.21% in August 2026 but below the 95% target.

Section 7: Debtors Position – September 2026

At 30 September 2026, total debtor balances were £26.8m across 6,113 invoices, compared with £24.8m at March 2026. The increase continues to be driven by Social Care debt, particularly Independent Homes. ARSS debt has reduced to £1.5m, with the majority of debt across categories remaining less than 90 days old and therefore relatively current and collectible.

Table 8: Debtor Balances at September 2026

Category	March 2025 £'000	March 2026 £'000	September 2026 £'000	September 2026 invoices No
Social Care debt	19,666	23,243	25,292	5,196
ARSS debt	2,135	1,550	1,479	917
Total	**21,801**	**24,793**	**26,771**	**6,113**

Social Care debt remains the largest element at £25.3m, including £25.0m relating to Independent Homes. There are now 206 Independent Homes cases with DLS. Payments of £104k were received in September, bringing cumulative DLS recoveries from

April to September 2026 to £894k. Additional temporary resource focused on deceased clients has recovered a further £540k over the same period.

Independent Homes invoice collection remains strongest for current invoices, with 92% of September invoices paid, reducing to 46% at 30 days, 38% at 60 days and 32% at 90 days. No write-offs have been completed in 2026/27. Write-offs totalling £69.9k across 28 Independent Homes clients are awaiting approval.

Within ARSS debt, the overall position continues to reduce across the majority of debt categories. £262k of debt greater than £5k is currently being reviewed and managed by DLS, including £130k relating to salary overpayments for leavers and £63k relating to six chargeable patient invoices. Seven Health Centres continue to dispute service charges. Work is also ongoing between FAS and PSSC to identify and recover older salary overpayments, including balances which may not previously have been invoiced and progressed through the formal recovery process. Finance teams continue to focus on repayment plans and recovery action to prevent debts becoming statute-barred.

Total debtor balances increased by approximately £0.4m between August and September 2026, from £26.4m to £26.8m. This reflects a further increase in Social Care debt of approximately £0.6m, principally Independent Homes, where balances increased from £24.4m to £25.0m. This was partially offset by a reduction in ARSS debt of approximately £0.2m. The continued growth in Independent Homes debt remains the principal area requiring close monitoring and recovery action.

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 September 2026, Phase 1 and initial Phase 2 savings totalling £50.0m had been approved by Trust Board. 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 £36.5m financial planning position. 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 current forecast includes £12.0m of forecast slippage against the approved £50.0m savings programme. At Month 6, £18.9m (38%) is forecast to be achieved, with a further £19.1m currently planned for delivery during the remainder of the year. Delivery of the remaining savings continues to be closely monitored and remains challenging.
- 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 included a net demographic growth pressure of £9.8m. The Month 5 review identified a further £5.8m pressure, bringing the current demographic growth pressure to £15.6m. This additional pressure has been reflected in the £60.0m forecast deficit. There is currently no separate plan to absorb this pressure and further growth remains a material financial risk.
- The Month 5 review identified additional forecast pressures of £3.0m relating to energy costs and £2.7m relating to High-Cost Drugs. These pressures have been reflected in the £60.0m forecast deficit. Both areas will continue to be monitored as the year progresses.
- 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.
- Based on the current forecast financial position, there is no identified pathway to achieve break-even in 2026/27. The Trust will continue to work with SPPG and DoH on the financial position while maintaining a clear focus on delivery of the approved savings programme and management of underlying cost pressures.

- The Month 6 position continues to include a number of accruals, estimates and funding assumptions. The forecast will continue to be reviewed as expenditure patterns, demographic growth, savings delivery and funding assumptions become clearer during the remainder of the year.
- 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

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