Western Health and Social Care Trust

Meeting Details	Trust Board, 27 August 2026 – Public Session
Director:	Ms Eimear McCauley, Executive Director of Finance, Contracts and Capital Development
Issue Title:	**Savings plans 2026/27**
Indicate the connection with the Trust's Mission and Vision	✓ People who need us feel cared for ✓ People who work with us feel proud ✓ People who live in our communities trust us
Indicate the link to Trust's strategic priorities	✓ Quality and Safety ✓ Workforce Stabilisation ✓ Performance and Access to Services ✓ Delivering Value ✓ Culture
Summary of issue to be discussed:	**Purpose** The purpose of this briefing is to provide Trust Board with an overview of the approach taken in developing the Trust's savings plans for the 2026/27 financial year and to assure members that the process has been robust, clinically informed, and is cognisant of the Trust's strategic objectives and statutory responsibilities. **Background** The financial and operational challenges facing the Health and Social Care (HSC) system in Northern Ireland are well documented in the Department of Health's Reset Plan. Health and Social Care spending has risen to 52% of the Northern Ireland budget, and the rising cost of Health and Social Care are not sustainable and impact negatively on other public services. The clear strategic aim is to reform our HSC system to focus on prevention and shifting care into the community moving

	to a financially sustainable HSC system based on enhanced prevention and early intervention. The Trust continues to operate within a highly challenging financial environment, characterised by increasing demand for services, workforce pressures, inflationary impacts and constrained public sector funding. The NI Executive budget for 2026/27 has not yet been approved and remains in draft. The Pay awards for 2026/27 remains unfunded and the draft budget provided for Health & Social Care is c£0.8bn below required funding levels. Each year, Trusts have a statutory duty to breakeven, and all Trusts are required to operate within the budget set by the Department of Health and allocated by SPPG. For 2026/27, the Trust indicative budget includes a budget retraction of 6% (£61.5m) however, as a consequence of planning and engagement by Trusts with DoH / SPPG it has been assessed that Trusts should be targeting savings of at least 4% (£41m). In addition, we are expected to address a £10m deficit brought forward from the previous financial year, increasing the total savings requirement to £51m, or approximately 5% of our budget. The Trust is also forecasting a further £10m of new demand and growth-related cost pressures during 2026/27 for which funding is not currently available. Taken together, these factors present a significant financial challenge for the Trust and reinforce the need to identify sustainable measures to maintain financial balance while continuing to provide safe and effective services. The overall savings requirement may change when the wider Northern Ireland budget position is confirmed. The reduced savings requirement from 6% to 4% recognises the scale of issues which Trusts must address to balance in-year, and is acknowledged to be part of a multi-year requirement to recover a 12% funding gap. In this context, the Trust is required to identify recurrent savings and efficiencies to support the delivery of a balanced financial position whilst maintaining the quality, safety and accessibility of services. The development of the 2026/27 savings programme has therefore been undertaken as part of a comprehensive

	planning process that seeks to optimise the use of available resources and ensure that expenditure is aligned with organisational priorities. **Approach to Developing the Savings Plans** Following a number of financial plan iterations during the earlier part of 2026, in April 2026 the Trust submitted a draft savings plan to SPPG and the Department of Health to meet a 6% savings target plus opening deficit carried forward. There was a series of engagements with SPPG in relation to the plans which then culminated in a letter to the Trust dated 10 June 2026, in which SPPG confirmed that the Trust should now be targeting savings of at least 4% in addition to managing any deficit brought forward. The Trust adopted a structured and collaborative approach to the identification and assessment of savings opportunities across all Directorates and corporate functions. The majority of savings plans have built on established programmes of work under the auspices of the Trust Delivering Value Management Programme (DVMP), the primary purpose of which is to optimise value across all Trust services and deliver cash releasing savings as well as efficiency. New areas of work have been added and the plans also propose a small number of more significant service reform and new efficiency opportunities, some of which remain in discussion with SPPG as we work collectively to maximise reform and transformation at pace, while recognising the reality that difficult choices will need to be made over the period ahead. The key principles underpinning the process were: • Protection of patient safety and quality of care. • Compliance with statutory, regulatory and contractual obligations. • Alignment with the Trust's strategic objectives and transformation agenda. • Maximisation of recurrent and sustainable savings opportunities. • Minimisation of any adverse impact on patients, service users, carers and staff. • Transparency, accountability and robust governance throughout the process.

Identification of Opportunities

A broad range of opportunities were considered across the organisation, including:

- Productivity and efficiency improvements, building on the well-established existing workstreams of DVMP as well as identification of new workstreams;
- Workforce stabilisation and optimisation initiatives.
- Reduction of non-pay expenditure.
- Procurement and contract management opportunities.
- Service redesign and transformation initiatives.
- New ways of working optimising Digital tools and technologies to reduce expenditure and deliver efficiencies.
- Income generation and cost recovery opportunities where appropriate.
- Scrutiny and reduction of all discretionary and non-essential expenditure.

Directorates were asked to undertake detailed reviews of their cost base and operating models to identify areas where efficiencies could be secured without compromising service quality or safety.

Clinical and Operational Engagement

Clinical and operational leaders have been closely involved throughout the development process. This engagement ensured that proposals were informed by an understanding of operational realities and service demands.

Discussions were undertaken through established planning and governance structures, enabling consideration of:

- Service impacts.
- Workforce implications.
- Quality and safety considerations.
- Deliverability and implementation timescales.
- Financial benefits and sustainability.

This process has supported the identification of savings opportunities that are ambitious, have risk but are potentially achievable.

	Assessment and Challenge Process The Trust remains committed to ensuring that financial decisions do not adversely affect the safety of care. Higher risk savings proposals were subject to a formal comprehensive risk and impact assessment process led by the Executive Director of Nursing, Executive Director of Social Work and Medical Director. Proposals which were determined to have the potential to impact patient safety were filtered out in this process and some measures were scaled back as a result. Where proposals were assessed as carrying higher impact, additional scrutiny and mitigation planning were required before inclusion within the savings programme. **Governance and Oversight** Governance arrangements have been established to oversee both the development and delivery of the savings programme. This includes: • Executive Team oversight. • Directorate-level accountability for delivery. • Regular financial performance reporting. • Monitoring of quality and service impacts. • Escalation arrangements for emerging risks and delivery challenges. Progress against savings targets will be reported routinely through existing governance structures, including Board assurance reporting. **Key Risks & Mitigations** The Trust recognises that delivery of the 2026/27 savings programme is subject to a number of risks, including: • Continued growth in demand for services. • Workforce recruitment and retention challenges. • The very high risk of industrial action during a period of uncertainty around the pay award; • Inflationary pressures. • Delays in implementation of planned initiatives.

	• Dependency on regional or external actions. • Potential non-recurrent solutions being required to address in-year financial pressures. • Unintended risks to service quality and patient safety. These risks will be actively managed through the Trust's risk management and performance management processes. The Trust will apply a number of stop and escalation tests to individual schemes and to the programme as a whole to maintain compliance with the principles established for this programme. **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, and include the need to make choices in year on flexible and discretionary spend combined with non-front-line or lower impact services. To maximise in-year savings, a number of measures were agreed and implementation began in June 2026 following correspondence from SPPG confirming that the Trust should proceed with any and all savings measures that could be implemented without causing harm to service users. Subject to Trust Board approval of the updated plan, further proposals will be implemented with immediate effect Each of these savings measures have been carefully risk assessed and will be monitored on a regular basis to ensure that the impact is not more adverse or differential than anticipated. In accordance with our statutory equality duties, equality screenings have been undertaken to assess potential impact on patients, service users and staff with mitigations detailed to lessen any such impact. Where there are service impacts, these will be implemented through staff consultation and timely communication to relevant external stakeholders. 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 enhanced 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 cannot undertake the normal engagement and consultation processes, and retrospective consultation would be undertaken in those circumstances. This departs from the customary Trust process, as set out in our Involvement and Consultation Scheme, which places consultation prior to implementation of decisions. However, the Trust will ensure that it operates in line with the requirements of the Trust Management of Change Policy initiating staff consultation where required. **Plans developed** The Trust has developed savings measures amounting to £30m as detailed in Appendix 1. SPPG have confirmed they are content for the Trust to proceed subject to there being no harm to service users and work has been advancing across all workstreams. A further range of proposals remain under discussion with SPPG. As part of normal financial planning arrangements, we will be keeping under review, other opportunities which may emerge and can address the savings gap. **Conclusion** The 2026/27 savings plans have been developed through a comprehensive and systematic approach involving clinical, operational and corporate leadership across the Trust. The process has sought to identify sustainable efficiencies while maintaining a clear focus on patient safety, service quality and delivery of strategic priorities. The Trust will continue to monitor the implementation of the programme closely and will provide regular updates to the Board on financial performance, delivery progress and any associated risks.

Trust Board Response Required	Trust Board is asked to: ➢ Note the challenging financial context for 2026/27, including the indicative budget retraction and the requirement to deliver significant savings whilst maintaining safe, effective and accessible services. ➢ Note and endorse the approach undertaken to develop the 2026/27 savings programme, including the clinical, operational and corporate engagement, robust assessment processes, and governance arrangements applied throughout. ➢ Take assurance that savings proposals have been subject to appropriate financial, quality, safety, workforce and statutory assessments, and that proposals assessed as having unacceptable impacts on patient safety have not been progressed. ➢ Note that savings measures now total £30m. ➢ Note that a further range of proposals remain under discussion with SPPG. ➢ Note that as part of normal financial planning arrangements, the Trust will keep under review, other opportunities which may emerge and can address the savings gap. ➢ Receive assurance that delivery of the savings programme will be subject to ongoing monitoring through established governance arrangements, with regular reporting to the Trust Board on financial performance, delivery progress, quality impacts and emerging risks. ➢ Support the continued implementation of the 2026/27 savings programme, recognising the need to balance financial sustainability with the Trust's statutory duties and commitment to quality and safety.

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APPENDIX 1

SUMMARY APPROVED SAVINGS PLANS 2026/27

W/s Ref	Workstream / Savings plan	Total £m
1	**Uncommissioned Services**	
	Removal of CAMHS Card Before you Leave weekend service. This will not affect the overall CAHMS service delivery. It applies to a small number of patients who present at ED. An alternative safe pathway has been identified to those who this may affect.	0.15
	Sub-total	**0.15**
2	**Reduction of expensive medical locums**	
	Implementation of the new medical framework for contracted medical locum agency staff and the removal of off-contract medical agency - price efficiency	2.28
	Targeted engagement with exceptionally high cost medical locum agency staff to identify alternative solutions - price efficiency	2.00
	Reduction in volume of medical agency hours utilisation across targeted services aligned with medical workforce stabilisation arrangements	0.70
	Sub-total	**4.98**
3	**Community Care Services**	
	Reform of Domiciliary Care with a focus on : - optimising block purchasing of care provision; - maximising reablement & transition team opportunities for Home first and timely discharge; - review of packages through early review team and validation of waiting lists; All initiatives to ensure that adults receive the right care, in the right place, at the right time, through early engagement, regular review of need, promotion of independence and consistent regional approaches to care provision.	1.50
	Sub-total	**1.50**
4	**High-Cost and complex cases including enhanced care**	
	Review of high-cost and complex care arrangements, enhanced support packages and existing care packages will ensure that support continues to reflect assessed need and delivers the best outcomes for individuals. The programme will also support greater consistency in commissioning and prescribing practices, helping to ensure equitable, sustainable and person-centred services across the region as well as addressing variation in market pricing.	2.40
	Sub-total	**2.40**
5	**Nursing agency reduction**	
	Further stabilistion of the nursing workforce through reduction in agency through focused recruitment initiatives, targeted absence management reduction, development of nurse bank	2.50
	Implementation of stop date plan for nurse agency on a risk managed basis, skills mix reviews, nurse to bed ratio reviews, bed escalation management	3.60
	Sub-total	**6.10**
6	**Workforce Controls**	
	Controls on recruitment, backfill, agency, acting up arrangements, additional hours, overtime, training and travel	1.00
	Enhanced controls and scrutiny on recruitment, backfill, agency, acting up arrangements, additional hours, overtime, training and travel	3.00
	Sub-total	**4.00**

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W/s Ref	Workstream / Savings plan	Total £m
7	**Social Work initiatives**	
	Reduction in non-core training and travel - only essential service user related travel to be undertaken	0.50
	Reviews of existing packages of care and other interventions for appropriateness against needs assessments. The review process provides assurance that available resources are being used to meet assessed need and that individuals contine to receive safe proportionate and person centred support.	0.50
	Sub-total	**1.00**
8a	**Prescribing including pharmaceuticals and community prescribing**	
	Implementation opportunities arising from regional medicines optimisation programme which ensures medicines supply at best value for money	1.00
	Regional review of community equipment provision, assessment and prescribing practices strengthening consistency across the region	0.20
	Sub-total	**1.20**
8b	**Medical, surgical, pathology, radiology and community consumables**	
	Opportunities arising from respiratory medical devices across services	0.50
	Opportunities arising from procurement processes including reviews of reusable equipment	0.70
	Sub-total	**1.20**
9	**Corporate & Facilities Management**	
	Consolidation of prior year effiiciency projects on a range of areas including catering and car parking	0.09
	Review of under utilised and vacant estate	0.82
	Energy Conervation including sustainability initiatives	0.50
	Review of Estates building and medical / non-medical equipment contracts	0.53
	Contract opportunities	1.00
	Grip and control review of Taxi usage	0.08
	Catering outlets Improved Cost Recovery - price increase in canteens/cafes.	0.30
	Catering production & food wastage review	0.10
	Facilities management workforce deep dive & rpoductivity review including unfunded service provision	0.55
	Review of digital services investments & efficiencies including contracts	0.34
	Sub-total	**4.31**
11	**Technology, Encompass, Governance & Admin. review**	
	Reduction in postage including impact of encompass MyCare	0.50
	Administration efficiencies arising from new ways of working	1.00
	Encompass optimisation savings, including paper and stationery	0.50
	Sub-total	**2.00**
12	**Other opportunities**	
	Development of an alternative in-house model for the delivery of Phone First services	0.45
	Demand Optimisation in Labs and Radiology - reduction in duplicate/unnecessary tests aligned with regionally led Sensible Care workstream	0.10
	Sub-total	**0.55**
14	**Discretionary Spend Heightened Controls**	
	Increased scrutiny over discretionary spend areas	0.50
	Sub-total	**0.50**
		29.89