



**North East and  
North Cumbria**

# **NENC ICB**

**Finance Report for the period ending  
30th November 2024**

# Executive Summary

M08 - November 2024		YTD	Forecast	
Key Statutory Financial Duties	<b>Overall ICS 2024/25 In Year Financial Position - (Surplus) / Deficit</b>			
	For the financial year 2024/25 the ICS is reporting a year to date deficit of £18.56m, a slight deterioration to plan of £1.29m. Following receipt of deficit support funding in Month 6, the ICS is on track to deliver a breakeven position for the year end.	Plan	£19.85 m	£0.00 m
		Actual	£18.56 m	(£0.00) m
		Variance	(£1.29) m	(£0.00) m
	<b>Overall ICB 2024/25 In Year Financial Position - (Surplus) / Deficit</b>			
	The ICB is reporting a year to date surplus of £38.81m, an improvement to plan of £3.07m, and a forecast outturn surplus of £53.60m in line with plan.	Plan	(£35.73) m	(£53.60) m
		Actual	(£38.81) m	(£53.60) m
		Variance	(£3.07) m	£0.00 m
	<b>2024/25 ICB Running Costs Position</b>			
	The ICB is reporting an underspend against the running cost allowance of £1.92m year to date and £4.60m forecast underspend for the year.	Plan	£30.64 m	£52.02 m
	Actual	£28.72 m	£47.42 m	
	Variance	(£1.92) m	(£4.60) m	
<b>Overall ICS 2024/25 Capital Funding</b>				
The ICS is reporting a forecast outturn overspend against the capital allocation of £5.82m, due to the impact of IFRS16.	Allocation	£135.17 m	£288.29 m	
	Actual	£112.20 m	£294.10 m	
	Variance	(£22.97) m	£5.82 m	
Other Financial Performance Metrics	<b>Overall ICS 2024/25 Efficiency</b>			
	The ICS is reporting year to date efficiency savings of £304.15m and forecast savings of £533.56m, with the ICB forecasting delivery of £119.9m, this is a £2.2m over-delivery against plan. Providers are currently forecasting over-delivery of efficiencies of £10.6m overall.	Plan	£306.69 m	£520.80 m
		Actual	£304.15 m	£533.56 m
		Variance	(£2.54) m	£12.76 m
	<b>Overall 2024/25 Mental Health Investment Standard (MHIS)</b>			
	The ICB is on track to achieve the MHIS target for 2024/25 (growth in spend of 6.6%).		6.60%	6.66%
<b>Cash</b>				
The ICB cash balance for November is 0.24% and within the target set by NHS England of <1.25% of the monthly cash drawdown.		0.24%	<1.25%	
<b>BPPC</b>				
The BPPC target is for 95% of NHS and Non NHS invoices to be paid within 30 days		by volume	by value	
	NHS	99.46%	100.00%	
	Non NHS	98.53%	99.05%	

## Overview of the Financial Position

This report provides an update on the financial performance of the ICB and wider ICS in the financial year 2024/25 for the period to 30th November 2024.

The ICS is forecasting an overall breakeven position for the year following the receipt of additional non-recurrent funding of £49.95m from NHS England in month 6 to offset agreed plan deficits. At month 8, the overall ICS financial position is a year to date deficit of £18.56m compared to a planned deficit of £19.85m, a favourable variance of £1.29m. This is an improved position compared to month 7 by £3.25m, largely due to a tax rebate received in a provider for revaluation of right of use assets.

The month 8 position includes a number of financial pressures including in particular cost pressures linked to the pay award (estimated at £20m), the impact of NICE approved drugs and devices (estimated at £25m), together with costs associated with escalation beds and under-delivery against year to date efficiency targets. The year to date deficit position is expected to be recovered over the second half of the year, reflecting the phasing of efficiency plans, but this will continue to be challenging to deliver.

The ICB is currently reporting a year to date surplus of £38.81m (slight improvement to plan) and a forecast surplus for the year of £53.60m in line with plan.

ICS capital spending forecasts are currently forecasting to breakeven against the allocation (excluding IFRS16) and an overspend of £5.82m against the planned allocation (including IFRS 16). A specific pressure is reported in one provider trust at month 8 relating to rent reviews, resulting in a forecast £5.82m overspend. This is being reviewed with NHSE against identified IFRS 16 funding allocations.

The ICB is on track to deliver the Mental Health Investment Standard, with growth in relevant spend of 6.6%.

The main areas of risk and uncertainty for the ICB are from prescribing and packages of care, These areas are subject to the usual delay by up to two months for activity-based contracts being confirmed and outcomes of local authority reconciliations. In turn this creates a level of risk and uncertainty in the forecast position.

Overall the level of financial risk in the forecast position has reduced significantly compared to the financial plan (£161m) and net unmitigated financial risk across the ICS is now estimated at £47.5m, compared to £61.4m last month. This continues to present a significant potential risk to delivery of the planned position. For the ICB this includes in particular potential pressures around prescribing and continuing healthcare costs, as well as delivery of challenging efficiency targets.

Work is continuing across the system to review the position, seek to identify mitigations and collectively work to manage potential risks. Work continues on the medium term financial plan across the ICS and delivery of related financial recovery plans via the System Recovery Board. To support delivery of the financial position, an independent review of financial grip and control measures across all organisations within the ICS was undertaken, reports are currently being reviewed and related action plans agreed.

**Table 1: Overall ICS (Surplus) / Deficit**

Month 08 - November 2024	YTD Plan (Surplus) / Deficit	YTD Actual (Surplus) / Deficit	YTD Variance (Surplus) / Deficit	Annual Plan (Surplus) / Deficit	Forecast (Surplus) / Deficit	Forecast Variance (Surplus) / Deficit
	£000s	£000s	£000s	£000s	£000s	£000s
NENC Commissioner (ICB)	(35,735)	(38,809)	(3,074)	(53,602)	(53,602)	0
<b>Total In Year ICB Position</b>	<b>(35,735)</b>	<b>(38,809)</b>	<b>(3,074)</b>	<b>(53,602)</b>	<b>(53,602)</b>	<b>0</b>
NENC Providers	55,581	57,364	1,783	53,602	53,601	(2)
<b>Total Provider Position</b>	<b>55,581</b>	<b>57,364</b>	<b>1,783</b>	<b>53,602</b>	<b>53,601</b>	<b>(2)</b>
<b>Total ICS Financial Position 2024/25</b>	<b>19,846</b>	<b>18,555</b>	<b>(1,291)</b>	<b>0</b>	<b>(1)</b>	<b>(2)</b>

## Table 2: ICB Financial Position

Month 08 - November 2024	YTD Plan	YTD Actual	YTD Variance	2024/25 Annual Plan	2024/25 Forecast Outturn	2024/25 Forecast Variance
	£000s	£000s	£000s	£000s	£000s	£000s
<b><u>Programme</u></b>						
Acute Services	2,645,761	2,646,422	660	3,839,770	3,840,374	604
Mental Health Services	631,402	632,607	1,205	946,285	946,192	(93)
Community Health Services	503,627	501,237	(2,390)	752,225	749,081	(3,143)
Continuing Care	304,561	310,958	6,398	477,161	478,250	1,089
Prescribing	391,023	404,135	13,113	590,887	608,346	17,459
Primary Care	73,988	73,538	(450)	112,736	112,341	(395)
Primary Care Co-Commissioning	432,948	439,498	6,550	642,224	651,998	9,774
Delegated – Pharmacy, Ophthalmic and Dental	244,125	235,389	(8,736)	364,602	364,602	(0)
Other Programme Services	(20,614)	(20,940)	(326)	(9,911)	(10,393)	(482)
Other Commissioned Services	24,192	22,980	(1,212)	36,278	35,794	(484)
Programme Reserves	15,961	(0)	(15,961)	100,788	81,056	(19,732)
<b>Total ICB Programme Costs</b>	<b>5,246,973</b>	<b>5,245,824</b>	<b>(1,150)</b>	<b>7,853,045</b>	<b>7,857,641</b>	<b>4,596</b>
<b><u>Admin</u></b>						
Running Costs	30,642	28,717	(1,924)	52,016	47,420	(4,596)
<b>Total ICB Admin Costs</b>	<b>30,642</b>	<b>28,717</b>	<b>(1,924)</b>	<b>52,016</b>	<b>47,420</b>	<b>(4,596)</b>
<b>Total ICB Expenditure</b>	<b>5,277,615</b>	<b>5,274,541</b>	<b>(3,074)</b>	<b>7,905,061</b>	<b>7,905,061</b>	<b>0</b>
<b>Revenue Resource Limit</b>	<b>(5,313,350)</b>	<b>(5,313,350)</b>	<b>0</b>	<b>(7,958,663)</b>	<b>(7,958,663)</b>	<b>0</b>
<b>(Surplus) / Deficit</b>	<b>(35,735)</b>	<b>(38,809)</b>	<b>(3,074)</b>	<b>(53,602)</b>	<b>(53,602)</b>	<b>0</b>

### Table 3: ICS Efficiencies

Month 08 - November 2024	YTD Plan	YTD Actual	YTD Variance	2024/25 Annual Plan	2024/25 Forecast Outturn	2024/25 Forecast Variance
	£000s	£000s	£000s	£000s	£000s	£000s
1) Prescribing & MO Efficiencies	14,528	13,082	(1,446)	21,792	21,792	(0)
2) Continuing Healthcare & Packages of Care	12,448	10,032	(2,416)	18,672	18,672	0
3) Running Costs and Infrastructure	7,080	7,080	0	10,620	10,620	0
4) Local Delivery Team Programme	4,408	4,410	2	6,612	6,615	3
5) Internal Flexibilities	33,344	34,795	1,451	50,016	52,192	2,176
6) Internal Flexibilities - Stretch	6,664	9,997	3,333	10,000	9,997	(3)
<b>Total ICB Efficiencies</b>	<b>78,472</b>	<b>79,395</b>	<b>923</b>	<b>117,712</b>	<b>119,888</b>	<b>2,176</b>
<b>Of Which:</b>						
Recurrent	29,639	31,502	1,863	44,458	53,007	8,549
Non Recurrent	48,833	47,894	(940)	73,254	66,881	(6,374)
<b>Total ICB Efficiencies</b>	<b>78,472</b>	<b>79,395</b>	<b>923</b>	<b>117,712</b>	<b>119,888</b>	<b>2,176</b>
Providers within system	228,217	224,754	(3,463)	403,084	413,670	10,586
<b>Total Provider Efficiencies (within system)</b>	<b>228,217</b>	<b>224,754</b>	<b>(3,463)</b>	<b>403,084</b>	<b>413,670</b>	<b>10,586</b>
<b>Of Which:</b>						
Recurrent	150,733	115,365	(35,368)	260,225	211,764	(48,461)
Non Recurrent	77,484	109,389	31,905	142,859	201,905	59,046
<b>Total Provider Efficiencies (within system)</b>	<b>228,217</b>	<b>224,754</b>	<b>(3,463)</b>	<b>403,084</b>	<b>413,670</b>	<b>10,586</b>
<b>Total ICS Efficiencies</b>	<b>306,689</b>	<b>304,149</b>	<b>(2,540)</b>	<b>520,796</b>	<b>533,558</b>	<b>12,761</b>
<b>Of Which:</b>						
Recurrent	180,372	146,867	(33,505)	304,683	264,772	(39,911)
Non Recurrent	126,317	157,283	30,965	216,113	268,786	52,673
<b>Total ICS Efficiencies</b>	<b>306,689</b>	<b>304,149</b>	<b>(2,540)</b>	<b>520,796</b>	<b>533,558</b>	<b>12,761</b>

#### ICS Efficiencies key points

The table above shows the efficiency targets set out in the ICS financial plan and forecast delivery against those targets.

For the ICB, the overall efficiency forecast has slightly increased in month 8 compared to month 7 with a forecast over-delivery of £2.2m and also improved year to date over-delivery of £0.9m with further internal flexibilities identified as part of review work.

For providers within the system there is a year to date under-delivery to plan of £3.5m, and shows an under-delivery of recurrent schemes of £35.4m partly offset by over-delivery of non recurrent schemes of £31.9m. At Month 8, the providers are forecasting over-delivery of £10.6m against plan. As with the ICB, this represents a significant challenge given the increased efficiency targets in plan for 2024/25, and this is reflected within ICS risks.

## Table 4: ICS Risks and Mitigations

Risks and Mitigations	ICB 2024/25 £000s	Provider Trusts 2024/25 £000s	Total ICS 2024/25 £000s
<b>(Risks) / (Offsets to benefits):</b>			
Additional cost risk (capacity, pressures, winter)	(9,008)	(35,804)	(44,812)
Additional cost risk (inflation)	0	(1,998)	(1,998)
Efficiency risk	(8,500)	(21,050)	(29,550)
Prescribing / CHC	(22,041)	0	(22,041)
Income risk (excl. ERF)	0	(15,560)	(15,560)
<b>Total Risks</b>	<b>(39,549)</b>	<b>(74,412)</b>	<b>(113,961)</b>
<b>Mitigations / benefits:</b>			
Additional cost control or income (excl. ERF)	21,811	5,490	27,301
Efficiency mitigation	3,132	4,522	7,654
Non-recurrent mitigations	9,921	21,566	31,487
Mitigations not yet identified	4,685	42,834	47,519
<b>Total Mitigations</b>	<b>39,549</b>	<b>74,412</b>	<b>113,961</b>
<b>Total Net Risk (excluding ERF)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Unmitigated Net Risk</b>	<b>(4,685)</b>	<b>(42,834)</b>	<b>(47,519)</b>

**Table 5: ICS Capital Funding 2024/25**

Month 08 - November 2024	YTD Plan	YTD Actual	YTD Variance	2024/25 Annual Plan	2024/25 Forecast Outturn	2024/25 Forecast Variance	ICS Capital Allocation	Forecast variance to ICS Capital Allocation
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Capital position excluding IFRS 16:</b>								
<b>Provider Capital</b>								
2024/25 Provider Capital Position excluding IFRS16	117,928	105,380	(12,548)	211,328	239,404	28,076	239,605	(201)
<b>ICB Capital (held by NHSE):</b>								
GPIT	0	0	0	4,000	4,000	0	4,000	0
Primary Care Estates Schemes	0	0	0	1,447	1,447	0	1,447	0
ICB allowable 'over-programming'	0	0	0	260	0	(260)	0	0
<b>Total ICB Capital (held by NHSE)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,707</b>	<b>5,447</b>	<b>(260)</b>	<b>5,447</b>	<b>0</b>
Provider capital shown as ICB within plan	0	0	0	5,203	3,604	(1,599)	3,403	201
<b>Total ICS Capital excluding IFRS 16</b>	<b>117,928</b>	<b>105,380</b>	<b>(12,548)</b>	<b>222,238</b>	<b>248,455</b>	<b>26,217</b>	<b>248,455</b>	<b>0</b>
<b>Capital position including IFRS 16:</b>								
2024/25 Provider Capital Position including IFRS16	135,168	112,200	(22,968)	252,255	285,052	32,797	279,436	5,616
Total ICB Capital (held by NHSE)	0	0	0	5,707	5,447	(260)	5,447	
Provider capital shown as ICB within plan	0	0	0	4,107	3,604	(503)	3,403	201
<b>Total ICS Capital including IFRS 16</b>	<b>135,168</b>	<b>112,200</b>	<b>(22,968)</b>	<b>262,069</b>	<b>294,103</b>	<b>32,034</b>	<b>288,286</b>	<b>5,817</b>

**ICS Capital Spend key points**

The confirmed ICS Capital Departmental Expenditure Limit (CDEL) allocation for 2024/25 (excluding IFRS16) now stands at £248.5m. This has increased by £35.0m since M7 as a result of an additional £5m allocation and inter-system brokerage of £30m. Note that the £30m inter-system brokerage will be reversed in 2025/26, effectively reducing the ICS's 2025/26 allocation.

At Month 8, £3.6m of provider capital allocation has been transferred to ICB capital and has been protected whilst the split by provider is agreed. In addition, the agreed ICB capital allocation for 2024/25 amounts to £5.4m and the revised plan is £4.0m for GPIT and £1.4m for Primary Care Estates Schemes.

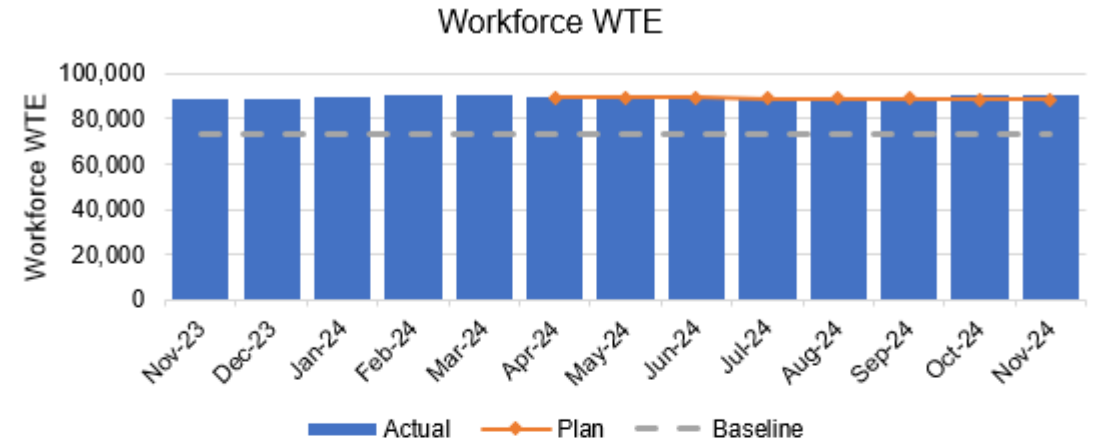
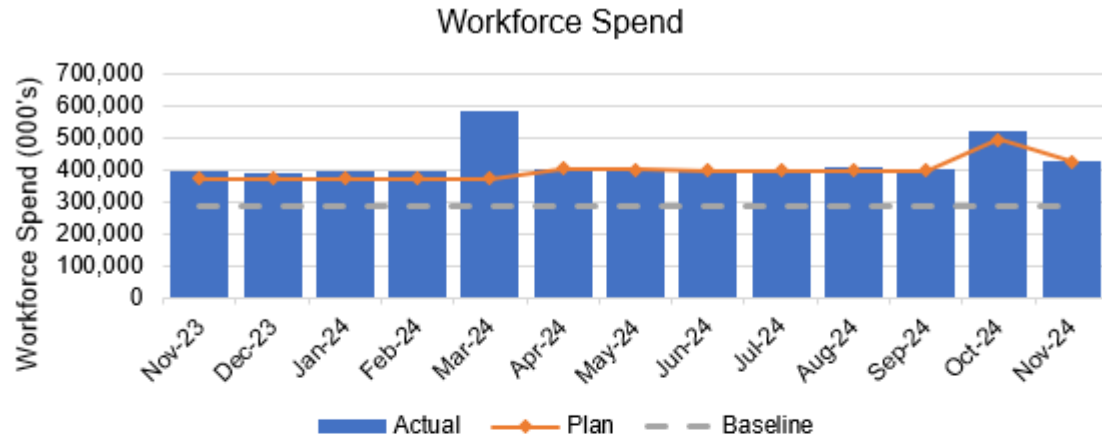
Excluding IFRS 16 the ICS capital spending is now forecasting to spend in line with the capital allocation. The improved position is mainly due to the increased allocation described above. The position is being actively monitored by the Provider Collaborative with the aim of spending within the allocation in year.

The pressure on the position including IFRS 16 has reduced significantly in month due to slippage of a major scheme within one provider however there remains a pressure of £5.8m primarily relating to rent reviews.





# Table 6: NENC Workforce WTE - November 2024



## Workforce Spend Summary : November 2024

Workforce Spend (000's)	Latest data	Last Month		Baseline		Plan	
	Nov-24	Oct-24		Dec-19			
		Value	% Diff	Value	% Diff	Value	% Diff
Agency	5,422	5,375	0.9%	6,446	-15.9%	6,513	-16.7%
Bank	15,129	16,508	-8.4%	10,433	45.0%	13,282	13.9%
Bank & Agency	20,551	21,883	-6.1%	16,879	21.8%	19,795	3.8%
Substantive	404,748	493,765	-18.0%	267,722	51.2%	403,548	0.3%
Other	1,004	978	2.7%	39	2447.2%	1,486	-32.4%
<b>Total</b>	<b>426,304</b>	<b>516,626</b>	<b>-17.5%</b>	<b>284,641</b>	<b>49.8%</b>	<b>424,828</b>	<b>0.3%</b>

Total Workforce Spend is 0.3% (1475) above plan, total Workforce WTE is 2.1% above plan. B&A Spend is 3.8% (757) above plan, B&A Workforce WTE is 1.9% above plan. B&A accounts for 4.8% of all workforce spend and 4.3% of all workforce WTE.

## Workforce WTE Summary : November 2024

Workforce WTE	Latest data	Last Month		Baseline		Plan	
	Nov-24	Oct-24		Dec-19			
		Value	% Diff	Value	% Diff	Value	% Diff
Agency	493	527	-6.4%	754	-34.6%	525	-6.0%
Bank	3,422	3,434	-0.3%	2,878	18.9%	3,212	6.6%
Bank & Agency	3,916	3,961	-1.1%	3,632	7.8%	3,736	4.8%
Substantive	86,465	86,298	0.2%	72,975	18.5%	84,826	1.9%
<b>Total</b>	<b>90,380</b>	<b>90,259</b>	<b>0.1%</b>	<b>76,607</b>	<b>18.0%</b>	<b>88,562</b>	<b>2.1%</b>

Substantive WTE is 1.9% (1639) above plan. Bank WTE is 6.6% (211) above plan. Agency WTE is -6.0% (31) below plan.