



**North East and
North Cumbria**

NENC ICB

**Finance Report for the period ending
31st March 2024**

Executive Summary

M12 - March 2024		Outturn	
Key Statutory Financial Duties	Overall ICS 2023/24 In Year Financial Position - (Surplus) / Deficit		
	For the financial year 2023/24 the ICS is reporting a small outturn surplus of £0.43m, against the revised plan deficit of £14.87m following receipt of non-recurrent funding.	Plan	£14.87 m
		Actual	(£0.43) m
		Variance	(£15.30) m
	Overall ICB 2023/24 In Year Financial Position - (Surplus) / Deficit		
	The ICB is reporting an outturn surplus of £4.49m, the reduced surplus vs plan (£32.4m surplus) was agreed to support a reduction in the provider deficit position, with no net impact on the ICB position.	Plan	(£32.40) m
		Actual	(£4.49) m
		Variance	£27.92 m
	2023/24 ICB Running Costs Position		
	The ICB is reporting an underspend against the running cost allowance of £1.56m for the year.	Plan	£62.37 m
	Actual	£60.81 m	
	Variance	(£1.56) m	
Overall ICS 2023/24 Capital Funding			
The ICS is reporting a slight outturn overspend against the capital allocation of £1.49m, relating to the impact of IFRS16 (lease accounting).	Allocation	£245.15 m	
	Actual	£246.64 m	
	Variance	£1.49 m	
Other Financial Performance Metrics	Overall ICS 2023/24 QIPP/Efficiency	Plan	£408.36 m
	The ICS is reporting efficiency savings of £409.87m (slightly above plan) with the ICB delivering £101.77m, £6.83m ahead of plan. Significant non-recurring efficiencies are being delivered which is offsetting under achievement of recurring efficiency plans.	Actual	£409.87 m
		Variance	£1.51 m
	Overall 2023/24 Mental Health Investment Standard (MHIS)		9.00%
	The ICB has delivered the Mental Health Investment Standard, with growth in relevant spend of 9%.		
	Cash		0.25%
The ICB cash balance for March is 0.25% and within the target set by NHS England of <1.25% of the monthly cash drawdown.			
BPPC		by value	
The BPPC target is for 95% of NHS and Non NHS invoices to be paid within 30 days	NHS	99.99%	
	Non NHS	99.13%	

Overview of the Financial Position

This report summarises the financial performance of the ICB and wider ICS in the financial year 2023/24 for the period to 31st March 2024.

The final position shows the ICB to have achieved its key financial targets, although it should be noted that these are draft financial figures which are still subject to audit.

The overall ICS financial position is a small surplus of £0.43m, with the ICB reporting a surplus of £4.49m and providers reporting a deficit of £4.06m. The reduced ICB surplus compared to planned surplus of £32.4m was agreed to support a reduction in the provider deficit position, with no net impact on the ICB position. Overall, the improved position is mainly due to the receipt of additional non recurrent funding to support industrial action, surge and other pressures, together with changes in Elective Recovery Fund (ERF) arrangements agreed by NHS England (NHSE).

The ICS capital position includes the impact of IFRS16 (lease accounting), resulting in a small outturn overspend of £1.5m which has been managed with NHSE at a regional level. Additional funding has been received in Month 12 which has largely mitigated the previously reported pressure associated with IFRS16.

The ICB has delivered the Mental Health Investment Standard, with growth in relevant spend of 9%.

The financial plan of the ICB required an overall efficiency target of £94.94m and the ICB has delivered savings of £101.77m. Across the ICS, providers have delivered total efficiencies of £308.09m compared to a target of £313.42m. It should be noted there has been an under-delivery of recurrent efficiency schemes of £62.2m, offset by an over-delivery of £63.7m on non-recurrent efficiency schemes.

Work continues on the medium term financial plan across the ICS, incorporating a financial recovery plan, which will support planning for 2024/25.

Table 1: Overall ICS (Surplus) / Deficit - In-Year

Month 12 - March 2024			
	Annual Plan (Surplus) / Deficit	Outturn (Surplus) / Deficit	Variance (Surplus) / Deficit
	£000s	£000s	£000s
NENC Commissioner (ICB)	(32,404)	(4,489)	27,915
Total In Year ICB Position	(32,404)	(4,489)	27,915
NENC Providers	47,276	4,059	(43,217)
Total Provider Position	47,276	4,059	(43,217)
Total ICS Financial Position 2023/24	14,872	(430)	(15,302)

Table 2: ICB Financial Position

Month 12 - March 2024	2023/24 Annual Plan	2023/24 Outturn	2023/24 Variance
	£000s	£000s	£000s
<u>Revenue Resource Limit</u>	(7,712,163)		
<u>Programme</u>			
Acute Services	3,770,590	3,768,927	(1,663)
Mental Health Services	900,237	896,992	(3,245)
Community Health Services	718,047	724,394	6,347
Continuing Care	407,460	449,352	41,892
Prescribing	570,161	624,143	53,982
Primary Care	118,267	114,709	(3,558)
Primary Care Co-Commissioning	611,218	624,971	13,753
Delegated – Pharmacy, Ophthalmic and Dental	357,711	331,879	(25,832)
Other Programme Services	1,370	639	(731)
Other Commissioned Services	32,186	34,974	2,788
Programme Reserves	54,259	0	(54,259)
Total ICB Programme Costs	7,541,506	7,570,981	29,475
<u>Admin</u>			
Running Costs	62,371	60,811	(1,560)
Total ICB Admin Costs	62,371	60,811	(1,560)
(Surplus) / Deficit	32,404	0	(32,404)
Total In Year ICB Financial Position	7,636,281	7,631,792	(4,489)
Cumulative surplus position for information			
Historic (Surplus) / Deficit	75,882	0	(75,882)
Total Cumulative ICB Financial Position	7,712,163	7,631,792	(80,371)

Table 3: ICS Efficiencies			
Month 12 - March 2024	2023/24 Annual Plan	2023/24 Outturn	2023/24 Variance
	£000s	£000s	£000s
Acute	8,480	2,376	(6,104)
Community Healthcare	8,692	8,805	113
Mental Health	0	7,077	7,077
Ambulance	0	0	0
Primary Care (inc. Primary Co-Commissioning)	41,205	30,456	(10,749)
Continuing Healthcare	26,455	42,043	15,588
Running Costs	0	0	0
Other Programme Services	2,523	11,017	8,494
Unidentified	7,589	0	(7,589)
Total ICB Efficiencies	94,944	101,774	6,830
Of Which:			
Recurrent	46,441	45,277	(1,164)
Non Recurrent	48,503	56,497	7,994
Total ICB Efficiencies	94,944	101,774	6,830
Providers within system	313,416	308,091	(5,325)
Total Provider Efficiencies (within system)	313,416	308,091	(5,325)
Of Which:			
Recurrent	181,619	120,585	(61,034)
Non Recurrent	131,797	187,505	55,708
Total Provider Efficiencies (within system)	313,416	308,091	(5,325)
Total ICS Efficiencies	408,360	409,865	1,505
Of Which:			
Recurrent	228,060	165,862	(62,198)
Non Recurrent	180,300	244,002	63,702
Total ICS Efficiencies	408,360	409,865	1,505
ICS Efficiencies key points			
<p>The table above shows the efficiency targets set out in the ICS plan. For the ICB this is by ISFE category and at Month 12 the ICB has delivered £101.77m, a £6.8m over-delivery against plan although this includes significant non-recurrent efficiencies. Work will continue through the Financial Sustainability Programme Group to review and manage delivery against plans in to 2024/25.</p>			
<p>For providers within the system there is an under-delivery to plan of £5.3m. The forecast outturn for recurrent efficiencies is an underachievement of £61m, partially mitigated by over delivery of non-recurrent schemes totalling £55.7m. As with the ICB, this represents a significant challenge given the increased efficiency targets in plan for 2023/24, and this is reflected within ICS risks.</p>			