



North East and
North Cumbria

NENC ICB

Finance Report for the period ending
31st January 2025

Executive Summary

M10 - January 2025		YTD	Forecast	
Key Statutory Financial Duties	Overall ICS 2024/25 In Year Financial Position - (Surplus) / Deficit			
	For the financial year 2024/25 the ICS is reporting a year to date (YTD) deficit of £21.82m, a slight deterioration to plan of £2.52m. Following receipt of deficit support funding in Month 6, the ICS is on track to deliver a breakeven position for the year end.	Plan	£19.30 m	£0.00 m
		Actual	£21.82 m	£0.00 m
		Variance	£2.52 m	£0.00 m
	Overall ICB 2024/25 In Year Financial Position - (Surplus) / Deficit			
	The ICB is reporting a YTD surplus of £8.02m, an improvement to plan of £5.01m, and a forecast outturn surplus of £12.17m which is an improvement to revised plan surplus of £8.56m, to offset pressures elsewhere in the ICS. At Month 10, there was an agreed change to reduce the ICB plan surplus to £3.6m (nil net impact across the ICS).	Plan	(£3.00) m	(£3.60) m
		Actual	(£8.02) m	(£12.17) m
		Variance	(£5.01) m	(£8.56) m
	2024/25 ICB Running Costs Position			
	The ICB is reporting an underspend against the running cost allowance of £2.15m year to date and £5.82m forecast underspend for the year.	Plan	£41.20 m	£54.94 m
Actual		£39.05 m	£49.12 m	
Variance		(£2.15) m	(£5.82) m	
Overall ICS 2024/25 Capital Funding				
The ICS is reporting forecast outturn in line with the capital allocation.	Allocation	£182.11 m	£300.80 m	
	Actual	£140.74 m	£300.80 m	
	Variance	(£41.38) m	(£0.00) m	
Other Financial Performance Metrics	Overall ICS 2024/25 Efficiency			
	The ICS is reporting year to date efficiency savings of £398.93m and forecast savings of £524.74m, with the ICB forecasting delivery of £120.2m, this is a £2.6m over-delivery against plan. Providers are currently forecasting over-delivery of efficiencies of £1.4m overall.	Plan	£406.17 m	£520.80 m
		Actual	£398.93 m	£524.74 m
		Variance	(£7.25) m	£3.95 m
	Overall 2024/25 Mental Health Investment Standard (MHIS)			
The ICB is on track to achieve the MHIS target for 2024/25 (growth in spend of 6.6%).		6.60%	6.66%	
Cash				
The ICB cash balance for January is 0.48% and within the target set by NHS England of <1.25% of the monthly cash drawdown.		0.48%	<1.25%	
BPPC				
The BPPC target is for 95% of NHS and Non NHS invoices to be paid within 30 days		by volume	by value	
	NHS	99.58%	100.00%	
	Non NHS	98.74%	99.19%	

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 31st January 2025.

The ICS continues to forecast an overall breakeven position for the year. The overall ICS financial position is a year to date deficit of £21.8m compared to a planned deficit of £19.3m, an adverse variance of £2.5m (a slight deterioration to Month 9).

The month 10 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 remainder of the year, reflecting the phasing of efficiency plans, but this will continue to be challenging to deliver.

At month 10, there has been an agreed reduction in the planned ICB surplus of £50m with a corresponding improvement in provider positions.

The ICB is currently reporting a year to date surplus of £8.02m, an improvement to plan of £5.0m, together with a forecast surplus position of £12.2m (against revised planned surplus of £3.60m). The improvement in the ICBs forecast position compared to plan was agreed to offset a deterioration in the overall provider position within the ICS.

ICS capital spending forecasts are currently in line with latest confirmed capital allocations (including IFRS 16) following receipt of NHSE funding to support IFRS 16 pressures.

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 continue to be prescribing where this area is subject to the usual delay by up to two months for activity-based contracts being confirmed. 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 £18m, compared to £37m last month. This continues to present a potential risk to delivery of the planned position but this is being actively managed. For the ICB this includes in particular potential pressures around prescribing, 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 10 - January 2025	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)	(3,002)	(8,017)	(5,015)	(3,602)	(12,167)	(8,565)
Total In Year ICB Position	(3,002)	(8,017)	(5,015)	(3,602)	(12,167)	(8,565)
NENC Providers	22,298	29,835	7,537	3,602	12,167	8,565
Total Provider Position	22,298	29,835	7,537	3,602	12,167	8,565
Total ICS Financial Position 2024/25	19,296	21,818	2,522	0	0	0

Table 2: ICB Financial Position						
Month 10 - January 2025	YTD Plan	YTD Actual	YTD Variance	2024/25 Annual Plan	2024/25 Forecast Outturn	2024/25 Forecast Variance
	£000s	£000s	£000s	£000s	£000s	£000s
<u>Programme</u>						
Acute Services	3,314,176	3,314,119	(58)	3,937,042	3,937,479	437
Mental Health Services	789,780	788,448	(1,332)	953,310	950,118	(3,192)
Community Health Services	630,256	624,189	(6,067)	750,804	745,295	(5,508)
Continuing Care	390,938	402,039	11,101	481,458	492,018	10,560
Prescribing	490,464	508,228	17,764	603,539	624,654	21,115
Primary Care	94,287	92,850	(1,437)	113,928	110,975	(2,953)
Primary Care Co-Commissioning	541,780	550,615	8,834	642,224	651,969	9,745
Delegated – Pharmacy, Ophthalmic and Dental	306,353	288,106	(18,247)	373,289	350,242	(23,047)
Other Programme Services	(24,803)	(25,806)	(1,003)	(17,871)	(18,940)	(1,068)
Other Commissioned Services	30,096	28,686	(1,410)	36,139	35,003	(1,135)
Programme Reserves	11,011	0	(11,011)	91,508	83,813	(7,695)
Total ICB Programme Costs	6,574,338	6,571,474	(2,865)	7,965,369	7,962,626	(2,743)
<u>Admin</u>						
Running Costs	41,197	39,047	(2,150)	54,943	49,121	(5,822)
Total ICB Admin Costs	41,197	39,047	(2,150)	54,943	49,121	(5,822)
Total ICB Expenditure	6,615,535	6,610,521	(5,015)	8,020,312	8,011,747	(8,565)
Revenue Resource Limit	(6,618,537)	(6,618,537)	0	(8,023,914)	(8,023,914)	0
(Surplus) / Deficit	(3,002)	(8,017)	(5,015)	(3,602)	(12,167)	(8,565)

Table 3: ICS Efficiencies

Month 10 - January 2025	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	18,160	18,308	148	21,792	21,792	0
2) Continuing Healthcare & Packages of Care	15,560	15,835	275	18,672	18,672	0
3) Running Costs and Infrastructure	8,850	8,850	0	10,620	10,620	0
4) Local Delivery Team Programme	5,510	5,513	3	6,612	6,615	3
5) Internal Flexibilities	41,677	43,806	2,130	50,016	52,567	2,551
6) Internal Flexibilities - Stretch	8,333	9,997	1,663	10,000	9,997	(3)
Total ICB Efficiencies	98,090	102,308	4,218	117,712	120,263	2,551
Of Which:						
Recurrent	37,048	41,905	4,856	44,458	49,245	4,787
Non Recurrent	61,042	60,404	(638)	73,254	71,019	(2,236)
Total ICB Efficiencies	98,090	102,308	4,218	117,712	120,263	2,551
Providers within system	308,084	296,620	(11,464)	403,084	404,481	1,397
Total Provider Efficiencies (within system)	308,084	296,620	(11,464)	403,084	404,481	1,397
Of Which:						
Recurrent	203,576	154,242	(49,334)	260,225	195,494	(64,731)
Non Recurrent	104,508	142,378	37,870	142,859	208,987	66,128
Total Provider Efficiencies (within system)	308,084	296,620	(11,464)	403,084	404,481	1,397
Total ICS Efficiencies	406,174	398,928	(7,246)	520,796	524,745	3,948
Of Which:						
Recurrent	240,624	196,146	(44,478)	304,683	244,739	(59,944)
Non Recurrent	165,550	202,782	37,232	216,113	280,006	63,893
Total ICS Efficiencies	406,174	398,928	(7,246)	520,796	524,745	3,948

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 shows a slight improvement from month 9 with a forecast over-delivery of £2.6m and an improved year to date over-delivery of £4.2m 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 £11.5m, and shows an under-delivery of recurrent schemes of £49.3m partly offset by over-delivery of non recurrent schemes of £37.9m. At Month 10, the providers are forecasting over-delivery of £1.4m 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	Provider Trusts 2024/25	Total ICS 2024/25
	£000s	£000s	£000s
(Risks) / (Offsets to benefits):			
Additional cost risk (capacity, pressures, winter)	(8,116)	(53,290)	(61,406)
Additional cost risk (inflation)	0	(600)	(600)
Efficiency risk	(1,250)	(15,347)	(16,597)
Prescribing / CHC	(17,072)	0	(17,072)
Income risk (excl. ERF)	0	(10,902)	(10,902)
Total Risks	(26,438)	(80,139)	(106,577)
Mitigations / benefits:			
Additional cost control or income (excl. ERF)	14,517	32,159	46,676
Efficiency mitigation	0	3,787	3,787
Non-recurrent mitigations	9,921	28,414	38,335
Mitigations not yet identified	2,000	15,779	17,779
Total Mitigations	26,438	80,139	106,577
Total Net Risk (excluding ERF)	(0)	0	0
Total Unmitigated Net Risk	(2,000)	(15,779)	(17,779)

Table 5: ICS Capital Funding 2024/25

Month 10 - January 2025	YTD Plan	YTD Actual	YTD Variance	2024/25 Capital Allocation	2024/25 Forecast Outturn	2024/25 Forecast Variance
	£000s	£000s	£000s	£000s	£000s	£000s
Capital position excluding IFRS 16:						
Provider Capital						
2024/25 Provider Capital Position excluding IFRS16	159,506	131,287	(28,219)	245,298	245,382	84
ICB Capital (held by NHSE):						
GPIT	0	0	0	4,000	4,000	0
Primary Care Estates Schemes	0	0	0	1,447	1,447	0
Other Capital - Future Connectivity	0	0	0	1,341	1,341	0
ICB allowable 'over-programming'	0	0	0	0	0	0
Total ICB Capital (held by NHSE)	0	0	0	6,788	6,788	0
Provider capital shown as ICB within plan	0	0	0	3,086	3,086	0
Total ICS Capital excluding IFRS 16	159,506	131,287	(28,219)	255,172	255,256	84
Capital position including IFRS 16:						
2024/25 Provider Capital Position including IFRS16	182,114	140,738	(41,376)	290,929	290,928	(1)
Total ICB Capital (held by NHSE)	0	0	0	6,788	6,788	0
Provider capital shown as ICB within plan	0	0	0	3,086	3,086	0
Total ICS Capital including IFRS 16	182,114	140,738	(41,376)	300,803	300,802	(1)

ICS Capital Spend key points

The confirmed ICS Capital Departmental Expenditure Limit (CDEL) allocation for 2024/25 (excluding IFRS16) now stands at £255.2m. This has increased by £5.3m since M9 and relates to additional funding requested by providers as part of a bid process held by NHSE for essential equipment replacement.

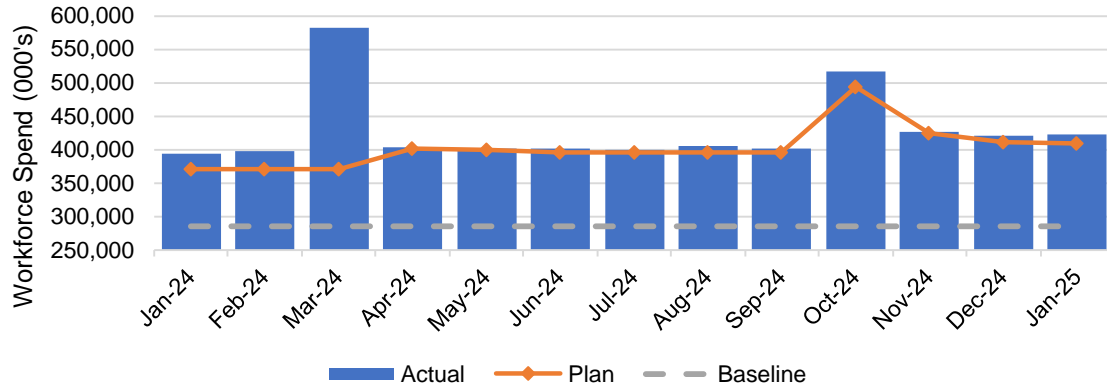
At Month 9, £3.1m of provider capital allocation has been transferred to ICB capital and has been protected whilst the split by provider is agreed. In addition, the agreed ICB capital allocation for 2024/25 amounts to £6.8m and the revised plan is £4.0m for GPIT and £1.4m for Primary Care Estates Schemes and Future Connectivity of £1.3m.

An adjustment to IFRS 16 funding allocation was confirmed by NHSE in month 10 to offset the IFRS 16 pressure previously reported. Overall capital spend across the ICS is now forecast to be in line with total capital allocation for the year.

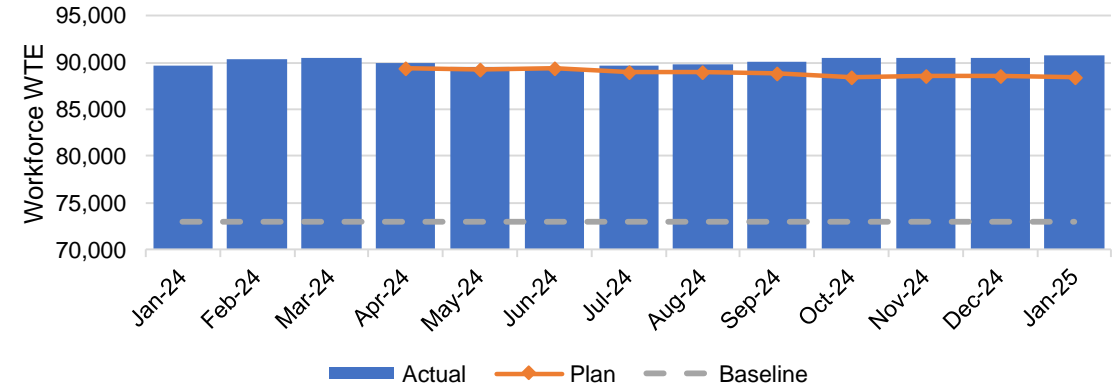


Table 6: NENC Workforce WTE - January 2025

Workforce Spend



Workforce WTE



Workforce Spend Summary : January 2025

Workforce Spend (000's)	Latest data Jan-25	12 Months Previous Jan-24		Baseline Dec-19		Plan	
		Value	% Diff	Value	% Diff	Value	% Diff
		Agency	5,751	7,221	-20.4%	6,446	-10.8%
Bank	14,422	16,102	-10.4%	10,433	38.2%	13,117	9.9%
Bank & Agency	20,172	23,323	-13.5%	16,879	19.5%	19,523	3.3%
Substantive	402,556	368,364	9.3%	267,722	50.4%	387,871	3.8%
Other	505	1,256	-59.8%	39	1180.1%	1,496	-66.3%
Total	423,233	392,943	7.7%	284,641	48.7%	408,889	3.5%

Total Workforce Spend is 3.5% (14343) above plan, total Workforce WTE is 2.5% above plan.
 B&A Spend is 3.3% (650) above plan, B&A Workforce WTE is 2.3% above plan.
 B&A accounts for 4.8% of all workforce spend and 4.4% of all workforce WTE.

Workforce WTE Summary : January 2025

Workforce WTE	Latest data Jan-25	12 Months Previous Jan-24		Baseline Dec-19		Plan	
		Value	% Diff	Value	% Diff	Value	% Diff
		Agency	539	774	-30.3%	754	-28.5%
Bank	3,430	3,762	-8.8%	2,878	19.2%	3,165	8.4%
Bank & Agency	3,969	4,536	-12.5%	3,632	9.3%	3,685	7.7%
Substantive	86,766	85,159	1.9%	72,975	18.9%	84,804	2.3%
Total	90,735	89,694	1.2%	76,607	18.4%	88,488	2.5%

Substantive WTE is 2.3% (1962) above plan.
 Bank WTE is 8.4% (265) above plan.
 Agency WTE is 3.8% (20) above plan.