

# Updates to ICB and System finance business rules in 2025/26

June 2025

## Introduction


1. The [2025/26 revenue finance and contracting guidance](#) confirmed that NHS England would continue to set system revenue financial plan limits ('plan limits') for systems in 2025/26, with support funding made available for systems with deficit plan limits. The guidance included proposed capital and revenue consequences, aligned to those that were applied in 2024/25. Plan limits have been agreed with each system for 2025/26, with every system having submitted breakeven financial plans after the inclusion of support funding.
2. This update confirms the amended arrangements for operating the 2025/26 deficit recovery scheme, including associated capital and revenue consequences.

## Updates made to the release of support funding

3. Support funding will be issued to ICBs on a quarterly basis, subject to agreement with the Regional Director of Finance that the system is on track to deliver the plan position.

## Revenue consequences

4. Where systems do not deliver the plan position, the full value of the deficit position and any support funding that has been issued during the year, will be applied to the system cumulative position and be subject to repayment in future years (refer to the repayment policy in [ICB and System finance business rules](#)).
5. All systems that deliver their plan position will not be required to repay the support funding issued to them. This is a change from the revenue consequences proposed in



the revenue finance and contracting guidance, where systems with support funding above fair share would have been required to repay support funding.

## Capital consequences

6. The capital consequences for systems remain unchanged from those presented in the [revenue finance and contracting guidance](#). The in-year capital consequences for systems with a breakeven financial plan limit or deficit financial plan limit above system fair share have been applied in 2025/26 plans.
7. As referenced in the [2025/26 capital guidance](#), further capital flexibilities have been introduced for systems with breakeven plan limits.

## Summary

8. The updated capital and revenue consequences for 2025/26 are summarised in full in **Annex A** on the following page for reference.
9. Further information on the controls on place for cash support will be communicated in due course.

## Annex A: Updated revenue and capital consequences

**Table 1: 2025/26 financial plan limit in-year capital consequences**

2025/26 revenue financial plan limit	2025/26 capital consequences
Deficit revenue financial plan limit: support funding <u>above fair share</u>	Deduction to core capital allocation equal to 15% of difference between plan limit and fair share of national support funding (capped at 10% of allocation)
Deficit revenue financial plan limit: support funding <u>below fair share</u>	No in-year consequences
<u>Breakeven</u> revenue financial plan limit	In-year capital allocation bonus equal to 30% of fair share of national support funding

**Table 2: 2025/26 financial plan limit future years revenue and capital consequences**

2025/26 revenue financial plan limit	2025/26 final outturn position	Future years revenue and capital consequences
<u>Deficit</u> revenue financial plan limit	Deliver plan position	No future year consequences
	Do not deliver plan position	Deficit funding plus variance in outturn position is applied as an overspend to cumulative carry-forward position and subject to repayment
<u>Breakeven</u> revenue financial plan limit	Deliver breakeven	Remaining 70% of fair share of support funding made available as 50% capital and 50% revenue bonus in 2026/27, subject to being applied against any cumulative carry-forward deficit
	Do not deliver breakeven	Variance in outturn position is applied as an overspend to cumulative carry-forward position and subject to repayment