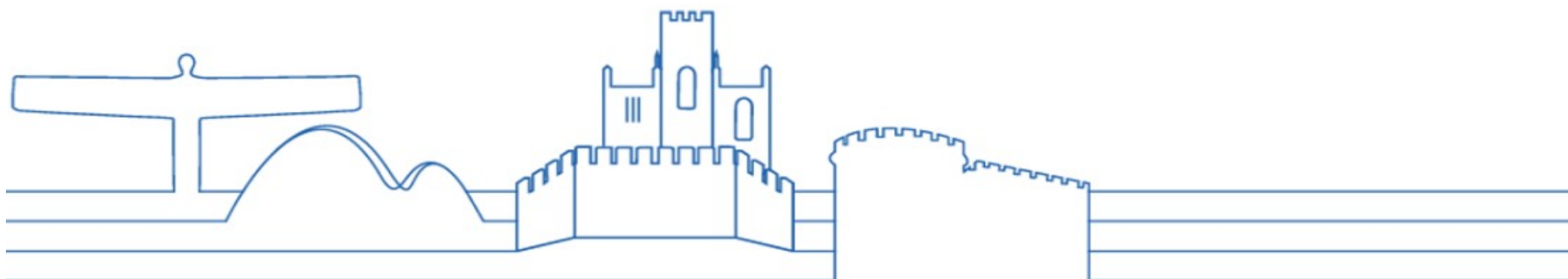




**North East and
North Cumbria**

NENC ICB

Finance Report for the period ending 31 March 2023



Executive Summary

M12 - March 2023		Outturn	
Key Statutory Financial Duties	Overall ICS 2022/23 In Year Financial Position - (Surplus) / Deficit		
	For the financial year 2022/23 the ICS, including the Q1 position of the NENC CCGs, has delivered a surplus of £58.16m against the planned breakeven position	Plan Actual	£0.00 m (£58.16) m
	Overall ICB 2022/23 In Year Financial Position - (Surplus) / Deficit		
	Overall ICB 2022/23 In Year Financial Position prior to retrospective funding - (Surplus) / Deficit	Plan Actual	(£2.63) m (£2.74) m
	The ICB has delivered a surplus of £2.74m against the planned £2.63m, a slight increase of £0.11m - Deficit / (Surplus)		
	ICB Running Costs Position - July 2022 to March 2023		
	The ICB has delivered an outturn underspend of £5.42m, compared with the submitted financial plan	Plan Actual Variance	£47.43 m £42.01 m (£5.42) m
	Overall ICS 2022/23 Capital Funding		
The ICS has reported an outturn underspend against the capital allocation of which £0.3m underspend for primary care and £6.71m under on provider capital.	Allocation Actual Variance	£201.89 m £194.89 m (£7.01) m	
Other Financial Performance Metrics	Overall ICS 2022/23 QIPP/Efficiency	Plan Actual Variance	£248.83 m £244.16 m (£4.67) m
	The ICS has reported QIPP savings of £244.16m with the ICB delivering £48.46m which is slightly over the submitted QIPP/Efficiency plan. Providers have delivered £195.7m of savings against target of £200.4m.		
	Overall 2022/23 Mental Health Investment Standard (MHIS)		6.68%
	The ICB has achieved the MHIS target for 2022/23 (growth in spend of 6.68%), with an over-delivery of £0.54m.		
	Cash		<1.25%
The ICB cash balance for March is 0.30% and within the target set by NHS England of <1.25% of the monthly cash drawdown.			
BPPC		by value	
The BBPC target is for 95% of NHS and Non NHS invoices to be paid within 30 days	NHS Non NHS	100.00% 99.26%	

Overview of the Financial Position

This report summarises the financial performance of the ICB and wider ICS in the financial year 2022/23 for the period to 31st March 2023.

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 ICB has reported an outturn surplus of £2.74m, against a planned surplus of £2.63m. There is a favourable outturn variance across NHS providers of £58.1m which has resulted in an overall surplus for the ICS of £58.16m, this is almost entirely due to additional income received by one provider trust following settlement of a court case relating to building rectification work. This was highlighted as a potential risk previously, outside of the control of the ICS, and had been discussed and agreed with NHS England.

Significant elements to note within this position are:

- Overspend on Independent Sector provider acute activity, with additional Elective Recovery Fund (ERF) monies now received from NHS England,
- Prescribing overspend based on latest Prescription Pricing Data (M10) with significant cost pressure arising from impact of price concessions and Category M,
- Pressures experienced on continuing healthcare and s117 packages of care,
- Management of reserves and underspends on other budgets to balance overall ICB position, including release of non-recurring benefits across a number of budget areas
- Across the ICS a number of significant financial pressures and risks have been managed, including in particular unfunded pay award pressures and excess inflation costs

The financial plan of the ICB required an overall efficiency target of £48.4m and the ICB has delivered this. Across the ICS, providers have delivered total efficiencies of £195.7m compared to a target of £200.4m.

The ICB has delivered the Mental Health Investment Standard with an over-delivery of £0.54m (this will be subject to an independent review as in previous years).

Table 1: ICB Financial Position			
Month 12 - March 2023	2022/23 Annual Plan	2022/23 Outturn	2022/23 Variance
	£000s	£000s	£000s
Revenue Resource Limit	(5,191,335)		
Programme			
Acute Services	2,581,322	2,610,643	29,321
Mental Health Services	638,849	643,974	5,125
Community Health Services	527,590	521,740	(5,850)
Continuing Care	300,995	315,613	14,618
Prescribing	428,740	454,120	25,380
Primary Care	92,268	85,712	(6,556)
Primary Care Co-Commissioning	428,629	430,112	1,483
Other Programme Services	45,085	42,806	(2,279)
Other Commissioned Services	21,694	24,361	2,667
Programme Reserves	53,880	(0)	(53,880)
Contingency	4,725	0	(4,725)
Total ICB Programme Costs	5,123,776	5,129,081	5,305
Admin			
Running Costs	47,427	42,010	(5,417)
Total ICB Admin Costs	47,427	42,010	(5,417)
(Surplus) / Deficit	2,632	0	(2,632)
Total In Year ICB Financial Position	5,173,835	5,171,091	(2,744)
Cumulative Surplus Position for information:			
Historic (Surplus) / Deficit	17,500	0	(17,500)
Total Cumulative ICB Financial Position	5,191,335	5,171,091	(20,244)

Table 2: Overall ICS (Surplus) / Deficit			
Month 12 - March 2023	Annual Plan (Surplus) / Deficit	Outturn (Surplus) / Deficit	Variance (Surplus) / Deficit
	£000s	£000s	£000s
NENC Commissioner (ICB)			
Q1 CCG	22,903	0	(22,903)
Q2-Q4 ICB	(25,536)	(2,744)	22,792
Total In Year ICB Position	(2,633)	(2,744)	(111)
NENC Providers	2,633	(55,419)	(58,052)
Total Provider Position	2,633	(55,419)	(58,052)
Total ICS Financial Position 2022/23	0	(58,163)	(58,163)

Table 3: ICS Efficiencies

Month 12 - March 2023	2022/23 Annual Plan	2022/23 Outturn	2022/23 Variance
	£000s	£000s	£000s
Acute	2,650	2,650	0
Community Healthcare	8,144	8,144	0
Primary Care (inc. Primary Co-Commissioning)	16,592	15,787	(805)
Continuing Healthcare	20,229	21,062	833
Other Programme Services	818	818	0
Total ICB Efficiencies	48,433	48,461	28
Of Which:			
Recurrent	17,280	18,115	835
Non Recurrent	31,153	30,346	(807)
Total ICB Efficiencies	48,433	48,461	28
Providers within system	200,396	195,699	(4,697)
Total Provider Efficiencies (within system)	200,396	195,699	(4,697)
Of Which:			
Recurrent	124,103	63,633	(60,470)
Non Recurrent	76,293	132,066	55,773
Total Provider Efficiencies (within system)	200,396	195,699	(4,697)
Total ICS Efficiencies	248,829	244,160	(4,669)
Of Which:			
Recurrent	141,383	81,748	(59,635)
Non Recurrent	107,446	162,412	54,966
Total ICS Efficiencies	248,829	244,160	(4,669)

ICS Efficiencies key points

The tables above shows the efficiency targets set out in the ICS plan. For the ICB this is by ISFE category and the ICB has slightly over-delivered against the efficiency target mainly due to CHC schemes partially offset by an under-delivery against prescribing schemes.

For providers within the system there is an under-delivery against target of £4.697m, of which recurrent efficiencies have under-achieved by £60.47m and is partly mitigated by an over delivery of non-recurrent schemes totalling £55.773m. The main reasons for under delivery include costs associated with COVID continuing longer than planned, continued use of agency staffing and delays in progressing development schemes.