



**North East and  
North Cumbria**

# **NENC ICB**

**Finance Report for the period ending  
31st May 2025**

## Executive Summary

M2 - May 2025				YTD	Forecast
Key Statutory Financial Duties					
	Overall ICS 2025/26 In Year Financial Position - (Surplus) / Deficit				
	For the financial year 2025/26 the ICS is reporting a slight improvement to YTD plan of £2.52m. Based on the final 2025/26 plan submission, a breakeven overall position for the year is expected across the ICS.	Plan	£22.03 m	£0.00 m	
		Actual	£19.52 m	(£0.00) m	
		Variance	(£2.52) m	(£0.00) m	
	Overall ICB 2025/26 In Year Financial Position - (Surplus) / Deficit				
	The ICB is reporting a year to date surplus of £2.97m, an improvement to plan of £1.0m and a forecast outturn surplus of £11.84m in line with plan.	Plan	(£1.97) m	(£11.84) m	
		Actual	(£2.97) m	(£11.84) m	
		Variance	(£1.00) m	£0.00 m	
	2025/26 ICB Running Costs Position				
	The ICB is reporting an underspend against the running cost allowance of £0.87m year to date and a forecast breakeven position	Plan	£7.93 m	£48.64 m	
		Actual	£7.06 m	£48.64 m	
Variance		(£0.87) m	£0.00 m		
Overall ICS 2025/26 Capital Funding					
The ICS is reporting a £15.7m forecast outturn underspend against the capital allocation which relates to an additional allocation for operational UEC prior year performance, where plans for utilisation of this additional funding are still to be agreed by the system.	Allocation	£21.12 m	£204.50 m		
	Actual	£24.97 m	£188.81 m		
	Variance	£3.84 m	(£15.69) m		
Other Financial Performance Metrics					
	Overall ICS 2025/26 Efficiency The ICS is reporting year to date efficiency savings of £82.39m and forecast savings of £594.37m, with the ICB forecasting delivery of £126.3m, this is a £0.1m over-delivery against plan. Providers are currently forecasting over-delivery of efficiencies of £0.4m overall.	Plan	£87.04 m	£593.87 m	
		Actual	£82.39 m	£594.37 m	
		Variance	(£4.65) m	£0.50 m	
	Overall 2025/26 Mental Health Investment Standard (MHIS) The ICB is on track to achieve the MHIS target for 2025/26 (growth in spend of 4.37%).			4.37%	4.37%
	Cash The ICB cash balance for May is 0.68% and within the target set by NHS England of <1.25% of the monthly cash drawdown.			0.68%	<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	99.49%	99.99%	
Non NHS		99.66%	99.60%		

## Overview of the Financial Position

This report provides an update on the financial performance of the ICB and wider ICS in the financial year 2025/26 for the period to 31st May 2025.

For month 2 reporting, budgets have been uploaded based on the financial plan submitted in April 2025. The overall reported ICS financial position is a year to date deficit of £19.52m compared to a planned deficit of £22.03m. The favourable variance of £2.52m reflects a one-off benefit from sale of land in one provider trust which was expected later in the year. Excluding this, the ICS position would be an adverse variance to plan with particular pressures in provider positions from under-delivery of efficiency plans. On-going work across all organisations to review and develop CIP plans to ensure delivery of savings are on track for the year-end.

The ICS is forecasting delivery of its planned position at the end of the year.

The ICB is currently reporting a year to date surplus of £2.97m against a planned surplus of £1.97m, the improvement YTD is due to vacancy slippage across running cost and programme areas with pressures reported within Mental health for ADHD/ASD assessments that are currently been managed through reserves. The ICB is on track to deliver a forecast surplus for the year of £11.84m in line with plan.

For 2025/26, there is no longer a separate IFRS 16 capital budget, and the overall provider operational capital budget includes capital cover for IFRS 16 requirements. At month 2, the ICS capital spending forecasts are currently underspending by £15.86m, relating to additional funding for operational UEC prior year performance where plans for utilisation of this additional funding are still to be agreed by the system. It is expected this funding will be utilised to bring capital spend in line with funding.

The ICB is on track to deliver the Mental Health Investment Standard, with growth in relevant spend of 4.37%.

At this stage of the year there is always very limited data available for the majority of commissioned services, with a time lag of two months in respect of prescribing data and other activity based contract information. This adds a level of risk and uncertainty to the position.

The financial plan for 2025/26 included overall financial risks of £437m across the ICS. Mitigations identified totalled £193m with mitigations yet to be identified of £244m, which presents a significant 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. At month 2, risk has reduced to £357m although unidentified mitigations have increased to £266m, this will be reviewed for month 3 to remove any potential double count of efficiency risk. For the ICB, net risk amounted to £33m at plan and has reduced to £30m at month 2.

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.

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

Month 2 - May 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)	(1,974)	(2,972)	(998)	(11,841)	(11,841)	0
<b>Total In Year ICB Position</b>	<b>(1,974)</b>	<b>(2,972)</b>	<b>(998)</b>	<b>(11,841)</b>	<b>(11,841)</b>	<b>0</b>
NENC Providers	24,007	22,489	(1,518)	11,841	11,836	(5)
<b>Total Provider Position</b>	<b>24,007</b>	<b>22,489</b>	<b>(1,518)</b>	<b>11,841</b>	<b>11,836</b>	<b>(5)</b>
<b>Total ICS Financial Position 2025/26</b>	<b>22,033</b>	<b>19,517</b>	<b>(2,516)</b>	<b>0</b>	<b>(5)</b>	<b>(5)</b>

Table 2: ICB Financial Position						
Month 2 - May 2025	YTD Plan	YTD Actual	YTD Variance	2025/26 Annual Plan	2025/26 Forecast Outturn	2025/26 Forecast Variance
	£000s	£000s	£000s	£000s	£000s	£000s
<b><u>Programme</u></b>						
Acute Services	673,914	673,924	10	4,081,296	4,081,296	0
Mental Health Services	164,015	165,052	1,037	982,705	982,705	0
Community Health Services	124,672	124,716	45	745,217	745,217	0
Continuing Care	91,371	91,371	(0)	548,182	548,182	0
Prescribing	104,834	104,834	(0)	629,006	629,006	0
Primary Care	20,388	19,107	(1,281)	121,498	114,413	(7,085)
Primary Care Co-Commissioning	118,371	119,549	1,178	710,223	717,308	7,085
Delegated – Pharmacy, Ophthalmic and Dental	62,505	62,505	(0)	375,028	375,028	0
Specialised Commissioning	128,059	128,059	0	779,264	779,264	0
Other Programme Services	3,299	3,276	(23)	28,448	28,448	0
Other Commissioned Services	5,260	5,022	(238)	32,676	32,676	0
Programme Reserves	857	0	(857)	(20,245)	(20,245)	0
<b>Total ICB Programme Costs</b>	<b>1,497,544</b>	<b>1,497,414</b>	<b>(130)</b>	<b>9,013,297</b>	<b>9,013,297</b>	<b>0</b>
<b><u>Admin</u></b>						
Running Costs	7,928	7,060	(868)	48,637	48,637	0
<b>Total ICB Admin Costs</b>	<b>7,928</b>	<b>7,060</b>	<b>(868)</b>	<b>48,637</b>	<b>48,637</b>	<b>0</b>
<b>Total ICB Expenditure</b>	<b>1,505,472</b>	<b>1,504,474</b>	<b>(998)</b>	<b>9,061,934</b>	<b>9,061,934</b>	<b>0</b>
<b>Revenue Resource Limit</b>	<b>(1,507,446)</b>	<b>(1,507,446)</b>	<b>0</b>	<b>(9,073,775)</b>	<b>(9,073,775)</b>	<b>0</b>
<b>(Surplus) / Deficit</b>	<b>(1,974)</b>	<b>(2,972)</b>	<b>(998)</b>	<b>(11,841)</b>	<b>(11,841)</b>	<b>0</b>

Table 3: ICS Efficiencies						
Month 2 - May 2025	YTD Plan	YTD Actual	YTD Variance	2025/26 Annual Plan	2025/26 Forecast Outturn	2025/26 Forecast Variance
	£000s	£000s	£000s	£000s	£000s	£000s
1) Prescribing & MO Efficiencies	3,128	3,245	117	18,765	18,765	0
2) Continuing Healthcare & Packages of Care	5,148	3,663	(1,485)	30,886	30,886	(0)
3) Running Costs and Infrastructure	4,273	4,273	0	4,273	4,273	0
4) Estates	0	169	169	1,000	1,269	269
5) Service Reform Programmes	4,462	5,341	879	37,200	37,201	1
6) Internal Flexibilities - Stretch	15,950	16,950	1,000	33,990	33,862	(128)
<b>Total ICB Efficiencies</b>	<b>32,961</b>	<b>33,641</b>	<b>680</b>	<b>126,114</b>	<b>126,255</b>	<b>141</b>
<b>Of Which:</b>						
Recurrent	13,811	13,112	(699)	64,412	65,757	1,346
Non Recurrent	19,150	20,529	1,379	61,702	60,498	(1,204)
<b>Total ICB Efficiencies</b>	<b>32,961</b>	<b>33,641</b>	<b>680</b>	<b>126,114</b>	<b>126,255</b>	<b>141</b>
Providers within system	54,078	48,752	(5,326)	467,756	468,117	361
<b>Total Provider Efficiencies (within system)</b>	<b>54,078</b>	<b>48,752</b>	<b>(5,326)</b>	<b>467,756</b>	<b>468,117</b>	<b>361</b>
<b>Of Which:</b>						
Recurrent	32,987	24,420	(8,567)	320,427	332,269	11,842
Non Recurrent	21,090	24,332	3,242	147,329	135,848	(11,481)
<b>Total Provider Efficiencies (within system)</b>	<b>54,078</b>	<b>48,752</b>	<b>(5,326)</b>	<b>467,756</b>	<b>468,117</b>	<b>361</b>
<b>Total ICS Efficiencies</b>	<b>87,039</b>	<b>82,393</b>	<b>(4,645)</b>	<b>593,870</b>	<b>594,372</b>	<b>502</b>
<b>Of Which:</b>						
Recurrent	46,798	37,532	(9,266)	384,839	398,026	13,188
Non Recurrent	40,240	44,861	4,621	209,031	196,346	(12,685)
<b>Total ICS Efficiencies</b>	<b>87,039</b>	<b>82,393</b>	<b>(4,645)</b>	<b>593,870</b>	<b>594,372</b>	<b>502</b>
<b>ICS Efficiencies key points</b>						
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 to plan with a forecast over-delivery of £0.1m and year to date over-delivery of £0.7m.						
For providers within the system there is a year to date under-delivery to plan of £5.3m, and shows an under-delivery of recurrent schemes of £8.6m partly offset by over-delivery of non recurrent schemes of £3.2m. At Month 02, the providers are forecasting a slight over-delivery of £0.4m against plan. As with the ICB, this represents a significant challenge given the increased efficiency targets in plan for 2025/26, and this is reflected within ICS risks.						

# Table 4: ICS Risks and Mitigations

Risks and Mitigations	ICB	Provider	Total
	2025/26	Trusts	ICS 2025/26
	£000s	£000s	£000s
<b>(Risks) / (Offsets to benefits):</b>			
Additional cost risk (capacity, pressures, winter)	(16,133)	(45,000)	(61,133)
Additional cost risk (inflation)	0	(28,000)	(28,000)
Efficiency risk	(22,095)	(162,000)	(184,095)
Prescribing / CHC	(18,431)	0	(18,431)
Income risk (excl. ERF)	0	(65,000)	(65,000)
<b>Total Risks</b>	<b>(56,659)</b>	<b>(300,000)</b>	<b>(356,659)</b>
<b>Mitigations / benefits:</b>			
Additional cost control or income (excl. ERF)	17,035	25,000	42,035
Efficiency mitigation	9,000	19,000	28,000
Non-recurrent mitigations	0	20,475	20,475
Mitigations not yet identified	30,624	235,525	266,149
<b>Total Mitigations</b>	<b>56,659</b>	<b>300,000</b>	<b>356,659</b>
<b>Total Net Risk (excluding ERF)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Unmitigated Net Risk</b>	<b>(30,624)</b>	<b>(235,525)</b>	<b>(266,149)</b>

## Table 5: ICS Capital Funding 2025/26

Month 2 - May 2025	YTD Plan	YTD Actual	YTD Variance	2025/26 Capital Allocation	2025/26 Forecast Outturn	2025/26 Forecast Variance
	£000s	£000s	£000s	£000s	£000s	£000s
<b>Capital position including IFRS 16:</b>						
<b>Provider Capital</b>						
2025/26 Provider Capital Position including IFRS16	21,122	24,966	3,844	197,049	181,364	(15,685)
<b>ICB Capital (held by NHSE):</b>						
GPIT	0	0	0	5,447	5,447	0
Primary Care Estates Schemes	0	0	0	1,477	1,477	0
<b>Total ICB Capital (held by NHSE)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,924</b>	<b>6,924</b>	<b>0</b>
Provider capital shown as ICB within plan	0	0	0	526	526	0
<b>Total Charge Against Capital Allocation including IFRS 16</b>	<b>21,122</b>	<b>24,966</b>	<b>3,844</b>	<b>204,499</b>	<b>188,814</b>	<b>(15,685)</b>
<b>ICB Primary Care Utilisation Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,789</b>	<b>5,789</b>

### ICS Capital Spend key points

The confirmed ICS system capital allocation for 2024/25 (including IFRS16) stands at £204.5m. This includes additional allocations of £15.9m for high performing providers and £15.0m for operational UEC prior year performance.

£0.5m of the capital allocation was transferred to the ICB during planning to protect the allocations whilst the split between providers was agreed.

The underspend of £15.7m is made up of:

- £15m additional allocation for operational UEC prior year performance - where plans for utilisation of this additional funding are still to be agreed by the system
- £0.6m underspend submitted during planning due to a change in providers plans. Alternative uses for this are still to be agreed by the system.

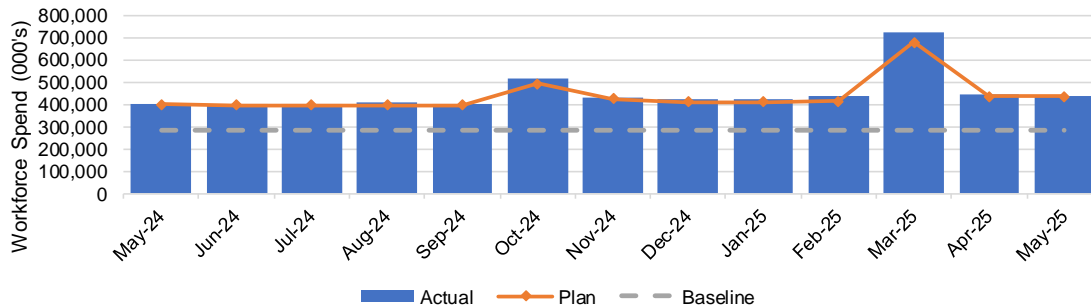
In addition to the expenditure against the allocation there is £5.8m forecast expenditure against the Primary Care Utilisation Fund.



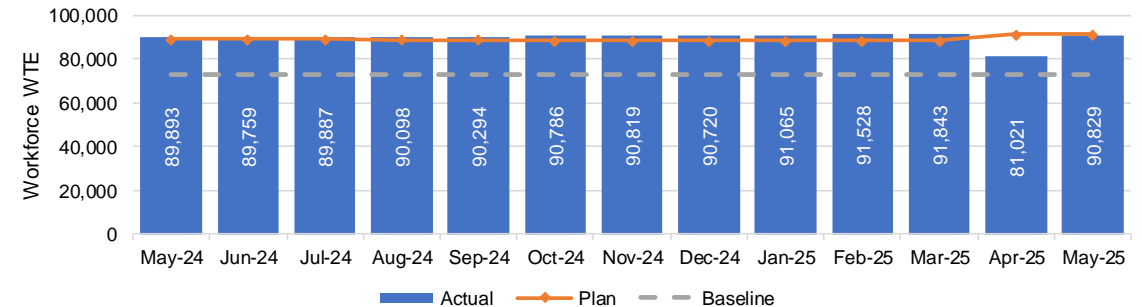


## Table 6: NENC Workforce Summary - May 2025

Workforce Spend



Workforce WTE



Workforce Spend Summary : May 2025

Workforce Spend (000's)	Latest data	12 Months Previous		Baseline		Plan	
	May-25	Value	% Diff	Value	% Diff	Value	% Diff
Agency	4,817	6,799	-29.2%	6,446	-25.3%	4,242	13.5%
Bank	15,030	15,069	-0.3%	10,433	44.1%	13,402	12.2%
Bank & Agency	19,847	21,869	-9.2%	16,879	17.6%	17,644	12.5%
Substantive	418,877	378,225	10.7%	267,722	56.5%	418,777	0.0%
Other	-132	1,524	-108.6%	39	-433.5%	-268	-50.9%
Total	438,593	401,617	9.2%	284,641	54.1%	436,153	0.6%

Workforce WTE Summary : May 2025

Workforce WTE	Latest data	12 Months Previous		Baseline		Plan	
	May-25	Value	% Diff	Value	% Diff	Value	% Diff
Agency	494	672	-26.5%	754	-34.5%	484	2.0%
Bank	3,049	3,407	-10.5%	2,878	5.9%	3,068	-0.6%
Bank & Agency	3,543	4,078	-13.1%	3,632	-2.5%	3,552	-0.3%
Substantive	87,286	85,815	1.7%	72,975	19.6%	87,752	-0.5%
Total	90,829	89,893	1.0%	76,607	18.6%	91,304	-0.5%

Total Workforce Spend is 0.6% (2,440) above plan, total Workforce WTE is 0.5% below plan. B&A Spend is 12.5% (2,203) above plan, B&A Workforce WTE is 0.3% below plan. B&A accounts for 4.5% of all workforce spend and 3.9% of all workforce WTE.

Substantive WTE is -0.5% (465) below plan.  
Bank WTE is -0.6% (20) below plan.  
Agency WTE is 2.0% (10) above plan.