



North East London

# Finance Overview

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Meeting name: ONEL JHOSC

Presenter: Henry Black, Chief Finance Officer

Date: 16 April 2024

## Finance summary

### Surplus / (Deficit) - Adjusted Financial Position

	YTD Surplus / (Deficit)			Full Year Forecast Surplus / (Deficit)		
	Plan	Actual	Variance	Plan	Forecast	Variance
	£m	£m	£m	£m	£m	£m
North East London ICB	14.1	5.8	(8.3)	15.4	14.4	(1.0)
Providers	(17.3)	(61.7)	(44.4)	(15.3)	(51.3)	(35.9)
<b>ICS Total</b>	<b>(3.2)</b>	<b>(55.9)</b>	<b>(52.7)</b>	<b>0.0</b>	<b>(36.9)</b>	<b>(36.9)</b>

- As has previously been reported, we are facing very significant financial challenges as an ICB and as a system.
- The ICS submitted an updated forecast position to NHSE moving the system forecast from a break-even position to a deficit of £36.9m
- This includes a small surplus in the ICB to offset deficits within other partners.
- The £36.9m comprises a £25m agreed deficit and a further £11.9m unfunded costs of industrial action for the period December 23 to February 24.

# ICS Month 11 Year-to-Date and Forecast Position

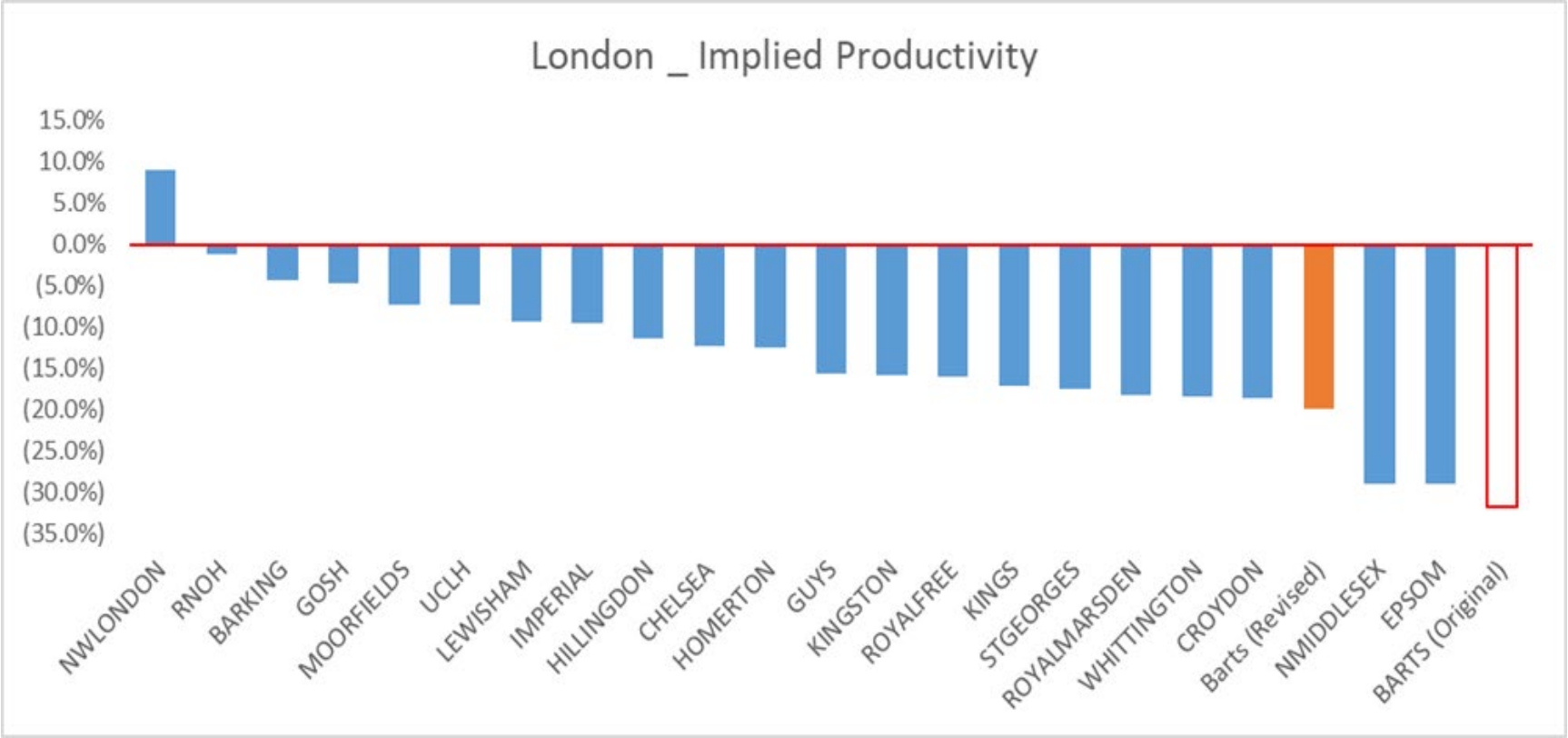
The ICB financial position is driven by the following:

- 1) **Continuing Healthcare** – there is pressure relating to undelivered efficiencies, volume growth and prices increases.
- 2) **Prescribing** – a combination of efficiency, price and activity pressures means prescribing is overspent by £31m at month 11 with a forecast overspend of circa £34m. There is a risk that the prescribing position could deteriorate further once data is available for the final quarter of 23/24.
- 3) **Mental Health** – there is a pressure on mental health and learning difficulties in relation to activity driven, high cost adult placements, section 117 and female PICU placements.

NEL providers are reporting a year-to date deficit of £61.7m which is a variance to plan of £44.4m. The key drivers for overspends at a provider level are as follows:

- 1) **Industrial action** – December to February strike days
- 2) **Efficiency and cost improvement plans** – providers reported slippage against the year-to-date and forecast position.
- 3) **Inflation** – excess costs of inflation higher than planned levels, particularly in relation to unfunded pressures from 2021 – 2023 which were funded non-recurrently
- 4) **Payroll costs** – providers have reported pressures in relation to pay, including agency staffing.

# Productivity Update



## Finance planning for 2024/25

- Despite delivering efficiencies, one-off benefits and using reserves, there is still a significant underlying financial deficit as we head into this financial year.
- Our Financial Recovery Plan continues to develop and as we move into the new financial year.
- Our operational arrangements will be supported by a detailed programme of work setting out how we will work with our partners to ensure we manage our financial resources within limits agreed with NHSE and for the best value.
- All ICBs are mandated to deliver break even at the end of this financial year (March 2025). There is national recognition that this is enormously challenging.