



North East London

Finance Overview

Meeting name: INEL JHOSC

Presenter: Henry Black, Chief Finance Officer

Date: 15 October 2025

ICS month 4 (July) 25/26 reported position

- The ICS operating plan expects a system breakeven position by year-end (£2.5m surplus for the ICB and £2.5m deficit for providers).
- To deliver this, there is an expectation that efficiencies of £367.7m will be delivered (£37.8m ICB and £329.9m providers).
- At month 4, the expected year-to-date position was a deficit of £24.4m (ICB £2.3m, providers £22.1m).
- Actual delivery against this was a deficit of £43.9m, which is an adverse variance to plan of £19.5m (ICB positive variance of £1m).

Organisation	Operating Plan - YTD			Month 12	Financial Recovery Plan - YTD	
	Plan	Actual	Variance	Forecast	FRP Plan	FRP plan var. to actual
	<i>a</i> £m	<i>b</i> £m	<i>c (b-a)</i> £m	<i>d</i> £m	<i>e</i> £m	<i>f (b-e)</i> £m
BHRUT	(3.9)	(10.1)	(6.2)	0.0	(13.8)	3.7
Barts Health	(9.5)	(22.7)	(13.2)	0.0	(22.7)	0.0
East London NHSFT	(0.9)	0.1	0.9	0.0	(0.9)	1.0
Homerton	(0.8)	(3.0)	(2.1)	(2.5)	(1.4)	(1.6)
NELFT	(7.0)	(6.9)	(0.0)	0.0	(5.4)	(1.5)
Total NEL Providers	(22.1)	(42.6)	(20.5)	(2.5)	(44.2)	1.6
NEL ICB	(2.3)	(1.2)	1.0	2.5	(2.3)	1.0
NEL System Total	(24.4)	(43.9)	(19.5)	0.0	(46.5)	2.6

- Due to the financial position, the system has been asked by NHSE to outline a financial recovery plan (FRP). The FRP remains under review with the current version suggesting a **year-to-date deficit of £46.5m compared to an actual year-to-date deficit of £43.9m**. Further updates on the FRP are being made.

NEL ICS efficiencies – month 4 overview

Efficiencies	Month 4			Forecast		
	Plan	Actual	Variance	Plan	Actual	Variance
	£m	£m	£m	£m	£m	£m
BHRUT	14.0	8.6	(5.4)	61.5	49.6	(11.9)
Barts	46.8	33.6	(13.2)	168.0	168.0	0.0
ELFT	8.9	12.8	3.8	31.9	34.4	2.4
Homerton	8.2	7.0	(1.2)	24.5	24.1	(0.4)
NELFT	7.5	8.3	0.8	44.0	44.0	0.0
Total Provider Efficiency	85.4	70.3	(15.1)	329.9	320.0	(9.8)
NEL ICB	9.5	10.7	1.2	37.8	37.8	(0.0)
Total System Efficiency	94.9	81.0	(13.9)	367.7	357.8	(9.8)

- The total system efficiency and cost improvement plan at month 4 is £94.9m.
- Of this, £81m has been delivered, leaving a year-to-date balance against plan of £13.9m (£15.1m under delivery for providers and an over delivery of £1.2m for the ICB).
- BHRUT are reporting efficiency slippage of £11.9m at year-end and the Homerton are forecasting efficiency slippage of £0.4m at year end.
- The other providers and the ICB are on plan, with a forecast over delivery reported by ELFT (£2.4m). Total forecast efficiency slippage at year-end is, therefore, £9.8m.

NEL ICS risks and mitigations

- The risk to the delivery of the ICS breakeven position is reported as part of the run rate return to NHSE. There is a risk to delivery of the financial position of £93.9m in month 4.
- The ICB expects to manage its risk through the development of further opportunities. This means that the outstanding risk is within the provider position and is reported at £93.9m.
- The largest proportion of this relates to the delivery of efficiencies, circa £65.4m There are unidentified mitigations within the run rate of circa £16m, with additional risks and mitigations of £12.5m.
- NELFT have also flagged risks to the delivery of the forecast in relation to run rate pressures, particularly in relation to ECR beds, pay costs and legal costs.
- Barts have flagged risks in relation to industrial action, demand and non-pay pressures and redundancy costs. Other providers have identified mitigations to partly offset risk, including assumptions around additional income and other run rate reductions.