NCL ICS Financial Review

JHOSC meeting 11th Sept 2023

29th August 2023

Introduction and summary

This report covers the financial position in the NHS in the North Central London ICS. The most recent financial performance and priority areas for investment is included in the main report with background information and analysis in the Appendix.

1. When we provided our most recent NCL ICS finance update in Sept 2022, the NCL ICB was just three months old. As a result, we covered the purpose of the ICB and reflected upon the system working we had been doing in recent years including some successes. We provided some background financial analysis covering ICB spend and a review of the complexities of the NCL finances including the number and types of local NHS providers and funding flows in and out of the system. We covered recent years historical financial performance and the latest in-year 22/23 financial performance.
2. This year, in Sept 2023 the ICB will be in its 15th month. NCL ICB is still a new organisation and to reflect this newness, we have repeated some slides we used last year on the purpose and direction of ICBs that are still relevant and have updated financial analysis on NCL ICB spend and that of the NHS providers in NCL. These are included in the Appendix.
3. In the main report we summarise the issues affecting the NCL ICS 22/23 outturn, the formulation of the 23/24 financial plan and 23/24 in-year performance and cover priority areas of investment.
4. Despite the significant risks in the 22/23 financial plan, the system did work together to deliver a balanced outturn in 22/23. However, we were supported by some significant technical non-recurrent financial issues that enabled us to achieve this. The financial outlook going forward, therefore, is still one of significant challenge.
5. This challenge was evident in the process of formulating a balanced system financial plan for 23/24. The 23/24 system financial plan contains as much risk, if not more, than the plan for 22/23 e.g. unidentified savings plans, reliance on non-recurrent benefits.
6. The financial position in the early months of 23/24 has been impacted by a shortfall on planned savings and by Industrial Action, including the costs of providing cover on strike days and the resultant shortfall on income of doing less elective work than planned, due to elective work funded, in 23/24, on a cost per case basis under an Elective Recovery Fund (ERF) initiative.
7. Priority areas of investment include population health, mental health and community services and our Start Well programme. We also cover an update on the St. Pancras/Oriel major capital scheme.
8. We also include some of the next steps in our local NHS financial planning.

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22/23 Outturn and 23/24 plan and in-year performance

The ICS worked together to achieve a balanced outturn in 22/23. A balanced plan was submitted for 23/24, but it contains a large level of financial risk. A month 3 NCL ICS is reporting an adverse variance to plan but is aiming to recovery this position by year-end.

22/23 outturn

- Overall financial balance was achieved but the system was reliant on non-recurrent benefits.
- The main challenges in 22/23 were
  - Covid admissions/wave for first 2/3 months of financial year
  - longer lengths of stay for emergencies, opening of escalation beds and increased delayed discharges
  - The implementation of the elective recovery scheme did not fund all local increased capacity.
  - Excess inflation - especially utilities and Retail Price Index linked increase – was not fully funded
  - Non-NHS income- had not fully recovered to pre-pandemic levels, especially where reliance is on travel from abroad.

23/24 plan

- Each organisation has a significant financial stretch/level of risk in their plan including unidentified efficiency assumptions and non-recurrent benefits.
- In addition to covering the underlying deficit, there were significant planning challenges:
  - due to unfunded excess inflation
  - reduction and change in the way Covid funding was allocated, and
  - the shortfall in covering the cost of additional elective capacity.

22/23 in-year– Month 3 position

- NCL ICS is reporting an aggregate £17.7m adverse variance at Month 3, due to several issues including:
  - The direct costs of cover for Industrial Action
  - Under delivery of planned efficiencies.

N.B. Unlike Local Authorities, NHS organisations cannot carry forward expenditure reserves from one year to another. NCL ICB will inherit the cumulative NCL CCG historical deficit and will have an obligation to repay it unless the ICB and the system are in balance for the first two years (of which balance was achieved in the first year).

			23/24		
Organisation	22/23 Outturn	23/24 plan	M3 plan	M3 Actuals	M3 Variance
	Surplus/ (Deficit)	Surplus/ (Deficit)	Surplus/ (Deficit)	Surplus/ (Deficit)	Favourable/ (Adverse)
	£'000	£'000	£'000	£'000	£'000
BEH	1,559	1,003	253	(680)	(933)
C&I	2,177	673	339	(137)	(476)
GOSH	(9,963)	620	(2,851)	(5,568)	(2,717)
MEH	7,198	3,400	(3,295)	(1,550)	1,745
NMUH	1,064	1,143	(1,773)	(2,769)	(996)
RFL	(34,626)	(36,994)	(16,586)	(26,101)	(9,515)
RNOH	3,240	41	(6,887)	(6,537)	350
T&P	(3,561)	(2,517)	(793)	(890)	(97)
UCLH	813	20,010	(2,962)	(6,711)	(3,749)
WHIT	6,638	2,000	(6,935)	(8,282)	(1,347)
Trust Total	**(25,461)**	**(10,621)**	**(41,490)**	**(59,225)**	**(17,735)**
NCL ICB	25,810	10,622	2,655	2,655	-
System Total	**349**	**1**	**(38,835)**	**(56,570)**	**(17,735)**

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Priority areas of investment

To support sustainability with more pro-active, preventative and out of hospital care we are planning to increase investment in population health management, projects to address health inequalities, community services and mental health.

NCL ICS has used the available growth to increase investment in Health inequalities projects, community services and primary care, as well as maintaining its investment in mental health.

The following slides cover our approach to

- Population Health
- Mental Health services and Community services investments
- The Start Well programme
- A major project for capital investment on the St. Pancras site.

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NCL's Population Health and Integrated Care Strategy

Our Ambition

As an integrated care partnership of health, care and voluntary sector services, our ambition is to **work with residents of North Central London so they can have the best start in life, live more years in good health in a sustainable environment, to age within a connected and supportive community and to have a dignified death.**

We want to achieve this ambition for everyone.

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We have worked with residents and partners to develop 'I' statements that define what our new system needs to feel like for our residents, our communities and our service users

A whole person

- I am treated as a whole person and you recognise how disempowering being ill is
- I am listened to and respected

Patient choice and effective self-care

- I am involved in decisions regarding my life, my health and the support or care that I need

Feeling empowered

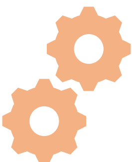
- I have the support that I need to stay healthy, both physically and mentally, and to live as independently as possible
- I am supported by people who see me as a unique person with strengths, abilities and aspirations

Information on services, communication and navigation

- I have the information and advice that I need, when I need it and in a form that I can understand

Housing and community

- I live in a safe place with access to lots of green spaces
- I feel part of a community
- I can easily access and afford local activities / services



Integrated care

- I tell my story once
- My care is coordinated across services
- When I move between services, settings or areas, there is a clear plan and the transition feels seamless

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The change we need to make

We need to move from being a collection of health and care organisations that…	to become a population health system that…	so that our residents....
are reactive and demand-driven with a high-proportion of resources focused on urgent care	is needs-driven, prioritising prevention and proactive care	stay well and in control of their health
treats individual conditions not the drivers of poor health	sees the whole person and takes action on prevention and the wider determinants of health	feel heard and confident that their care is right for them
are focussed on their services and part of the pathway	integrates care around the person and communities	feel that the system is coordinated and communicates well
are focussed on illness and dependence	works to improve life chances, prevent illness and promote physical and mental well-being	can live more of their life in good health

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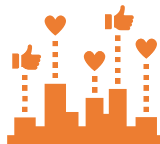
Ten principles will guide our new ways of working in our population health improvement system

To make our transition to a population health system that is needs-driven, holistic and integrated, we have identified 10 principles to guide us and examples of what that looks like in terms of changed ways of working.



Trust the strengths of individuals and our communities

We listen to our communities and develop care models that are strengths-based and focussed on what communities need, not just what services have always delivered

Break down barriers and make brave decisions that demonstrate our collective accountability for population health

We understand each other's viewpoints and take shared responsibility for achieving our ICS outcomes and our role as anchor institutions

Build from insights

We create digital partnerships and use integrated qualitative and quantitative data to understand need

Strengthen our Borough Partnerships

We build a system approach for local decision making and accountability to support local action on health inequalities and wider determinants

Mobilise our system's world class improvement and academic expertise for innovation and learning

We build the evidence base for population health improvement and innovative approaches to improve integrated working

Break new ground in system finance for population health and inequalities

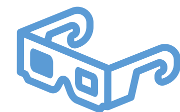
We shift our investment toward prevention and proactive care models and create payment models based on outcomes.

Build 'one workforce' to deliver sustainable, integrated health and care services

We maximise our workforce skills, efficiencies and capabilities across the system

Support hyper-local delivery to tackle health inequalities and address wider determinants

We make care more sustainable by creating local integrated teams that coordinate care around the communities they serve



Relentlessly focus on communities with the greatest need

We embed Core20PLUS5 in all our programmes with a particular focus on inclusion health to make sure no-one is left behind

Deliver more environmentally sustainable health and care services

We prioritise activity which impacts our communities' health and environment, such as transport

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Overview of mental health additional investment in 23/24

Adult Mental Health Services

In Adult Mental Health services, an additional £11.1m of recurrent funding has been invested in 23/24 to deliver services including:

- **Adult Community Transformation** is the largest area of investment across the investment portfolio (£5.3m). To ensure we are preventing crisis and inpatient admissions by focusing on supporting patients with a MH diagnosis earlier and based on MH need.
- **Neuro Developmental Disorders** (which includes ADHD and Autism) is nationally recognised as a chronically underfunded service therefore £1m will be invested this year.
- **THINK 111 and crisis lines** investment (1.3m) is a significant 23/24 service development area.

CYP Mental Health Services

In CYP Mental Health services, an additional £5.7m of recurrent funding has been invested in 23/24 to deliver services including:

- The roll out of the **CYP Home Treatment Team** (£1.2m). Due to MH need, this started as a pilot in Barnet and will roll have a phased roll out across NCL. To ensure we are meeting the needs of the most complex CYP, addressing the rising acuity in MH presentations post pandemic and preventing inpatient admissions.
- C&I boroughs have a multi agency **single point of access for CYP**. In 23/24, we are investing in a SPA in the north of NCL (£700k).
- £1.1m is being invested into **Community CYP services and CYP MH** to increase access, reduce waiting lists and times.

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Overview of community additional investment in 23/24

Adult Community Services

In Adult community services, an additional £1.7m of recurrent funding has been invested in 23/24 to:

- Provide 24 hour **catheter service** to housebound, help people manage complex incontinence issues and rapid assessment of patients at risk of hospital admission
- Offer 6 weeks home-based care to adults requiring **SLT services** to improve or maintain independence and do this consistently across NCL
- Standardise and optimise **intermediate community based bedded care** for up to 6 weeks to avoid hospital admission or to facilitate rehabilitation after discharge
- Providing a **falls prevention** service for people who need to improve balance, as part of an integrated support network, move from 5-day to 7-day service.
- To improve the numbers of patients seen within the **2 hour response time** and establish a **UCR Hub** to increase direct referrals from GPs 111, ED/SDEC, LAS, self, carer referrals and care homes via a Single Point of Access to increase admission avoidance, and reduce unnecessary ambulance conveyance

CYP Community Services

In CYP community services, an additional £2.2m of recurrent funding has been invested in 23/24 to deliver services including:

- Work towards the universal core offer to provider support to CYP and families where **therapies intervention** is needed to support development and share information
- Increasing the capacity of the Enfield **Special School Nursing** service to close the gap in provision
- Increased **autism diagnosis** capacity

Virtual Wards

Virtual wards are a priority for NHSE, and there is significant evidence that they have an impact and represent system value for money

- The £6.9m allocated to Virtual Wards in 23/24 has been organised via four key VW pathway types: Frailty/adult Hospital@home; Delirium (higher cost sub-set of Frailty); Paediatrics; and Acute-led and/or remote monitoring.
- While NHSE ambition for 40-50 beds per 100k remains (i.e. 600 VW beds in NCL), we must build a strong foundation for further expansion, including high utilisation and demonstrable impact on occupancy, and are targeting 294 beds by the end of 23/24
- By January 2024, 294 VW beds aim to mitigate the need for at least 112 acute IP beds (a further 62 acute escalation beds to be avoided in-year)

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The Start Well Programme

Drivers and work to date

Start Well has been ongoing since November 2021. It is a long term change programme focussed on secondary care maternity, neonatal and CYP services. There were several drivers to initiate the programme:

- The clear calls to action set out in the NHS Long Term Plan and the initial Ockenden Report
- The learning from the temporary changes to local children and young people's services in NCL during the COVID-19 pandemic
- External reviews of services by the CQC, NHS England and particularly the neonatal critical care review which highlighted that neonatal services need to be sustainable and fit for the future
- The health inequalities further highlighted through the pandemic and the urgent need to address them
- The opportunity to build on existing partnership working as we move into becoming a formal integrated care system

Since November 2021 the Start Well programme has published and engaged on a case for change, developed new future facing care models and commenced an options appraisal around the implementation of care models where service change may be needed.

The options appraisal is focussing on the maternity, neonatal and CYP surgery care models. The care models were designed to address opportunities to improve identified by the case for change, namely:

- Supporting workforce sustainability across maternity, neonatal service and CYP surgery
- Better utilisation of maternity capacity and reducing variation in experience and outcomes from our maternity services
- Matching neonatal demand and capacity – with particular reference to the sustainability of the RFH Special Care Unit
- Improving the organisation of paediatric surgical care

The paper that was taken to the ICB Board around the commencement of an options appraisal is here:
https://nclhealthandcare.org.uk/wp-content/uploads/2022/12/StartWell-ICB-Board-paper-221129.pdf

Financial implications

Finance and affordability have been included as part of the options appraisal evaluation and requirements around capital to deliver any option are being fed into the wider system prioritisation.

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St. Pancras / Project Oriel

One of the NHS's largest capital schemes is being implemented within NCL.

Key facts

- The St Pancras hospital site in Camden will be entirely redeveloped.
- The site is 5 acres in size and lies to the NW of St Pancras station.
- A new building for Moorfields Eye Hospital (Oriel) (c.£400m) to replace their existing City Road site is being built on 2 acres of the site.
- The remaining 3 acres will be redeveloped with a mixture of NHS buildings (including a new facility for Camden & Islington NHS Foundation Trust), office, retail and residential spaces.
- Planning permission and all necessary approvals for the land transfer to Moorfields and the construction of the new hospital have been secured and construction of the Moorfields building has started.
- The new Moorfields Eye Hospital is expected to be ready in 2027.
- The redevelopment of the remainder of the site is anticipated to start in 2025 (with NHS elements complete in 2028).

Issues and risks to manage

- It is a hugely complex combined project involving the decant and move of a number of services currently on the site across a number of different NHS bodies (including Moorfields Eye Hospital, Camden & Islington, Central & North West London and Royal Free London NHS Foundation Trusts).
- The c£400m funding for the new Moorfields Eye Hospital (Oriel) will come from the National Hospital Programme, UCL, the Moorfields Eye Charity and the sale of the existing City Road site. Moorfields Eye Hospital, the National Hospital Programme, the NHSE London Region and the ICB are all involved in the Oriel governance arrangements.
- The Oriel construction is taking place while the remaining 3 acres are still occupied so must ensure that construction does not disrupt clinical operations that are continuing to be delivered from the remainder of the site.

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Next Steps

There are a number of system financial planning next steps including managing 23/24 and planning ahead for 24/25 and future years.

NHS Financial Planning next steps include:

- Forecasting and year-end management of the 23/24 revenue and capital positions.
- Preparation for 24/25-25/26 – in the form of a Medium-Term Financial Plan submission to NHSE in Sept/Oct – to include ICB investment priorities whilst addressing the underlying financial deficit. We are aiming to formulate this plan with system groups to maximise the system focus on and ownership of the plans e.g. elective recovery and productivity, non-elective capacity, diagnostics, prescribing, mental health, community, non-pay, corporate and estates.
- Receipt of national NHSE operational and financial planning guidance expected Oct-Dec
- Refresh of capital pipeline – prioritisation and distribution of ICS capital funding for 24/25.

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Appendix – NCL ICS background information and analysis

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Summary of NCL ICS background information and analysis

The Appendix covers the purpose and role of ICBs, it's spending profile and the types and nature of funding flows in and out of the system. As well as historic financial performance as context for the most recent NCL financial position.

1. ICBs are responsible for allocating NHS budget and commissioning services, having inherited the responsibilities of CCGs. In addition, ICBs have a duty to lead collaborative working across the ICS, which is made up of local health and care organisations and local councils.
2. ICBs and ICSs have a number of financial responsibilities including a duty to seek to achieve system financial balance each financial year.
3. The NCL system has been working collaboratively on financial issues for several years before the ICB started and can point to a number of successes.
4. NCL is a complex health and care economy with 10 major providers with a combined income of around £5.6bn, two NWL providers running two boroughs' community services, five local authorities and 33 primary care networks.
5. The NCL NHS providers receive income from a number of sources. The system is a net importer of activity and this is clear from the size of the provider income (£5.6bn) being in excess of the NCL ICB budget for its population of £3.5bn.
6. The strategy is for the ICB to spend a greater proportion of the budget on pro-active and preventative care and out of hospital services in order to require less hospital provision to support sustainability. We are planning to increase investment in population health management, projects to address health inequalities, community services and mental health.
7. There have been a number of changes to the NHS financial regime in response to the pandemic which supported the local financial position. However, as we come out of the covid period we face many financial challenges.

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ICBs & ICSs

ICSs are local health and care and local councils working in joined-up ways. ICBs are responsible for allocating NHS budget and commissioning services.

ICS

- North Central London is made up of five boroughs – Barnet, Camden, Enfield, Haringey and Islington, with around 1.6 million residents living here.
- North Central London Integrated Care System (NCL ICS) brings together local health and care organisations and local councils to work in joined-up ways to improve health outcomes for residents and tackle inequalities that currently exist.

ICB

- The NHS North Central London Integrated Care Board (ICB) is responsible for allocating NHS budget and commissions services. ICBs are a key change in the Health and Care Bill, and have replaced Clinical Commissioning Groups. These changes came into effect on 1 July 2022.
- Integrated Care Boards are a statutory NHS organisations responsible for developing a plan for meeting the health needs of the population, managing the NHS budget and arranging for the provision of health services in the ICS area.
- NCL ICB will build on existing commitments, programmes and ambitions. The principles informing the work of the ICB are:
  - **Taking a population health approach:** We need to continue to develop the way we plan services to take into account the needs of people and communities, acknowledging the wider determinants of health. This will support tackling health inequalities across and within the communities we serve.
  - **Evolving how we work with communities:** Embedding co-design with partners and communities in planning and designing services, and developing systematic approaches to communications and community engagement.
  - **Continued focus on boroughs:** Partnership working within boroughs is essential to enable the integration of health and care and to ensure provision of joined up, efficient and accessible services for residents.
  - **Learning as a system:** We have learnt a lot as a system throughout both our response to COVID-19 and our efforts to recover. Capturing this learning across primary care, social care, community, mental health and hospital services will guide our next steps for both individual services and system approaches.
  - **Acting as a system to deliver a sustainable health and care system:** Providing high quality services enabled by workforce, finance strategy, estates, digital and data.

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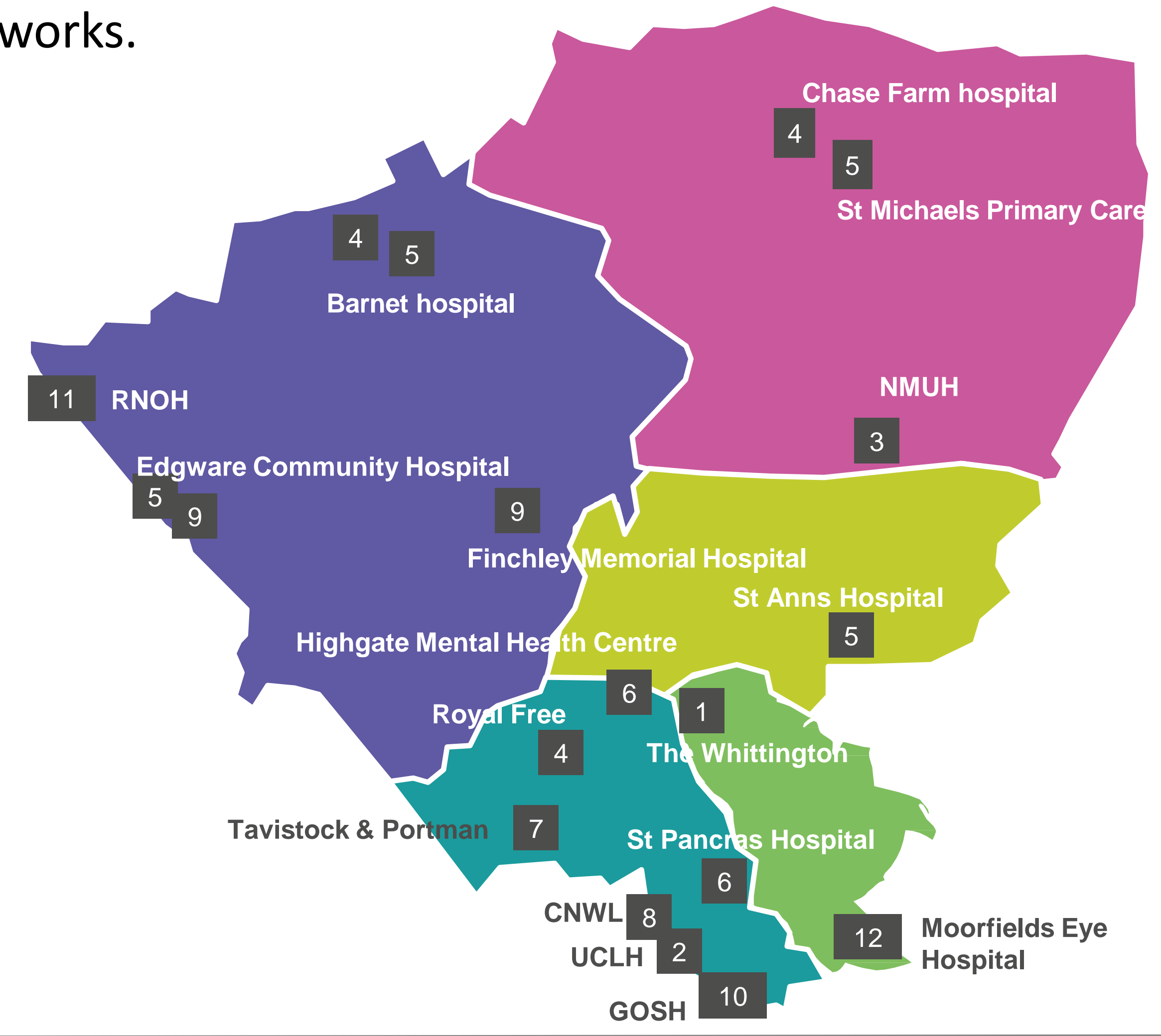
The NCL Integrated Care System

NCL is a complex health and care economy with 10 major providers with a combined income of around £5bn, two NWL providers running two boroughs' community services, five local authorities and 33 primary care networks.



NHS Providers

1. Whittington Health NHS Trust
2. University College London Hospitals NHS Foundation Trust (UCLH)
3. North Middlesex University Hospital NHS Trust (NMUH)
4. The Royal Free London NHS Foundation Trust
5. Barnet, Enfield and Haringey Mental Health NHS Trust
6. Camden and Islington NHS Foundation Trust
7. Tavistock and Portman NHS Foundation Trust
8. Central and North West London NHS Foundation Trust (CNWL)
9. Central London Community Healthcare NHS Trust (CLCH)
10. Great Ormond Street Hospital for Children NHS Foundation Trust (GOSH)
11. Royal National Orthopaedic Hospital (RNOH)
12. Moorfields Eye Hospital NHS Foundation Trust

Finance System working (For Sept 2022 report)

North Central London Integrated Care System

The NCL system has been working collaboratively on financial issues for a number of years and can point to a number of successes, including:

- Clear financial principles agreed by all Boards, including viewing every financial decision from a system (not organisation) perspective.
- Successful agreement of deployment of Covid funding throughout 2021/22 and into 2022/23.
- Agreed approach to 2022/23 contracts.
- Community services and mental health reviews have been undertaken.
- CFO group, chaired by ICS finance lead, in place fortnightly and making decisions on behalf of the system.
- System Management Board, chaired by CEO designate, meet fortnightly.
- System capital allocation process agreed 20/21 to 22/23.
- Health inequalities fund in place in 2021/22 for most deprived wards and boroughs and 2022/23.
- North London shared service set up, initially focussed on shared recruitment across NCL.
- Orthopaedic hubs established with increasing productivity, and new surgical and bed capacity open.
- Investment of funding into wider system to support elective recovery.
- UCL health alliance of all providers (including primary care) established with chair/CEO in post.

With the establishment of the ICB, the arrangements in place to support the financial governance in the ICS include:

- ICB Board and Finance Committee.
- System management Board meets monthly on system Financial Recovery.
- Continuation of ICS CFO group.
- Establishment of system financial recovery groups.
- Dedicated finance staff supporting the system financial strategy, transformation projects, planning and monitoring.

Overall financial strategy and vision

We have agreed the following top priorities for NCL's financial strategy, underpinned by principles for how we will work together.

1. We are focussed on improving the health of the population in North Central London within our available resources
2. We will address health inequalities across the sector and within our boroughs as a priority
3. We will maximise what we do locally in North Central London

The way we work

- We will focus on the benefit to the system, not on the impact to the individual organisation
- We will ensure no individual organisation loses out for doing something in the benefit of the wider system
- Strong clinical and operational engagement in everything we do
- Close working with primary care and with local authority partners
- Shared acknowledgement that system working will be required to address the challenges we face
- We will be open and transparent with each other, sharing data and financial information
- We will implement joint planning and more standardised processes across the system
- We will hold each other individually and jointly accountable for system sustainability
- We will focus on reducing the cost of service delivery, not income generation

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NHS National Financial Rules

Rule	ICB	System
Capital resource limit		Collective duty to act with a view to ensuring that the capital resource use limit set by NHS England is not exceeded.
Revenue resource limit		Collective duty not to exceed the limit set by NHS England.
Duties to break even / achieve financial balance	Duty to act with a view to ensuring is expenditure does not exceed the sums it receives.	Objective to breakeven - i.e. duty to seek to achieve objective of system financial balance.
Financial apportionment	Revenue and capital resources of all trusts apportioned exclusively to a principal ICB.	
ICB Administration costs	Duty not to exceed the limit set by NHS England.	
Risk management	Local contingency decision required to show how financial risks will be managed.	
Prior year under and overspends		Maintain as a cumulative position.
Repayments of prior year overspends		All overspends are subject to repayment.
Mental Health Investment Standard	Comply with standard as set out in relevant planning guidance.	
Better Care Fund	Comply with minimum contribution as set out in relevant planning guidance.	

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NCL ICB Spending profile

The chart shows the proportion of 23/24 £3.5bn planned expenditure on services for the NCL population.

- The strategy for the ICB is to spend a greater proportion of the budget on pro-active and preventative and out of hospital services in order to require less hospital provision.
- **The pie chart opposite contains planned annual costs in 23/24. The table below splits this by in-sector and out of sector.**
- The 2023/24 planned spend includes pharmacy, optometry and dentistry for the first time – as these services have now been delegated from NHSE to ICBs.
- From 24/25 the intention is for the ICB to be accountable for specialist commissioning services. This will have a material impact on the overall funding for which the ICB is responsible and will change the spending profile.

23/24 NCL ICB Planned Spend	Total £'000	Planned spend with NHS trusts in-sector £'000	Planned spend with NHS Trusts out of sector £'000	Other Planned Spend £'000
Acute	1,724	1,470	216	37
Mental Health	437	338	13	86
Community Health	340	156	95	89
Continuing Care	140	0	0	140
Primary Care	250	0	0	250
Other Programme	95	1	0	94
Delegated Primary care	448	0	0	448
Running Costs	26	0	0	26
Total ICB Spend	**3,461**	**1,965**	**325**	**1,170**

ICB 23/24 PLANNED EXPENDITURE (£'M)

Category	£'M	%
Acute	£1,724	50%
Mental Health	£437	12%
Community Health	£340	10%
Continuing Care	£140	4%
Primary Care	£250	7%
Other Commissioned Services	£22	1%
Other Programme	£73	2%
Delegated Primary Care	£448	13%
Running Costs	£26	1%

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NCL Provider Funding Profile (23/24)

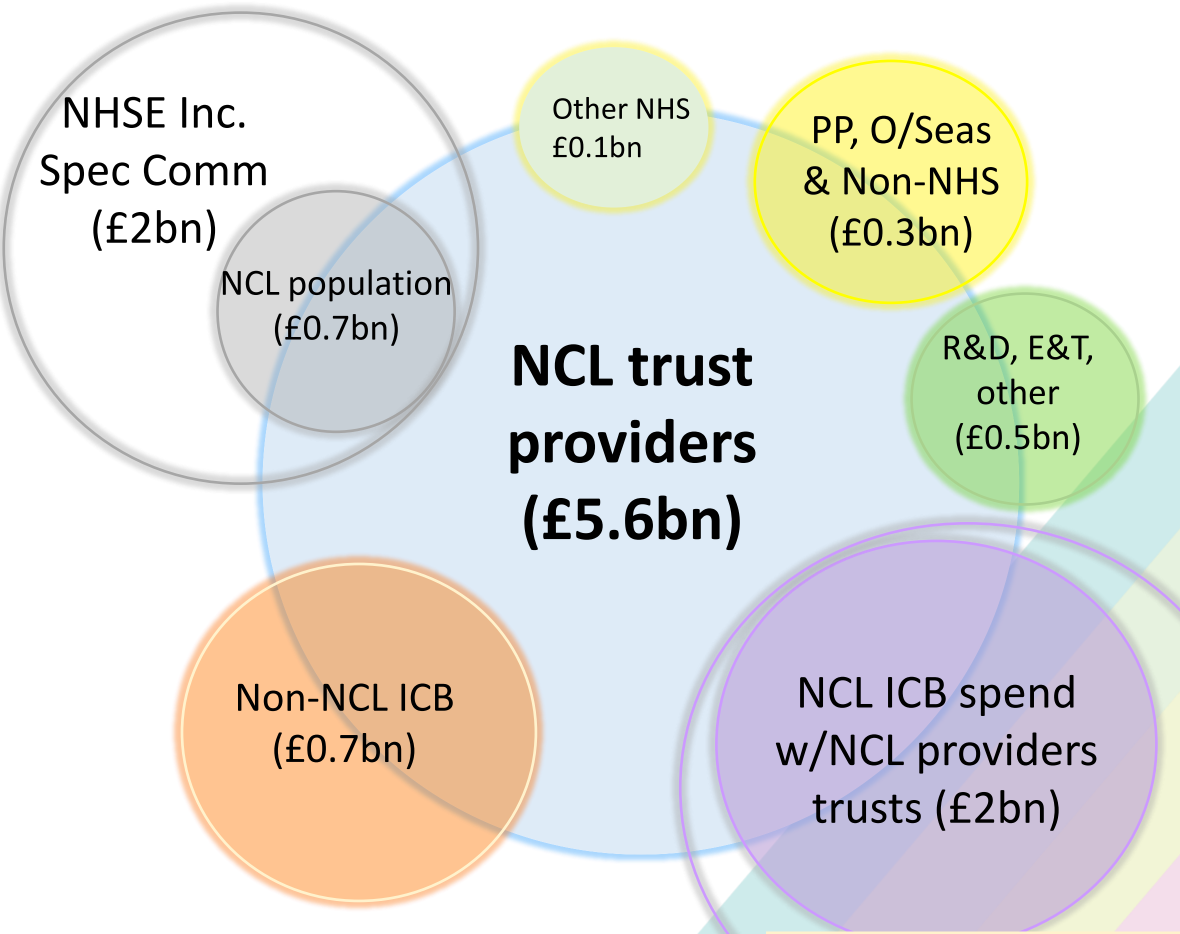
The NCL NHS providers receive income from a number of sources. The system is a net importer of activity and this is clear from the size of the provider income (£5.6bn) compared to the NCL ICB budget for its population of £3.5bn.

The total planned income for the 10 NCL trust providers is c£5.6bn.

Of this broadly c£2.7bn is spent on NCL patients with c£2bn is received from NCL ICB and c£0.7bn from NHSE for Specialist services.

The balance is for treating non-NCL patients (c£2bn) and other patient care (c£0.3bn) and non-patient care income (c£0.6bn).

There is a more detail at a trust level on the following slide that demonstrates the extent to which trust provide local services for NCL patients and the extent to which they provide specialist services (a proportion of which is for NCL patients).



Providers in NCL ICS

NCL is a complex health economy with a variety of types and sizes of providers, including three single speciality providers and a large component of specialist services.

Trust	High level description of services / localities	23/24 Annual planned Income	Of which NCL ICB	Of which NHSE/Specialist services
Barnet, Enfield, & Haringey MH Trust	Local secondary and tertiary mental health services (including being lead provider for North London Forensic consortium) covering the 3 borough in the north of NCL.	£396m	£178m (45%)	£177m (45%)
Camden & Islington MH Trust	Local secondary mental health services for boroughs in south of NCL. Hosts Psychotherapy training consortium.	£204m	£135m (66%)	£0m (0%)
Great Ormond Street Hospital	Tertiary paediatric services including national specialities.	£676m	£15m (2%)	£444m (66%)
Moorfields	Secondary and tertiary ophthalmic services. Provides services in sites across London.	£295m	£30m (10%)	£29m (10%)
North Middlesex	Local Secondary acute service with some specialist services, mainly covering Enfield and Haringey populations. Also provides Enfield Community services.	£473m	£334m (71%)	£67m (14%)
Royal Free London	Local and tertiary acute services. Includes Royal Free hospital, Barnet Hospital and Chase Farm Hospital. Local services mainly covering populations in Barnet, Enfield and Camden. Has a large teaching component.	£1,369m	£548m (40%)	£440m (32%)
Royal National Orthopaedic Hospital	Local and tertiary orthopaedic services, whose main site is in Stanmore (NWL).	£201m	£22m (11%)	£83m (42%)
Tavistock & Portman	Local and tertiary psychotherapy provider. Has a large education and training function.	£67m	£14m (21%)	£16m (24%)
University College London Hospital	Local secondary and tertiary acute services. Local services cover mainly Camden and Islington populations. Has a large teaching component.	£1,548m	£352m (25%)	£704m (46%)
Whittington Health	Local secondary acute and community services provider. Local acute and community services cover mainly Haringey and Islington communities.	£410m	£306m (75%)	£34m (8%)
Total		**£5,639m**	**£1,934m (34%)**	**1,997m (35%)**

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Recent NCL historic financial performance

North Central London Integrated Care System

The change in the NHS financial regime in response to the pandemic supported the local financial position. However, as we came out of this period, we face many financial challenges.

Pre-Covid 18/19 & 19/20

- The table opposite includes the outturn position for NCL organisations for 18/19 and 19/20 – the last two "normal" financial years before the Covid pandemic – only the last month of 19/20 was affected by Covid.
- Pre-pandemic NCL had been able to broadly achieve its financial duties through a number of non-recurrent measures. For example, both UCLH and Whittington benefitted from profit on sale of assets in 18/19. The NHSI finance regime operating in 18/19 rewarded Trusts that were able to report a surplus with additional funding which increased the surplus further. 18/19 was the last year that Trusts could include profits on the sale of assets in their financial performance.
- However, the financial performance in 19/20, an overall deficit of £95m, indicated the scale of the financial challenge that the system faced when planning for 20/21 and going into the 20/21 planning round (before the first lockdown in March 20) it had not formulated a financially balanced plan.

Covid financial regime 20/21 & 21/22

- The NHS financial framework adapted significantly during the COVID-19 pandemic to enable a focus on meeting urgent operational pressures. Initially there was a financial top-up system to bring trusts back into financial balance. This then moved back to a cash limited system, but at a higher level of investment, moving away from the national tariff system to national block contract payments for providers.
- Systems received non-recurrent Covid funding to support services with the increased costs of sickness, security and preventing infection. Trusts also received Elective Recovery Fund funding to cover additional costs of tackling the backlog and to incentivise the increase in elective activity.
- In 21/22 NCL ICS system generated a £89m surplus due to:
  - Windfall gain from national elective recovery fund scheme in Q1 of 21/22.
  - Non-recurrent technical benefits
  - Underspends due to reduced elective work in covid waves during the financial year.

Post Covid period

- Over the pandemic period, the NCL system used the additional non-recurrent funding to increase capacity in ITU and elective and emergency bed capacity to improve resilience. In acute providers there has been broadly a 10% increase in WTE.
- As the local system comes out of the pandemic period into a more financially constrained environment, we face a challenge to reduce the cost base built up on non-recurrent funding.
- The focus now also needs to move towards getting back to a delivering efficiencies on an annual basis as was the case pre-pandemic.

	Pre-Covid		Covid financial regime	
Organisation	18/19 Outturn Surplus/(Deficit) £'000	19/20 Outturn Surplus/(Deficit) £'000	20/21 Outturn Surplus/(Deficit) £'000	21/22 Outturn Surplus/(Deficit) £'000
BEH	(182)	1,114	1,562	22,629
C&I	6,244	1,832	72	1,017
GOSH		4,660	12,895	(4,394)
MEH	11,422	390	6,163	19,773
NMUH	(3,184)	50	832	19,081
RFL	(67,081)	(30,715)	(381)	7,200
RNOH	(13,370)	(10,783)	1,846	11,931
T&P	2,735	218	675	(11,424)
UCLH	79,589	(15,855)	11,761	19,715
WHIT	28,190	50	50	496
Trust Total	**44,363**	**(49,039)**	**35,475**	**86,025**
NCL CCGs	(50,523)	(45,629)	3,323	3,298
System Total	**(6,160)**	**(94,668)**	**38,798**	**89,323**

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