

NHS England Board meeting

Paper Title: Financial performance update

Agenda item: 4.2 (public session)

Report by: Julian Kelly, Chief Financial Officer

Paper type: For discussion

Organisation Objective:

NHS Mandate from Government Statutory item

NHS Long Term Plan Governance

NHS People Plan

Executive summary:

This paper provides the Board with an update on the month 11 financial position for 2022/23.

Action required:

The Board is asked to note the month 11 2022/23 financial performance of the NHS.

MONTH 11 2022/23 FINANCIAL POSITION

Headline revenue position

- Table 1 sets out the revenue expenditure position to the end of February 2023 and the forecast for the year. Compared to plan, the aggregate YTD provider and commissioner position shows expenditure to be above plan by £378m (0.3%). The forecast expenditure of £156bn is £125m below plan (0.1%).

Table 1: Financial position at month 11

Expenditure Basis	Year to Date			Forecast Outturn		
	Plan	Actual	Under/(over) spend	Plan	FOT	Under/(over) spend
	£m	£m	£m	£m	£m	£m
Systems	107,698	108,442	(744)	118,369	118,886	(517)
ICB Net Expenditure	107,216	107,407	(191)	117,982	118,145	(163)
Provider Expenditure	103,477	108,131	(4,654)	112,794	117,757	(4,963)
Provider Income	(102,995)	(107,096)	4,101	(112,406)	(117,015)	4,609
Specialised Commissioning	20,868	20,754	114	22,988	22,760	228
Other Direct Commissioning	6,455	6,179	276	7,047	6,755	293
Central Costs	5,740	5,514	226	6,611	6,384	226
Transformation & Reserves	-	-	-	1,100	830	270
Technical & ringfenced adjustments	(22)	247	(269)	(26)	348	(375)
Total - non-ringfenced RDEL	140,739	141,136	(397)	156,089	155,964	125

- Systems have overspent against plan by £744m for the first 11 months of the year. This variance is largely caused by operational pressures, in particular

higher levels of COVID and sickness absence. As a result at month 11, having formally reviewed their forecasts, sixteen systems now forecast to overspend compared to their plan for the year, a combined forecast overspend of £517m. The majority of forecast deficits equate to less than 1% of total allocation.

3. Underspends against NHS England central costs are due to the recruitment freeze as we downsize NHSE to deliver on the 30% and up to 40% commitment, and also due to increased expenditure controls.

Headline capital position

4. To month 11, excluding the impact of IFRS16, providers have spent £4,532m of capital, which represents 64% of the full year budget. This compares to 65% at the same stage in 2021/22. Primary care spend was £100m meaning total capital spend across providers and commissioners was £4,632m. Based on provider and commissioner reports at Month 11 we are currently forecasting expenditure to be £19m (0.3%) below the CDEL allocation for the year, although there are still significant risks to expenditure given year to date spend is slightly below previous years. We are engaged in active management across the capital budgets to ensure spend is maximised, but allocations are not exceeded by the year end.