Lancashire and South Cumbria Integrated Care Board

Integrated Care Board

Date of meeting	5 November 2026
Title of paper	Finance performance report – month 6 2026/27
Presented by	Mark Bakewell, Chief Finance Officer
Author	Emma McGrath, Director of Financial Management
Agenda item	11
Confidential	No

Executive summary

The report provides an overview of the M6 financial position for 2026/27 financial year (as at 30th September 2026).

The ICB is reporting on plan for both YTD and Forecast Outturn, based on the utilisation of the waste reduction programme (WRP) and other mitigations.

The ICB's 26/27 plan requires a minimum delivery of c.£215m cost mitigations 2026/27 to achieve the required financial position (resulting in a £34.9m deficit as per NHSE control total which would attract deficit support funding).

The original mitigation plan comprises three primary components:(WRP c.£127m / Organisational Change (c.£36m) and Other Mitigations (c£52m)) with Operational Plans were developed in accordance with NHS planning guidance, particularly regarding

- resetting of contract baselines in accordance with national payment & contracting rules for the 26-27 financial year,
- commissioning sufficient activity to deliver constitutional standards
- reflecting national assumptions on price / volume growth in a range of commissioning expenditure areas

At Month 6, the Financial Improvement Programme totals £222.1m, comprising £190.9m against the original programme, £9.0m non-recurrent measures, £16.5m additional WRP and £5.7m further unidentified stretch. Delivery to date is £74.8m and the risk-adjusted assessment indicates £24.4m of delivery risk.

The Month 6 position includes operational pressures on a number of areas of commissioning budgets including ADHD & Autism packages of care, costs associated with weight management services and prescribing

Delivery of the ICB financial position requires further mitigation and focus on delivery during the second half of the year.

Public and Stakeholder Engagement
N/a
Recommendations
The Board is asked to note • The reporting position as at M6 (September 2026) in respect of the year to date position • Relevant risks and issues as described with the report in respect of outturn position, including assessment of risk adjusted position based on application of modelled risk adjustment factor.

Which Strategic Objective/s does the report relate to:		Tick
SO1	To improve population health and reduce inequalities through effective strategic commissioning.	✓
SO2	Commission high quality, safe and accessible services that deliver better and more equitable outcomes and patient experience.	✓
SO3	To develop and sustain the workforce, leadership and organisational capability required to operate as an effective strategic commissioner.	
SO4	Improved financial sustainability through directing available resources to deliver the greatest possible value.	✓
SO5	To deliver agreed national and local outcomes through a balanced focus on performance, improvement and long-term system resilience.	✓

Implications	Yes	No	N/A	Comments
Associated risks	✓			
Are associated risks detailed on the ICB Risk Register?	✓			
Financial Implications	✓			

Where paper has been discussed (list other committees/forums that have discussed this paper)

Meeting	Date	Outcomes
ICB Finance and Contracting Committee	2 November 2026	As per Committee Chair assurance and escalation report

Conflicts of interest associated with this report
Not applicable.

Impact assessments	Yes	No	N/A	Comments
Quality impact assessment completed			✓	
Equality impact assessment completed			✓	
Data privacy impact assessment completed			✓	

Report authorised by:	Mark Bakewell, Chief Finance Officer

Integrated Care Board – 5 November 2026

Finance Performance Report – Month 6 (September) 2026

1. Introduction

1.1 This paper reports the Month 6 financial position for Lancashire & South Cumbria ICB, reflecting available information as at 30 September 2026.

2. Month 6 Financial Performance Duties

2.1 The financial performance duties table provides the ICB position at the end of September 2026, including statutory financial metrics, cash performance and Better Payment Practice Code performance.

2.2 Further commentary on the relative measures are included within report

Table 1: Financial Performance Indicators

ICB FINANCIAL PERFORMANCE TARGETS		YTD	FORECAST OUTTURN	NOTES
ICB expenditure does not exceed Income (0% deficit)		On plan	Actions in place to achieve plan	The ICB has reported a year-to-date breakeven at month 6.
ICB does not exceed Revenue Resource Limit		On plan	Actions in place to achieve plan	
ICB does not exceed Capital Resource Limit		On plan	On plan	
ICB does not exceed Admin Running Costs Allowance		Actions in place to achieve plan	On plan	The ICB is forecasting to remain within its running cost allocation for 2026/27 but work is ongoing to respond to the reorganisation requirements for the future.
OTHER FINANCIAL METRICS		**YTD**	**FORECAST OUTTURN**	**NOTES**
ICB does not exceed Cash Limit		On plan	On plan	
ICB meets Better Payment Practice Code	NHS	Miss to plan	Actions in place to achieve plan	The ICB has not met the BPPC target levels in all areas for month 6 and is therefore reporting a cumulative YTD and forecast performance miss to plan. A recovery action plan is in development with initial outline plan included within the slides to improve Better Payment Practice Code compliance across NHS and non-NHS payments.
	Non NHS	On plan	Actions in place to achieve plan	

Key	
On plan	On plan
Actions in place to achieve plan	Actions in place to achieve plan
Miss to plan	Miss to plan
Information not available	Information not available

3. Current Financial Performance

3.1 At the end of Month 6, the ICB is reporting a year-to-date breakeven position against plan, supported by delivery of the Waste Reduction Programme and other mitigations.

Table 2: Expenditure Variance Analysis

Summary Income and Expenditure	Year-to-Date : Month 01-06		
	Budget	Actual	Variance Favourable / (Adverse)
	£000	£000	£000
Revenue Resource Limit	2,861,982	2,861,982	0
Total Allocations	**2,861,982**	**2,861,982**	**0**
Acute Services (excl Ind Sector)	1,247,515	1,243,282	4,233
Acute Services - Independent Sector	62,757	61,709	1,048
Mental Health & LDA Services	302,434	314,700	(12,266)
Community Services	198,125	202,522	(4,397)
Continuing Care Services	183,256	189,441	(6,185)
Primary Care - Prescribing	179,645	171,022	8,623
Primary Care - Other Services	43,593	30,393	13,201
Other Commissioned Services	15,540	15,255	285
Other Programme Services	24,445	24,121	324
Reserves/Contingencies	(18,696)	0	(18,696)
Delegated - Primary Care	324,434	323,117	1,316
Delegated - Specialised Commissioning	284,156	275,545	8,611
Healthcare Sub Total	**2,847,205**	**2,851,108**	**(3,903)**
Running Costs	14,777	10,874	3,903
Total Expenditure	**2,861,982**	**2,861,982**	**(0)**
Surplus / (Deficit)	**0**	**(0)**	**(0)**
Surplus / (Deficit) excluding Deficit Support Funding	**(17,453)**	**(17,453)**	**0**

3.2 The ICB is reporting on plan for both YTD and Forecast Outturn, based on the utilisation of WRP and other mitigations. The main areas of note are:

Programme	YTD variance	Key drivers
Combined Acute Services	**£5.3m favourable**	Prior-year benefit £3.5m; in-year pressures £5.4m, including £8.0m demand-management pressure; offset by £7.2m higher YTD WRP savings. Position includes Month 4 freeze/Month 5 flex contract data and £23.5m net underperformance aligned to other mitigation assumptions.
Mental Health and LDA	**£12.2m adverse**	Prior-year costs £9.9m, ADHD £1.0m, autism packages £2.1m and WRP under-delivery £1.0m, partly offset by £1.7m on other MH/LDA packages.
Community	**£4.4m adverse**	Prior-year charges £0.8m; weight management £2.2m and termination of pregnancy £0.4m, offset by £0.6m audiology underspend; WRP under-delivery £2.7m.
Continuing Care	**£6.2m adverse**	Prior-year £1.7m and in-year CHC/FNC £3.8m pressures, including external support costs, partly offset by £1.8m WRP over-delivery.
Prescribing	**£8.6m favourable**	Prior-year benefit £4.6m and £8.6m higher WRP savings, offset by £4.6m higher in-year drug costs based on Month 4 BSA data.
Primary Care other	**£13.2m favourable**	Prior-year £9.3m and WRP delivery £3.6m ahead of plan.

Reserves and contingencies	**£18.7m adverse**	Cost of Commissioning allocation adjustment £13.2m and net in-year impacts £5.4m, including £8.6m specialised commissioning offset.
Delegated Specialised Commissioning	**£8.6m favourable**	Release of contingency in line with planning assumptions.
Running costs	**£3.9m favourable**	Mainly staff vacancies and the continuing impact of 2025/26 voluntary redundancy.

3.3 NB At plan submission - Other Services and Running Costs include an indicative distribution of the 'Cost of Commissioning' allocation adjustment prior to the agreement of the final staffing structure response to the operating model.

3.4 Cost of Commissioning adjustment reflects 6/12 (£17.9m) of resource limit adjustment (full year £35.9m) with mitigations (eg impact of vacancies from VR1 scheme) reflected within Reserves/Contingencies and Running costs. As previously reported, the Cost of Commissioning allocation adjustment (*) is currently within the ICB's Reserves/ Contingencies budget pending the final transaction of the staffing structure. Once finalised, a budget virement will be transacted to amend budgetary values. This transfer has taken place since M5 and will be completed in M8/9.

3.5 The below table provides an overview of the breakdown of the year to date position reflecting the various factors driving the variances as per the reporting position above

Table 3: Variance Analysis

Variance Explanation	Year-to-Date : Month 01-06				
	Prior Year Impact	In-year Impact	WRP Over / (Under)-delivery	Cost of Commissioning	Total
	£000	£000	£000	£000	£000
Acute Services (excl Ind Sector)	(624)	1,196	3,661	0	4,233
Acute Services - Independent Sector	4,106	(6,610)	3,552	0	1,048
Mental Health & LDA Services	(9,885)	(1,417)	(964)	0	(12,266)
Community Services	(775)	(887)	(2,735)	0	(4,397)
Continuing Care Services	(1,694)	(6,290)	1,799	0	(6,185)
Primary Care - Prescribing	4,637	(4,641)	8,627	0	8,623
Primary Care - Other Services	9,328	305	3,568	0	13,201
Other Commissioned Services	0	285	0	0	285
Other Programme Services	0	1,024	(700)	0	324
Reserves/Contingencies	0	(5,466)	0	(13,231)	(18,696)
Delegated - Primary Care	0	(97)	1,413	0	1,316
Delegated - Specialised Commissioning	0	8,611	0	0	8,611
Running Costs	0	(92)	0	3,995	3,903
Total Expenditure Variance	**5,093**	**(14,079)**	**18,221**	**(9,236)**	**(0)**

Year to Date Waste Reduction Plan (WRP) & Non-Recurrent Savings Position

3.6 Month 6 WRP delivery is £47.3m against a year-to-date ledger plan of £29.1m, an over-delivery of £18.2m. This primarily reflects schemes realised earlier than profiled and prescribing savings of £15.2m delivered year to date.

3.7 Non-recurrent measures of £9.0m are reported separately from WRP but support the in-year financial position.

Table 3: ICB WRP delivery (plus non-recurrent)

Summary by Delivery Unit	Year-to-Date : Month 01-06		
	Plan £000	Actual Delivered £000	Variance Over/(Under) Delivery £000
Acute	138	7,351	7,213
Community	3,298	563	(2,735)
Primary Care	2,421	7,402	4,981
AACC	10,401	12,200	1,799
Mental Health & LDA	5,629	4,665	(964)
Prescribing	6,534	15,161	8,627
Other Services	700	-	(700)
	29,121	**47,341**	**18,221**

4. Forecast Outturn

4.1 The ICB is forecasting a breakeven position in line with the 2026/27 plan, subject to delivery of required mitigations and active management of operational, contractual and programme risks.

4.2 The forecast assumes delivery of the Financial Improvement Programme, including WRP, organisational change and other mitigations. The Month 6 risk-adjusted assessment identifies approximately £24.4m of delivery risk, with further management action required during the second half of the year.

4.3 Key operational pressures reflected in the forecast include ADHD £1.0m, autism £3.0m, weight management £4.3m, prescribing £6.4m and CHC/FNC £2.8m.

4.4 The Cost of Commissioning allocation adjustment remains within reserves and contingencies pending completion of the staffing structure budget virement. Transfers commenced in Month 5 and are expected to be completed in Months 8–9.

Table 4: Forecast Outturn

Summary Income and Expenditure	Final Outturn : Month 01-12		
	Annual Budget £000	Final Outturn £000	Variance Favourable / (Adverse) £000
Revenue Resource Limit	5,678,210	5,678,210	(0)
Total Allocations	**5,678,210**	**5,678,210**	**(0)**
Acute Services (excl Ind Sector)	2,463,158	2,465,688	(2,530)
Acute Services - Independent Sector	123,077	120,703	2,374
Mental Health & LDA Services	592,785	598,846	(6,061)
Community Services	397,759	403,047	(5,288)
Continuing Care Services	358,388	357,067	1,322
Primary Care - Prescribing	358,385	353,166	5,219
Primary Care - Other Services	73,622	71,368	2,254
Other Commissioned Services	31,176	30,135	1,041
Other Programme Services	50,212	51,699	(1,486)
Reserves/Contingencies	(38,259)	(18,025)	(20,234)
Delegated - Primary Care	663,722	663,582	140
Delegated - Specialised Commissioning	575,927	558,706	17,221
Healthcare Sub Total	**5,649,953**	**5,655,981**	**(6,028)**
Running Costs	28,257	22,229	6,028
Total Expenditure	**5,678,210**	**5,678,210**	**(0)**
Surplus / (Deficit)	**0**	**0**	**0**
Surplus / (Deficit) excluding Deficit Support Funding	**(34,905)**	**(34,905)**	**0**

4.5 The main areas of variance are as below (further information on elements of the financial improvement plan (WRP etc are included in the below section)

Programme	FOT variance	Key drivers
Combined Acute Services	£0.1m adverse	NHS £2.5m adverse and independent sector £2.4m favourable; forecast contract underperformance of approximately £29m after IS subcontracting adjustments broadly aligns with mitigation assumptions.
Mental Health and LDA	£6.1m adverse	Prior-year £9.9m, ADHD £1.0m and autism £3.0m pressures, offset by £3.2m other package underspend and £5.0m WRP over-delivery.
Community	£5.2m adverse	Weight management £4.3m, termination of pregnancy £0.8m and WRP under-delivery £2.0m, partly offset by audiology underspend.
Continuing Care	£1.3m favourable	CHC/FNC and prior-year pressures offset by £5.8m WRP over-delivery.

Prescribing	**£5.2m favourable**	Prior-year £4.6m and WRP £7.0m benefits, offset by £6.4m higher in-year drug costs based on the BSA forecast.
Primary Care other	**£2.3m favourable**	Prior-year benefit £9.8m and £1.2m in-year underspend, offset by £8.7m WRP under-delivery.
Reserves and contingencies	**£20.2m adverse**	Cost of Commissioning £35.9m and specialised commissioning £17.2m pressures, offset by organisational change and other mitigations.
Delegated Specialised Commissioning	**£17.2m favourable**	Release of contingency in line with planning assumptions.
Running costs	**£6.0m favourable**	Staff vacancies supporting delivery against the Cost of Commissioning adjustment.

5. Financial Improvement Programme

5.1 The original 2026/27 plan requires £214.6m of WRP, organisational change and other mitigations.

	Original Target £m
Original WRP	127.3
Org Change (Inc Vr1/2)	35.9
Other Mitigations	51.5
Planning Position	**214.6**

5.2 At Month 6, the forecast outturn position is £190.9m, supplemented by £9.0m non-recurrent measures and £16.5m identified WRP+, with a further £5.7m stretch to be identified.

M6 Financial Improvement Summary position

Programme	Original target £m	M5 FOT £m	M6 FOT £m	Variance to original plan £m
Original WRP	127.3	108.6	103.5	(23.8)
Organisational Change	35.9	17.5	24.3	(11.6)
Other Mitigations	51.5	63.1	63.1	11.6
Planning Position	**214.6**	**189.2**	**190.9**	**(23.7)**
Non-Recurrent Measures	–	9.0	9.0	9.0

Additional Identified WRP+	–	11.5	16.5	16.5
Additional WRP+ stretch—unidentified	–	10.7	5.7	5.7
Total	**214.6**	**220.4**	**222.1**	**7.5**

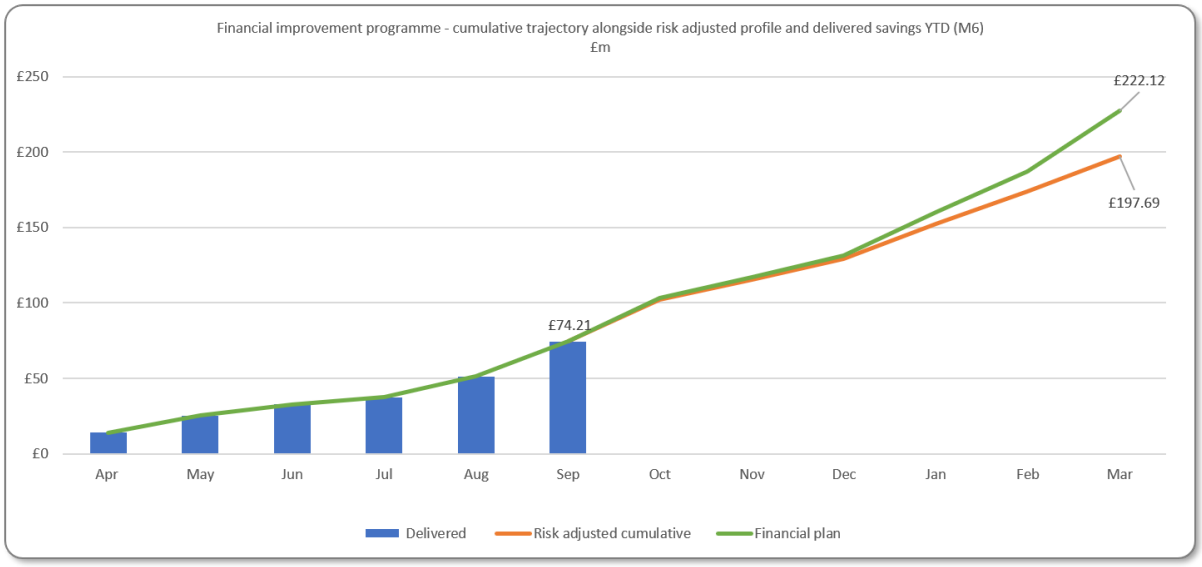
5.3 At Month 6, £74.8m has been delivered across the Financial Improvement Programme, of which £47.7m is assessed as delivering, £55.5m low risk, £20.1m medium risk, £18.3m high risk and £5.7m unidentified.

Programme	Sum of FYE	Sum of 2026/27 In year savings £m	Delivered	Delivering	Low	Med	High	Unidentified
Waste Reduction	£ 110.49	£ 103.47	£ 38.92	£ 0.98	£ 49.57	£ 10.76	£ 3.25	
Non recurrent mitigations (DU level)		£ 8.99	£ 7.80	£ 0.52	£ 0.67			
Waste Reduction +	£ 17.22	£ 22.22	£ 0.60	£ 6.10	£ 1.80	£ 7.50	£ 0.52	£ 5.70
Organisational Change	£ 25.23	£ 24.34	£ 8.69	£ 17.09	£ -	-£ 1.94	£ 0.50	
Mitigations	£ 50.80	£ 63.10	£ 18.80	£ 23.00	£ 3.50	£ 3.80	£ 14.00	
Grand Total	**£ 203.73**	**£ 222.12**	**£ 74.81**	**£ 47.69**	**£ 55.54**	**£ 20.11**	**£ 18.27**	**£ 5.70**

5.4 Monitoring of these programmes take place through the weekly ICB Transformation & Financial Improvement Group (TFIG) and overall performance remains on in line with expected position at this time of the year (circa £74m) as per chart below

5.5 The risk-adjusted forecast is £197.7m against the £222.1m total programme position reflecting £24.4m of risk. Management action is focused on converting medium- and high-risk schemes, closing the £5.7m unidentified WRP+ gap and securing the remaining contractual, allocation and local authority mitigations.

	Risk adjustment factor	Position at M06	Risk adjusted position	Previous months (M05) risk adjusted position
Delivered	100%	£ 74.81	£ 74.81	£ 59.30
Delivering	100%	£ 47.69	£ 47.69	£ 22.56
Low	100%	£ 55.54	£ 55.54	£ 65.54
Med	75%	£ 20.11	£ 15.09	£ 28.33
High	25%	£ 18.27	£ 4.57	£ 8.92
Unidentified	0%	£ 5.70	£ -	£ -
		£ 222.12	**£ 197.69**	**£ 184.65**



Waste Reduction Programme Detail

5.6 At Month 6, WRP delivery is £47.3m against a year-to-date ledger plan of £29.1m. The full-year forecast is £103.5m against the original £127.3m target; together with £9.0m non-recurrent measures and £16.5m identified WRP+, the combined value is £129.0m.

Commissioning function	Exec Lead	SRO	Assigned WRP target	Overall identified in-year savings	Gap against planned target	Full year effect £m
AACC	Jane Scattergood	Rakhee Jethwa	£ 29.58	**£ 23.91**	-£5.67	£ 26.55
Acute	Craig Harris	Jayne Mellor	£ 26.14	**£ 20.51**	-£5.64	£ 20.61
Mental Health & LDA	Craig Harris	Fleur Carney	£ 21.37	**£ 19.97**	-£1.40	£ 21.37
Prescribing	Andy Knox	Andrew White	£ 27.04	**£ 29.04**	£2.00	£ 29.04
Primary & Community Care	Craig Harris	Peter Tinson	£ 21.04	**£ 5.05**	-£16.00	£ 7.91
Other Services	Mark Bakewell	n/a	£ 2.07	**£ 5.00**	£2.93	£ 5.00
			£ 127.24	**£ 103.47**	-£23.77	**£ 110.49**

Delivery RAG by function

Delivered	Delivering	Low	Med	High
£ 11.58	£ -	£ 12.75	-£ 0.42	£ -
£ 7.35	£ -	£ 6.74	£ 6.00	£ 0.41
£ 3.79	£ 0.97	£ 15.21	£ -	£ -
£ 15.16	£ -	£ 13.88	£ -	£ -
£ 1.05	£ 0.00	£ 0.99	£ 0.17	£ 2.83
£ -	£ -	£ -	£ 5.00	£ -
£ 38.92	**£ 0.98**	**£ 49.57**	**£ 10.76**	**£ 3.25**

Organisational Change Programme

5.7 The organisational change programme mitigates the £35.9m Cost of Commissioning resource adjustment. Month 6 identifies £24.34m in-year savings and £27.13m full-year savings for 2027/28, leaving shortfalls of £11.52m and £9.5m respectively.

5.8 The organisational change profile reflects the in-year phasing of mitigations associated with the cost of commissioning resource adjustment with the planned areas of mitigation are as per below with relevant phasing as described

- Staffing / Structure Changes - Impact from Voluntary Redundancy
- Commissioning Support Unit - Number of service line changes during 26/27 financial year
- Stranded Costs – Still under negotiation
- Non-Pay – ongoing review, some issues related to staffing structure implementation (e.g estates) and other releasable costs.

5.9 The below table shows the relative breakdown to the £24.3m savings with further work required in respect of closing the gap in 27/28 financial year.

Scheme	In-year 2026/27 savings £m	Full-year 2027/28 savings £m
Staffing costs	20.08	25.08
Commissioning Support Unit	3.56	0.75
Other savings	0.70	1.30
Total identified savings	**24.34**	**27.13**
Resource limit adjustment	(35.86)	(36.60)
Current shortfall	**(11.52)**	**(9.47)**

Other Mitigations

5.10 The ICB identified a number of additional mitigations as part of its financial plan in order to deliver the required financial position programme. The below table show relative progress based on the position at the end of September with supporting commentary below

Scheme Description	Stage of development	Recurrence	In year savings £m	Delivered	Delivering	Low	Med	High
Acute Contract Activity Validation (as per plan levels)	Implemented	Recurrent	£ 6.871	£ -	£ 6.871			
Additional Impact on Demographic / Non-Demographic Growth Planning Assumptio	Implemented	Recurrent	£ 13.129		£ 13.129			
Contract Management Approach (Adherence to Contract / National Rules)	Fully developed	Recurrent	£ 5.000	£ 2.500	£ -	£ 2.500		
ICB Deep Dive Budget / Expenditure Review (linked to De-Commissioning)	Fully developed	Recurrent	£ 14.300		£ -		£ 1.300	£ 13.000
NHSE Additional Resource	Implemented	Recurrent	£ 7.000	£ 7.000		£ -	£ -	£ -
Contribution from other new resource allocations	Plans in progress	Recurrent	£ 3.000	£ -		£ 1.000	£ 1.000	£ 1.000
Year End Brokerage (ELHT)	Implemented	Recurrent	£ 1.500	£ -	£ 1.500	£ -	£ -	£ -
Primary Care – GP IES forecast outturn	Fully developed	Non Recurrent	£ 2.500	£ -	£ 1.000		£ 1.500	
Primary Care - delegated expenditure	Implemented	Non Recurrent	£ 9.800	£ 9.300	£ 0.500			
Grand Total			£ 63.100	£ 18.800	£ 23.000	£ 3.500	£ 3.800	£ 14.000

5.11 With regards to relative profiles against each of the schemes

- **Contract management approach & Demographic / non-demographic growth assumptions –** reflects current assumed contract underperformance (YTD & Forecast) that is equivalent to the £20m assumption in original FIP
- **Contract Management –** reflects current assumptions in contract performance, based on ongoing reviews of contract activity and information under query in m1-5 data in relation to coding/ counting type queries

- **Deep Dive –** Work continues to identify additional areas for reduced in-year expenditure, however the level of opportunity has reduced between M5 & M6 and the relative balance between Medium & High has also been amended
- **New Allocations** – Further Allocations still anticipated but not yet received
- **Primary Care LES** – As per Month 5 reporting, non-recurrent savings have increased to £2.5m (£1.5m subject to final validation)
- **Primary Care** – Following further review, in-year savings have increased to £9.8m.

Other Financial Performance Metrics

Cash

6.1 The ICB cash position continues to require pro-active management, with risks linked to the timing of allocations and delivery of the Better Payment Practice Code recovery plan.

6.2 At month 6, the ICB's cash draw down is circa 1.8% over target (circa £103m) compared to a straight 6/12's profile. The increase is due to a number of factors as outline below and the ICB expects to recover against this level of over drawings as the year progresses.

6.3 The ICB has made a number of additional payments during September relating to the below which required additional drawdwon

- Annual NHS LVA (low value activity) transfer – (£13m)
- NHS Ambulance Growth funding (£9m)
- BCF payments (£23m)
- Local Authority Packages of Care – Resolved Historic Invoices (£11m)

Better Payment Practice Code

6.2 At Month 6, the ICB has not met the cumulative BPPC in 3 of the 4 areas as per the below table. This is due to a combination of factors including challenges with the ledger, staffing capacity and series of payments for o/s invoices that have exceeded the 30 day timelines.

ICB Better Payment Practice Code		Total invoices paid by ICB	Total invoices paid within target	Target %	Year to Date performance %
Non NHS	Volume	59,971	57,327	95.00%	95.59%
	Value (£000)	767,432	709,471	95.00%	92.45%
NHS	Volume	1,498	1,360	95.00%	90.79%
	Value (£000)	1,763,703	1,601,326	95.00%	90.79%

6.3 The below recovery plan is focused on resolving invoices in query, strengthening payment controls through the remainder of the year.

Area for consideration:	Narrative	Potential solution	Timelines
ISFE2 - System change	Additional processing time has been identified for non-purchase order invoices.	Working with SBS to identify possible process time reduction.	Q4
Directorate / Budget holders support	Impact of the ICB restructing.	Identification of updated budget holder responsibilities following the ICB restructure Commence refresher training for all staff for key areas including raising of purchase orders, reminder of duty to meet BPPC.	Q3
Reducing volume of invoices paid via non-purchase order process.	A small number of providers submit high volumes of invoices via the non-purchase order.	Review suppliers and providers with the highest volume of invoices being submitted each month. Potential areas for invoice reduction include package of care costs (including nursing homes and local authorities)and payment to NHS Property Services. Consider payment via payment schedule where contracts exist or promote use of purchase orders (where not currently used) where appropriate.	Q3
Finance Staffing support – recruitment to vacancies	The CSU customer finance team in-housed on the 1st July 2026. This included two vacancies where recruitment has been delayed due to the ICB restructuring.	Recruitment approved and roles advertised in October	Q3

7. Risks & Issues

7.1 An assessment of a number of other risks / issues are being undertaken by management with updates provided to the executive committee and will be used to inform regular risk based assessment reporting through the ICB finance and contracting committee to the board at regular intervals.

7.2 The system has recently undertaken a quarter 2 risk review to assess progress against the operational plan assumptions, alignment of income and expenditure between partners within the system and to include an assessment against wider performance measures. This session took place at the end of October and it is likely to follow up with an equivalent session at the end of quarter 3 reporting (in January) following finalisation of month 9 organisational positions.

7.3 This session will help to inform a number of key outturn assumptions for ICB.

8. Conclusion & Recommendations

8.1 The Board is asked to note the Month 6 reporting position as at 30 September 2026, including the breakeven forecast, the delivery position against the Financial Improvement Programme and the £24.4m risk-adjusted delivery exposure.

8.2 Relevant risks and issues as described with the report in respect of outturn position, including assessment of risk adjusted position based on application of modelled risk adjustment factor.

Mark Bakewell
Chief Finance Officer