Agenda item 12

NHS Coventry & Warwickshire ICB
NHS Herefordshire & Worcestershire ICB
Boards 'Meeting in Common'

Wednesday, 18th November 2026 9:30am
held virtually via MS Teams

Financial Plan and Delivery – Update on Month 6 Position

Presented by	Mark Dutton, Chief Finance Officer			
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Purpose of paper	☐	Approval	☒	Assurance
	☐	Endorsement	☐	Discussion
	☐	Decision	☒	Information/noting
ICB Applicable:	☒	C&W ICB	☒	H&W ICB
Recommendations	The Boards of NHS Coventry & Warwickshire ICB and NHS Herefordshire & Worcestershire ICB are asked to note: • The Month 6 (September 2026) financial position and forecast outturn reported by both ICBs. • Progress against delivery of the 2026/27 efficiency programmes and the actions being taken to address identified shortfalls. • The ongoing validation work relating to Continuing Healthcare reporting and its potential impact on reported efficiency performance. • The financial risks associated with Neurodevelopmental and Neurodiversity Right to Choose expenditure and that these financial pressures are being mitigated within the overall financial plan.			

Executive Summary

The purpose of this report is to provide assurance to the Boards of Coventry & Warwickshire ICB (CWICB) and Herefordshire & Worcestershire ICB (HWICB) regarding the Month 6 (September 2026) financial position, delivery against financial plans, progress against efficiency programmes and the principal financial risks requiring ongoing management action.

Key Highlights

- Both ICBs remain on plan overall and continue to forecast delivery of their statutory financial duties, although efficiency delivery challenges remain within specific programmes requiring ongoing management action and recovery planning.
- Right to Choose neurodiversity expenditure is the most significant emerging financial risk across the cluster.
- Running cost targets remain on track.

Cluster Financial Overview

The table below shows the year-to-date combined clustered position across income and expenditure, efficiency delivery, and running costs.

Clustered Position - Month 6 (Sep 2026)						
Category	Plan	Actual	(Under) / Over Delivery	% Delivery		RAG
				YTD vs FY Plan	Forecast	
	£'000	£'000	£'000	%	%	
YTD Actual	2,557,756	2,557,756	0	50%		G
Forecast	5,111,448	5,111,448	0		100%	G
YTD Efficiency	(46,212)	(43,213)	(2,999)	50%		A
Efficiency Forecast	(92,411)	(92,411)	0		100%	G
Running Costs Forecast	28,343	28,343	0			G

As detailed in Appendices A and B:

- **Coventry & Warwickshire ICB** is reporting delivery of both its year-to-date and forecast financial plans, together with achievement of its running cost target. The ICB is currently reporting a year-to-date efficiency shortfall of £2.6m. This position is primarily attributable to Continuing Healthcare and Section 117 expenditure (£4.5m adverse variance), partially offset by an over-delivery of £1.9m within Primary Care Prescribing.

- **Herefordshire & Worcestershire ICB** is reporting delivery of both its year-to-date and forecast financial plans, together with achievement of its running cost target. The ICB is reporting a year-to-date efficiency shortfall of £0.5m, driven by Continuing Healthcare expenditure (£3.2m adverse variance), offset by a £2.8m over-delivery within Primary Care Prescribing.

Efficiency Programmes

The table below shows both the 2026/27 clustered ICBs efficiency requirements. The year-to-date phasing of those plans and reported delivery against them at Month 6.

Efficiencies Overview - Month 6 (Sep) 2026/27 Delivery								
	Year to Date			Forecast Outturn			% Delivery	
Category	Plan	Actual	(Under) / Over Delivery	Plan	FOT	(Under) / Over Delivery	YTD vs FY Plan	Forecast
	£'000	£'000	£'000	£'000	£'000	£'000	%	%
Acute Services	17,583	17,583	0	35,166	35,166	0	50%	100%
CHC	14,387	6,625	(7,762)	28,770	28,770	0	23%	100%
Prescribing	9,753	14,516	4,763	19,497	19,497	0	74%	100%
Specialised Commissioning	1,489	1,489	0	2,978	2,978	0	50%	100%
Other Programme	3,000	3,000	0	6,000	6,000	0	50%	100%
Total	**46,212**	**43,213**	**(2,999)**	**92,411**	**92,411**	**0**	**50%**	**100%**

The accompanying table summarises the 2026/27 efficiency requirements for both ICBs, the year-to-date phasing of those plans and reported delivery at Month 6.

At Month 6, the clustered position reflects an efficiency under-delivery of £7.7m against the Continuing Healthcare and Mental Health Section 117 programme.

Members are asked to note that the reported position remains subject to ongoing validation due to identified data quality issues affecting Continuing Healthcare reporting across both ICBs. Further assurance work is underway, and a more robust assessment of programme delivery is expected to be available at Month 7.

Joint Finance and Efficiency Review meetings continue to scrutinise both the Continuing Healthcare and Prescribing programmes, providing assurance regarding the deliverability of agreed plans and identifying risks requiring management action.

Running Costs

The year-to-date position demonstrates continued delivery of the national running cost reduction requirements, with both ICBs forecast to remain within their full year running cost allocations.

Financial Risk Management

Right to Choose expenditure for neurodevelopmental assessments remains the most significant emerging financial risk across the cluster. Whilst revised commissioning arrangements and mandated tariff implementation are expected to manage expenditure growth, there remains uncertainty regarding the timing and scale of financial benefits.

The accompanying table illustrates the growth in average monthly expenditure across both ICBs.