

London Borough of Waltham Forest

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| Report Title | Finance Overview |
| Meeting / Date | INEL Joint Overview and Scrutiny Committee 5 March 2025 |
| Report author/ Contact details | Henry Black, Chief Finance Officer NHS North East London |
| Public access | Open |
| Appendices | None |
| Implications | None |
| Background information | None |

Medium Term Financial Strategy

Inner London Joint Health Overview & Scrutiny Committee

5 March 2025

Current system income and cost baseline

NEL ICS Income, Expenditure and Deficit under a do-nothing scenario

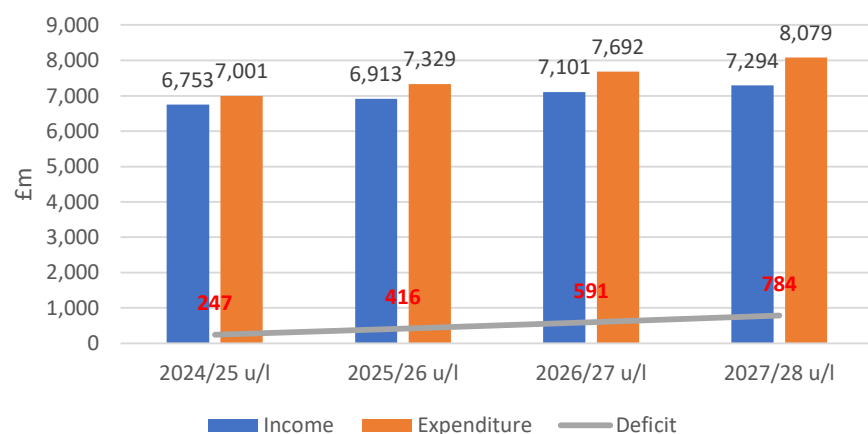
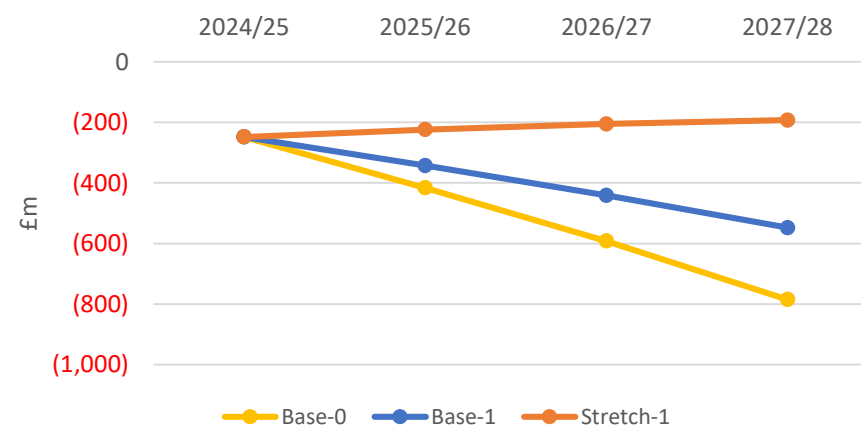


Chart showing underlying NEL ICS position for each scenario



- The exit underlying position for NEL for 2024/25 is a deficit of £247m. Work will continue for the remainder of this year to reduce the exit underlying deficit.
- The NEL system is committed to delivering a sustainable recurrently balanced financial position over the medium term.
- The implication of a 'do-nothing' scenario is shown in the first chart above. This scenario assumes no efficiencies and that there will be a significant growing deficit. The second chart shows the underlying position under three forecast scenarios (Base-0 i.e. the 'no-nothing' scenario, Base-1 which assumes a level of savings equivalent to national pressures only and Stretch-1 which assumes a level of savings equivalent to that planned for the current year. As the Stretch-1 scenario only shows a modest improvement to the underlying position, it is clear that the current approach is insufficient to return the system to balance and that either more fundamental change in the delivery of services or cuts to the services offered will be required.

System wide approach to efficiency programmes

The MTFS will build upon existing system working and financial recovery mechanisms to ensure we have a mixture of organisational, collaborative and system wide activities, as well as a combination of efficiency initiatives and transformational change programmes all underpinning our financial sustainability work.

The selection of the transformation schemes will be driven by the adoption of Population Health Management (PHM) modelling which will seek to identify service user groups with the highest spend and accurately forecast the potential saving from each service transformation. The four efficiency programme areas under the MTFS are:

