

How VPAS could impact on ICBs

North Cumbria and North East ICB (NCNE)

The ICB has set a balanced financial plan for 2023-24. The plan outlines allocations of around £6.81bn and associated expenditure of around £6.78bn, leaving a surplus of around £32m. The budget assumes around £24m of efficiency savings associated with prescribing.

An overspend of £37m on medicines would potentially turn the efficiency savings identified into a cost pressure, placing at risk the balanced budget. NCNE has a population of around 3.15 million, more than double the average ICB population in England of around 1.47 million.

In addition, NHSE identifies NCNE as having the third highest prescribing need among the ICBs in England. The population size and prescribing need indicate an above average impact of VPAS on NCNE.

ICBs elsewhere

North Devon ICB has a £2.3bn a year budget, which covers two thirds of the county's population health needs²². For **Norfolk and Waveney ICB**, the budget is £2bn a year²³. **Nottingham & Nottinghamshire ICB** estimates that around 14% of the total ICB budget is spent on medicines²⁴.

If this percentage was to apply to both North Devon and Norfolk and Waveney ICBs, their annual medicines spending would be around £322m and 280m respectively.

Applying the £37m figure to each ICB suggests that the current VPAS could create 12% and 13% overspends on their medicine budgets respectively, for which there will be no earmarked central government funding.