









Finance Report for the period to the end of 30 November 2022

1. ICS Headline Summary

This paper presents the financial position for the ICB and the ICS for the period to the end of November 2022 (Month 8).

As the ICB was statutorily established on 1 July 2022, the ICB position represents a combination of the CCG reported positions for Quarter 1, and the Month 4 to 8 reported position for the ICB, to provide a full position for the financial year-to-date position and forecast.

		HUMBER & NORTH YORKSHIRE - 2022/23 MONTH 8						YTD RAG	Forecast RAG
		Year to date			Full year				
		Plan	Actual	Variance (adverse)	Plan	Forecast	Variance (adverse)		
		£000s	£000s	£000s	£000s	£000s	£000s		
	System Envelope Performance	627	(11,680)	(12,307)	0	0	0	●	●
	Capital Expenditure - Total	87,514	54,955	32,559	165,579	162,937	2,642	●	●
	Capital Charge against System CDEL (excl IFRS 16)	40,823	25,899	14,924	73,434	73,434	0	●	●
	Capital Charge against System CDEL (Inc IFRS 16)	54,510	33,123	21,387	97,745	95,103	2,642	●	●
	COVID expenditure	25,605	28,431	(2,826)	47,913	41,176	6,737	●	●
	Cash Balance (Providers)	196,407	213,847	17,440	220,279	198,107	(22,172)	●	●
	Efficiency - ICB	25,000	25,694	694	37,505	37,632	127	●	●
	Efficiency - Providers	68,726	68,213	(513)	106,207	106,757	550	●	●

2. ICB Financial Performance

Overall, the forecast outturn for the ICB is showing a breakeven position with no variance being reported against 2022/23 plans. The year-to-date position for the ICB is showing a small overspend of £112k relating to asylum seeker expenditure incurred to date. This variance is expected to be offset by an NHSE allocation in future months.

A breakdown of this position is also shown at individual place and ICB wide level. The variances at this level are mainly due to independent sector ERF costs and ARRS expenditure:

- An ERF budget reserve for independent sector provider costs in excess of baseline budgets is held at ICB level. A significant proportion of this funding has been distributed to places to support year to date positions at Month 8. The forecast outturn position will be closely monitored to manage any risks above funding held by the ICB.
- An element of ARRS funding is still held by NHSE. For monthly reporting ICBs are required to report forecast expenditure against this (£9.6m at M8) which is then offset at overall ICB level within template submissions.

**Humber and North Yorkshire ICB
Summary Income & Expenditure Position - 2022/23 Month 08**

ICB I&E Analysis	2022/23 Plan £'000	Year to Date Position			Forecast Outturn	
		YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	FOT £'000	FOT Variance £'000
System Revenue Resource Limit	(2,576,658)	(1,431,957)	0	0	0	(2,576,658)
ICB Expenditure						
Acute Services	1,329,452	742,771	743,013	(242)	1,335,558	(6,106)
<i>of which is Intra-System</i>	<i>1,072,510</i>	<i>597,984</i>	<i>598,004</i>	<i>(19)</i>	<i>1,072,509</i>	<i>1</i>
<i>of which is Inter-System</i>	<i>185,745</i>	<i>103,750</i>	<i>105,147</i>	<i>(1,397)</i>	<i>185,752</i>	<i>(7)</i>
<i>IS, Blocks LVA & Other Non NHS</i>	<i>71,197</i>	<i>41,036</i>	<i>39,862</i>	<i>1,175</i>	<i>77,297</i>	<i>(6,100)</i>
Mental Health Services	259,526	144,979	148,406	(3,427)	266,419	(6,893)
<i>of which is Intra-System</i>	<i>73,494</i>	<i>41,090</i>	<i>41,243</i>	<i>(153)</i>	<i>73,494</i>	<i>(0)</i>
<i>of which is Inter-System</i>	<i>99,668</i>	<i>55,669</i>	<i>55,592</i>	<i>76</i>	<i>99,668</i>	<i>(1)</i>
<i>IS & Other Non NHS</i>	<i>86,364</i>	<i>48,220</i>	<i>51,570</i>	<i>(3,350)</i>	<i>93,256</i>	<i>(6,892)</i>
Community Health Services	241,291	134,952	132,030	2,922	241,338	(46)
<i>of which is Intra-System</i>	<i>78,260</i>	<i>43,271</i>	<i>43,097</i>	<i>174</i>	<i>78,022</i>	<i>238</i>
<i>of which is Inter-System</i>	<i>8</i>	<i>4</i>	<i>4</i>	<i>(0)</i>	<i>8</i>	<i>0</i>
<i>IS & Other Non NHS</i>	<i>163,024</i>	<i>91,676</i>	<i>88,928</i>	<i>2,748</i>	<i>163,308</i>	<i>(284)</i>
Continuing Care Services	139,017	76,380	79,004	(2,624)	139,640	(623)
Prescribing	238,065	133,796	138,093	(4,296)	241,567	(3,503)
Primary Care Services	37,260	21,979	21,103	875	36,762	497
Delegated Primary Care Commissioning	231,705	128,718	129,141	(424)	239,756	(8,050)
Other Programme Services	19,446	11,362	11,259	103	19,335	111
Other Commissioned	6,995	3,945	4,030	(85)	7,208	(213)
Reserves / Contingencies	31,546	1,765	12,136	(10,371)	33,098	(1,552)
Running Costs	25,213	14,167	13,854	313	25,595	(381)
<i>of which is Pay</i>	<i>20,366</i>	<i>11,338</i>	<i>10,127</i>	<i>1,211</i>	<i>20,415</i>	<i>(49)</i>
<i>of which is Non-Pay</i>	<i>4,847</i>	<i>2,829</i>	<i>3,727</i>	<i>(898)</i>	<i>5,179</i>	<i>(332)</i>
Total ICB NET EXPENDITURE	2,559,515	1,414,814	1,432,069	(17,255)	2,586,275	(26,759)
Allocation adjustment for reimbursable items						
ARRS (NHSE Centrally Held Allocation)	0	0	0	0	9,616	9,616
M1-3 CCG (combined) Surplus/(Deficit)	17,143	17,143	0	17,143	0	17,143
TOTAL ICB SURPLUS/(DEFICIT)	0	0	(112)	(112)	(0)	(0)
MEMO: ICB Surplus/(Deficit) Breakdown						
East Riding Of Yorkshire Place	409,516	228,608	229,422	(814)	412,545	(3,029)
Hull Place	535,180	298,272	298,346	(74)	536,250	(1,070)
North East Lincolnshire Place	241,605	133,073	133,084	(12)	241,517	88
North Lincolnshire Place	256,163	143,707	144,173	(466)	257,059	(896)
North Yorkshire Place	650,394	363,625	364,581	(956)	655,991	(5,597)
York Place	445,189	249,081	249,791	(710)	449,141	(3,952)
ICB-Wide Expenditure	38,612	15,591	12,671	2,920	24,155	14,457
TOTAL ICB SURPLUS/(DEFICIT)	2,576,658	1,431,957	1,432,069	(112)	2,576,658	0

The ICB is currently experiencing financial pressures in relation to the price and volume of CHC packages, prescribing inflation and contracting with the independent sector. These are currently being mitigated with non-recurrent flexibilities and ICB reserves.

3. Revenue Financial Position for NHS Providers within ICS

The provider sector has reported a YTD deficit at month 8 of £12.2m but is still forecasting to break even for the year.

Financial pressures are being felt by the acute sector for the funding of additional beds due to the number of patients in the bed base with no reason to reside. This is leading to additional pay pressures including the use of agency that was not in original plans. Price inflation continues to cause further pressures and the under delivery of efficiency programmes. These pressures are being partially offset by reduced costs associated with Trusts still not delivering elective activity at planned levels. Remedial action being taken are a focus on recruitment, retention, agency control, alternative workforce models, reducing bank premium rates and a focus on delivery of efficiency programmes.

Humber and North Yorkshire ICB Summary ICS Providers I&E Position - 2022/23 Month 08						
Organisation	2022/23 Plan £'000	Year to Date Position			Forecast Outturn	
		YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	FOT £'000	FOT Variance £'000
York and Scarborough Teaching Hospitals NHS FT						
Income	663,803	442,552	454,528	11,976	685,030	21,227
Agency	(17,697)	(11,837)	(13,805)	(1,968)	(18,852)	(1,155)
Other pay	(410,243)	(273,615)	(291,900)	(18,285)	(435,369)	(25,126)
Pay	(427,940)	(285,452)	(305,705)	(20,253)	(454,221)	(26,281)
Non-Pay	(226,904)	(151,552)	(148,273)	3,279	(222,441)	4,463
Non Operating Items (exc gains on disposal)	(8,959)	(5,968)	(5,495)	473	(8,368)	591
Provider Surplus/(Deficit)	0	(420)	(4,945)	(4,525)	0	0
Harrogate and District NHS FT						
Income	289,165	192,789	205,929	13,140	305,050	15,885
Agency	(5,376)	(3,572)	(6,871)	(3,299)	(10,130)	(4,754)
Other pay	(192,784)	(128,540)	(144,992)	(16,452)	(211,993)	(19,209)
Pay	(198,160)	(132,112)	(151,863)	(19,751)	(222,123)	(23,963)
Non-Pay	(87,692)	(58,470)	(55,034)	3,436	(79,996)	7,696
Non Operating Items (exc gains on disposal)	(3,313)	(2,207)	(2,190)	17	(2,930)	383
Provider Surplus/(Deficit)	0	0	(3,159)	(3,159)	0	0
Northern Lincolnshire and Goole NHS FT						
Income	485,158	323,347	330,255	6,908	496,643	11,485
Agency	(27,003)	(17,981)	(19,234)	(1,253)	(28,626)	(1,623)
Other pay	(295,046)	(196,672)	(207,553)	(10,881)	(309,250)	(14,204)
Pay	(322,049)	(214,653)	(226,787)	(12,134)	(337,876)	(15,827)
Non-Pay	(156,625)	(103,609)	(103,309)	300	(153,325)	3,300
Non Operating Items (exc gains on disposal)	(6,484)	(4,320)	(3,382)	938	(5,442)	1,042
Provider Surplus/(Deficit)	0	765	(3,224)	(3,989)	0	0
Hull University Teaching Hospitals NHS Trust						
Income	746,014	499,933	520,113	20,180	779,341	33,328
Agency	(11,044)	(7,407)	(7,056)	351	(10,489)	555
Other pay	(419,478)	(280,299)	(285,959)	(5,660)	(429,398)	(9,920)
Pay	(430,522)	(287,706)	(293,015)	(5,309)	(439,887)	(9,365)
Non-Pay	(301,256)	(202,337)	(218,101)	(15,764)	(325,859)	(24,603)
Non Operating Items (exc gains on disposal)	(14,236)	(9,441)	(9,068)	373	(13,595)	641
Provider Surplus/(Deficit)	0	449	(71)	(520)	0	0
Humber Teaching NHS FT						
Income	217,541	144,892	155,108	10,216	232,662	15,121
Agency	(7,634)	(5,679)	(5,905)	(226)	(8,008)	(374)
Other pay	(130,942)	(86,833)	(92,825)	(5,992)	(140,088)	(9,146)
Pay	(138,576)	(92,512)	(98,730)	(6,218)	(148,095)	(9,519)
Non-Pay	(76,351)	(50,810)	(54,933)	(4,123)	(82,146)	(5,795)
Non Operating Items (exc gains on disposal)	(2,614)	(1,737)	(1,614)	123	(2,422)	193
Provider Surplus/(Deficit)	0	(167)	(169)	(2)	0	0
TOTAL ICS PROVIDER SURPLUS/(DEFICIT)	0	627	(11,568)	(12,195)	1	0

4. Revenue financial position for the ICS, including within system NHS providers.

The table below combines the results of the ICB and providers at sub place level.

Humber and North Yorkshire ICS Summary Surplus / (Deficit) Position - 2022/23 Month 08						
Organisation	2022/23 Plan £'000	Surplus / (Deficit)			Surplus / (Deficit)	
		YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	FOT £'000	FOT Variance £'000
East Riding Of Yorkshire Place	0	0	(814)	(814)	3,029	(3,029)
Hull Place	0	0	(73)	(74)	1,070	(1,070)
Hull University Teaching Hospitals NHS Trust	0	449	(71)	(520)	0	0
Humber Teaching NHS FT	0	(167)	(169)	(2)	0	0
Hull and East Riding	0	283	(1,127)	(1,410)	4,099	(4,099)
North East Lincolnshire Place	0	0	(12)	(12)	(88)	88
North Lincolnshire Place	0	(2,279)	(2,745)	(466)	896	(896)
Northern Lincolnshire and Goole NHS FT	0	765	(3,224)	(3,989)	0	0
North and North East Lincolnshire	0	(1,514)	(5,981)	(4,466)	808	(808)
North Yorkshire Place	0	(0)	(956)	(956)	5,597	(5,597)
York Place	0	0	(710)	(710)	3,952	(3,952)
York and Scarborough Teaching Hospitals NHS FT	0	(420)	(4,945)	(4,525)	0	0
Harrogate and District NHS FT	0	0	(3,159)	(3,159)	0	0
North Yorkshire and York	0	(420)	(9,770)	(9,350)	9,550	(9,549)
ICB-Wide Expenditure	0	2,279	5,198	2,920	(14,457)	14,457
TOTAL ICS SURPLUS/(DEFICIT)	0	627	(11,679)	(12,307)	1	0
ICB Total	0	(2,279)	(5,310)	(3,031)	14,457	(14,457)
ICB-Wide Expenditure	0	2,279	5,198	2,920	(14,457)	14,457
ICS Provider Total	0	627	(11,568)	(12,195)	1	0
TOTAL ICS SURPLUS/(DEFICIT)	0	627	(11,679)	(12,307)	1	0

5. ICS Capital Position

The overall system position is showing significant slippage to date of a £32.6m as at month 8. The forecast position is an underspend against plan of £2.64m. The forecast outturn variance is due to:

- Humber Teaching Trust entering into two leases (£1.3m), neither of which are in the plan, currently there is a suggestion nationally that some IFRS16 pressures will be funded but unclear whether this will be the case.
- York & Scarborough Trust underspend (£4m) on medical equipment.
- Northern Lincolnshire and Goole Trust small IFRS16 overspend of £58k
- Capital overspend of £3.4m at Hull & East Yorkshire Hospitals Trust is being supported by underspends at York & Scarborough Trust (£2m) and Northern Lincolnshire & Goole Hospitals Trust

The risks of any underspend against IFRS16 in 2022/23 against future years will need to be understood and managed.

Humber and North Yorkshire ICS Capital Expenditure - 2022/23 Month 08						
System Capital	2022/23	ICS Envelope and NET CDEL position			FOT	FOT
	Plan	Plan YTD	Actual YTD	YTD		
	£'000	£'000	£'000	Variance	£'000	Variance
				£'000		£'000
ICS Envelope (Excluding IFRS 16)						
Harrogate and District NHS FT	9,114	6,021	3,021	3,000	9,114	0
Hull University Teaching Hospitals NHS Trust	21,513	9,907	9,373	534	24,913	(3,400)
Humber Teaching NHS FT	6,140	4,375	1,891	2,484	6,140	0
Northern Lincolnshire and Goole NHS FT	13,332	9,935	3,529	6,406	11,932	1,400
York Teaching Hospital NHS FT	23,335	10,585	8,085	2,500	21,335	2,000
Expenditure against ICS Envelope (exc IFRS16)	73,434	40,823	25,899	14,924	73,434	0
ICS Envelope (Including IFRS 16)						
Harrogate and District NHS FT	9,114	6,021	3,021	3,000	9,114	0
Hull University Teaching Hospitals NHS Trust	22,479	10,669	9,997	672	25,879	(3,400)
Humber Teaching NHS FT	6,140	4,375	1,891	2,484	7,440	(1,300)
Northern Lincolnshire and Goole NHS FT	13,857	10,280	4,112	6,168	12,515	1,342
York Teaching Hospital NHS FT	46,155	23,165	14,102	9,063	40,155	6,000
Expenditure against ICS Envelope (Inc IFRS 16)	97,745	54,510	33,123	21,387	95,103	2,642
NET CDEL (including other)						
Harrogate and District NHS FT	9,848	6,509	3,224	3,285	9,848	0
Hull University Teaching Hospitals NHS Trust	26,513	11,597	10,927	670	29,913	(3,400)
Humber Teaching NHS FT	6,140	4,375	1,891	2,484	7,440	(1,300)
Northern Lincolnshire and Goole NHS FT	44,671	25,208	15,186	10,022	43,329	1,342
York Teaching Hospital NHS FT	78,407	39,825	23,727	16,098	72,407	6,000
NET CDEL (including other)	165,579	87,514	54,955	32,559	162,937	2,642
Primary Care Capital						
	2022/23	Primary Care Capital Summary			FOT	FOT
	Plan	Plan YTD	Actual YTD	YTD		
	£'000	£'000	£'000	Variance	£'000	Variance
				£'000		£'000
Capital Acquisitions	800	0	0	0	800	0
GPIT	800	0	0	0	800	0
Capital Grants	3,011	8	8	0	3,011	0
Improvement Grant	2,195	8	8	0	2,195	0
Other Capital Grant	816	0	0	0	816	0
Total Charge against Capital Allocation (Exc IFRS16)	3,811	8	8	0	3,811	0
IFRS16	75	75	75	0	75	0
IFRS16	75	75	75	0	75	0
Total Charge against Capital Allocation	3,886	83	83	0	3,886	0

6. ICB Cash Position

The ICB currently has a cash resource allocation of £2,550.4m for the 9 months to 31st March 2023. For the first 5 months to the end of November the ICB has used £1,397.4m (54.8%). Working on a straight-line basis for cash use, the ICB would be expected to have used no more than £1,416.9m (55.6%), so usage is below this by £19.5m (or just 0.8% of the full cash resource allocation).

Humber and North Yorkshire ICB Cash Position - 2022/23 Month 08							
	Opening Balance	Cash Drawn Down	Other Income	Cash Payments	Closing Balance	Closing Balance as % of Drawdown	Achieved Target?
	£'000	£'000	£'000	£'000	£'000		
Total Cash Drawdown Allocation £2,550m							
Monthly straight-line drawdown £283m							
July	1.67	236.91	4.89	(263.36)	2.33	0.98%	YES
August	2.33	240.80	2.08	(266.84)	1.33	0.55%	YES
September	1.33	283.00	2.36	(309.75)	0.67	0.24%	YES
October	0.67	261.00	2.41	(287.15)	1.99	0.76%	YES
November	1.99	258.00	4.12	(285.68)	2.14	0.83%	YES
Cash drawn down to Date (actual)		1,397.39					Note: Target is 1.25%
Cash Drawdown Allocation (straight line)		1,416.87					
Difference		(19.48)					

7. Summary

A detailed review of financial forecasts was undertaken from Month 6 onwards with all organisations still planning to deliver balance but with a number of assumptions and risks. In terms of the acute provider sector the most significant of which is that there will be no national clawback of ERF for the second half of the year and that funds are identified to cover any pay-award shortfall. In terms of the ICB the main risks relate to prescribing price inflation, the volume and price of continuing care packages and trading with the independent sector to support elective recovery.

In mitigation the following actions are being taken, recovery work on efficiency and waste reduction programmes, focus on reducing pay pressures through recruitment, retention, agency control, alternative workforce models and reducing bank premium rates and finally reviewing all technical efficiencies and reserves.

8. Recommendations

The ICB is asked to note:

- The revenue financial position for the ICB and ICS forecasting a breakeven position for 2022/23 consistent with plans.
- The ICS Capital Position and potential forecast outturn variance of £2.6m