



Report to:	Integrated Care Board
Date of Meeting:	9 th November 2022
Subject:	Month 6 Finance report
Director Sponsor:	Jane Hazelgrave, Executive Director of Finance and Investment
Author:	Dilani Gamble

STATUS OF THE REPORT: *(Please click on the appropriate box)*

Approve Discuss Assurance Information A Regulatory Requirement

SUMMARY OF REPORT: *(A short summary of the key points set out within the report)*

This paper presents the financial position for the ICB and the ICS for the period to the end of September 2022 (Month 6). Given the ICB became a statutory body on 1 July 2022, the ICB position represents a combination of the CCG reported positions for Quarter 1, and the first three months of the new ICB body, to provide a full position for the financial year-to-date position and forecast.

Key messages are as follows:

H&NY ICS Integrated Care Board (ICB) revenue position

- At the end of Month 6, the ICB reported no variance to plan, both for the year-to-date position and the forecast.
- The ICB forecast is for a break-even position.

H&NY ICS Provider revenue positions year to date

- Across H&NY providers, there was a year-to-date deficit of £9.2m, against a planned surplus of £1.2m, resulting in an adverse variance of £10.4m.
- The forecast for the full year is a breakeven position. This is in line with plans submitted to NHS England.

Capital

- Total spend against operational capital to the end of September 2022 was £22.4m against a plan of £38.7m, resulting in a year-to-date underspend of £16.4m.
- There is a forecast overspend of £1.3m associated with a capitalised lease. The ICB are seeking clarification of the availability additional central resources to fund this issue.

ICB STRATEGIC OBJECTIVE *(please click on the boxes of the relevant strategic objective(s))*

Realising our vision	<input checked="" type="checkbox"/>
Improving outcomes in population health and healthcare	<input checked="" type="checkbox"/>



Supporting broader social and economic development	<input checked="" type="checkbox"/>
Tackling inequalities in outcomes experience and access	<input checked="" type="checkbox"/>
Delivering our operational plan 2022/23	<input checked="" type="checkbox"/>
Developing our ICS	<input checked="" type="checkbox"/>

IMPLICATIONS <i>(Please state N/A against any domain where none are identified)</i>	
Finance	Forecast spend within budgets demonstrates effective use of resources for our population.
Quality	Deploying our resources in a way that manages quality and safety risks and supports improvement
HR	Resources are deployed to facilitate effective deployment of workforce to deliver our agreed priorities.
Legal / Regulatory	NHS ICBs expected to operate within financial envelope with no over-spend.
Data Protection / IG	N/A
Health inequality / equality	Allocation methodologies to support delivery of the ICS four aims and resource utilisation in a way that addresses equality, diversity and inclusion issues.
Conflict of Interest Aspects	N/A
Sustainability	Ensure that resources deployed in a way that promotes environmental sustainability. Capital spend subject to strict carbon footprint regulations.

ASSESSED RISK: *(Please summarise the key risks and their mitigations)*
Revenue overspends – each organisation is managing this risk in line with their internal financial governance systems and processes. Monthly reports are collated and reviewed by the ICB and reported through to NHS England. A detailed review of financial forecasts will be undertaken at the end of month 6 with appropriate mitigating action identified.

MONITORING AND ASSURANCE: *(Please summarise how implementation of the recommendations will be monitored and the assurances that can be taken from the report)*

The positions are monitored on a monthly basis with a detailed report taken through the Finance Performance and Delivery committee.

ENGAGEMENT: *(Please provide details of any clinical, professional or public involvement work undertaken or planned. Summarise feedback from engagement and explain how this has influenced your report. If you have not yet engaged with stakeholders include a summary of your plans.)*










REPORT EXEMPT FROM PUBLIC DISCLOSURE No Yes
If yes, please detail the specific grounds for exemption

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

1. ICS Headline Summary

This paper presents the financial position for the ICB and the ICS for the period to the end of September 2022 (Month 6).

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 Quarter 2 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 6						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	1,183	(9,216)	(10,399)	0	0	0	●	●
	Capital Expenditure - Total	59,333	40,559	18,774	161,842	163,142	(1,300)	●	●
	Capital Charge against System CDEL (excl IFRS 16)	28,319	16,446	11,873	72,622	72,622	0	●	●
	Capital Charge against System CDEL (Inc IFRS 16)	38,734	22,395	16,339	96,933	98,233	(1,300)	●	●
	COVID expenditure	25,173	21,176	3,997	49,988	43,770	6,218	●	●
	Cash Balance (Providers)	196,481	253,946	57,465	220,279	213,878	(6,401)	●	●
	Efficiency - ICB	18,750	18,812	62	37,505	37,505	0	●	●
	Efficiency - Providers	50,836	47,008	(3,828)	106,207	105,060	(1,147)	●	●
		NHS Value	Non NHS Value	Total Value	NHS Volume	Non NHS Volume	Total Volume		
	Better Payment Practice Code	93%	90%	91%	80%	91%	91%		

2. ICB Financial Performance

Overall, both the year to date and forecast outturn is showing a breakeven position with no variance being reported against 2022/23 plans.

A breakdown of this position is also shown at individual place and ICB wide level. The variances at place level are presentational due to funding held at the ICB that is still to be deployed to place for Elective Recovery Funding and primary care Additional Roles Reimbursement expenditure. This funding will be distributed to place in future months once validation work is complete.

**Humber and North Yorkshire ICB
Summary Income & Expenditure Position - 2022/23 Month 06**

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	(2,565,038)	(867,413)	0	(867,413)	0	(2,565,038)
ICB Expenditure						
Acute Services	1,321,993	444,497	452,883	(8,386)	1,332,738	(10,746)
<i>of which is Intra-System</i>	<i>1,070,525</i>	<i>360,953</i>	<i>361,038</i>	<i>(85)</i>	<i>1,070,792</i>	<i>(267)</i>
<i>of which is Inter-System</i>	<i>185,712</i>	<i>62,589</i>	<i>63,420</i>	<i>(831)</i>	<i>185,740</i>	<i>(28)</i>
<i>IS, Blocks LVA & Other Non NHS</i>	<i>65,756</i>	<i>20,955</i>	<i>28,425</i>	<i>(7,470)</i>	<i>76,206</i>	<i>(10,450)</i>
Mental Health Services	259,003	87,638	90,431	(2,794)	263,015	(4,011)
<i>of which is Intra-System</i>	<i>73,028</i>	<i>24,614</i>	<i>25,087</i>	<i>(473)</i>	<i>73,034</i>	<i>(5)</i>
<i>of which is Inter-System</i>	<i>99,574</i>	<i>33,680</i>	<i>33,667</i>	<i>14</i>	<i>99,604</i>	<i>(31)</i>
<i>IS & Other Non NHS</i>	<i>86,401</i>	<i>29,343</i>	<i>31,678</i>	<i>(2,335)</i>	<i>90,377</i>	<i>(3,976)</i>
Community Health Services	238,993	81,542	80,745	798	238,928	65
<i>of which is Intra-System</i>	<i>77,344</i>	<i>26,017</i>	<i>25,781</i>	<i>236</i>	<i>77,185</i>	<i>158</i>
<i>of which is Inter-System</i>	<i>8,097</i>	<i>2,719</i>	<i>2,723</i>	<i>(4)</i>	<i>8,097</i>	<i>0</i>
<i>IS & Other Non NHS</i>	<i>153,552</i>	<i>52,807</i>	<i>52,241</i>	<i>566</i>	<i>153,646</i>	<i>(94)</i>
Continuing Care Services	140,378	45,831	47,863	(2,032)	141,756	(1,377)
Prescribing	236,850	79,953	82,025	(2,072)	239,449	(2,599)
Primary Care Services	38,451	13,414	13,198	217	36,277	2,173
Delegated Primary Care Commissioning	226,724	76,791	76,599	192	236,032	(9,307)
<i>Other Programme Services</i>	<i>19,754</i>	<i>7,053</i>	<i>7,767</i>	<i>(714)</i>	<i>19,036</i>	<i>718</i>
<i>Other Commissioned</i>	<i>6,904</i>	<i>2,341</i>	<i>2,407</i>	<i>(66)</i>	<i>6,879</i>	<i>25</i>
<i>Reserves / Contingencies</i>	<i>34,230</i>	<i>2,970</i>	<i>5,498</i>	<i>(2,528)</i>	<i>35,551</i>	<i>(1,321)</i>
Running Costs	24,615	8,241	7,998	243	24,890	(275)
Total ICB NET EXPENDITURE	2,547,895	850,270	867,413	(17,143)	2,574,550	(26,655)
Allocation adjustment for reimbursable items						
Covid reimbursement	0	0	2	2	2	2
ARRS	0	0	0	0	9,510	9,510
M1-3 CCG (combined) Surplus/(Deficit)	17,143	17,143	0	17,143	0	17,143
TOTAL ICB SURPLUS/(DEFICIT)	(0)	0	2	2	0	0
Memo: ICB Breakdown						
East Riding Of Yorkshire Place	406,507	137,267	137,916	(649)	410,296	(3,789)
Hull Place	530,216	183,029	183,729	(700)	531,452	(1,236)
York Place	442,487	148,827	151,153	(2,325)	449,002	(6,515)
North Yorkshire Place	645,638	218,214	220,827	(2,613)	653,050	(7,412)
North Lincolnshire Place	253,862	88,348	87,964	384	254,009	(147)
North East Lincolnshire Place	239,343	81,066	79,435	1,631	238,340	1,003
ICB-Wide Expenditure	46,984	10,662	6,392	4,270	28,889	18,096

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 ICB reserves.

3. Provider Revenue Financial Position – NHS Providers within ICS

The provider sector has reported a YTD deficit at month 6 of £10.4m 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 06						
Organisation	2022/23 Plan	Year to Date Position			Forecast Outturn	
		YTD Budget	YTD Actual	YTD Variance	FOT	FOT Variance
	£'000	£'000	£'000	£'000	£'000	£'000
York And Scarborough Teaching Hospitals NHS FT						
Income	663,803	331,914	338,446	6,532	682,679	18,876
Pay	(427,940)	(214,085)	(227,940)	(13,855)	(452,536)	(24,596)
Non-Pay	(226,904)	(113,754)	(109,602)	4,152	(221,775)	5,129
Non Operating Items (exc gains on disposal)	(8,959)	(4,476)	(4,214)	262	(8,368)	591
Provider Surplus/(Deficit)	0	(401)	(3,310)	(2,909)	0	0
Harrogate And District NHS FT						
Income	289,165	144,609	161,278	16,669	322,407	33,242
Pay	(198,160)	(99,091)	(110,974)	(11,883)	(221,948)	(23,788)
Non-Pay	(87,692)	(43,864)	(50,125)	(6,261)	(97,522)	(9,830)
Non Operating Items (exc gains on disposal)	(3,313)	(1,654)	(1,685)	(31)	(2,936)	377
Provider Surplus/(Deficit)	0	0	(1,505)	(1,505)	0	0
Northern Lincolnshire And Goole NHS FT						
Income	485,158	242,436	246,391	3,955	498,346	13,188
Pay	(322,049)	(161,292)	(170,624)	(9,332)	(340,640)	(18,591)
Non-Pay	(156,625)	(77,113)	(77,282)	(169)	(152,503)	4,122
Non Operating Items (exc gains on disposal)	(6,484)	(3,135)	(2,493)	642	(5,203)	1,281
Provider Surplus/(Deficit)	0	896	(4,008)	(4,904)	0	0
Hull University Teaching Hospitals NHS Trust						
Income	746,014	376,897	386,294	9,397	778,451	32,437
Pay	(430,522)	(216,174)	(219,470)	(3,296)	(439,968)	(9,446)
Non-Pay	(301,256)	(152,715)	(160,070)	(7,355)	(324,679)	(23,423)
Non Operating Items (exc gains on disposal)	(14,236)	(7,080)	(6,908)	172	(13,804)	432
Provider Surplus/(Deficit)	0	927	(154)	(1,081)	0	(0)
Humber Teaching NHS FT						
Income	217,541	108,570	123,479	14,909	246,958	29,417
Pay	(138,576)	(69,305)	(73,714)	(4,409)	(147,228)	(8,652)
Non-Pay	(76,351)	(38,202)	(48,759)	(10,557)	(97,229)	(20,878)
Non Operating Items (exc gains on disposal)	(2,614)	(1,302)	(1,245)	57	(2,501)	113
Provider Surplus/(Deficit)	0	(239)	(239)	0	0	0
TOTAL ICS PROVIDER SURPLUS/(DEFICIT)	0	1,183	(9,216)	(10,399)	0	0

4. Revenue financial position for the ICS, including within system NHS providers, for the period to the end September 2022.

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 06**

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	649	(649)	3,789	(3,789)
Hull Place	0	(0)	699	(700)	1,236	(1,236)
Hull University Teaching Hospitals NHS Trust	0	927	(154)	(1,081)	0	0
Humber Teaching NHS FT	0	(239)	(239)	0	0	0
Hull and East Riding	0	688	955	(2,429)	5,025	(5,024)
North Yorkshire Place	(6)	(6)	2,607	(2,613)	7,406	(7,412)
York Place	0	0	2,325	(2,325)	6,515	(6,515)
York And Scarborough Teaching Hospitals NHS FT	0	(401)	(3,310)	(2,909)	0	0
Harrogate And District NHS FT	0	0	(1,505)	(1,505)	0	(0)
North Yorkshire and York	(6)	(407)	118	(9,353)	13,922	(13,928)
North Lincolnshire Place	0	2,809	2,425	384	147	(147)
North East Lincolnshire Place	0	(0)	(1,631)	1,631	(1,003)	1,003
Northern Lincolnshire And Goole NHS FT	0	896	(4,008)	(4,904)	0	0
North and North East Lincolnshire	0	3,705	(3,214)	(2,889)	(856)	856
ICB-Wide Expenditure	6	(2,802)	(7,072)	4,270	18,096	0
TOTAL ICS SURPLUS/(DEFICIT)	0	1,183	(9,214)	(10,401)	36,186	(18,096)
ICB Total	(6)	2,802	7,074	(4,272)	18,090	(18,096)
ICB-Wide Expenditure	6	(2,802)	(7,072)	4,270	(18,090)	18,096
ICS Provider Total	0	1,183	(9,216)	(10,399)	0	(0)
TOTAL ICS SURPLUS/(DEFICIT)	0	1,183	(9,214)	(10,401)	0	(0)

5. ICS Capital Position

The overall system position is showing significant slippage to date of a £18.8m favourable variance to plan as at month 6. The forecast position is an overspend against plan by £1.3m. This is due to Humber Teaching Trust entering into two leases, 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.

**Humber and North Yorkshire ICS
Capital Expenditure - 2022/23 Month 06**

System Capital	2022/23 Plan £000s	ICS Envelope and NET CDEL			FOT £000s	FOT Variance £000s
		Plan YTD	Actual YTD	YTD		
		£000s	£000s	Variance £000s		
ICS Envelope (Excluding IFRS 16)						
Harrogate and District NHS FT	9,114	4,503	1,929	2,574	9,114	0
Hull University Teaching Hospitals NHS Trust	20,701	7,271	5,981	1,290	20,701	0
Humber Teaching NHS FT	6,140	2,787	1,405	1,382	6,140	0
Northern Lincolnshire and Goole NHS FT	13,332	5,789	2,319	3,470	13,332	0
York Teaching Hospital NHS FT	23,335	7,969	4,812	3,157	23,335	0
Expenditure against ICS Envelope (exc IFRS16)	72,622	28,319	16,446	11,873	72,622	0
ICS Envelope (Including IFRS 16)						
Harrogate and District NHS FT	9,114	4,503	1,929	2,574	9,114	0
Hull University Teaching Hospitals NHS Trust	21,667	7,931	6,358	1,573	21,667	0
Humber Teaching NHS FT	6,140	2,787	1,405	1,382	7,440	(1,300)
Northern Lincolnshire and Goole NHS FT	13,857	6,044	2,341	3,703	13,857	0
York Teaching Hospital NHS FT	46,155	17,469	10,362	7,107	46,155	0
Expenditure against ICS Envelope (Inc IFRS 16)	96,933	38,734	22,395	16,339	98,233	(1,300)
NET CDEL (including other)						
Harrogate and District NHS FT	10,248	4,869	2,079	2,790	10,248	0
Hull University Teaching Hospitals NHS Trust	24,598	8,627	7,056	1,571	24,598	0
Humber Teaching NHS FT	6,140	2,787	1,405	1,382	7,440	(1,300)
Northern Lincolnshire and Goole NHS FT	43,950	17,321	9,968	7,353	43,950	0
York Teaching Hospital NHS FT	76,906	25,729	20,051	5,678	76,906	0
NET CDEL (including other)	161,842	59,333	40,559	18,774	163,142	(1,300)
Primary Care Capital						
	2022/23 Plan £'000	Plan YTD £'000	Actual YTD £'000	YTD Variance £'000	FOT £'000	FOT Variance £'000
Capital Acquisitions	800	0	0	0	800	0
GPIT	800	0	0	0	800	0
Other Capital Acquisition	0	0	0	0	0	0
Residual ETTF Balance	0	0	0	0	0	0
Capital Grants	2,195	0	0	0	2,195	0
Improvement Grant	2,195	0	0	0	2,195	0
Other Capital Grant	0	0	0	0	0	0
Residual ETTF Balance	0	0	0	0	0	0
Total Charge against Capital Allocation (Exc IFRS16)	2,995	0	0	0	2,995	0
IFRS16	75	75	75	0	75	0
IFRS16	75	75	75	0	75	0

6. ICB Cash Position

The ICB currently has a cash resource allocation of £2,539m for the 9 months to 31st March 2023. For the first 3 months to the end of September the ICB has used £829.6m (32.7%). Working on a straight-line basis for cash use, the ICB would be expected to have used no more than £846.3m (33.3%), so usage is below this by £16.7m (or just 0.6% of the full cash resource allocation).

NHS Humber & North Yorkshire ICB - Cash Position to end of September 2022							
	Opening Balance £m	Cash Drawn Down £m	Other Income £m	Cash Payments £m	Closing Balance £m	Closing Balance as % of drawdown	Achieved Target?
Total Cash Drawdown Allocation - £2,539m							
Monthly straight-line drawdown - £282m							
July	1.672	259.130	4.891	(263.364)	2.329	0.90%	YES
August	2.329	263.770	2.075	(266.841)	1.333	0.51%	YES
September	1.333	306.724	2.362	(309.745)	0.674	0.22%	YES
Cash drawn down to date		829.624					
Cash draw down allocation (straight line)		846.333					
Difference		(16.709)					

Note:
Target is
1.25%

7. Summary

A detailed review of financial forecasts was undertaken at the end of month 6 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 adverse variance of £1.3m