



Report to:	H&NY ICB Board
Date of Meeting:	12/07/2023
Subject:	Month 2 Finance report
Director Sponsor:	Jane Hazelgrave
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STATUS OF THE REPORT: *(Please click on the appropriate box)*

Approve Discuss Assurance Information A Regulatory Requirement

SUMMARY OF REPORT:

This report presents the financial position for the HNY system, including NHS providers and the ICB for the period ended 31 May 2023 (Month 2).

Key messages are as follows:

System Financial Position - Revenue

- The Month 2 position for the system is a deficit of £13.0m against a planned deficit of £10.2m, representing a year to date overspend of £2.8m.
- The main reason for the adverse variance is slippage against efficiency targets, with delivery being £6.4m below plan as at month 2, impact of strikes and inflationary pressures. These pressures have been offset in part through budgeted expenditure starting later in the year than initially planned.
- At this early stage in the financial year, the system is forecasting to meet the planned £30m deficit.

System Financial Position - Capital

- Capital Expenditure, including all funding streams and IFRS, is £8.7m underspent as at month 2. This reflects small underspend of £1.3m against system CDEL, £1.9m underspend against IFRS16 and £5.5m against provider specific schemes.
- The 2023/24 forecast position for the ICS is that expenditure will align with plan, except for HUTH which is currently reporting an underspend of £0.6m.

System Financial Risk

- At Month 2, £65m of risk has been highlighted with £47m of risk with providers and £18m with the ICB. Provider risk is mainly on delivery against challenging efficiency targets, impact of strikes and bed pressures and the ICB risks relate to delivery against efficiency targets, continuing healthcare and high-cost mental health patients and primary care delegated cost pressures.
- The system is working to ensure mitigating actions are in place to manage these risks in year.



ICB STRATEGIC OBJECTIVE <i>(please click on the boxes of the relevant strategic objective(s))</i>	
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 and in line with formally approved financial plan.
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: <i>(Please summarise the key risks and their mitigations)</i>
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. Financial forecasts continue to be reviewed monthly.



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