



Agenda Item No:

14

<b>Report to:</b>	Humber and North Yorkshire Integrated Care Board
<b>Date of Meeting:</b>	13 September 2023
<b>Subject:</b>	<b>Month 4 Finance Report</b>
<b>Director Sponsor:</b>	Jane Hazelgrave, Executive Director of Finance & Investment
<b>Author:</b>	Dilani Gamble, Associate Director of Finance

**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 July 2023 (Month 4).

**Key messages are as follows:**

**System Financial Position - Revenue**

- The Month 4 position for the system is a deficit of £32.5m against a planned deficit of £19.3m, representing a year to date overspend of £13.3m.
- The main reason for the adverse variance is slippage against efficiency targets, with delivery being £7.1m below plan as at month 4, 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 month 4, the system is forecasting to deliver the planned £30m deficit. There are, however, significant risks to delivery of this plan that require management in year.

**System Financial Position - Capital**

- Capital Expenditure, including all funding streams and IFRS, is £17.6m underspent as at month 4. This reflects an underspend of £6.3m against system CDEL, £2.3m underspend against IFRS16 and £8.9m against provider specific schemes.
- The 2023/24 forecast position for the ICS is that expenditure will align with plan after adjustments for additional income to support provider specific schemes and plan reprofile across years, except for Harrogate Trust that will show underspend of £0.9m. This relates to an agreed reduction in CDEL for Harrogate and Humber & North Yorkshire ICB, offset by a £0.9m increase in West Yorkshire ICB CDEL (Leeds Teaching Hospital - joint TIF scheme).

**System Financial Risk**

- At Month 4, £112m of gross risk has been highlighted with £61m of risk with providers and £51m with the ICB. Provider risk is mainly on delivery against challenging efficiency targets, impact of industrial action and bed pressures and the ICB risks relate to delivery against efficiency targets, independent sector ERF risks, prescribing, continuing healthcare and high-cost mental health patients and

primary care delegated cost pressures. Following initial mitigating actions and management, the residual risk reported at M4 is £51m (£40m providers and £11m ICB).

- The system continues with work to identify further mitigating actions, including additional sources of income where available, to minimise these risks as much as possible.

**RECOMMENDATIONS:**

Members are asked to:

- i) Note the system financial position for both year to date and forecast outturn.
- ii) Note the significant level of risk identified at M4 that will need be managed to deliver planned/forecast position.

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

Managing Today	<input checked="" type="checkbox"/>
Managing Tomorrow	<input checked="" type="checkbox"/>
Enabling the Effective Operation of the Organisation	<input checked="" type="checkbox"/>

**IMPLICATIONS** *(Please state N/A against any domain where none are identified)*

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:**

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:**

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

**ENGAGEMENT:**

N/A

**REPORT EXEMPT FROM PUBLIC DISCLOSURE**

No  Yes

If yes, please detail the specific grounds for exemption.