



Humber and North Yorkshire
Health and Care Partnership



**Humber and
North Yorkshire**
Integrated Care Board (ICB)

Integrated Finance Report for the period ending

31st July 2023

For presentation at the

ICB Board

Date: 13/09/2023

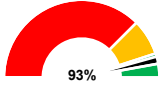
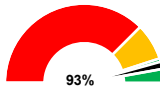
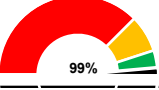
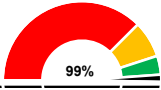
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1. Executive Financial Summary

The Humber and North Yorkshire NHS system delivered a breakeven financial position in 2022/23. For 2023/24 the system-wide financial plan is a deficit of £30m, with an expectation that the system continues to seek ways to bring the system into financial balance. At the end of Month 4, whilst the system continues to forecast in line with planned £30m deficit, there are some significant risks that are emerging that will require management and mitigation in year to deliver this forecast.

The table below describes the key financial indicators across both the ICB and NHS providers as at the end of July (Month 4)

Humber and North Yorkshire ICS						
Executive ICS Financial Summary - 2023/24 (M04)						
	Plan YTD (£m)	Actual YTD (£m)	Variance YTD (£m)	Plan 31/03/24 (£m)	Forecast 31/03/24 (£m)	Variance (£m)
Key Financial Indicators	ICS Financial Position - Surplus/(Deficit)					
	The ICS Providers are reporting a £13.26m adverse variance against a M04 planned deficit of £19.26m. The full year forecast remains in line with plan at £30m deficit.					
	(19.26)	(32.52)	(13.26)	(30.00)	(30.00)	0.00
	The ICB is reporting a balanced YTD and forecast position consistent with submitted plans					
	0.00	(0.00)	0.00	0.00	0.00	0.00
	ICB QEP/Efficiency					
	The ICB has delivered a YTD actual position of £19.51m against £19.99m plan (£0.48m adverse variance). The full year forecast is £71.36m against an efficiency target of £72.24m (£0.89m adverse variance).					
19.99	19.51	(0.48)	72.24	71.36	(0.89)	
NHS Provider QEP/Efficiency						
The ICS providers reported a YTD actual of £31.98m against YTD plan of £38.57m plan (£6.58m adverse variance). The forecast at M4 is to deliver an efficiency target of £149.75m at 31 Mar 2024 (an underachievement of £10.31m against plan).						
38.57	31.98	(6.58)	160.06	149.75	(10.31)	
ICS Capital Funding						
System capital expenditure against the Capital Department Expenditure Limit (CDEL) is forecasting an overspend of £4.59m. This is mainly a timing issue associated with additional scheme allocation not currently reflected in the annual plan. Year to date actual is showing an underspend of £17.56m mainly due to profiling of additional schemes and some leases starting later than planned.						
37.26	19.71	17.56	175.48	180.07	(4.59)	
ICB Running Costs Position						
The ICB is reporting a breakeven position for year to date and forecast outturn.						
11.17	11.17	0.00	33.52	33.52	0.00	
ICS Provider's agency spend is £3.93m above target at M04. This was mainly attributable to strike cover and general reliance on agency staff. The forecast position is overspend of £13.45m against the full year target of £59.2m.						
23.20	27.13	(3.93)	59.20	72.66	(13.45)	
Other Financial Indicators	Mental Health Investment Standard (MHIS)					
	The ICB MHIS target is 8.48% at M04. The new target is based on the 2022/23 final outturn and is updated in line with the 1.6% 2023/24 agenda for change pay award.					
	8.48%	8.48%	0.0%	8.48%	8.48%	0.0%
	Cash Management					
The M04 ICB cash balance is reported as 0.4% and within the NHSE cash drawdown target of 1.25%.						
1.25%	0.40%	67.9%	1.25%	1.25%	0.0%	
Better Payment Practice Code (BPPC) YTD						
To comply with the BPPC, all valid invoices must be paid within 30 days of receipt. The national target is 95%.						
Under the Better Payment Practice Code (BPPC), the ICS NHS providers paid 93% of total bills (by volume) and 93% (by value) against the target of 95%.						
The ICB achieved above the 95% NHSE national target across both metrics.						
Percentage of Invoices Paid Within 95% Target (Volume and Value)						
VOLUME		VALUE				
						
						

2. System Financial Commentary

This report presents the financial position for the system, including NHS providers and the ICB for the period ended 31 July 2023.

2.1. System Financial Position

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 industrial action 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.

2.2. System 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.

2.3. System Efficiencies

The system is reporting a £7.1m shortfall against an efficiency target of £58.6m at Month 4. This comprises of the providers delivering £31.9m against a £38.6m plan (£6.6m adverse) and the ICB delivering £19.5m against a £20m plan (£0.5m adverse). The forecast for the year is to deliver £221m of savings with £150m by providers (shortfall of £10.3m against target) and £71.3m by the ICB (shortfall of £0.9m against target).

There is a requirement for the system to focus on recurrent efficiency schemes to be in place in this financial year and the system are working towards this in 2023/24 to support the in-year position and the recurrent underlying position of the ICS.

2.4. System 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).

2.5. ICB Establishment Costs

The ICB's establishment costs are on plan at month 4 and forecasting a full year breakeven position. This position includes an efficiency target of £8m that is required in 2023/24 to support the overall ICB financial position.

2.6. Mental Health Investment Standard

The ICB is meeting the MHIS target of 8.48% (includes 1.6% agenda for change pay award) at month 4 and is forecasting delivery against the target for 2023/24.

2.7. Elective Services Recovery Fund (ESRF) clawback

The system is assuming no clawback of ESRF at M04 in line with the reporting guidance.

3. Summary System Surplus / (Deficit)

The overall ICS system position is shown at Table 1, highlighting an actual £32.5m deficit, a £13.3m adverse variance against plan. All this variance is reported at provider level mainly due to shortfall against efficiencies (£6.6m below plan as at M4), impact of strikes and inflationary pressures offset by delayed scheme expenditure.

To address the year-to-date variances and in year risks, ICS providers continue to focus on recruitment and retention, control over premium pay, (in particular agency), alternative workforce models and maximising efficiencies.

Allowing for place deficits being offset by central ICB reserve for independent sector ERF, the North Yorkshire and York place has the largest deficit of £20.3m after 4 months which is £13.2m worse than plan. The North and North East Lincolnshire

place has the next highest YTD deficit of £9.1m, but is better than plan by £1.9m mainly due to the 'back-end loading' of efficiency plans at NLAG.

Table 1: Summary ICS Surplus / (Deficit) - 2023/24 (M04)						
Organisation	2023/24 Plan £'000	Surplus / (Deficit)			Surplus / (Deficit)	
		YTD Budget	YTD Actual	YTD Variance	FOT	FOT Variance
		£'000	£'000	£'000	£'000	£'000
East Riding Of Yorkshire Place	(5,546)	(1,849)	(4,137)	(2,288)	(7,782)	(2,236)
Hull Place	3,154	1,051	603	(448)	1,963	(1,191)
Hull University Teaching Hospitals NHS Trust	(7,231)	(1,079)	(3,047)	(1,968)	(7,231)	(0)
Humber Teaching NHS FT	0	0	0	0	0	0
Hull and East Riding	(9,623)	(1,876)	(6,581)	(4,704)	(13,050)	(3,427)
North East Lincolnshire Place	(4,056)	(1,352)	(1,559)	(207)	(1,886)	2,170
North Lincolnshire Place	(7,876)	(2,625)	(3,962)	(1,336)	(8,212)	(336)
Northern Lincolnshire and Goole NHS FT	(13,355)	(11,056)	(9,141)	1,916	(13,355)	(0)
North and North East Lincolnshire	(25,287)	(15,033)	(14,661)	373	(23,453)	1,833
North Yorkshire Place	(682)	(227)	(2,884)	(2,657)	(6,595)	(5,913)
York Place	(3,080)	(1,027)	(4,576)	(3,550)	(7,284)	(4,204)
York and Scarborough Teaching Hospitals NHS FT	(15,414)	(9,135)	(17,464)	(8,329)	(15,414)	0
Harrogate and District NHS FT	6,000	2,008	(2,873)	(4,881)	6,000	0
North Yorkshire and York	(13,176)	(8,381)	(27,798)	(19,417)	(23,293)	(10,117)
ICB Central	18,086	6,029	16,514	10,486	29,796	11,710
TOTAL ICS SURPLUS/(DEFICIT)	(30,001)	(19,262)	(32,525)	(13,263)	(30,000)	(0)
ICB Total	(0)	0	(0)	(0)	(0)	(0)
ICS Provider Total	(30,001)	(19,262)	(32,525)	(13,263)	(30,000)	(0)
TOTAL ICS SURPLUS/(DEFICIT)	(30,001)	(19,262)	(32,525)	(13,263)	(30,000)	(0)

4. ICB Summary Income & Expenditure

The summary ICB position is at Table 2 and shows a breakeven position for both year to date and full year forecast consistent with financial plans.

Within the overall forecast breakeven position, the main forecast expenditure variances are:

- **Acute Services** forecasting an overspend of £1.5m, reflecting the residual value following independent sector ERF adjustment between ICB central reserve and ICB places. This forecast will be reviewed at month 5 once ERF information has been understood and validated.
- **Mental Health Services** forecasting a £3.2m overspend mainly because of increased costs in out of area and S117 packages of care.
- **Community Services** forecasting a £0.5m overspend mainly relating to out of contract cost pressures at place level.
- **Continuing care services** forecasting a £1.5m underspend mainly due to lower than planned package costs and release of technical efficiencies.

- **Primary Medical Services (PC Co-Comm)** forecasting a £2m underspend mainly due to actual expenditure being below plan/budget at place level.
- **Reserves/Contingencies** release at ICB central and ICB place level of £1.4m supporting overspends in other areas to achieve overall forecast breakeven position.

The individual place positions reported are largely consistent with planned surplus/deficits. The main variances at place level relate to Independent Sector ERF reserve that is being centrally held and is therefore offset in the overall ICB position. Funding will be released to places once allocation adjustments have been confirmed.

Table2: Summary ICB Income & Expenditure - 2023/24 (M04)						
ICB I&E Analysis	2023/24 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	(3,732,143)	(1,249,349)				
ICB Expenditure						
Acute Services	1,847,856	615,509	615,757	(248)	1,849,401	(1,545)
<i>of which is Intra-System</i>	1,469,985	489,767	489,729	37	1,469,616	370
<i>of which is Inter-System</i>	281,273	93,755	93,651	104	281,272	1
<i>Blocks LVA & Other Non NHS</i>	96,598	31,988	32,377	(389)	98,513	(1,915)
Mental Health Services	373,683	124,175	124,874	(699)	376,851	(3,169)
<i>of which is Intra-System</i>	95,767	31,923	32,389	(466)	95,762	5
<i>of which is Inter-System</i>	136,515	45,505	45,562	(57)	136,516	(1)
<i>MH IS & Other Non NHS</i>	141,401	46,747	46,923	(176)	144,574	(3,173)
Community Health Services	328,027	109,241	109,269	(27)	328,534	(508)
<i>of which is Intra-System</i>	109,014	36,338	36,390	(53)	109,028	(14)
<i>of which is Inter-System</i>	0	0	0	0	0	0
<i>IS & Other Non NHS</i>	219,013	72,903	72,878	25	219,506	(493)
Continuing Care Services	212,089	70,581	70,088	493	210,624	1,465
Primary Care Services	387,859	130,602	129,951	652	387,760	99
<i>Prescribing</i>	345,629	115,574	115,593	(19)	345,512	118
Primary Medical Services (PC Co-Comm)	325,417	108,380	106,999	1,381	323,439	1,977
Delegated Dental, Ophthalmic and Pharmacy Services	163,528	54,509	54,509	(0)	163,528	0
<i>Other Programme Services</i>	36,538	12,474	12,446	29	36,356	182
<i>Other Commissioned Services</i>	13,094	4,365	4,337	27	13,036	58
<i>Reserves / Contingencies</i>	10,530	8,336	9,944	(1,608)	9,090	1,440
ICB Running Costs	33,524	11,175	11,175	0	33,524	0
<i>of which is Pay</i>	19,966	6,656	6,867	(211)	19,966	0
<i>of which is Non-Pay</i>	13,558	4,519	4,308	211	13,558	(0)
Total ICB NET EXPENDITURE	3,732,143	1,249,349	1,249,349	(0)	3,732,143	(0)
MEMO: ICB Surplus/(Deficit) Breakdown						
East Riding Of Yorkshire Place	557,443	187,204	191,341	(4,137)	565,225	(7,782)
Hull Place	692,101	236,551	235,948	603	690,138	1,963
North East Lincolnshire Place	342,156	114,613	116,171	(1,559)	344,042	(1,886)
North Lincolnshire Place	333,728	110,727	114,689	(3,962)	341,940	(8,212)
North Yorkshire Place	884,880	294,184	297,068	(2,884)	891,475	(6,595)
York Place	634,753	210,189	214,765	(4,576)	642,037	(7,284)
ICB Central	287,081	95,880	79,366	16,514	257,286	29,796
TOTAL ICB SURPLUS/(DEFICIT)	3,732,143	1,249,349	1,249,349	(0)	3,732,143	(0)

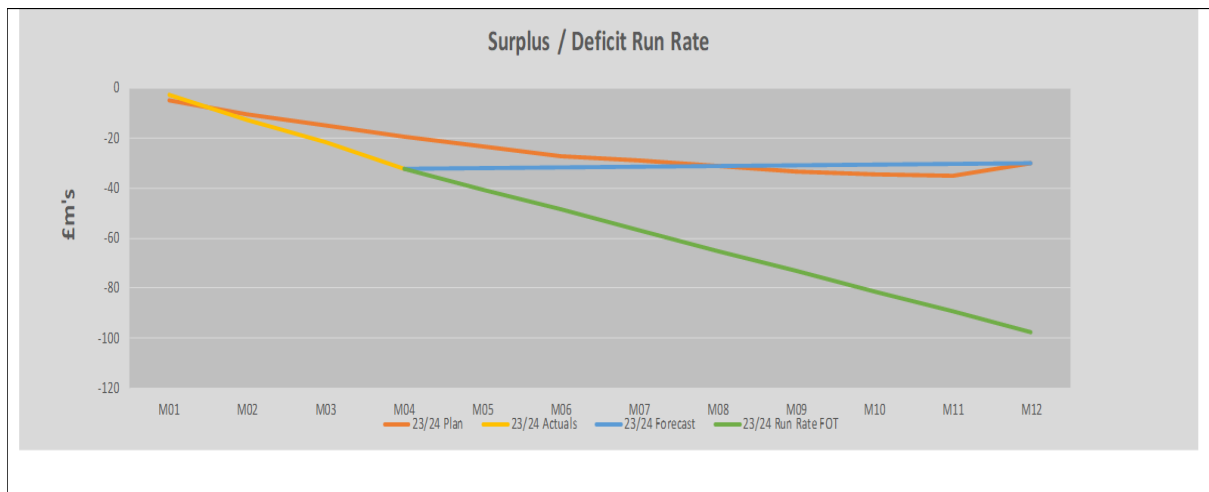
5. ICS Provider Income & Expenditure

The Month 4 position for the ICS NHS Providers (Table 3) is a deficit of £32.5m against a planned deficit of £19.3m, representing a year to date overspend of £13.3m

The adverse variance is due to slippage against efficiency targets, with delivery being £6.6m below plan as at month 3, impact of strikes and inflationary pressures. These pressures have been offset in part through budgeted expenditure starting later in the year than initially planned.

Table 3: Summary ICS Provider I&E Position - 2023/24 (M04)						
Organisation	2023/24 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	701,300	233,312	238,452	5,140	715,748	14,448
Agency	(17,300)	(5,790)	(7,705)	(1,915)	(22,284)	(4,984)
Other pay	(459,328)	(154,820)	(157,653)	(2,833)	(453,340)	5,988
Pay	(476,628)	(160,610)	(165,358)	(4,748)	(475,624)	1,004
Non-Pay	(229,160)	(78,193)	(87,411)	(9,218)	(246,048)	(16,888)
Non Operating Items (exc gains on disposal)	(10,926)	(3,644)	(3,147)	497	(9,490)	1,436
Provider Surplus/(Deficit)	(15,414)	(9,135)	(17,464)	(8,329)	(15,414)	0
Harrogate and District NHS FT						
Income	336,065	112,028	109,694	(2,334)	339,699	3,634
Agency	(9,552)	(3,184)	(2,912)	272	(8,736)	816
Other pay	(228,646)	(76,216)	(77,784)	(1,568)	(229,350)	(704)
Pay	(238,198)	(79,400)	(80,696)	(1,296)	(238,086)	112
Non-Pay	(88,073)	(29,376)	(31,236)	(1,860)	(93,708)	(5,635)
Non Operating Items (exc gains on disposal)	(3,794)	(1,244)	(635)	609	(1,905)	1,889
Provider Surplus/(Deficit)	6,000	2,008	(2,873)	(4,881)	6,000	(0)
Northern Lincolnshire and Goole NHS FT						
Income	522,837	174,110	173,418	(693)	522,391	(446)
Agency	(16,525)	(8,579)	(9,799)	(1,220)	(24,279)	(7,754)
Other pay	(342,098)	(116,557)	(115,016)	1,542	(340,258)	1,840
Pay	(358,623)	(125,136)	(124,815)	321	(364,537)	(5,914)
Non-Pay	(170,579)	(57,707)	(56,337)	1,369	(166,990)	3,589
Non Operating Items (exc gains on disposal)	(6,990)	(2,324)	(1,406)	918	(4,219)	2,771
Provider Surplus/(Deficit)	(13,355)	(11,056)	(9,141)	1,916	(13,355)	0
Hull University Teaching Hospitals NHS Trust						
Income	801,968	267,048	269,660	2,612	812,338	10,370
Agency	(9,722)	(3,236)	(4,148)	(912)	(11,241)	(1,519)
Other pay	(453,338)	(150,431)	(152,875)	(2,444)	(453,169)	169
Pay	(463,060)	(153,667)	(157,023)	(3,356)	(464,410)	(1,350)
Non-Pay	(331,049)	(109,581)	(111,081)	(1,500)	(340,502)	(9,453)
Non Operating Items (exc gains on disposal)	(15,090)	(4,879)	(4,603)	276	(14,657)	433
Provider Surplus/(Deficit)	(7,231)	(1,079)	(3,047)	(1,968)	(7,231)	0
Humber Teaching NHS FT						
Income	234,307	78,081	81,660	3,579	241,575	7,268
Agency	(6,105)	(2,415)	(2,565)	(150)	(6,105)	0
Other pay	(141,648)	(47,032)	(49,114)	(2,082)	(147,342)	(5,694)
Pay	(147,753)	(49,447)	(51,679)	(2,232)	(153,447)	(5,694)
Non-Pay	(84,495)	(27,946)	(29,398)	(1,452)	(86,074)	(1,579)
Non Operating Items (exc gains on disposal)	(2,059)	(688)	(583)	105	(2,054)	5
Provider Surplus/(Deficit)	0	0	0	0	0	0
TOTAL ICS PROVIDER SURPLUS/(DEFICIT)	(30,001)	(19,262)	(32,525)	(13,262)	(30,000)	0

The most significant YTD deficit sits in York and Scarborough Trust at £17.5m. The Trust was subject to a national review at plan submission stage with a series of recommended actions which the ICB are working with the Trust to monitor compliance.



The above chart illustrates that if the YTD deficit of £32.5m was extrapolated for the full year (green line), this would represent a deficit of £97m. All providers at month 4 are forecasting delivery of plans which would result in a £30m deficit. NHSE have confirmed that they expect the ICB to continue to work to deliver a balanced position.

There are significant risks highlighted below at section 7 and these risks will need to be addressed to deliver the forecast planned deficit.

6. System Efficiencies

The system is reporting a £7.1m shortfall against an efficiency target of £58.6m at Month 4. This comprises of the providers delivering £32m against a £38.6m plan (£6.6m adverse variance) and the ICB delivering £19.5m against a £20m plan (£0.5m adverse variance).

The forecast for the year is to deliver £221m of savings with £150m by providers (shortfall of £10.3m against target) and £71.4m by the ICB (shortfall of £0.9m against target).

Table 4 shows the position at place and provider level and highlights the recurrent and non-recurrent assessment of schemes.

Further work is required in year to review schemes to maximise on recurrent efficiency schemes.

Further detail of efficiency schemes at ICB and provider level is contained within tables at Appendix 1.

Table 4: ICS Efficiencies – Performance against Plan - 2023/24 (M04)								
ICS Efficiencies	2023/24 Plan	2023/24 Plan	2023/24 Plan	YTD Budget	YTD Actual	YTD Variance	FOT	FOT
	£'000	Recurrent £'000	Non- Recurrent £'000	£'000	£'000	£'000	£'000	£'000
ICB Efficiency								
East Riding Of Yorkshire Place	8,524	0	8,524	1,000	989	(11)	8,524	0
Hull Place	4,840	2,182	2,658	1,616	1,541	(75)	4,840	0
North East Lincolnshire Place	4,869	2,559	2,310	367	522	155	4,869	0
North Lincolnshire Place	9,911	7,546	2,365	3,296	3,761	465	9,911	0
North Yorkshire Place	18,039	7,325	10,714	6,010	4,743	(1,267)	18,039	0
York Place	7,585	3,222	4,363	2,536	3,200	664	6,697	(888)
ICB Central	18,476	8,992	9,484	5,164	4,753	89	18,476	0
Total ICB Efficiency	72,244	31,826	40,418	19,989	19,509	20	71,356	(888)
Recurrent / Non-Recurrent Split								
Recurrent	31,826			10,085	8,969	(1,116)	32,936	1,110
Non-recurrent	40,418			9,904	10,540	636	38,420	(1,998)
Total ICB Efficiency	72,244	31,826	40,418	19,989	19,509	(480)	71,356	(888)
Provider Efficiency								
Harrogate & District NHS FT	20,832	6,396	14,436	6,950	3,876	(3,074)	20,832	0
Hull University Teaching Hospitals NHS Trust	53,963	41,915	12,048	13,946	12,662	(1,284)	53,963	0
Humber Teaching NHS FT	11,616	3,820	7,796	3,502	3,502	0	11,616	0
Northern Lincolnshire & Goole NHS FT	35,736	11,633	24,103	5,339	5,015	(324)	25,425	(10,311)
York & Scarborough Teaching Hospitals NHS FT	37,914	27,959	9,955	8,828	6,926	(1,902)	37,914	0
Total Provider Efficiency	160,061	91,723	68,338	38,565	31,982	(6,583)	149,750	(10,311)
Recurrent / Non-Recurrent Split								
Recurrent	91,723			21,629	18,078	(3,551)	72,835	(18,888)
Non-recurrent	68,338			16,936	13,904	(3,032)	76,915	8,577
Total Provider Efficiencies	160,061	91,723	68,338	38,565	31,982	(6,583)	149,750	(10,311)
Total ICS Efficiencies	232,305	123,549	108,756	58,554	51,491	(7,063)	221,106	(11,199)

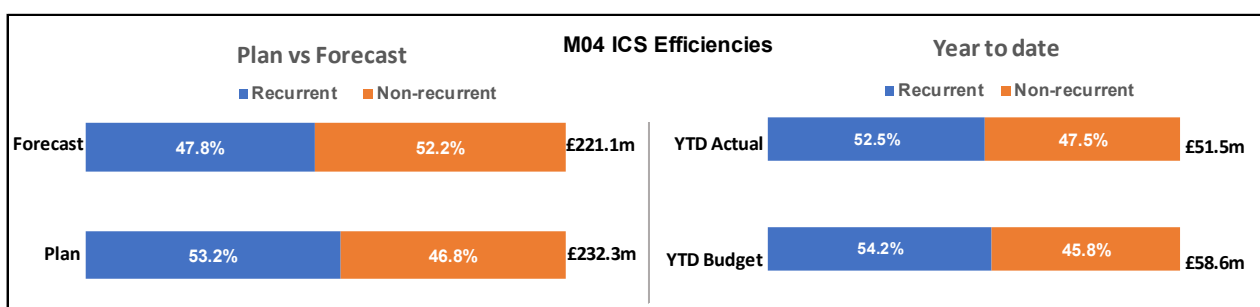


Table 5 shows the status of scheme development for the ICB and across ICS providers. There are still several schemes that require development to ensure delivery in 2023/24.

Table 5: ICS Efficiency Status - 2023/24 (M04)						
ICS Efficiencies	Fully Developed - in delivery	Fully Developed - delivery not yet started	Plans in Progress	Opportunity Unidentified	Unidentified	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Provider Efficiency as a %						
Harrogate And District NHS FT	47.5%	0.7%	5.3%	11.0%	35.5%	100.0%
Hull University Teaching Hospitals NHS Trust	30.4%	0.7%	38.9%	30.0%	0.0%	100.0%
Humber Teaching NHS FT	17.2%	17.5%	34.8%	28.0%	2.5%	100.0%
Northern Lincolnshire And Goole NHS FT	53.1%	4.0%	1.8%	41.1%	0.0%	100.0%
York And Scarborough Teaching Hospitals NHS FT	53.1%	1.1%	15.1%	30.7%	0.0%	100.0%
Provider Efficiency as a %	41.4%	2.7%	21.6%	29.3%	5.1%	100.0%
ICB Efficiency as a %	48.9%	2.8%	39.8%	4.4%	4.1%	100.0%
ICB Efficiency as a %	43.8%	2.7%	27.5%	21.2%	4.8%	100.0%

7. System Risks and Mitigations

Table 6 below shows the value of gross risks identified at Month 4 at £112m, £61.2m highlighted by providers and £50.9m at ICB level. Provider risk is mainly related to delivery against challenging efficiency targets and impact of industrial action. 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 review of risks at M4 and adjusting for initial mitigating actions and management, the residual risk reported at M4 is £51m (£40m providers and £11m ICB).

There is further work required to understand and validate the impact of ERF information, including adjustments to targets due to strike action. 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.

Table 6: ICS Risks and Mitigations - 2023/24 (M04)			
Description of risk	Potential Financial Impact before mitigations	Mitigating actions being taken by system	Potential Financial Impact after mitigations
	£'000		£'000
ICB Risks			
ERF - IS Expenditure	(14,645)	Additional income via risk share or additional ERF into the system	0
Prescribing	(10,385)	Based on data up to M2 only, PMD forecast not yet available	0
Continuing Healthcare	(8,915)	In year management including focus on efficiencies and further development of savings plans	(4,889)
Primary Care Co-Comm	(6,194)	Use of in year cost savings and contingencies/reserves	0
Delivery of Efficiency target	(6,670)	In year management including focus on efficiencies and further development of savings plans	(3,377)
Mental Health	(4,046)	In year management including focus on efficiencies and further development of savings plans	(2,426)
ICB Total	(50,855)		(10,692)
Provider Risks			
Delivery of Efficiency target	(31,814)	Maximising technical efficiencies and working with care groups to realise savings opportunities	(22,158)
Strike impact	(18,012)	No mitigation in place at present, potential for additional income/impact ERF target reduction	(18,012)
Premium Pay	(3,000)	In year management including focus on efficiencies and further development of savings plans	0
Pay Pressure	(1,593)	In year management including focus on efficiencies and further development of savings plans	0
Drugs	(1,938)	In year management including focus on efficiencies and further development of savings plans	0
Activity - IS Capacity	(1,811)	In year management including focus on efficiencies and further development of savings plans	0
Bed Pressures	(3,001)	In year management including focus on efficiencies and further development of savings plans	0
Provider Total	(61,169)		(40,170)
ICS Risks and Mitigations	(112,024)		(50,862)

8. System Capital Summary

Table 7 sets out the overall Capital summary for the system. At Month 4, there is an underspend of £17.6m across all funding streams including IFRS16. The IFRS16 underspend (£2.3m) against plan is due to several leases starting later than planned, most notably in York & Scarborough and HUTH. The other main variances are slippage against ICB CDEL (£6.3m), TIF schemes (£6.7m), Frontline Digitisation (£1.1m) and the Scarborough A&E/AAU scheme (£1.1m).

The 2023/24 forecast position for the ICS is showing an overspend of £4.6m at M4, however, once adjustments have been done to recognise additional income not currently reflected in plans and the reprofiling of some TIF plans, the forecast outturn position will be £0.9m underspend at Harrogate Trust against ICB CDEL. 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).

Table 7: ICS Capital Summary - 2023/24 (M04)						
System Capital	2023/24 Plan	ICS Envelope and NET CDEL			Forecast Outturn	
	£'000	Plan YTD	Actual YTD	YTD Var	FOT	FOT Var
		£'000	£'000	£'000	£'000	£'000
ICS Envelope (Excluding IFRS 16)						
Harrogate And District NHS Foundation Trust	9,999	3,276	1,664	1,612	9,063	936
Hull University Teaching Hospitals NHS Trust	20,605	4,057	4,430	(373)	20,605	0
Humber Teaching NHS Foundation Trust	7,628	1,258	1,152	106	7,628	0
Northern Lincolnshire And Goole NHS Foundation Trust	19,106	6,925	2,149	4,776	19,112	(6)
York And Scarborough Teaching Hospitals NHS FT	19,154	2,300	2,108	192	19,154	0
ICS Envelope (exc IFRS16)	76,492	17,816	11,503	6,313	75,562	930
ICS Envelope (Impact of IFRS 16)						
Harrogate And District NHS Foundation Trust	0	0	0	0	0	0
Hull University Teaching Hospitals NHS Trust	2,104	1,306	187	1,119	2,104	0
Humber Teaching NHS Foundation Trust	0	0	0	0	0	0
Northern Lincolnshire And Goole NHS Foundation Trust	1,167	0	43	(43)	1,167	0
York And Scarborough Teaching Hospitals NHS FT	7,255	2,000	808	1,192	7,255	0
ICS Envelope (IFRS 16)	10,526	3,306	1,038	2,268	10,526	0
Additional Schemes/Allocations						
Harrogate And District NHS Foundation Trust	16,026	5,344	752	4,592	6,828	9,198
Hull University Teaching Hospitals NHS Trust	24,364	3,779	685	3,094	29,079	(4,715)
Humber Teaching NHS Foundation Trust	1,958	393	129	264	1,958	0
Northern Lincolnshire And Goole NHS Foundation Trust	27,468	224	254	(30)	37,471	(10,003)
York And Scarborough Teaching Hospitals NHS FT	18,643	6,400	5,346	1,054	18,643	0
Expenditure against Additional Schemes	88,459	16,140	7,166	8,974	93,979	(5,520)
Total Provider - Charge Against Allocation	175,477	37,262	19,707	17,555	180,067	(4,590)
NET Provider CDEL						
Harrogate And District NHS Foundation Trust	26,025	8,620	2,416	6,204	15,891	10,134
Hull University Teaching Hospitals NHS Trust	47,073	9,142	5,302	3,840	51,788	(4,715)
Humber Teaching NHS Foundation Trust	9,586	1,651	1,281	370	9,586	0
Northern Lincolnshire And Goole NHS Foundation Trust	47,741	7,149	2,446	4,703	57,750	(10,009)
York And Scarborough Teaching Hospitals NHS FT	45,052	10,700	8,262	2,438	45,052	0
Total Provider - CDEL	175,477	37,262	19,707	17,555	180,067	(4,590)

9. ICB Establishment Expenditure

The ICB's establishment budgets are set out at Table 8 and summarises the position at directorate and place level as at Month 4.

This overall budget includes a savings/efficiency target of £8m that is required in 2023/24 to support the overall ICB financial position. This is expected to be delivered through vacancy control in line with other NHS organisations. At Month 4, the ICB is working to planned requirement and this level of vacancy control will need to be maintained for the remainder of the year to deliver the forecast position.

Establishment Expenditure	2023/24 Plan	WTE		YTD Budget	YTD Actual	YTD Variance	FOT	FOT Variance
	£'000	Plan	Actual	£'000	£'000	£'000	£'000	£'000
Clinical Directorate	15,102	63	52	5,184	4,724	460	15,102	0
Comms Directorate	1,805	29	27	602	643	(41)	1,805	0
COO Directorate	2,625	19	14	929	736	193	2,625	0
Corporate Affairs Directorate	8,288	73	54	2,577	2,557	21	8,288	0
Executive Management Team	1,943	10	9	648	622	25	1,943	0
Finance Directorate	7,274	98	74	2,425	1,918	507	7,274	0
People Directorate	1,307	44	21	436	436	0	1,307	0
Nursing Directotate	17,134	298	220	5,170	4,712	459	17,134	0
Directorate Expenditure	55,478	633	470	17,970	16,346	1,624	55,478	0
East Riding Of Yorkshire Place	1,556	25	18	519	371	147	1,556	0
Hull Place	1,412	25	18	471	377	93	1,412	0
North Lincolnshire Place	1,136	20	18	379	363	16	1,136	0
North Yorkshire Place	1,914	32	20	638	448	190	1,914	0
York Place	1,106	18	11	369	246	123	1,106	0
North East Lincolnshire Place	1,971	34	30	657	657	(0)	1,971	0
Place Teams Expenditure	9,095	154	114	3,032	2,463	569	9,095	0
Other	2,438			1,170	589	581	2,438	0
NEL LA Income	(1,342)			(447)	(447)	0	(1,342)	0
Collaboratives & Other Expenditure	1,096	0	0	723	142	581	1,096	0
Total Expenditure before Efficiencies	65,668	788	584	21,724	18,951	2,774	65,668	0
QEP/Efficiencies	(7,992)				2,774	(2,774)	(7,992)	0
Total Expenditure after Efficiencies	57,676	788	584	21,724	21,724	0	57,676	0

10. Summary Provider Agency Expenditure

The ICS agency costs target for 2023/24 is £59.2m. This is a reduction from the 2022/23 target of £64.7m (£5.5m reduction).

At month 4, ICS providers are £3.9m overspent against year-to-date target and forecasting that full year target will be exceeded by £13.4m by the year end.

In comparison to 2022/23, year to date costs are at similar levels up to month 4 but is forecast to be £8.2m below 2022/23 outturn. ICS providers will need to reduce existing run rate to deliver the forecast position for 2023/24.

Table 9: Summary Provider Agency Expenditure - 2023/24 (M04)

	2023/24 Plan	Year to Date Position			Forecast		PY Comparator	
		YTD Budget	YTD Actual	YTD Variance	Forecast	Forecast Variance	Var PY M04 YTD VS 23/24 YTD	Var PY Outturn VS 23/24 FOT
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Registered nursing, midwifery and health visiting staff	23,015	9,784	10,560	(776)	27,864	(4,850)	335	4,821
Allied health professionals	2,046	689	954	(264)	2,702	(656)	(238)	(555)
Other scientific, therapeutic and technical staff	155	55	37	18	115	40	28	80
Healthcare scientists	0	0	0	0	0	0	10	29
Healthcare scientists and scientific, therapeutic and technical staff	2,201	744	991	(246)	2,817	(616)	(200)	(446)
Qualified ambulance service staff	0	0	0	0	0	0	0	0
Support to nursing staff	1,303	528	385	143	785	518	328	1,355
Support to allied health professionals	0	0	0	0	0	0	0	0
Support to other clinical staff	48	16	28	(12)	81	(33)	(21)	(60)
Support to clinical staff	1,351	544	413	131	866	485	307	1,295
Total non-medical - Clinical staff agency	26,567	11,073	11,963	(891)	31,547	(4,981)	442	5,670
Medical and dental agency								0
Consultants	19,995	7,695	8,636	(941)	22,663	(2,668)	(603)	1,438
Career/staff grades	2,879	989	1,531	(542)	4,280	(1,401)	168	818
Trainee grades	7,278	2,562	3,797	(1,236)	10,729	(3,451)	(375)	(462)
Total medical and dental staff agency	30,153	11,246	13,965	(2,719)	37,672	(7,520)	(809)	1,794
Non medical - non-clinical staff agency								0
NHS infrastructure support	2,473	881	1,163	(282)	3,321	(848)	223	838
Any others	12	4	38	(34)	105	(93)	(26)	(68)
Total non medical - non-clinical staff agency	2,485	885	1,201	(316)	3,426	(941)	197	770
Total pay bill - agency & contract staff excl. capitalised staff costs	59,204	23,204	27,129	(3,925)	72,645	(13,441)	(170)	8,234
MEMO: Agency Expenditure by Provider								
Harrogate and District NHS FT	9,552	3,184	2,912	272	8,736	816	725	2,175
Hull University Teaching Hospitals NHS Trust	9,722	3,236	4,148	(912)	11,241	(1,519)	(345)	167
Humber Teaching NHS FT	6,105	2,415	2,565	(150)	6,105	0	359	2,668
Northern Lincolnshire and Goole NHS FT	16,525	8,579	9,799	(1,220)	24,279	(7,754)	(189)	4,552
York and Scarborough Teaching Hospitals NHS FT	17,300	5,790	7,705	(1,915)	22,284	(4,984)	(720)	(1,328)
Total Provider Agency Expenditure	59,204	23,204	27,129	(3,925)	72,645	(13,441)	(170)	8,234

11. ICB Cash Position

The ICB currently has a cash resource allocation of £3,717.5m for the 12 months to 31st March 2024. For the 4 months to the end of July the ICB has used £1,232.1m (33.1%). Working on a straight-line basis for cash use, the ICB would be expected to have used no more than £1,239.2m (33.3%), so usage is below this by £7.1m (or just 0.2% of the full cash resource allocation).

Table 10: ICB Cash Position - 2023/24 (M04)

	Opening Balance	Cash Drawdown	Prescription & Dental Drawdown	Other Income	Cash Payment	Closing Balance	Closing Balance as % of drawdown	Achieved Target?
	£m	£m	£m	£m	£m	£m		
Total Cash Drawdown Allocation £3,718m								
Monthly straight-line drawdown £309.8m								
April	0.37	268.00	27.00	5.57	(299.76)	1.17	0.44%	YES
May	1.17	263.00	31.60	4.21	(298.93)	1.06	0.40%	YES
June	1.06	295.00	35.14	4.48	(334.87)	0.81	0.27%	YES
July	0.81	276.00	36.32	4.00	(316.07)	1.05	0.38%	YES
Cash drawn down to Date (actual)		1,232.05						Note: Target is 1.25%
Cash Drawdown Allocation (straight line)		1,239.18						
Difference		(7.13)						

12. System BPPC Performance

Table 11 shows the Better Payment Practice Code (BPPC) performance at provider and ICB level. Under the BPPC, NHS providers paid 93% of total bills (by value) and 93% (by volume) against the target on 95%. It is expected that this will increase in future months to meet the target. The ICB achieved above the 95% NHSE national target across both metrics.

Table 11: ICS BPPC Performance - 2023/24 (M04)						
Organisation	NHS		Non NHS		Total	
	Volume	Value	Volume	Value	Volume	Value
Harrogate and District NHS FT	90%	96%	94%	92%	94%	93%
Hull University Teaching Hospital NHS Trust	89%	94%	96%	85%	96%	86%
Humber Teaching NHS FT	93%	98%	94%	95%	94%	96%
Northern Lincolnshire and Goole NHS FT	94%	98%	93%	95%	93%	96%
York and Scarborough Teaching Hospitals NHS FT	77%	95%	87%	92%	87%	92%
Total NHS Provider Performance	89%	96%	93%	92%	93%	93%
Total ICB Performance	99%	100%	99%	98%	99%	99%

13. Recommendations

The Board is asked to:

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

Appendix 1

Forecast ICB Efficiencies - by Category and Scheme - 2023/24 (M04)								
ICB Efficiencies	ICB Central	East Riding	Hull Place	North East Lincolnshire	North Lincolnshire	North Yorkshire	York Place	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ICB Efficiencies - By Category								
Acute	0	310	0	200	50	0	307	867
Community Healthcare	6,680	3,038	1,050	2,316	3,416	5,308	2,387	24,195
Mental Health	996	543	908	0	2,259	1,977	178	6,861
Primary Care (inc. Primary Co-Commissioning)	0	1,930	1,584	1,426	1,226	2,767	2,118	11,051
All-age Continuing Care	0	2,663	1,298	263	1,753	6,400	2,595	14,972
Running Costs	7,992	0	0	0	0	0	0	7,992
Other Programme Services	1,308	40	0	280	0	92	0	1,720
Unidentified	1,500	0	0	384	1,207	1,495	0	4,586
Total ICB Efficiencies	18,476	8,524	4,840	4,869	9,911	18,039	7,585	72,244
ICB Efficiencies - By scheme								
Demand Management (referrals)	0	0	0	200	0	0	0	200
Pathway transformation	6,500	3,348	1,050	2,316	3,416	7,179	3,193	27,002
All-age Continuing Care - Commissioning/Procurement	0	2,663	1,298	263	1,753	6,400	2,595	14,972
Mental Health - reducing out of area placements	1,000	543	908	0	2,259	0	0	4,710
Primary Care Prescribing	0	0	1,584	826	1,226	2,617	1,676	7,929
Transforming community-based primary care	0	1,830	0	600	0	150	0	2,580
GP IT transformation	0	100	0	0	0	46	121	267
Non-NHS Procurement	0	0	0	0	50	60	0	110
Estates / NHS property rationalisation	0	0	0	0	0	92	0	92
Establishment reviews	7,992	0	0	0	0	0	0	7,992
Other	1,484	40	0	280	0	0	0	1,804
Unidentified	1,500	0	0	384	1,207	1,495	0	4,586
Total ICB Efficiencies - by scheme	18,476	8,524	4,840	4,869	9,911	18,039	7,585	72,244

Forecast ICS Provider Efficiencies - by Category - 2023/24 (M04)						
Provider Efficiencies	Harrogate & District NHS FT	Hull University Teaching Hosp NHS	Humber Teaching NHS FT	Northern Lincolnshire & Goole NHS FT	York & Scarborough Teaching NHS FT	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Pay Efficiencies						
Agency - price cap compliance	0	0	0	0	985	985
Agency - eliminate off framework supply	150	1,000	25	844	689	2,708
Bank - collaborative working	0	15	0	0	87	102
Bank - rate review	0	0	0	0	9	9
Establishment reviews	4,618	9,597	5,916	13,274	20,568	53,972
E-Rostering	0	631	0	272	36	939
Corporate services transformation - pay	164	0	146	2,307	607	3,224
Digital transformation	2	321	0	0	0	323
Service re-design - pay	1,137	27,088	603	835	0	29,664
Other - pay (balance - please provide description)	0	0	0	1,839	344	2,183
Unidentified - pay (please provide commentary)	559	0	141	0	0	700
Total Pay Efficiencies	6,630	38,652	6,831	19,371	23,325	94,809
Non-pay Efficiencies						
Medicines optimisation	249	385	0	267	1,680	2,581
Procurement (excl drugs) - non-clinical	439	8,800	0	1,623	1,279	12,141
Procurement (excl drugs) - medical dev & clinical cons	299	2,761	0	980	8,682	12,722
Estates and Premises transformation	449	50	237	203	712	1,651
Fleet optimisation	0	0	0	40	0	40
Pathology & imaging networks	100	341	0	0	723	1,164
Corporate services transformation - non-pay	1,029	937	1,412	371	295	4,044
Digital transformation	0	47	623	61	210	941
Service re-design - Non-pay	1,667	0	1,767	1,692	0	5,127
Other - Non-pay (balance - please provide description)	68	0	-200	0	867	735
Unidentified - non-pay (please provide commentary)	6,843	0	146	0	0	6,989
Total Non-pay Efficiencies	11,143	13,321	3,985	5,238	14,448	48,135
Income Efficiencies						
Income Private Patient	0	0	0	61	66	127
Income Overseas Visitors	0	0	0	0	29	29
Income Non-Patient Care	2,968	1,990	664	755	46	6,423
Income Other (balance - please provide description)	92	0	136	0	0	228
Total Income Efficiencies	3,059	1,990	800	816	141	6,806
Total Provider Efficiencies	20,832	53,963	11,616	25,425	37,914	149,750