



Report to:	Humber and North Yorkshire Integrated Care Board
Date of Meeting:	08 November 2023
Subject:	Month 6 Finance Report
Director Sponsor:	Jane Hazelgrave, Executive Director of Finance & Investment
Author:	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 30 September 2023 (Month 6).

Key messages are as follows:

System Financial Position - Revenue

- The Month 6 position for the system is a deficit of £57.7m against a planned deficit of £27.1m, representing a year to date overspend of £30.6m.
- The main reason for the adverse variance is slippage against efficiency targets, with delivery being £6.7m below plan as at month 6, impact of industrial action, provider underperformance against ERF targets and pay and inflationary pressures. These pressures have been offset in part through budgeted expenditure starting later in the year than initially planned.
- At month 6, 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 £25.6m underspent as at month 6. This reflects an underspend of £9.6m against system CDEL, £3.2m underspend against IFRS16 and £12.9m against provider specific schemes.
- The 2023/24 forecast position for the ICS is that expenditure will align with plan following adjustments for additional income to support provider specific schemes and plan reprofile across years, except for IFRS16 overspend of £7.2m. This is mainly due to forecast overspend at Humber Teaching of £7.4m, £6.8m of this relating to a 37-year lease at Whitby Hospital and discussions are ongoing in how this is reported as it is a inter NHS lease. The system is exploring slippage opportunities to support the residual overspend.

System Financial Risk

- At Month 6, £124.4m of gross risk has been highlighted with £80.8m of risk with providers and £43.7m with the ICB. This has increased by £13m from previous month mainly due to projected underperformance against current ERF target and impact of industrial action assessment. Following initial mitigating actions and

management, the residual risk reported at M6 is £63.3m (£42m providers and £21.3m ICB). This is consistent with previous month's assessment. Provider risk is mainly on delivery against challenging efficiency targets, impact of industrial action, projected underperformance against current ERF target and pay 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.

- 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. The system is also still awaiting further guidance and clarity on the financial impact of further reduction in ERF target and the recently announced £200m fund for winter.

RECOMMENDATIONS:

Members are asked to:

- Note the system financial position for both year to date and forecast outturn.
- Note the significant level of risk identified at M6 that will need be managed to deliver planned/forecast position.

ICB STRATEGIC OBJECTIVE

Managing Today	☒
Managing Tomorrow	☒
Enabling the Effective Operation of the Organisation	☒

IMPLICATIONS

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.