



<b>Report to:</b>	Humber and North Yorkshire Integrated Care Board
<b>Date of Meeting:</b>	10 January 2024
<b>Subject:</b>	<b>Month 8 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:**

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 November 2023 (Month 8).

In November, NHS England provided the NHS with £800m of resources to cover the cost of industrial action, relaxed the criteria for achievement of additional elective recovery funding and allowed ICB's to use unspent specific resources to mitigate some unplanned inflationary pressures. NHSE have asked for these additional resources to be reflected in the month 9 reported position, although some providers have taken the opportunity to reflect some of these resources at month 8. As a result, the overall reported risk has reduced and the year to date position has slightly improved but will improve further at month 9 when all the changes are reflected. A full review of forecast position will be undertaken at Month 9 for the system.

**Key messages are as follows:**

**System Financial Position - Revenue**

- The month 8 position for the system is a deficit of £52.9m against a planned deficit of £31.3m, representing a year to date overspend of £21.5m which is an improvement of £12.4m on the £33.9m overspend at month 7.
- The main reason for the adverse variance is slippage against efficiency targets, with delivery being £9.6m below plan as at month 8 and inflationary pressures. These pressures have been offset in part through budgeted expenditure starting later in the year than initially planned.
- At month 8, 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 £28.4m underspent as at month 8. This reflects an underspend of £6.4m against system CDEL, £1.7m underspend against IFRS16 and £20.3m against provider specific schemes.
- The 2023/24 forecast position for the ICS is an overspend of £8.8m after central NHSE adjustments to plans and forecast for timing differences. The overspend forecast is mainly due to overspend at Humber Teaching of £4.5m attributable to a 37-year lease at Whitby Hospital that is expected to qualify as an intra DOH/NHS lease and will therefore be an

allowable expenditure. The balance of FOT overspend of £4.3m is mainly due to IFRS16 capital funding allocated being lower than planned value.

### System Financial Risk

- At Month 8, £84.1m of gross risk has been highlighted with £48.8m of risk with providers and £35.3m with the ICB. This has decreased by £21m from previous month mainly due to financial reset assumptions on additional funding into the system and further reduction to the ERF target. Following initial mitigating actions and management, the residual risk reported at M8 is £26.9m (£19m providers and £7.9m ICB). This is an improvement from previous month's assessment mainly because of financial reset assumptions. Provider gross 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 gross risks relate to delivery against efficiency targets, independent sector non-ERF risks, prescribing, continuing healthcare and high-cost mental health patients.
- The system continues with work to identify further mitigating actions to address the residual risk within the system.

### RECOMMENDATIONS:

Members are asked to:

- Note the system financial position for both year to date and forecast outturn.
- Note the residual level of risk identified at M8 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.