



Report to:	Humber and North Yorkshire Integrated Care Board
Date of Meeting:	10 April 2024
Subject:	Month 11 Finance Report
Director Sponsor:	Jane Hazelgrave, Executive Director of Finance & Investment
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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 29 February 2024 (Month 11).

The forecast at month 11 is a breakeven position for the system. At month 11 the system received a resource allocation of £30m from NHSE to offset the planned deficit against initial provider plans of £30m, allowing the system to work to a breakeven plan position. The system also received £8.4m to cover the cost impact of industrial action and were able to utilise system underspends and slippage. A small residual risk of £2.6m remains that the system aims to manage to deliver the forecast breakeven position for 2023/24.

Key messages are as follows:

System Financial Position - Revenue

- The month 11 position for the system is a deficit of £16m against a planned deficit of £7.5m, representing a year to date overspend of £8.5m.
- The main reason for the adverse variance continues to be slippage against efficiency targets, with delivery being £18.1m below plan as at month 11 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 11, the system is forecasting to deliver a breakeven position following receipt of additional funding and the use of system underspends and slippage. There is a small £2.6m residual risk to delivery of this planned forecast that will require management/mitigation.

System Financial Position - Capital

- Capital expenditure, including all funding streams and IFRS, is £38.4m underspent as at month 11. The main area of slippage is in ICB CDEL (£12.4m), TIF schemes (£9.6m) and Frontline Digitisation (£2.4m) and CDC & Diagnostics (£9.7m).
- The forecast is an overspend by £11.4m across all funding streams. There is an overspend of £8.8m on IFRS16. Slippage has been identified across other systems that has been agreed would offset this IFRS16 related overspend. The balance of FOT overspend is on ICS CDEL of £2.6m is because of capital slippage in other systems being made available to H&NY to support additional schemes in 2023/24.

- The capital position has been fluid up until the end of March with NHS England working with systems to maximise regional and national slippage in order to maximise the utilisation of capital. Further capital has been made available after the closure of month 11 which will be reported in the month 12 report.

System Financial Risk

- At Month 11, £17.9m of gross risk has been highlighted with £16.7m of risk with providers and £1.3m with the ICB. This has decreased further by £8m from previous month following a full review of risks. After mitigating actions and management, the residual risk reported at M11 is £2.6m with providers. Provider gross risk is mainly on delivery against challenging efficiency targets and performance pressures and the ICB gross risks relate to high-cost mental health patients.
- The system is aiming to identify further mitigating actions to address the residual risk of £2.6m

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 M11 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.
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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.