

Board of Directors

8th September 2022

Paper title:	Finance Report Month 4 2022/23	Agenda item 20
Presented by:	Mike Woodhead, Director of Finance, Contracting and Estates	
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Purpose of the report		
The purpose of the report is to provide the Trust Board with an overview on the financial performance for July 2022, for both the Trust and the ICS.	For approval	
	For discussion	X
	For information	

Executive summary
<p>Trust Financial Performance 2022/23 (Paper 20.1) The financial position continues to look favorable with a YTD surplus position of £405k which is £383k better than plan. The forecast for the year is a breakeven position which is in line with our plan.</p> <p>The efficiency programme of £14.4m is off track in July with a £532k under-achievement. There is a reasonable degree of confidence that non-recurrent mitigations will be identified in year due to the level of vacancies across services.</p> <p>The capital plan is reporting a small underspend on estates related schemes, but we expect to catch up over the remainder of the year. Additional capital funding has been secured of £561k over 2 years from the Mental Health Urgent and Emergency care fund, which will be used to enhance the s136 suites at both hospital sites.</p> <p>The current position and forecast excludes the impact of the new pay settlement announced in July. Using the national planning assumptions of 1.66% uplift to contract values, costs exceed income by c£1m.</p> <p>Funding arrangements for the Vaccination Centres will change from 1st September, moving from a full cost recovery basis to a tariff of £10.06 per vaccination. The operational costs exceed the tariff at £12.54 per vaccination, additional funding is being explored to fully fund the costs of the vaccination centre.</p> <p>ICS Financial Performance 2022/23 (Paper 20.2) The headline position for the ICS for Month 4 and associated risks:</p> <ul style="list-style-type: none"> • At the end of Month 4, the ICB reported no variance to plan, both for the year to date position and the forecast. • The ICB forecast is for a surplus of £4.5m. This will offset a forecast deficit in providers of the same amount, resulting in a break-even system forecast. • At the end of Q1 there was a reported under-spend against budgets of £19.3m. This resulted in a technical adjustment to allocations of the same amount to enable the ICB to access that resource in Q2 – Q4.

- As the forecast is for a nil variance (i.e. no under-spend against budget), this Q1 under-spend will be reduced over time, and was £16.6m in Month 4. For the purposes of reporting, a further technical adjustment is made each month to 'release' unused allocation from Q1 and as such the position remains in balance.
- Total spend against operational capital to the end of July 2022 was £16.5m against a plan of £35.1m, resulting in a year-to-date underspend of £18.6m. The full year forecast is to spend the allocation in full. The submitted plan included a 5% allowable over-commitment of £7.9m. Allocation of £158m plus 5% over-commitment results in plan of £165.8m.
- For 2022/23 the West Yorkshire ICS has been set an agency ceiling of £99.3m by NHS England. This is principally based on 2021/22 agency spend less an expected 10% (minimum) reduction. Organisational 'targets' have been set on that basis. The forecast spend on agency is projected to be £102.8m, which is £3.5m over the ICS cap.

Do the recommendations in this paper have any impact upon the requirements of the protected groups identified by the Equality Act?	State below 'Yes' or 'No'	If yes please set out what action has been taken to address this in your paper
	No	

Recommendation
The Board of Directors is asked to: <ul style="list-style-type: none"> • Note the year to date forecast financial position of the Trust and the ICS; and • Highlight further assurances required.

Strategic vision				
Please mark those that apply with an X				
Providing excellent quality services and seamless access	Creating the best place to work	Supporting people to live to their fullest potential	Financial sustainability growth and innovation	Governance and well-led
X	X	X	X	X

Care Quality Commission domains				
Please mark those that apply with an X				
Safe	Effective	Responsive	Caring	Well Led
X	X	X	X	X

Relationship to the Board Assurance Framework (BAF)	The work contained with this report links to the strategic risk(s) as identified in the BAF: <ul style="list-style-type: none"> • SO5: To make effective use of our resources to ensure services are environmentally and financially sustainable and resilient (FBIC)
Links to the Strategic Organisational Risk Register (SORR)	The work contained with this report links to the following corporate risks as identified in the SORR: <ul style="list-style-type: none"> • Risk 2536: If we do not make effective use of our resources this may result in regulatory interventions, as well as impacts on quality of services.

Compliance and regulatory implications	<p>The following compliance and regulatory implications have been identified as a result of the work outlined in this report:</p> <ul style="list-style-type: none">• The NHS Single Oversight Framework requires providers to report performance against national requirements including quality of care, financial performance and sustainability, and delivery of national standards (though some reporting is suspended during the Covid-19 pandemic)
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