

Summary report			
Agenda item:	5 & 6		
Report title:	Financial Position – Month 4 2022/23		
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Presenter:	Adrian North / Dawn Hanwell		
Purpose of report:			
Recommendation		Comment	x
Assurance	x	Decision	
Executive summary			
<p>This paper presents the financial position for the ICB and the ICS for the period to the end of July 2022 (Month 4). Given the ICB became a statutory body on 1 July 2022, the ICB position represents a combination of the CCG reported positions for Quarter 1, and the first month of the new ICB body, to provide a full position for the financial year-to-date position and forecast.</p> <p>Key messages are as follows:</p> <p>WY ICS Integrated Care Board (ICB) revenue position</p> <ul style="list-style-type: none"> At the end of Month 4, the ICB reported no variance to plan, both for the <u>year to date</u> 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. <p>WY ICS Provider revenue positions</p> <ul style="list-style-type: none"> Across WY providers, there was a year-to-date deficit of £13.8m, against a planned deficit of £24.8m, resulting in a favourable variance of £11m. The forecast is a deficit of £4.5m. This is in line with plans submitted to NHS England. 			

WY ICS total revenue position

- For the ICS as a whole (adding together the ICB and provider positions) there was a year-to-date favourable variance of £11m, and a forecast break-even position.

Capital

- 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.

Recommendations and next steps

The WY ICS Finance Forum is asked to:

1. Note the Month 4 financial position

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NHS West Yorkshire
Integrated Care Board

NHS West Yorkshire ICB

Finance function

Financial Position – Month 4 2022/23



Key Messages – Revenue Position

1. NHS West Yorkshire Integrated Care Board (ICB)

- 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.

Key Messages – Revenue Position

2. West Yorkshire Providers

- Across WY providers, there was a year-to-date deficit of £13.8m, against a planned deficit of £24.8m, resulting in a **favourable variance of £11m**.
- The key driver of this variance is due to the phasing of budgets – initial plans had included an assumed loss of Elective Services Recovery Funding (ESRF) in Q1, with recovery later in the year. It has now been confirmed there will be no ESRF loss across the NHS in Q1 or Q2.
- The **forecast is a deficit of £4.5m**. This is in line with plans submitted to NHS England (NHSE).
- There is a risk range of between a £7.9m ‘best case’ favourable variance to a £140.7m ‘worse case’ adverse variance.
- An agency ceiling of £99.3m has been set by NHSE for 2022/23. Based on Month 4 spend, providers are currently forecasting to spend £102.8m. Detail below.

Revenue Position

Organisation	I&E reported Month 4 22/23				I&E forecast		
	Plan £m	Surplus / (Deficit) £m	Expected allocn adj £m	Reported Variance £m	Plan £m	Surplus / (Deficit) £m	Variance £m
NHS West Yorkshire ICB	0.0	16.6	(16.6)	0.0	4.5	4.5	0.0
Airedale NHS Foundation Trust	(0.0)	(2.1)		(2.1)	0.0	0.0	(0.0)
Bradford District Care NHS Foundation Trust	0.02	0.41		0.4	0.0	0.0	0.0
Bradford Teaching Hospitals NHS Foundation Trust	0.0	0.0		0.0	0.0	0.0	0.0
Calderdale And Huddersfield NHS Foundation Trust	(8.9)	(8.4)		0.5	(17.3)	(17.3)	0.0
Leeds and York Partnership NHS Foundation Trust	0.4	1.3		0.9	1.1	1.1	0.0
Leeds Community Healthcare NHS Trust	0.3	0.6		0.3	1.0	1.0	0.0
Leeds Teaching Hospitals NHS Trust	(19.4)	(9.3)		10.1	7.6	7.6	0.0
Mid Yorkshire Hospitals NHS Trust	0.0	0.0		0.0	0.0	0.0	0.0
South West Yorkshire Partnership NHS Foundation Trust	2.8	3.3		0.5	3.2	3.2	0.0
Yorkshire Ambulance Service NHS Trust	0.0	0.4		0.4	0.0	0.0	0.0
Providers Total	(24.8)	(13.8)	0.0	11.0	(4.5)	(4.5)	0.0
West Yorkshire ICS Total	(24.8)	2.8	(16.6)	11.0	0.0	(0.0)	0.0

Revenue Position (risk scenarios)

Organisation	Scenarios - Org assessment		
	Best Case Variance £m	Likely Case Variance £m	Worse Case Variance £m
NHS West Yorkshire ICB	0.0	0.0	(17.9)
Airedale NHS Foundation Trust	0.0	(1.8)	(13.2)
Bradford District Care NHS Foundation Trust	0.0	0.0	(1.0)
Bradford Teaching Hospitals NHS Foundation Trust	0.0	0.0	(6.1)
Calderdale And Huddersfield NHS Foundation Trust	0.0	(6.0)	(18.5)
Leeds and York Partnership NHS Foundation Trust	2.9	0.0	0.0
Leeds Community Healthcare NHS Trust	0.0	0.0	(1.5)
Leeds Teaching Hospitals NHS Trust	0.0	(43.6)	(81.5)
Mid Yorkshire Hospitals NHS Trust	0.0	0.0	(17.9)
South West Yorkshire Partnership NHS Foundation Trust	1.0	0.0	(1.0)
Yorkshire Ambulance Service NHS Trust	4.0	0.0	0.0
Providers Total	7.9	(51.4)	(140.7)
West Yorkshire ICS Total	7.9	(51.4)	(158.6)

- All scenarios under regular review
- Worse-case scenario for ICB driven by risk around efficiencies
- Worse-case scenario for providers driven predominantly by assumed ESRF loss in Q3 and Q4, and risk around efficiencies.

Revenue Position (agency ceiling)

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.

Organisation	Agency forecast		
	Plan £m	Forecast £m	Variance £m
Airedale NHS Foundation Trust	6.0	6.0	0.0
Bradford District Care NHS Foundation Trust	9.3	5.6	(3.7)
Bradford Teaching Hospitals NHS Foundation Trust	9.1	10.7	1.6
Calderdale And Huddersfield NHS Foundation Trust	6.9	10.2	3.3
Leeds and York Partnership NHS Foundation Trust	8.3	9.0	0.7
Leeds Community Healthcare NHS Trust	3.2	4.2	1.0
Leeds Teaching Hospitals NHS Trust	25.9	25.9	0.1
Mid Yorkshire Hospitals NHS Trust	20.1	20.1	0.0
South West Yorkshire Partnership NHS Foundation Trust	7.8	9.7	1.9
Yorkshire Ambulance Service NHS Trust	3.2	1.5	(1.7)
West Yorkshire ICS Provider Total	99.3	102.8	3.5

Key Messages – Provider Operational Capital

3. Provider operational capital

- 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.
- Will continue to work across the region to understand potential slippage in other systems.

Provider Operational Capital

CHARGE AGAINST ICS ENVELOPE	Month 4 Plan	Month 4 Actual	Variance	Plan	Forecast Actual	Variance
	£m	£m	£m	£m	£m	£m
Airedale NHS Foundation Trust	7.8	0.4	(7.4)	25.5	25.5	0.0
Bradford District Care NHS Foundation Trust	1.4	0.8	(0.6)	4.9	4.9	0.0
Bradford Teaching Hospitals NHS Foundation Trust	4.8	0.6	(4.2)	21.6	21.6	0.0
Calderdale and Huddersfield NHS Foundation Trust	3.0	0.7	(2.3)	16.2	16.2	0.0
Leeds and York Partnership NHS Foundation Trust	1.2	0.9	(0.3)	7.0	7.0	0.0
Leeds Community Healthcare NHS Trust	1.2	0.4	(0.8)	3.8	3.8	0.0
Leeds Teaching Hospitals NHS Trust	11.2	9.1	(2.2)	43.0	43.0	0.0
Mid Yorkshire Hospitals NHS Trust	1.1	2.2	1.2	15.7	15.7	0.0
South West Yorkshire Partnership NHS Foundation Trust	0.8	0.9	0.0	11.3	11.3	(0.0)
Yorkshire Ambulance Service NHS Trust	2.7	0.6	(2.1)	16.7	16.7	0.0
ICS total	35.1	16.5	(18.6)	165.8	165.8	(0.0)

Key Messages – Provider Capital, National schemes

4. Provider national capital

- National capital: forecast spend of £85.6m which is currently £5.6m behind plan.
- Leeds Teaching Hospitals NHS Trust (LTHT) are currently forecasting to be £4.5m behind plan due to delays in hospital build (with discussion with NHSE), with slippage in Yorkshire Ambulance Service NHS Trust driving the remainder of the forecast under-spend.
- National capital values currently *exclude* additional Targeted Investment Fund (TIF) allocations. Process still underway to gain access to TIF in 2022/23.

Provider National Capital

CHARGE AGAINST ALL OTHER CAPITAL (i.e. EXCLUDING ICS ENVELOPE CAPITAL ABOVE and EXCLUDING TIF)	Month 4 Plan	Month 4 Actual	Variance	Plan	Actual (LIKELY FOT)	Variance
	£m	£m	£m	£m	£m	£m
Airedale NHS Foundation Trust	0.2	0.0	(0.2)	5.4	5.4	0.0
Bradford District Care NHS Foundation Trust	0.0	0.0	(0.0)	0.0	0.0	0.0
Bradford Teaching Hospitals NHS Foundation Trust	0.3	0.0	(0.3)	1.8	1.8	0.0
Calderdale and Huddersfield NHS Foundation Trust	3.1	2.1	(1.0)	23.7	23.7	0.0
Leeds and York Partnership NHS Foundation Trust	0.0	0.0	0.0	1.9	1.9	0.0
Leeds Community Healthcare NHS Trust	0.0	0.0	0.0	0.0	0.0	0.0
Leeds Teaching Hospitals NHS Trust	12.6	9.8	(2.7)	49.0	44.5	(4.5)
Mid Yorkshire Hospitals NHS Trust	1.9	1.1	(0.7)	6.8	6.8	0.0
South West Yorkshire Partnership NHS Foundation Trust	0.0	0.0	0.0	0.0	0.0	0.0
Yorkshire Ambulance Service NHS Trust	1.9	0.0	(1.9)	2.7	1.6	(1.1)
ICS total	20.0	13.1	(6.9)	91.2	85.6	(5.6)