

Board of Directors – Meeting held in Public

12th January 2023

Paper title:	Finance Report Month 8 2022/23	Agenda Item 19
Presented by:	Mike Woodhead, Director of Finance, Contracting and Estates	
Prepared by:	Claire Risdon, Deputy Director of Finance	
Committees where content has been discussed previously	FBI Committee 24 th November 2022	
Purpose of the paper Please check ONE box only:	<input type="checkbox"/> For approval <input type="checkbox"/> For information <input checked="" type="checkbox"/> For discussion	
Link to Trust Strategic Vision Please check ALL that apply	<input checked="" type="checkbox"/> Providing excellent quality services and seamless access <input checked="" type="checkbox"/> Creating the best place to work <input checked="" type="checkbox"/> Supporting people to live to their fullest potential <input checked="" type="checkbox"/> Financial sustainability, growth and innovation <input checked="" type="checkbox"/> Governance and well-led	
Care Quality Commission domains Please check ALL that apply	<input checked="" type="checkbox"/> Safe <input checked="" type="checkbox"/> Caring <input checked="" type="checkbox"/> Effective <input checked="" type="checkbox"/> Well-Led <input checked="" type="checkbox"/> Responsive	

Purpose of the report
<ul style="list-style-type: none"> The purpose of the report is to provide the Trust Board with an overview on the financial performance for November 2022, for both the Trust and the ICS.

Executive Summary
<p>Trust Financial Performance 2022/23 (Paper 18.1)</p> <ul style="list-style-type: none"> The financial position continues to look favourable with a YTD surplus position of £593k which is £56k better than plan. The forecast for the year is a breakeven position which is as planned. Whilst there is a degree of confidence that we will deliver the full year breakeven plan, this is reliant on £5.2m of non-recurrent measures. The efficiency programme of £14.4m is off track up to November by £877k with a forecast shortfall against plan of £5.2m. Workforce availability to support the Model Roster efficiency plans has proved a limiting factor during the year, however positive

signs are emerging from recent recruitment campaigns. A full evaluation of current years plans is underway as part of the 2023/24 planning process.

- The capital plan is reporting an underspend on estates related schemes, however these will be caught up during the year. Additional capital funding has been secured of £561k over 2 years for enhancements to the s136 suites at both hospital sites; and frontline patient record system of £500k over 3 years.

ICB Financial Performance 2022/23

- The ICS continues to report a forecast in line with its breakeven plan, with the risk now reduced to £1.8m off plan and an expectation that this can be mitigated through a range of non recurrent measures.

Outlook 2023/24

2023/24 priorities and operational planning guidance has been published on 23rd December 2022, which outlines the three tasks over the coming year:

- Recover our core services and productivity;
- As we recover, make progress in delivering the key ambitions of the Long Term Plan (LTP), and;
- Continue transforming the NHS for the future.

The Autumn Statement 2022 announced an extra £3.3b in both 2023/24 and 2024/25 for the NHS to respond to the significant pressures we are facing.

NHS England is issuing two-year revenue allocations for 2023/24 and 2024/25. At national level, it has been announced that total ICB allocations [including COVID-19 and Elective Recovery Funding (ERF)] will be flat in real terms with additional funding available to expand capacity.

Core ICB capital allocations for 2022/23 to 2024/25 have already been published and remain the foundation of capital planning for future years. Capital allocations will be topped-up by £300 million nationally, with this funding prioritised for systems that deliver agreed budgets in 2022/23.

The contract default between ICBs and providers for most planned elective care (ordinary, day and outpatient procedures and first appointments but not follow-ups) will be to pay unit prices for activity delivered. System and provider activity targets will be agreed through planning as part of allocating ERF on a fair shares basis to systems. NHS England will cover additional costs where systems exceed agreed activity levels.

ICBs and NHS primary and secondary care providers are expected to work together to plan and deliver a balanced net system financial position in collaboration with other ICS partners. Further details will be set out in the revenue finance and contracting guidance for 2023/24.

System plans should be triangulated across activity, workforce and finance, and signed off by ICB and partner trust and foundation trust boards before the end of March 2023. NHS England will separately set out the requirements for plan submission.

Early work suggests that our underlying deficit heading into 2023/24 is in the region of £10m-£15m. This figure will be refined during the planning process. It is clear, though, that difficult decisions and prioritisation will be required to balance financial, quality and performance duties and targets. The next Board Development Session (January 2023) will focus heavily on this.

Do the recommendations in this paper have any impact upon the requirements of the protected groups identified by the Equality Act?

Yes (please set out in your paper what action has been taken to address this)

No

Recommendation(s)

The Board of Directors is asked to:

- Note the year to date forecast financial position of the Trust and the ICB; and
- Highlight further assurances required.

Relationship to the Board Assurance Framework (BAF)

The work contained with this report links to the following strategic risks as identified in the BAF:

- SO1:** Engaging with our patients, service users and wider community to ensure they are equal partners in care delivery (QSC)
- SO2:** Prioitising our people, ensuring they have the tools, skills and right environment to be effective leaders with a culture that is open, compassionate, improvement-focused and inclusive culture (WEC)
- SO3:** Maximising the potential of services to delivery outstanding care to our communities (QSC)
- SO4:** Collaborating to drive innovation and transformation, enabling us to deliver against local and national ambitions (Board)
- SO5:** To make effective use of our resources to ensure services are environmentally and financially sustainable and resilient (FBIC)
- SO6:** To make progress in implementing our digital strategy to support our ambition to become a digital leader in the NHS (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:

- 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 & regulatory implications

The following compliance and regulatory implications have been identified as a result of the work outlined in this report:

- 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)