

Board of Directors – Meeting held in Public

11th May 2023

Paper title:	Finance Report Month 12 2022/23	Agenda Item 17.0
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		
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 March 2023, for both the Trust and the ICS.

Executive Summary
Trust Financial Performance (Paper 17.1)
<p>The Trust has reported a £42k surplus (excluding technical adjustment for impairments) against a planned breakeven position. This position has been achieved with a reliance on £4.8m of non-recurrent measures to support the shortfall on the efficiency programme, which is consistent with previous reports.</p>

The capital expenditure for 2022/23 was £124k overspent against the total capital allocation (excluding IFRS16 charges). The Trust had approval to overspend on its capital budget by up to £200k to support the ICS to deliver its capital plan.

	Programme	Actual	Variance
	£000	£000	£000
Total Operational Capital	4,938	5,062	124
PDC funding received	302	302	0
Total Operational Capital (exc IFRS16 Charges)	5,240	5,364	124
IFRS16 - in year lease addition		148	148
TOTAL CAPITAL PROGRAMME 2022-23	5,240	5,512	272

Annual Accounts timetable 2022/23

Draft annual accounts have been submitted on 26th April 2023 in line with national timescales. KPMG will commence their audit work on 1st May over a 3-4 week period with work concluding for reporting to Audit Committee on 15th June 2023. A dedicated session with NEDs has been arranged for 18th May 2023 to review the Trusts annual accounts in detail. Trust Board will consider the audited accounts for approval at its meeting on 22nd June 2023 to support submission of the Trusts Final Accounts on 30th June 2023.

ICS Financial Performance 2022/23

For the ICS as a whole (ICB and provider positions) there was a year-end favourable variance of £0.7m against a planned break-even position.

Total spend against operational capital to the end of Month 12 was £162.1m. This represents a £0.1m underspend against the total ICS operational capital envelope.

Financial Plan 2023/24 (Paper 17.2)

Due to the level of financial gap that remains in Integrated Care Systems, including West Yorkshire, NHS England has confirmed that systems must develop and submit final plans on 4 May.

BDCFT Financial Plan

The Trusts plan has remained in line with the breakeven plan that Trust Board approved in March. The opportunity has been taken to update the phasing of the plan to better reflect expected run rates. The paper included in item 18.2 highlights the deliverables unpinning the plan, along with the risks and mitigations.

It was expected that the capital plan would change for the final submission for additional investment from the ICS operational capital envelope to support the Lynfield Mount Hospital (LMH) development. The Capital Planning and Investment Group have scoped the potential investment available from internal capital to prioritise LMH, and have identified c£4m p.a.

over the next 3 years (c£12m). In addition, proceeds from property disposals can be used to reinvest in capital, with expected contributions in the region of c£1.5m, taking internal resources up to £13.5m. However, this alone is not sufficient to make an impact on the development needed on the LMH site. It has been agreed that the West Yorkshire Directors of Finance will dedicate a workshop in May to discuss the opportunities to collectively address ICS risks through redirecting to ICS capital.

West Yorkshire ICS Plan

At the time of writing this report, there is a significant residual deficit in the ICS aggregated plans. Negotiations with NHSE are ongoing alongside looking for further improvements in individual organisational and place plans. It may be likely that further plan submissions are required to move the NHS closer to a break-even position across England.

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 outturn financial position of the Trust and the ICB for 2022/23;
- Note the timelines for submission of the Trusts Draft and Final Accounts;
- Note the progress made to close the financial gap for 2023/24 and the associated risks; 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:** Prioritising 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)

<p>Links to the Strategic Organisational Risk register (SORR)</p>	<p>The work contained with this report links to the following corporate risks as identified in the SORR:</p> <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.
<p>Compliance & regulatory implications</p>	<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)