

Board of Directors – Meeting held in Public

13th July 2023

Paper title:	Finance Report Month 2 2023/24	Agenda Item 16.0
Presented by:	Mike Woodhead, Director of Finance, Contracting and Estates	
Prepared by:	Claire Risdon, Operational 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
The purpose of the report is to provide the Trust Board with an overview on the financial performance for May 2023, for both the Trust and the ICS.

Executive Summary
Trust Financial Performance (Paper 16.1)
At this early stage in the year, the Month 2 position is in line with plan at a £999k deficit and forecast to achieve the break-even plan for the year. Risks are emerging with elevated out of area placements and agency spend, both of which are above planned levels and impacting on the delivery of the CIP programme. Recovery plans are being developed for high risk areas to target reduction in run rate costs. Further risk of slippage on CIP plans and pressures emerging in the Children and Young Peoples Provider Collaborative are being closely monitored.

The efficiency plan is off track by £440k at Month 2, mainly due to agency spend above plan. The forecast position includes risk of delivering the efficiency programme by £4.52m, aligned to agency/ locum spend trajectories and out of area placements

Recovery plans are being developed in June for high risk areas to target reduction in run rate costs, plans will be overseen by the Care Groups Accountability and Governance Groups with escalations to the Senior Leadership monthly Operational Delivery meeting. In addition, EMT review and challenge financial performance on a monthly basis.

Following the announcement that the Trust has been unsuccessful in securing New Hospital Programme capital funding to develop Lynfield Mount Hospital, an alternative plan is being developed that will require the Trust to reprioritise its internal capital funding to allocate c£4m p.a. to support the development. A capital risk workshop has been established in July with the ICS to consider alternative approaches to capital distribution, with Lynfield Mount Hospital being the test case.

ICS Financial Performance 2023/24

The Month 2 year to date position indicates an ICB deficit of £1.0m, against a planned surplus of £4.2m, resulting in an adverse variance of £5.2m. The forecast deficit of £25m is in line with plans submitted to NHS England.

Given the level of financial risk requiring to be managed within the system, NHS England require the West Yorkshire system to adopt a range of financial control measures, with immediate effect, as outlined in a letter to the ICB Chief Executive on 15th June 2023. The measures are focussed on a range of controls, including; vacancy management, agency cost controls, medical staffing, non pay expenditure controls and oversight of investments.

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;
- Note NHS England regulatory intervention for West Yorkshire 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:

<ul style="list-style-type: none"> <input type="checkbox"/> SO1: Engaging with our patients, service users and wider community to ensure they are equal partners in care delivery (QSC) <input type="checkbox"/> 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) <input type="checkbox"/> SO3: Maximising the potential of services to delivery outstanding care to our communities (QSC) <input type="checkbox"/> SO4: Collaborating to drive innovation and transformation, enabling us to deliver against local and national ambitions (Board) <input checked="" type="checkbox"/> SO5: To make effective use of our resources to ensure services are environmentally and financially sustainable and resilient (FBIC) <input type="checkbox"/> 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)