

Board of Directors – Meeting held in Public

14 September 2023

Paper title:	Finance Report Month 4 2023/24	Agenda Item 20.0
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 July 2023, for both the Trust and the ICS.

Executive Summary
Trust Financial Performance (Paper 20.1)
The Month 4 position is in line with plan at a £1.9k deficit and forecast to achieve the break-even plan for the year.
However, the efficiency programme is off track at Month 4 by £1.1m, with a forecast shortfall of £6.1m. The main risks areas continue to relate to elevated out of area placements and

temporary staffing spend, both of which are above planned levels. Recovery plans have been developed for high risk areas to target reduction in run rate costs.

To support the Trust in reporting a breakeven forecast uncommitted central budgets have been deployed; MHIS funding has been prioritised to cover inpatient and out of area pressures; and income has been assumed from the Low Secure Business case – which is now confirmed.

The capital position in July is £585k underspent against plan mainly due to delays within Digital Capital Schemes that will be caught up during the year. The forecast capital spend is in line with plan at £7.7m.

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. over a 4 year period to support the development, and revised principles for ICS capital allocation based on risk. The ICS capital risk workshop was held in July to consider alternative approaches to capital distribution to support risks (with LMH being the test case). The group were largely supportive of the need to look differently at the principles for capital allocations based on risks, with the outcome of the workshop shared at WY ICS DoFs late July. The revised approach to capital allocations will be presented to ICB governance for a recommended approach to be agreed.

ICS Financial Performance 2023/24

West Yorkshire System: The West Yorkshire system agreed to a breakeven plan, recognising that plans are still required to deliver further efficiencies of £25m (of which c£6m is attributable to the Bradford Place). Plans are being developed in Half 1 to address the plan gap, a forecast deficit of £25m will be reported until plans have been developed.

NHS England formally enacted regulatory intervention in June across all ICS partners, as a result of the Month 2 financial performance. Providers are required to provide assurances against a number of financial control measures.

At Month 4 the ICB is reporting a deterioration against plan of £27.1m, with £8.3m relating to the part year effect of the £25m system gap; and £18.8m variance in provider performance. The key drivers of this variance relate to the under-delivery against high risk efficiency plans, excess inflationary and pay award pressures, costs associated with Industrial Action and other pressures specific to individual organisations.

Risk management actions are being developed across ICS partners to manage emerging risks.

<p>Do the recommendations in this paper have any impact upon the requirements of the protected groups identified by the Equality Act?</p>	<p><input type="checkbox"/> Yes (please set out in your paper what action has been taken to address this)</p> <p><input checked="" type="checkbox"/> No</p>
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Recommendation(s)
<p>The Board of Directors is asked to:</p> <ul style="list-style-type: none"> • 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)	
<p>The work contained with this report links to the following strategic risks as identified in the BAF:</p> <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)