

Integrated Care Board

Date of meeting	10 April 2024
Title of paper	Finance Performance Report – Month 11
Presented by	Sam Proffitt, Acting Deputy Chief Executive / Chief Finance Officer
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Agenda item	5
Confidential	No

Executive summary

The system is required to deliver a revised full year deficit of £118.5m after receiving £80.0m of deficit funding from NHS England which is in line with the replanning exercise undertaken in November 2023. A further £30.0m risk to the ICB is driving a likely forecast position of £148.5m deficit for the year. This is reflected in the current run rate and has been reported to NHS England.

As at the 29 February 2024 (month 11), the Integrated Care Board (ICB) is reporting a system deficit of £148.8m which represents a current deficit of £67.2m for the Provider Trusts with the ICB reporting a year-to-date deficit of £81.6m. The position includes industrial action costs for which an additional £5.5m of costs are to be funded.

The deficit position is being driven by in-year cost pressures including Continuing Health Care packages, prescribing and inflation pressures and the slippage against recovery plan savings.

Despite the deficit position the system is on plan to have delivered £238.3m of efficiency savings by the end of year. This represents 5.3% of the 2023/24 system allocation funding.

The report provides an overview of the current financial position, the key actions taken as part of the replanning exercise and the main areas of focus for the system as we work to collectively deliver the resubmitted system target.

Recommendations

The Lancashire and South Cumbria ICB is asked to **note** the content of this report.

Which Strategic Objective/s does the report relate to:		Tick
SO1	Improve quality, including safety, clinical outcomes, and patient experience	
SO2	To equalise opportunities and clinical outcomes across the area	

SO3	Make working in Lancashire and South Cumbria an attractive and desirable option for existing and potential employees	
SO4	Meet financial targets and deliver improved productivity	Y
SO5	Meet national and locally determined performance standards and targets	Y
SO6	To develop and implement ambitious, deliverable strategies	Y

Implications

	Yes	No	N/A	Comments
Associated risks				<i>Highlight any risks and where they are included in the report</i>
Are associated risks detailed on the ICB Risk Register?	X			ICB-008
Financial Implications	X			

Where paper has been discussed (list other committees/forums that have discussed this paper)

Meeting	Date	Outcomes
Executive Team	2.4.24	Approved

Conflicts of interest associated with this report

Not applicable

Impact assessments

	Yes	No	N/A	Comments
Quality impact assessment completed			X	
Equality impact assessment completed			X	
Data privacy impact assessment completed			X	

Report authorised by:

Sam Proffitt, Chief Finance Officer

Integrated Care Board – 10 April 2024

Finance Performance Report – Month 11

1.0 Introduction

- 1.1 This paper reports the financial position at the end of February 2024 and provides an assessment of the risks and mitigating actions required to meet the Lancashire and South Cumbria (LSC) health system can achieve its 2023-24 financial targets.
- 1.2 The replanning exercise undertaken during November 2023 identified ‘best case’ system forecast position of £198.5m deficit, of which the ICB is forecasting to be £59.5m by year end providers £139.0m (plus the impact of Industrial Action).
- 1.3 The adjusted year-end system target is £118.5m, being the £198.5m reforecast deficit less £80m deficit funding from NHS England with providers therefore forecasting a net delivery of a £59.0m deficit.

2.0 Current Financial Performance

- 2.1 As at the 29 February (month 11) the Integrated Care Board (ICB) is reporting a system deficit of £148.8m. This represents a current deficit of £67.2m for the Provider Trusts and the ICB reporting a year-to-date deficit of £81.6m.
- 2.2 Funding will be provided for the recent industrial action costs of £5.5m with a likely forecast outturn of £148.5m. The ICB is forecasting a likely position of £89.0m and the Providers £59.0m deficit.
- 2.3 The month 11 position for the system is provided at **Table 1**.

Table 1: Summary financial position

	Plan YTD	Actual YTD	Variance YTD	Plan FOT	Actual FOT	Variance FOT
Organisation	£m	£m	£m	£m	£m	£m
Blackpool Teaching Hospitals NHS Foundation Trust	-5.90	-9.10	-3.20	-0.60	-0.60	0.00
East Lancashire Hospitals NHS Trust	-0.90	-14.60	-13.70	-0.60	-15.50	-14.90
Lancashire and South Cumbria NHS Foundation Trust	0.30	-2.10	-2.40	1.60	0.00	-1.60
Lancashire Teaching Hospitals NHS Foundation Trust	-2.60	-31.80	-29.20	-0.40	-35.60	-35.20
North West Ambulance Service NHS Trust	-0.30	5.30	5.60	0.00	5.70	5.70
University Hospitals of Morecambe Bat NHS Foundation Trust	-2.00	-14.90	-12.90	-0.50	-12.00	-11.50
Provider reported position	-11.40	-67.20	-55.80	-0.50	-58.00	-57.50
Additional Risk					-1.50	
Likely Provider Position					-59.50	-59.00
ICB Reported position	0.00	-81.60	-81.60	0.50	-59.00	-59.50
Additional Risk					-30.00	
Likely ICB Position				0.00	-89.00	-89.50
Forecast Outturn Position	-11.40	-148.80	-137.40	0.00	-148.50	-148.50

3.0 ICB Financial Performance

- 3.1 At the end of month 11, the Integrated Care Board (ICB) is reporting a year-to-date deficit of £81.6m against a planned break-even position.
- 3.2 The reported deficit position is being driven by undelivered savings relating to a contract review scheme, continuing health care packages of care costs, inflation and prescribing pressures.
- 3.3 Several mitigations have been identified including utilising remaining budgets and tight spending controls.
- 3.4 The likely forecast position for the ICB is £89.0m deficit. This reflects the inclusion of an additional £30.0m deficit identified as a risk last month.

4.0 Provider Financial Performance

- 4.1 At month 11, the providers are reporting a collective deficit of £67.2m
- 4.2 The likely forecast position for the providers is £59.0m deficit following the receipt of £80.0m funding against the original deficit plan. Risk continues to be managed across the providers, but it is expected that this can be contained to meet the £59.0m revised deficit target.

5.0 Efficiencies

- 5.1 The system set a high efficiency ambition for 2023/24. At month 11 efficiency performance is provided in **Table 2** showing savings of £199.9m have been delivered across the system which is behind plan by £54.1m. Provider savings plans are £22.3m behind plan and ICB savings plans are £31.8m behind plan.
- 5.2 In total, across all organisations, 68% of year-to-date savings have been delivered recurrently and the current forecast is showing that 69% will be delivered recurrently by the end of the year.
- 5.3 Although a full year shortfall of £48.4m is expected across all organisations, this is an achievement of £238.3m representing 5.3% of the current year system allocation. This forecast assumes delivery of £38.3m in the last month of the financial year.

Table 2: Efficiency performance

ORGANISATION	2023-24 Plan £m	MONTH 11 YTD					FOT					
		YTD Plan £m	YTD Recurrent £m	YTD Non-Rec £m	YTD Total £m	Variance to plan £m	FOT Recurrent £m	FOT Non-Rec £m	FOT Total £m	Variance to plan £m	FOT Recurrent %	FOT Non-Rec %
BTH	37.7	33.1	16.5	15.4	31.9	(1.2)	19.6	16.5	36.1	(1.6)	54%	46%
ELHT	42.3	38.8	20.2	7.8	28.0	(10.8)	24.8	17.5	42.3	0.0	59%	41%
LSCFT	18.6	16.2	7.0	9.3	16.3	0.0	7.7	10.9	18.6	(0.0)	41%	59%
LTH	48.5	43.3	28.0	6.5	34.5	(8.7)	31.2	7.6	38.7	(9.8)	80%	20%
NWAS	12.2	10.8	8.8	2.1	10.8	0.0	9.8	2.4	12.2	0.0	80%	20%
UHMB	30.5	26.4	24.8	0.1	24.9	(1.5)	27.3	0.1	27.4	(3.1)	100%	0%
Total	189.7	168.6	105.3	41.1	146.4	(22.3)	120.3	54.9	175.2	(14.5)	69%	31%
ICB	97.0	85.4	30.3	23.2	53.5	(31.8)	45.2	17.9	63.0	(34.0)	72%	28%
ICB TOTAL	286.7	254.0	135.6	64.4	199.9	(54.1)	165.5	72.8	238.3	(48.4)	69%	31%

6.0 Capital

6.1 The provider capital envelope for 2023-24 is £126.8m as shown in **Table 3** below. At month 11, providers have spent £82.1m, which is £18.9m behind plan. As with previous years, the spend profile accelerates in the latter part of the year, however providers are currently forecasting to under spend by £4.4m.

Table 3: Capital Expenditure

ORGANISATION	MONTH 11				MONTH 11			
	Plan YTD £m	Actual YTD £m	Variance YTD £m	Variance %	Plan FOT £m	Actual FOT £m	FOT still to spend £m	FOT % to spend %
Blackpool Teaching Hospitals NHS Foundation Trust	17.6	18.3	(0.7)	(4%)	21.1	23.6	5.3	23%
East Lancashire Hospitals NHS Trust	13.2	13.6	(0.5)	(3%)	19.0	16.0	2.4	15%
Lancashire and South Cumbria NHS Foundation Trust	13.0	9.2	3.8	29%	14.4	10.7	1.5	14%
Lancashire Teaching Hospitals NHS Foundation Trust	19.0	15.6	3.4	18%	22.7	24.2	8.6	36%
North West Ambulance Service NHS Trust	20.4	15.1	5.3	26%	28.5	28.4	13.3	47%
University Hospitals of Morecambe Bay NHS Foundation Trust	17.8	10.3	7.5	42%	19.2	19.5	9.2	47%
PROVIDER TOTAL	101.0	82.1	18.9	19%	124.9	122.4	40.3	33%
Total Provider Allocation						126.8		
Forecast Variance to Allocation						4.4		

7.0 Recommendations

7.1 The Lancashire and South Cumbria ICB is asked to note the content of this report for the period ending 29 February 2024.

Sam Proffitt

Acting Deputy Chief Executive / Chief Finance Officer

10 April 2024