

Integrated Care Board

Date of meeting	15 May 2024
Title of paper	Finance Performance Report – Month 12
Presented by	Sam Proffitt, Chief Finance Officer
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Agenda item	9
Confidential	No

Executive summary

As at the 31 March 2024 (month 12), the Integrated Care Board (ICB) is reporting a system deficit of £148.6m after deficit funding of £80m which represents a deficit of £59.6m for the Provider Trusts with the ICB reporting a year end deficit of £89.0m.

Despite this deficit position, the system has delivered £240.7m of efficiency savings at the end of the financial year with £165.9m (69%) being delivered recurrently which represents 5.3% of the 2023/24 system allocation funding.

This report provides a summarised overview of the year end position for the system.

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	X			
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	7.5.24			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, Deputy Chief Executive and Chief Finance Officer			

Integrated Care Board – 15 May 2024

Finance Performance Report – Month 12

1.0 Introduction

- 1.1 This paper reports the financial position of the Lancashire and South Cumbria system as at the end of March 2024.
- 1.2 For 2023/24, the system was 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.
- 1.3 The ICB had reported since November as part of the revised plan that a further £30.0m of high risk existed in the plan resulting in a final deficit position of £148.6m.

2.0 System Performance Overview

- 2.1 As at the 31 March 2024 (month 12), the Integrated Care Board (ICB) is reporting a system deficit of £148.6m which represents a deficit of £59.6m for the Provider Trusts with the ICB reporting a year end deficit of £89.0m.
- 2.2 The month 12 position for the system is provided at **Table 1**.

Table 1: Summary financial position

ORGANISATION	MONTH 12 Surplus / (Deficit)		
	Plan Full year £m	Actual Full year £m	Variance Full year £m
Blackpool Teaching Hospitals NHS Foundation Trust	(0.63)	(0.63)	0.00
East Lancashire Hospitals NHS Trust	(0.63)	(15.45)	(14.82)
Lancashire and South Cumbria NHS Foundation Trust	1.61	0.05	(1.57)
Lancashire Teaching Hospitals NHS Foundation Trust	(0.39)	(35.57)	(35.17)
North West Ambulance Service NHS Trust	0.00	5.85	5.85
University Hospitals of Morecambe Bay NHS Foundation Trust	(0.47)	(13.87)	(13.40)
Provider Sub-Total	(0.50)	(59.62)	(59.11)
ICB	0.50	(88.95)	(89.45)
ICB SYSTEM TOTAL	(0.00)	(148.56)	(148.56)

3.0 ICB Financial Performance

- 3.1 At the end of month 12, the Integrated Care Board (ICB) is reporting a full year deficit position of £89.0m.
- 3.2 As reported at month 11, the ICB had amended its forecast outturn position to a deficit of £59.0m which was in line with the national replanning exercise undertaken in November 2023. This replaced the planned full year £0.5m surplus position and accurately reflected the actions that could be delivered to mitigate the planning risk and increasing pressures experienced during this financial year.
- 3.3 The ICB did, however, report to NHSE a high-risk mitigation of £30.0m as part of the replanning exercise in November. This increased the forecast outturn deficit position to £89.0m

4.0 Provider Financial Performance

- 4.1 At month 12, providers delivered a deficit of £59.6m which was £59.1m worse than the original plan.
- 4.2 At month 8 a provider deficit of £149.5m was agreed with NHSE. Subsequently LSCFT improved the forecast by £9.7m and £80.0m of deficit funding was allocated from NHSE meaning the target for providers was a deficit of £59.8m. Therefore, the outturn of £59.6m was £0.2m better than the agreed position. Within this, UHMB was £1.9m worse than the reforecast position whilst NWS was £2.1m better.

5.0 Efficiencies

- 5.1 Month 12 efficiency performance is shown in **Table 2** below. As at the end of March 2024, total savings of £240.7m have been delivered by the system, which is a shortfall of £46.0m against plan. Of this, £165.9m (69.0%) has been delivered recurrently.

Table 2: Efficiency performance

ORGANISATION	MONTH 12 FULL YEAR				
	Plan £m	Delivered Recurrent £m	Delivered Non-Rec £m	TOTAL £m	Variance to plan £m
Blackpool Teaching Hospitals NHS Foundation Trust	37.7	18.7	19.0	37.7	0.0
East Lancashire Hospitals NHS Trust	42.3	23.5	18.8	42.3	0.0
Lancashire and South Cumbria NHS Foundation Trust	18.6	8.6	10.0	18.6	0.0
Lancashire Teaching Hospitals NHS Foundation Trust	48.5	32.3	6.4	38.8	(9.8)
North West Ambulance Service NHS Trust	12.2	9.8	2.4	12.2	0.0
University Hospitals of Morecambe Bay NHS Foundation Trust	30.5	27.3	0.1	27.4	(3.1)
Total	189.7	120.2	56.7	176.9	(12.8)
ICB	97.0	45.7	18.0	63.8	(33.2)
ICB TOTAL	286.7	165.9	74.8	240.7	(46.0)

6.0 Capital

- 6.1 The provider capital envelope for 2023-24 was £127.8m which included an allocation of £12.1m for the impact of IFRS16.
- 6.2 At the end of month 12, providers have spent £122.5m, which is £2.3m behind plan and £5.3m less than the total allocation. **Table 3** summarises actual spend against plan for each organisation. The underspend against the allocation was primarily in relation to the IFRS16 allocation and was agreed with NHS England.

Table 3: Capital Expenditure

ORGANISATION	MONTH 12			
	Plan Full year £m	Actual Full year £m	Variance Full year £m	Variance %
Blackpool Teaching Hospitals NHS Foundation Trust	21.1	23.7	(2.5)	(12%)
East Lancashire Hospitals NHS Trust	19.0	16.0	3.0	16%
Lancashire and South Cumbria NHS Foundation Trust	14.4	11.5	2.8	20%
Lancashire Teaching Hospitals NHS Foundation Trust	22.7	23.9	(1.2)	(5%)
North West Ambulance Service NHS Trust	28.5	27.9	0.5	2%
University Hospitals of Morecambe Bay NHS Foundation Trust	19.2	19.5	(0.3)	(2%)
PROVIDER TOTAL	124.9	122.5	2.3	2%
Total Provider Allocation		127.8		
Forecast Variance to Allocation		5.3		

7.0 Recommendations

- 7.1 The Lancashire and South Cumbria ICB is asked to note the content of this report for the full year ending 31 March 2024.

Sam Proffitt

Deputy Chief Executive and Chief Finance Officer

15 May 2024