

Integrated Care Board

Date of meeting	3 May 2023
Title of paper	Finance Report – Month 12
Presented by	Sam Proffitt, Chief Finance Officer
Author	Katherine Disley, Director of Operational Finance
Agenda item	11
Confidential	No

Purpose of the paper

This paper reports on the 2022-23 year end, month 12 (March) financial performance for the Lancashire and South Cumbria system.

Executive summary

At the of the 2023/24 financial year the Integrated Care Board (ICB) has achieved the financial targets agreed with NHS England to deliver a rolling breakeven position. The ICB statutory body has achieved a break-even position, with the historical CCG surplus being utilised to offset the deficit across the provider Trusts of £26.9m.

The position reflects the actions taken by all NHS organisations to manage the £177m risk identified at the start of the financial year. This has been particularly challenging considering the operational pressures experienced throughout the year and the good work across all organisations is recognised to enable this position to be achieved.

It is important to note, that much of the action to mitigate the risk has been non recurrent in nature and further work is required in 2023/24 to ensure suitable and recurrent solutions are identified.

Recommendations

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

Governance and reporting (list other forums that have discussed this paper)

Meeting	Date	Outcomes
ICB Executive Meeting	25.4.23	Supported the paper for the Board.

Conflicts of interest identified

Not applicable

Implications

If yes, please provide a brief risk description and reference number	Yes	No	N/A	Comments

Quality impact assessment completed			N/a	
Equality impact assessment completed			N/a	
Data Privacy impact assessment completed			N/a	
Financial impact assessment completed			N/a	
Associated risks	Yes			
Are associated risks detailed on the ICB Risk Register?	Yes			

Report authorised by:	Sam Proffitt, Chief Finance Officer
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Integrated Care Board – 3 May 2023

Finance Performance Report – Month 12

1.0 Introduction

- 1.1 This paper reports the financial position for the Lancashire and South Cumbria (LSC) health system at the end of the financial year 2022/23.
- 1.2 It also provides an update on the actions that have been taken to mitigate financial risk across the system and to deliver against the financial recovery plan put in place in the last quarter of the financial year.

2.0 Current Financial Performance

- 2.1 At the end of month 12, the LSC system has achieved a rolling breakeven position utilising its historical CCG surplus to offset the reported provider deficit of £26.9m.
- 2.2 This rolling breakeven position is in line with financial target agreed with NHS England as reported to the Board in March 2023. The ICB has achieved a break-even position for the year.
- 2.3 The full year position for the system is provided at **Table 1**.

Table 1: Summary financial position2

	MONTH 12		
	Plan YTD £m	Actual YTD £m	Variance YTD £m
ORGANISATION			
Blackpool Teaching Hospitals NHS Foundation Trust	0.0	(8.8)	(8.8)
East Lancashire Hospitals NHS Trust	0.0	0.0	0.0
Lancashire and South Cumbria NHS Foundation Trust	0.0	0.0	0.0
Lancashire Teaching Hospitals NHS Foundation Trust	0.0	(14.9)	(14.9)
North West Ambulance Service NHS Trust	0.0	4.8	4.8
University Hospitals of Morecambe Bay NHS Foundation Trust	0.0	(8.1)	(8.1)
Provider Sub-Total	0.0	(26.9)	(26.9)
ICB	0.0	0.0	0.0
CCG Historical Surplus	0.0	27.0	27.0
ICB SYSTEM TOTAL	0.0	0.1	0.1

3.0 ICB Financial Performance

- 3.1 At month 12, the ICB is reporting a break-even year end position, which is a £6.9m improvement from the previous month.
- 3.2 A series of actions have been taken to recover the deficit position which have mitigated the residual risk reported at month 11 of £7.4m down to zero at month 12. These mitigations include non-recurrent actions including slippage within budgets. All non-recurrent mitigations will need to be addressed recurrently in 2023/24.

4.0 Provider Financial Performance

- 4.1 Providers are reporting a year end deficit position of £26.9m which is £26.9m worse than plan.
- 4.3 As outlined above, the forecast position for Providers was to deliver a £27.0m deficit as agreed with NHS England. This is to be offset by the system historical surplus brought forward to enable the reporting of a rolling system break-even position.

5.0 Efficiencies

- 5.1 Month 12 efficiency performance for Providers and the ICB is shown in **Table 2**. As at month 12, savings of £153.1m have been delivered across the system which is a shortfall of £33.7m against plan. Provider savings plans are £8.9m behind plan and ICB savings plans are £24.8m behind plan.
- 5.2 Of the savings delivered at month 12, only 43% are recurrent. The use of non-recurrent savings will need to be addressed in 2023/24 to ensure recurrent solutions are identified and delivered.

Table 2: Efficiency performance

ORGANISATION	2022-23 Plan £m	MONTH 12				Variance to plan £m
		YTD Plan £m	YTD Recurrent £m	YTD Non-Rec £m	YTD Total £m	
Blackpool Teaching Hospitals NHS Foundation Trust	24.0	24.0	5.5	18.5	24.0	0.0
East Lancashire Hospitals NHS Trust	28.8	28.8	11.9	16.9	28.8	0.0
Lancashire and South Cumbria NHS Foundation Trust	18.3	18.3	4.1	9.2	13.3	(5.1)
Lancashire Teaching Hospitals NHS Foundation Trust	26.3	26.3	9.9	16.5	26.3	0.0
North West Ambulance Service NHS Trust	15.5	15.5	5.3	10.2	15.5	0.0
University Hospitals of Morecambe Bay NHS Foundation Trust	22.8	22.8	14.5	4.4	19.0	(3.8)
Provider Sub-Total	135.7	135.7	51.1	75.8	126.9	(8.9)
			40%	60%		
ICB	51.0	51.0	14.2	12.0	26.2	(24.8)
			54%	46%		
ICB TOTAL	186.7	186.7	65.3	87.8	153.1	(33.7)
			43%	57%		

6.0 Capital

6.1 As at month 12, the providers have charged £121.1m of spend against a Capital Allocation of £121.4m resulting in slippage of £0.3m (0.3%). The levels of capital spend by provider is shown in **Table 4** below.

6.2 The original allocation was £109.3m against which there were plans of £110.5m i.e. plans were £1.2m more than the allocation. In year, the allocation was increased for the following schemes;

- £7.6m to reflect the Reinforced Autoclave Aerated Concrete (RAAC) at East Lancashire Hospitals Trust.
- An additional £2.8m for NWAS in relation to ambulance fleet.
- Additional capital allocation £0.4m.

Table 4: Capital Expenditure

ORGANISATION	MONTH 12			
	Plan YTD £m	Actual YTD £m	Variance YTD £m	Variance %
Blackpool Teaching Hospitals NHS Foundation Trust	26.4	26.0	0.4	1%
East Lancashire Hospitals NHS Trust	19.7	19.5	0.2	1%
Lancashire and South Cumbria NHS Foundation Trust	8.4	9.7	(1.2)	(15%)
Lancashire Teaching Hospitals NHS Foundation Trust	23.2	23.0	0.2	1%
North West Ambulance Service NHS Trust	23.1	22.9	0.2	1%
University Hospitals of Morecambe Bay NHS Foundation Trust	20.1	20.0	0.2	1%
Additional capital allocation	0.4	-	0.4	100%
PROVIDER TOTAL	121.4	121.1	0.3	0%

7.0 Recommendations

7.1 The Lancashire and South Cumbria ICB is asked to note the content of this report and the actions taken by Providers and the ICB to deliver the rolling break-even position for the period ending 31 March 2023.

Sam Proffitt

Chief Finance Officer

3 May 2023