

BOARD MEETING

Title	Finance Report Month 2 (May) 2024/25		
Paper Date:	04 July 2024	Meeting Date:	16 July 2024
Purpose:	Assurance	Agenda Item:	13
Author:	Nicola Wildman Head of Financial Planning, Capital and Programme Costing	Exec Lead/ Senior Responsible Officer:	Matthew Metcalfe, Chief Finance Officer

Executive Summary

This paper sets out the financial position of the Integrated Care Board (ICB) and the wider Integrated Care System (ICS) at the end of May (M2) 2024/25. There is a mix of reporting against the 2 May and 12 June financial plans; this will be rectified for M3. The ICB has overspent by £3.7m year to date (YTD). The ICS has reported a YTD deficit of £33m (£5m off plan).

Action Required

This report has been reviewed by the System Productivity Committee which has reported the outcome of its meeting. The Board is asked to consider the report and to consider the level of assurance that pertains to the following:

- The ICB's ability to meet its control total considering year-to-date performance, prospective risks and plans to address overspends.
- The ICS's ability to meet its control total considering year-to-date performance and prospective risks.

Conflicts of Interest	Conflict noted: conflicted party can participate in discussion and decision
------------------------------	---

This report contains information including the financial performance of organisations that partner members of the Board lead/are employed by. ICB funding contributes to the pooled budgets with Buckinghamshire Council and the contract held by GP practices, so the local authority and primary care partner members of the board are potentially conflicted. The perspective of these members is an important aspect to enable the Board to focus on where the ICB and system contribute to improvement.

Date/Name of Committee/ Meeting, Where Last Reviewed:	System Productivity Committee, 2 July 2024
--	--

Finance report

Month 2 2024/25

Please note that some of the current plan data shown is extracted from the M2 PFRs w/c 10/6.
This is not the same as the new provider / ICB plan as submitted w/c 10/6.
This difference will be amended by the time of the M3 reporting.

BOB system summary position M2

ICS Surplus/(Deficit) M2	YTD Plan	YTD Actual	YTD Var		Annual Plan	M2 as a % of 12/6 annual plan
	£'000	£'000	£'000	%	£'000	£'000
Berkshire Healthcare NHS Foundation Trust	(105)	(106)	(1)	-1%	1,900	-6%
NHS Buckinghamshire Healthcare NHS Trust	(6,619)	(6,654)	(35)	-1%	(22,855)	29%
Oxford Health NHS Foundation Trust	(953)	(1,290)	(337)	-35%	(2,700)	48%
Oxford University Hospitals NHS Foundation Trust	(11,319)	(11,291)	28	0%	(8,101)	139%
Royal Berkshire NHS Foundation Trust	(4,253)	(6,019)	(1,766)	-42%	(14,500)	42%
Provider total	(23,249)	(25,360)	(2,111)	-9%	(46,256)	55%
Buckinghamshire, Oxfordshire and Berkshire West ICB	(4,443)	(8,297)	(3,854)	-87%	(13,744)	60%
ICS Total	(27,692)	(33,657)	(5,965)	-22%	(60,000)	56%

Due to the required national submission on 12/6/24, for month 2 reporting there has been limited reporting requirements and a mix of reported positions against original plan submitted 2/5/24 of (£92m) (as per NHSE guidance) and against the (£60m) deficit revised position required in 12/6/24 submission.

Month 3 reporting will be consistent against the plans submitted on 12/6/24.

The ICB is experiencing cost growth in M2 which is still being analysed, but there is a M2 risk of £3m to £4m relating to income recovery and emerging cost pressures in some areas.

Royal Berks FT is experiencing cost challenge in a range of departments, which it is mobilising to address.

Other organisations across the ICS see the overall position as broadly on plan, whilst challenging, and where variances exist relate to timing of actual efficiency schemes compared to profiled savings expectations.

ICB Finances

Please note the current plan data shown is extracted from the M2 PFRs w/c 10/6.
This is not the same as the new provider plan as submitted w/c 10/6.
This difference will be amended by the time of the M3 reporting.

Nb The summary position on slide 2 has been updated to reflect the new (12/6) plan position, however the remainder of this pack refers to the position as required to report in M2 against the plan submitted on 2/5/24.

2024/25 BOB ICB Summary (by Service Line)	YTD Budget Month 2 £'000	YTD Actual Month 2 £'000	YTD Variance £'000	Annual Budget Month 2 £'000
Acute	287,085	290,336	(3,251)	1,722,859
Community Health Services	64,372	64,714	(341)	395,422
Continuing Care	37,333	38,184	(850)	224,001
Mental Health	59,532	61,772	(2,240)	357,194
Other Programme	6,902	3,173	3,729	48,951
Primary Care	7,898	8,529	(631)	47,388
Prescribing, Central Drugs and Oxygen	47,194	46,906	288	283,164
Pharmacy, Optometry and Dentistry (POD)	20,624	20,624	0	137,866
Delegated Co-Commissioning	55,990	55,991	(1)	332,002
Total Programme Costs	586,930	590,227	(3,297)	3,548,847
ADMIN Costs	4,614	4,991	(377)	28,387
NET SURPLUS / (DEFICIT) before ICB surplus/(deficit)	591,544	595,218	- 3,674	3,577,234
ICB Surplus / (Deficit)	(4,623)	0	(4,623)	(27,738)
NET SURPLUS / (DEFICIT)	586,921	595,218	- 8,297	3,549,496

The YTD variance at M2 is (£3.7m)overspend. This relates to income expected from NHSE for ERF, Additional Primary Care (ARRs) roles and SDF in line with guidance.

The forecast is in line with plan, however, there remain risks to this position.

The main drivers of the YTD variances are summarised below and are further explained more fully throughout the slide deck:

- The overspends noted above as reported based on M1 returns, which should be covered by additional ERF and SDF/ARRs income later in the year.

The following items are not yet reported due to uncertainty.

- (£2.2m) overspend Mental Health - related to pressures on S117 mental health after care packages. This position is being reviewed and investigated further.
- (£0.8m) overspend in CHC – due to CHC admin cost pressures.
- (£0.7m) net position of other minor over/underspend items.

This is offset by £3.7m underspend in Other Programme - re profiling of budget.

A forecast outturn position for the full year is not reported at M2.

ICB Risk and Mitigations M2

NHS BOB ICB RISK AND MITITGATIONS

Risks/Mititgations	24/25	Detail	Rationale
Additional cost risk (capacity, pressures, winter, COVID)	(10,000)	- risk re winter capacity pressures - high cost packages that are not CHC	- 23/24 £6m demand & capacity not received in 24/25. Discharge and P&VC increased in 24/25 - but risk may not be sufficient - risk that trend on high cost packages is greater than planned eg.dpv approved via LA at 4%. Requests from multiple providers re price increase significantly in excess of 1.7% CUF funding received SCAS - tbc - ongoing negotiation Other contract pressures, ongoing issues re baselines e.g. Hillingdon,
Additional cost risk (inflation)	(5,000)	package of care price pressures - private providers £5m - SCAS 999/111/PTS contract £5m re other contract pressures	
Contract risk (excl. ERF)	(10,000)		
COVID risk			
Efficiency risk	(2,000)	slippage on schemes being worked up currently	4% efficiency target, significant for the ICB - not all yet identified - risk that growth continues above levels in plan due to ageing population and new LTC drugs etc offsetting impact of CIP delivery. - Impact of potential Industrial Action across GPs in year
Prescribing / CHC (blank) (blank)	(10,965)	50% of CHC/Primary Care Prescribing CIP (£6m/£15m)	
Mitigations/benefits:			
Additional cost control	12,000	- £7m being 25% of system cost reduction target of £27.7m - potential additional CHC,difficult decisions etc - £5m re high cost packages - review of governance, high cost packages and assessment processes.	leads Elements relating to Procurement, Demand, S117, Further prescribing/HCD system changes
Transformational / Pathway changes			
Efficiency mitigation			
Unmitigated: COVID			
Non-recurrent mitigation (blank)	10,000	some slippage assumed on in year allocations, technical and further balance sheet reviews.	
Mitigations not yet identified	15,965	to be identified	through further transformation work, and agreed actions identified through ICB line by line review exercise
Total ICB Net Risk (excluding ERF)	0		

The risk presented above are as presented in the plan submission, however, remain relevant to the current month 2 position reported where risks are seen across Acute variable elements of the NHS contracts and non CHC high cost packages.

Month 2

Efficiency by scheme	Annual Plan £'000	Plan Year to date £'000	Actual Year to date £'000	Variance to date £'000	Annual forecast £'000	variance to plan £'000	Risk Rating
HCD Biosimilars	£3,100	£517	£517	£0	£3,100	£0	Green
HCD system working	£2,000	£333	£333	£0	£2,000	£0	Green
All Age continuing care - commissioning	£6,000	£1,000	£1,000	£0	£6,000	£0	Yellow
S117 BW	£1,000	£167	£0	£167	£1,000	£0	Yellow
Digital Efficiencies	£600	£100	£0	£100	£600	£0	Yellow
Primary Care-Prescribing	£15,930	£2,655	£2,655	£0	£15,930	£0	Green
Community Equipment Loan	£500	£83	£0	£83	£500	£0	Yellow
Nursing Portfolio	£1,000	£167	£0	£167	£1,000	£0	Yellow
Total reported as per Plan submitted 2/5/24	£30,130	£5,022	£4,505	£517	£30,130	£0	Green
Unidentified CIP	£5,538	£923	£0	£923	£0	£5,538	Red
Plan as at 12/6/24	£35,668	£5,945	£4,505	£1,440	£30,130	£5,538	Yellow

Overall as per plan submission as of 2nd of May the ICB is forecasting the achievement planned savings. There is some lag on the year-to-dates related to lag in running the schemes, and data availability in the earlier parts of the year as well as cyber issues related particularly around the Community equipment contract.

The extra £5.5m was added as per plan submission on the 12th of June, this is still pending formulation of schemes which will support the achievement of this target.

In addition there are further budget challenge amounts yet to be reflected in the above.

ICS CIPs prior year and CY as per June submissions

ICS	2023- 2024 CIPs- Actuals	23/24 Recurrent				23/24 Non Recurrent				TOTAL 23/24					
		Plan	Actual	Variance	Achieved against	Plan	Actual	Variance	Achieved against	Plan	Actual	Variance	Achieved against		
		31/03/2024	31/03/2024	31/03/2024	Operating expenditure	31/03/2024	31/03/2024	31/03/2024	Operating expenditure	31/03/2024	31/03/2024	31/03/2024	Operating expenditure		
		YTD	YTD	YTD	31/03/2024	YTD	YTD	YTD	31/03/2024	YTD	YTD	YTD	31/03/2024		
		£0.0m	£0.0m	£0.0m	%	£0.0m	£0.0m	£0.0m	%	£0.0m	£0.0m	£0.0m	%		
	Oxford Uni Hosp NHS FT	51.3	41.2	-	10.0	2.5%	19.3	47.7	28.4	2.9%	70.5	88.9	18.4	5.1%	
	Royal Berkshire NHS FT	15.0	3.9	-	11.1	0.6%	-	12.1	12.1	1.9%	15.0	16.0	1.0	2.5%	
	Buckinghamshire Healthcare NHS Trust	25.5	20.2	-	5.3	3.1%	10.7	8.7	-	2.0	36.2	28.9	-	7.3	4.2%
	Berkshire Healthcare NHS FT	11.1	11.1	-	-	3.0%	3.1	3.1	-	-	14.1	14.1	-	-	3.7%
	Oxford Health NHS FT	11.3	11.3	-	-	1.8%	4.8	4.8	-	-	16.1	16.1	-	-	2.5%
	ICS provider	114.2	87.7	-	26.4	2.2%	37.9	76.4	38.5	1.9%	152.0	164.1	12.1	4.2%	
	ICB	10.8	10.8	-	-	0.7%	8.4	6.4	-	2.0	19.2	17.1	-	2.0	1.1%
	TOTAL ICS	124.9	98.5	-	26.4	2.8%	46.3	82.8	36.5	2.3%	171.2	181.3	10.1	5.1%	

ICS	2024- 2025 CIPs-Plan	24/25 Recurrent CIPS		24/25 Non Recurrent CIPS		TOTAL 24/25	
		Plan	Planned against	Plan	Planned against	Plan	Planned against
		31/03/2025	Operating expenditure	31/03/2025	Operating expenditure	31/03/2025	Operating expenditure
		FY	31/03/2025	FY	31/03/2025	FY	31/03/2025
		£0.0m	%	£0.0m	%	£0.0m	%
	Oxford Uni Hosp NHS FT	74.2	4.5%	18.2	1.1%	92.5	5.7%
	Royal Berkshire NHS FT	25.2	4.0%	-	0.0%	25.2	4.0%
	Buckinghamshire Healthcare NHS Trust	33.7	5.1%	11.7	1.8%	45.5	6.8%
	Berkshire Healthcare NHS FT	11.5	3.1%	2.1	0.6%	13.6	3.6%
	Oxford Health NHS FT	8.1	1.2%	32.1	4.7%	40.3	5.9%
	ICS provider	152.8	3.8%	64.2	1.6%	217.01	5.4%
	ICB	21.2	1.1%	14.4	0.8%	35.7	1.9%
	TOTAL ICS	174.0	4.8%	78.6	2.2%	252.7	7.0%