

Report title: ICB Finance Report

Report on the financial performance for September 2023 (M6 – 2023/24)

1. Executive Summary

The annual allocation is £2,096.818m; initial allocation of £2,000.958m with prior month increases of £91.112m and additional allocation in month of £4.748m.

The ICB is reporting a £2.456m year to date deficit at month 6 (*£1.288m deficit in month 5*), a movement of £1.168m in month. The movement is due to a further overspend within prescribing of £0.342m, attributable to excess inflation on several prescribing products and activity of direct access diagnostic imaging and outpatient diagnostic imaging at University Hospitals Bristol and Weston NHS Foundation Trust (UHBW).

The funded care position continues to report an overspent position which is being mitigated by a hold on investment reserves, inflation allocations, and underspends within other service areas, primarily dental contract activity.

The ICB continues to forecast a breakeven year end position however this is dependent on the delivery of the assumptions and actions underpinning the forecasts. The Executive team have agreed the assumptions and actions and are providing leadership on the delivery of each programme / Health Care Improvement Group area. Failure to deliver the breakeven position will result in accumulated historical debt being reinstated and repayable, and restrictions implemented by NHS England on investments and additional reporting requirements.

One area of notable uncertainty is income/allocation under the Elective Services Recovery Fund (ESRF) and the inter-related financial impact of Industrial Action. No clarity regarding how the impact of Industrial Action will be funded/mitigated has been provided by NHSE, and no funding adjustments have been transacted year to date. In lieu of clear policy, NHS England has advised ICBs to report income/allocation to date in line with expected earning and to report forecast outturn income and expenditure in line with operating plan. The majority of the financial impact and risk arises in acute provider sector and more detail is therefore provided in system finance report.

2. Risks and mitigations

The risks and mitigations associated with the delivery of the ICB financial position are summarised in the table below.

Risks	Mitigations
Funded care and placements – management of in year costs and development and delivery of savings plans	Continue to monitor the year to date, forecast and delivery of savings positions ensuring the assumptions and outputs are tested and triangulated.
Unable to use reserves for planned investments	Assess the impact of not implementing investment reserves. Monitor the impact of the funded care action plan and the potential release of reserves later in the year.
Increase in prescribing run rate and the impact on the forecast outturn.	The medicines management and finance teams continue to review the trend analysis of practice prescribing volumes and values and to escalate the increase in value with the national teams.
Assessing the forecast winter pressures and the impact on the discharge to assess risk pool.	Continue to liaise with system partners and assess the financial consequences on winter contingencies/ risk pool.
The complexity of the elective recovery fund guidance and the impact of the industrial action on costs and activity. The forecast implication on over-performance in Independent Sector is also being assessed.	Continue to follow NHSE guidance and liaise with NHSE and providers to understand system assumptions and impact, current high-level assumption is favourable to forecast.

3. Financial duties

The in-month assessment of delivery against the ICB's financial duties are four on plan (green) and one at risk (amber).

Although the expenditure within the cash limit duty is currently rated amber it is expected to be rated green as the financial year progresses as the ICB receives additional funding and allocations.

Duty	RAG	Position
Maintain expenditure within the revenue resource limit (Section 5)	G	The ICB is reporting a forecast position in line with the revenue resource limit at Month 6.
Ensure running costs are within the running cost resource limit. (Section 5 and appendix A8)	G	The ICB has set a running cost budget per the allocation of £18.900m. At month 6 there is a small underspend of £0.048m with a forecast to breakeven by year end.
Maintain capital expenditure within the delegated limit (Section 7)	G	The 2022/23 capital programme is £8.960m; £1.660m ICB allocation, £1.800m system CDEL prioritised capital and reforecast £4.125m IFRS16 office lease. All schemes have been approved with delivery plans in place. NHSE continue to work through the oversubscription of national IFRS16 capital requirement. The ICB have chased the NHSE regional team for an update on the IFRS16 project initiation document submission.
Maintain expenditure within the allocated cash limit (Section 8)	A	Cash draw down at the end of month 6 is ahead of monthly profile by 2.75%. The ICB continue to monitor cash requirements and forecast monthly draws, which are within the annual allocation by year end.

Duty	RAG	Position
Ensure compliance with the better payment practice code (Section 9)	G	Performance target requires 95% of non-disputed invoices to be paid within 30 days. The ICB continues to deliver against the target. <i>Nb: the majority of care home invoices are disputed and therefore not included in the target.</i>

4. Revenue allocation

The annual allocation has increased by £4.478m in month to £2,096.818m. The significant allocations in month 6 include £1.920m to be passed to the providers for capital charges funding, £1.550m for digital funds relating to the secure data environment for research (SDE) programme led on behalf of the South West Region, £0.533m for indicative Service Delivery Funds (SDF) in primary care for fellowships and, £0.400m for system coordination centres.

The internal budget moves in month are geared through the reserves position. At budget setting stage £12m of external funds were expected to be received in year, with the budget set within reserves. These funds are now anticipated to flow directly to the acute providers therefore the acute contracts have transferred funds to reserves to reflect the actual funding flows. The transfer to reserves has been offset by a transfer out of investment and SDF reserves to community services for migrant health, ageing well, discharge to assess, high impact users and green social prescribing.

Programme Area	Confirmed Initial ICB allocation £m	Prior Months Allocation Changes £m	Adjustments in Month		Baseline Allocation at 30-Sep-23 £m
			SDF/Other allocations £m	Internal Budget adjs £m	
Acute Contracts	1,028.154	22.855	0.332	(12.000)	1,039.341
Mental Health	222.826	5.754	-	-	228.580
Community Services	193.862	6.537	0.112	3.053	203.564
Delegated Primary Care	255.137	2.560	0.046	-	257.743
Medicines Management	154.112	0.415	-	-	154.527
Primary Care	36.369	(0.506)	0.620	0.181	36.664
Funded Care	113.997	-	-	-	113.997
Childrens Services	20.523	0.586	-	-	21.110
Support costs	6.935	(1.170)	1.950	0.635	8.350
Reserves	(49.384)	53.608	1.688	8.131	14.043
Commissioning Budget	1,982.531	90.639	4.748	-	2,077.918
Running Costs	18.427	0.473	-	-	18.900
Total Allocation 2022-23	2,000.958	91.112	4.748	-	2,096.818

5. Financial position September 2023 (Month 6)

At month 6 the ICB is reporting a **£2.456m year to date overspend** with a **breakeven forecast** position. Although the ICB continues to forecast a breakeven position this is underpinned by key assumptions and actions which are expected to continue through the second half of the financial year.

2023/24 September 2023 - Month 6	Budget	YTD Budget	Expenditure	Variance		Forecast Outturn	Forecast Outturn Variance		Appendix Ref
Programme Area	£m	£m	£m	£m		£m	£m		
Acute	1,035.346	529.951	531.039	(1.088)	●	1,035.352	(0.006)	●	A1
Mental Health	228.580	114.907	114.895	0.012	●	228.761	(0.181)	●	A2
Community	207.558	109.253	109.842	(0.590)	●	207.478	0.080	●	A3
Delegated Primary Care	257.743	131.755	129.663	2.092	●	256.089	1.654	●	A5/A6
Medicines Management	154.527	77.399	79.023	(1.624)	●	160.519	(5.992)	●	A7
Primary Care	36.665	18.643	18.442	0.201	●	36.249	0.415	●	A4
Funded Care	113.997	57.021	61.229	(4.208)	●	122.886	(8.889)	●	A8
Childrens	21.110	10.583	10.255	0.329	●	20.524	0.585	●	A9
Support Costs	8.350	2.156	2.605	(0.449)	●	8.349	0.000	●	A10
Reserves	14.042	11.457	8.635	2.821	●	1.710	12.332	●	-
Running Costs	18.900	8.991	8.943	0.048	●	18.900	-	●	A11
BNSSG ICB Surplus/(Deficit)	2,096.818	1,072.115	1,074.571	(2.456)		2,096.817	-		
Provider Surplus/Deficit	-	5.421	21.243	(15.822)		-	-		
ICS Position	2,096.818	1,077.536	1,095.814	(18.278)		2,096.817	-		

Forecast Outturn assumptions

The Deputy Chief Finance Officer has reported to the Executive team reiterating the consequences of not delivering a breakeven position and sets out the key assumptions for delivering breakeven at Health Care Improvement Group (HCIG)/ Programme area.

Consequences

- Accumulated brought forward debt of £117m will be reinstated and repayable
- Provider double lock sign off process for investments over £50,000
- System triple lock sign off process for investment over £100,00
- Additional reporting requirements from NHSE
- Further restrictions on recruitment, agency, consultancy and bank usage
- Capital funding restrictions.

Key assumptions

Programme	Key assumptions and actions	Led by	Exec SRO
Acute (Hospitals HCIG)	<ul style="list-style-type: none"> • Activity on inter system and independent sector fully funded from additional Elective Recovery Fund (ERF) • NHS providers recover activity to plan levels • National adjustment to activity levels for impact of industrial action cost and activity 	Elective care Service Delivery Group	Deputy Director Performance and Delivery
Mental Health, LD and Autism (MH, LD&A HCIG)	<ul style="list-style-type: none"> • Full achievement of Mental Health Investment Standard (MHIS) • Planned investments deferred to offset overspends in placements • Establishment of mental health and learning disabilities oversight groups 	Mental Health & Learning Disabilities Service Delivery Units	Director of Transformation, Data and Digital (TDD)
Childrens (Children's HCIG)	<ul style="list-style-type: none"> • Uncommitted growth funding retained and not re-invested in year 	Children's Service Delivery Unit	Chief Nursing Officer
Funded Care (Community HCIG)	<ul style="list-style-type: none"> • All actions, as reported to September committee, actioned • Full delivery of savings plan • Continued support through transformation gateway process 	Funded Care Delivery Board	Chief Nursing Officer
Medicines Management (Community HCIG)	<ul style="list-style-type: none"> • Full delivery of savings plan • All actions taken to mitigate spend, as far as reasonable 	Primary Care Oversight Group	Chief Medical Officer

Programme	Key assumptions and actions	Led by	Exec SRO
Community (Community HCIG)	<ul style="list-style-type: none"> Community equipment overspend and patient transport underspend within forecast Bed management and utilisation as forecast within current budget for Brain Injury Rehabilitation Unit (BIRU), discharge to assess (D2A), P2/P3 beds and winter mitigations Maintaining budgetary position with local authority partners Establishment of Integrated Care Oversight Group to oversee delivery of financial plan 	Integrated Care Oversight Group and D2A Programme Board	Director of Integrated and Primary Care
Delegated Primary care (Community HCIG)	<ul style="list-style-type: none"> Impact of mid year GP contract revisions as forecast Additional roles fully reimbursable at national level Exceptional requests managed within overall budget 	Primary care oversight group	Director of Integrated and Primary Care
Core Primary care (Community HCIG)	<ul style="list-style-type: none"> Locally enhanced services performance levels maintained System clinical assessment services slippage not reinvested 	Primary care oversight group	Director of Integrated and Primary Care
Delegated POD Primary care (Community HCIG)	<ul style="list-style-type: none"> Dental contract performance delivered as per forecast, which assumes contract activity recovery and investment in alternative mitigations Potential clawback of ophthalmology underspend by NHSE 	Primary care oversight group	Director of Integrated and Primary Care
Support costs	<ul style="list-style-type: none"> Digital projects contained within existing or new allocations 		Director of TDD
Investment Reserves	<ul style="list-style-type: none"> Further allocation minimised, as per forecast Balance on investment reserves to be retained in reserves 	Health Inequalities / Anticipatory Care, Prevention & Long Term Conditions	Chief Medical Officer / Director of Integrated and Primary Care
Other Reserves	<ul style="list-style-type: none"> Additional allocations received in year retained in reserves All uncommitted allocations and SDF fully committed 		Deputy Chief Executive and Chief Finance Officer
Running costs	<ul style="list-style-type: none"> Directorate pay and non-pay budgets delivered within existing establishment, including vacancy factor Shaping our Future commitments maintained within financial envelope 	Executive Team	Director of People

The reports recommended that the Executive and Strategic Development Forum (SDF) support the requirement to breakeven and support the key actions and mitigations, providing Executive SRO leadership as required.

Year to date position

The reported year to date variance of £2.456m is primarily driven by prescribing costs within medicines management (£1.624m) and direct access diagnostic imaging and outpatient diagnostic imaging at UHBW (£0.832m). The overspend in funded care is offset by the dental element of delegated primary care and investment reserves, which continue to be deferred while there are overspends in the programme areas.

Programme status at month 6

The programme areas are rated on variance from budget with ,1% rated green, between 1% and 2% amber and over 2% red. The programme areas with amber and red ratings are reported below.

Medicines Management (A7)

Practice prescribing is reporting over budget by £1.704m year to date, forecast to be £5.992m to the end of the financial year. The overspend is attributable to practice prescribing products which have increased significantly in recent months, and in excess of the planned growth for the year 2023/24.

Funded Care (A8)

The Funded Care position is reporting a year to date overspend of £4.208m, forecast to be £8.889m overspent to the end of the financial year. A full reconciliation of ledger invoices to Care Track estimates has been carried out in month which has resulted in a favourable forecast movement of £0.615m from last month.

Savings which have already been made are included in the positions but any potential savings from further work will need to be assessed and validated before being included in the forecast position.

The ICB continues to monitor the position on outstanding invoices from providers and the impact on prior year balances.

Support Costs (A10)

Clinical lead costs remain under investigation and hence year to date spend of £0.6m has been included at Month 6 to be prudent. We anticipate this issue will be resolved ahead of Month 7 reporting.

System position

The ICS is reporting a year to date overspend of £18.278m, of this £13.6m can be attributed to the costs of industrial action from May to August, additional temporary staff costs at North Bristol NHS Trust of £1.7m, under delivery of savings at UHBW and Avon and Wiltshire Mental Health Partnership NHS Trust of £5.9m, which are offset by slippage on investments of £4.5m and other income of £1m.

Payroll overview

Included in the financial position are the pay costs associated with the new structure, as summarised below. The funded establishment is currently underspent by £0.544m and the pay costs funded from other sources overspent by £0.760m generating a net pay variance of £0.216m overspent (£0.421m under on admin costs and £0.205m over on programme).

Source of funds	Admin/ Programme	Full year budget £m	YTD budget £m	YTD spend £m	YTD variance £m
Funded Establishment	Admin	13.202	6.601	6.439	0.161
	Programme	11.745	5.873	5.490	0.382
Total funded Establishment		24.947	12.474	11.930	0.544
Other Funding source	Admin	0.842	0.436	1.019	(0.582)
	Programme	1.576	0.807	0.984	(0.177)
Total funded Establishment		2.419	1.243	2.003	(0.760)
Grand total		27.366	13.717	13.933	(0.216)

		Full year budget £m	YTD budget £m	YTD spend £m	YTD variance £m
Analysed by	Admin	14.044	7.037	7.458	(0.421)
	Programme	13.322	6.680	6.475	0.205
Grand total		27.366	13.717	13.933	(0.216)

Most of the variance on other sources relates to the posts within the learning academy which are subject to a business case being presented to system partners and delay from NHSE, DHSC and Treasury in approving redundant posts from the organisational change.

6. Efficiencies

The total ICB savings plan as per the Annual Plan submission is £22.035m, £6.975m within the ICB and £15.060m of commissioning efficiencies.

2023/24 Month 6	YTD planned net saving £ms	YTD actual net saving £ms	YTD Variance £ms	Planned Net Saving £ms	FOT Net Saving £ms	Variance to Plan £ms
ICB savings plan						
Running Costs/Support costs	0.270	0.270	-	0.534	0.534	-
Funded Care	0.718	0.781	0.063	3.000	3.157	0.157
Primary Care	0.625	0.375	(0.250)	0.750	0.750	-
Medicine Optimisation	1.117	2.037	0.920	2.691	3.610	0.919
Total ICB savings plan	2.730	3.463	0.733	6.975	8.051	1.076
Commissioning efficiencies						
NHS Providers inside system	4.914	4.914	-	9.827	9.827	-
NHS Providers outside of system	0.360	0.360	-	0.719	0.719	-
Non NHS provider	1.854	1.854	-	3.705	3.705	-
Profiling reconciliation to NHSE return	1.170	0.362	(0.808)	0.809	0.720	(0.089)
Total savings	11.028	10.953	(0.075)	22.035	23.022	0.987

At month 6 the ICB efficiency delivery was £0.075m adverse to plan but forecast to overachieve by £1.076m by year end. The overspend on funded care within the financial position (section 5) has impacted the year-to-date delivery with the savings plans now in place for delivery by year end. The current savings overachievement in medicines optimisation will continue to be monitored alongside the overspend in the programme position to assess any potential impact on the savings trajectory.

The commissioning efficiencies reflect the savings achieved through passing through the 1.1% efficiency factor via contact price uplifts each year. These savings are all fully delivered via baseline contact and budget changes.

7. Capital allocation

The ICB's total capital allocation, including IFRS16, is £8.960m, as shown in the table below.

2023/24 Schemes	Asset Owner	Capital Allocation £m	YTD Budget	YTD Expenditure	YTD Variance		Forecast Outturn £m	Forecast Variance £m	
			£m	£m	£m				
Minor Improvement Grant (MIG)	NHS England	0.313	-	-	-		0.313	-	●
MIG Equipping	NHS England	0.039	-	-	-		0.039	-	●
GPIT - BAU refresh	NHS England	0.941	0.118	0.042	0.076		0.941	-	●
GPIT - additional roles & PCN	NHS England	0.094	-	0.022	(0.022)		0.094	-	●
IT Corporate Refresh	BNSSG ICB	0.273	-	-	-		0.273	-	●
ICB Capital Allocation		1.660	0.118	0.064	0.054		1.660	-	
System prioritisation schemes									
Additional MIG	NHS England	0.300	-	-	-		0.300	-	●
Central Weston	Sirona	1.500	-	-	-		1.500	-	●
Total ICB capital allocation (excl. IFRS16)		3.460	0.236	0.128	0.054		3.460	-	
IFRS 16 capital uplift (tbc)									
Property lease	BNSSG ICB	5.500	-	-	-		4.125	(1.375)	●
Total ICB capital allocation (incl. IFRS16)		8.960	0.354	0.192	(0.054)		7.585	(1.375)	

NHSE has approved all the schemes within the ICB capital allocation of £1.6m and plans are now in place for delivery by the end of the financial year.

The ICB continues to meet with the NHSE regional capital team to finalise the business case for the Central Weston scheme. The regional capital team has confirmed with the NHSE strategic finance team that CDEL approved under the business case will be cash backed. Once the business case is approved the ICB will liaise with the strategic finance team to confirm the process for accessing the cash.

The IFRS16 uplift is in relation to the relocation of the ICB offices. Following initial calculations by NHS Property Services the NHSE regional capital team advised increasing the forecast position to £4.125m until the IFRS16 project initiation document (PID) submission has been reviewed by the regional capital team and the right of use asset calculation reviewed by the external auditors. The ICB has chased the review of the PID and expect to receive feedback from the external auditors by the end of October.

8. Statement of Financial Position

There is a year-to-date movement on the balance sheet of £28.024m which represents an increase in cash of £5.365m, a decrease in creditors of £29.750m and a positive movement on provisions of £3.357m, offset by a decrease in debtors of £10.396m.

Statement of Financial Position	Balance 31/03/2023 £m	Balance 30/09/2023 £m	Movement £m
Total Non Current Assets	0.488	0.332	(0.156)
Current Assets			
Cash & Cash Equivalents	0.081	5.446	5.365
Current Trade And Other Receivables	18.338	7.942	(10.396)
Total Current Assets	18.419	13.388	(5.031)
Total Assets	18.907	13.720	(5.187)
Current Liabilities			
Payables	(131.478)	(101.728)	29.750
Lease Liability	(0.104)	-	0.104
Provisions	(13.301)	(9.944)	3.357
Total Current Liabilities	(144.883)	(111.672)	33.211
Total Net Assets/(Liabilities)	(125.976)	(97.952)	28.024
Taxpayers Equity			
I&E Reserve - General Fund	(125.976)	(97.952)	28.024
Total Taxpayer Equity	(125.976)	(97.952)	28.024

The closing cash ledger position of £5.365m is higher than the NHSE target for the month of £2.4m (*based on 1.25% of the monthly drawdown*) and is attributable to the unusually high number of debts cleared, which is reflected in the low balance on trade receivables.

As at the 30 September, the cash utilised was £1,102.595m against a full year cash allocation of £2,090.305m. The draw down to end of month 6 is ahead of monthly profile by 2.75%. The ICB remains confident that the current overdrawn position will be offset by planned movements, and changes to cash limit associated with additional allocations in the second half of the year, including Elective Services Recovery Fund (ESRF).

9. Better Payment Practice Code (BPPC)

The ICB are required to comply with the BPPC where all non-disputed invoices are to be paid within 30 days. The performance measure requires 95% or more of invoices, in terms of volume and value, to be paid within 30 days.

The ICB pays an average of 2,600 invoices a month and continues to meet the BPPC target for all NHS and Non NHS invoices.

Type	In month	Number	£m
NHS	Total bills paid in month	143	113.550
	Total bills paid within target	143	113.550
	% bills paid within target	100.00%	100.00%
Non NHS	Total bills paid in month	2,478	74.775
	Total bills paid within target	2,467	74.728
	% bills paid within target	99.56%	99.94%

Type	Year to date	Number	£m
NHS	Total bills paid in year	610	601.627
	Total bills paid within target	604	601.542
	% bills paid within target	99.02%	99.99%
Non NHS	Total bills paid in year	14,954	398.856
	Total bills paid within target	14,747	392.576
	% bills paid within target	98.62%	98.43%

The finance and funded care teams continue to manage and monitor the position of the care home invoices through a dashboard developed by the business intelligence team and develop processes to change the volume of invoices received. .

10. Recommendations

This report on the ICB financial position is to be read alongside the System Finance Report. The committee are asked to note the financial position as of month 6, actions taken to secure delivery of breakeven position and the associated risks and mitigations.

Appendix 1 – Analysis of spend within programme areas

A1 – Acute

Acute Services	Budget	YTD Budget	YTD Expenditure	YTD Variance		Forecast Outturn	Forecast Variance	
	£m	£m	£m	£m		£m	£m	
University Hospitals Bristol and Weston NHS FT	465.239	235.658	236.490	(0.832)	●	465.239	-	●
North Bristol NHS Trust	444.197	225.274	225.274	-	●	444.197	-	●
South Western Ambulance Service NHS FT	50.746	25.373	25.373	-	●	50.746	-	●
Independent Sector Treatment Centres	42.440	23.251	23.251	-	●	42.440	-	●
Other Local Provider contracts (RUH, Glos, Somerse	17.855	8.928	9.263	(0.336)	●	17.855	-	●
Low Volume Activity (previously NCA)	8.975	8.521	8.521	-	●	8.975	-	●
Other Acute Spend (incl SWAG cancer)	5.893	2.946	2.867	0.080	●	5.899	(0.006)	●
Grand Total	1,035.346	529.951	531.039	(1.088)		1,035.352	(0.006)	

A2 - Mental Health

Mental Health & Learning Disabilities	Budget	YTD Budget	YTD Expenditure	YTD Variance		Forecast Outturn	Forecast Variance	
	£m	£m	£m	£m		£m	£m	
MH - AWP Core Contract	137.875	68.938	68.937	-	●	137.875	-	●
Mental Health Placements	20.981	10.490	11.983	(1.493)	●	24.373	(3.392)	●
Child & Adolescent Mental Health (CAMHS)	15.428	7.714	7.574	0.140	●	15.148	0.280	●
Learning Disability and Autism	7.072	3.536	3.385	0.151	●	4.786	2.286	●
Mental Health Community	6.865	3.432	2.800	0.632	●	5.572	1.292	●
Improved Access to Psychological Therapies (IAPT)	11.881	5.941	6.081	(0.140)	●	12.163	(0.282)	●
Dementia	5.848	2.924	2.911	0.013	●	5.842	0.006	●
Crisis Services	2.503	1.251	1.074	0.177	●	2.125	0.378	●
ADHD	0.871	0.436	1.304	(0.869)	●	2.718	(1.847)	●
Mental Health Low Volume Activity	0.877	0.877	0.901	(0.024)	●	0.900	(0.023)	●
Mental Health SDF	17.725	9.041	7.692	1.350	●	16.725	1.001	●
MH - S12 Doctors Private Sector	0.655	0.327	0.254	0.073	●	533.26	0.121	●
Grand Total	228.580	114.907	114.895	0.012		228.761	(0.181)	

A3 – Community

Community	Budget	YTD Budget	YTD Expenditure	YTD Variance		Forecast Outturn	Forecast Variance	
	£m	£m	£m	£m		£m	£m	
Adult Community	124.701	67.687	67.687	-	●	124.701	-	●
Joint Commissioned	31.536	15.768	15.768	-	●	31.536	-	●
Discharge to Assess Services	13.587	6.793	6.793	-	●	13.587	-	●
Patient Transport Services (PTS)	7.218	3.609	3.084	0.525	●	6.168	1.050	●
Community Equipment	6.058	3.029	3.452	(0.422)	●	6.903	(0.845)	●
Hospices	4.598	2.299	2.299	-	●	4.598	-	●
BIRU	3.994	1.997	2.699	(0.702)	●	4.137	(0.143)	●
Other Community	15.865	8.070	8.060	0.010	●	15.847	0.018	●
Grand Total	207.558	109.253	109.842	(0.590)		207.478	0.080	



A4 – Primary Care

Primary Care	Budget	YTD Budget	YTD Expenditure	YTD Variance		Forecast Outturn	Forecast Variance	
	£m	£m	£m	£m		£m	£m	
NHS 111/Out of Hours	18.766	9.383	9.295	0.088	●	18.586	0.181	●
Local Enhanced Services	9.431	4.715	4.591	0.125	●	9.196	0.235	●
GP Forward View	3.367	1.994	1.994	-	●	3.367	-	●
Other Primary Care	5.101	2.550	2.563	(0.013)	●	5.101	-	●
Grand Total	36.665	18.643	18.442	0.201		36.249	0.416	

A5 – Primary Care Delegated

Delegated Primary Care	Budget	YTD Budget	YTD Expenditure	YTD Variance		Forecast Outturn	Forecast Variance	
	£m	£m	£m	£m		£m	£m	
GMS/PMS/APMS Contracts	103.756	51.908	51.699	0.209	●	103.638	0.119	●
Primary Care Networks DES	33.120	19.361	19.372	(0.011)	●	33.120	0.000	●
Premises Costs	16.472	8.236	8.130	0.106	●	16.265	0.207	●
Quality Outcomes Framework (QOF)	14.382	7.191	7.191	-	●	14.382	-	●
Locum Reimbursement Cost	1.976	0.988	1.059	(0.071)	●	2.102	(0.126)	●
Other GP Services	1.894	0.947	0.974	(0.027)	●	1.943	(0.049)	●
Prescribing & Dispensing Fees	1.545	0.773	0.773	0.000	●	1.545	-	●
Designated Enhanced Services (DES)	1.318	0.659	0.687	(0.028)	●	1.425	(0.107)	●
Delegated Primary Care Reserve	-1.572	-0.786	-0.356	(0.430)	●	-1.054	(0.518)	●
Grand Total	172.892	89.277	89.530	(0.253)		173.366	(0.474)	

A6 – Primary Care Delegated POD

Pharmacy, Ophthalmology and Dental (POD) delegation	Budget	YTD Budget	YTD Expenditure	YTD Variance		Forecast Outturn	Forecast Variance	
	£m	£m	£m	£m		£m	£m	
6213								
Delegated Pharmacy	19.496	9.731	9.745	(0.014)	●	19.450	0.046	●
Delegated Primary Dental	35.446	17.723	15.619	2.104	●	33.819	1.627	●
Delegated Secondary Dental	17.487	8.812	8.812	-	●	17.487	-	●
Delegated Community Dental	3.104	1.552	1.552	-	●	3.104	-	●
Delegated Primary Care IT	0.480	0.240	0.012	0.228	●	0.025	0.455	●
Delegated Ophthalmic	8.839	4.419	4.392	0.027	●	8.839	-	●
Grand Total	84.852	42.478	40.133	2.345		82.724	2.128	

A7 – Medicines Management

Medicines Management	Budget	YTD Budget	YTD Expenditure	YTD Variance		Forecast Outturn	Forecast Variance	
	£m	£m	£m	£m		£m	£m	
Prescribing	152.682	76.477	78.180	(1.704)	●	158.674	(5.992)	●
Medicines Management staff costs	1.844	0.922	0.842	0.080	●	1.844	-	●
Grand Total	154.527	77.399	79.023	(1.624)		160.519	(5.992)	

A8 – Funded Care

Funded Care	Budget	YTD Budget	YTD Expenditure	YTD Variance		Forecast Outturn	Forecast Variance	
	£m	£m	£m	£m		£m	£m	
Adult Fully Funded CHC	52.890	26.904	28.788	(1.883)	●	57.992	(5.102)	●
Adult Fully Funded PHB	8.515	4.111	4.682	(0.571)	●	9.840	(1.325)	●
Adult Joint Funded	0.791	0.392	0.448	(0.056)	●	0.846	(0.056)	●
CHC Assessment and Support	0.539	0.269	0.308	(0.039)	●	0.618	(0.079)	●
Funded Care Pay	4.899	2.450	2.421	0.029	●	4.899	-	●
Children's CHC	3.674	1.842	2.100	(0.257)	●	3.751	(0.077)	●
Children's PHB	0.657	0.328	0.302	0.027	●	0.701	(0.044)	●
Fast Track	17.592	8.687	8.686	-	●	16.637	0.956	●
FNC	24.440	12.037	13.495	(1.457)	●	27.602	(3.162)	●
Grand Total	113.997	57.021	61.229	(4.208)		122.886	(8.889)	

A9 – Children's Services

Children's Services	Budget	YTD Budget	YTD Expenditure	YTD Variance		Forecast Outturn	Forecast Variance	
	£m	£m	£m	£m		£m	£m	
CCHP Contract	18.207	9.103	8.939	0.165	●	17.638	0.569	●
Other	2.903	1.480	1.316	0.164	●	2.886	0.017	●
Grand Total	21.110	10.583	10.255	0.329		20.524	0.585	

A10 – Support Costs

Support Costs	Budget	YTD Budget	YTD Expenditure	YTD Variance		Forecast Outturn	Forecast Variance	
	£m	£m	£m	£m		£m	£m	
Chief Medical Office	0.200	0.100	0.617	(0.517)	●	0.503	(0.303)	●
Chief Nursing Office	2.412	1.206	1.073	0.133	●	2.166	0.246	●
Estates	2.576	1.288	1.292	(0.004)	●	2.491	0.085	●
Other Support Costs	(1.738)	(1.788)	(1.768)	(0.020)	●	(1.738)	-	●
Programme pay recharges	0.509	0.254	0.258	(0.004)	●	0.509	-	●
Projects	3.223	0.511	0.542	(0.030)	●	3.248	(0.025)	●
R&D Team	0.044	0.022	0.026	(0.004)	●	0.046	(0.002)	●
Safeguarding	0.175	0.087	0.089	(0.001)	●	0.175	-	●
Transformation, Data & Digital Directorate	0.950	0.475	0.477	(0.002)	●	0.951	(0.001)	●
Grand Total	8.350	2.156	2.605	(0.449)		8.349	-	

A11 – Running Costs

Running Cost	Budget	YTD Budget	YTD Expenditure	YTD Variance		Forecast Outturn	Forecast Variance	
	£m	£m	£m	£m		£m	£m	
Business & Planning Directorate	4.699	1.846	1.530	0.317	●	4.705	(0.006)	●
Chief Medical Office	0.834	0.417	0.433	(0.016)	●	0.879	(0.045)	●
Chief Nursing Office	0.055	0.027	(0.000)	0.028	●	0.050	0.005	●
CSU	1.092	0.546	0.546	-	●	1.092	-	●
Integrated & Primary Care Directorate	2.194	1.097	1.275	(0.178)	●	2.230	(0.036)	●
Office of the Chair & Chief Executive	4.724	2.406	2.400	0.006	●	4.525	0.199	●
People Directorate	0.545	0.272	0.327	(0.054)	●	0.666	(0.122)	●
Performance & Delivery Directorate	1.445	0.723	0.785	(0.062)	●	1.430	0.016	●
Strategy Directorate	0.576	0.288	0.235	0.053	●	0.379	0.197	●
Transformation, Data & Digital Directorate	2.737	1.368	1.413	(0.045)	●	2.944	(0.207)	●
Grand Total	18.900	8.991	8.943	0.048		18.900	-	

BNSSG ICS System Finance Report

Month 6 – September 2023

Finance, Estates & Digital Committee

Thursday 26th October 2023

1) Overall Financial Position

At the end of September (month 6), the system has reported an overall **year to date (YTD) adverse variance against plan of £18.3m** (YTD plan = £5.4m deficit, YTD actual = £23.7m deficit). This represents a combined provider adverse variance against of plan of £15.8m, and an ICB adverse variance to plan of £2.5m. The system is maintaining a **forecast break-even financial position at year end**, both at system, and constituent organisation level, subject to a currently unmitigated risk of £13.6m relating to the year-to-date impact of industrial action.

Key Drivers – positive/ (adverse) variance to plan:

Impact of Industrial Action (£13.6m)

- of which direct costs (notably backfill costs at premium rates) (£7.5m)
- of which lost income due to reduced elective activity (£6.1m)

Other key variances to plan (£4.7m)

- Year to Date Efficiency Plan Under-Delivery (£6.0m)
- Temporary Staffing Costs (£1.7m)
- ICB Primary Care Prescribing (£1.6m)
- ICB Funded Care placements (£4.2m)
- Slippage on investments £7.1m
- Unplanned interest receivable £2.2m

2) Savings Delivery

- Whilst at the end of September, the system is reporting **delivery of 88% of its year-to-date efficiency plan**, performance at constituent organisational level is varied, with two provider organisations under-delivering against year-to-date savings plans.
- The ability to recover this under-delivery, whilst also identifying and delivering against a higher planned level of savings in the second half of the year will require a significant focus from all system partners.

3) Risk to Forecast Out-turn

- The system has reported an unmitigated risk at Month 6 of £13.6m, wholly attributable to the impact of industrial action on the year-to-date financial deficit.
- Currently, the assumption is that the overspend relating to the impact of industrial action will be funded in full, and cash-backed by NHSE through an additional allocation to the system in 2023/24. Therefore, Director of Finance recommendations to constituent Boards will be that no local action is taken to recover the financial deficit arising from Industrial Action. In the event it is not funded, we are assuming the overspend related to the cost of industrial action would not be included in the assessment of NHS Business Rules regarding write-off of ICB legacy deficit and access to NHSE/DHSC Strategic Capital and 24/25 CDEL calculations.
- Organisations have also reported an additional risk of £16m to delivering this year's financial plan, and it is expected that this will be mitigated by recovery actions in the second half of the year.
- Of the total risk to forecast out-turn, £10m relates to UHBWs current run-rate forecast out-turn position, and whilst there is an expectation that this can be mitigated at system level (maintaining an overall break-even position), it is expected that for UHBW, this will trigger the NHS England *Protocol for changes to in-year revenue financial forecast* in Month 7.

4) Next Steps

- Constituent organisational Directors of Finance will be directing respective Boards to focus attention and action on recovery of the £4.7m adverse variance as reported at Month 6, in the second half of the year, to deliver breakeven (excluding the impact of industrial action) in line with 2023/24 Operational Plan and to give the system the best possible opportunity to deliver breakeven in 2024/25.
- System partners are at different stages of delivering the financial recovery set out in the medium-term financial plan, and as such there are different responses to this challenge:
 - UHBW Development and delivery of in-year financial recovery plans and further in-year mitigations
 - AWP Delivering recurrent saving solutions to be less reliant on vacancies and slippage on investments
 - Sirona Delivering recurrent saving solutions to be less reliant on vacancies and slippage on investments
 - NBT Delivery of identified in-year mitigations
 - BNSSG ICB Delivery of identified in-year mitigations
- ICB CFO will write to NHS England Regional Director of Finance setting out key assumptions regarding Industrial Action and the actions DoFs are taking to advise Boards on managing and delivering financial breakeven in 23/24
- 31st October - UHBW CEO & CFO to present UHBW Financial Recovery Plan to System Executive Group including evidence that all the actions detailed in the operational planning round letter dated 20 May 2022 from Julian Kelly have been completed

Consequences of failure to deliver 23/24 Financial Plan

- The ICB was established with an **accumulated brought-forward debt of £117m** derived from net historical clinical commissioning group (CCG) overspends. If the system and ICB achieve breakeven in 2023/24 (having achieved this in 2022/23), the historic debt will be written off. **Failure to deliver this breakeven requirement will have the balance reinstated and it will therefore become repayable**
- In-Year deterioration from the planned break-even position triggers several conditions for both ICB and providers within the system:
 - **Provider: double-lock sign-off process for any investments above £50,000** with sign-off required by the organisation and the system
 - **System: triple-lock sign-off process for any investments above £100,000** with sign-off required by the organisation, system and NHSE regional team
 - Additional reporting requirements to NHSE/I
 - Further **restrictions on recruitment, agency, consultancy and bank usage** may be imposed at the discretion of the regional team
 - **Capital funding restrictions**
 - C. £5m reduction in system capital funding
 - limited access to national capital funding streams

1. System Financial Performance Overview

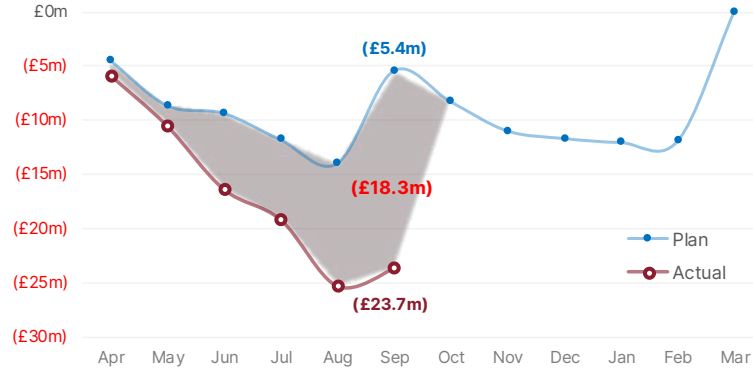
Financial performance
Forecast surplus / (deficit) v plan

← £0.0m

Organisation	Plan	Actual	YTD Variance	FCST Variance
UHBW	(£6.2m)	(£12.4m)	(£6.2m)	£0.0m
NBT	£0.8m	(£7.4m)	(£8.2m)	£0.0m
AWP	£0.0m	(£1.4m)	(£1.4m)	£0.0m
NHS Providers	(£5.4m)	(£21.2m)	(£15.8m)	£0.0m
BNSSG ICB	£0.0m	(£2.5m)	(£2.5m)	£0.0m
Total System	(£5.4m)	(£23.7m)	(£18.3m)	£0.0m
Previous Month		(£11.4m)		£0.0m

Cumulative Surplus / (Deficit)
Year to Date surplus / (deficit) v plan

↓ (£18.3m)



System Risk

Unmitigated risk as a % of ICB allocation

↑ 0.6%

Gross Risk	(£29.6m)
Gross Mitigations	£16.0m
Net Unmitigated Risk	(£13.6m)
Net Risk as a % of ICB allocation	0.6%

Risk adjusted forecast out-turn

(£13.6m)
deficit

Previous Month £0.0m

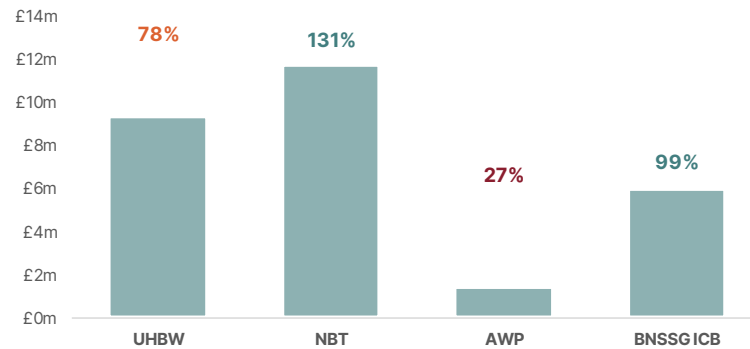
Efficiency Delivery by Organisation
Year to date delivery v plan

↓ (£3.9m)

Organisation	Plan	Actual	YTD Variance	FCST Variance
UHBW	£12.0m	£9.4m	(£2.6m)	(£1.6m)
NBT	£9.0m	£11.8m	£2.8m	£0.0m
AWP	£5.5m	£1.5m	(£4.0m)	£0.0m
NHS Providers	£26.5m	£22.7m	(£3.8m)	(£1.6m)
BNSSG ICB	£6.1m	£6.0m	(£0.1m)	£1.0m
Total System	£32.6m	£28.7m	(£3.9m)	(£0.6m)
Previous Month		(£2.6m)		(£1.0m)

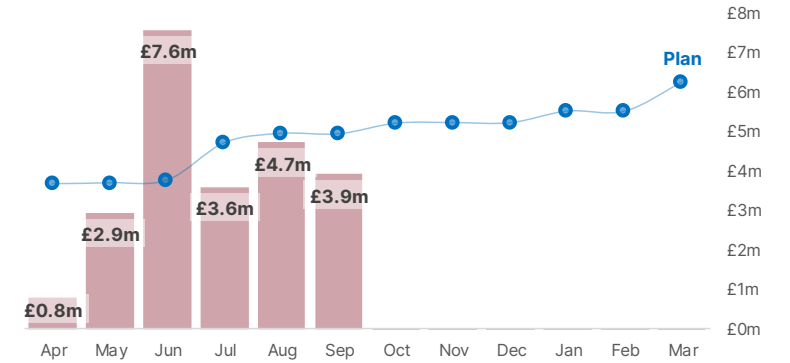
Efficiency Delivery by Organisation
Year to date delivery v plan

↓ 88%



System RECURRENT Efficiency
Monthly delivery v plan

↓ 92%



2. System Financial Performance Overview (2)

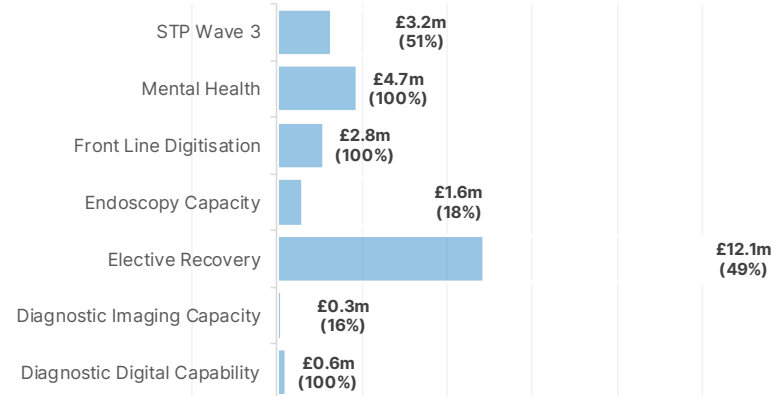
Capital Departmental Expenditure Limit
Forecast variance to plan

-£16.6m

Operational Allocation	Plan	Forecast	FCST Variance
Combined Provider	£71.8m	£71.8m	£0.0m
BNSSG ICB	£3.5m	£3.5m	£0.0m
System Operational Capital	£75.3m	£75.3m	£0.0m
Loan and Other Sources	£17.8m	£18.9m	£1.1m
National Funding Sources	£49.4m	£31.7m	(£17.7m)
PFI capital charges	£10.3m	£10.3m	£0.0m
TOTAL system CDEL	£152.8m	£136.2m	(£16.6m)

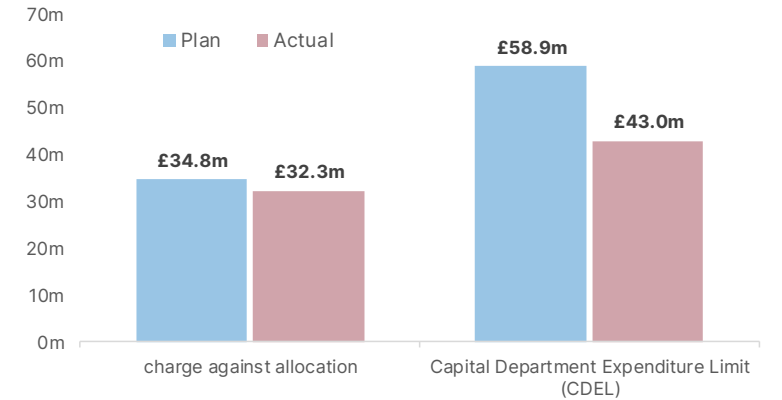
National Capital Funding Sources
Forecast % spend of planned funding

£31.7m



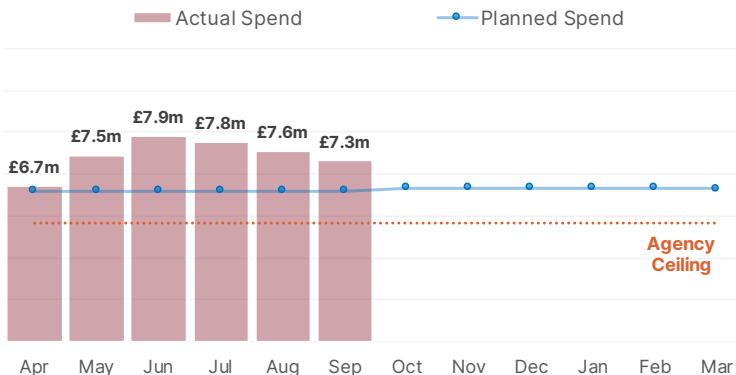
Year to Date Capital Expenditure v Plan
YTD Variance to capital plan

-£15.9m



System Agency Expenditure
YTD Over / Underspend (-) v Plan

£5.2m



Better Payment Practice Code (BPPC)
Number of organisations missing BPPC target

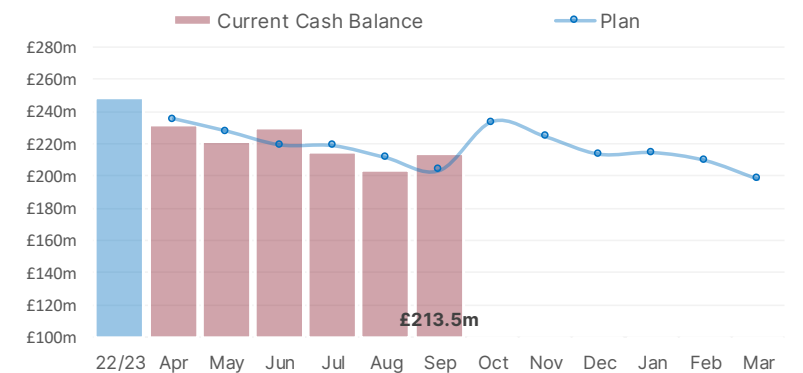
2

Target = 95%

Organisation	Current Month		Year to Date	
	%	Achieved?	%	Achieved?
UHBW	90.6%	N	90.2%	N
NBT	94.4%	N	92.2%	N
AWP	98.9%	Y	99.4%	Y
BNSSG ICB	99.2%	Y	98.4%	Y
System Average	95.8%	Y	95.1%	Y

Cash Balances
Cash and cash equivalents year to date variance v plan

£9.8m



3. Key Financial Performance Indicators

Year to Date

System	previous month	UHBW	NBT	AWP	BNSSG ICB
--------	----------------	------	-----	-----	-----------

1.1 Overall Variance from Plan

variance to plan	-£18.3m	-£11.4m	↓	-£6.2m	-£8.2m	-£1.4m	-£2.5m
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1.2 Net Unmitigated Risk

Net Unmitigated Risk							
(as a % of ICB allocation)							

2. Efficiency plan delivery

2.1 Annual Efficiency Plan (recurrent & non-recurrent schemes)

Variance v plan (£)	-£3.9m	-£2.6m	↓	-£2.6m	£2.8m	-£4.0m	-£0.1m
% delivery	88%	90%	↓	78%	131%	27%	99%

2.2 Recurrent Efficiency Plan

Variance v plan (£)	-£2.2m	94%	↓	-£2.5m	£2.8m	-£2.4m	-£0.1m
% delivery	92%	94%	↓	63%	131%	38%	99%

3. System capital

3.1 Capital Departmental Expenditure Limit (CDEL)

Variance v plan (£)	-£15.9m	-£12.4m	↓	-£5.1m	-£11.4m	£0.6m	-
% delivery	73%	75%	↓	74%	70%	143%	-

3.2 Charge against Capital Allocation

Variance v plan (£)	-£2.5m	-£2.1m	↑	-£4.7m	£2.6m	-£0.4m	-
% delivery	93%	93%	↑	76%	118%	19%	-

Forecast

System	previous month	UHBW	NBT	AWP	BNSSG ICB
--------	----------------	------	-----	-----	-----------

£0.0m	£0.0m	←	-	-	-	-
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(£13.6m)	£0.0m	↓	assessed at system level			
0.6%	0.0%	↓				

-£0.6m	-£1.0m	↑	-£1.6m	£0.0m	£0.0m	£1.0m
99%	99%	↑	94%	100%	100%	108%

-£0.7m	-£0.9m	↑	-£1.0m	£2.2m	-£2.9m	£1.0m
99%	99%	↑	94%	110%	63%	99%

-£16.6m	-£13.4m	↓	-£3.2m	-£15.3m	£1.9m	-
89%	91%	↓	94%	80%	109%	-

£0.0m	£0.0m	←	£0.0m	£0.0m	£0.0m	-
100%	100%	←	100%	100%	100%	-

4. Key Financial Performance Indicators (2)

Year to Date

System	previous month	UHBW	NBT	AWP	BNSSG ICB
--------	----------------	------	-----	-----	-----------

4. Workforce

4.1 Agency Expenditure v Plan

Variance v plan (£)	£5.2m	-£4.4m	-£2.2m	£2.2m	£5.2m	-
Variance v plan (%)	13%	13%	-14%	21%	38%	-

4.2 Agency Expenditure v Agency Ceiling

Variance v agency cap (£)	£9.9m		assessed at system level			
Variance v agency cap (%)	28%	29%	assessed at system level			

5. Liquidity(cash)

5.1 Cash Balances v Plan

Variance v plan (£)	£9.8m	-£8.1m	-£0.6m	-£8.5m	£19.0m	-
Variance v plan (%)	5%	-4%	-1%	-12%	54%	-

6. Other Key Financial Indicators

6.1 Mental Health Investment Standard

minimum investment achieved	Y	Y				
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6.2 ICB Running Cost Allowance

Planned Expenditure within allowance	Y	Y				
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6.3 Better Payment Practice Code

Number of Organisations Missing Target	2	2	N	N	Y	Y
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Forecast

System	previous month	UHBW	NBT	AWP	BNSSG ICB
--------	----------------	------	-----	-----	-----------

£8.3m	£8.5m	£0.0m	£0.0m	£8.3m	-
10%	11%	0%	0%	31%	-

£18.1m		assessed at system level			
26%	26%	assessed at system level			

£22.3m	£22.1m	£16.3m	-£0.0m	£6.0m	-
11%	11%	17%	0%	67%	-

5. System Financial Risk

Organisation / System-wide	Description of Risk	Likelihood	Impact before mitigations £'000K	Mitigations £'000K	Description of mitigating actions being taken by the system	Financial Impact after mitigations £'000K	Prior Month Net Risk £'000K
System Wide	Impact of Industrial Action to end of September on cost base and ESRF activity income	High	(£13.6m)	£0.0m	Further national adjustment to ESRF targets	(£13.6m)	£0.0m ↑
UHBW	Run Rate overspend	Medium	(£10.0m)	£10.0m	Divisional Recovery Plans / Slippage on Service Developments	£0.0m	£0.0m ←
ICB	Prescribing run-rate	Medium	(£6.0m)	£6.0m	Divisional Recovery Plans / Slippage on Service Developments	£0.0m	£0.0m ←
System Wide	Winter Pressures / Discharge to Assess risk pool	Removed	£0.0m	£0.0m	Risk removed	£0.0m	£0.0m ←
System Wide	Microsoft 365 license	Removed	£0.0m	£0.0m	Risk removed	£0.0m	£0.0m ←
Total Gross (Risk) / Mitigations			(£29.6m)	£16.0m	Total Net Risk	(£13.6m)	£0.0m ↑

Gross Risk as a percentage of ICB allocation -1.4%

Net Risk as a percentage of ICB allocation -0.6%

Appendix 1

System I&E Summary (ICB & Combined Provider)

	YTD Plan £m	Actual £m	Variance £m	Full-Year Plan £m	Forecast £m	Forecast Variance £m
ICB Revenue Resource Limit	£1,072.1m	£1,072.1m	£0.0m	£2,096.8m	£2,096.8m	£0.0m
BNSSG ICB Expenditure						
Acute Services	(533.6)	(534.1)	(0.6)	(1,042.6)	(1,041.5)	1.0
Mental Health Services	(114.9)	(114.9)	0.0	(228.6)	(228.8)	(0.2)
Community Health Services	(116.2)	(117.0)	(0.8)	(221.5)	(221.8)	(0.4)
Continuing Care Services	(57.0)	(61.2)	(4.2)	(114.0)	(122.9)	(8.9)
Primary Care Services	(92.0)	(93.5)	(1.5)	(183.1)	(188.9)	(5.8)
Primary Medical Services	(89.5)	(89.5)	(0.0)	(173.4)	(173.4)	(0.0)
Delegated Dental, Ophthalmic and Pharmacy Services	(42.2)	(40.1)	2.1	(84.4)	(82.7)	1.7
Other Commissioned Services	(5.5)	(5.8)	(0.3)	(11.0)	(10.9)	0.1
Other Programme Services	(0.7)	(0.8)	(0.0)	(5.5)	(5.4)	0.1
Reserves / Contingencies	(11.5)	(8.6)	2.8	(14.0)	(1.7)	12.3
Total ICB Programme Expenditure	(1,063.1)	(1,065.6)	(2.5)	(2,077.9)	(2,077.9)	(0.0)
ICB Running Costs	(9.0)	(8.9)	0.0	(18.9)	(18.9)	0.0
Total ICB Net Expenditure	(1,072.1)	(1,074.6)	(2.5)	(2,096.8)	(2,096.8)	(0.0)
ICB surplus / (deficit)	£0.0m	(£2.5m)	(£2.5m)	£0.0m	£0.0m	£0.0m
Combined Provider I&E						
Operating income from patient care activities	1,056.1	1,071.9	15.8	2,130.6	2,147.6	17.0
Other operating income	93.2	107.4	14.2	182.4	196.8	14.3
Total Operating Income	1,149.3	1,179.3	30.0	2,313.0	2,344.4	31.4
Substantive staff including on-costs	(661.0)	(660.2)	0.8	(1,308.3)	(1,296.3)	12.1
Bank staff including on-costs	(30.4)	(52.7)	(22.4)	(63.2)	(89.0)	(25.8)
Agency / contract	(40.2)	(44.9)	(4.7)	(80.8)	(89.1)	(8.3)
Other Staff Costs	2.9	0.9	(2.0)	5.9	5.9	0.0
Other Operating Expenditure	(391.8)	(414.2)	(22.4)	(802.9)	(816.6)	(13.7)
Total Operating Expenditure	(1,120.4)	(1,171.1)	(50.7)	(2,249.3)	(2,285.1)	(35.7)
OPERATING SURPLUS / (DEFICIT)	28.9	8.2	(20.7)	63.7	59.3	(4.4)
Net Finance Costs	(36.0)	(30.3)	5.7	(72.1)	(66.8)	5.3
Other Adjustments to Financial Performance	1.7	0.9	(0.8)	8.4	7.5	(0.9)
NHS Provider surplus / (deficit)	(£5.4m)	(£21.2m)	(£15.8m)	£0.0m	£0.0m	£0.0m
SYSTEM FINANCIAL PERFORMANCE	(£5.4m)	(£23.7m)	(£18.3m)	£0.0m	£0.0m	£0.0m

Appendix 2

System Capital Summary (Combined Provider)

	YTD Plan £m	Actual £m	Variance £m	Full-Year Plan £m	Forecast £m	Forecast Variance £m
Gross capital expenditure						
Property, land and buildings	32.3	23.9	8.4	73.9	71.8	2.1
Plant and equipment	16.9	11.3	5.5	37.9	31.4	6.5
IT	5.2	2.6	2.6	14.8	12.5	2.3
Other	0.4	1.5	(1.1)	14.6	11.6	3.0
Gross capital expenditure	54.8	39.3	15.5	141.2	127.2	14.0
Less grants, donations and peppercorn leases	(0.1)	(1.2)	1.1	(0.2)	(2.8)	2.6
Total charge against CRL including IFRS impact	54.7	38.1	16.6	141.0	124.4	16.6
Less PFI capital (IFRIC12)	(1.0)	(0.6)	(0.4)	(2.0)	(2.0)	0.0
Plus PFI capital charges on a UK GAAP basis (e.g. residual interest)	5.2	5.5	(0.3)	10.3	10.3	0.0
Total Capital Departmental Expenditure Limit (CDEL)	£58.9m	£43.0m	£15.9m	£149.4m	£132.8m	£16.6m
Funding sources of CDEL						
Self Financed - Depreciation less PFI/Finance Lease payments	27.7	24.9	2.8	56.2	57.5	(1.3)
Self Financed - other internal capital cash	11.3	12.6	(1.4)	21.5	20.2	1.3
Capital loan repayments	(2.9)	(2.9)	0.0	(5.8)	(5.8)	0.0
Excess Sources	(1.3)	(2.3)	1.0	0.0	0.0	0.0
Purchase of Financial Assets	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Financial Assets	0.0	0.0	0.0	0.0	0.0	0.0
Sub total: Net Internal Sources	34.8	32.3	2.5	71.8	71.8	0.0
Loan and Other Sources	2.9	3.8	(0.9)	17.8	18.9	(1.1)
National Sources	0.0	0.0	0.0	0.0	0.0	0.0
Total Charge against Capital Allocation (including impact of IFRS 16)	37.7	36.1	1.6	89.6	90.7	(1.1)
less Impact of IFRS 16	(2.9)	(3.8)	0.9	(17.8)	(18.9)	1.1
Charge against Capital Allocation (before impact of IFRS 16)	£34.8m	£32.3m	£2.5m	£71.8m	£71.8m	£0.0m
Other Funding Sources						
Diagnostic Digital Capability Programme	0.1	0.0	0.1	0.6	0.6	0.0
Diagnostic Imaging Capacity	0.2	0.0	0.2	1.6	0.3	1.4
Elective Recovery	12.5	0.0	12.5	25.0	12.1	12.9
Endoscopy - Increasing Capacity	2.8	0.0	2.8	8.5	1.6	7.0
Front Line Digitisation	0.0	0.0	0.0	2.8	2.8	(0.0)
Mandate Transfer - National	0.0	0.0	0.0	0.0	1.6	(1.6)
Mental Health	0.4	0.7	(0.4)	4.7	4.7	0.0
STP Wave 3	0.0	0.7	(0.7)	6.2	3.2	3.0
UEC Capacity	0.0	0.0	0.0	0.0	4.9	(4.9)
PFI capital charges (e.g. residual interest)	5.2	5.5	(0.3)	10.3	10.3	0.0
Sub Total Other Funding Sources	21.2	6.9	14.3	59.7	42.0	17.7
Total Capital Departmental Expenditure Limit (CDEL)	£58.9m	£43.0m	£15.9m	£149.4m	£132.8m	£16.6m

Appendix 3.1 System Efficiency Delivery (Combined Provider)

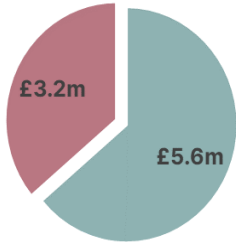
	YTD Plan £m	Actual £m	Variance £m	Delivery %	Full-Year Plan £m	Forecast £m	Variance £m	Forecast Delivery %
Provider Pay Efficiencies								
Agency - price cap compliance	1.5	1.0	(0.5)	69%	3.3	2.3	(1.0)	71%
Agency - eliminate off framework supply	0.5	0.1	(0.4)	21%	1.4	1.0	(0.4)	72%
Bank - rate review	0.0	0.0	0.0	-	0.0	0.1	0.1	100%
Establishment reviews	3.2	3.3	0.1	103%	8.7	5.8	(2.9)	67%
E-Rostering	0.0	0.0	(0.0)	38%	0.1	0.0	(0.0)	50%
Digital transformation	0.0	0.0	(0.0)	0%	0.0	0.0	0.0	100%
Service re-design - pay	2.9	0.9	(2.0)	31%	8.6	8.9	0.3	104%
Other - pay	0.1	0.2	0.1	148%	0.3	0.8	0.5	303%
Unidentified - pay	0.5	0.0	(0.5)	0%	1.0	1.1	0.1	108%
Total Provider Pay Schemes	8.8	5.6	(3.2)	64%	23.4	20.2	(3.1)	87%
Provider Non-pay Efficiencies								
Medicines optimisation	1.3	1.2	(0.1)	92%	2.7	2.8	0.1	105%
Procurement (excl drugs) -non-clinical	1.8	0.7	(1.1)	38%	3.8	2.5	(1.3)	66%
Procurement (excl drugs) - medical and clinical	4.8	2.2	(2.5)	47%	9.9	5.5	(4.4)	56%
Estates and Premises transformation	1.0	1.0	(0.0)	100%	2.2	2.2	0.0	100%
Fleet optimisation	0.0	0.0	0.0	122%	0.1	0.2	0.1	153%
Pathology & imaging networks	0.4	0.8	0.4	198%	1.3	1.6	0.3	121%
Net zero carbon	0.0	0.0	0.0	-	0.0	0.2	0.2	100%
Corporate services transformation - non-pay	0.0	5.3	5.3	35353%	0.1	5.5	5.3	4871%
Digital transformation	0.0	0.0	(0.0)	70%	0.3	0.4	0.2	163%
Service re-design - Non-pay	1.0	0.9	(0.1)	89%	2.0	1.1	(0.9)	54%
Other - Non-pay (balance - please provide description)	0.2	0.1	(0.1)	74%	0.4	2.1	1.6	469%
Unidentified - non-pay (please provide commentary)	2.0	0.0	(2.0)	0%	4.0	2.5	(1.5)	62%
Total Provider Non-Pay Schemes	12.5	12.3	(0.2)	98%	26.8	26.5	(0.2)	99%
Provider Income Efficiencies								
Income Private Patient	0.1	0.3	0.2	286%	0.3	0.9	0.7	361%
Income Overseas Visitors	0.0	0.1	0.1	303%	0.1	0.1	0.0	100%
Income Non-Patient Care	4.9	4.2	(0.7)	85%	11.2	9.1	(2.1)	81%
Income Other (balance - please provide description)	0.1	0.2	0.1	195%	0.5	2.9	2.3	546%
Unidentified - Income (please provide commentary)	0.0	0.0	0.0	-	0.0	0.9	0.9	100%
Total Provider Income Schemes	5.1	4.7	(0.4)	92%	12.1	13.9	1.8	115%
Total Combined Provider Efficiencies	£26.5m	£22.7m	(£3.8m)	86%	£62.3m	£60.6m	(£1.6m)	97%

ICB Efficiencies

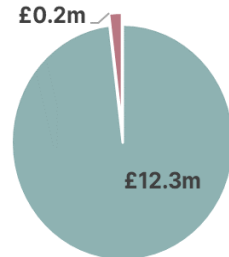
	YTD Plan £m	Actual £m	Variance £m	Delivery %	Full-Year Plan £m	Forecast £m	Variance £m	Forecast Delivery %
All-age Continuing Care - Commissioning/Procurement	1.5	0.8	(0.8)	50%	3.1	3.2	0.1	102%
Primary Care Prescribing	1.3	2.8	1.4	206%	2.7	5.1	2.4	189%
Non-NHS Procurement	1.9	1.9	0.0	100%	3.7	3.7	0.0	100%
Running cost review	0.3	0.3	0.0	100%	0.5	0.5	0.0	100%
ICB efficiency impacting providers outside system:	0.4	0.4	0.0	101%	0.7	0.7	0.0	101%
Unidentified	0.7	0.0	(0.7)	0%	1.5	0.0	(1.5)	0%
Total ICB Efficiencies	£6.1m	£6.0m	(£0.1m)	99%	£12.2m	£13.2m	£1.0m	108%
TOTAL System Efficiencies	£32.6m	£28.7m	(£3.9m)	88%	£74.4m	£73.8m	(£0.6m)	99%

Appendix 3.2 System Efficiency Delivery (ICB)

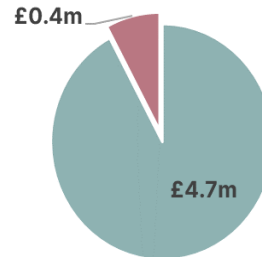
Provider pay



Provider non-pay



Provider income

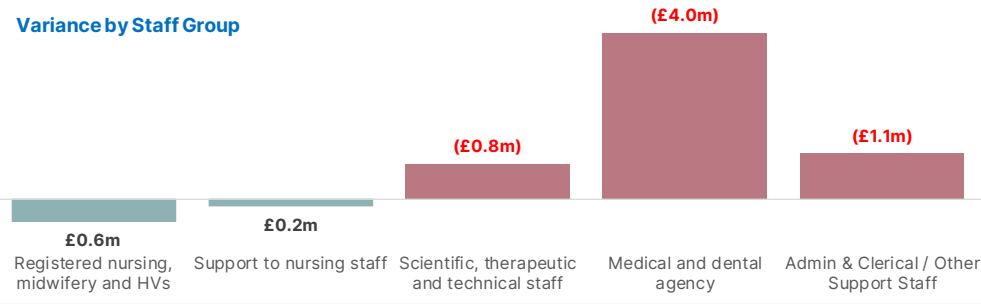


ICB



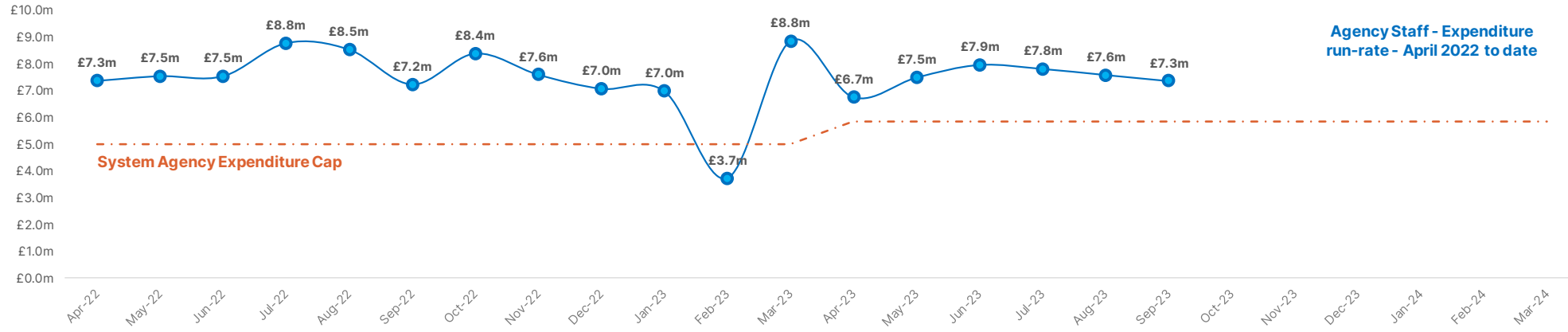
Appendix 3.3 System Efficiency Delivery (year to date performance v plan)

Variance by Staff Group



	Year to Date	Forecast
Plan	£39.6m	£79.7m
Year to Date / Forecast Spend	£44.8m	£88.0m
Variance to Plan	(£5.2m) 13%	(£8.3m) 10%
Variance to System Agency Ceiling	(£9.9m) 28%	(£18.1m) 26%
Target Agency Spend as a % of Total Pay	4.7%	4.7%
Actual Agency Spend as a % of Total Pay	5.9%	6.0%

Appendix 4 System Agency Staff Expenditure & Performance v Agency Ceiling



Staff Group	YEAR TO DATE						FORECAST							
	Plan £m	Actual £m	Variance £m	Variance %	UHBW £m	NBT £m	AWP £m	Plan £m	Forecast £m	Variance £m	Variance %	UHBW £m	NBT £m	AWP £m
Registered nursing, midwifery and HVs	27.7	27.1	0.6	-2%	2.4	0.7	(2.6)	55.4	57.4	(2.0)	4%	0.0	2.1	(4.2)
Support to nursing staff	4.5	4.3	0.2	-4%	0.2	0.6	(0.6)	9.0	8.3	0.7	-8%	0.0	1.3	(0.6)
Scientific, therapeutic and technical staff	0.6	1.4	(0.8)	144%	(0.2)	(0.6)	(0.0)	1.2	1.9	(0.8)	65%	0.0	(0.8)	(0.0)
Medical and dental agency	6.0	9.9	(4.0)	67%	(0.3)	(2.3)	(1.4)	12.3	16.7	(4.4)	36%	0.0	(1.9)	(2.5)
Admin & Clerical / Other Support Staff	0.9	2.0	(1.1)	120%	0.3	(0.7)	(0.6)	1.8	3.7	(1.9)	106%	0.0	(0.8)	(1.1)
Total Agency Spend	39.6	44.8	(5.2)	13%	2.2	(2.2)	(5.2)	79.7	88.0	(8.3)	10%	0.0	0.0	(8.3)

Agency costs as % of gross staff costs

3.8% 4.7% **13.7%**

4.7% 4.0% **12.9%**

Appendix 5 Statement of Financial Position

	UHBW			NBT			AWP			BNSSG ICB		
	March 2023 £m	Current Month £m	Movement £m	March 2023 £m	Current Month £m	Movement £m	March 2023 £m	Current Month £m	Movement £m	March 2023 £m	Current Month £m	Movement £m
PFI / LIFT Assests	0.0	0.0	0.0	294.7	291.5	(3.2)	35.9	34.3	(1.7)	0.0	0.0	0.0
Other property, plant and equipment	577.1	577.2	0.1	188.8	199.9	11.1	142.3	143.1	0.9	0.0	0.0	0.0
Leased Assets	99.2	108.7	9.4	8.7	11.2	2.5	17.5	17.0	(0.5)	0.0	0.0	0.0
Receivables due	1.8	1.8	0.0	1.4	1.4	0.0	0.2	0.2	0.0	0.0	0.0	0.0
Other non-current assets	20.0	18.4	(1.6)	17.6	16.9	(0.7)	2.1	1.7	(0.4)	0.5	0.3	(0.1)
Total non-current assets	698.2	706.1	7.9	511.2	520.9	9.7	198.0	196.3	(1.7)	0.5	0.3	(0.1)
Inventories	15.0	16.1	1.1	10.0	10.1	0.0	0.2	0.2	0.0	0.0	0.0	0.0
Receivables due	68.1	48.5	(19.6)	68.0	64.8	(3.2)	20.9	13.2	(7.7)	18.3	6.8	(11.5)
Cash and cash equivalents	128.0	106.3	(21.8)	104.0	72.3	(31.7)	17.0	35.0	17.9	0.1	(7.4)	(7.5)
Other current assets	(4.8)	(4.8)	0.0	(10.7)	(10.8)	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Total current assets	206.4	166.2	(40.2)	171.4	136.3	(35.0)	38.2	48.4	10.3	18.4	(0.6)	(19.0)
Trade and other payables	(164.4)	(126.6)	37.7	(121.9)	(91.9)	30.0	(37.9)	(48.6)	(10.7)	(131.5)	(118.3)	13.2
Borrowings	(12.5)	(12.9)	(0.4)	(17.1)	(17.7)	(0.6)	(3.0)	(2.9)	0.1	(0.1)	0.0	0.1
Provisions	(0.3)	(0.3)	0.0	(4.1)	(4.0)	0.1	(3.7)	(3.7)	0.0	(13.3)	(10.2)	3.1
Other liabilities	(8.5)	(21.3)	(12.8)	(17.2)	(28.3)	(11.1)	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	(185.7)	(161.2)	24.6	(160.2)	(141.9)	18.3	(44.6)	(55.2)	(10.6)	(144.9)	(128.5)	16.3
Borrowings	(133.3)	(139.8)	(6.5)	(355.2)	(352.3)	2.9	(50.5)	(49.3)	1.2	0.0	0.0	0.0
Other non-current liabilities	(3.9)	(3.8)	0.1	(6.8)	(7.2)	(0.4)	(1.2)	(1.1)	0.1	0.0	0.0	0.0
Total non-current liabilities	(137.2)	(143.6)	(6.4)	(362.0)	(359.5)	2.5	(51.7)	(50.4)	1.2	0.0	0.0	0.0
Total net assets employed	£581.7m	£567.6m	(£14.1m)	£160.4m	£155.9m	(£4.5m)	£139.9m	£139.1m	(£0.8m)	(£126.0m)	(£128.8m)	(£2.8m)
Public dividend capital	326.6	326.2	(0.4)	469.1	471.8	2.7	141.4	142.1	0.6	0.0	0.0	0.0
Income and expenditure reserve	143.6	131.1	(12.6)	(376.7)	(383.9)	(7.2)	(79.5)	(79.8)	(0.3)	0.0	0.0	0.0
Revaluation reserve	111.3	110.2	(1.1)	68.0	68.0	0.0	77.9	76.8	(1.1)	0.0	0.0	0.0
I&E Reserve General Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(126.0)	(128.8)	(2.8)
Other reserves	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total taxpayers' and others' equity	£581.6m	£567.6m	(£14.1m)	£160.4m	£155.9m	(£4.5m)	£139.9m	£139.1m	(£0.8m)	(£126.0m)	(£128.8m)	(£2.8m)

Finance, Estates and Digital Committee OPEN Minutes, Thursday 28th September 2023, 09:00-12:00, Microsoft Teams

Members (Quoracy: 3 members required, including one of ICB Non-Executive members; and one of Chief Executive or Chief Finance Officer)		Initials
Jeff Farrar	ICB Chair	JF
John Cappock	Audit Committee Chair	JC
Deborah El-Sayed	Director of Transformation and Chief Digital and Information Officer	DES
Christina Gray	Public Health	CG
Nina Philipiddis	S151 Officer – SGC	NP
Attending		
Jon Lund	Deputy Chief Finance Officer - ICB	JL
Sabrina Smithson	Exec PA (Note Taker)	SS
Denise Moorhouse	Deputy Chief Nursing Officer - ICB	DM
Caroline Dawe	Deputy Director Performance and Delivery - ICB	CD
Andy Newton	Head of Integrated Care – ICB	AN
Jenny Falco	Head of Contracts – Acutes, Mental Health & LD	JF
Will Ragot	Project Manager SDPP – ICB	WR
Dan Offord	Head of Digital Transformation and Portfolios - ICB	DO

Number	Item	Action
2. 0	Declarations of Interest <i>To consider declarations of interest and conflicts of interest arising from this agenda</i>	
3. 0	Minutes of the previous meeting The minutes were confirmed to be true and accurate with some spelling mistakes which were rectified.	
4. 0	Actions from Previous Meeting The actions were reviewed and updated accordingly.	
To Discuss		
5. 0	Programme of Deep Dives: ICB (Funded Care) A paper was circulated to the committee prior to the meeting. DM highlighted areas of the paper and the following questions/discussions arose: JC raised concern with blunt instruments, which was referred to in the paper. JC asked for reassurance where this gets picked up and who has oversight. DM responded it has gone up the chain of command and now part of the national agenda, so it has been raised through the system quality group. JC queried the sizeable savings with projections but the year to date being low, are we comfortable with this. DM advised the £3m saving schemes we knew we would not see/deliver a mid-year position which shows a mid-year saving point, but we are confident on full year saving scheme. The £10m overspend is the prediction we presented to the committee at the beginning of the year and that is down to the way we are capturing these people on our system. DM continued we need to do some work together with the Local	



	<p>Authorities (LAs) to develop the longer terms solutions. DM was still hoping the adverse variance will be less than the £10m by year end.</p> <p>JC asked about the reference in the paper to potentially not paying quarter three and final quarter invoices and the implications of this. DM answered we have had a cohort of young children in care placed out of area who have come to our Children & Young People panel (CYP) for additional funds to support health interventions, which we have funded. We recognise that we didn't have the oversight of those children in place from a health perspective and the LA are overwhelmed with trying to do the right thing for these children. We have reviewed every child that we had contributed on the health funding basis, and we have learned a large portion of those children have never received or not engaged in the intervention that was funded. So that's the question around the invoices, whether we have had the service delivered. DM further explained the paper provided to the committee is a discrete paper which is going through ICB Executives as there are options and informal conversations taking place with the LA's.</p> <p>NP asked about the theme in more costs in Funded Care care, as costs are not coming through in the conventional hospital settings where people would have been seen. How are we recognising what should be a saving for hospitals. DM confirmed the money should follow the patient. JL added we are sighted on it and exploring it from all avenues, but approaches are variable now and there is a savings plan to reduce demand on hospitals. NP Suggested, if these trends are happening, we need to see the counter side as it is quite hard in isolation to know the cost, we are paying in funded care is right.</p> <p>JL alerted the committee there will be issues with prioritisation of resource and asked DM how confident are you in the delivery of the £3m. DM advised the preference is we keep the 2 separates as we had the £3m savings target and we are reasonably confident in this. Some of the schemes that support £3m we cannot deliver over-night so we are looking at changing from high-cost care provisions to lower cost, but not at the risk of safety and quality.</p> <p>DES observed the Integrated Care Board can make a difference by us joining forces together, considering there are issues all our organisations have got to deal with and has both the people under financial impact this should be escalated to Board level. JF agreed with DES point and asked if there was something DES's team had taken forward or if there is an ask of the board. DES confirmed we have started using the discovery process to deep dive into this and build on the work Finance and Quality have done. JF & DES agreed to bring the discovery work back to the committee in October.</p> <p>ACTION – DES & DM – Funded Care discovery work to be included in October's committee.</p> <p>JF concluded as this is a spiralling cost, and the work needs to be prioritised so we can escalate into Board in the coming months.</p>	
<p>5. 1</p>	<p>UEC and Home First Monitoring and Reporting</p> <p>A paper was circulated to the committee prior to the meeting. GP & CD highlighted areas of the paper and the following questions/discussions arose:</p> <p>JC confirmed the presentation had addresses the concerns from last time and seeing the providers in there too bought comfort.</p>	



	<p>JL asked where we feel the trusts are in terms of implementation of these schemes. CD answered these schemes are integral to their own winter planning and we are doing this from a whole system flow perspective as well and thinking about our recent submission to NHSE in terms of our winter plan. These schemes are necessary and whilst we had the investment earlier in the year to make sure we had that head start on winter, when we have the next Acute Health Care Improvement Group (HCIG) we do need to bring the finance and the operational side together and ask for a Finance Report to have a greater assurance in terms of the question that you are asking, whereas we are looking very much from an operational bed and flow impact.</p>	
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Finance Reports

<p>6.0</p>	<p>M5 Finance Report ICB & System inc Capital</p> <p>A paper was circulated to the committee prior to the meeting. JL highlighted areas of the paper and the following questions/discussions arose:</p> <p>JF noted in Board last month there was a discussion around AWP's contribution to savings and this work needs to continue.</p> <p>JF asked about the adverse position on items such as industrial action, temporary staffing etc the £5.3m between May-Aug where are attributing costs. JL responded it depends on the job role on-strike but in general terms it is overtime payments in various ways. JF asked when we have reported on temporary staffing costs, we are not double counting. JL reported we are trying to un-tangle this per trust and isolate which is the £5.3m and other temporary staffing are unrelated operational costing pressures.</p> <p>NP asked what the consequence of landing in the forecast position is and is there an action plan with delegates in place for this. JF interjected there is sanctions and scrutiny of providers which sits outside the board. There is a consequence, but it will not look the same as a bottom line in LA's it is slightly different in health care but if we do not hit our saving targets then we do not get the funding. JL added we would also have to repay the £9m debt. The loss of local control and autonomy would be the biggest loss. NP further asked how this message is being delivered across the system as these are currently not coming across in the reports. JL noted this was helpful feedback and a lot of actions are held within the providers not the ICB.</p> <p>JF concluded it was good challenge and a good point, as the ICB have a chance to do things differently and by monitoring progress of the savings plan within the committees so it can be escalated up to Board level.</p> <p>JC asked about the historic debt that is more than £100m, JC favoured taking the hit next year if we can achieve what we need to this year that is the far bigger price. JC continued we must deliver the 2-year break even to get the £100m and we cannot give up on that or applying pressure to the providers.</p> <p>DES asked about the CHC piece and being stitched together with NHSE and LA, do we have anywhere where this is centrally held. JL answered we have discussed this with LA but untangling a social care financial pressure would be quite a challenge but equally it would help to see this all rounded. NP added South Gloucestershire Council (SGC) have built strong panel/relationships with CHC side of things as it has been an area of contention. DES suggested if we are funding the same individuals, we need joint working. JF agreed this was a good challenge and we need full sight of financial challenges how can we take this forward and CHC would be a good place to start.</p>	
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	JF thanked Jon and praised the report.	
To Note		
8.0	<p>Receive update from System DoFs Group</p> <p>A paper was circulated to the committee prior to the meeting. JL provided some further verbal highlights:</p> <ul style="list-style-type: none"> - MTFP was submitted to NHSE and well received. - Finance staff development conference for all teams across the NHS sector is scheduled for November. - Directors of Finance are working on protocol in response to adverse forecasts to plan and improvement actions. <p>JF suggested update was given at Board this month to include the finance report.</p>	
8.1	<p>Receive update from System Digital Delivery Group</p> <p>DES provided a verbal update:</p> <ul style="list-style-type: none"> - Regarding the 'Advice and guidance solution' which sits between Primary and acute system elective. We will stop the work on advice and guidance until funding becomes available and operational teams become available. T - Respect end of life forms, we have some issues with System C who provide the PA system for both of our acutes, so that is on pause. - Connecting Care ITT has been approved. We are considering how we take the provision from CSU into acute. - Technology enables care expression of interest which went to DSE between £3-500K as a system to make sure we can fund the work. <p>JF requested this update was provided to the Board.</p>	
8.2	<p>Receive update from System Estates Steering Group</p> <p>Update Paper noted by the committee.</p> <p>JF asked about attendance of Estates in the committee and the updates. Committee confirmed Sarah Truelove is executive lead and usually provides the update.</p>	
Any Other Business		
	<p>Key messages for ICB Board</p> <ul style="list-style-type: none"> - Financial challenges – Needing full sight of what our financial challenges are system wide and discussing these at a system level. CHC could be a good example. - 	