

BOARD MEETING

Date of Meeting: 27 September 2022	Agenda item: 08
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Title of Paper: Month 3 (to 30 June 2022) Finance Report

Paper is for:	Discussion	✓	Decision		Information	✓
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Executive Summary and Implications – The detailed report is attached as a PowerPoint

This report provides assurance to the Board that the ICB (Integrated Care Board) is managing its financial performance and risks effectively and is working with the NHS Trusts to manage the ICS (Integrated Care System) position to deliver financial objectives. Each constituent body is a self-governing entity.

As reported to the Board at the establishment meeting on 1 July, the ICB submitted a breakeven plan for 2022/23, though this included £22m of system savings/efficiencies that needed to be identified and delivered but has been held at ICB level.

This report provides the financial position at M3 (Month 3 – To June 30 2022) for the ICB and the ICS.

- The ICS’s overall financial position shows an excess of expenditure over income of £12.7m for the first three months of 2022/23. Given a phased plan of a £1.6m deficit for the same period there is an overall adverse position **of £11.2m** compared with plan
- £6.4m of the adverse variance is reported in the CCGs (Clinical Commissioning Group)/ICB. However, £5.5m of this relates to the agreed **£21.9m** system wide savings target. The system needs to identify and quickly implement schemes to eliminate this issue.
- Providers within the ICS report a variance of **£4.8m**. Of this figure **£4.0m** relates to OUHFT (Oxford University Hospital NHS Foundation Trust) and a smaller sum of £1.2m at RBFT (Royal Berkshire NHS Foundation Trust).
- Provider capital spend is behind plan at this stage of the year, both in terms of actual spend and CDEL (Capital Departmental Expenditure Limit). However, it is expected that the rate of expenditure will increase as the year progresses. Therefore, a year end outcome of plan is anticipated.
- The CEOs (Chief Executive Officer) and CFOs (Chief Finance Officer) are holding a joint meeting on 29 September 2022 to agree the approach to managing the overall financial position.
- Ensuring that the system can be financially sustainable will underpin the development of our Five Year Forward Plan and will require setting priorities and ensuring we maximise productivity and value for money.

The ICS SLFG (Senior Leadership Finance Group) has been working on a cost reduction programme, consisting of several elements, that will enable the liquidation of the £22m of unidentified savings. Some of these elements are being progressed but there is much work to be done. A meeting of system CEOs and CFOs has been arranged for the end of the month to finalise the methodology to achieve these savings.

The underlying position for the first three months of the year is not exceptional, but OUH will need to pull back its overspend position. There is an urgent need to resolve the £22m unallocated system CIP, and there is a meeting set up to resolve this issue. All constituent bodies are continuing to report a year end outcome in line with target at this stage.

In the detailed operational planning for 2023/24 we will consider the need for the ICB to hold a transformation/central reserve.

Action Required

The Board is asked to consider the report and highlight if there are additional areas of assurance required from the Executive Team and/or areas for the System Productivity Committee to review in more detail.

Date and Name of Committee at which Paper Reviewed: System Productivity Committee
6/9/2022, EMC 12/9/2022.

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Executive Lead/Senior Responsible Officer: Richard Eley, Interim CFO

Date of Paper: 6 September 2022

Conflicts of Interest:

This report contains information including the financial performance of organisations led by members of the Board (NB and SMcM). ICB funding contributes to the pooled budgets managed by Oxfordshire County Council and the contract held by GP practices, so SC and SJ 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.

No conflict identified	
Conflict noted: conflicted party can participate in discussion and decision	✓
Conflict noted, conflicted party can participate in discussion but not decision	
Conflict noted, conflicted party can remain but not participate in discussion	
Conflict noted, supported paper withheld from conflicted party e.g., pecuniary benefit	
Conflicted party is excluded from discussion	