

BOARD MEETING

Date of Meeting: 21 March 2023	Agenda item: 11
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Title of Paper: 2023/24 – ICB Budget Setting

Paper is for: (Please ✓)	Discussion		Decision	✓	Information	✓
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Executive Summary
 This paper is written to:

- Give Board members an update on the Financial Planning Process for the 2023-25 National Operational Planning Round.
- Agree the Buckinghamshire, Oxfordshire and Berkshire West ICB Budgets outlined in the paper, accepting that the detail within the ringfenced elements will be agreed latterly following the outcome of agreed processes.

National planning guidance for 2023-2025 was issued on 23 December 2022 with a requirement for an ICS initial plan submission on 23 February 2023 and a final plan submission on 31 March 2023.

A number of task and finish groups were established across the Integrated Care System (ICS) incorporating all health system partners and covering operational/service; workforce; activity and financial elements of the plan. Overarching co-ordination of the groups and template consolidation is maintained by the ICB and governance through identified ICS System Planning Leads and the ICS Senior Finance Group.

As discussed with the System Productivity Committee in February, the financial implications of the impact of system allocations and associated business rules and required NHS Long Term Plan operational planning priorities have been worked through as part of the ICS planning process and the proposed ICB budgets flowing from this are being brought for approval ahead of the final planning submission due on 30 March 2023.

Equality Act impact and understanding of how health inequalities will be addressed are being reviewed as part of the overarching planning process.

Action Required
 The Board is asked to note progress and process undertaken and agree ICB Budgets for 2023/24.

Date and Name of Committee at which Paper Reviewed: System Productivity Committee and Executive Management Committee

Author: Kate Holmes, Finance – Buckinghamshire Place Lead

Executive Lead/Senior Responsible Officer: Jim Hayburn, Interim Chief Finance Officer

Date of Paper: 9 March 2023

Conflicts of Interest

The agreement of the Operational Plan will have an impact on organisations led by members of the Board (NB, NM) and 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 approach to the plan has been worked up with partners in line with agreed principles and all board members should participate in decision making.

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

2023/24 – INTEGRATED CARE BOARD BUDGET SETTING

Overview – Financial Plan

1. The 2023/24 financial framework continues the transition away from the pandemic influenced one necessarily established in 2020/21 and 2021/22. The move back towards population-based funding set within the context of system collaboration continues. It is important to note this paper only deals with the Integrated Care Board (ICB) budgets and does not include the provider budgets, which are approved by individual Trust/Foundation Trust Boards.
2. As previously reported and agreed through the System Productivity Committee the ICB has worked closely with system partner leads to submit the draft Operational, Finance, Workforce and Activity Plans on 23 February 2023 and continues to work towards submission of the final plans due by 12 noon on Thursday 30 March 2023.
3. The financial implications of the impact of system allocations and associated business rules and required NHS Long Term Plan operational planning priorities have been worked through as part of the ICS planning process and the proposed ICB budgets flowing from this deliver a balance ICB plan and are being brought for approval ahead of the final planning submission.

Approach

4. There has been a regular series of meetings with system partners and internally within the ICB over the past few weeks to agree the overall approach, the principles that will guide that approach and what investments will be made.
5. The executive team has met to agree priorities and how cost pressures will be managed.
6. A Chief Executive (CEO)/Chief Operating Officer (COO)/Chief Finance Officer (CFO) system meeting was held to agree the overall principles and approach to planning. A further meeting is scheduled ahead of final plan submission.
7. A COO/CFO meeting has been held to agree the process of allocating the various ring-fenced pots associated with Urgent and Emergency Care (UEC) where it was agreed that indicative funds were allocated to place on a weighted fair share basis of the total UEC funds available for place to agree use of these against the identified pressures and must do's required to achieve the relevant targets.
8. There has also been regularly engagement with provider CFOs on the utilisation of resources.
9. The proposed budgets have been through the Executive Management Committee

ICB Budgets

10. The ICB is planning to deliver a breakeven ICB budget for 2023/24. See table below:

ICB'S Budget Setting 2023/24



Summary Budget Setting	Income £m	Expenditure £m	Surplus/(Deficit) £m
Forecast Outturn 22/23	3204.6	3204.6	-
Less Non Recurring Allocations received from NHSE	(197.8)	(197.8)	-
Plus one off adjustments made in 22/23	-	49.3	(49.3)
Recurrent Position (true start position)	3006.8	3056.1	(49.3)
Additional monies received from NHSE	172.9	-	172.9
Monies to providers to cover cost of inflation	-	81.5	(81.5)
Must Do Investment in MHIS, BCF etc	-	32.4	(29.4)
Less Efficiencies from ICB budgets only	-	(10.0)	10.0
Investment in providers to support ICS Position	-	19.7	19.7
Current Surplus/deficit	3179.7	3179.7	-
Ring fenced allocations received for a specific issue	133.7	133.7	-
Total Income and expenditure	3313.4	3313.4	-

11. In accordance with the agreed principles across the system there has been minimum investment made other than the national must dos.
12. The key priority has been to ensure existing capacity has been maintained.
13. There has been no cross subsidisation between individual ICB allocation streams.
14. The detail within some of the ringfenced allocations will be agreed latterly following the outcome of agreed processes.
15. Circa £12m of efficiency has been identified primarily in prescribing and Continuing Health Care.
16. The detail of the split of allocation across areas the ICB Commissioned services is detailed in Annex 1

Recommendation

17. The Board is asked to note progress and process undertaken and agree ICB Budgets for 2023/24.

Annex 1 – BOB ICB Starting Budgets 2023/24

	2023/24 Resource
	£k
Total Income	3,313,369
	ICB Start Budgets 2023/24
Expenditure	
	£k
Acute	1,633,128
Mental Health	340,586
Community services	324,241
Continuing Care	186,655
Prescribing	269,950
Primary Care	24,033
Other Programme	62,450
Delegated Co-Commissioning - Primary Care Medical	313,631
Delegated Co-Commissioning - POD	125,764
Total - Commissioned services	3,280,439
Running costs	32,930
Total Expenditure - Application of Funds	3,313,369
In Year Underspend/(Deficit)	0