

Month 7 2023-24 Finance Overview

Meeting name: B&D HWB/ICB Committees in Common

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Executive Summary - Finance

Month 7 ICS Position - YTD £93.1m deficit variance against plan.

The ICS has reported a year to date deficit at month 7 of £93.1m. This gives an adverse variance to plan of £87.2m.

The main drivers are inflation, under delivery of the efficiency target, staffing (including agency usage), industrial action and other run rate pressures.

Month 7 I&E - YTD - ICS			
		YTD	Forecast
Target	£m	(6.0)	0.0
Actual	£m	(93.1)	0.0
Variance			
Surplus / (Deficit)	£m	(87.2)	0.0

Financial Risks to the ICS Forecast outturn.

Gross risks across the system of £184m.

Main drivers – inflation, efficiency risk, run rate risks and income risks to providers.

The net risk is £54.9m. This assumes £129.1m of potential risk will be mitigated.

ICS Risk

		Gross Risk	Post Mitigations
System wide risks	£m	(184.0)	(54.9)
Operational improvements and recurrent mitigations	£m	0.0	0.0
Non Recurrent mitigations	£m	0.0	0.0
Total	£m	(184.0)	(54.9)

NEL ICB – YTD deficit variance of £16.5m against plan.

The ICB planned year-to-date surplus of £9m. The year-to-date reported position is a deficit of £7.5m which gives an adverse variance to plan of £16.5m. At month 7 the ICB has hit the financial recovery plan (FRP) trajectory.

The ICB run rate pressures, largely relate to prescribing and mental health and under delivery of efficiencies.

Month 7 I&E NEL ICB			
		YTD	Forecast
Target	£m	9.0	15.4
Actual	£m	(7.5)	15.4
Variance			
Surplus / (Deficit)	£m	(16.5)	0.0

ICS Delivery of Efficiencies

Year-to-date efficiency plan across the system of £146.5m. Actual delivery of £121.7m, resulting in under delivery of £24.8m.

Efficiencies have been recategorized in the ICB to include those that are cash releasing. Non cash releasing efficiencies are included in the FRP stretch.

Under delivery is expected to continue year end with forecast slippage of £40.4m.

ICS Efficiencies

		YTD	Forecast
Target	£m	146.5	277.8
Actual	£m	121.7	237.4
Variance	£m	(24.8)	(40.4)

NEL ICS - Financial Summary Month 7

Surplus / (Deficit) - Adjusted Financial Position

	YTD Surplus / (Deficit)			Full Year Forecast Surplus / (Deficit)		
	Plan £m	Actual £m	Variance £m	Plan £m	Forecast £m	Variance £m
North East London ICB	9.0	(7.5)	(16.5)	15.4	15.4	(0.0)
Providers	(14.9)	(85.6)	(70.7)	(15.3)	(15.3)	0.0
ICS Total	(6.0)	(93.1)	(87.2)	0.0	0.0	0.0

Month 7 Summary Position

- The year-to-date ICS position against the plan is a **deficit of £87.2m**. This is made up of a provider deficit of £70.7m and ICB deficit of £16.5m.
- In line with the operating plan and the national reporting protocol the forecast position at month 7 is **reported as a breakeven position**. This assumes that providers will deliver a planned deficit of £15.3m and the ICB will deliver an offsetting surplus.
- However, as reported in previous month the year-to-date position suggests there is a **risk of a year-end deficit**. This has resulted in a formal Financial Recovery Plan (FRP).
- The FRP shows **potential system gap at year-end of £54.9m**. Since month 7 reporting NHSE has indicated that there will be additional funding for industrial action and non-recurrent measures and have requested that systems submit an updated forecast position. NEL ICS has submitted a return that shows a month 12 forecast deficit of £31.2m.

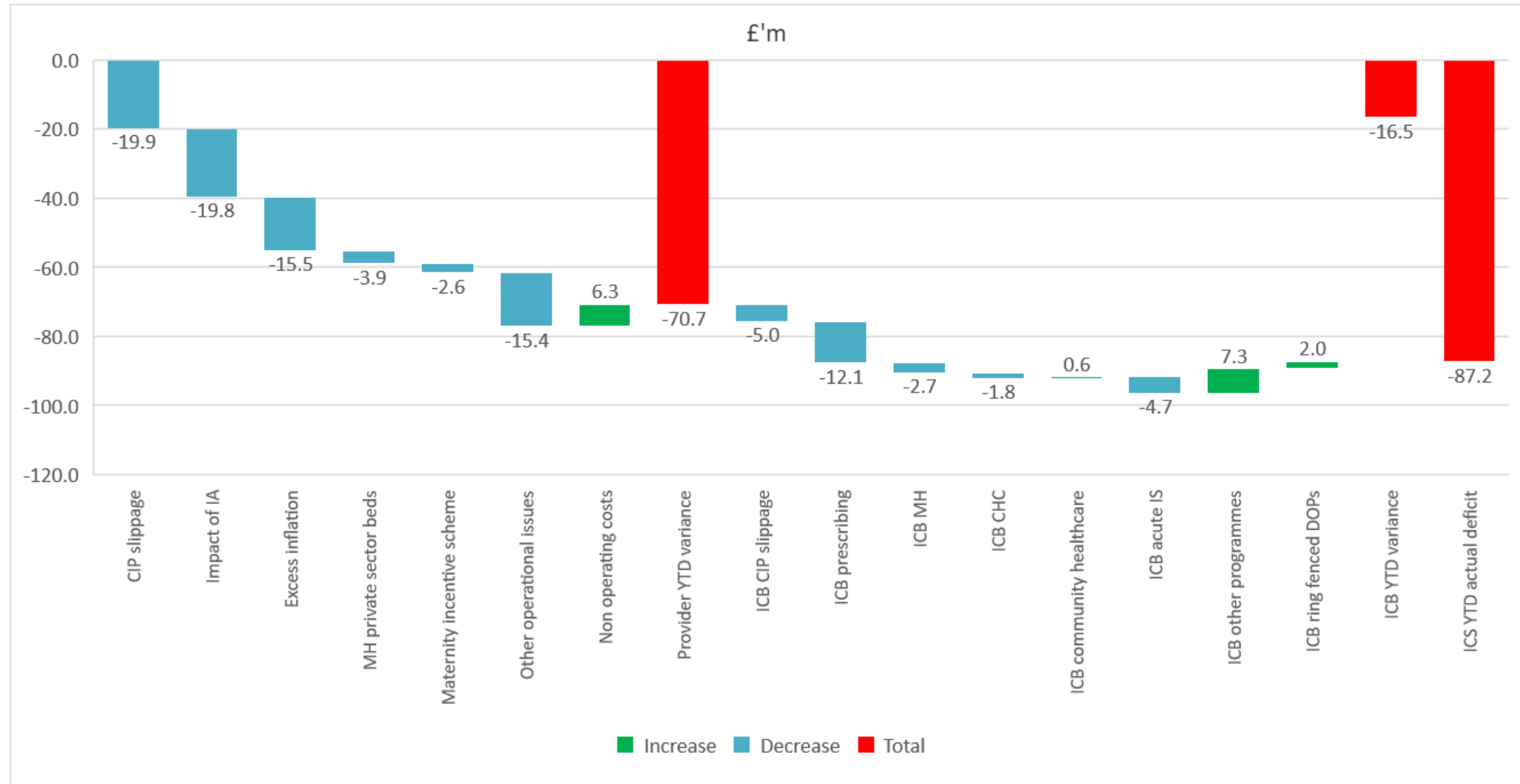
NEL ICS Financial Summary Month 7

Organisations	Year to date			Reported Forecast		
	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m
BHRUT	(3.5)	(27.5)	(24.0)	(0.2)	(0.2)	0.0
Barts Health	(16.2)	(49.8)	(33.6)	(27.8)	(27.8)	0.0
East London NHSFT	1.1	(3.2)	(4.3)	5.4	5.4	0.0
Homerton	0.1	(8.4)	(8.5)	0.2	0.2	0.0
NELFT	3.5	3.2	(0.3)	7.0	7.0	0.0
Total NEL Providers	(14.9)	(85.6)	(70.7)	(15.3)	(15.3)	0.0
NEL ICB	9.0	(7.5)	(16.5)	15.4	15.4	(0.0)
NEL System Total	(6.0)	(93.1)	(87.2)	0.0	0.0	0.0

Month 7 Summary Position

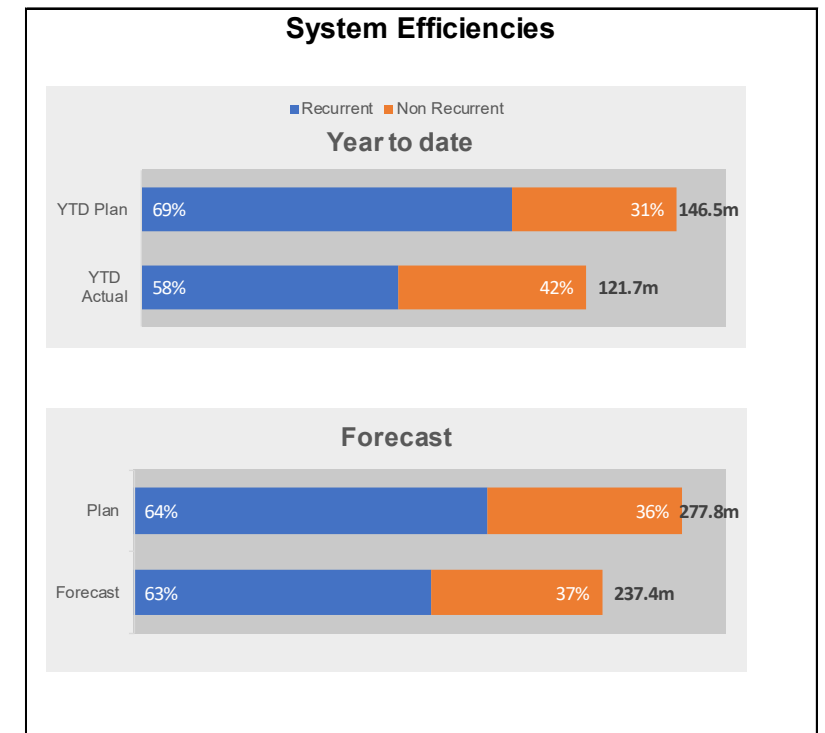
- One of the main drivers of the ICS position is a year-to-date under delivery against the efficiency target. The total year-to-date position on efficiencies is an under delivery of £24.8m, with expected year-end slippage of £40.4m.
- The ICB overspend is driven by under delivery of efficiencies and run rate pressures in prescribing, mental health and CHC. The run rate pressures are driven by a combination of volume growth and price increases. Within the forecast position the ICB has assumed that it will deliver £103.4m cost improvement schemes and additional FRP stretch measures. This is a stretching target with an increase in delivery expected in the remaining five months of the financial year. Delivery of savings from month 8 onwards is expected to be in excess of £13m per month.
- Provider efficiency slippage accounts for £19.9m of its reported overspend. System providers are also reporting pressures in relation to inflation, industrial action and staffing (including pay awards and agency usage).
- In terms of agency usage system providers are exceeding the agency cap set by NHSE for 23/24. The annual agency cap is set at £140.6m. Month 7 year-to-date spend on agency is £113m (80% of the cap). The extrapolated run rate suggests that provider outturn spend on agency could be in the region of £194m. However, providers are expecting to put corrective measures in place and have reported forecast agency spend of circa £159m (£18.6m above the cap).

NEL ICS - Summary of Month 7 YTD Variance



System Efficiencies – Month 7 and Forecast

- The total year-to-date planned efficiency target for the NEL system is £146.5m and the forecast target is £277.8m.
- The year-to-date efficiencies delivered across the system is £121.7m, resulting in under delivery against the target of £24.8m.
- Delivery of efficiencies is a major risk to the system and there was a slow start to the delivery of efficiency schemes. The FRP has detailed a stretch to existing schemes which will improve the delivery run rate. It is, therefore, expected that there will be improvements in the identification and delivery of efficiencies over the remaining months of the financial year.
- At year-end the ICB is forecasting under delivery against the efficiency target of £18m, with providers expecting under delivery of £22.4m. The total year-end position is a forecast under delivery of £40.4m.
- The information on the right is based on information submitted to NHSE from ICB data sources and provider financial returns. The chart shows the proportion of recurrent and non-recurrent schemes both in terms of the plan and actual performance.



Efficiencies	Year to date			Forecast		
	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m
Total Provider Efficiency	108.6	88.8	(19.9)	195.2	172.8	(22.4)
NEL ICB	37.9	32.9	(5.0)	82.6	64.6	(18.0)
Total System Efficiency	146.5	121.7	(24.8)	277.8	237.4	(40.4)

ICS – Month 7 Performance and FRP Trajectory

Organisation	M1-7 Actuals £m	FRP		Industrial Action (IA) Impact	
		FRP Expected M1-7 Actuals £m	Variance from FRP £m	M1-7 Adjusted Actuals (IA) £m	Adjusted Variance from FRP £m
BHRUT	(27.5)	(17.6)	(9.9)	(24.6)	(7.0)
Barts Health	(49.8)	(42.0)	(7.8)	(41.9)	0.1
East London NHSFT	(3.2)	(1.8)	(1.4)	(2.9)	(1.1)
Homerton	(8.4)	(6.7)	(1.7)	(7.1)	(0.4)
NELFT	3.2	3.5	(0.3)	3.5	(0.0)
Total NEL Providers	(85.6)	(64.5)	(21.0)	(73.0)	(8.4)
NEL ICB	(7.5)	(7.6)	0.1	(7.5)	0.1
NEL System Total	(93.1)	(72.2)	(20.9)	(80.5)	(8.3)

- The FRP trajectory requires an improvement on the monthly run rate position, with an expectation of an in-month breakeven position from month 7.
- In month 7 the system financial performance was £20.9m above the FRP trajectory.
- However, industrial action has impacted on the overall financial position. Removing the costs of industrial action from the month 7 year-to-date position results in adjusted year-to-date actual deficit of £76.4m. At month 7 the FRP trajectory expected year-to-date deficit of £72.2m. This means that the system is effectively £8.3m adrift from the FRP trajectory. The adjusted position is dependent on the costs of industrial action being covered by an additional funding source.

ICS – Revised Forecast Outturn Summary Table

	ICS £'m	BHRUT £'m	Barts £'m	ELFT £'m	Homerton £'m	NELFT £'m	ICB £'m
FRP	-54.8	-14.2	-55.5	5.4	-5.1	7.0	7.5
Revised FOT	(31.2)	(14.2)	(42.6)	5.4	(1.9)	7.0	15.1
Movement from FRP	23.7	0.0	12.9	0.0	3.2	0.0	7.6
Original plan	0.0	(0.2)	(27.8)	5.4	0.2	7.0	15.4
Movement from plan	(31.2)	(14.1)	(14.8)	0.0	(2.1)	0.0	(0.2)

- The return to NHSE shows a revised system deficit of £31.2m. This has been agreed with system partners as a realistic year-end forecast.
- The movement from the FRP is as a result of the £31m additional allocation for industrial action and non-recurrent measures and an assumed £8.4m benefit as a result of a 2% ERF threshold adjustment.
- Other assumptions included in the revised forecast include;
 - i. The underspend on delegated budgets for dental can be included in the revised forecast as a benefit to the bottom line. This is in the region of £10m.
 - ii. Subject to some exceptions underspends against SDF will be able to be used non-recurrently to support wider system financial performance.
 - iii. It is assumed that the level of efficiencies and FRP stretch required to deliver this position will remain in line with the value reported at month 7
- Providers have made an assumption of the financial risk of continued industrial action. This is estimated to be £23m and would impact the system's ability to hit the revised forecast position.
- From an ICB perspective the revised forecast outturn assumes increased funding over and above funding assumed as part of the FRP. Therefore to deliver this position the ICB will need to deliver its FRP plan in full.

Better Care Fund (BCF) 23-24

- A paper was presented to Barking and Dagenham Place to note and virtually sign off the BCF.
 - The total BCF funding available, including additional discharge funding is £33.7m.
 - The NHS additional funding of £295k relates to ageing well funds.
 - The LA and ICB are required to submit regular reports to NHSE on the 23/24 discharge funds. Updates on this spend is given in this reporting pack.
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- Details of the schemes funded by the NHS minimum contribution are shown in the bottom table.
 - A breakeven position was shown on these schemes at month 7.

	23/24 Allocation £
Disabled Facilities Grant	1,856,901
Improved Better Care Fund	10,707,003
NHS Minimum Fund	18,440,057
NHS Additional Funding	295,000
LA Additional Funding	0
Local Authority Discharge Fund	1,501,105
ICB Discharge Funding	890,553
Total	33,690,619

	23/24 Allocation £
Carers of B&D	56,422
IPS - (vocational/employment Support Service)	230,064
AGE UK (Falls)	12,253
AGE UK (AFS Care Navigator)	15,471
NELFT	9,474,451
Reablement	1,098,708
BCF Social Care	5,621,327
BCF Care Act	694,827
Care Home Trusted Assessors	18,590
Hospital Discharge service (NELFT)	410,570
Home first (NELFT)	114,658
Ageing Well (NELFT)	298,296
Falls Community - NELFT	220,738
St Francis Hospice	173,682
Total NHS Funding	18,440,057

BCF Discharge Funding Update

Discharge Fund 2023-24

Income Allocation

	£
B&D	1,501,105
ICB	890,553
TOTAL	2,391,658

Expenditure Allocation	Project	Plan £	YTD Actual £	Forecast Spend M8-12 £
Hospital discharge, planning and support	Commissioning project management to support Discharge Fund initiatives	80,000		80,000
Hospital discharge, planning and support	Support for complex discharge cases	150,000		150,000
Targeted out of hospital care	Unfunded homecare and crisis intervention packages	665,000	665,000	-
Targeted out of hospital care	Unfunded residential, nursing and supported living placements	803,105	803,105	-
Targeted out of hospital care	Unfunded reablement packages	618,000	300,000	318,000
Hospital discharge, planning and support	Workforce support	75,553	75,553	-
TOTAL		2,391,658	1,843,658	548,000

- The discharge fund is used to support the system with hospital discharges.
- The monies support the local authority to plan and implement measures to support the reduction of delayed discharges. Post-holders have been recruited to manage complex cases in the mental health cohort.
- Short term care packages are purchased (pathway 2 clients) seeking to improve and maximise reablement opportunities and independence of residents are also utilised and spend here is fully allocated. Demand for care grows and shortfalls are met from the councils existing budgets.
- Clients who are not fit to be discharged to their normal place of residence make use of the residential based care and this is on track to be fully spent, with a pressure due to the acuity of need of clients coming out of hospital.
- The discharge funds continues to be used to support and reduce the total number of delayed discharges.

BCF Ageing Well Schemes

Project	Lead	£
High Intensity Users	ICB	-
Social Isolation and hospital discharge work with	LBBB	100,000
Cost of Living	LBBB	-
Proactive Care	ICB	350,000
OT retention of staff	LBBB	41,000
Project Manager	ICB	69,680
Blue Band pilot	ICB	-
Care Home Medical Escort	ICB	-
Carers Identification	LBBB	15,000
Total		575,680
Amount left to be allocated		- 47,185

- The ageing well budget is made up of 23/24 budget of £295k allocated through the BCF and brought forward budgets from prior years.
- The ageing well funds have been allocated and are largely on track with spend.
- The social isolation project which seeks to reduce the number of visits made by regular attendees or those facing social isolation - currently, in the stages of design a community grants round is imminent to pilot a programme of small initiatives to assess impact on reducing social isolation among regular hospital attendees.
- 15k for hidden carers training has been spent – used to identify hidden carers e.g. through hospital and better support them to support their loved ones
- The OT project has been used to overhaul and improve our pathways and has overspent – with a shift from the project manager role to cover. This is critical as we have identified ways to improve systems to ensure a faster response to service users.

Demand and Capacity Funding

Project	Plan £	YTD Actual £	Forecast Spend M8-12 £
2 x Social Workers	76,181.96		76,182
Occupational Therapist	50,787.97		50,788
Equipment & Care Tech	203,152.00		203,152
Extra Care	42,323.00	130,000.00	- 87,677
Housing Support - Blitz Clean	16,929.32	16,929.32	-
Additional Nurs, Res, Homecare Packages	211,616.55	211,616.55	-
TOTAL	600,990.80	358,545.87	242,444.93

- The total allocation for LBBB for demand and capacity is £601k. It is expected that this will be fully utilised by year-end. This budget is non-recurrent and will not be available in 2024/25.
- The fund bolsters the ability of the system to provide support during peak winter times. In particular, it is being used to increase social care and occupational therapy capacity.
- Additionally, there are funds for equipment, in particular technology and equipment to help keep people at home and free up bed capacity in hospitals.
- There is also extra support through discharge flats located in extra care settings – providing additional support to residents who are not quite ready to move back home and need a bit more oversight and care support. There is also a small amount that goes in to support people who need help with decluttering, blitz-cleaning and the first steps of moving back home.
- In addition we have some money to support with the increase of care packages that comes in this peak time.

Section 256 - Health Inequalities Funding

Project	Plan £	YTD Actual £	Forecast Spend M8-12 £
Community Infrastructure Development/ Locality Leads model	215,000	215,000	-
Workshops for early years professionals around Family Hubs/ Partner Networks in Practice	15,000	15,000	-
Learning set for PCN Health Inequalities Leads	10,050	5,025	5,025
Trauma-Informed Practice for Adult Social Care	3,580		
System wide workshops	12,370	-	15,950
Social prescribing 'community chest'	48,518	48,518	-
Social prescribing 'community chest'	2,482	-	2,482
Planning NHS services in community hubs	100,000	50,000	50,000
PCN Health Inequalities Leads capacity	75,000	75,000	-
PCN Health Inequalities Leads capacity (extension Apr - Aug 2023)	25,000		
Targeted debt support and health risks mitigation	140,000	50,000	90,000
Community-led support for people with no recourse to public funds pilot	65,000	65,000	-
Identifying and supporting residents with common preventable morbidities and risk of premature mortality (case finding)	115,000	-	115,000
Participatory grant making for CYP mental health	100,000	100,000	-
Locality-based integrated care MDT clinics for vulnerable 0-5 year olds/ Vulnerable Hot Clinic	50,000	50,000	-
Scoping system data needs	19,000	-	44,000
Evaluation	55,000	-	55,000
Project management	55,000	-	55,000
TOTAL	1,106,000	673,543	432,457

- The 23/24 agreed health inequalities funding from the ICB is £518k.
- The total budget includes the current year budget and brought forward underspends from the prior year.
- At month 7 £674k has been committed with the remainder of the allocation factored into the forecast spend.

NEL ICB – Discharge to Assess, Rehab and Equipment – Month 7 Update

Service Description	YTD Budget £	YTD Actual £	YTD Variance £	Annual Budget £	FOT £	FOT Variance £
D2A	333,004	379,072	-46,068	570,864	759,476	-188,611
Rehab	539,336	540,574	-1,238	924,581	1,002,093	-77,512
Equipment	138,439	260,231	-121,792	237,317	446,111	-208,794
TOTAL	1,010,779	1,179,877	-169,098	1,732,762	2,207,679	-474,917

- The total annual budget for Barking and Dagenham place for discharge to assess (D2A), rehab and equipment is £1m. This was based on 22/23 outturn and uplifted for the relevant planning uplifts.
- Based on the latest data there is a year-to-date reported overspend of £0.2 against these areas with an expected year-end overspend in the region of £0.5m.
- The drivers of the overspend are;
 - i. Patients with higher levels of acuity which means the ICB is incurring 1-2-1 costs and higher cost domiciliary care packages for them to be supported at home
 - ii. High cost rehab packages
 - iii. Equipment overspend is based on the latest data and reflects the costs of equipment issued when residents are discharged to their homes.