

## NHS DERBY AND DERBYSHIRE ICB BOARD

### MEETING IN PUBLIC

21<sup>st</sup> March 2024

|           |
|-----------|
| Item: 152 |
|-----------|

|   |   |                          |            |                          |           |                                     |             |                          |
|---|---|--------------------------|------------|--------------------------|-----------|-------------------------------------|-------------|--------------------------|
| <b>Report Title</b>   | Year End Closing Position 2023/24   |                          |            |                          |           |                                     |             |                          |
| <b>Author</b>   | Georgina Mills, Head of Financial Reporting<br>Sukhi Mahil, Assistant Director Workforce Strategy, Planning and Transformation<br>Sam Kabiswa, Assistant Director, Planning and Performance |                          |            |                          |           |                                     |             |                          |
| <b>Sponsor (Executive Director)</b>                         | Keith Griffiths, Chief Finance Officer  |                          |            |                          |           |                                     |             |                          |
| <b>Presenter</b>  | Keith Griffiths, Chief Finance Officer<br>Craig Cook, Director of Acute Commissioning, Contracting and Performance<br>Linda Garnett, Interim Chief People Officer                           |                          |            |                          |           |                                     |             |                          |
| <b>Paper purpose</b>  | Decision  | <input type="checkbox"/> | Discussion | <input type="checkbox"/> | Assurance | <input checked="" type="checkbox"/> | Information | <input type="checkbox"/> |
| <b>Appendices</b>   | Appendix 1 – Year End Closing Position 2023/24  |                          |            |                          |           |                                     |             |                          |
| <b>Assurance Report Signed off by Chair</b>                 | Not Applicable  |                          |            |                          |           |                                     |             |                          |
| <b>Which committee has the subject matter been through?</b> | Not Applicable  |                          |            |                          |           |                                     |             |                          |

|   |  |                          |            |  |                                     |
|---|--|--------------------------|------------|--|-------------------------------------|
| <b>Recommendations</b>  |  |                          |            |  |                                     |
| The ICB Board are recommended to <b>NOTE</b> the Year End Closing position for 2023/24.   |  |                          |            |  |                                     |
| <b>Purpose</b>  |  |                          |            |  |                                     |
| Update the board on the Year End Closing position for 2023/24.  |  |                          |            |  |                                     |
| <b>Background</b>   |  |                          |            |  |                                     |
| The updated position has been requested by the Board to assure the delivery of the year end position.   |  |                          |            |  |                                     |
| <b>Report Summary</b>   |  |                          |            |  |                                     |
| The year end position is forecast at a deficit of £51.9m. This is the reset position of £44.7m deficit with the deduction of the PDC IFRS 16 PFI revaluation benefit. |  |                          |            |  |                                     |
| <b>Identification of Key Risks</b>  |  |                          |            |  |                                     |
| <b>SR1</b>  | The increasing need for healthcare intervention is not met in most appropriate and timely way, and inadequate capacity impacts the ability of the NHS in Derby and Derbyshire and upper tier Councils to deliver consistently safe services with appropriate levels of care. | <input type="checkbox"/> | <b>SR2</b> | Short term operational needs hinder the pace and scale required to improve health outcomes and life expectancy.  | <input type="checkbox"/>            |
| <b>SR3</b>  | The population is not sufficiently engaged in designing and developing services leading to inequitable access to care and outcomes.  | <input type="checkbox"/> | <b>SR4</b> | The NHS in Derbyshire is unable to reduce costs and improve productivity to enable the ICB to move into a sustainable financial position and achieve best value from the £3.1bn available funding. | <input checked="" type="checkbox"/> |
| <b>SR5</b>  | The system is not able to recruit and retain sufficient workforce to meet the strategic objectives and deliver the operational plans.  | <input type="checkbox"/> | <b>SR6</b> | There is a risk that the system does not create and enable a health and care workforce to facilitate integrated care.  | <input type="checkbox"/>            |

|  |  |   |   |   |                                     |
|--|--|---|---|---|-------------------------------------|
| <b>SR7</b>   | Decisions and actions taken by individual organisations are not aligned with the strategic aims of the system, impacting on the scale of transformation and change required.   | <input type="checkbox"/>                | <b>SR8</b>                              | There is a risk that the system does not establish intelligence and analytical solutions to support effective decision making.                                    | <input type="checkbox"/>            |
| <b>SR9</b>   | There is a risk that the gap in health and care widens due to a range of factors including resources used to meet immediate priorities which limits the ability of the system to achieve long term strategic objectives including reducing health inequalities and improve outcomes. | <input type="checkbox"/>                | <b>SR10</b>                             | There is a risk that the system does not identify, prioritise and adequately resource digital transformation in order to improve outcomes and enhance efficiency. | <input type="checkbox"/>            |
| No further risks identified.   |  |   |   |   |                                     |
| <b>Financial impact on the ICB or wider Integrated Care System</b>   |  |   |   |   |                                     |
| <b>[To be completed by Finance Team ONLY]</b>  |  |   |   |   |                                     |
| Yes <input type="checkbox"/>   |  | No <input checked="" type="checkbox"/>  |   | N/A <input type="checkbox"/>  |                                     |
| <b>Details/Findings</b><br>The papers are provided for information only and therefore have no financial impact arising.  |  |   |   | <b>Has this been signed off by a finance team member?</b><br>Darran Green, Acting Operational Director of Finance   |                                     |
| <b>Have any conflicts of interest been identified throughout the decision-making process?</b>  |  |   |   |   |                                     |
| None identified.   |  |   |   |   |                                     |
| <b>Project Dependencies</b>  |  |   |   |   |                                     |
| <b>Completion of Impact Assessments</b>  |  |   |   |   |                                     |
| <b>Data Protection Impact Assessment</b>   | Yes <input type="checkbox"/>   | No <input type="checkbox"/>             | N/A <input checked="" type="checkbox"/> | <b>Details/Findings</b>   |                                     |
| <b>Quality Impact Assessment</b>   | Yes <input type="checkbox"/>   | No <input type="checkbox"/>             | N/A <input checked="" type="checkbox"/> | <b>Details/Findings</b>   |                                     |
| <b>Equality Impact Assessment</b>  | Yes <input type="checkbox"/>   | No <input type="checkbox"/>             | N/A <input checked="" type="checkbox"/> | <b>Details/Findings</b>   |                                     |
| <b>Has the project been to the Quality and Equality Impact Assessment (QEIA) panel? Include risk rating and summary of findings below, if applicable</b>   |  |   |   |   |                                     |
| Yes <input type="checkbox"/>   | No <input type="checkbox"/>  | N/A <input checked="" type="checkbox"/> | <b>Risk Rating:</b>                     | <b>Summary:</b>   |                                     |
| <b>Has there been involvement of Patients, Public and other key stakeholders? Include summary of findings below, if applicable</b>   |  |   |   |   |                                     |
| Yes <input type="checkbox"/>   | No <input type="checkbox"/>  | N/A <input checked="" type="checkbox"/> | <b>Summary:</b>                         |   |                                     |
| <b>Implementation of the Equality Delivery System is a mandated requirement for the ICB, please indicate which of the following goals this report supports:</b>                                  |  |   |   |   |                                     |
| Better health outcomes   |  |   | <input checked="" type="checkbox"/>     | Improved patient access and experience  | <input checked="" type="checkbox"/> |
| A representative and supported workforce   |  |   | <input checked="" type="checkbox"/>     | Inclusive leadership  | <input checked="" type="checkbox"/> |
| <b>Are there any equality and diversity implications or risks that would affect the ICB's obligations under the Public Sector Equality Duty that should be discussed as part of this report?</b> |  |   |   |   |                                     |
| There are no risks that would affect the ICB's obligations.  |  |   |   |   |                                     |
| <b>When developing this project, has consideration been given to the Derbyshire ICS Greener Plan targets?</b>  |  |   |   |   |                                     |
| Carbon reduction   | <input type="checkbox"/>   | Air Pollution                           | <input type="checkbox"/>                | Waste   | <input type="checkbox"/>            |
| <b>Details/Findings</b><br>Not applicable.   |  |   |   |   |                                     |

# Year End Closing Position 2023/24

# Operations

## Urgent and Emergency Care

- **4 hr:** We are on course to deliver better performance this year, (in overall terms across our commissioned providers) compared to last (70% in 22/23 vs 74% year to date and striving to achieve 76% by year end).
- **Length of stay:** Our largest Acute Provider (UHDB) is delivering average LOS performance at a level which places them in the top 25% of all Trusts nationally.
- **Urgent Community Response:** We have over-achieved against our plan to ensure that urgent community referrals are responded to within 2 hours.

## Cancer

- **62 day+ waits:** We have reduced the number of long waits by a third over the last 12 months and remain on course to achieve our year-end target.
- **Cancer treatment activity** – we have delivered 10% more cancer treatments this year compared to last.
- **28-day Faster diagnosis** – We have ruled out or diagnosed 6% more cancers within 28 days this year compared to last and are likely to end the year between 72-73% against the 75% target.

## Planned Care

- **RTT incomplete waiting list:** Despite losing output due to strikes we are projecting to have 2% fewer people waiting in March 24 compared to the start of the year (April 24).
- **RTT long waits** – despite not achieving the eradication of 65 week+ waits, we have significantly reduced 78+ weeks.
- **VWA** – whilst there is more to do in 23/24, we benchmark above the national average and are the third best performing ICS in the Midlands.

## Mental Health, Autism and Learning Disabilities

- We have over-delivered against plan, in relation to increasing the **dementia diagnosis rate**.
- We have delivered key access targets in relation to **IAPT, perinatal mental health** and **community health provision** for people with a severe mental illness.
- We have delivered **MHIS**.

## General Practice

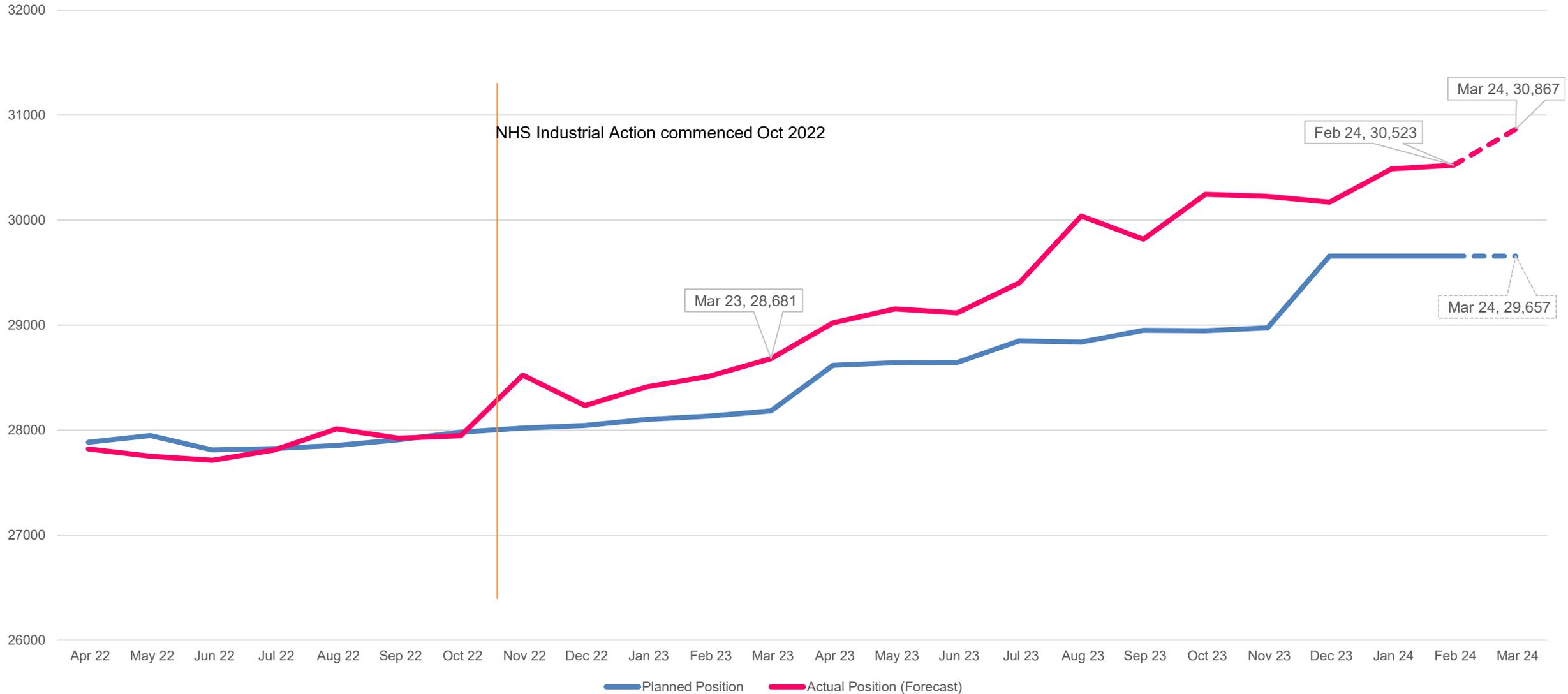
- **General Practice Appointments** – Despite the sustained pressure across General Practice, we have delivered our planned level of appointments in 23/24 which is ~2% higher than 2023/24.

# Workforce

- The 2023/24 plan was based on growth of 2.15% (615WTEs).
- Between 2022/23 M12 actual and M10 actual there has been 6.3% growth (1,808WTE).
- There will be various factors impacting this position e.g. the uptick in the August position is due to the F1 rotational trainees and there has also been growth in Newly Qualified Nurses (NQN) and Newly Qualified Midwives (NQM), in September/October as they qualify.
- Recruitment to vacancies has seen an increase in substantive staff, however vacancy controls have been put in place to review recruitments taking place.
- The increase in bank and agency, the latter which is considered more costly, is because of clinical pressures and increased patient acuity. That said, agency usage has seen a downward trend since the highest point in June 2023.

## 2023/24 Workforce Trend (Total WTE)

During the H2 system reset, we received a revised forecast outturn (FOT) plan position for **substantive** workforce. M9-M12 planned figures are based on this revised FOT. Future months for actual figures (dashed line) are based on a forecast using the average % change between M8 and M11 of +1.0% which gives a M12 FOT position of 30,867WTE. However it is important to recognise change in the trend in M11 which may result in further levelling off in this position by year end.

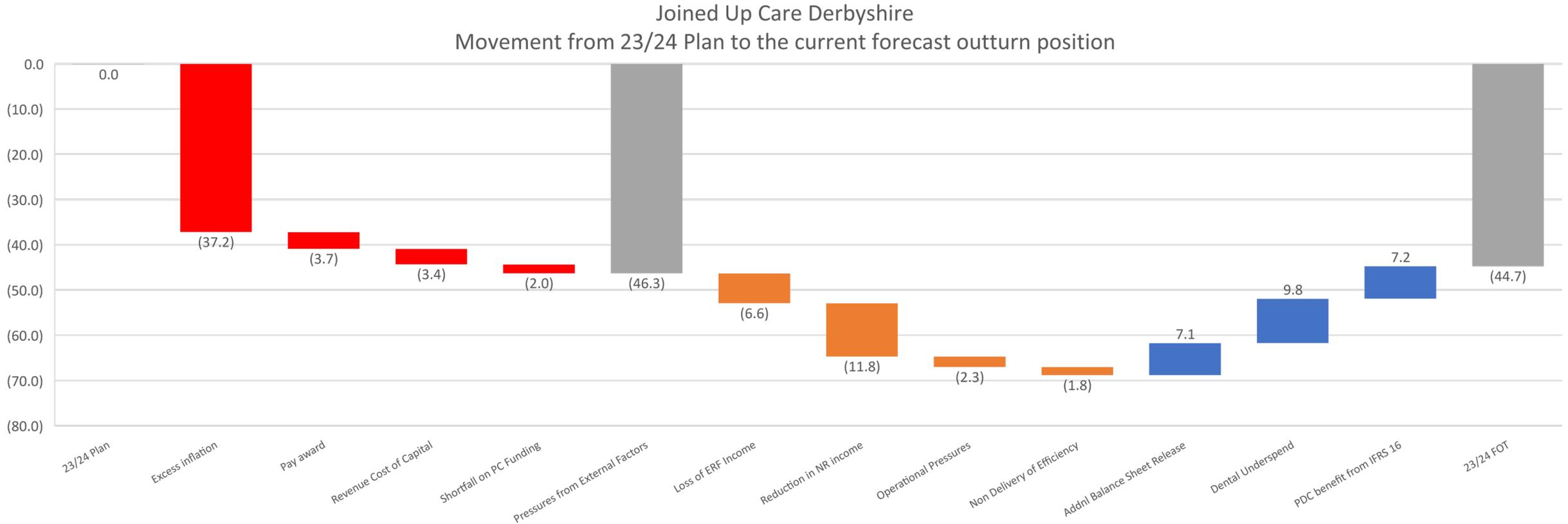


# Finance

## **JUCD committed to a breakeven plan for 23/24 and would have met this had it not been for external factors:**

- £134.2m of CIPs have been delivered in 23/24 (98.6% of plan) - £60.1m recurrent and £74.1m non recurrent
- Currently forecasting a 23/24 year end deficit of £44.7m plus £7.2m for the change in treatment of PDC benefit for IFRS16, taking the outturn to £51.9m overspent. This is in line with the position shared as part of the H2 reset.
- The key drivers of this are costs outside the control of the system i.e. excess inflation (£37.2m), Shortfall on pay award funding (£3.7m), Changes in national support on the cost of capital (£3.4m) & a shortfall on primary care funding (£2m) – Totalling £46.3m
- The system has also managed to absorb some of the pressures above and all other pressures related to shortfalls income (inc. ERF) & operational pressures/fragile services
- The risks to delivery of this position relate to National issues and are;
  - Healthcare Support Worker re-banding – c£15m
  - Change in treatment of PDC benefit for IFRS16 - £7.2m

# 23/24 Forecast Position Bridge



- Note that this is on top of delivery of £134.2m of efficiencies in 23/24
- The operational pressures is a net figure, the system has absorbed the difference through other smaller mitigations
- As of month 11, there is a change in treatment to the PDC benefit from the IFRS16 revaluation and will take the 23/24 position to a deficit of £51.9m

# Finance

## 23/24 System Efficiencies:

- The System has a forecast delivery of £134.2m efficiencies as described in the table (98.6% of plan) - £60.1m recurrent and £74.1m non recurrent
- The ICB had a target to delivery £44.2m efficiencies the forecast is to overdeliver by £3.5m
- Prescribing has delivered £16.7m of cash releasing savings £5.2m above their plan
- Continuing Healthcare is delivering £5.2m recurrent efficiencies.
- The ICB are experiencing difficulties in rebasing out of area acute contracts where activity is significantly lower than 2019/20 baselines.

| Efficiencies by Provider                | Full Year Plan | Full Year Forecast | Forecast Variance |
|---|----------------|--------------------|-------------------|
| Month 11 Position                       | £m's           | £m's               | £m's              |
| NHS Derby and Derbyshire ICB            | 44.2           | 47.8               | 3.5               |
| Chesterfield Royal Hospital             | 15.7           | 11.4               | (4.3)             |
| Derbyshire Community Health Services    | 9.2            | 9.2                | 0.0               |
| Derbyshire Healthcare                   | 8.8            | 8.8                | 0.0               |
| EMAS                                    | 11.2           | 11.2               | 0.0               |
| University Hospital of Derby and Burton | 47.0           | 45.9               | (1.1)             |
| <b>JUCD Total</b>                       | <b>136.0</b>   | <b>134.2</b>       | <b>(1.8)</b>      |