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7. Derby and Derbyshire ICB Financial Update (Pages 1 - 6)

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Derbyshire County HOSC

JUCD Overview

24th July 2023

Agenda

1. Income and expenditure summary – pre and post covid
2. Acute Services activity summary – pre and post covid
3. 23/24 Financial outlook
4. ICBS' Five Year Forward Plan and Collaboration

Income and Expenditure Summary

Table below shows summary of income and expenditure from 2019/20 base year to 2023/24 Plan:

JUCD I&E Summary	2019/20 £'m	2020/21 £'m	2021/22 £'m	2022/23 £'m	2023/24 Plan £'m
JUCD Income	2,460.6	2,787.1	2,903.8	3,174.2	3,137.4
JUCD Expenditure					
Staff Costs	(1,188.3)	(1,297.2)	(1,372.6)	(1,544.8)	(1,456.3)
Non Pay	(1,303.7)	(1,459.5)	(1,508.1)	(1,638.7)	(1,641.3)
Non Operating Expenditure	(18.3)	(29.5)	(23.9)	(20.3)	(39.7)
Total JUCD Expenditure	(2,510.3)	(2,786.2)	(2,904.6)	(3,203.8)	(3,137.3)
Surplus/(Deficit)	(49.7)	0.9	(0.8)	(29.6)	0.1

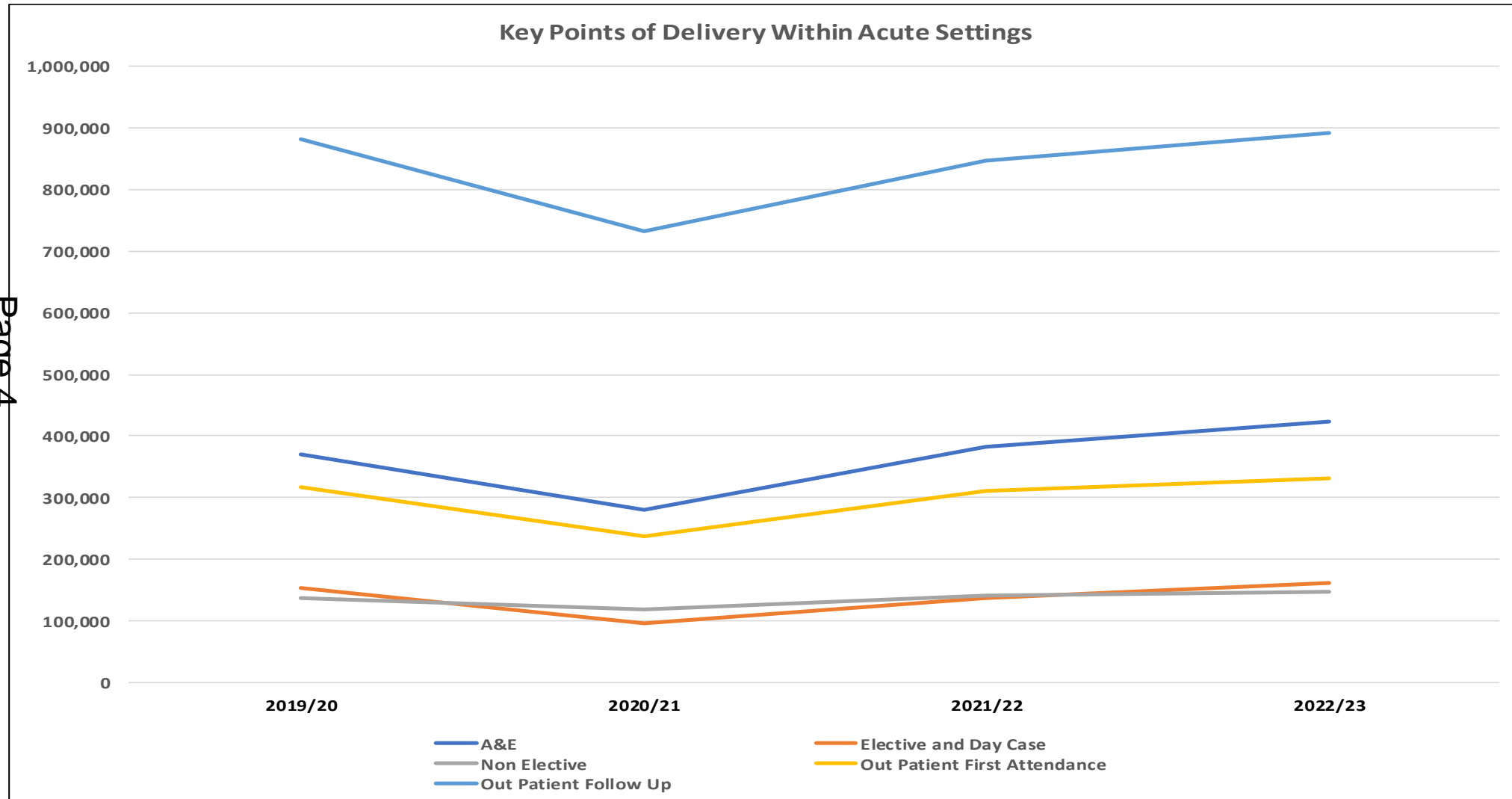
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Key Points

- JUCD was financially challenged before COVID.
- COVID brought additional challenges which resulted in a stepped increase in both staffing and non-pay costs.
- Legacy pressures from the underlying financial position, COVID and reductions in allocation, have resulted in a £136m efficiency challenge in 2023/24.

Key Points of Delivery within Acute

Chart below shows changes in key points of delivery as a result of COVID:



23/24 Financial Outlook

1. All NHS organisations have committed formally to delivering a break even position
2. Cash releasing efficiency savings of 4.1% (£136m) are required
3. The key focus areas for efficiency gains are
 - a. Improving productivity within core hours
 - b. Prescribing
 - c. Procurement
 - d. Repatriation of Independent sector / out of area activity
4. At 30th June 23, (Q1) JUCD is overspent by £8m, essentially driven by industrial action, excess inflation, and national procurements. In addition there is an emerging problem with the funding of the national pay award. Additional funds will be required to cover these issues to ensure break even
5. JUCD has protected £5.5m in 23/24 for access / health inequalities issues in our most deprived communities

ICB's Five Year Forward Plan & Collaboration

1. In order to improve productivity, discharges out of hospital for patients waiting for care must increase urgently. Derby County is an outlier: the challenges are multi faceted.
2. Tackling un-met need in our communities is critical to ensure access to primary care / A+E is optimised and health inequalities are minimised.
3. JUCD is committed to supporting the Hewitt Report and protecting resources in future years for out of hospital services. This will require a more resilient financial position across the system, which is why partnership working and collaboration in 23/24 to deliver the £136m efficiency savings is critical.