

Report to the NHS Somerset Integrated Care Board on 28 September 2023

Title: NHS Somerset Finance Report – Month 4 2023/24	Enclosure D
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Summary and Purpose of Paper

The enclosed paper provides an update summarising the NHS Somerset Integrated Care System financial position for the 2023/24 financial year as 31 July 2023.

This report provides an analysis of financial performance across the following areas:

- Summary of NHS Somerset Financial Position
- Summary of Organisational Financial Positions
- NHS Somerset System Capital
- Summary of Somerset Council Financial Position

Recommendations and next steps

The Integrated Care Board is asked to note the report of the NHS Somerset ICS financial position

Impact Assessments – key issues identified

Equality	Financial decisions are made with due regard to eliminate discrimination, harassment and victimisation, to advance equality of opportunity and to foster good relations between people who share a relevant protected characteristic (as cited in under the Equality Act 2010) and those who do not share in it.
Quality	Financial decisions are made to deliver with regard to the best possible value for service users.
Safeguarding	No issues identified
Privacy	No issues identified
Engagement	No issues identified

Financial / Resource	NHS Somerset Integrated Care Board has a confirmed revenue budget of £1,280,554,000 for the 2023/24 financial year as at 31 July 2023.			
Governance or Legal	The financial report details any constitutional standards required to be met by the NHS Somerset Integrated Care Board			
Sustainability	No issues identified			
Risk Description	NHS Somerset Integrated Care Board must ensure it delivers the planned financial target.			
Risk Rating	Consequence	Likelihood	RAG Rating	GBAF Ref
	3	4	12	584

Headline Summary

- NHS Somerset is forecasting to deliver a balanced outturn position for the 2023/24 financial year.
- At month 4, NHS Somerset has a year to date overspend of £3.4m resulting from costs relating to industrial action of £1.2m, Prescribing expenditure exceeding plan by £2.0m and the transition of NHSE POD Hub staff of £0.2m.
- The NHS Somerset Capital position is marginally ahead of planned expenditure, driven by spend against routine and backlog maintenance, although National schemes are slightly behind planned expenditure. The system has developed this reporting pack to share more detail on the capital position.
- At month 4, total NHS Somerset agency spend for 2023/24 is forecasted to exceed our cap by £8.5m, with year to date overspent by £2.5m.
- The system is managing several medium and high rated risks, which could materialise: -
 - Prescribing NCSO pressures (already materialising)
 - Winter Acute Escalation
 - System Cost Reduction/Productivity Stretch
 - Intermediate Care
 - Elective Recovery
 - Microsoft Licensing
 - Industrial Action
- Somerset Council are projecting a £26.1m overspend at month 4, which is largely driven by pressures within Adult Social Care and Childrens' Social Care

NHS Somerset ICS - Financial Headlines

Month 4 2023/24

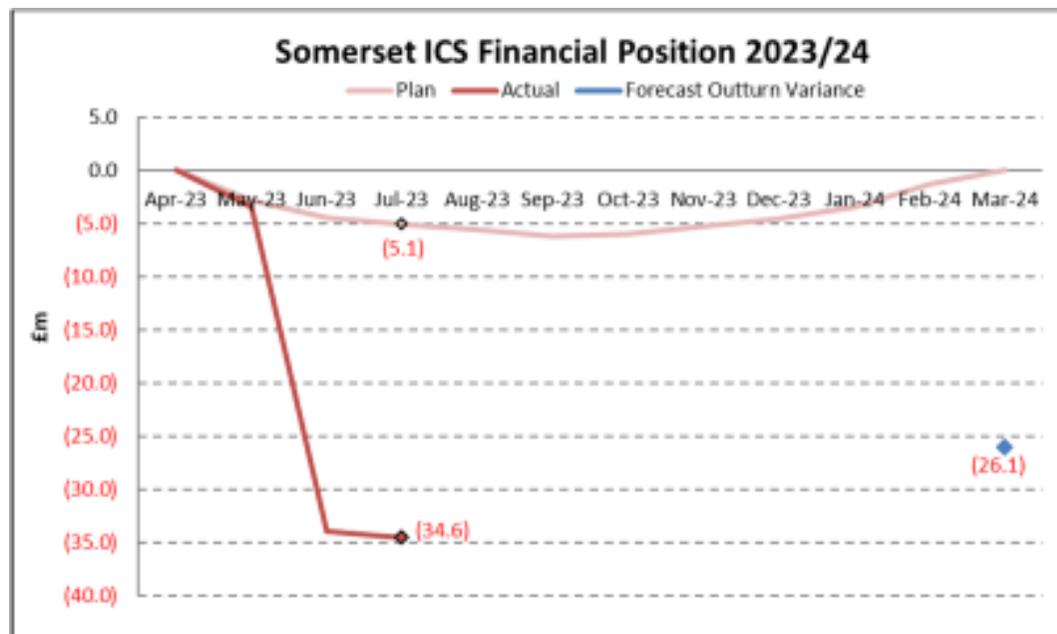
NHS Somerset is forecasting to deliver a balanced outturn position for the 2023/24 financial year.

At month 4, NHS Somerset has a year to date overspend of £3.4m.

Somerset ICB's year-to-date variance predominantly relates to Prescribing costs exceeding plan by £2.0m.

Somerset FT's £1.2m in-year adverse position is driven by additional costs relating to industrial action.

Somerset Council are projecting a £26.1m overspend at month 4, which is slightly improved from month 3, and largely driven by pressures within Adult Social Care and Childrens' Social Care



Performance against organisation-specific and system control totals									
£m's	Month 4			Month 1-4 YTD			Forecast Outturn 2023/24		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHS Somerset ICB	0.0	(2.2)	(2.2)	0.0	(2.2)	(2.2)	0.0	0.0	0.0
Somerset NHS FT	(0.6)	(0.9)	(0.3)	(5.1)	(6.2)	(1.2)	0.0	0.0	0.0
Somerset Council	0.0	2.5	2.5	0.0	(26.1)	(26.1)	0.0	(26.1)	(26.1)
Somerset ICS	(0.6)	(0.6)	(0.1)	(5.1)	(34.6)	(29.5)	0.0	(26.1)	(26.1)

NHS Somerset System Capital Funding 2023/24
updated 16th August, 2023

Provider Capital Self Funded
(eg Depreciation / Cash Reserves)



System Capital Envelope

2023/24 £31.5m (+ ICB £1.3m)
2024/25 £28.7m (+ ICB £1.0m)

National PDC Capital Programmes

Note: National PDC Programmes – Does Not Score Against System Capital Envelopes



New Hospital Programme
2023/24 £1.1m



STP Capital
2023/24 £22.0m
2024/25 £24.6m



Primary Care (inc GP IT/ MIGs)
2023/24 £1.3m
2024/25 £1.0m

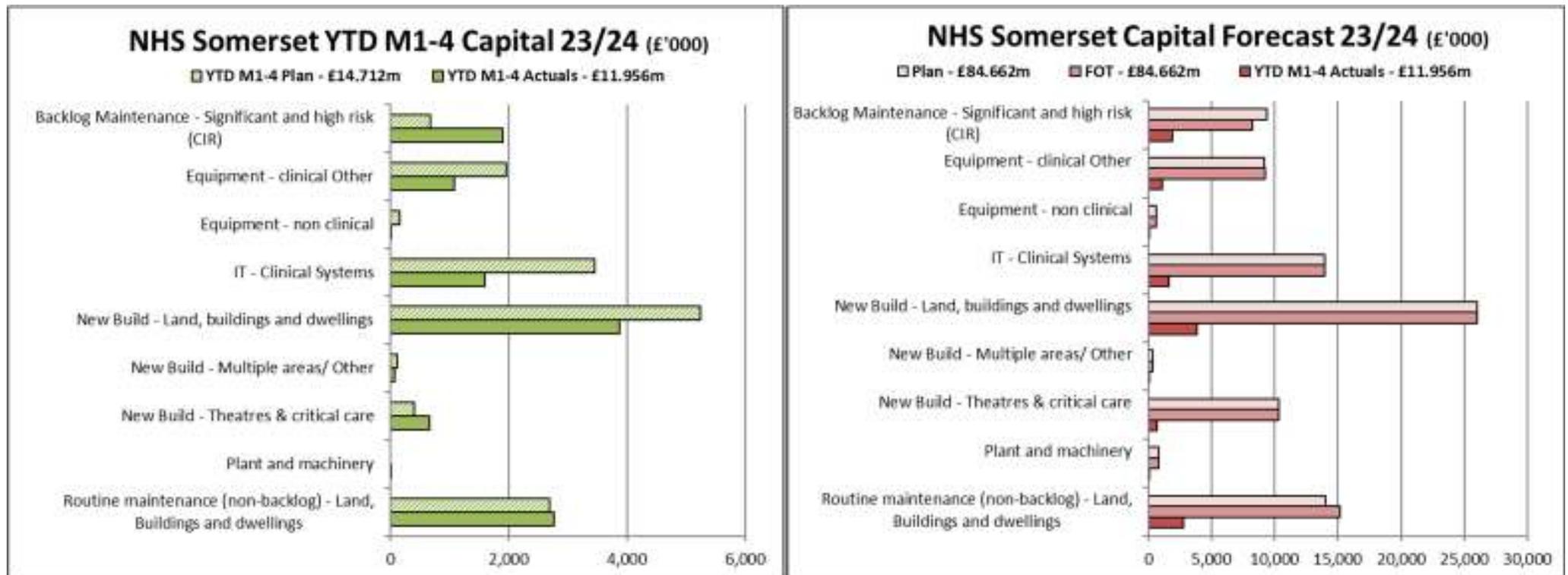


South West Capital National Programme Funding

- Community Diagnostic Hubs - 2023/24 £0.4m & 2024/25 £1.3m**
- Elective Recovery - 2023/24 £10.3m & 2024/25 £2.1m**
- Digital Diagnostics - 2023/24 £1.7m & 2024/25 £1.2m**
- Frontline Digitisation (inc Digital EPR) - 2023/24 £3.9m, 2024/25 £5.2m & 2025/26 £6.7m**
- Diagnostics - Endoscopy - 2023/24 £1.0m & 2024/25 £0.5m**
- Mental Health - UEC - 2023/24 £0.4m & 2024/25 £0.7m**
- Diagnostics - Imaging 2023/24 £1.4m**

* Figures subject to business case approval and may change

NHS Somerset – Trust Capital Scheme Breakdown

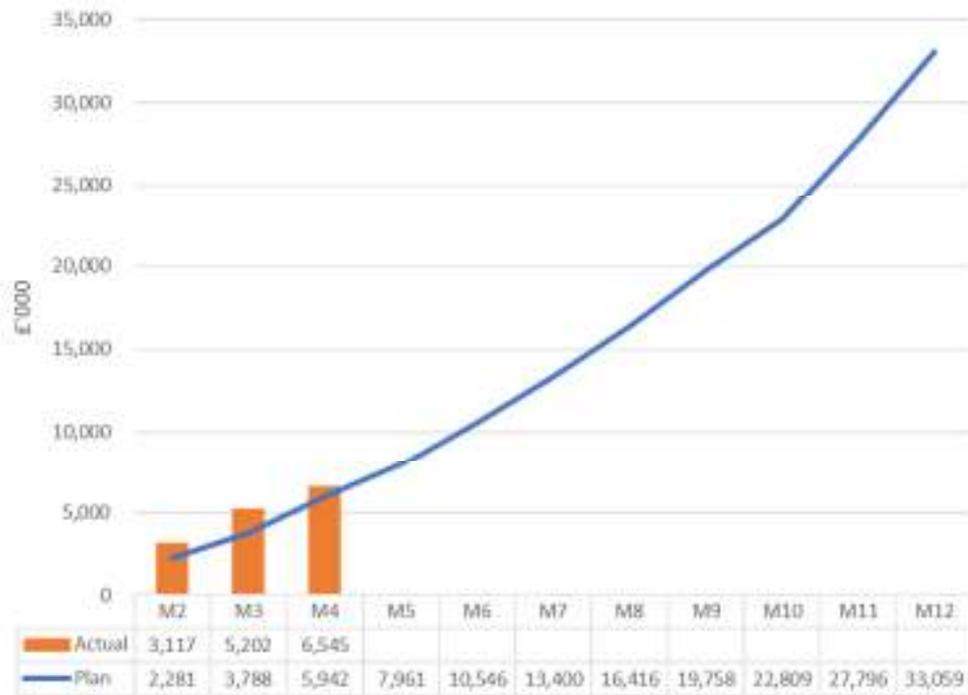


NHS Somerset is forecasting to utilise all capital allocations this financial year.

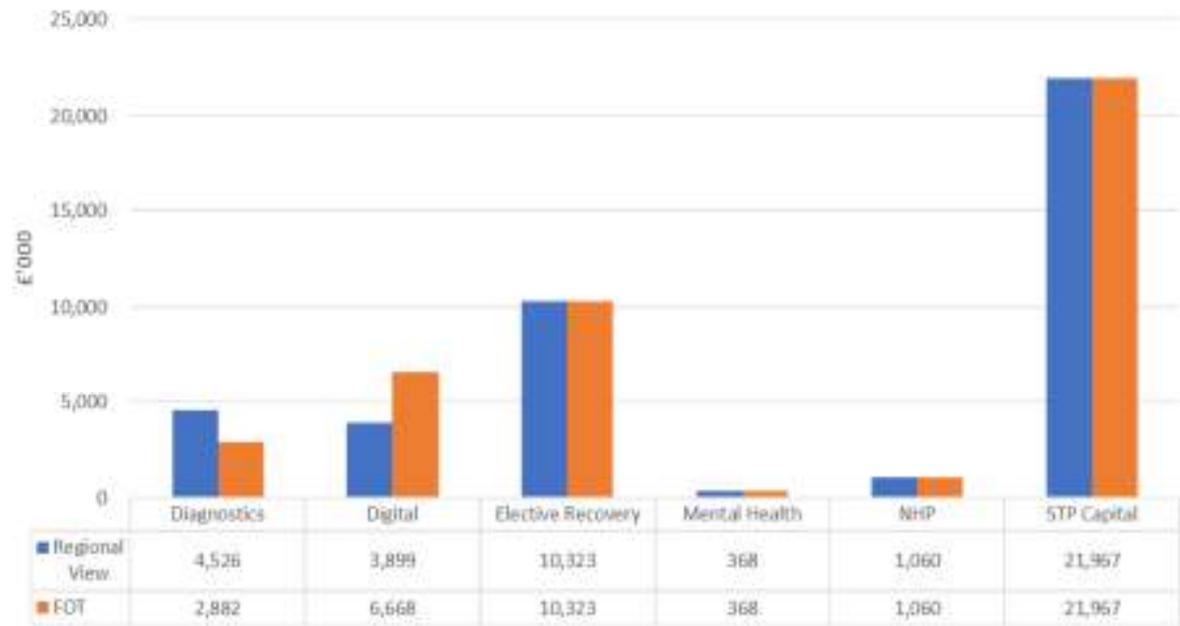
At month 4, NHS Somerset is marginally behind planned expenditure, with spend against Surgical Centre and Clinical systems currently below year-to-date budget.

NHS Somerset - Capital by Trust

Capital Envelope - YTD Plan v Actual



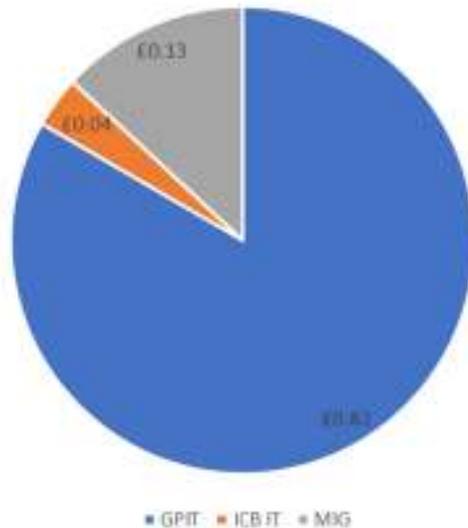
National Programme Funding By National Programme - Regional View v Trust FOT



This information is based on Capital Schemes on Tab 15 on the Provider Financial Return, and not the information on Tab 44.

NHS Somerset - Commissioner BAU Capital

NHS Somerset ICB BAU Budget 2023/24
(£m)



Scheme Description	Funding Type	Funding Status	Amount £'m
QSL-023-001	23/24 GPIT PID	Awaiting Approval	0.82
QSL-023-002	23/24 ICB Corporate IT PID	Awaiting Approval	0.04
QSL-023-003	2023/24 PID for Minor Improvement Grants	Allocated	0.15
11X-022-003 & 11X-022-004 Clawback	Clawback of Prior Year Accrual	Clawed Back	-0.02
Total			0.98
BAU Allocation			1.30
Outstanding PID's			0.32

Somerset ICB Finances

Somerset ICB is forecasting to deliver a breakeven position against allocated resource for 2023/24.

At month 4, Somerset ICB has a year-to-date pressure of £2.2m.

This in-year variance relates to Prescribing spend exceeding budget by £2.0m and ICB awaiting allocation of £0.2m for the transfer of the POD hub from NHSE.

Financial Position Overview								
Somerset ICB	Year to Date (M1-M4)				Forecast Outturn 2023/24			
	Plan £m	Actual £m	Variance £m	Variance %	Plan £m	Forecast £m	Variance £m	Variance %
System Revenue Resource Limit	(426.9)				(1,280.5)			
Acute Services	219.3	219.3	0.0	0.0%	657.9	657.8	0.1	0.0%
Mental Health Services	36.7	36.6	0.1	0.3%	110.0	109.7	0.3	0.3%
Community Health Services	38.8	38.6	0.2	0.6%	116.6	115.9	0.7	0.6%
Continuing Care Services	19.1	18.2	0.8	4.4%	57.2	55.7	1.5	2.6%
Primary Care Services	42.9	44.9	(2.0)	(4.7%)	128.6	130.6	(2.0)	(1.6%)
Other Commissioned Services	19.2	19.1	0.1	0.3%	57.6	57.4	0.2	0.3%
Other Programme Services	0.6	0.7	(0.1)	(14.6%)	1.8	1.8	0.0	0.0%
Reserves / Contingencies	(5.4)	(4.2)	(1.3)	23.0%	(16.3)	(15.6)	(0.8)	4.7%
Delegated Primary Care Commissioning	52.2	52.2	0.0	0.0%	156.5	156.5	0.0	0.0%
ICB Running Costs	3.6	3.7	0.0	0.0%	10.8	10.8	0.0	0.0%
Total Net Expenditure	426.9	429.2	(2.2)	(0.5%)	1,280.5	1,280.5	0.0	0.0%
TOTAL Somerset ICB Surplus/(Deficit)	0.0	(2.2)	0.0	(0.5%)	0.0	0.0	0.0	0.0%

Somerset FT Finances

Somerset FT is forecasting to deliver a breakeven position for 2023/24.

At month 4, Somerset FT is forecasting a year to date overspend position of £1.2m.

This in-year variance is due to the cost impact of industrial action.

Financial Position Overview								
Somerset FT	Year to Date (M1-M4)				Forecast Outturn 2023/24			
	Plan £m	Actual £m	Variance £m	Variance %	Plan £m	Forecast £m	Variance £m	Variance %
Patient Care Income from ICBs & NHSE	286.4	288.8	2.4	0.8%	860.3	870.6	10.3	1.2%
Other Patient Care Income	21.0	19.9	(1.1)	(5.0%)	62.5	62.5	0.0	0.0%
Other Operating Income excluding top-up	17.5	20.5	3.0	17.1%	54.1	55.0	0.9	1.6%
Total Income	324.9	329.2	4.3	1.3%	977.0	988.1	11.2	1.1%
Agency	(10.6)	(13.0)	(2.5)	23.2%	(28.1)	(38.5)	(10.4)	37.0%
Pay excluding Agency	(214.2)	(215.4)	(1.3)	0.6%	(640.0)	(631.8)	8.2	(1.3%)
Total Pay	(224.8)	(228.5)	(3.7)	1.6%	(668.1)	(670.2)	(2.1)	0.3%
Non Pay	(100.8)	(103.7)	(2.9)	2.9%	(295.7)	(306.0)	(10.3)	3.5%
Other non operating items	(4.0)	(3.3)	0.7	(18.0%)	(12.0)	(9.6)	2.4	(19.9%)
Total Expenditure	(329.5)	(335.4)	(5.9)	1.8%	(975.8)	(985.9)	(10.1)	1.0%
Adjusted Financial Performance	(4.7)	(6.2)	(1.6)	(0.5%)	1.2	2.3	1.1	0.1%
System Performance Adjustments	(0.4)	0.0	0.4	106.5%	(1.2)	(2.3)	(1.1)	(89.1%)
System Performance Measure	(5.1)	(6.2)	(1.2)	(0.4%)	0.0	0.0	0.0	0.0%

SC 2023/24 Revenue Budget – Month 4

Service Area	Original Budget	Current Budget	Full Year Projection	Month 4 Variance	A/(F)	Movement From Month 3	Direction From Month 3
	£m	£m	£m	£m		£m	
Adult Services	186.6	185.5	197.6	12.1	A	0.0	→
Children & Family Services	123.1	123.1	131.9	8.8	A	0.0	→
Public Health	1.2	1.2	1.2	0.0	-	0.0	→
Communities Services	35.2	34.9	34.9	0.0	-	0.0	→
Climate & Place	87.1	87.6	90.3	2.7	A	(2.4)	↑
Strategy, Workforce & Localities	20.2	20.2	21.7	1.5	A	0.0	→
Resources & Corporate Services	20.5	21.5	22.8	1.3	A	(0.1)	↑
Accountable Bodies	3.7	3.7	3.7	0.0	-	0.0	→
Non-Service	0.8	0.8	0.3	(0.5)	(F)	0.0	→
Traded Services	0.0	0.0	0.2	0.2	A	0.0	→
Total Service Position	487.4	487.4	513.5	26.1	A	(2.5)	↑
Corporate Contingency	6.0	6.0	6.0	0.0	-	0.0	→
Total after Contingencies	493.4	493.4	519.5	26.1	A	(2.5)	↑
Reserves	(19.9)	(19.9)	(19.9)	0.0	-	0.0	→
Council Tax	(345.4)	(345.4)	(345.4)	0.0	-	0.0	→
Business Rates	(116.1)	(116.1)	(116.1)	0.0	-	0.0	→
Revenue Support Grant	(7.9)	(7.9)	(7.9)	0.0	-	0.0	→
Flexible Use of Capital Receipts	(4.0)	(4.0)	(4.0)	0.0	-	0.0	→
Total Month 4 Position	0.0	0.0	26.1	26.1	A	(2.5)	↑

Number of Council reporting overspends
BUT
Ours appears to be one of the highest

Represents 5.3% overspend

Majority of overspends look like they are permanent and will add to the savings gap for 2024/25

Would use 17% of our reserves