

# Clinical Commissioning Group

## Report to the NHS Somerset Clinical Commissioning Group on 25 May 2017

<b>Title: Financial Report 2016/17 1 April 2016 – 31 March 2017</b>	<b>Enclosure G</b>
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Version Number / Status:	1
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### Summary and Purpose of Paper

An update to be given summarising the current and forecast financial position for 2016/17.

This report sets out the overall financial position for the Somerset Clinical Commissioning Group for period 1 April 2016 to 31 March 2017 and provides an analysis of the financial performance across the following areas:

- Financial Framework
- QIPP
- Summary Financial Position

### Recommendations and next steps

The Somerset Clinical Commissioning Group is asked to discuss the report of the financial position.

### Impact Assessments – key issues identified

<b>Equality</b>	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.
<b>Quality</b>	Financial decisions are made to deliver with regard to the best possible value for service users.
<b>Privacy</b>	No issues identified.

<b>Engagement</b>	No issues identified.			
<b>Financial / Resource</b>	The Somerset Clinical Commissioning Group had a budget of <b>£723,484,000</b> in 2016/17.			
<b>Governance or Legal</b>	The financial report details any constitutional standards required to be met by the Clinical Commissioning Group.			
<b>Risk Description</b>	The Somerset Clinical Commissioning Group must ensure it delivers the planned financial target.			
<b>Risk Rating</b>	Consequence	Likelihood	RAG Rating	GBAF Ref
	4	5	20	SO2



**Somerset**  
***Clinical Commissioning Group***

**Finance Report 2016/17**

**1 April – 31 March 2017**



**SOMERSET CLINICAL COMMISSIONING GROUP**

**FINANCE REPORT 2016/17  
1 APRIL – 31 MARCH 2017**

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Somerset Clinical Commissioning Group

1 April – 31 March 2017 Finance Report

1 Executive Summary

Measure	Paragraph Ref.	Target £'000	Actual £'000	RAG Score
Year End Surplus / (Deficit)	2.104	6,484	(3,016)	
Headroom	2.109	6,934	6,934	
Contingency	2.105	3,559	-	
Underlying (Deficit)/Surplus	2.11	-	(17,591)	
Current QIPP Delivery	2.117	31,646	18,679	

Summary of overall position

	Year End (under) / overspend £'000
Secondary Care Commissioning	9,764
Prescribing	(1,295)
Primary Care Programmes	(347)
Running Costs	(765)
2016/17 Development Programme	-
Managed Programmes - Contingency	(3,559)
Better Care Fund	-
Unidentified QIPP	12,636
<b>Year End outturn overspend including identified mitigations</b>	<b>16,434</b>
Further unidentified savings to be delivered	0
Release of surplus	(6,484)
<b>Year End Outturn overspend after additional mitigations</b>	<b>9,950</b>
<b>Release of 1% Headroom - month 12</b>	<b>(6,934)</b>
<b>Forecast Year End overspend</b>	<b>3,016</b>

**Note:** Somerset Clinical Commissioning Group has received confirmation from NHS England that the headroom funding needs to be released at the year end to offset the national NHS position.

Key:

Standard achieved (100%+)	
Standard marginally under-achieved (85%+)	
Standard under-achieved (<85%)	

## 2 FINANCIAL STRATEGY 2016/17

### Financial Framework

- 2.1 The publication of 'Delivering the Forward View: NHS planning guidance 2016/17 – 2020/21' signalled the importance for Clinical Commissioning Groups to work in partnership with the local system to have plans which are balanced, meet the business rules and are aligned across its strategic, operational and financial measures.
- 2.2 Allocations for 2016/17 to 2020/21 were published in January 2016 and detailed the allocation of the £8.4 billion real terms increase to the NHS by 2020/21. In 2016/17 £5.4bn was allocated to the NHS (£3.8bn in real terms), however it should be noted that £2.1bn is held centrally within the Sustainability and Transformation Fund of which £1.8bn is for provider sustainability. Table 1 below details the allocations for Somerset Clinical Commissioning Group. The allocations remain indicative for the final two years of the settlement.

**Table 1: Funding Allocations 2016/17 – 2020/21**

Year	Increase in Funding %	Increase in Funding £'000	Distance from Target %
2016/17	3.05	20,514	(2.51)
2017/18	2.14	14,831	(2.43)
2018/19	2.04	14,449	(2.39)
2019/20	2.11	15,217	(2.44)
2020/21	3.87	28,560	(2.43)

### Non Recurring Requirement for Clinical Commissioning Groups

- 2.3 As confirmed by NHS England within the Business Rules requirement guidance, in 2016/17 Clinical Commissioning Groups are required to set aside 1.0% of funding for non-recurrent expenditure. Revised guidance for 2016/17 required that the 1.0 % non-recurrent spend required by the business rules should be uncommitted at the start of the year, to enable release across the year subject to agreement by NHS England. Before revision of this guidance, the fund for 2016/17 was previously committed to ongoing schemes from 2015/16. The use of headroom over several years to support transformation had previously been agreed within NHS England as part of the 2015/16 plan. This change in guidance from previous years resulted in a significant cost pressure to the Clinical Commissioning Group to recreate this funding in year.
- 2.4 These previous commitments for ongoing transformation schemes have now been funded from baseline funding. This therefore represents a further financial challenge for the Clinical Commissioning Group.



Confirmation has now been received from NHS England that commissioning organisations should release the full 1% headroom reserve to their bottom line at month 12. However, it has been made clear that the Clinical Commissioning Group's 2016/17 outturn position before release of the headroom reserve (£9,950,000 deficit) will be used for performance assessment purposes, including associated measures such as the Improvement and Assessment Framework and Quality Premium indicators.

### **Financial Plan 2016/17**

2.5 Engaging practices and other primary care professionals in the commissioning of services is essential in this period. Through this plan, front line clinicians are being provided with the resources to make commissioning decisions which will translate patient needs into redesigned, high quality services for patients in local and convenient settings.

2.6 This plan represents the first year of the emerging whole system Sustainability and Transformation Plan. The Financial Framework for 2016/17 is underpinned by the vision of the Somerset Health and Care System; namely:

- people in Somerset will be encouraged to stay healthy and well through a focus on:
  - building support for people in our local communities and neighbourhoods
  - supporting healthy lifestyle choices to be the easier choices
  - supporting people to self-care and be actively engaged in managing their condition

When people need to access care or support, this will be through joined up health, social care and wellbeing services. The result will be a healthier population with access to high quality care that is affordable and sustainable.

2.7 The financial strategy will put in place the resources required to deliver key elements of the strategy set out in the Sustainability and Transformation Plan, whilst continuing to improve performance against national targets. A theme of the strategy is to maintain flexibility to respond to the emerging pressures and issues.

2.8 The plan submitted to the Governing Body in March 2016 committed to delivering a cumulative breakeven position. This effectively used the previous year's surplus to support the position in 2016/17. After protracted discussions with NHS England, the Clinical Commissioning Group changed the planned position to a cumulative surplus in 2016/17 equal to the surplus reported in 2015/16, £6,484,000. This improvement

in position increased the financial gap accordingly. This represented a significant financial challenge for 2016/17.

- 2.9 Table 2 below highlights the Clinical Commissioning Group's in year Financial Position, which analyses the total allocation between the in year allocation and any drawdown of historic surplus for use in 2016/17.

**Table 2: National Support 2016/17**

	<b>£'000</b>
Total Clinical Commissioning Group allocation 2016/17	723,484
Total expenditure 2016/17	733,434
<b>Surplus/(Deficit) in year</b>	<b>(9,950)</b>
Less: Return of Prior Year Surplus	(6,484)
<b>2016/17 Drawdown</b>	<b>(16,434)</b>
Adjusted for release of 1% headroom reserve	6,934
<b>Adjusted 2016/17 Drawdown</b>	<b>(9,500)</b>

This shows an adverse variance from plan of £16,434,000 before release of the Clinical Commissioning Group's 1% headroom reserve, and an adjusted drawdown for 2016/17 of £9,500,000 now that the headroom reserve has been released.

### **Going Concern**

- 2.10 The Clinical Commissioning Group has shared a draft statement of Going Concern with External Audit and NHS England. Subject to their comments, this will then be agreed and signed as part of the Annual Accounts process for 2016/17. The full Annual Accounts and report will be presented at the May Governing Body meeting.

### **Recurring Underlying Financial Position**

- 2.11 Table 3 below highlights the recurring underlying financial position.

**Table 3: Recurring Underlying Financial Position**

	£'000	£'000
Total Clinical Commissioning Group Allocation 2016/17	723,484	
Less: Non Recurrent Allocation	(15,985)	
<b>Total Recurrent Allocation 2016/17</b>		<b>707,499</b>
Total Expenditure 2016/17	733,434	
<b>Less: Non Recurrent Adjustments/Allocations:</b>		
CHC Risk Pool	(447)	
GP Development Programme funding	(49)	
Vanguard	(5,270)	
RTT Improvement spend	(1,885)	
Additional IAPT investment	(284)	
Primary Care Transformation	(832)	
MoD OOHs	(19)	
NHS 111 Workforce Programme	(232)	
Market Rent increases	(895)	
Maternity Services Early Adopter	(99)	
Elective Care demand management policy framework support	(50)	
2016/17 Community Equipment	(323)	
<b>Add: Non recurrent benefits / slippage</b>	5,069	
<b>Add: Non recurrent savings identified to reduce 2016/17 deficit</b>	1,631	
<b>Less: full year effect of recurrent mitigations:</b>		
Cost reduction from service reprocurments	(1,107)	
Existing investments to be funded from 50% Headroom in 2017/18	(3,552)	
<b>Total Recurring Expenditure 2016/17</b>		<b>725,090</b>
<b>2016/17 Underlying Deficit Position</b>		<b>17,591</b>

- 2.12 The recurrent position assumes the 1% headroom commitment is recurrent in nature and any full year effect of QIPP schemes is included within the 2017/18 QIPP programme.

### **Financial Position 2016/17**

#### **Sources of Funds**

- 2.13 Table 4 sets out the resource allocations for the Somerset Clinical Commissioning Group in 2016/17.

**Table 4: Sources of Funds**

<b>Description</b>	<b>Recurring £'000</b>	<b>Non Recurring £'000</b>	<b>Total £'000</b>
Recurrent baseline brought forward from 2015/16	672,848		672,848
2016/17 growth	20,514		20,514
<b>Sub-Total recurring baseline</b>	<b>693,362</b>	<b>0</b>	<b>693,362</b>
<b>Notified Adjustments:</b>			
• Running cost allocation	11,861	12	11,873
• Return of 2015/16 underspend		6,484	6,484
• CAMHS Eating Disorder Services		295	295
• Vanguard Funding		4,170	4,170
• NHS England Transfers	60		60
• GP Development Programme - Reception and Clerical Training		49	49
• PMS Premium Baseline	2,216		2,216
• CYP Mental Health Services Waiting List Investment		245	245
• Charge Exempt Overseas Visitors adjustment		(445)	(445)
• Quality Premium Award (2015/16)		1,787	1,787
• Primary Care – transformation areas		832	832
• MoD OOHs		19	19
• NHS 111 Workforce Programme		232	232
• IAPT Allocation		39	39
• Market Rent increases		883	883
• RTT funding		911	911
• Maternity Services Early Adopter		99	99
• Elective care demand management policy framework support		50	50
• 2016/17 Community Equipment – Adults		323	323
<b>Sub-Total notified adjustments</b>	<b>14,137</b>	<b>15,985</b>	<b>30,122</b>
<b>Total Sources of Funds</b>	<b>707,499</b>	<b>15,985</b>	<b>723,484</b>

2.14 Within the sources of funds shown in Table 4, the following funding adjustments have been taken into account.

**Notified Adjustments:**

- the 2016/17 running costs allocation of £11,861,000, which has been published separately from the opening Somerset Clinical Commissioning Group Programme funding
- the return of the underspend from 2015/16 (£6,484,000)
- an allocation of £295,000 for investment in CAMHS Eating Disorder Services for 2016/17
- Quarters 1 to 4 Vanguard project funding of £4,170,000 for the South Somerset, Taunton and Mendip Symphony programmes

- NHS England funding adjustments which includes funding allocated for newborn hearing screening services, payable by the Clinical Commissioning Group via the maternity pathway tariff (£60,000) and an allocation for out of hours services (£19,000)
- an allocation of £49,000 from GP development funds to enable practices to support training of reception and clerical staff to play a greater role in care navigation, signposting and handling GP paperwork in order to free up GP time
- NHS England has completed a PMS review and has transferred PMS premium funding of £2,216,000 to the Clinical Commissioning Group, who now has responsibility for managing these funds
- national investment funding of £245,000 received from NHS England to address waiting lists for Children and Young People's Mental Health Services and to enable the release of staff to attend training courses
- an annual adjustment to nationally redistribute resource available within Clinical Commissioning Group baselines for the treatment of charge exempt overseas visitors
- an allocation of £1,787,000 for achievement of Quality Premium in 2015/16
- funding of £832,000 to prepare for the delivery of extended access to General Practice in 2017/18
- pass through funding of £232,000 for training and backfill of NHS 111 workforce
- funding of £39,000 awarded in response to a bid submitted for additional IAPT waiting list recovery support
- a total funding allocation of £895,000 (£12,000 running costs and £883,000 programme costs) to reflect cost increases resulting from a move to market rent by NHS Property Services
- funding of £911,000 made available by NHS England to address Referral to Treatment waiting times and activity backlogs within elective care. Within Somerset this funding will be applied to initiatives within the orthopaedics specialty, to be delivered via activity with Somerset Partnership NHS Foundation Trust and within the private sector
- funding of £99,000 made available to early adopter sites to take forward projects to improve local maternity systems based on the vision from 'Better Births', a national maternity services review.

Taunton and Somerset NHS Foundation Trust will be leading this project within Somerset

- an allocation of £323,000 to fund capital grants for the purchase of specialist equipment for use by patients within a community based setting
- an allocation of £50,000 awarded for the development of a programme in elective care, with partners across Somerset and in collaboration with NHS England and other local systems, to improve demand management within particular care specialties (musculoskeletal, diabetes and gastroenterology within Somerset)

### Applications of Funds

2.15 Table 5 sets out the distribution of funding for the programmes managed by the Somerset Clinical Commissioning Group.

**Table 5: Budget Framework**

<b>Programme</b>	<b>Initial Programme £'000</b>	<b>Variations £'000</b>	<b>Revised Programme £'000</b>
<b>Secondary Care Commissioning:</b>			
NHS Contracts	467,303	8,697	476,000
Independent and Private Sector	113,928	6,005	119,933
<b>Total Secondary Care Commissioning</b>	<b>581,231</b>	<b>14,702</b>	<b>595,933</b>
<b>Prescribing:</b>			
GP Prescribing	79,196	(330)	78,866
Other Prescribing	3,438	150	3,588
<b>Total Prescribing</b>	<b>82,634</b>	<b>(180)</b>	<b>82,454</b>
Primary Care Programmes	12,342	3,495	15,837
Running Costs	11,861	12	11,873
Development Programme	0	0	0
Managed Programmes	15,574	3,002	18,576
Better Care Fund	11,447	0	11,447
QIPP to be identified	(1,929)	(10,707)	(12,636)
<b>TOTAL</b>	<b>713,160</b>	<b>10,324</b>	<b>723,484</b>

### Secondary Care Services

#### NHS Contracts

2.16 NHS contracts by provider for 2016/17 are set out below in Table 6. A further analysis of spend to 31 March 2017 is included in Appendix 1.

**Table 6: Contract Values by Provider**

	<b>Initial Programme</b>	<b>Contract Variations</b>	<b>Revised Value</b>	<b>Forecast Year End (under) / overspend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Foundation Trusts:</b>				
Dorset County Hospital NHS Foundation Trust	2,318	(50)	2,268	(145)
Royal Brompton and Harefield NHS Foundation Trust	356	34	390	14
Royal Devon and Exeter NHS Foundation Trust	4,840		4,840	(93)
Royal United Hospitals Bath NHS Foundation Trust	29,316		29,316	740
Salisbury NHS Foundation Trust	581	13	594	0
Somerset Partnership NHS Foundation Trust	128,610	1,875	130,485	(620)
South Western Ambulance Service NHS Foundation Trust	19,873	638	20,511	50
Taunton and Somerset NHS Foundation Trust	175,723	4,015	179,738	2,159
University Hospitals Bristol NHS Foundation Trust	8,368		8,368	578
Yeovil District Hospital NHS Foundation Trust	75,904	1,100	77,004	4,107
<b>Sub Total</b>	<b>445,889</b>	<b>7,625</b>	<b>453,514</b>	<b>6,790</b>
<b>Other NHS Trusts:</b>				
North Bristol NHS Trust	6,638	330	6,968	4
Northern Devon Healthcare NHS Trust	387	26	413	(1)
Sirona Care and Health	501	(2)	499	0
Weston Area Health NHS Trust	13,888	718	14,606	424
<b>Sub Total</b>	<b>21,414</b>	<b>1,072</b>	<b>22,486</b>	<b>427</b>
<b>Total NHS Service Level Agreements</b>	<b>467,303</b>	<b>8,697</b>	<b>476,000</b>	<b>7,217</b>

- 2.17 Frameworks are based on a roll-forward of the 2015/16 contract outturn adjusted to reflect agreed developments, non-recurring adjustments actioned in 2015/16, application of the appropriate national tariff inflator for Somerset NHS Providers, growth to deliver Constitutional Standards and to reflect the delivery of QIPP schemes.
- 2.18 Contract values in 2016/17 have not been adjusted to reflect the transfer of resources to the Better Care Fund as this is expected to have a neutral impact in 2016/17.
- 2.19 Contract variations have been actioned to reflect adjustments to agree to signed contract values for 2016/17. Table 6 above reflects savings identified within the Clinical Commissioning Group's financial recovery plan and additional in year QIPP schemes, which are anticipated to be delivered through contracts with NHS Providers. These include various schemes identified in relation to Urgent Care, Elective Care and system wide Delayed Transfers of Care initiatives.
- 2.20 In 2016/17 the contracts with both Yeovil District Hospital NHS Foundation Trust and Taunton and Somerset NHS Foundation Trust are now on a Payment by Results basis. This means that the contracts are fully variable and the value is based on the amount of activity undertaken

by providers. This has added a significant level of financial risk on both the Clinical Commissioning Group and the providers during 2016/17, with the focus of the Clinical Commissioning Group to ensure that activity is within the financial envelope provided.

### Taunton and Somerset NHS Foundation Trust

2.21 A year end overperformance value of £2,159,000 is reported against this contract. This reflects a year end contract outturn value agreed with the Trust and also includes movement of the accrued position for part complete spells and maternity pathways between financial years. This overperformance against plan was mainly in emergency inpatients, outpatient procedures and pre-operative assessment clinics (POAC). Both outpatient procedures and POAC activity are reflected within 'other' in Table 7 below. Over activity in these areas has been partially offset by under performance against plan in outpatient attendances, elective inpatients and day case activity.

**Table 7: Taunton and Somerset NHS Foundation Trust Key Variances**

	<b>Annual Plan</b>	<b>Year to Date Plan</b>	<b>Year to Date Actual</b>	<b>Year to date Variance from Plan</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
A & E	6,830	6,830	7,014	184
Day Cases	21,154	21,154	18,649	(2,505)
Inpatients	18,760	18,760	16,492	(2,268)
Emergency	52,872	52,872	57,124	4,252
Outpatients First	13,654	13,654	11,657	(1,997)
Outpatients Follow Up	11,816	11,816	11,758	(58)
Other	54,652	54,652	59,203	4,551
<b>Total</b>	<b>179,738</b>	<b>179,738</b>	<b>181,897</b>	<b>2,159</b>

### Yeovil District Hospital NHS Foundation Trust

2.22 A year end over performance value of £4,107,000 is reported within the Clinical Commissioning Group's financial position for this contract. This reflects a year end contract outturn value agreed with the Trust and also includes movement of the accrued position for part complete spells and maternity pathways between financial years. The majority of the reported variance from plan is shown within 'other' in Table 8 below and represents excess bed day activity. Over performance is also reported in Accident and Emergency and non-elective and emergency inpatients. The key specialties driving the non-elective over performance were gastroenterology and geriatric medicine. An analysis of the year end position is represented in Table 8 below.



**Table 8: Yeovil District Hospital NHS Foundation Trust Key Variances**

	<b>Annual Plan</b>	<b>Year to Date Plan</b>	<b>Year to Date Actual</b>	<b>Year to date Variance from Plan</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
A & E	3,544	3,544	4,242	698
Day Cases	7,160	7,160	7,080	(80)
Inpatients	7,687	7,687	7,728	41
Emergency	23,789	23,789	24,583	794
Outpatients First	3,951	3,951	3,804	(147)
Outpatients Follow Up	5,442	5,442	5,509	67
Other	25,431	25,431	28,165	2,734
<b>Total</b>	<b>77,004</b>	<b>77,004</b>	<b>81,111</b>	<b>4,107</b>

- 2.23 Monthly Finance and Information Group meetings have been established with both Yeovil District Hospital NHS Foundation Trust and Taunton and Somerset NHS Foundation Trust as a forum for discussion of any finance and data issues that arise.

#### **Sustainability and Transformation Fund**

- 2.24 As part of the Five Year Forward View the Sustainability and Transformation Fund (STF) has been introduced to provide NHS Providers with additional funding to achieve financial balance while focusing on changing the way they provide high quality care for patients. As part of this process Providers were required to submit improvement trajectories across four key access standards. These have been ratified by the NHS Improvement / NHS England Tripartite with further stretch ambitions mandated in some cases where a Provider has a history of good performance. Where a Provider is eligible to receive funding and has signed up to the stipulated financial control total, financial sanctions for specific Sustainability and Transformation Fund indicators cannot be enforced, including RTT, by the Clinical Commissioning Group.
- 2.25 Taunton and Somerset NHS Foundation Trust, Yeovil District Hospital NHS Foundation Trust and Somerset Partnership NHS Foundation Trust have all agreed to a financial control total and are eligible to access the funds. Details of how the assessment of delivery against the financial and operational performance criteria outlined in the guidance has been released to Providers.

#### **Somerset Partnership NHS Foundation Trust**

- 2.26 Additional funding of £1,000,000 was reserved for Somerset Partnership NHS Foundation Trust in 2016/17 to fund care costs for specific, high cost, out of area Mental Health patient placements. During the year the circumstances in respect of a number of these patients changed, which in

some cases has resulted in a change in commissioning responsibility. As a result this additional investment is no longer fully committed and a year end underspend of £554,000 was delivered against these funds. A further underspend of £96,000 was delivered representing only partial achievement by the Trust of the CQUIN target for improving the uptake of flu vaccinations for front line staff. These underspends were reduced by £60,000 due to an additional cost for escalation beds required in community hospitals during April 2016. A credit of £30,406 was issued by the Trust at the year end, representing a transfer of CHC assessment staff to the Clinical Commissioning Group with effect from March 2017. The final value associated with this transfer of staff has yet to be agreed between organisations and therefore this credit value will be subject to adjustment within 2017/18. A net underspend of £620,000 is reported against this contract for the financial year.

### **Out of County Contracts**

- 2.27 Material year end variances are reported against the following out of county NHS contracts. The main drivers for these variances are outlined below.

#### **Dorset County Hospital NHS Foundation Trust**

- 2.28 The year end position reported for this contract is an under performance against plan of £145,000. This represents an adverse movement of £20,000 from the forecast position at month 11, which is mainly due to over performance during month 12 in Accident and Emergency, and MIU activity. The year end underspend predominantly relates to elective inpatient activity.

#### **Royal Devon and Exeter NHS Foundation Trust**

- 2.29 The year end position reported for this contract is an underspend against budgeted contract value of £93,000 and this reflects a final outturn as agreed with the Trust. This underspend is due to under activity against plan in elective inpatient care (mainly ENT and Orthopaedics), emergency inpatient care and Critical Care Medicine. The Trust is also now delivering additional Dermatology activity transferring from Taunton and Somerset NHS Foundation Trust and the year end position reflects this.

#### **Royal United Hospitals Bath NHS Foundation Trust**

- 2.30 The budget allocated to the maternity services element of this contract is £250,000 less than the agreed contract value for 2016/17 due to a move from a block contract in 2015/16 to full Payment by Results in 2016/17. This cost pressure has therefore been reflected in the outturn position for 2016/17. The Clinical Commissioning Group has agreed a year end outturn position with the Trust which results in a total overspend for the year of £740,000 including over performance on acute care activity, mainly due to outpatient activity. This year end agreed position is not a

full and final settlement and any adjusted charges will be made in 2017/18 when final activity data is available.

### **South Western Ambulance Services NHS Foundation Trust**

- 2.31 A £50,000 year end overspend is reported against this contract in relation to late handover penalty charges. Under the Sustainability and Transformation Fund guidance, the Clinical Commissioning Group is now not able to pass these charges on to the relevant provider. This overspend has reduced by £50,000 from the forecast reported at month 11 reflecting a cap negotiated on the charging of these penalties by the Trust.

### **University Hospital Bristol NHS Foundation Trust**

- 2.32 A year end overspend position of £578,000 is reported against budgeted contract value with University Hospitals Bristol NHS Foundation Trust. This reflects over performance against plan in critical care, elective and emergency inpatient care particularly focused in ENT, Trauma and Orthopaedics, upper GI surgery, Paediatrics and Cardiology. Daycase activity also over performed, with significant over activity in Gastroenterology and Clinical Haematology. There has also been a small increase in over performance against plan with regard to Dermatology outpatients and daycases, reflecting a transfer of activity from Taunton and Somerset NHS Foundation Trust.

### **North Bristol NHS Trust**

- 2.33 A year end position of £4,000 overspend is reported against this contract. This is an adverse movement of £236,000 from the forecast anticipated at month 11, which included anticipated contract penalty charges and data challenges. The penalty charges were not agreed at the year end due to a dispute with the Trust regarding their sign up to STF financial control totals and therefore whether penalty charges are enforceable. Once resolution of this dispute has been achieved, any adjustment to the financial position will be effected during 2017/18.

### **Weston Area Health NHS Trust**

- 2.34 The year end position reported for this contract is an over performance against plan of £424,000, and this reflects a final outturn as agreed with the Trust. This relates to over activity in non-elective inpatients and excess bed days, particularly in the General Medicine specialty and elective inpatient activity, particularly within the trauma and orthopaedics specialty.

### **Summary**

- 2.35 An over commitment of £7,217,000 is reported against NHS contracts for the financial year.

## Non NHS Contracts

2.36 In addition to commissioning services from NHS providers, the Somerset Clinical Commissioning Group commissions a range of services from the independent and private sector. Contract values are set out in Table 9.

**Table 9: Contract Values for Services from the Independent and Private Sector**

	Initial Programme	Contract Variations	Revised Value	Forecast Year End (under) / overspend
	£'000	£'000	£'000	£'000
British Pregnancy Advisory service	40	0	40	62
British Red Cross	375	0	375	(146)
Continuing Care	37,362	23	37,385	(385)
COPD Services	663	0	663	(36)
Cruse Bereavement	25	0	25	0
Dorothy House Hospice	297	0	297	25
Exceptional Treatments	417	0	417	(147)
Marie Stopes	221	0	221	(101)
NHS Funded Nursing Care	10,870	(100)	10,770	4,066
Non Contractual Activity	7,653	0	7,653	1,083
OASIS	962	0	962	24
Odstock Medical Limited	30	0	30	0
Other Commissioning	7,928	5,572	13,500	(4,370)
Palliative Care Funding	374	0	374	0
Partnership Working – Pooled Budgets	18,942	(795)	18,147	141
Partnership working – Other	1,072	843	1,915	0
Patient Transport Services	697	0	697	41
Shepton Mallet Treatment Centre	12,598	71	12,669	2,185
Spells in Private Sector	8,038	391	8,429	(236)
St Margaret's Hospice	2,054	0	2,054	(26)
Voluntary Car Services	1,055	0	1,055	236
Weston Hospice	135	0	135	0
Wheelchair Services	2,120	0	2,120	131
<b>TOTAL</b>	<b>113,928</b>	<b>6,005</b>	<b>119,933</b>	<b>2,547</b>

2.37 A further analysis of spend to 31 March 2017 is included at Appendix 3.

## Continuing Healthcare

2.38 The Continuing Health Care budgets for 2016/17 shown in Table 10 have been based on a roll forward from 2015/16 and have been uplifted to reflect both volume and price changes and reduced by QIPP schemes. An additional challenge of £500,000 was identified to contribute to the delivery of the Clinical Commissioning Group's financial position and the final outturn position reflects that this was not fully delivered in year. This

is due to a delay in the recruitment of staff required to conduct timely case reviews.

### **NHS Funded Nursing Care**

2.39 NHS funded nursing care is care provided by a registered nurse, paid for by the NHS, for people who live in a care home. Patients are eligible for NHS funded nursing care if:

- you live in a care home registered to provide nursing care and
- you do not qualify for NHS continuing healthcare but have been assessed as needing care from a registered nurse

2.40 The budget for 2016/17 was based on a roll forward from 2015/16, uplifted to reflect growth and reduced by QIPP schemes as appropriate. A national decision, announced in July 2016, to uplift the Funded Nursing Care rate from £112.00 per week to £156.25 per week has increased costs by £4,000,000 per annum. This cost pressure is reflected within the Clinical Commissioning Group's reported financial position, which shows a total overspend for the financial year of £4,066,000.

### **Chronic Obstructive Pulmonary Disease Services**

2.41 This budget funds a number of contracted services for the treatment of Chronic Pulmonary Disease, including:

- Home oxygen assessments and review
- Pulmonary rehabilitation
- Spirometry assessments
- Post exacerbation support
- Nebuliser supply

2.42 Due to a level of underperformance against planned budgets, a year end underspend of £36,000 is reported. This includes a part year saving in respect of the post exacerbation support service because of the decision to cease this pilot service due to low numbers of referrals.

### **Individual Funding / Exceptional Treatments**

2.43 The Clinical Commissioning Group has budget identified for Individual Funding treatments. These are cases where a funding request can be made for a particular treatment or service that is not routinely offered by the NHS, but where it is considered to be the best treatment for a patient given their individual clinical circumstances. This budget was not fully committed and an underspend of £147,000 is reported for the financial year.

## **Other Commissioning**

2.44 Other commissioning is showing an underspend position of £4,370,000 for the financial year. This underspend includes:

- reduced CAMHS Transformation investment due to delays in implementation of development plans pending recruitment to new job roles within Somerset Partnership NHS Foundation Trust and a delayed start to the procurement of a new Emotional and Health and Wellbeing in Schools service
- various savings options identified to mitigate the current forecast overspend position, including the release of budgets where previously planned spend has been withdrawn
- the part year effect of cost savings delivered through the reprocurement of services delivered at Shepton Mallet Health Campus. These savings represent a better utilisation of community hospital facilities and a reduced MFF rate payable on PbR activity
- Quality Premium funding received by the Clinical Commissioning Group in excess of the value previously anticipated

2.45 Other commissioning funds originally included a budget of £1,400,000 allocated to deliver RTT trajectories agreed with NHS England. This budget was focused primarily to support additional activity to be commissioned through the independent sector to support the delivery of the RTT target at Taunton and Somerset NHS Foundation Trust and the cost of this activity is now reflected as part of the variance against the Trust's contract value.

2.46 The position reported against other commissioning also includes areas of cost pressure including;

- investment required to deliver further identified QIPP schemes including:
  - Consultant Connect
  - Urgent Connect
  - GP 999 car
  - Delayed Transfers of Care developments

## **Non Contractual Activity**

2.47 Non contractual activity relates to NHS funded services delivered by providers that do not have a written contract with the patient's responsible commissioner (but where the provider holds a written contract with another commissioner). This principally applies to emergency treatments provided by a hospital that the responsible commissioner would not

normally contract with, but can also apply for elective activity where the patient has exercised choice.

- 2.48 The non-contractual activity budget for 2016/17 has been based on a roll forward from 2015/16. Due to the nature of this activity, there is historically high volatility in this area. The Clinical Commissioning Group is reporting a £1,083,000 over commitment against this budget at the financial year end. This includes costs in respect of Mental Health patient activity where other commissioners have placed patients with private sector providers in Somerset. The Clinical Commissioning Group continues to challenge these commissioners based on our interpretation of national ‘Who Pays’ guidance.

### **Partnership Agreements**

- 2.49 Included within non NHS contracts are three pooled budget agreements (joint funding) which have been agreed under Section 75 of the National Health Service Act 2006.
- 2.50 These arrangements are based on a formal partnership agreement which sets out the services covered by the pooled budget, the aims and outcomes of pooling financial resources, the funds to be contributed by each partner and the percentage of risk share. The three schemes are detailed in Table 10.

**Table 10: Partnership Agreements with the Local Authority**

<b>Scheme</b>	<b>Somerset Clinical Commissioning Group Contribution £'000</b>
Integrated Community Equipment Service	1,040
Learning Disabilities Services	16,904
Carers Services	203
<b>Total</b>	<b>18,147</b>

### **Integrated Community Equipment Service**

- 2.51 The Somerset Integrated Community Equipment Service (ICES) is a partnership of organisations that include Somerset County Council and the Somerset Clinical Commissioning Group. The ICES Partnership seeks to create and sustain an Integrated Community Equipment Service for Somerset residents which is fully capable of meeting demand and that delivers the goals of all ICES partners.
- 2.52 The year end data supplied by Somerset County Council shows an improved outturn position and the Clinical Commissioning Group is reporting an underspend of £30,000 for the year. A number of measures have been introduced in order to address previous overspends reported against this budget. These actions include the introduction of increased

monitoring of high cost high issue products, with an enhanced authorisation structure for these items. This has helped to ensure that prescribers consider other more cost effective alternatives before ordering these items.

### **Learning Disability Service**

2.53 The Somerset Clinical Commissioning Group funds services within this partnership arrangement to meet the health needs of people with a learning disability. Somerset County Council acts as both commissioner and provider for the service and sub-commissions Somerset Partnership NHS Foundation Trust, from pooled health and social care funds, to manage the health needs of adults with learning disabilities. The Somerset Clinical Commissioning Group is responsible for ensuring that funds dedicated to the health needs of people with learning disabilities are used as effectively and efficiently as possible. QIPP schemes totaling £500,000 have been assumed when setting the budget in 2016/17, however this was not fully achieved due to delays in the procurement of the Learning Disabilities Provider Service.

2.54 Somerset County Council have supplied figures for this programme for 2016/17 showing an overspend to the Clinical Commissioning Group of £2,052,000. Within the Clinical Commissioning Group's plan, growth funding of £1,200,000 had been set aside to address this overspend. This cost pressure has been reduced by a further £681,000 due to an agreement with Somerset County Council that funding will be available from the Better Care Fund to compensate for the costs being incurred by the Clinical Commissioning Group, due to higher levels of Delayed Transfers of Care and emergency admissions than planned. This will be accounted for through the Better Care Fund. The outturn against this budget at the financial year end is an overspend of £171,000. Somerset County Council are implementing recommendations identified from the Internal Audit report completed by the South West Audit Partnership, and the majority of identified savings are expected to flow through in 2017/18.

### **Carers Services**

2.55 A pooled budget arrangement is in place between Somerset Clinical Commissioning Group and Somerset County Council to provide funding for the 'Somerset Offer to Carers' service hosted by Compass. This service provides emotional and personal support which is directed at adult carers. In addition to this service, the carers services hosted by Somerset Partnership NHS Foundation Trust offers a service to Adult Carers of people with mental health issues and a separate service to Young Carers. The carers' service hosted by Somerset County Council also offers a service to Young Carers from within Children's Services.

### **The Better Care Fund**

2.56 Launched through the Spending Round in June 2013 and highlighted as a key element of public service reform, the Better Care Fund has a primary



aim to ‘drive closer integration and improve outcomes for patients and service users and carers’. The fund has been set up as a pooled budget for 2016/17.

- 2.57 Somerset Clinical Commissioning Group and Somerset County Council have developed and signed up to a Better Care Fund (BCF) plan which has involved the development of a number of schemes to achieve the performance outcomes expected from the BCF.
- 2.58 There are a number of National Conditions that this funding must achieve namely, maintain provision of social care services, agreement on a local action plan to reduce delayed transfers of care and improve patient flow, better data sharing based on NHS number and agreement to invest in NHS commissioned out of hospital services.
- 2.59 Table 11 details the Source of Funds to be put into the BCF pooled budget, as well as the schemes and funding allocated to achieve the expected outcomes.

**Table 11: Summary of the 2016/17 Better Care Fund**

Source of Funds	£'000	Application of Funds	Budget £'000
NHS Somerset Clinical Commissioning Group	35,213	Reablement and ILTs (incl. Carers)	14,509
Somerset County Council	3,466	Person Centric Care Housing Support to Enable Independence	20,704 3,466
<b>Total</b>	<b>38,679</b>	<b>Total</b>	<b>38,679</b>

- 2.60 The Somerset Clinical Commissioning Group source of funds includes £11,447,000 transferred to Somerset County Council. The remaining source of funds £23,766,000 is current funding allocated to existing contracts in 2016/17, therefore already committed against services and not available for redevelopment unless savings are generated. Somerset County Council pass its allocation for Housing Support to Enable Independence to District Councils.

**Shepton Mallet NHS Treatment Centre**

- 2.61 Shepton Mallet NHS Treatment Centre is run by Care UK, and specialises in providing NHS patients with swift access to elective and diagnostic procedures such as ear, nose and throat procedures, endoscopy, general surgery, gynaecology, joint replacements, minor orthopaedic surgery, ophthalmology and urology. This contract has undergone a procurement process and it has been announced that the new contract has been awarded to the Shepton Mallet Health Partnership, a joint venture between Care UK and Somerset Partnership NHS Foundation Trust. The new contract has recently been signed with effect from 1 April 2017. For the two months affected by the procurement in 2016/17, previous contracts with Care UK and Somerset Partnership NHS Foundation Trust have been extended, taking into account the benefits delivered through the procurement.

2.62 The 2016/17 budget for Shepton Mallet NHS Treatment Centre is based on 2015/16 forecast outturn. The final outturn position for 2015/16 confirmed that the forecast on which the 2016/17 budget was based was understated which is partially responsible for the significant cost pressure reported against this contract. The table below reflects the year end position against the contract.

**Table 12: Shepton Mallet NHS Treatment Centre overspend analysis**

	<b>Annual Plan</b>	<b>Year to Date Plan</b>	<b>Year to Date Actual</b>	<b>Year to Date Variance From Plan</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Procedures	9,727	9,727	11,341	1,614
Outpatients	1,787	1,787	2,440	653
Diagnostics	741	741	582	(159)
Other	414	414	491	77
<b>Total</b>	<b>12,669</b>	<b>12,669</b>	<b>14,854</b>	<b>2,185</b>

2.63 The final year end overspend was £2,185,000.

### **Spells in the Independent Sector**

2.64 Within the programme, funding is also set aside for the commissioning of activity from the independent sector to support the operation of patient choice. The Somerset Clinical Commissioning Group has agreed a range of procedures covered under the Department of Health's Any Qualified Provider programme.

2.65 The 2016/17 budget for spells in the independent sector is based on 2015/16 forecast outturn. The year end position is an underspend of £236,000.

### **Wheelchair Services**

2.66 Data reporting from Millbrook Healthcare shows that wheelchair equipment costs rose significantly during the first year of this new contract. This was the result of a backlog of patients who had been waiting for wheelchairs. A final charge for over activity during the initial year of the contract with Millbrook Healthcare, which ran from July 2016 to June 2017, was agreed at £482,000.

2.67 A £767,000 overspend is the total outturn reported for 2016/17. This includes continued clearance of waiting lists and has also been driven by a higher complexity of equipment issues than anticipated. A growth in referrals has also been experienced in year.

2.68 The overspend in respect of equipment issues has been mitigated by a reclaim of VAT chargeable on this contract. The Clinical Commissioning Group has now received confirmation from HMRC that this VAT reclaim is applicable. The total VAT reclaimable was £636,000, which includes an

element of back dated claim. This has reduced the outturn position with regard to this contract in 2016/17, to leave an overspend against budget of £131,000.

### Other Independent and Private Sector

2.69 Other areas reporting variances against budget for the financial year include the contracts for patient transport provision. Overspends against the voluntary car service contract (Transporting Somerset) and non emergency ambulance contract (E-Zec Medical) are offset by an underspend on the contract with British Red Cross for oncology transport services. A review of eligibility criteria has resulted in a significant reduction in costs for oncology transport. However, despite continuous improvements to booking processes and tightening of criteria, there has been an increasing growth in demand for car transport. This is reflective of an increase in patient complexity, a rise in the number of out of county journeys and a paucity of public transport in harder to reach localities. A review of the current transport eligibility rules is underway and is anticipated to result in changes to access throughout 2017.

### Summary

2.70 An overspend position of £2,547,000 is reported on services commissioned from the independent and private sector.

2.71 In total a year end overspend of £9,764,000 is the final outturn position in respect of secondary care commissioning.

### GP Prescribing

2.72 Prescribing budgets for 2016/17 have been increased to take into account growth of 5% in 2016/17; pharmacy margin adjustments and the projected overspend against budgets from 2015/16. This has then been adjusted for further opportunities to deliver Quality, Innovation, Productivity and Prevention savings (2.2%).

**Table 13: 2016/17 Prescribing Budgets**

	Initial Programme	Budget Adjustment	Revised Value	Forecast Year End (under) / overspend
	£'000	£'000	£'000	£'000
<b>Total GP Prescribing Budget 2016/17</b>	<b>80,319</b>	<b>(330)</b>	<b>79,989</b>	<b>(1,283)</b>
Public Health Prescribing Recharge	(1,123)	0	(1,123)	82
<b>Total</b>	<b>79,196</b>	<b>(330)</b>	<b>78,866</b>	<b>(1,201)</b>

2.73 A further analysis of spend to 31 March 2017 is included in Appendix 4.

2.74 As part of establishing the Clinical Commissioning Group's baseline funding position, £1,573,000 was removed to support the cost of prescribing relating

to Public Health Services which was transferred to the Local Authority. This is recovered from Somerset County Council through a recharge for the cost of drugs prescribed. This recharge baseline has reduced to £1,123,000 in 2016/17 where prescribing for smoking cessation services was transferred to a new service provider from 1 April 2015, commissioned directly by Somerset County Council. Somerset County Council has now given notice on this contract and discussions are ongoing to identify any potential adverse impact to the local population and any financial impact to the Clinical Commissioning Group in future years.

- 2.75 A budget adjustment has been made in year to reduce the income budget for prescribing rebates included within other prescribing. This is due to national rebates being negotiated and the Clinical Commissioning Group will now see this reflected as lower costs on GP prescribing.
- 2.76 The Business Services Authority has released a forecast based on data to February 2017 that indicates a forecast spend of £78,162,240 for the year, an improvement of £323,677 from the forecast as at January 2017.
- 2.77 The Clinical Commissioning Group continues to use a forecast model to complement the Business Services Authority forecasts which takes into account seasonal fluctuations in the GP Prescribing position through use of prior year trend analysis. This results in an adverse difference of £544,000 to the current forecast outturn in GP prescribing position reported by the Business Services Authority to give a revised forecast year end expenditure level of £78,706,000. This projected position includes the assumption that all identified prescribing QIPP schemes will be delivered, including formulary changes in the prescribing of gluten free food and over the counter medicines.

### **Other Prescribing**

- 2.78 In addition to GP prescribing, funding of £3,588,000 has been set aside to support the following programmes:
- contribution to the national allocation adjustment for unknown prescriptions
  - home oxygen
  - prescribing rebates

The Clinical Commissioning Group is no longer anticipating an underspend against budget in respect of its contribution to the national adjustment for unknown prescriptions.

- 2.79 An underspend of £109,000 has been achieved against the budget for home oxygen supply. This reflects savings made from the reprocurement of this service, for which a new contract was awarded to Air Liquide Homecare Limited with effect from 1 October 2016. This contract covers service provision for the entire South West region.

2.80 The total net underspend for the financial year against other prescribing programmes was £94,000, therefore overall, the Clinical Commissioning Group has achieved a £1,295,000 year end underspend against prescribing budgets.

### Primary Care Programmes

2.81 Resources totalling £15,837,000 have been identified to support Primary Care programmes. This includes £2,216,000 PMS Premium funding transferred to the Clinical Commissioning Group from NHS England. The majority of Primary Care services are commissioned by NHS England.

**Table 14: Primary Care Programmes**

	<b>Initial Programme</b>	<b>Budget Adjustment</b>	<b>Revised Value</b>	<b>Forecast Year End (under) / overspend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Out-of-Hours	5,400	0	5,400	63
111 Service	1,400	0	1,400	15
Enhanced Services	4,215	75	4,290	(93)
Primary Care Review	0	450	450	(217)
GP IT	1,327	(127)	1,200	0
GP Development Funds	0	49	49	0
PMS Premium	0	2,216	2,216	0
Primary Care Extended Access Investment	0	832	832	(115)
<b>Total</b>	<b>12,342</b>	<b>3,495</b>	<b>15,837</b>	<b>(347)</b>

### Out of Hours

2.82 Somerset Clinical Commissioning Group is responsible for ensuring that appropriate out of hours service arrangements are in place for the population of Somerset. This service is provided by Somerset Doctors Urgent Care. A year end overspend position of £63,000 reflects the contract inflation commitment for 2016/17.

### 111 Service

2.83 NHS 111 is a nationally specified but locally commissioned service and Somerset Clinical Commissioning Group is responsible for commissioning this service for the population of Somerset. This service is provided by Somerset Doctors Urgent Care.

2.84 A year end overspend position of £15,000 reflects the contract inflation commitment for 2016/17.

## Enhanced Services

- 2.85 Clinical Commissioning Groups are free to commission a wide range of community based services funded from their overall funding allocation. With the exception of any local improvement schemes commissioned on behalf of NHS England and proposed transitional arrangements for current local enhanced services, Clinical Commissioning Groups will commission these services through the NHS standard contract. This can include services delivered by GP practices, provided they go beyond the services provided under the core GP contract.

**Table 15: Enhanced Services**

Scheme	Initial Programme	Budget Adjustment	Revised Value	Forecast Year End (under)/ overspend
	£'000	£'000	£'000	£'000
<b>Enhanced Services:</b>				
Anti-Coagulation	1,527	-	1,527	(90)
Immediate Care and First Response	24	-	24	-
Minor Injuries	145	-	145	(5)
Near Patient Testing (Drug monitoring)	404	-	404	36
Compression Bandaging (Leg Ulcer)	330	-	330	(28)
Neonatal Checks	4	-	4	(4)
Pre and Post-Operative Care	339	-	339	(34)
Injectable Risperidone	1	-	1	-
Vasectomy	80	-	80	13
Diabetes Insulin Initiation	14	-	14	(4)
Complimentary Therapy	26	-	26	-
ENT and Microsuction	10	-	10	1
Dermatology	321	-	321	(18)
Fracture Clinic	22	-	22	(8)
Homeless Care	5	-	5	21
Young Peoples Clinics	35	-	35	4
Tongue Ties	5	-	5	(2)
Complex Care	131	-	131	(61)
Minor Surgery	110	-	110	157
Hep B	3	-	3	-
Primary Care ECG	19	-	19	4
Frome Urgent Care Service	45	-	45	-
GP Teledermatology	16	-	16	-
Discharge Liaison Nursing (RUH)		75	75	(4)
<b>Optometry Enhanced Services:</b>				
Acute Community Eye Care Service	420	-	420	(72)
Low vision Scheme	100	-	100	26
Intraocular Pressure	-	-	-	18
<b>CQUIN</b>	<b>79</b>	<b>-</b>	<b>79</b>	<b>(43)</b>
<b>Total</b>	<b>4,215</b>	<b>75</b>	<b>4,290</b>	<b>(93)</b>

- 2.86 A value for money review of Local Enhanced Services has been undertaken and savings of £93,000 have been delivered in 2016/17.

## **Primary Care Improvement Scheme**

- 2.87 The Clinical Commissioning Group held £450,000 (see Table 14) to enhance Primary Care services within Somerset. A Local Enhanced Service specification was issued to practices on 30 September 2016. This scheme is with effect from 1 October 2016, releasing funding from the first six months of the financial year to support the financial position and this is reflected in the outturn position.

## **GP IT**

- 2.88 Funding for GP IT was included within the Clinical Commissioning Group allocation for 2016/17, whereas previously it was a separate funding stream from NHS England. Somerset Clinical Commissioning Group has allocated £1,200,000 revenue funding for GP IT services in 2016/17. This will enable the Clinical Commissioning Group to deliver requirements to its member general practices, including funding of core clinical system maintenance and IT support, in line with General Practice System of Choice Framework (GPSoC). The allocation also enables local delivery of national initiatives, with project management and training support for implementation of Summary Care Records and Electronic Prescription Service. Operational support and delivery is achieved with this funding via Service Level Agreements with South Central and West CSU. The budget delivered a breakeven position for 2016/17.

## **GP Development Funds**

- 2.89 The Clinical Commissioning Group has been allocated funding of £49,000 from GP development funds to enable practices to support training of reception and clerical staff to play a greater role in care navigation, sign posting and handling GP paperwork and subsequently free up time available to GPs.

## **PMS Premium**

- 2.90 NHS England has completed a PMS review and has now transferred PMS Premium funding of £2,216,000 to the Clinical Commissioning Group, who now have responsibility for managing these funds. This funding is fully committed to practices under the existing PMS arrangements for 2016/17, however will then be linked with the Primary Care Improvement Scheme, which will include improved access to primary care.

## **Primary Care Extended Access Investment**

- 2.91 The Clinical Commissioning Group has received an allocation of £832,000 to prepare for delivering improved extended access to general practice in 2017/18. For 2017/18, further funding will be made available to commission improved access in accordance with key core requirements set out in the NHS Operational Planning and Contracting Guidance. This includes offering evening and weekend appointments in general practice. This set up funding available in 2016/17 will enable:

- early delivery of improved access
- support for project management and organisational development
- improvement to IT systems
- training and development of staff

2.92 Within 2016/17, spend against this allocation was under committed by £115,000.

### **Running Cost Programmes**

2.93 Funding totaling £11,873,000 has been allocated to support the Clinical Commissioning Group headquarters and central functions for 2016/17. This includes an additional £12,000 made available from national funds to support cost increases resulting from a move to market rents by NHS Property Services. To support the effective running of the Clinical Commissioning Group, some functions are provided in house and others are commissioned from South, Central and West Commissioning Support.

2.94 The funding for running costs is separately identified in the Clinical Commissioning Group allocations and has been set at the same funding level as 2015/16. This means that the Clinical Commissioning Group has needed to review all the commitments against this allocation, in order to deliver a QIPP challenge of £306,000, to fund pay and price increases for 2016/17. Table 16 sets out the Running Cost Programme for the Somerset Clinical Commissioning Group for 2016/17. A further analysis of spend is shown in Appendix 5.



**Table 16: Running Cost Programmes**

<b>Running Cost Programmes</b>	<b>Whole Time Equivalent Establishment</b>	<b>Whole Time Equivalent Actual</b>	<b>Annual Budget £'000</b>	<b>Movement in Budget £'000</b>	<b>Revised Annual Budget £'000</b>	<b>Year to Date (under) / overspend £'000</b>
Governing Body	2.8	5.2	839	(116)	723	153
Senior Leadership Team	4.9	3.9	804	2	806	(78)
Executive Office	3.0	3.0	119	3	122	(81)
Directorate of Finance and Performance	28.3	27.8	2,195	(411)	1,784	(308)
Directorate of Clinical and Collaborative Commissioning	30.3	28.1	2,539	(533)	2,006	(196)
Directorate of Quality and Safety	45.9	42.9	2,739	(343)	2,396	(138)
Commissioning Reform	9.2	8.5	0	1,274	1,274	(110)
System Transformation	5.0	3.0	0	347	347	(7)
CSU Costs	-	-	2,626	(211)	2,415	0
Running Cost Saving Programme	-	-	-	0	-	0
<b>Total Running Cost Programme</b>	<b>129.4</b>	<b>122.4</b>	<b>11,861</b>	<b>12</b>	<b>11,873</b>	<b>(765)</b>

2.95 All costs in Table 16 are stated at 2016/17 pay and prices.

2.96 The Governing Body whole time equivalent establishment and actual has increased due to a new requirement to contractually pay COG member GPs through the Clinical Commissioning Group's payroll.

2.97 The Clinical Commissioning Group has a £500,000 running cost savings programme including reviewing both pay and non pay commitments. In addition to this further savings of £265,000 had been identified as part of the Clinical Commissioning Group's financial recovery programme. The Clinical Commissioning Group delivered an underspend of £765,000 against the running cost programme, predominantly as a result of slippage on vacant posts.

### **2016/17 Development Programme**

2.98 As part of the 2016/17 Local Delivery Plan, the Clinical Commissioning Group has developed a recurring development programme totaling £46,449,000. This is summarised in the Table 17 below.

**Table 17: Development Programmes**

<b>Programme</b>	<b>2016/17 £'000</b>	<b>Issued to Programmes £'000</b>	<b>Revised Programme £'000</b>
<b>Brought Forward commitments 2015/16:</b>			
Support for overspending budgets	1,422	(1,422)	-
Recurrent expenditure funded via non-recurrent funding sources in 2015/16	671	(671)	-
<b>Sub-Total</b>	<b>2,093</b>	<b>(2,093)</b>	
<b>New Commitments 2016/17:</b>			
GP IT	1,327	(1,327)	-
Reinstatement of contingency funds	3,559	(3,559)	-
Reinstatement of headroom funds	6,934	(6,934)	-
Learning Disabilities growth	500	(500)	-
New Patient Transport Service	100	(100)	-
Mental Health Parity of Esteem	1,109	(1,109)	-
Primary Care Investment	450	(450)	-
GP Prescribing Growth	2,200	(2,200)	-
Continuing Healthcare Growth	948	(948)	-
Funded Nursing Care fee increases	100	(100)	-
Stroke Early Supported Discharge (Full Year Cost)	600	(600)	-
CHC Previously Unassessed Periods of Care Risk Share Contribution	447	(447)	-
Enhanced Tariff Option confirmed within 2016/17 consultation	1,587	(1,587)	-
Vanguard			-
Tariff inflator	1,100	(1,100)	-
<b>Sub-Total</b>	<b>5,873</b>	<b>(5,873)</b>	-
<b>Growth Avoided by QIPP delivery</b>	<b>26,834</b>	<b>(26,834)</b>	-
Partnership Working			-
Prescribing High Cost Drugs	500	(500)	-
GP Prescribing	500	(500)	-
Continuing Health Care	2,020	(2,020)	-
Tariff inflator (non-Somerset)	1,130	(1,130)	-
Secondary Care Growth	13,066	(13,066)	-
Admin (pay award, NI pressure)			-
<b>Sub-Total</b>	<b>306</b>	<b>(306)</b>	-
	<b>17,522</b>	<b>(17,522)</b>	
<b>TOTAL</b>	<b>46,449</b>	<b>(46,449)</b>	-

2.99 This funding has been fully allocated to programme budgets.

### **Managed Programmes**

2.100 Managed Programmes are a series of specific allocations of funding pending their transfer to budgets during the year. An analysis for 2016/17 managed programmes are set out in the table below.

**Table 18: Managed Programmes**

	<b>Initial Programme 2016/17 £'000</b>	<b>Issued to Programmes 2016/17 £'000</b>	<b>Revised Programme 2016/17 £'000</b>
Surplus (deficit)	-	6,484	6,484
Contingency	3,559	-	3,559
Headroom	6,934	-	6,934
CQUIN	11,711	(11,711)	-
Resilience	3,482	(3,482)	-
Primary Care Collaboration Fund	1,152	-	1,152
CHC Risk Pool	447	-	447
<b>Total</b>	<b>27,285</b>	<b>(8,709)</b>	<b>18,576</b>

2.101 Managed programmes, and the development programme, comprise an important element of the Somerset Clinical Commissioning Group's risk management strategy. Funds are held centrally and are only released to individual programmes once the programme has been agreed and expenditure commitments identified. This provides flexibility to manage any in year pressures or volatility, and requires robust financial control by budget managers.

#### **2016/17 Surplus**

2.102 Within the application of funds, the Clinical Commissioning Group had planned for 0.9% of the total funding allocation to be reported as an underspend, in line with the Clinical Commissioning Group's commitment with NHS England.

2.103 This reduced surplus was agreed in conjunction with NHS England; however NHS England is expecting that the Clinical Commissioning Group fully delivers all business rule requirements for 2017/18 onwards.

2.104 The Clinical Commissioning Group has subsequently reduced the reported financial position by £16,434,000 to a deficit position of £9,950,000 for 2016/17. This effectively commits the prior year surplus to be used in year and also reflects a further drawdown which will be repayable in subsequent years. Discussions are ongoing with NHS England on the expected timeline for the Clinical Commissioning Group to repay any drawdown and recover the position to a 1% surplus. Confirmation has now been received by NHS England that the repayable cumulative deficit will be calculated after headroom release, therefore a £3,016,000 cumulative deficit has been carried forward to 2017/18.

#### **Contingency**

2.105 'Delivering the Forward View: NHS planning guidance 2016/17 – 2020/21' outlined the national requirement for Clinical Commissioning Groups to hold a contingency of at least 0.5% to mitigate risks within the local health community. Table 19 below shows the funding that has been set aside as a contingency to manage in year pressures. This contingency has been

released in order to mitigate the Clinical Commissioning Group's financial position as presented within this report.

**Table 19: Contingency**

Description	Initial Programme £'000	Released to manage financial position £'000	Balance Remaining £'000
Contingency Budgets	3,559	3,559	-

**Non Recurring Requirement for Clinical Commissioning Groups**

- 2.106 As set out in the 2016/17 NHS Planning Guidance, Clinical Commissioning Groups were required to hold a 1.0% reserve uncommitted from the start of the year, created by setting aside the monies that Clinical Commissioning Groups were otherwise required to spend non-recurrently. This was intended to be released for investment in Five Year Forward View transformation priorities to the extent that evidence emerged of risks not arising or being effectively mitigated through other means.
- 2.107 Before revision of this guidance, the fund for 2016/17 was previously committed to ongoing schemes from 2015/16. The use of headroom over several years to support transformation had previously been agreed within NHS England as part of the 2015/16 plan. This change in guidance from previous years resulted in a significant cost pressure to the Clinical Commissioning Group to recreate this funding in year.
- 2.108 These previous commitments for ongoing transformation schemes have now been funded from baseline funding.
- 2.109 In the event, the national position across the provider sector has been such that NHS England has been unable to allow Clinical Commissioning Groups' 1.0% non-recurrent monies to be spent. Therefore, to comply with this requirement, NHS Somerset Clinical Commissioning Group has released its 1.0% reserve to the bottom line, resulting in an improvement in the position of £6.934m and a final deficit of £3.016m for the year. The 1.0% non-recurrent monies has been offset against other cost pressures from the current financial year. However, it has been made clear that the Clinical Commissioning Group's 2016/17 outturn position before release of the headroom reserve (£9,950,000 deficit) will be used for performance assessment purposes, including associated measures such as the Improvement and Assessment Framework and Quality Premium indicators.

**Commissioning for Quality and Innovation (CQUIN)**

- 2.110 Within the financial plan, £11,711,000 was set aside to represent 2.5% of the relevant contract values to support CQUIN for 2016/17. This funding reflects the focus on promoting quality and ensures that quality improvements are considered as part of each financial discussion.

- 2.111 Providers of acute, ambulance, community, mental health and learning disability services on a national standard contract, are eligible to earn the full 2.5% of contract value subject to agreeing and achieving the agreed CQUIN goals.
- 2.112 Providers can non-recurrently earn CQUIN funding for meeting agreed quality standards through national and local CQUIN schemes. The CQUIN goals must be stretching and focused and reflect local priorities.
- 2.113 This funding has been fully allocated to provider budgets in 2016/17 and has been adjusted accordingly in line with contract settlements.

### Primary Care Collaboration Fund

- 2.114 In 2015/16 The Clinical Commissioning Group had set aside funding of £2,890,000 to support the transformation of care of patients aged 75 or older and reduce avoidable admissions by providing this funding for practice plans to do so. The Clinical Commissioning Group had developed, in conjunction with the Somerset Local Medical Committee, a plan on how this funding would be utilised to support this group of patients. From this resource, funding has been allocated to contracts in 2016/17 to support Ambulatory Care, District Nursing and Out of Hours services. This funding has been transferred to support these programmes within this report.
- 2.115 Plans for commitment of the £1,152,000 balance of funds are shown in Table 20 below.

**Table 20: Utilisation of £5 per Head Funding**

Description	Initial Programme Amount £'000	Allocated to Programmes £'000	Balance Remaining £'000	Forecast Year End (under) / overspend £'000
<b>Test and Learn Pilots:</b>				
North Sedgemoor	75	-	75	-
Taunton Deane	214	-	214	-
Mendip	310	-	310	-
West Somerset	91	-	91	-
South Somerset	334	-	334	-
Crewkerne, Chard and Ilminster	128	-	128	-
<b>Total</b>	<b>1,152</b>	<b>-</b>	<b>1,152</b>	<b>-</b>

### Continuing Healthcare Risk Pool

- 2.116 Funding of £447,000 has been identified within managed programmes to cover the Clinical Commissioning Group's commitment to a national pooled risk share arrangement for Continuing Healthcare retrospective funding claims. This contribution represents a reduction from the contribution made previously, resulting from an underspend against the risk pool in 2015/16. This underspend was retained by NHS England to

support the NHS England Group's year-end financial position. This represents the final payment for retrospective funding claims.

## QIPP

2.117 Within the Clinical Commissioning Group financial plan submission the original level of QIPP savings equated to £20,380,000. Table 21 below highlights how the level of QIPP savings has increased as a result of the additional unidentified QIPP required to achieve the agreed financial plan with NHS England and taking into account changes as a result of contractual negotiations as they have been finalised. This confirms the annual QIPP target of £31,646,000.

**Table 21: Level of QIPP Savings**

	<b>£'000</b>
QIPP level estimated at plan	20,380
Add increase in unidentified QIPP	12,194
Less adjustment contract negotiations	(928)
<b>Revised QIPP target</b>	<b>31,646</b>

2.118 Standardised QIPP monitoring templates have been developed to capture scheme status and deliverables on a monthly basis. Director programme leads have been assigned to each scheme and QIPP delivery is now a standing item on the Clinical Commissioning Group's leadership meeting.

2.119 A Finance Group has been established and this is chaired by the Clinical Commissioning Group's Audit Committee Chair and comprises clinical membership together with the Clinical Commissioning Group's Accountable Officer and Chief Financial Officer. Alongside reviews of QIPP progress which is under delivering, this group is also exploring areas for further delivery of existing schemes and new schemes for 2017/18. Table 22 below shows a summary of current schemes. Appendix 7 shows a detailed breakdown of QIPP progress by scheme, highlighting risks and mitigations affecting each scheme and progress to date.

**Table 22: Summary of QIPP Schemes**

	<b>NHS England Scheme Value £'000</b>	<b>Current Confirmed Delivery £'000</b>	<b>Total £'000</b>	<b>Current Variance £'000</b>
Urgent and Emergency Care	1,807	659	659	(1,148)
Elective Care	3,200	1,985	1,985	(1,215)
Person Centred Care	2,440	2,414	2,414	(26)
Community Services	2,142	2,770	2,770	628
Quality and Patient Safety	3,650	5,080	5,080	1,430
Other QIPP	5,771	5,771	5,771	0
Unidentified QIPP	12,636	-	-	(12,636)
<b>Total</b>	<b>31,646</b>	<b>18,679</b>	<b>18,679</b>	<b>(12,967)</b>

## **Urgent and Emergency Care**

- 2.120 The shortfall in QIPP delivery primarily relates to emergency care reduction schemes which cannot be delivered to the timescales as originally identified. The Urgent and Emergency Care Programme Board are working to replace this shortfall with new schemes for delivery in 2017/18. The Urgent and Emergency Care Programme Board has also enhanced the GP 999 car scheme which now includes two cars in the county from November 2016. Urgent Connect is a new scheme that was implemented in November 2016. The Urgent and Emergency Care Programme Board are reviewing this scheme in terms of benefits and cost to recommend whether the scheme continues.

## **Elective Care**

- 2.121 The shortfall in QIPP delivery relates to the Patient Initiated Follow Up (PIFU) scheme, which due to the timeframe required to implement across the County did not deliver to the original timescales. The Elective Care Programme Board are working to replace this shortfall with additional savings from other schemes as well as continuing to work on the roll out of PIFU to achieve the savings originally identified. The GP Outpatient Referral Project has achieved in excess of target. The Elective Care Programme Board is reviewing the Consultant Connect scheme in terms of benefits and cost to recommend whether the scheme continues.

## **Person Centered Care**

- 2.122 The shortfall in QIPP delivery relates to a delay in the introduction of the Delayed Transfer of Care scheme. The Clinical Commissioning Group is working with local NHS providers and the county council to enhance a DTOC scheme that began in October and has delivered savings within the Somerset system.

## **Community Services**

- 2.123 The scheme Community Hospital Flexibility (£382,000) has been allocated to the Community Service Programme. This has increased the scheme value for the Programme and reduced other QIPP accordingly. No QIPP has been achieved by Somerset County Council due to the Learning Disability pooled budget overspend.

## **Quality and Patient Safety**

- 2.124 The overachievement in QIPP delivery relates to the Continuing Health Care schemes particularly in relation to CHC reviews and an updated trajectory has enabled these savings to increase. QIPP savings relating to Personal Health Budget reviews have also been included.

## **Other QIPP**

- 2.125 The individual programme QIPP schemes will deliver to target.

## Unidentified QIPP

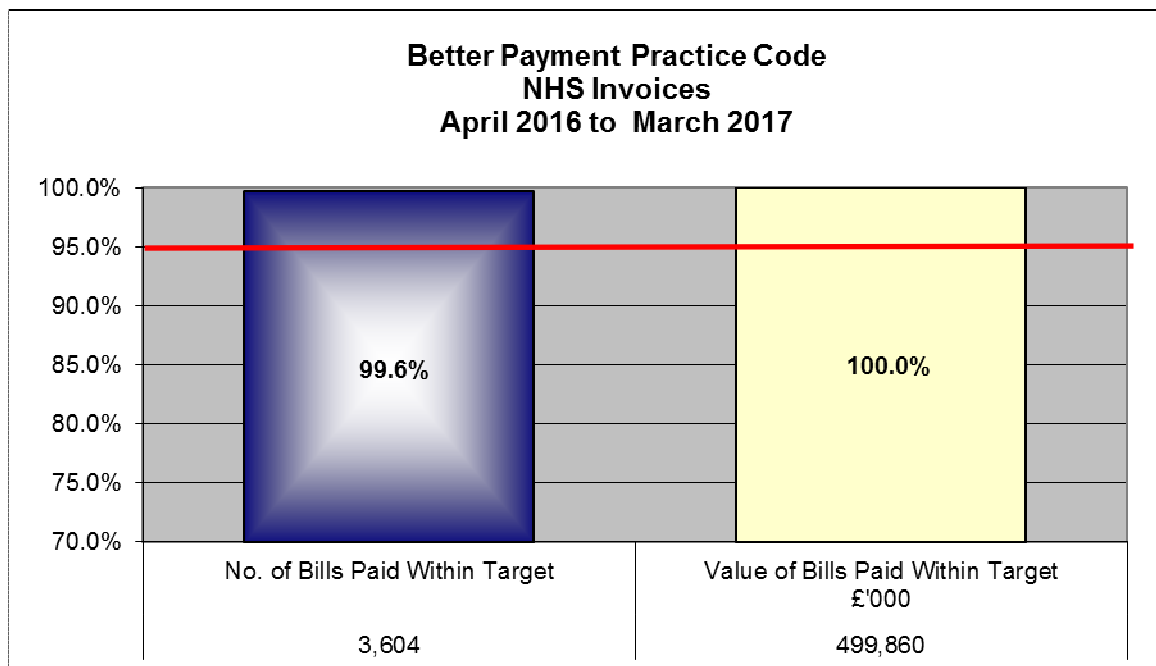
- 2.126 The unidentified balance remains at £12,636,000, which is detailed within the next section.
- 2.127 Table 23 below shows the breakdown of the movement since the original plan on the level of unidentified QIPP.

**Table 23: Unidentified QIPP**

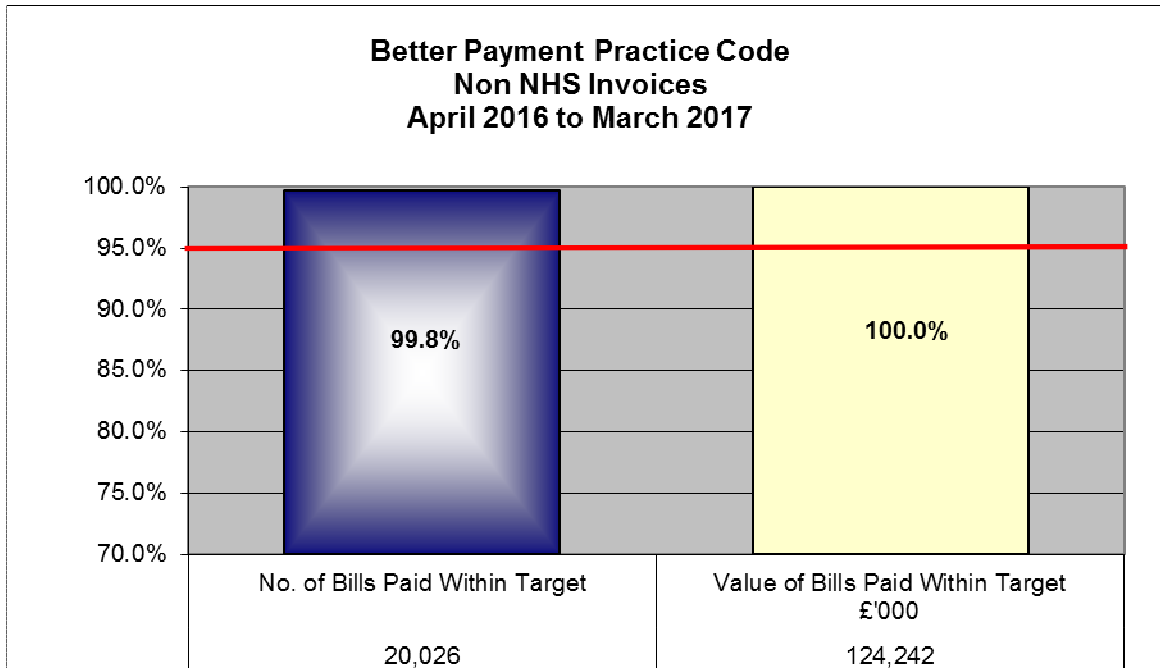
	<b>£'000</b>
<b>Total Gap reported at Month 2</b>	<b>14.1</b>
Additional QIPP schemes identified (CHC and Prescribing)	(0.7)
Budget Reviews	(0.4)
Community Hospital bed flexibility	(0.4)
<b>Total Current Gap</b>	<b>12.6</b>

## Better Payment Practice Code

- 2.128 NHS bodies are required to pay NHS and trade creditors in accordance with the Better Payment Practice Code. The target is to pay 95% of NHS and trade creditors within 30 days of receipt of goods or a valid invoice, whichever is the later, unless other payment terms have been agreed with the supplier. This will be monitored during 2016/17 to ensure compliance.







**Run Rate**

2.129 The run rate analysis is the straight line extrapolation of the year to date position. This represents what the forecast position would be, based on current actual levels of activity and spend, should nothing else impact on the rate of activity.

**Table 24: Run Rate**

	<b>Year-end (under) / overspend £'000</b>
Year to Date Run Rate	3,016
Financial Gap (included within Risk Mitigation Strategy)	0
<b>Total</b>	<b>3,016</b>

2.130 Following confirmation from NHS England that the headroom funding has been released into the year-end position to support national pressures, the Clinical Commissioning Group is reporting a year end deficit of £3,016,000.

**SUMMARY**

2.131 Table 25 sets out the year end position for 2016/17.

**Table 25: Year End Position against Programmes**

	<b>Year End (under) / overspend £'000</b>
Secondary Care Commissioning	9,764
Prescribing	(1,295)
Primary Care Programmes	(347)
Running Costs	(765)
2016/17 Development Programme	-
Managed Programmes - Contingency	(3,559)
Better Care Fund	
Unidentified QIPP	12,636
<b>Year End Outturn overspend including identified mitigations</b>	<b>16,434</b>
Further unidentified savings to be delivered	0
Release of surplus	(6,484)
<b>Year End Outturn overspend after additional mitigations</b>	<b>9,950</b>
<b>Release of 1% Headroom - month 12</b>	<b>(6,934)</b>
<b>Forecast Year End Overspend</b>	<b>3,016</b>

**Statement of Financial Position**

2.132 Table 26 details the statement of financial position for the Somerset Clinical Commissioning Group as at 31 March 2017.

**Table 26: Statement of Financial Position of the Clinical Commissioning Group as at 31 March 2017**

	Opening Balance 1 April 2016 £'000	Closing Balance 31 March 2017 £'000	Movement  £'000
<b>Non-Current Assets:</b>			
Premises, Plant, Fixtures and Fittings	-	-	-
IM&T	394	370	(24)
Intangible Assets	17	13	(4)
Long-term receivables	-	-	-
<b>Total Non-Current Assets</b>	<b>411</b>	<b>383</b>	<b>(28)</b>
<b>Current Assets:</b>			
Inventories	2	2	-
Trade and other receivables	5,487	7,684	2,197
Cash and cash equivalents	50	49	(1)
<b>Total Current Assets</b>	<b>5,539</b>	<b>7,735</b>	<b>2,196</b>
<b>Total Assets</b>	<b>5,950</b>	<b>8,118</b>	<b>2,168</b>
<b>Current Liabilities:</b>			
Trade and other payables	(29,997)	(37,178)	(7,181)
Other liabilities	-	-	-
Provisions	(910)	(779)	131
Borrowings	-	-	-
<b>Total Current Liabilities</b>	<b>(30,907)</b>	<b>(37,957)</b>	<b>(7,050)</b>
<b>Non-Current Liabilities:</b>			
Long term Liabilities	-	-	-
Provisions	-	-	-
-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>(30,907)</b>	<b>(37,957)</b>	<b>(7,050)</b>
<b>Assets less Liabilities (Total Assets Employed)</b>	<b>(24,957)</b>	<b>(29,839)</b>	<b>(4,882)</b>
<b>FINANCED BY:</b>			
<b>TAX PAYERS' EQUITY</b>			
General fund	(24,957)	(32,855)	(7,898)
Generated (Surplus)/Deficit Reserve	-	3,016	3,016
Revaluation reserve	-	-	-
Other reserves	-	-	-
<b>Total Taxpayers' Equity</b>	<b>(24,957)</b>	<b>(29,839)</b>	<b>(4,882)</b>

### Cash

- 2.133 The Clinical Commissioning Group has received its final year end cash to address the Clinical Commissioning Group's position moving from a surplus to a deficit.

### Capital

- 2.134 In addition to revenue funding, the Clinical Commissioning Group has received capital funding of £50,000 to support capital corporate IT infrastructure.

**APPENDIX 1**

**SERVICE LEVEL AGREEMENT/CONTRACT VALUES BY PROVIDER**

<b>Secondary Care Commissioning</b>	<b>Annual Budget</b>	<b>Year to Date Budget</b>	<b>Year to Date Expenditure</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Foundation Trusts</b>				
Dorset County Hospital NHS Foundation Trust	2,268	2,268	2,123	(145)
Royal Brompton and Harefield NHS Foundation Trust	390	390	404	14
Royal Devon and Exeter NHS Foundation Trust	4,840	4,840	4,747	(93)
Royal United Hospital Bath NHS Trust	29,316	29,316	30,056	740
Salisbury NHS Foundation Trust	594	594	594	0
Somerset Partnership NHS Foundation Trust	130,485	130,485	129,865	(620)
South Western Ambulance Service NHS Trust	20,511	20,511	20,561	50
Taunton and Somerset NHS Foundation Trust	179,738	179,738	181,897	2,159
University Hospitals Bristol NHS Foundation Trust	8,368	8,368	8,946	578
Yeovil District Hospital NHS Foundation Trust	77,004	77,004	81,111	4,107
<b>Sub total</b>	<b>453,514</b>	<b>453,514</b>	<b>460,304</b>	<b>6,790</b>
<b>Other NHS Trusts</b>				
North Bristol NHS Trust	6,968	6,968	6,972	4
Northern Devon Healthcare NHS Trust	413	413	412	(1)
Sirona Care and Health	499	499	499	0
Weston Area Health NHS Trust	14,606	14,606	15,030	424
<b>Sub total</b>	<b>22,486</b>	<b>22,486</b>	<b>22,913</b>	<b>427</b>
<b>Total NHS Service Level Agreements</b>	<b>476,000</b>	<b>476,000</b>	<b>483,217</b>	<b>7,217</b>

**Somerset Clinical Commissioning Group  
Contract Performance as at 31 March 2017**

<b>Provider</b>	<b>Annual Plan</b>	<b>Year To Date Plan</b>	<b>Year To Date Actual</b>	<b>Variance</b>	<b>Variance %</b>
<b>Taunton &amp; Somerset NHS Foundation Trust</b>					
Inpatients -- Elective & Daycase	38,207	38,207	32,645	-5,562	-14.56%
Inpatients -- Non-Electives	37,616	37,616	39,301	1,685	4.48%
Maternity Deliveries	2,908	2,908	2,951	43	1.48%
Outpatients	302,804	302,804	330,333	27,529	9.09%
Critical Care	3,506	3,506	3,514	8	0.23%
Accident & Emergency	56,121	56,121	58,637	2,516	4.48%
<b>Yeovil District Hospital NHS Foundation Trust</b>					
Inpatients -- Elective & Daycase	15,181	15,181	14,208	-973	-6.41%
Inpatients -- Non-Electives	13,931	13,931	14,830	899	6.45%
Maternity Deliveries	1,329	1,329	1,300	-29	-2.18%
Outpatients	164,758	164,758	151,626	-13,132	-7.97%
Critical Care	2,927	2,927	2,863	-64	-2.19%
Accident & Emergency	38,020	38,020	37,449	-571	-1.50%
<b>Royal United Hospitals Bath NHS Foundation Trust</b>					
Inpatients -- Elective & Daycase	4,093	4,093	3,985	-108	-2.64%
Inpatients -- Non-Electives	5,525	5,525	5,605	80	1.45%
Outpatients	45,454	45,454	48,297	2,843	6.25%
Accident & Emergency	7,816	7,816	8,088	272	3.48%
<b>Other Providers</b>					
Inpatients -- Elective & Daycase	21,216	21,216	23,225	2,009	9.47%
Inpatients -- Non-Electives	6,340	6,340	6,477	137	2.16%
Outpatients	106,928	106,928	115,281	8,353	7.81%
Accident & Emergency	21,962	21,962	22,539	577	2.63%

**Notes:**

- Critical Care is calculated on a per bed day basis
- RUH data excludes RNHRD activity
- There have been coding changes in 2016/17 based on contract requirements which mean both financial years are less comparable
- T&S, YDH and RUH data is based on SLAM (as opposed to SUS) which includes plan data. Other Providers data is based on SUS, with a plan based on 2015/16 outturn

APPENDIX 3

**CONTRACT VALUES FOR SERVICES FROM THE INDEPENDENT AND PRIVATE SECTOR**

<b>Scheme/Provider</b>	<b>Annual Budget</b>	<b>Year to Date Budget</b>	<b>Year to Date Expenditure</b>	<b>Year to Date (under) /overspend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
British Pregnancy Advisory Service	40	40	102	62
British Red Cross	375	375	229	(146)
Continuing Care	37,385	37,385	37,000	(385)
COPD Contract	663	663	627	(36)
Cruse Bereavement	25	25	25	0
Dorothy House Hospice	297	297	322	25
Exceptional Treatments	417	417	270	(147)
Marie Stopes	221	221	120	(101)
NHS Funded Nursing Care	10,770	10,770	14,836	4,066
Non Contractual Activity	7,653	7,653	8,736	1,083
OASIS	962	962	986	24
Odstock Medical Limited	30	30	30	0
Other Commissioning	13,500	13,500	9,130	(4,370)
Palliative Care Funding	374	374	374	0
Partnership Working – Pooled Budgets	18,147	18,147	18,288	141
Partnership Working – Other	1,915	1,915	1,915	0
Patient Transport Services	697	697	738	41
Shepton Mallet Treatment Centre	12,669	12,669	14,854	2,185
Spells in Private Sector	8,429	8,429	8,193	(236)
St Margarets Hospice	2,054	2,054	2,028	(26)
Voluntary Car Services	1,055	1,055	1,291	236
Weston Hospice	135	135	135	0
Wheelchair Services	2,120	2,120	2,251	131
<b>TOTAL</b>	<b>119,933</b>	<b>119,933</b>	<b>122,480</b>	<b>2,547</b>

**PRESCRIBING EXPENDITURE**  
**1 APRIL – 31 MARCH 2017**

	<b>Annual Budget £'000</b>	<b>Year-to-Date Budget £'000</b>	<b>Year-to-Date Expenditure £'000</b>	<b>Variance £'000</b>
GP Prescribing	78,866	78,866	77,665	(1,201)
Other prescribing	3,588	3,588	3,494	(94)
<b>Total</b>	<b>82,454</b>	<b>82,454</b>	<b>81,159</b>	<b>(1,295)</b>

**APPENDIX 5**

**HEADQUARTERS AND CENTRAL PROGRAMMES**

<b>Running Cost Programmes</b>	<b>Whole Time Equivalent Establishment</b>	<b>Whole Time Equivalent Actual</b>	<b>Annual Budget £'000</b>	<b>Year to Date Budget £'000</b>	<b>Year to Date Expenditure £'000</b>	<b>Year to Date (under)/overspend £'000</b>
Governing Body	2.8	5.2	723	723	876	153
Senior Leadership Team	4.9	3.9	806	806	728	(78)
Executive Office	3.0	3.0	122	122	41	(81)
Directorate of Finance and Performance	28.3	27.8	1,784	1,784	1,476	(308)
Directorate of Clinical and Collaborative Commissioning	30.3	28.1	2,006	2,006	1,810	(196)
Directorate of Quality and Safety	45.9	42.9	2,396	2,396	2,258	(138)
Directorate of Commissioning Reform	9.2	8.5	1,274	1,274	1,164	(110)
Directorate of System Transformation	5.0	3.0	347	347	340	(7)
CSU Costs	-	-	2,415	2,415	2,415	0
Running Cost Saving Programme	-	-	0	0	0	0
<b>Total Running Cost Programme</b>	<b>129.4</b>	<b>122.4</b>	<b>11,873</b>	<b>11,873</b>	<b>11,108</b>	<b>(765)</b>





## Appendix 6

Cashflow Statement	April £'000 Actual	May £'000 Actual	June £'000 Actual	July £'000 Actual	August £'000 Actual	Sept £'000 Actual	Oct £'000 Actual	Nov £'000 Actual	Dec £'000 Actual	Jan £'000 Actual	Feb £'000 Actual	March £'000 Actual	Total £,000
<b>Opening Balance</b>	<b>50</b>	<b>933</b>	<b>684</b>	<b>333</b>	<b>514</b>	<b>823</b>	<b>1,092</b>	<b>1,218</b>	<b>574</b>	<b>2,407</b>	<b>140</b>	<b>212</b>	<b>50</b>
<b>Receipts:</b>													
NHS Receipts	143	127	17	378	83	183	30	208	69	156	349	788	2,531
Department of Health – Cash Limit	58,283	59,265	57,279	58,860	62,564	61,234	58,697	60,343	60,178	60,318	61,387	63,210	721,618
Other	708	345	218	330	327	102	374	117	250	655	170	472	4,068
<b>Total Receipts</b>	<b>59,134</b>	<b>59,737</b>	<b>57,514</b>	<b>59,568</b>	<b>62,974</b>	<b>61,519</b>	<b>59,101</b>	<b>60,668</b>	<b>60,497</b>	<b>61,129</b>	<b>61,906</b>	<b>64,470</b>	<b>728,217</b>
<b>Payments Local:</b>													
NHS Payments	39,918	39,363	39,798	41,878	42,796	42,846	40,782	42,646	40,321	41,739	42,850	46,069	501,006
Non NHS Payments	10,489	12,820	10,135	9,494	11,827	10,753	10,260	10,516	10,161	13,302	10,671	10,937	131,365
Salaries & Wages, Tax, NI & Pensions	572	575	581	778	601	604	600	607	631	663	651	672	7,535
GP Payments (Exeter System) & Other	1,289	1,212	1,282	1,377	1,277	1,313	1,346	1,600	1,723	1,609	1,364	1,353	16,745
<b>National:</b>													
Prescription Pricing Authority	5,536	6,016	6,069	5,860	6,164	5,734	5,987	5,943	5,828	6,083	6,298	5,602	71,120
CHC Risk Pool Contribution	447	-	-	-	-	-	-	-	-	-	-	-	447
<b>Total Payments</b>	<b>58,251</b>	<b>59,986</b>	<b>57,865</b>	<b>59,387</b>	<b>62,665</b>	<b>61,250</b>	<b>58,975</b>	<b>61,312</b>	<b>58,664</b>	<b>63,396</b>	<b>61,834</b>	<b>64,633</b>	<b>728,218</b>
<b>Closing Balance</b>	<b>933</b>	<b>684</b>	<b>333</b>	<b>514</b>	<b>823</b>	<b>1,092</b>	<b>1,218</b>	<b>574</b>	<b>2,407</b>	<b>140</b>	<b>212</b>	<b>49</b>	<b>49</b>

The balance brought forward is cleared cash balance, whereas the bank balance in the statement of financial position is the cash book balance which includes uncleared payable orders and cash in hand.



Person Centred Care	South Somerset Test & Learn	800	0	800	935	0	935	-135			May-16	Alf Collins	Steven Foster			Continuing: daily 'huddle' conversations; proactive phone calls to patients; home visits; ward rounds; joint appointments; developing e-records; 'organising' phone calls. Numbers of referrals are increasing and plans are underway for second hub in Wincanton. More work has been completed to quantify actual savings to date, and forecasts now reflect this.	
	Taunton Test & Learn	276	0	276	277	0	277	1			Apr-16					Work has been completed to quantify actual savings to date, and forecasts now reflect this.	
	Mendip Test & Learn	74	0	74	61	0	61	-13			Apr-10					Work has been completed to quantify actual savings to date, and forecasts now reflect this.	
	Telehealth	122	0	122	194	0	194	72			Mar-15					10 Somerset Care care homes have been identified to take forward multi-user pilot. The Wi-Fi connectivity in these homes has been checked for technical compliance and meets the standard. Somerset Care has been asked to co-ordinate a meeting with 3 care homes so they can receive multi user training and identify appropriate patients for phase 1 of the pilot.	
	House of Care	168	0	168	0	0	0	-168								Make the Resource Library live on the CCG website and promote this along with all versions of My Life Plan and training courses in the GP Bulletin. The House of Care Embedding Plan is complete including proposal for 3 Motivational Interviewing training courses and a few Operational Support Courses. An on-line version of My Life Plan produced by Redgate Medical Centre to be investigated for potential wide scale use.	
	DToC	1,000	0	1,000	680	0	680	-320			Oct-16			Mar-17			Scheme implemented in October 2016. Original investment plan reduced substantially. Scheme has had a positive system effect delivering savings across the system.
	Living Better	0	0	0	267	0	267	267									Following meetings with Sompar working on how to implement a single point of access for referrals for all Living Better services.
	<b>Total</b>	<b>2,440</b>	<b>0</b>	<b>2,440</b>	<b>2,414</b>	<b>0</b>	<b>2,414</b>	<b>-26</b>									
es	Emerging Personality Disorder	209	0	209	92	0	92	-117			Apr-16	Apr-16			Funding confirmed, SomPar stepping service up and starting recruitment. Agreed financial plan for the period of the year that the service will be fully operational (financial clawback discussion with providers underway).		
	Learning Disabilities	500		500	0	0	0	-500			Apr-16	Apr-16			LDPS procurement has had an impact on the ability of in year savings being achieved. Large pooled budget overspend exists.		
	Flexi Beds	500		500	500	0	500	0			Apr-16	Apr-16			Bed utilisation now being monitored to maximise capacity availability over the winter period.		



