

Report to the NHS Somerset Clinical Commissioning Group on 14 September 2017

Title: Financial Report 2017/18 1 April 2017 – 31 July 2017	Enclosure J
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Summary and Purpose of Paper

An update to be given summarising the current and forecast financial position for 2017/18.

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

- Somerset System Financial Position
- 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

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.

Privacy	No issues identified.			
Engagement	No issues identified.			
Financial / Resource	The Somerset Clinical Commissioning Group has a current budget of £722,576,000 in 2017/18.			
Governance or Legal	The financial report details any constitutional standards required to be met by the Clinical Commissioning Group.			
Risk Description	The Somerset Clinical Commissioning Group must ensure it delivers the planned financial target.			
Risk Rating	Consequence	Likelihood	RAG Rating	GBAF Ref
	4	4	16	SO2



Somerset
Clinical Commissioning Group

Finance Report 2017/18

1 April – 31 July 2017

SOMERSET CLINICAL COMMISSIONING GROUP

**FINANCE REPORT 2017/18
1 APRIL – 31 JULY 2017**

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Somerset Clinical Commissioning Group

1 April – 31 July 2017 Finance Report

1 Executive Summary

Measure	Paragraph Ref.	Target £'000	Forecast Actual £'000	RAG Score
Cumulative Surplus/(Deficit)	3.92	(4,764)	(4,764)	Green
In Year Surplus / (Deficit)	3.90	(1,748)	(1,748)	Green
Headroom (50%)	3.97	3,552	3,552	Green
Contingency	3.95	3,612	2,126	Green
Underlying (Deficit)/Surplus	3.11	-	(7,131)	Red

Summary of overall position

	Forecast Year End (under) / overspend £'000
Secondary Care Commissioning	2,151
Better Care Fund	0
Prescribing	0
Primary Care Programmes	0
Running Costs	(25)
Managed Programmes - control total	1,748
Managed Programmes – balance of contingency fund	(2,216)
Managed Programmes – Capped Expenditure Process savings plan	9,852
Year End Outturn Position	11,600
Capped Expenditure Process full savings delivery (red and amber schemes)	(9,852)
Forecast Year End outturn position after delivery of identified savings	1,748

Key:

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

2 SOMERSET SYSTEM FINANCIAL POSITION

- 2.1 The Somerset System is now in the second year of delivery for the Somerset Sustainability and Transformation Plan (STP). Given the collaborative nature of the work programme moving forward, Somerset Clinical Commissioning Group, Taunton and Somerset NHS Foundation Trust, Yeovil District Hospital NHS Foundation Trust and Somerset Partnership NHS Foundation Trust have committed to sharing finance and performance information with the Boards and Governing Bodies of all partners.
- 2.2 The Clinical Commissioning Group agreed an interim plan at the March Governing Body to allow the Clinical Commissioning Group to set interim budgets to ensure spend is monitored without delay. Since this time, the system has been working with NHS England and NHS Improvement to agree a full system wide financial plan to deliver the control totals set by the regulators.
- 2.3 A further iteration of the annual financial plan was submitted in June 2017 and this plan has now been approved by NHS England. This revised plan reflects the ambitions of the Capped Expenditure Process detailed below.

Table 1: 2017/18 and 2018/19 Surplus/(Deficit)

	2017/18 £'000	2018/19 £'000
Clinical Commissioning Group revised plan (deficit)/surplus	(1,748)	4,130
Financial challenge	-	-
Control Total	(1,748)	4,130

Table 2: Control Totals – Somerset Health Community

	Surplus/ (Deficit)				
	CCG £m	T&S £m	SomPar £m	YDH £m	Total £m
STF 2017/18	n/a	7.0	2.1	4.3	13.4
Control Total 2017/18	(1.7)	(0.3)	2.9	(13.1)	(12.2)
Interim Plan	(1.7)	(0.3)	2.9	(13.1)	(12.2)
Variance to Control Total	0.0	0.0	0.0	0.0	0.0

Table 3: System Savings Programme

Scheme Workstreams Savings Opportunities	CCG £'000	SomPar £'000	T&S £'000	YDH £'000	Total £'000
Running Cost Efficiencies	1,670	860	2,167		4,697
CCG contracts/CH /Medicines Management	43,888				43,888
Provider held contracts			1,522	548	2,070
Efficiency Programmes		1,500	1,335	6,149	8,984
Estate		490			490
Pay and Non Pay related efficiencies		750	5,370	1,015	7,135
Service reviews		800	3,006	988	4,794
Grand Total	45,558	4,400	13,400	8,700	72,058
% Total	6.30%	2.71%	4.60%	5.75%	

Capped Expenditure Process

2.4 Following several system meetings with the regulators, a supplementary savings programme has been shared and discussed across the system and submitted to the regulators on behalf of the Somerset STP as part of the Capped Expenditure Process. The Somerset STP is required to participate in the Capped Expenditure Process along with another 11 STP areas where financial plans are more than 1.5% away from the control total. This programme is designed to ensure communities deliver to the control totals set in a managed and considered way. These savings plans propose to focus on the following areas:

- further savings in provider trusts through reducing locum and agency staff costs
- further savings in provider trusts and the Clinical Commissioning Group by reducing back office and management costs
- improving the flow of patients through hospital reducing their average length of stay particularly through less delays at the point of discharge. Reducing these delays will improve patient care and experience, and will only be done when patients are fit to go home and if necessary appropriate packages of support are in place
- improving the consistency and responsiveness of assessment processes for continuing healthcare to ensure that packages remain appropriate for patient needs and funding decisions continue to be provided on a fair and consistent basis against national eligibility criteria
- reducing demand for acute services by improving and investing in primary and community care and other out of hospital services.

Building on the good work done in the Symphony project in South Somerset and elsewhere

- reducing the volume of elective care procedures by ensuring that commissioning policies reflect evidence of which procedures are clinically effective and are consistently applied

2.5 Patient representatives and community stakeholders are already contributing with their views on preliminary plans for the Somerset STP. Cost efficiency savings and improved models of health and social care already form part of these discussions. As these work streams are agreed, the partners will adjust the budgets and/or contracts accordingly and add the schemes and any associated additional risk to the system wide report. A breakdown of the Capped Expenditure Process is shown in Table 4 below.

Table 4: Capped Expenditure Process

Capped Expenditure Process	£'000	£'000
Green Rated Savings (Adjustments through budgets)		
Prescribing	500	
Continuing Healthcare	2,000	
CCG Running Costs	500	3,000
Balance of Schemes (to be agreed)	9,852	9,852
Total		12,852

Investment and Risk Shared Pool

2.6 For 2017/18, the NHS organisations in the local health system have signed up to an Investment and Risk Shared Pool.

2.7 The partners are:

- Taunton and Somerset NHS Foundation Trust
- Yeovil District Hospital NHS Foundation Trust
- Somerset Partnership NHS Foundation Trust
- Somerset Clinical Commissioning Group

2.8 The principles under which this pool will be administered are based on the 14 'Must Do' principles as agreed within the Somerset Sustainability and Transformation Plan.

2.9 The formation of this agreement starts the system journey towards an Accountable Care System model for Somerset and moves away from payment on a pure PbR contractual basis towards a shared capitated based budget.

2.10 The pool works as a risk share to ensure the delivery of QIPP and mitigation of cost pressures through partnership working and also provides a vehicle to agree transformational investment by partners through allocating a fair share of both costs and associated savings.

2.11 All Clinical Commissioning Group commissioning budgets are within the scope of this pool and any improvement or deterioration against Clinical Commissioning Group planned budgets will be subject to the risk shares noted below:

Taunton and Somerset NHS Foundation Trust	26%
Somerset Partnership NHS Foundation Trust	18%
Yeovil District Hospital NHS Foundation Trust	11%
Somerset Clinical Commissioning Group	45%

2.12 This allocation of risk across the system incentivizes the system to work in partnership to ensure that the current plans submitted to NHS England and NHS Improvement are delivered in full to avoid further costs into their own organisations.

3 NHS SOMERSET CLINICAL COMMISSIONING FINANCIAL STRATEGY 2017/18

Financial Framework

3.1 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.

3.2 The Somerset system consists of the Clinical Commissioning Group, the three Somerset NHS Foundation Trusts and the health and care services provided by the County Council.

3.3 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. The table below details the initial allocations for Somerset Clinical Commissioning Group. The allocations remain indicative for the final two years of the settlement.

Table 5: 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)

Financial Plan 2017/18

3.4 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.

3.5 This plan represents the second year of the emerging whole system Sustainability and Transformation Plan. The Financial Framework for 2017/18 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

3.6 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 standards. A theme of the strategy is to maintain flexibility to respond to the emerging pressures and issues.

- 3.7 Table 6 below highlights the Clinical Commissioning Group's in year Financial Position, which analyses the total allocation between the in year allocation, drawdown of any historic surplus or return of an historic deficit.

Table 6: National Support 2017/18

	£'000
Total Clinical Commissioning Group allocation 2017/18	725,164
Total current forecast expenditure 2017/18	736,764
In year surplus/(deficit)	(11,600)
Balance of Capped Expenditure Process full savings delivery	9,852
Planned Control Total surplus/(deficit)	(1,748)
Return of prior year deficit	(3,016)
Total debt repayable	(4,764)

- 3.8 This shows further savings to be delivered through the Capped Expenditure Process in order to meet the Clinical Commissioning Group's planned control total for 2017/18. Plans to deliver these savings are covered within Section 2 of this report.

Going Concern

- 3.9 The Clinical Commissioning Group has submitted a statement of Going Concern to support the 2016/17 annual accounts. A further statement for 2017/18 will be required by NHS England and External Audit in April 2018.

Recurring Underlying Financial Position

- 3.10 Table 7 below highlights the recurring underlying financial position.
- 3.11 As part of the plan for 2017/18 the Clinical Commissioning Group is required to detail the actions to bring the recurrent position back into financial balance and repay any historic debt by March 2020/21.

Table 7: Recurring Underlying Financial Position

	£'000	£'000
Total Clinical Commissioning Group Allocation 2017/18	725,164	
Less non recurrent allocation	(2,020)	
Total Recurrent Allocation 2017/18		723,144
Total forecast expenditure 2017/18	736,764	
Less: Non Recurrent Adjustments/Allocations:		
Primary Care Career Plus funding	(100)	
GPFV reception and clinical training	(97)	
NHS wifi	(201)	
Paramedic rebanding	(328)	
STP infrastructure	(197)	
STP Communications and Engagement	(160)	
Diabetes transformation fund	(28)	
Market rents adjustment	(325)	
Vanguard	(1,968)	
Health and Social Care Network	(287)	
Maternity systems early adopter Q1 and Q2	(225)	
Outcomes Based Healthcare	(350)	
QIPP investment (GP 999 car, Consultant Connect and Urgent Connect schemes)	(658)	
RTT Improvement funds	(1,565)	
Add: Non recurrent benefits / slippage	0	
Less: full year effect of recurrent mitigations:	0	
Total Recurring Expenditure 2017/18		730,275
2017/18 Underlying Surplus/(Deficit) Position		(7,131)

- 3.12 The underlying financial position will be adjusted for delivery of the Capped Expenditure Process savings as schemes are approved by the system.

2017/18 In Year Financial Challenge

- 3.13 Movements from the interim planned deficit position are detailed in Table 8 below.

Table 8: Movement from Interim Planned Deficit

Movement from Interim Plan	£'000
Approved Interim Plan	17,224
Confirmation of national funding for the increase to market rents	(834)
Confirmation from NHS England of no further policy pressures	(940)
CCG commitment to further reduce running costs	(500)
Review of Patient Transport Services	(350)
Capped Expenditure Process savings plan – green RAG rated schemes	(3,000)
Adjusted Deficit	11,600
Capped Expenditure Process savings plan (amber and red RAG rated schemes)	(9,852)
Approved deficit control total	1,748

- 3.14 Plans to deliver the system savings target are currently under consideration by NHS England, NHS Improvement and system leaders.

Financial Position 2017/18

Sources of Funds

- 3.15 Table 9 sets out the resource allocations for the Somerset Clinical Commissioning Group in 2017/18.

Table 9: Sources of Funds

Description	Recurring £'000	Non Recurring £'000	Total £'000
Recurrent baseline brought forward from 2016/17	693,362		693,362
Recurrent changes during 2016/17	2,276		2,276
2017/18 growth	14,831		14,831
Sub Total recurring baseline	710,469	0	710,469
Notified Adjustments:			
Running cost allocation	11,850		11,850
Identification Rules adjustment		2,593	2,593
Tariff adjustment HRG4+		(4,839)	(4,839)
Primary Care Career Plus funding		100	100
GPFV Reception and clerical training		97	97
NHS wifi		201	201
Paramedic rebanding		328	328
STP infrastructure		197	197
STP Communications and Engagement		160	160
Diabetes transformation fund		28	28
Market rents adjustment		325	325
Vanguard		1,968	1,968
Health and Social Care Network		287	287
Primary Care Improving Access funding	825		825
Outcomes Based Healthcare		350	350
Maternity systems early adopter Q1 and Q2		225	225
Sub Total notified adjustments	12,675	2,020	14,695
Sub Total anticipated adjustments	0	0	0
Total Source of Funds	723,144	2,020	725,164

3.16 Within the sources of funds shown in Table 9, the following funding adjustments have been taken into account.

Notified Adjustments:

- the 2017/18 running costs allocation of £11,850,000, which has been published separately from the opening Somerset Clinical Commissioning Group Programme funding
- funding transfers between Clinical Commissioning Groups and specialised commissioning, following work to implement consistent identification rules (IRs)

- the NHS England modelled impact of changes to prices in the 2017/18 and 2018/19 National Tariff (notably the move to HRG4+ and the changes to the tool and methodology for top up payments)
- an allocation of £100,000 from an NHS England funded initiative aiming to retain older GPs within the primary care workforce
- an allocation of £97,000 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
- an allocation of £201,000 to support the roll out of free wifi access within GP practices. This is part of an NHS Digital initiative to ensure that everyone can access free wifi in NHS sites in England, allowing patients and the public to download health apps, browse the internet and access health and care information
- an allocation of £328,000 to fund the pay grade re-banding of paramedic staff
- an allocation of £197,000 support funding for infrastructure costs relating to the development of STPs
- an allocation of £160,000 to support STP related communications and engagement expenditure
- transformation funding of £28,000 to support improvement in the treatment and care of people with diabetes
- an allocation of £325,000 (£12,000 running costs and £313,000 programme costs) to reflect cost increases resulting from a move to market rent by NHS Property Services. This funding adjustment assumes that £570,000 is already available within the Clinical Commissioning Group's baseline allocation towards these cost increases. An additional risk of £500,000 has now been included within Table 29 to reflect this
- Quarter 1 and Quarter 2 Vanguard project funding of £1,880,000 for the South Somerset, Taunton and Mendip Symphony programmes, with an additional £88,000 available for local evaluation costs
- an allocation of £287,000 devolved from NHS England to fund legacy N3 connectivity and future Health and Social Care Network connectivity within general practice and within the Clinical Commissioning Group
- an allocation of £825,000 being the first tranche of funding for the improving access to primary care services scheme

- £350,000 made available to support development of Outcomes Based Commissioning
- Quarter 1 and Quarter 2 funding of £225,000 to support Somerset Clinical Commissioning Group's role as an early adopter of the national Maternity Transformation Programme. This project will pave the way for national roll out of initiatives to deliver safer, more personalised care for mothers and babies, improving outcomes and reducing inequalities

Applications of Funds

3.17 Table 10 sets out the distribution of funding for the programmes managed by the Somerset Clinical Commissioning Group.

Table 10: Budget Framework

Programme	Initial Programme £'000	Variations £'000	Revised Programme £'000
Secondary Care Commissioning:			
NHS Contracts	482,410	5,142	487,552
Independent and Private Sector	128,060	(6,267)	121,793
Total Secondary Care Commissioning	610,470	(1,125)	609,345
Prescribing Services:			
GP Prescribing	77,241	(500)	76,741
Other Prescribing	3,198		3,198
Total Prescribing Services	80,439	(500)	79,939
Primary Care Programmes	14,481	1,490	15,971
Running Costs	11,230	(398)	10,832
Managed Programmes	9,230		9,230
Managed Programmes surplus/(deficit)	(17,224)	15,476	(1,748)
Managed Programmes Capped Expenditure Process savings plan		(9,852)	(9,852)
Better Care Fund	11,447		11,447
Total	720,073	5,091	725,164

Secondary Care Services

NHS Contracts

3.18 NHS contracts by provider are set out below in Table 11. A further analysis of spend is included in Appendix 1.

Table 11: Contract Values by Provider

	Initial Programme	Contract Variations	Revised Value	Forecast Outturn	Forecast Year End (under)/overspend
	£'000	£'000	£'000	£'000	£'000
Foundation Trusts:					
Dorset County Hospital NHS Foundation Trust	2,223		2,223	2,223	0
Royal Brompton and Harefield NHS Foundation Trust	239	(47)	192	192	0
Royal Devon and Exeter NHS Foundation Trust	4,128		4,128	5,028	900
Royal United Hospitals Bath NHS Foundation Trust	29,431		29,431	30,331	900
Salisbury NHS Foundation Trust	555		555	555	0
Somerset Partnership NHS Foundation Trust	130,649		130,649	130,649	0
South Western Ambulance Service NHS Foundation Trust	20,797		20,797	20,797	0
Taunton and Somerset NHS Foundation Trust	184,562	5,641	190,203	193,903	3,700
University Hospitals Bristol NHS Foundation Trust	7,537	(121)	7,416	8,016	600
Yeovil District Hospital NHS Foundation Trust	79,600		79,600	79,600	0
Sub Total	459,721	1,397	461,118	461,118	0
Other NHS Trusts:					
North Bristol NHS Trust	6,667	152	6,819	7,419	600
Northern Devon Healthcare NHS Trust	463	16	479	479	0
Sirona Care and Health	499	(499)	0	0	0
Weston Area Health NHS Trust	15,060		15,060	14,660	(400)
Sub Total	22,689	(331)	22,358	22,358	200
Total NHS Service Level Agreements	482,410	5,142	487,552	493,852	6,300

3.19 Frameworks are based on a roll-forward of 2016/17 contract outturn adjusted to reflect agreed developments and non-recurring adjustments actioned during 2016/17. Finance envelopes for 2017/18 and 2018/19 are based on flat cash, therefore assuming that all growth and tariff inflation is met through a system focus on demand management.

3.20 Contract values have not been adjusted to reflect any transfer of resource to the Better Care Fund, and therefore these funds remain as part of the Clinical Commissioning Group contracts at this stage.

Taunton and Somerset NHS Foundation Trust

3.21 As at Month 4 of 2017/18 the Trust are reporting an over performance against planned contract value of £1,937,000. The contract value has been adjusted to reflect pending contract variations in respect of dermatology services and the impact of HRG4+ tariff adjustments. These contract variation values have yet to be agreed and signed off. It is anticipated at this stage that the contract will overspend at the year end.

- 3.22 The most significant areas of over performance at month 4 are within non elective inpatients, high cost drugs and devices (reported within Other in Table 12), and accident and emergency. Non elective activity is over performing against plan in geriatric medicine, respiratory medicine and cardiology, partially offset by under performance in general medicine and trauma and orthopaedics. Elective inpatient and day case activity is under performing against plan, particularly in trauma and orthopaedics and gastroenterology.
- 3.23 The Clinical Commissioning Group have challenged the Trust with regard to the over performance within non elective inpatients, where the financial variance from plan year to date is disproportionately high when compared to the variance from planned activity.
- 3.24 An analysis of this position is represented in Table 12 below.

Table 12: Taunton and Somerset NHS Foundation Trust Key Variances

	Annual Plan	Year to Date Plan	Year to Date Actual	Year to date Variance from Plan
	£'000	£'000	£'000	£'000
Accident and Emergency	7,684	2,568	2,924	356
Direct Access	9,502	3,104	3,071	(33)
Elective Inpatients and Day Cases	36,817	11,565	11,197	(368)
Non Elective Inpatient	67,573	22,586	24,013	1,427
Outpatient	39,323	12,811	12,722	(89)
Other	29,304	9,644	10,288	644
Total	190,203	62,278	64,215	1,937

Yeovil District Hospital NHS Foundation Trust

- 3.25 As at Month 4, the Trust is under performing against contract value by £68,000. This mainly represents under performance against plan in elective inpatients and day cases, predominantly within the Trauma and Orthopaedics specialty. Variance from plan within other services is mainly due to under performance within Critical Care. This is offset by over performance against plan within non elective care, particularly within Trauma and Orthopaedics and Respiratory inpatient specialties and within Ambulatory Emergency Care. The over activity seen within Ambulatory Emergency Care is influenced by reduced activity within the Geriatric Medicine emergency inpatient specialty. An analysis of this position is represented in Table 13 below.

Table 13: Yeovil District Hospital NHS Foundation Trust Key Variances

	Annual Plan	Year to Date Plan	Year to Date Actual	Year to date Variance from Plan
	£'000	£'000	£'000	£'000
Accident and Emergency	4,767	1,559	1,670	111
Direct Access	2,732	910	914	4
Elective Inpatients and Day cases	14,249	4,859	4,376	(483)
Non Elective Inpatients	27,618	9,191	9,596	405
Outpatients	14,559	4,887	4,835	(52)
Other	17,075	5,702	5,649	(53)
Total	81,000	27,108	27,040	(68)

3.26 The annual planned contract value of £81,000,000 shown in the table above differs from the Clinical Commissioning Group's budgeted contract value of £79,600,000 for the Trust by £1,400,000. This balance will be funded via the Somerset system risk share arrangement.

Sustainability and Transformation Fund

3.27 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. Given the national importance of improving NHS urgent and emergency care performance, a 30% performance element of the Sustainability and Transformation Fund for 2017/18 will solely focus upon A&E performance, rather than requiring Providers to focus on multiple objectives. As part of this process, Providers were required to submit an improvement trajectory which returns to sustainable delivery of the 95% standard by March 2018. Where a Provider is eligible to receive funding and has signed up to the stipulated financial control total financial sanctions for A&E, RTT, Cancer and Diagnostics, together with any associated measures, cannot be enforced by Somerset Clinical Commissioning Group.

3.28 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.

Out of County Contracts

3.29 Year end variances are forecast against the following out of county NHS contracts. The main drivers for these variances are outlined below;

Royal Devon and Exeter NHS Foundation Trust

3.30 Contract monitoring data as at Month 4 shows an adverse variance of £275,000 against contract value year to date. This overspend is due to overactivity against plan in Dermatology, Critical Care and Elective Inpatient Care (mainly General Surgery and Trauma & Orthopedics). The Trust is providing levels of Dermatology activity for which the budget is currently reported separately pending agreement of issue to contracts (as demonstrated in Table 14), therefore the reported year to date and forecast outturn position reported for the Trust is partially offset by the underspend reported against the Dermatology budget. The current year end forecast position for this contract is an overspend of £900,000. This position does not factor in any pending contract variation in relation to the distribution of Dermatology funding.

Royal United Hospitals Bath NHS Foundation Trust

3.31 Contract monitoring data as at Month 4 shows an adverse variance of £319,000 against budgeted contract value year to date. The main areas of overperformance are Stroke Medicine, Midwifery and Obstetrics and Dermatology. The following mitigating actions are being taken to address this overperformance:

- the contracts team are liaising with the lead commissioner for this contract to determine potential challenges that can be pursued in relation to Stroke services activity
- the CCG are liaising with the lead commissioner to compare approaches to challenge potential duplicate pathways within Midwifery and Obstetrics.
- the source of additional activity within Dermatology services is currently being investigated.

The current year end forecast position for this contract is an overspend of £900,000.

University Hospitals Bristol NHS Foundation Trust

3.32 A year end overspend position of £600,000 is currently anticipated against budgeted contract value with University Hospitals Bristol NHS Foundation Trust. Month 4 data shows overperformance against plan of £156,000. The most significant area of overperformance is Dermatology and the same position regarding funding applies as that previously mentioned with regards to the Royal Devon and Exeter contract. Overperformance is also reported within the Intensive Therapy Unit (ITU), which is a high cost low volume service where volatility is expected over the year, and therefore it is anticipated that activity could become closer to plan as the year progresses. Cardiology is also overperforming, due in part to a transfer of activity from Weston Area Health, where some Cardiology procedures are no longer provided.

North Bristol NHS Trust

- 3.33 A forecast overspend of £600,000 is anticipated at the year end in respect of this contract. Monitoring data as at Month 4 shows a year to date overperformance variance of £156,000. Further work needs to be undertaken by the Trust to more accurately reflect adjustments for specialised commissioning service transfers, the impact of HRG4+ tariff and changes and referral to treatment backlog delivery within the contract plan value to be better able to understand where true variances lie.

Weston Area Health NHS Trust

- 3.34 Month 4 data reports underperformance against budgeted contract value of £268,000. There is underperformance within Accident and Emergency (A&E) and Emergency Admissions, which is due to current closure of the A&E Department out of hours. There is also underperformance within direct access pathology, which the contracting team is liaising with North Sedgmoor GP Practices to understand

Summary

- 3.35 At this early stage in the financial year, there is limited information available to determine a reliable financial forecast position against these contracts. However through the Somerset Directors of Finance Group, the local Somerset NHS Foundation Trusts are committed to working in partnership to deliver activity in line with the contracts for 2017/18.
- 3.36 A year end breakeven position is therefore currently anticipated against all NHS contracts.

Non NHS Contracts

- 3.37 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 14.

Table 14: Contract Values for Services from the Independent and Private Sector

	Initial Programme	Contract Variations	Revised Value	Forecast Outturn	Forecast Year End (under)/overspend
	£'000	£'000	£'000	£'000	£'000
British Pregnancy Advisory service	40	17	57	57	0
British Red Cross	375	(150)	225	225	0
Continuing Care	37,062	(1,937)	35,125	35,125	0
COPD Services	663		663	663	0
Cruse Bereavement	25		25	25	0
Dermatology Services	3,000	(1876)	1,124	0	(1,124)
Dorothy House Hospice	297		297	297	0
Exceptional Treatments	337		337	337	0
Marie Stopes	221	(17)	204	204	0
NHS Funded Nursing Care	14,770		14,770	14,770	0
Non Contractual Activity	7,878		7,878	7,878	0
OASIS	962		962	962	0
Odstock Medical Limited	30		30	30	0
Other Commissioning	9,696	(1,968)	7,728	5,086	(2,642)
Palliative Care Funding	374		374	374	0
Partnership Working – Pooled Budgets	21,592	(1,777)	19,815	19,732	(83)
Partnership Working – Other	1,915	1,777	3,692	3,692	0
Patient Transport Services	797		797	797	0
Shepton Mallet Health Partnership	15,221	400	15,621	15,621	0
Sirona Care and Health	0	57	57	57	0
Spells in Private Sector	8,038	(1,565)	6,473	6,473	0
St Margaret's Hospice	2,054	260	2,314	2,314	0
Virgin Care		362	362	362	0
Voluntary Car Services	708	150	858	858	0
Weston Hospice	135		135	135	0
Wheelchair Services	1,870		1,870	2,170	300
Total	128,060	(2,191)	125,869	117,644	(4,149)

3.38 A further analysis of spend to 31 July 2017 is included at Appendix 2.

Continuing Healthcare

3.39 The Continuing Health Care budget for 2017/18 shown in Table 14 has been based on a roll forward from 2016/17 and adjusted for QIPP schemes. Updates for 2017/18 include:

- uplifts to reflect both volume and price changes
- savings generated by new QIPP schemes for 2017/18
- additional funding to support a new staffing model within the CHC assessment team. This reflects a transfer of assessment services from Somerset Partnership NHS Foundation Trust to the Clinical Commissioning Group and represents both new staff and existing staff transferred between organisations

- additional savings required to support the Capped Expenditure Process, which will bring the CCGs benchmark spend in line with the other CCGs in the South West

3.40 QIPP schemes detailed in Table 28 include new schemes identified against Continuing Healthcare costs. This is planned to be achieved through regular and timely reviews of end of life, long term conditions, personal health budget, joint funded and high cost patients. QIPP is also expected to be delivered to offset an additional cost associated with the in-housing and expansion of the Continuing Healthcare assessment team. Budgets have been adjusted to reflect further QIPP delivery identified under the Capped Expenditure Process.

NHS Funded Nursing Care

3.41 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

3.42 The budget for 2017/18 is based on a roll forward from 2016/17, which included a significant increase (39.5%) in payment rates from the previous year. This increased rate was seen as an interim arrangement to allow further information to be gathered regarding appropriate funding levels. It has now been confirmed that the NHS funded nursing care standard rate is being reduced to £155.05 per week from 1 April 2017, a decrease of 0.8%. This reduction follows a national review of the contribution of agency staff costs to the rate charged. At this early stage in the financial year, it has been anticipated that any financial benefit resulting from this rate change will be delivered as part of the wider joint Continuing Health Care/Funded Nursing Care QIPP programme. This will be reviewed as more activity data becomes available.

Dermatology Services

3.43 Somerset has experienced issues with the delivery of dermatology services in recent years. Significant challenges nationally with the recruitment of consultant dermatologists has resulted in pressures locally and the notification of closure of the dermatology service at Taunton and Somerset NHS Foundation Trust.

3.44 Somerset Clinical Commissioning Group has been working in partnership with out of county providers to ensure that patients are still able to gain access to the care that they require. This work has been especially focused on patients that have been referred onto the 2 week wait pathway.

- 3.45 Currently, Somerset Clinical Commissioning Group is progressing with the development of a substantive service, working collaboratively with University Hospitals Bristol NHS Foundation Trust as a lead provider.
- 3.46 As part of the proposal we are anticipating that a sustainable solution will be delivered from the Taunton and Somerset NHS Foundation Trust site, led by University Hospitals Bristol NHS Foundation Trust, by April 2018. A proportion of this budget has been provisionally transferred to the Taunton and Somerset NHS Foundation Trust contract, pending final agreement and sign off of a contract variation. The reported forecast underspend against the balance of the Dermatology services budget reflects that service provision from all other Providers is reflected in contract outturns reported in Table 11.

Non Contractual Activity

- 3.47 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.
- 3.48 The non-contractual activity budget for 2017/18 has been based on a roll forward from 2016/17. Based on current trend information, a risk of £1,200,000 has been included against this programme for 2017/18 (see table 29).

Other Commissioning

- 3.49 Other commissioning is currently showing a forecast underspend position of £2,642,000 for the financial year. This underspend includes various savings options identified to mitigate the current overspend position reported against NHS contracts, including the release of budgets where previously planned spend has been withdrawn.

Partnership Agreements

- 3.50 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.
- 3.51 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 15 shown below.

Table 15: Partnership Agreements with the Local Authority

Scheme	Somerset CCG Contribution 2017/18 £'000
Integrated Community Equipment Service	1,020
Learning Disabilities Services	18,592
Carers Services	203
Total	19,815

Community Equipment Service

3.52 The Somerset Community Equipment Service (CES) is a partnership of organisations that include Somerset County Council and the Somerset Clinical Commissioning Group. The CES Partnership seeks to create and sustain a Community Equipment Service for Somerset residents which is fully capable of meeting demand and that delivers the goals of all CES partners.

3.53 Data supplied by Somerset County Council as at month 3 reports a forecast underspend for the financial year, of which the Clinical Commissioning Group's share is £82,600.

Learning Disability Service

3.54 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 mainly as commissioner and contracts with the Dimensions Group including Somerset Partnership NHS Foundation Trust for service provision, 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. Budgets have been uplifted to reflect recurrent cost pressures materialising in 2016/17.

3.55 Additional funds have also been set aside to reflect additional costs associated with the new Learning Disabilities Social Enterprise Vehicle (SEV) procured by the Local Authority with the Dimensions Group, and anticipated growth in activity.

- 3.56 Somerset County Council have supplied forecast figures for this programme for 2017/18 showing a projected overspend to the Clinical Commissioning Group of £766,000. As mentioned above, within the Clinical Commissioning Group's financial plan funding has been set aside to address this cost pressure and therefore a forecast breakeven position against budget is reported.

Carers Services

- 3.57 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

- 3.58 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 is set up under a Section 75 agreement between NHS Somerset and Somerset County Council.
- 3.59 There are a number of national conditions that this funding must achieve, namely; to maintain provision of social care services, to support progress on meeting the 2020 standards for 7 day services, data sharing and joint assessment and an accountable lead professional for high risk populations.
- 3.60 In 2017/18, Somerset County Council will receive an additional £1,036,000 funding to be included within the Better Care Fund, which increases to £9m in 2018/19. The Clinical Commissioning Group will work with Somerset County Council to agree the application of this funding.
- 3.61 In addition to this funding, system leaders have received new guidance from NHS Improvement and NHS England entitled 'Action to get A&E performance back on track' which has highlighted an extra £1 billion being made available by the Chancellor for social care, in part to be used to free up in the region of 2,000 to 3,000 acute hospital beds. The Clinical Commissioning Group is working with Somerset County Council to agree the application of funding received for Somerset from this allocation, totaling £11,047,000.
- 3.62 As part of the same guidance, there is an expectation that some A&E demand will be managed in other parts of the urgent care system by:

- ensuring that every hospital implements a comprehensive front door streaming model by October 2017
- strengthening support to care homes to ensure that they have direct access to clinical advice, including appropriate on-site assessment
- implementing the recommendations of the Ambulance Response Programme by October 2017
- proceeding with the standardisation of Walk In Centres, Minor Injury Units and Urgent Care Centres
- rolling out evening and weekend GP appointments, to 50% of the public by March 2018 and 100% by March 2019
- increasing the number of 111 calls receiving clinical assessment by a third by March 2018

3.63 Table 16 details the source of funds to be put into the Better Care Fund pooled budget, as well as the schemes and funding allocated to achieve the expected outcomes.

Table 16: Summary of the 2017/18 Better Care Fund

Source of Funds	£'000	Application of Funds	£'000
Somerset CCG	35,844	Reablement and ILTs (incl. Carers)	17,628
Somerset County Council	15,840	Person Centric Care	18,216
		Housing Support to Enable Independence	3,756
		Improved BCF confirmed at Local Government Settlement 2017/18	1,037
		Additional funding announced at budget 2017	11,047
Total	51,684	Total	51,684

3.64 The Somerset Clinical Commissioning Group source of funds includes an element in previous years transferred to Somerset County Council to support social care. The remaining source of funds is currently allocated to existing contracts in 2017/18, therefore already committed against services and not available for redevelopment unless savings are generated. Somerset County Council pass through its allocation for Housing Support to Enable Independence to District Councils. A more detailed breakdown of the use of these funds will be available once discussions with Somerset County Council have been concluded.

Shepton Mallet NHS Health Partnership

3.65 A new contract for community based service provision in Shepton Mallet was awarded in 2016/17 to the Shepton Mallet Health Partnership, a joint venture between Care UK and Somerset Partnership NHS Foundation Trust. This new contract includes the provision of elective and diagnostic procedures, outpatient services, community inpatient beds and minor injury services.

Spells in the Independent Sector

- 3.66 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.
- 3.67 The 2017/18 budget for spells in the independent sector is based on a roll forward of budget from 2016/17, adjusted to remove non recurrent backlog funding set aside for improvement in performance in 2016/17. The independent sector budget is forecast to underspend by £600,000 at the year end, due in part to patient choice, but also due to implantation of policies regarding the range of services that those providers deliver.

Wheelchair Services

- 3.68 Data reporting from Millbrook Healthcare shows that wheelchair service costs are significantly over budget at month 4. This is predominantly due to the cost of equipment issued, driven by a growth in referrals and an increased complexity of equipment issued. Actions are being taken to control the continuing rise in equipment costs, including an independent review of the current Guidance Document issued to accredited prescribers and an audit of current prescribing practice. A forecast overspend position of £300,000 is reported at this stage and this assumes that mitigating actions deliver a significant reduction in cost over the remainder of the financial year. This position will be reviewed as further data becomes available.

Summary

- 3.69 An overall underspend of £4,149,000 position is currently forecast on services commissioned from the independent and private sector.
- 3.70 In total a year end overspend of £2,151,000 is currently forecast in respect of secondary care commissioning.

GP Prescribing

- 3.71 The GP prescribing budgets for 2017/18 take into account an underspend against budgets from 2016/17 and include growth for 2017/18. This has then been adjusted for further opportunities to deliver Quality, Innovation, Productivity and Prevention (QIPP) savings.
- 3.72 QIPP schemes detailed in Table 28 include new schemes identified against GP Prescribing costs. This is planned to be achieved through prescribing scorecard savings and continued work on reviewing care home prescriptions. QIPP savings are anticipated to offset costs associated with the GP Prescribing Incentive Scheme. Budgets have been adjusted to reflect further QIPP savings identified under the Capped Expenditure Process.

3.73 GP Prescribing values are set out in Table 17 below.

3.74 The recharge for public health prescribing costs relates to costs incurred for smoking cessation and sexual health services, for which the Local Authority now hold the funding, and is based on historic expenditure levels.

Table 17: 2017/18 Prescribing Budgets

	Initial Programme	Budget Adjustment	Revised Value	Forecast Outturn	Forecast Year End (under)/ overspend
	£'000	£'000	£'000	£'000	£'000
GP Prescribing budget 2017/18	78,364	(500)	77,864	77,864	0
Public Health Prescribing Recharge	(1,123)	-	(1,123)	(1,123)	0
Total	77,241	(500)	76,741	76,741	0

3.75 A further analysis of spend to 31 July 2017 is included in Appendix 3.

3.76 The Clinical Commissioning Group has received the May financial report from the Business Services Authority in respect of GP prescribing expenditure and forecast outturn for 2017/18. This report shows a forecast over commitment against GP prescribing budgets of £800,000, however the Clinical Commissioning Group is currently anticipating a breakeven position at this stage, with the assumption that all QIPP schemes will be delivered during 2017/18.

3.77 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.

Other Prescribing

3.78 In addition to GP prescribing, funding of £3,198,000 has been set aside to support the following programmes:

- contribution to the national allocation adjustment for unknown prescriptions
- home oxygen
- prescribing rebates
- community pharmacist costs

Table 18: Other Prescribing

	Initial Programme	Budget Adjustment	Revised Value	Forecast Outturn	Forecast Year End (under)/ overspend
	£'000	£'000	£'000	£'000	£'000
Prescribing rebates	(430)	(100)	(530)	(530)	0
Central recharge for national adjustment for unknown	1,992	-	1,992	1,992	0

prescriptions					
Home Oxygen service	1,236	-	1,236	1,236	0
Community pharmacists	400	100	500	500	0
Total	3,198	0	3,198	3,198	0

3.79 Overall, the Clinical Commissioning Group is currently forecasting a breakeven position against prescribing budgets.

Primary Care Programmes

3.80 Resources totalling £15,971,000 have been identified to support Primary Care programmes. The majority of Primary Care services are commissioned by NHS England.

Table 19: Primary Care Programmes

	Initial Programme	Budget Adjustment	Revised Value	Forecast Outturn	Forecast Year End (under)/ overspend
	£'000	£'000	£'000	£'000	£'000
Out of Hours	5,460	0	5,460	5,460	0
111 service	1,415	0	1,415	1,415	0
Enhanced Services	4,190	84	4,274	4,274	0
GP IT	1,200	0	1,200	1,200	0
NHS wifi in GP Practices		201	201	201	0
Health and Social Care		267	267	267	0
Network connectivity					
PMS Premium (PCIS)	2,216	(84)	2,132	2,132	0
Primary Care Improving Access funding		825	825	825	0
Primary Care Career Plus funding		100	100	100	0
GP Development funds		97	97	97	0
Total	14,481	1,490	15,971	15,971	0

Out of Hours

3.81 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.

111 Service

3.82 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.

Enhanced Services

3.83 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.

3.84 Table 20 below details the current Local Enhanced Services commissioned by Somerset Clinical Commissioning Group. These budgets are under review and are subject to change over the coming months. Budgets have already been realigned between services to better reflect cost commitments anticipated for the financial year. A forecast break even position is currently anticipated against these budgets.

Table 20: Enhanced Services

Scheme	Initial Programme	Budget Adjustment	Revised Value	Forecast Outturn	Forecast Year End (under)/ overspend
	£'000	£'000	£'000	£'000	£'000
Enhanced Services:					
Anti-Coagulation	1,427	0	1,427	1,427	0
Immediate Care and First Response	24	0	24	24	0
Minor Injuries	145	0	145	145	0
Near Patient Testing (Drug monitoring)	404	0	404	404	0
Compression Bandaging (Leg Ulcer)	330	0	330	330	0
Neonatal Checks	4	0	4	4	0
Pre and Post-Operative Care	339	0	339	339	0
Injectable Risperidone	1	0	1	1	0
Vasectomy	80	0	80	80	0
Diabetes Insulin Initiation	14	0	14	14	0
Complimentary Therapy	26	0	26	26	0
ENT and Microsuction	10	0	10	10	0
Dermatology	337	0	337	337	0
Fracture Clinic	22	0	22	22	0
Homeless Care	5	49	54	54	0
Young Peoples Clinics	35	0	35	35	0
Tongue Ties	5	0	5	5	0
Complex Care	131	0	131	131	0
Minor Surgery	110	0	110	110	0
Hep B	3	0	3	3	0
Primary Care ECG	19	0	19	19	0
Frome Urgent Care Service	45	0	45	45	0
Discharge Liaison Nursing (RUH Bath)	75	0	75	75	0
Optometry Enhanced Services:					
Acute Community Eye Care Service	420	0	420	420	0
Low vision Scheme	100	0	100	100	0
Intraocular Pressure	0	35	35	35	0
CQUIN	79	0	79	79	0
Total	4,190	84	4,274	4,274	0

GP IT

- 3.85 Somerset Clinical Commissioning Group has allocated £1,200,000 revenue funding for GP IT services in 2017/18. 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 the 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 is currently forecast to deliver a breakeven position for 2017/18.

NHS Wifi in General Practice

- 3.86 An allocation of £201,000 has been made available by NHS England to support the roll out of free wifi access within GP practices. This is part of an NHS Digital initiative to ensure that everyone can access free wifi in NHS sites in England, allowing patients and the public to download health apps, browse the internet and access health and care information. It is currently anticipated that this funding allocation will be fully committed for the financial year.

Health and Social Care Network (HSCN) Connectivity

- 3.87 From 2017/18, Clinical Commissioning Groups are responsible for commissioning and provision of HSCN services for General Practice. Funding of £267,000 has been devolved to the Clinical Commissioning Group for this purpose and this is currently anticipated to be fully committed for the financial year.

PMS Premium

- 3.88 NHS England has transferred PMS Premium funding to the Clinical Commissioning Group, who now have responsibility for managing these funds. This funding is fully committed to practices within the Primary Care Improvement Scheme. Further funding for the Primary Care Improvement Scheme has been allocated from the headroom fund (see table 27).

Improving Access to General Practice

- 3.89 The Clinical Commissioning Group has received an initial allocation of £825,000 to support extended access to GP services. An additional allocation of funds for the remainder of the financial year is anticipated during August 2017. The Government mandate within the General Practice Forward View requires the NHS to improve access to primary care so that by 2020/21 all patients have access to GP led primary care services for both routine and urgent care needs 7 days a week, and for an extended hours period during weekdays. The funding to support this initiative has been based on an allocation of £6 per head of weighted

population, which equates to an allocation for Somerset of £3.3 million in total.

Primary Care Career Plus Funding

- 3.90 The Clinical Commissioning Group have received a funding allocation of £100,000 to pilot an initiative to test a range of ways to offer greater flexibility and support to retain the vital skills and experience of GPs on the verge of leaving general practice. It is currently anticipated that this funding allocation will be fully committed for the financial year.

GP Development Funds

- 3.91 The Clinical Commissioning Group has been allocated funding of £97,000 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.

Running Cost Programmes

- 3.92 Funding totaling £11,850,000 has been allocated from national funds to support the Clinical Commissioning Group headquarters and central functions for 2017/18.
- 3.93 This allocation has been reduced by anticipated QIPP savings, including an additional £500,000 savings to be delivered as part of the Capped Expenditure Process. Alongside this, an allocation of £12,000 has been added to the running cost budget as part of the adjustment to reflect market rent cost increases, and an additional £20,000 from the Health and Social Care Network (HSCN) connectivity fund. The adjusted running cost budget now totals £10,832,000.
- 3.94 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. Table 21 below details the running costs budgets for Somerset Clinical Commissioning Group for 2017/18.

Table 21: Running Cost Programmes

Running Cost Programmes	Whole Time Equivalent Establishment	Whole Time Equivalent Actual	Annual Budget £'000	Movement in Budget £'000	Revised Annual Budget £'000	Year to Date (under)/overspend £'000	Forecast Year End (under)/overspend £'000
Governing Body	3.7	3.7	650	0	650	0	0
Senior Leadership Team	4.7	4.4	725	0	725	0	0
Executive Office	3.0	3.0	130	0	130	0	0
Directorate of Finance and Performance	30.3	23.2	1,885	(120)	1,765	(4)	(13)
Directorate of Commissioning and Governance	40.1	34.5	3,159	(128)	3,031	(6)	(19)
Directorate of Quality, Safety and Engagement	50.4	46.7	2,222	(150)	2,072	(8)	(25)
STP	1.8	1.0	200	0	200	10	32
Corporate costs	0.0	0.0	0	0	0	0	0
CSU costs	0.0	0.0	2,259	0	2,259	0	0
Total running cost programme	134.0	116.5	11,230	(398)	10,832	(8)	(25)

3.95 All costs in Table 21 are stated at 2017/18 pay and prices.

3.96 The Clinical Commissioning Group is the host partner organisation for the Somerset Sustainability and Transformation Plan.

Managed Programmes

3.97 Managed Programmes are a series of specific allocations of funding pending their transfer to budgets during the year. An analysis for 2017/18 managed programmes are set out in the table below.

Table 22: Managed Programmes

	Initial Programme 2017/18 £'000	Issued to Programmes 2017/18 £'000	Revised Programme 2017/18 £'000
Control Total	(1,748)	0	(1,748)
Financial Challenge	(15,476)	5,624	(9,852)
Contingency	2,126	0	2,126
Headroom	7,104		7,104
Total	(7,994)	5,624	(2,370)

3.98 Managed programmes 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.

2017/18 Deficit

- 3.99 The business rules for Clinical Commissioning Groups for 2017/18 require all Clinical Commissioning Groups to aim for an in year breakeven position, with expectations being set for the minimum level of improvement for Clinical Commissioning Groups who were in deficit in 2016/17. The control total expected to be delivered by Somerset Clinical Commissioning Group in 2017/18 is a deficit of £1,748,000,
- 3.100 As outlined in section 2 of this report, the Clinical Commissioning Group has submitted a revised financial plan under the Capped Expenditure Process, demonstrating delivery of its financial control total for 2017/18. These financial plans identified significant further savings to be delivered across the STP system partners. Table 23 below identifies the progress of these savings plans using a RAG rating system. Schemes identified with a green RAG rating are fully anticipated to be delivered in year and budgets have already been adjusted accordingly. A breakdown of the Capped Expenditure Process is shown below.

Table 23: 2017/18 Surplus / (Deficit)

	£'000
CCG interim plan (deficit)/surplus	(17,224)
Schemes identified to reduce deficit (adjusted through budgets)	2,624
Capped Expenditure Process savings plan – green rated schemes (adjusted through budgets)	3,000
Capped Expenditure Process savings plan – red and amber rated schemes (to be approved)	9,852
Revised Plan	(1,748)
Control Total	(1,748)

- 3.101 Table 24 below demonstrates the cumulative deficit position of the Clinical Commissioning Group in 2017/18 and 2018/19 assuming that cost commitments are reduced in line with the Capped Expenditure Process savings delivery plan. If the Clinical Commissioning Group is successful in its ambition to deliver a balanced in year position then the cumulative deficit position carried forward from 2017/18 will remain at the 2016/17 value of £3,016,000.

Table 24: Movement on Historic Underspend / (Deficit)

Movement on Historic Underspend / (Deficit)	2017/18 £'000	2018/19 £'000
Forecast surplus/(deficit) brought forward	(3,016)	(4,764)
Control Total	(1,748)	4,734
Balance Carried Forward	(4,764)	(30)

- 3.102 The Government's mandate to NHS England includes a requirement to achieve year on year improvements to NHS efficiency and productivity in order to achieve financial balance by 2020/21. The expectation is therefore that Somerset Clinical Commissioning Group's historic deficit will be brought back into balance by 2020/21 at the latest.
- 3.103 Table 24 above demonstrates that, assuming any in year financial challenges are resolved in both 2017/18 and 2018/19, the Clinical Commissioning Group will be close to achieving this by 2019/20.

Contingency

- 3.104 'Everyone Counts: Planning for Patients 2014/15 to 2018/19' outlined the national requirement for Clinical Commissioning Group's to hold a contingency of at least 0.5% to mitigate risks within the local health community. This has been confirmed by NHS England as a required business rule for 2017/18. Table 25 shows the funding that has been set aside as a contingency to manage in year pressures.

Table 25: Contingency Requirement

	2017/18 Initial Budget £'000
Contingency	3,612

- 3.105 These contingency funds have already been partially committed to enable the Clinical Commissioning Group to agree contract values with providers for 2017/18 and 2018/19. These commitments are detailed in Table 26 below.

Table 26: Contingency Commitments

	2017/18 £'000	2018/19 £'000
Opening Balance	3,612	3,673
Committed to agree contracts:		
Dorset County Hospital NHS Foundation Trust	(89)	(89)
South Western Ambulance Service NHS Trust	(286)	(564)
Weston Area Health NHS Trust	(245)	(245)
Yeovil District Hospital NHS Foundation Trust	(866)	(866)
Balance of Contingency Funds	2,126	1,909

Non Recurring Requirement for Clinical Commissioning Groups

- 3.106 As confirmed by NHS England within the Business Rules requirement, in 2017/18 Clinical Commissioning Groups are required to set aside 1.0% of funding for non-recurrent expenditure. Further guidance for 2017/18 requires that only 50% of this funding should remain uncommitted at the start of the year, with the other 50% being available for immediate investment.
- 3.107 Table 27 below details the Headroom fund and schemes funded from the 50% released for investment.

Table 27: Headroom Fund

	2017/18 £'000	Forecast Outturn £'000	Forecast Year End (under)/ overspend £'000
50% uncommitted balance held	3,552	3,552	0
Use of 50% Headroom:			
Primary Care Collaboration Fund and Complex Care Pilots	1,325	1,325	0
Delayed Transfers of Care Developments	680	680	0
Primary Care Improvement Scheme	1,297	1,297	0
Prescribing Incentive Scheme	250	250	0
Total	7,104	7,104	0

- 3.108 NHS England has requested business cases to be submitted to enable the regulator to approve schemes proposed for commitment from the 50% headroom released for investment. Each scheme needs to deliver a

greater level of savings than investment in year as a gateway for approval.

Commissioning for Quality and Innovation (CQUIN)

- 3.109 The current CQUIN scheme enables providers to earn up to 2.5% of annual contract value if they deliver objectives set out in the scheme. For 2017/18 the full 2.5% will continue to be available to providers but changes have been made to the scheme. Continuing with existing arrangements, 1.5% of the 2.5% will be linked to delivery of nationally identified indicators. The remaining 1% will be assigned to support providers locally, with 0.5% available subject to provider engagement and commitment to the STP process. The remaining 0.5% will be held within a system risk reserve. This risk reserve can only be released for investment when it is demonstrated that the provider is delivering its control total for 2017/18. This risk reserve is managed by NHS Improvement.
- 3.110 CQUIN funding for 2017/18 has been fully allocated to the contract values reflected within this plan.

QIPP

- 3.111 The Clinical Commissioning Group has also developed its own efficiency programme which focuses on:
- the full year effect of 2016/17 schemes
 - new 2017/18 schemes including flat cash assumptions on all contracts
- 3.112 Table 28 below shows the anticipated efficiency savings from these programmes. The level of savings now includes schemes identified through the Capped Expenditure Process (CEP) and Gross Savings total £45,558,000 (6.3%). The majority of these savings have been allocated to contracts, with the exception of CEP savings that remain to be ratified by all partners (red and amber RAG rated). All schemes will be monitored as part of the risk reserve reporting once this has been developed. Areas where projected savings are not achieving planned levels will be reported through variations within the finance report or highlighted in the risks section with appropriate mitigations.

Table 28: Level of QIPP Savings

	Gross £'000s	Investment £'000s	Net £'000s
Urgent and Emergency Care	3,367	(770)	2,597
Elective Care	10,937	(88)	10,849
Community	2,837	0	2,837
Person Centred Care	2,706	(340)	2,366
Continuing Healthcare	5,520	(1,368)	4,152
GP Prescribing	4,985	(250)	4,735
Other QIPP	15,206	(6,627)	8,579
Total QIPP	45,558	(9,443)	36,115

Risks and Mitigations**Risk**

- 3.113 In addition to the cost commitments detailed within the financial plan the Clinical Commissioning Group has significant risks which are detailed in Table 29 below. Risk values have been probability rated to provide an adjusted potential risk value for the plan submission and routine monthly reporting to NHS England.

Table 29: Risks

Risks	2017/18 Risk Value £'000
Yeovil District Hospital contract	1,400
Somerset Partnership risk share services over performance	400
Continuing Healthcare growth	700
Learning Disabilities growth	400
GP Prescribing growth	1,500
Mental Health Non Contractual Activity/Children's Complex Care	1,500
Specialised Commissioning – Identification Rules Transfer	500
Non contractual activity growth	1,200
Market rent cost increases	500
RTT target delivery	800
Investments approved by STP	191
Total Risks	9,091

Yeovil District Hospital NHS Foundation Trust Contract

- 3.114 The Clinical Commissioning Group has included a risk for Yeovil District Hospitals NHS Foundation Trust of £1,400,000 which represents an adjustment added to the Clinical Commissioning Group's original £79.6m contract value proposed, as part of the risk share, to set a contract envelope of £81m.

Out of County Contract Agreements

3.115 Overperformance in relation to out of County NHS contracts is now reported against the individual providers within the NHS contracts section of this report (Table 11).

Somerset Partnership NHS Foundation Trust Contract

3.116 In the process of agreeing the risk share arrangement between the Somerset partners it was agreed that overperformance against a number of services provided by Somerset Partnership NHS Foundation Trust would be included within the risk share pool. It has been indicated by the Trust that there could be a potential cost pressure of £400,000 against these services and therefore a risk has been included to reflect this.

Activity Growth

3.117 The Clinical Commissioning Group has included risks for Continuing Health Care growth (£700,000), GP Prescribing growth (£1,500,000), Learning Disabilities pooled budget growth (£400,000), non-contractual activity growth (£1,200,000) and wheelchair activity growth (£300,000) to recognise that growth levels could exceed those included within the financial plan. An £800,000 risk has been identified in respect of a potential overspend with independent sector providers.

Mental Health Non Contractual Activity and Children's Complex Care

3.118 A risk has been included in respect of:

- Mental Health patient activity where other commissioners place patients with private sector providers in Somerset and transfer commissioning responsibility
- Clinical Commissioning Group funding contributions towards complex care packages for children. Contributions to be made by the Clinical Commissioning Group and sources of funds are currently under discussion with Somerset County Council

Specialist Commissioning – Identification Rules Transfer

3.119 The Clinical Commissioning Group has included a risk of £500,000 in relation to the Identification Rules transfer from Specialist Commissioning, particularly given concerns regarding use of a 2014/15 activity baseline for this transfer exercise.

Market Rent

3.120 The Clinical Commissioning Group has included a risk in relation to the change in NHS Property Services charging regime to market rent. NHS England had indicated that for financial planning purposes it should be assumed that additional allocations would be made available to Clinical Commissioning Groups to fund this increase, however recent resource

allocation guidance suggests that a significant proportion of the funding for this cost increase was already included within Clinical Commissioning Group baseline allocations. The Clinical Commissioning Group has written to NHS England to challenge this additional charge.

Investment Approvals

- 3.121 A number of investment schemes have been approved via the Somerset Sustainability and Transformation Programme and the cost of these schemes are reported as a risk. These schemes have been approved on the understanding that they will deliver savings in excess of the investment required.

Mitigation Strategy

- 3.121 A mitigation strategy is currently being developed by the Clinical Commissioning Group as detailed in Table 30 below.

Table 30: Mitigations

Mitigations	2017/18 Full Mitigation Value £'000
Demand Management through delivery of Clinical Commissioning QIPP	7,091
Local integration discussions	1,500
Specialist Commissioning Transfer neutrality	500
Total Mitigations	9,091

Demand Management (QIPP)

- 3.122 The Clinical Commissioning Group is assuming that full delivery of the efficiency programme detailed in Table 28 will deliver contract performance within contract envelopes.

Local Integration Discussions

- 3.123 The Clinical Commissioning Group is in discussions with Somerset County Council about a number of financial issues including the Better Care Fund and is assuming that this will mitigate the associated financial risks.

Specialised Commissioning – Identification Rules Transfer

3.124 The Clinical Commissioning Group is assuming the Identification Rules transfer from Specialist Commissioning remains costs neutral. Discussions are ongoing with Specialist Commissioning colleagues.

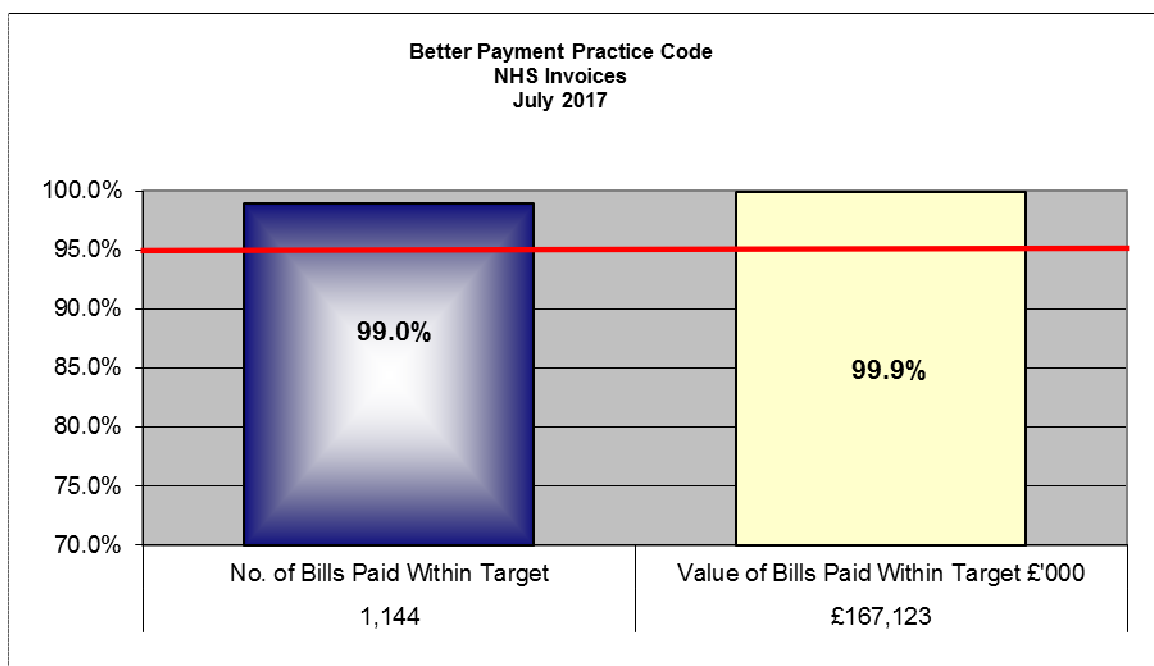
3.125 Table 31 below summarises the current financial challenge.

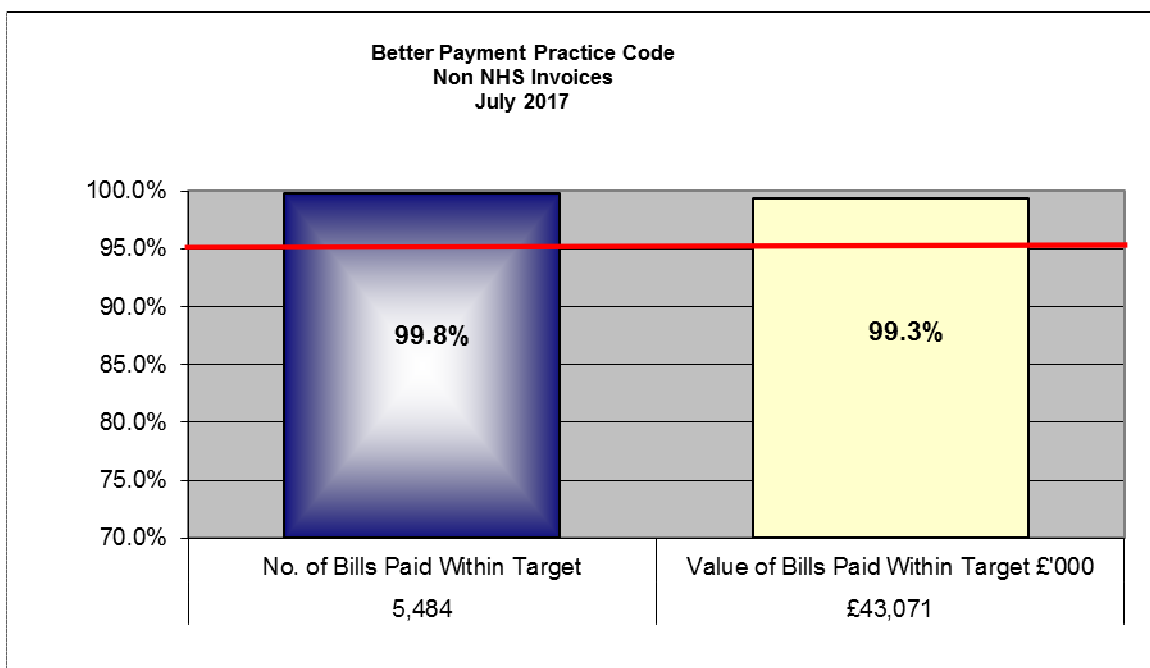
Table 31: Current Financial Challenge Summary

Financial Challenge Summary	Total £'m
Capped Expenditure Process savings plan (amber and red RAG rated)	9.85
Further potential Risks not yet materialised	9.09
Total financial challenge including risks	18.94
Capped Expenditure Process full delivery	(9.85)
Further potential mitigations not yet realised	(9.09)
Total mitigations	(18.94)

Better Payment Practice Code

3.126 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 2017/18 to ensure compliance.





Run Rate

- 3.127 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. A reconciliation is provided as to the difference between the run rate calculated forecast outturn and the reported forecast outturn.

Table 32: Run Rate

	Year end (under) / overspend £'000
Year to Date Run Rate	11,600
Financial Gap	(9,852)
Total	1,748

SUMMARY

- 3.128 Working with the wider Somerset health and care system the Clinical Commissioning Group has developed a revised Two Year Operating Plan for 2017/18 and 2018/19 which focuses on the priorities to deliver a long term, financially sustainable health system and this financial framework sets out plans for the development of health services in Somerset during this period. However, at this stage plans to deliver the control total have still to be approved by NHS England, and there remain a number of material risks to the financial position.

3.129 This has far reaching implications for the Clinical Commissioning Group and wider Somerset system in terms of assurance by NHS England and embarking on a period of financial recovery back to recurrent balance and delivery of a surplus in a period of low growth.

Table 33: Forecast Year End Position against Programmes

	Forecast Year End (under) / overspend £'000
Secondary Care Commissioning	2,151
Better Care Fund	0
Prescribing	0
Primary Care Programmes	0
Running Costs	(25)
Managed Programmes - control total	1,748
Managed Programmes – balance of contingency fund	(2,126)
Managed Programmes – Capped Expenditure Process savings plan	9,852
Year End Outturn Position	11,600
Capped Expenditure Process full savings delivery	(9,852)
Forecast Year End Outturn Position after delivery of additional savings	1,748

Statement of Financial Position

3.130 Table 34 details the statement of financial position for the Somerset Clinical Commissioning Group as at 31 July 2017.

Table 34: Statement of Financial Position of the Clinical Commissioning Group as at 31 July 2017

	Opening Balance 1 April 2017 £'000	Closing Balance 31 July 2017 £'000	Movement £'000
Non-Current Assets:			
Premises, Plant, Fixtures and Fittings	0	0	0
IM&T	370	356	(14)
Intangible Assets	13	12	(1)
Long-term receivables	0	0	0
Total Non-Current Assets	383	368	(15)
Current Assets:			
Inventories	2	2	0
Trade and other receivables	7,684	6,935	(749)
Cash and cash equivalents	49	4,679	4,630
Total Current Assets	7,735	11,616	3,881
Total Assets	8,118	11,984	3,866
Current Liabilities:			
Trade and other payables	(37,178)	(42,854)	(5,676)
Other liabilities	0	0	0
Provisions	(779)	(779)	0
Borrowings	0	0	0
Total Current Liabilities	(37,957)	(43,633)	(5,676)
Non-Current Liabilities:			
Long term Liabilities	0	0	0
Provisions	0	0	0
Borrowings	0	0	0
Total Non-Current Liabilities	0	0	0
Total Liabilities	(37,957)	(43,633)	(5,676)
Assets less Liabilities (Total Assets Employed)	(29,839)	(31,649)	(1,810)
FINANCED BY:			
TAX PAYERS' EQUITY			
General fund	(29,839)	(31,649)	(1,810)
Generated (Surplus)/Deficit Reserve	0	0	0
Revaluation reserve	0	0	0
Other reserves	0	0	0
Total Taxpayers' Equity	(29,839)	(31,649)	(1,810)

Cash

- 3.131 The Clinical Commissioning Group has received its initial cash allocation for 2017/18 to deal with the Clinical Commissioning Group's forecast year end position and will be updated with any additional allocation throughout the year.

Capital

- 3.132 In addition to revenue funding, the Clinical Commissioning Group has requested capital funding of £35,000 to support capital corporate IT infrastructure.

APPENDIX 1

SERVICE LEVEL AGREEMENT/CONTRACT VALUES BY PROVIDER

Secondary Care Commissioning	Annual Budget	Year to Date Budget	Year to Date Expenditure	Variance
	£'000	£'000	£'000	£'000
Foundation Trusts				
Dorset County Hospital NHS Foundation Trust	2,223	741	775	34
Royal Brompton and Harefield NHS Foundation Trust	192	64	65	0
Royal Devon and Exeter NHS Foundation Trust	4,128	1,356	1,631	275
Royal United Hospital Bath NHS Foundation Trust	29,431	9,581	9,900	319
Salisbury NHS Foundation Trust	555	185	185	0
Somerset Partnership NHS Foundation Trust	130,649	43,550	43,550	0
South Western Ambulance Service NHS Trust	20,797	6,932	6,932	0
Taunton and Somerset NHS Foundation Trust	190,203	62,278	62,215	1,937
University Hospitals Bristol NHS Foundation Trust	7,416	2,452	2,608	156
Yeovil District Hospital NHS Foundation Trust	79,600	27,108	27,040	(68)
Sub total	465,194	154,247	156,900	2,653
Other NHS Trusts				
North Bristol NHS Trust	6,819	2,284	2,443	159
Northern Devon Healthcare NHS Trust	479	160	152	(8)
Weston Area Health NHS Trust	15,060	5,086	4,818	(268)
Sub total	22,358	7,530	7,413	(117)
Total NHS Service Level Agreements	487,552	161,777	164,313	2,536

APPENDIX 2

CONTRACT VALUES FOR SERVICES FROM THE INDEPENDENT AND PRIVATE SECTOR

Scheme/Provider	Annual Budget	Year to Date Budget	Year to Date Expenditure	Year to Date (under) /overspend
	£'000	£'000	£'000	£'000
British Pregnancy Advisory Service	57	19	19	0
British Red Cross	225	75	75	0
Continuing Care	35,125	11,708	11,708	0
COPD Contract	663	221	221	0
Cruse Bereavement	25	8	8	0
Dermatology Services	3,000	1,000	1,000	0
Dorothy House Hospice	297	99	99	0
Exceptional Treatments	337	112	112	0
Marie Stopes	204	68	68	0
NHS Funded Nursing Care	14,770	4,923	4,923	0
Non Contractual Activity	7,878	2,626	2,859	233
OASIS	962	321	321	0
Odstock Medical Limited	30	10	10	0
Other Commissioning	7,748	2,583	1,702	(881)
Palliative Care Funding	374	125	125	0
Partnership Working – Pooled Budgets	19,815	6,605	6,577	(28)
Partnership Working – Other	3,692	1,231	1,231	0
Patient Transport Services	797	266	266	0
Shepton Mallet Health Partnership	15,621	5,207	5,207	0
Sirona Care and Health	57	19	19	0
Spells in Private Sector	6,473	2,158	1,844	(314)
St Margarets Hospice	2,314	771	771	0
Virgin Care	362	121	121	0
Voluntary Car Services	858	286	286	0
Weston Hospice	135	45	45	0
Wheelchair Services	1,870	623	1,061	438
TOTAL	121,813	40,604	39,679	(926)

PRESCRIBING EXPENDITURE

1 APRIL – 31 JULY 2017

	Annual Budget £'000	Year to Date Budget £'000	Year to Date Expenditure £'000	Variance £'000
GP Prescribing	76,741	25,581	25,756	175
Other Prescribing	3,198	1,066	1,003	(63)
Total	79,939	26,647	26,759	112

HEADQUARTERS AND CENTRAL PROGRAMMES

Running Cost Programmes	Whole Time Equivalent Establishment	Whole Time Equivalent Actual	Annual Budget £'000	Year to Date Budget £'000	Year to Date Expenditure £'000	Year to Date (under)/overspend £'000
Governing Body	3.7	3.7	650	217	217	0
Senior Leadership Team	4.7	4.4	725	242	242	0
Executive Office	3.0	3.0	130	43	43	0
Directorate of Finance and Performance	30.3	26.2	1,765	583	579	(4)
Directorate of Commissioning Reform and Governance	40.1	34.5	3,031	985	979	(6)
Directorate of Quality, Safety and Engagement	50.4	46.7	2,072	690	682	(8)
STP	1.8	1.0	200	67	77	10
CSU Costs	-	-	2,259	753	753	0
Total Running Cost Programme	134.0	116.5	10,832	3,580	3,572	(8)

Appendix 5

Cashflow Statement	April £'000 Actual	May £'000 Actual	June £'000 Actual	July £'000 Actual	August £'000 Forecast	Sept £'000 Forecast	Oct £'000 Forecast	Nov £'000 Forecast	Dec £'000 Forecast	Jan £'000 Forecast	Feb £'000 Forecast	March £'000 Forecast	Total £,000
Opening Balance	49	3,436	4,678	143	944	796	743	712	706	715	708	708	48
Receipts:													
NHS Receipts	1,230	214	852	182	630	100	100	208	69	156	349	288	4,378
Department of Health – Cash Limit	60,546	60,518	60,562	69,868	60,894	62,190	59,968	59,776	60,209	59,871	59,458	61,260	725,120
Other	434	778	985	151	351	176	251	175	231	710	258	521	5,021
Total Receipts	62,210	61,510	52,399	70,201	61,875	62,466	60,319	60,159	60,509	60,737	60,065	62,069	734,519
Payments Local:													
NHS Payments	41,608	41,191	41,507	43,398	43,162	42,983	41,295	41,095	41,295	41,295	41,095	43,795	503,719
Non NHS Payments	9,713	10,765	7,664	17,668	10,516	11,557	10,803	10,738	10,784	10,923	10,638	10,821	132,590
Salaries & Wages, Tax, NI & Pensions	674	682	706	723	724	724	724	724	724	724	724	724	8,577
GP Payments (Exeter System) & Other	1,502	1,469	1,418	1,489	1,457	1,521	1,541	1,665	1,869	1,719	1,562	1,562	18,774
National:													
Prescription Pricing Authority	5,326	6,161	5,639	6,122	6,164	5,734	5,987	5,943	5,828	6,083	6,046	5,826	70,859
CHC Risk Pool Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Payments	58,823	60,268	56,934	69,400	62,023	62,519	60,350	60,165	60,500	60,744	60,065	62,728	734,519
Closing Balance	3,436	4,678	143	944	796	743	712	706	715	708	708	49	48

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.