

Report to the NHS Somerset Integrated Care Board on 29 September 2022

Title: NHS Somerset Finance Report – Month 5	Enclosure E
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Version Number / Status:	1
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Summary and Purpose of Paper –

The enclosed paper provides an update summarising the NHS Somerset Integrated Care System financial position for the 2022/23 financial year as at 31 August 2022.

This report sets out the overall financial position for the NHS Somerset Integrated Care System as at 31 August 2022 and provides an analysis of financial performance across the following areas:

- Summary of NHS Somerset Financial Position
- Summary of Organisational Financial Positions
- NHS Somerset Capital
- NHS Somerset Risk and Mitigations
- NHS Somerset Agency Spend

Recommendations and next steps

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

Impact Assessments – key issues identified

Equality	Financial decisions are made with due regard to eliminate discrimination, harassment and victimisation, to advance equality of opportunity and to foster good relations between people who share a relevant protected characteristic (as cited in under the Equality Act 2010) and those who do not share in it.
Quality	Financial decisions are made to deliver with regard to the best possible value for service users.
Safeguarding	No issues identified
Privacy	No issues identified
Engagement	No issues identified
Financial / Resource	NHS Somerset Integrated Care Board has a confirmed revenue budget of £857,642,000 for the 9 months from 01 July 2022/23 financial year as at 31 August 2022.

Governance or Legal	The financial report details any constitutional standards required to be met by the NHS Somerset Integrated Care Board			
Sustainability	No issues identified			
Risk Description	NHS Somerset Integrated Care Board must ensure it delivers the planned financial target.			
Risk Rating	Consequence	Likelihood	RAG Rating	GBAF Ref
	4	3	12	202

NHS Somerset - Financial Headlines

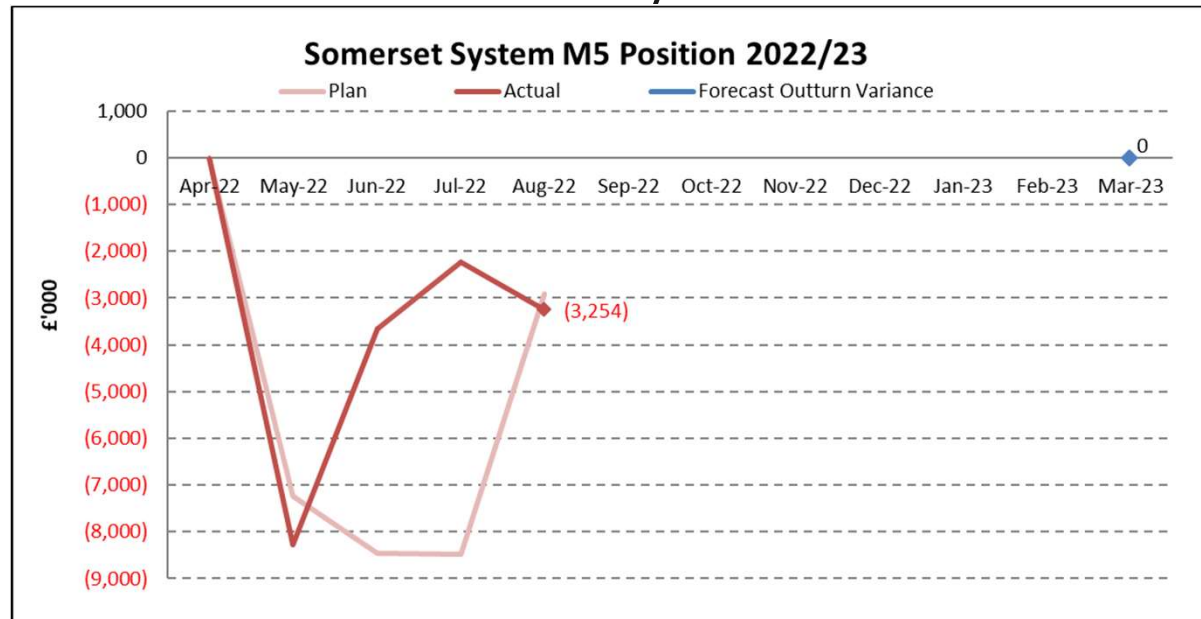
Month 5 2022/23

NHS Somerset is forecasting to achieve a balanced outturn position for the 2022/23 financial year.

As at month 5, NHS Somerset has an adverse year to date position of £0.3m. This predominantly relates to the current pressure forecasted against SHS within YDH FT.

The in month ICB position is as a result of a regional directive to reverse the full CCG balance into the position at M5.

As at month 5, NHS Somerset has claimed a further £4.4m in additional Covid-19 funding, relating to vaccination programme (£2.2m) and testing (£2.2m).



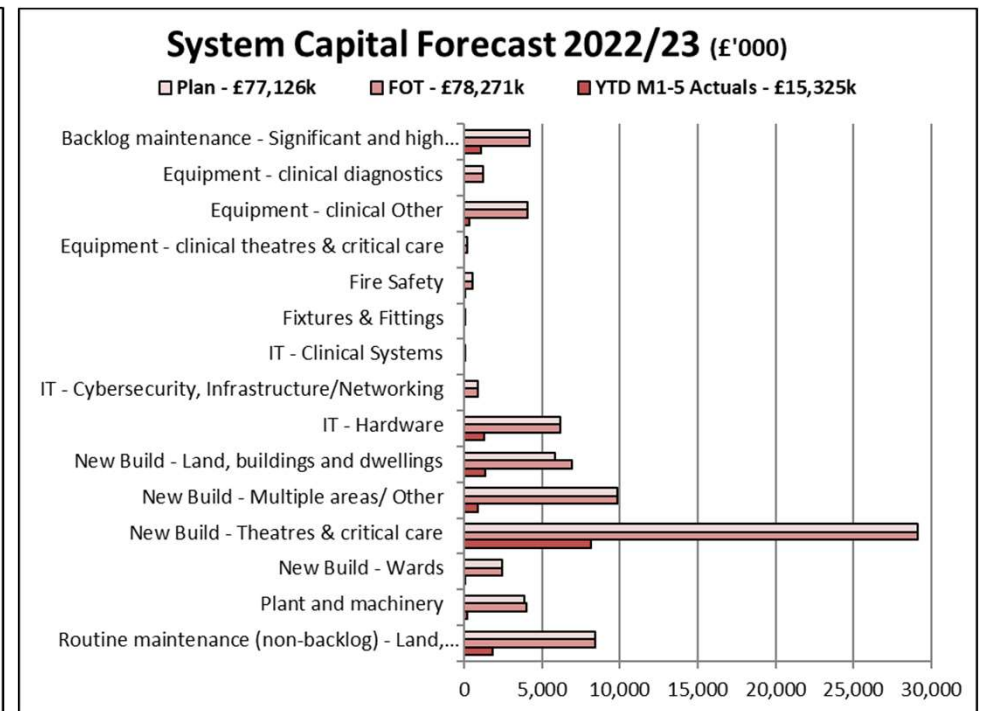
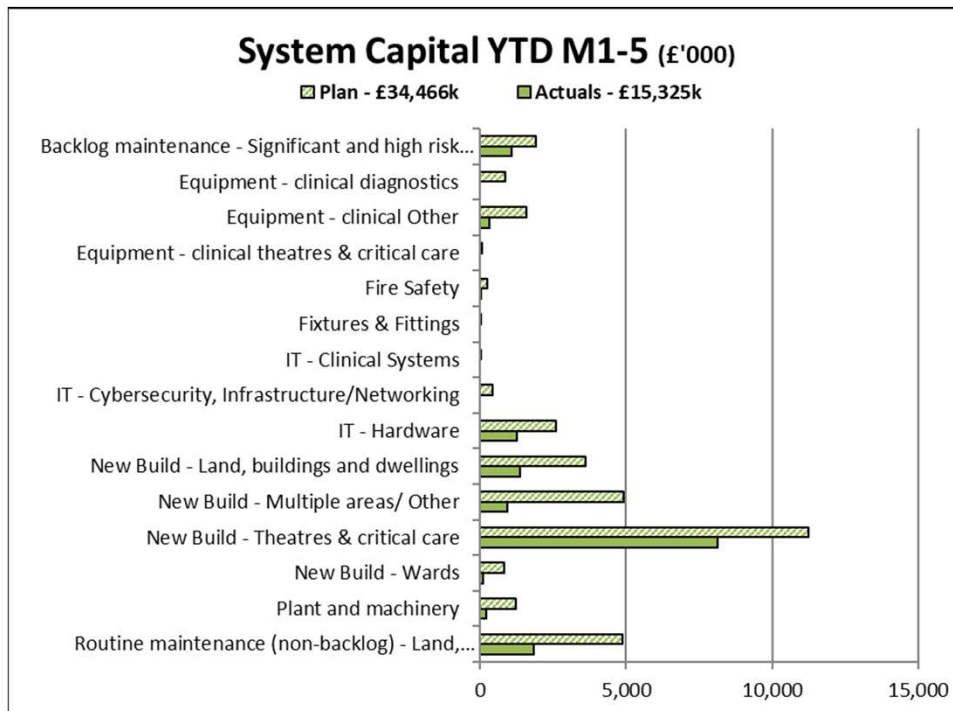
Performance against organisation-specific and system control totals									
£000's	Month 5			Month 1-5 YTD			Forecast Outturn		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
ICB	6,374	0	(6,374)	0	0	0	0	0	0
Somerset FT	(775)	(892)	(117)	(2,797)	(2,930)	(133)	0	0	0
YDH FT	(46)	(126)	(80)	(121)	(324)	(203)	0	0	0
System	5,553	(1,018)	(6,571)	(2,918)	(3,254)	(336)	0	0	0

Organisational View M1-5

	Year to Date (M1-M5)				Forecast Outturn			
	Plan £m	Actual £m	Variance £m	Variance %	Plan £m	Forecast £m	Variance £m	Variance %
M4-12 Somerset ICB								
System Revenue Resource Limit	(196.2)				(857.6)			
Total Net Expenditure	189.0	196.2	(7.2)	(3.8%)	850.5	857.6	(7.2)	(0.8%)
TOTAL Somerset ICB Surplus/(Deficit)	7.2	0.0	(7.2)	(3.7%)	7.2	0.0	(7.2)	(0.8%)
Somerset FT								
Income	(264.3)	(276.8)	12.5	4.7%	(634.4)	(660.1)	25.7	4.0%
Pay	184.0	184.2	(0.2)	0.1%	435.9	431.8	4.1	(0.9%)
Non-Pay	79.2	92.7	(13.5)	17.0%	189.2	220.4	(31.2)	16.5%
Non Operating Items (exc gains on disposal)	3.9	2.8	1.0	(26.5%)	9.3	7.9	1.4	(15.4%)
TOTAL Somerset FT Surplus/(Deficit)	(2.8)	(2.9)	(0.1)	(0.1%)	0.0	(0.0)	(0.0)	(0.0%)
Yeovil District Hospital FT								
Income	(100.0)	(101.5)	1.5	1.5%	(240.4)	(243.7)	3.3	1.4%
Pay	65.8	66.8	(1.0)	1.5%	158.1	159.9	(1.8)	1.1%
Non-Pay	32.8	33.6	(0.8)	2.3%	78.7	80.4	(1.6)	2.1%
Non Operating Items (exc gains on disposal)	1.4	1.4	0.0	(1.1%)	3.5	3.4	0.1	(3.0%)
TOTAL YDH FT Surplus/(Deficit)	(0.1)	(0.3)	(0.2)	(0.2%)	0.0	(0.0)	(0.0)	(0.0%)
TOTAL Provider Surplus/(Deficit)	(2.9)	(3.3)	(0.3)	(11.5%)	0.0	(0.0)	(0.0)	187.7%
M1-3 Somerset CCG								
Revenue Resource Limit	(275.1)				(275.1)			
Total Net Expenditure	282.3	275.1	7.2	2.5%	282.3	275.1	7.2	2.5%
M1-3 Somerset CCG Surplus/(Deficit)	(7.2)	0.0	7.2	(2.6%)	(7.2)	0.0	7.2	(2.6%)
TOTAL NHS Somerset Surplus/(Deficit)	(2.9)	(3.3)	(0.3)	0.1%	0.0	0.0	0.0	0.0%

NHS Somerset - Capital Summary

Month 5 2022/23



Please note that this does not reflect the funding for Somerset FT Mental Health urgent and emergency care capital scheme.

The ICB is forecasting a breakeven position against allocated resource for 2022/23.

The favourable £7.2m position delivered at the end of the CCG at month 3 was carried forward into the Somerset ICB by an allocation adjustment.

At month 5, the ICB is forecasted to overspend against the original M4-12 plan by £7.2m - fully utilising the carried forward allocation from the CCG.

	Year to Date (M1-M5)				Forecast Outturn			
	Plan £m	Actual £m	Variance £m	Variance %	Plan £m	Forecast £m	Variance £m	Variance %
M4-12 Somerset ICB								
System Revenue Resource Limit	(196.2)				(857.6)			
Acute Services	102.3	102.3	0.0	0.0%	460.3	460.3	0.0	0.0%
Mental Health Services	16.5	16.5	0.0	0.0%	74.1	74.1	0.0	0.0%
Community Health Services	19.1	19.0	0.1	0.5%	85.8	85.4	0.4	0.5%
Continuing Care Services	9.2	9.0	0.2	2.4%	41.4	40.4	1.0	2.4%
Primary Care Services	19.8	19.8	0.0	0.1%	89.0	88.9	0.1	0.1%
Other Commissioned Services	8.5	8.9	(0.5)	(5.5%)	38.2	40.3	(2.1)	(5.5%)
Other Programme Services	0.3	0.3	0.0	0.0%	1.3	1.3	0.0	0.0%
Reserves / Contingencies	(4.2)	0.9	(5.1)	121.1%	(19.0)	(14.3)	(4.7)	24.7%
Delegated Primary Care Commissioning	15.9	17.8	(1.9)	(12.0%)	71.5	73.4	(1.9)	(2.7%)
ICB Running Costs	1.7	1.8	(0.0)	(1.3%)	7.9	7.9	(0.0)	(0.3%)
Total Net Expenditure	189.0	196.2	(7.2)	(3.8%)	850.5	857.6	(7.2)	(0.8%)
Covid reimbursement		0.0				0.0		
TOTAL Somerset ICB Surplus/(Deficit)	7.2	0.0	(7.2)	(3.7%)	7.2	0.0	(7.2)	(0.8%)
M1-3 Somerset CCG								
Revenue Resource Limit	(275.1)				(275.1)			
Total Net Expenditure	282.3	275.1	7.2	2.5%	282.3	275.1	7.2	2.5%
M1-3 Somerset CCG Surplus/(Deficit)	(7.2)	0.0	7.2	(2.6%)	(7.2)	0.0	7.2	(2.6%)
TOTAL Somerset ICB / CCG Surplus/(Deficit)	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%

YDH FT Finances

YDH FT is forecasting a breakeven position against allocated resource for 2022/23.

At month 5, YDH FT is forecasting a year to date pressure of £0.2m relating to SHS.

YDH FT has claimed a further £0.9m in additional Covid-19 funding, relating to testing to date.

	Year to Date (M1-M5)				Forecast Outturn			
	Plan £m	Actual £m	Variance £m	Variance %	Plan £m	Forecast £m	Variance £m	Variance %
Yeovil District Hospital FT								
Patient Care Income from ICBs & NHSE	79.5	79.1	(0.4)	(0.5%)	191.4	190.4	(1.1)	(0.6%)
Other Patient Care	11.4	12.4	1.0	8.8%	27.8	29.7	1.9	6.8%
Other Operating Income	8.5	9.0	0.5	5.9%	20.8	21.9	1.1	5.3%
Total Income excluding reimbursements	99.4	100.5	1.1	1.1%	239.9	242.0	2.0	0.8%
Covid reimbursement	0.4	0.9	0.5	0.6%	0.5	1.7	1.3	0.7%
Total Income including reimbursements	100.0	101.5	1.5	1.5%	240.4	243.7	3.3	1.4%
Agency	(2.8)	(5.6)	(2.8)	101.2%	(6.4)	(12.2)	(5.8)	90.8%
Pay excluding Agency	(63.0)	(61.2)	1.8	(2.9%)	(151.7)	(147.7)	4.0	(2.7%)
Total Pay	(65.8)	(66.8)	(1.0)	1.5%	(158.1)	(159.9)	(1.8)	1.1%
Non Pay	(32.8)	(33.6)	(0.8)	2.4%	(78.7)	(80.4)	(1.7)	2.2%
Other non operating items	(1.4)	(1.4)	0.0	(1.1%)	(3.5)	(3.4)	0.1	(3.0%)
Total Net Expenditure	(100.0)	(101.8)	(1.8)	1.8%	(240.4)	(243.7)	(3.3)	1.4%
Adjusted Financial Performance Surplus/(Deficit)	(0.1)	(0.3)	(0.2)	(0.2%)	0.0	(0.0)	(0.0)	(0.0%)
System Performance Adjustments	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%
System Performance Measure Surplus/(Deficit)	(0.1)	(0.3)	(0.2)	(0.2%)	0.0	(0.0)	(0.0)	(0.0%)

Somerset FT Finances

Somerset FT is forecasting a breakeven position against allocated resource for 2022/23.

Year to date costs for the usage of unplanned escalation beds totals £2.9m.

As at month 5, SFT has claimed a further £3.5m in additional Covid-19 funding, relating to vaccination programme (£2.2m) and testing (£1.3m).

	Year to Date (M1-M5)				Forecast Outturn			
	Plan £m	Actual £m	Variance £m	Variance %	Plan £m	Forecast £m	Variance £m	Variance %
Somerset FT								
Patient Care Income from ICBs & NHSE	241.0	242.9	1.9	0.8%	578.2	587.2	9.0	1.6%
Other Patient Care	9.5	7.4	(2.1)	(22.1%)	22.7	17.8	(4.9)	(21.6%)
Other Operating Income	14.3	23.1	8.8	61.5%	34.7	51.2	16.5	47.6%
Total Income excluding reimbursements	264.8	273.4	8.6	3.2%	635.6	656.2	20.6	3.2%
Covid reimbursement	0.0	3.5	3.5	1.5%	0.0	4.1	4.1	0.7%
Total Income including reimbursements	264.8	276.9	12.1	4.6%	635.6	660.2	24.6	3.9%
Agency	(5.1)	(10.2)	(5.1)	100.0%	(16.4)	(22.6)	(6.2)	37.8%
Pay excluding Agency	(178.9)	(174.0)	4.9	(2.7%)	(419.5)	(409.2)	10.3	(2.5%)
Total Pay	(184.0)	(184.2)	(0.2)	0.1%	(435.9)	(431.8)	4.1	(0.9%)
Non Pay	(79.6)	(93.2)	(13.6)	17.1%	(190.2)	(221.6)	(31.4)	16.5%
Other non operating items	(3.8)	(2.4)	1.4	(36.8%)	(9.3)	(6.5)	2.8	(30.1%)
Total Net Expenditure	(267.4)	(279.8)	(12.4)	4.6%	(635.4)	(659.9)	(24.5)	3.9%
Adjusted Financial Performance Surplus/(Deficit)	(2.6)	(2.9)	(0.3)	(0.1%)	0.2	0.2	(0.0)	(0.0%)
System Performance Adjustments	(0.2)	(0.0)	0.2	0.1%	(0.2)	(0.2)	(0.0)	(0.0%)
System Performance Measure Surplus/(Deficit)	(2.8)	(2.9)	(0.1)	(0.1%)	0.0	(0.0)	(0.0)	(0.0%)

Risks and Mitigations 2022/23

NHS Somerset Risks and Mitigations Schedule - 20th June 2022

	ICB	SOMERSET NHS FT	YDH NHS FT	Total
	£'000	£'000	£'000	£'000
Scenario analysis (Risks)/Mitigations				
(Risks)/(Offsets to benefits):				
System Cost reduction/Productivity Stretch	(5,000)			(5,000)
Winter Pressures	(2,000)			(2,000)
Intermediate Care				
Delivery of Provider CIPs		(3,326)	(1,100)	(4,426)
SHS				
Cost of MIU closures				
Risk to plan delivery of ESRF clawback	(1,000)	0	0	(1,000)
Mitigations/benefits:				
System Contingency	4,840			4,840
System R/NR Solution	2,160	3,326	1,100	6,586
ESRF Benefit				
Slippage on Investments				
MIU Savings				
Unidentified clawback mitigation	1,000	0	0	1,000
Total ICB Risks and Mitigations	0	0	0	0

NHS Somerset Risks and Mitigations Schedule - Aug 2022/2023

ICB	SOMERSET NHS FT	YDH NHS FT	Total	Change
£'000	£'000	£'000	£'000	£'000
(4,000)			(4,000)	1,000
(6,923)			(6,923)	(4,923)
			0	0
	(3,396)	(1,252)	(4,648)	(222)
		(1,000)	(1,000)	(1,000)
			0	0
0	0	0	0	1,000
4,840			4,840	0
6,083	3,396	2,252	11,731	5,145
			0	0
			0	0
			0	0
0	0	0	0	(1,000)
0	0	0	0	0

The table compares the risks and mitigations schedule included within the 20th June planning submission, with a latest draft assessment of risks and mitigations at month 5. The current format does not include any risks or mitigations from the local authority.

The system will undertake further work to understand the impact of the pay award, slippage on investments, the cost/saving of MIU closures, ESRF benefit, and further mitigations for winter.

Agency Spend 2022/23

The system cap has been set at £22,724k, based upon 20th June plan submission. The system spent £31,859k in 2021/22, so the cap represents a 29% reduction

YTD agency spend at month 5 is £15,831k, an overspend of £7,933k against plan.

Current 2022/23 FOT for agency spend is £35,184k, an overspend of £12,460k against plan/agency cap.

2022/23 Agency Spend	Cumulative YTD Total	2022/23
	£000s	£000s
Plan	7,898	22,724
Actual / FOT	15,831	35,184
Variance	7,933	12,460

Reduced by £2,119k from £37,303k at month 4.

2022/23 Agency Spend	M1*	M2*	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Plan	1,880	1,585	1,453	1,466	1,515	1,599	1,794	2,112	2,224	2,433	2,269	2,395	22,724
Actual	3,475	2,941	3,133	3,024	3,258								15,831
Variance	1,595	1,356	1,680	1,558	1,743								7,933

* Month 1 and 2 actual split is based upon Month 2 YTD allocated in line with plan breakdown.