

<b>REPORT TO:</b>	NHS SOMERSET INTEGRATED CARE BOARD	<b>ENCLOSURE:</b>
		F
<b>DATE OF MEETING:</b>	25 January 2024	
<b>REPORT TITLE:</b>	NHS Somerset Finance Report – Month 8 2023/24	
<b>REPORT AUTHOR:</b>	Scott Sealey, Associate Director of Finance	
<b>EXECUTIVE SPONSOR:</b>	Alison Henly, Chief Finance Officer and Director of Performance	
<b>PRESENTED BY:</b>	Alison Henly, Chief Finance Officer and Director of Performance	

PURPOSE	DESCRIPTION	SELECT (Place an 'X' in relevant box(es) below)
<b>Approve</b>	To formally receive a report and approve its recommendations, (authorising body/committee for the final decision)	
<b>Endorse</b>	To support the recommendation (not the authorising body/committee for the final decision)	
<b>Discuss</b>	To discuss, in depth, a report noting its implications	
<b>Note</b>	To note, without the need for discussion	
<b>Assurance</b>	To assure the Board/Committee that systems and processes are in place, or to advise of a gap along with mitigations	X

PREVIOUS CONSIDERATION/ENGAGEMENT
ICB Finance Committee

<b>Executive summary and reason for presentation to Committee/Board</b>	<p>The enclosed paper provides an update summarising the NHS Somerset Integrated Care System financial position for the 2023/24 financial year as 30 November 2023.</p> <p>This report provides an analysis of financial performance across the following areas:</p> <ul style="list-style-type: none"> <li>• Summary of NHS Somerset Financial Position</li> <li>• Summary of Organisational Financial Positions</li> <li>• NHS Somerset System Capital</li> <li>• Summary of Somerset Council Financial Position</li> </ul>
<b>Recommendation and next steps</b>	<p>The Integrated Care Board is asked to note the report for assurance of the NHS Somerset ICS financial position</p>

<b>SELECT</b> (Place an 'X' in relevant box(es) below)	<b>Links to Strategic Objectives</b> (Please select any which are impacted on / relevant to this paper)
	Objective 1: Improve the health and wellbeing of the population
	Objective 2: Reduce inequalities
	Objective 3: Provide the best care and support to children and adults
	Objective 4: Strengthen care and support in local communities
	Objective 5: Respond well to complex needs
	Objective 6: Enable broader social and economic development
X	Objective 7: Enhance productivity and value for money

**Impact Assessments – key issues identified  
(please enter ‘N/A’ where not applicable)**

<b>Reducing Inequalities/Equality &amp; Diversity</b>	Financial decisions are made with due regard to eliminate discrimination, harassment and victimisation, to advance equality of opportunity and to foster good relations between people who share a relevant protected characteristic (as cited in under the Equality Act 2010) and those who do not share in it.
<b>Quality</b>	Financial decisions are made to deliver with regard to the best possible value for service users.
<b>Safeguarding</b>	No issues identified
<b>Financial/Resource/ Value for Money</b>	NHS Somerset Integrated Care Board has a confirmed revenue budget of £1,307,812,000 for the 2023/24 financial year as at 30 November 2023.
<b>Sustainability</b>	No issues identified
<b>Governance/Legal/ Privacy</b>	The financial report details any constitutional standards required to be met by the NHS Somerset Integrated Care Board
<b>Confidentiality</b>	No issues identified
<b>Risk Description</b>	GBAF Reference 584 – RAG Rating 12

**Please keep these front pages to a maximum of three**

## Headline Summary

- Please note the submitted Month 8 position within this report includes the impact from the H2 Financial and Operational Delivery plan and does not consider any costs resulting from Industrial Action in December or January.
- NHS Somerset is forecasting to deliver a balanced outturn position for the 2023/24 financial year.
- The ICS' Capital position is forecasted to be £9.1m over plan due to lease liability remeasurements resulting from RPI increases on long-term lease deals. The system finance group is working with the regional team to resolve this position.
- At month 8, NHS Somerset is in line with plan following the additional Industrial Action allocation received (£5.9m) and the ability to retain a number of ring-fenced programme budgets this financial year, which are offsetting previously identified in-year Commissioner and Provider pressures.
- .At month 8, total system agency spend for 2023/24 is forecasted to exceed our cap by £4.2m, with year to date overspent by £4.4m against plan.
- The system is managing a reduced number of risks, which could materialise: -
  - Winter Acute Escalation
  - Elective Recovery
  - Industrial Action
- Somerset Council are projecting a £18.3m overspend at month 7, which is largely driven by pressures within Adult Social Care and Childrens' Social Care. The Council are not completing financial reporting at month 8.

# NHS Somerset - Financial Headlines

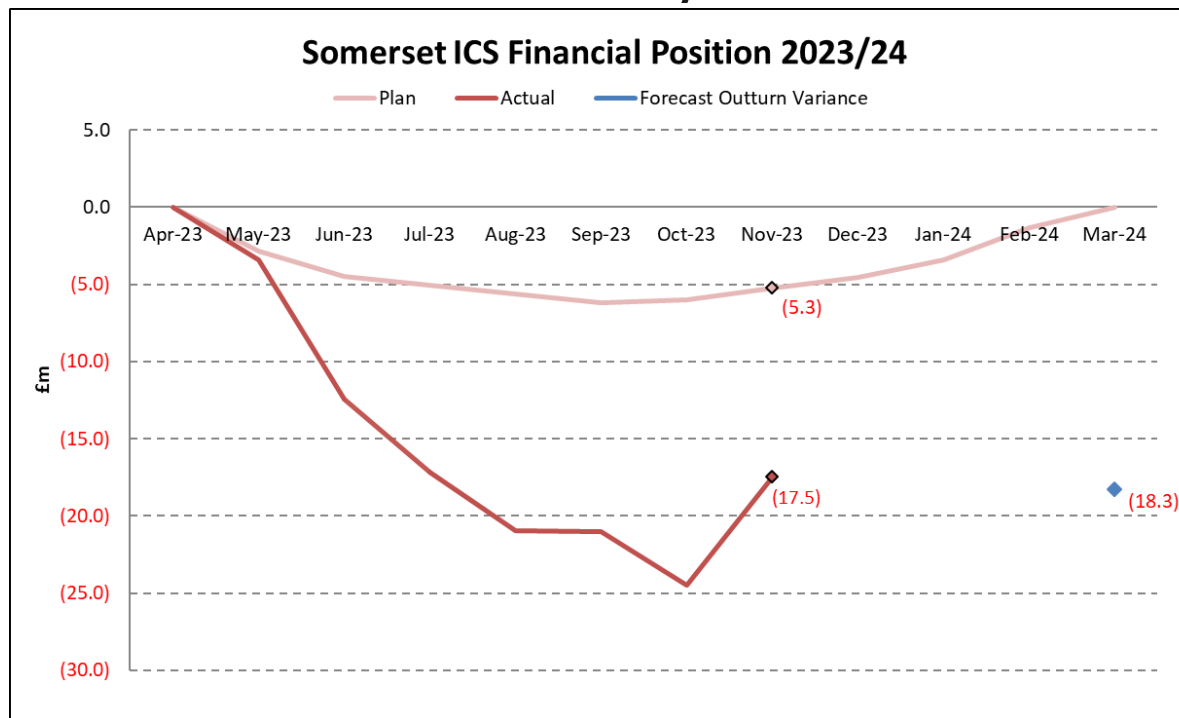
## Month 8 2023/24

NHS Somerset's year to date financial position at month 8 is in line with plan and is forecasting to deliver a balanced outturn position for the 2023/24 financial year.

Following the H2 Financial and Operational Delivery plan NHS Somerset has been able to manage year to date system pressures following the additional IA allocation of £5.9m, forecasted Dental budget underspend released to system bottom line and ERF overperformance.

NHS Somerset is forecasted to overspend its Capital allocation by £9.1m this financial year due to lease liability remeasurements.

Somerset Council are projecting a £18.3m overspend at month 7, largely driven by pressures within Adult Social Care and Childrens' Social Care.



Performance against organisation-specific and system control totals									
£m's	Month 8			Month 1-8 YTD			Forecast Outturn 2023/24		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHS Somerset ICB	0.0	3.2	3.2	0.0	0.0	0.0	0.0	0.0	0.0
Somerset NHS FT	0.7	5.0	4.3	(5.3)	(5.3)	0.0	0.0	0.0	0.0
Somerset Council*	0.0	(1.2)	(1.2)	0.0	(12.2)	(12.2)	0.0	(18.3)	(18.3)
<b>Somerset ICS</b>	<b>0.7</b>	<b>7.0</b>	<b>6.3</b>	<b>(5.3)</b>	<b>(17.5)</b>	<b>(12.2)</b>	<b>0.0</b>	<b>(18.3)</b>	<b>(18.3)</b>

\*Somerset Council M1-8 YTD position is a pro-rata of the forecasted outturn position

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

At month 8, following the H2 Financial and Operational Delivery plan Somerset ICB is now in line with plan year to date.

This position includes the use of the Dental budgets underspend to offset against in-year GP Prescribing and Learning Disabilities pressures.

Financial Position Overview								
Somerset ICB	Year to Date (M1-M8)				Forecast Outturn 2023/24			
	Plan £m	Actual £m	Variance £m	Variance %	Plan £m	Forecast £m	Variance £m	Variance %
<b>System Revenue Resource Limit</b>	<b>(867.9)</b>				<b>(1,307.8)</b>			
Acute Services	444.4	444.6	(0.2)	(0.0%)	666.6	667.2	(0.7)	(0.1%)
Mental Health Services	73.7	74.1	(0.4)	(0.5%)	110.6	111.1	(0.6)	(0.5%)
Community Health Services	78.8	77.7	1.0	1.3%	118.2	116.7	1.5	1.3%
Continuing Care Services	38.1	37.1	1.0	2.6%	57.1	56.6	0.5	0.9%
Primary Care Services	86.6	89.7	(3.2)	(3.7%)	130.3	133.4	(3.1)	(2.4%)
Other Commissioned Services	38.5	39.0	(0.5)	(1.2%)	57.7	58.5	(0.7)	(1.2%)
Other Programme Services	1.4	1.3	0.2	11.1%	2.4	2.1	0.3	12.6%
Reserves / Contingencies	(7.6)	(3.0)	(4.6)	60.6%	(6.5)	(9.0)	2.5	(39.3%)
Delegated Primary Care Commissioning	106.0	99.5	6.5	6.1%	158.7	158.7	0.0	0.0%
ICB Running Costs	8.1	8.0	0.0	0.0%	12.6	12.5	0.2	1.4%
<b>Total Net Expenditure</b>	<b>867.9</b>	<b>867.9</b>	<b>0.0</b>	<b>0.0%</b>	<b>1,307.8</b>	<b>1,307.8</b>	<b>0.0</b>	<b>0.0%</b>
<b>TOTAL Somerset ICB Surplus/(Deficit)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>

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

At month 8, Somerset FT is in line with plan year to date.

Year to date pressures against Industrial Action, Winter, GP Direct Access and High Cost Drugs & Devices are expected to be offset against month 8 system Industrial Action allocation and Elective Recovery Fund overperformance.

Financial Position Overview								
Somerset FT	Year to Date (M1-M8)				Forecast Outturn 2023/24			
	Plan £m	Actual £m	Variance £m	Variance %	Plan £m	Forecast £m	Variance £m	Variance %
Patient Care Income from ICBs & NHSE	576.5	594.7	18.2	3.2%	865.8	898.8	33.1	3.8%
Other Patient Care Income	41.8	39.4	(2.4)	(5.8%)	62.5	58.2	(4.3)	(6.9%)
Other Operating Income excluding top-up	35.5	47.5	12.0	33.8%	54.1	76.9	22.8	42.1%
<b>Total Income</b>	<b>653.9</b>	<b>681.7</b>	<b>27.8</b>	<b>4.3%</b>	<b>982.4</b>	<b>1,033.9</b>	<b>51.5</b>	<b>5.2%</b>
Agency	(19.8)	(24.2)	(4.4)	22.1%	(28.1)	(34.2)	(6.2)	21.9%
Pay excluding Agency	(431.0)	(438.9)	(8.0)	1.8%	(645.4)	(665.5)	(20.0)	3.1%
Total Pay	(450.8)	(463.1)	(12.3)	2.7%	(673.5)	(699.7)	(26.2)	3.9%
Non Pay	(199.5)	(215.7)	(16.2)	8.1%	(295.7)	(323.0)	(27.4)	9.3%
Other non operating items	(8.0)	(5.6)	2.5	(30.9%)	(12.0)	(8.3)	3.8	(31.3%)
<b>Total Expenditure</b>	<b>(658.3)</b>	<b>(684.4)</b>	<b>(26.0)</b>	<b>4.0%</b>	<b>(981.2)</b>	<b>(1,031.0)</b>	<b>(49.8)</b>	<b>5.1%</b>
<b>Adjusted Financial Performance</b>	<b>(4.5)</b>	<b>(2.7)</b>	<b>1.8</b>	<b>0.3%</b>	<b>1.2</b>	<b>3.0</b>	<b>1.8</b>	<b>0.2%</b>
System Performance Adjustments	(0.8)	(2.6)	(1.8)	(222.4%)	(1.2)	(3.0)	(1.8)	(146.6%)
<b>System Performance Measure</b>	<b>(5.3)</b>	<b>(5.3)</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>

# Somerset System Capital Funding 2023/24

updated 20<sup>th</sup> November, 2023

## Provider Capital Self Funded

(eg Depreciation / Cash Reserves)



## System Capital Envelope

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

## National PDC Capital Programmes

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



**New Hospital  
Programme  
2023/24 £3.5m**



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



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



## South West Capital National Programme Funding



**Community Diagnostic Hubs - 2023/24  
£1.8m & 2024/25 £1.3m**



**Elective Recovery –2023/24 £8.3m &  
2024/25 £4.1m**



**Digital Diagnostics –2023/24 £1.7m &  
2024/25 £1.2m**



**Frontline Digitisation (inc Digital EPR) –  
2023/24 £5.0m, 2024/25 £5.2m &  
2025/26 £6.7m**



**Diagnostics – Endoscopy – 2023/24 £1.1m  
& 2024/25 £0.5m**



**Mental Health - UEC–2023/24 £0.4m &  
2024/25 £0.7m**



**Diagnostics – Imaging 2023/24 £1.4m**

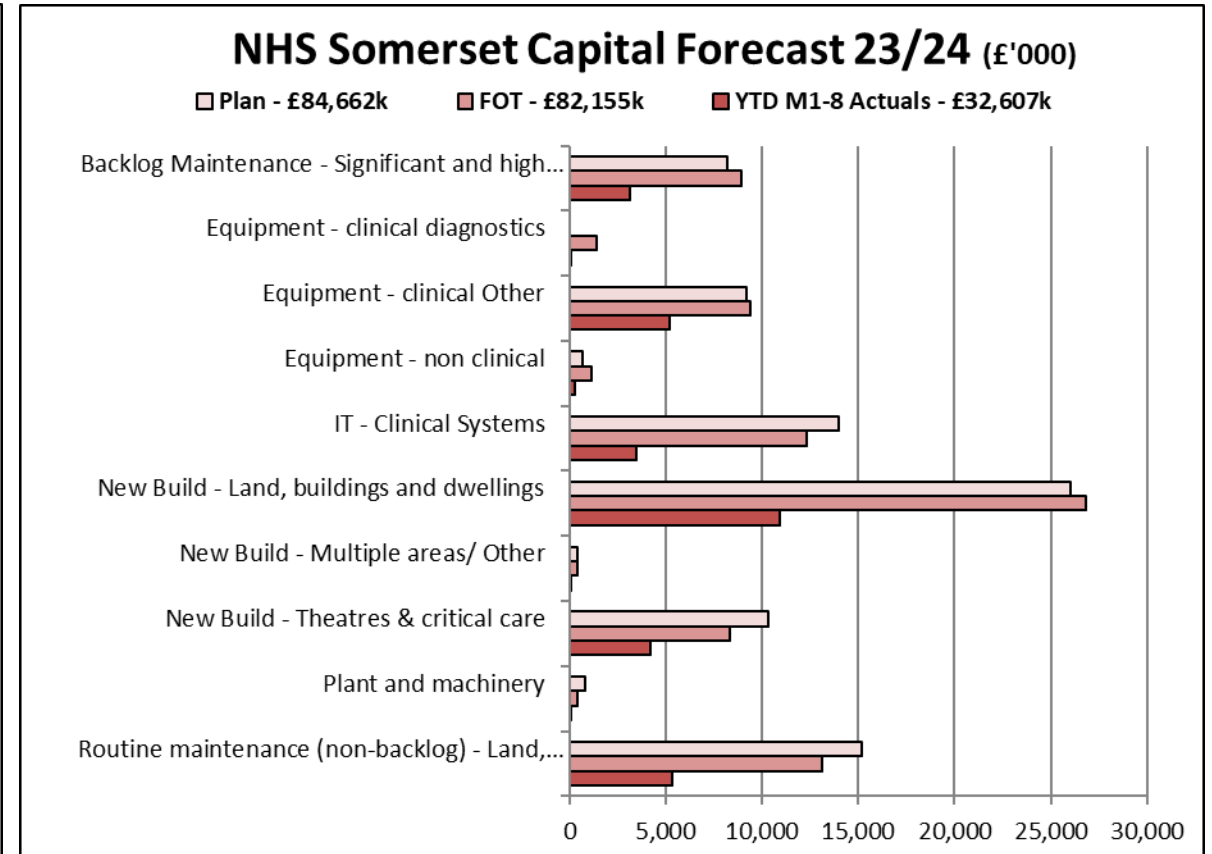
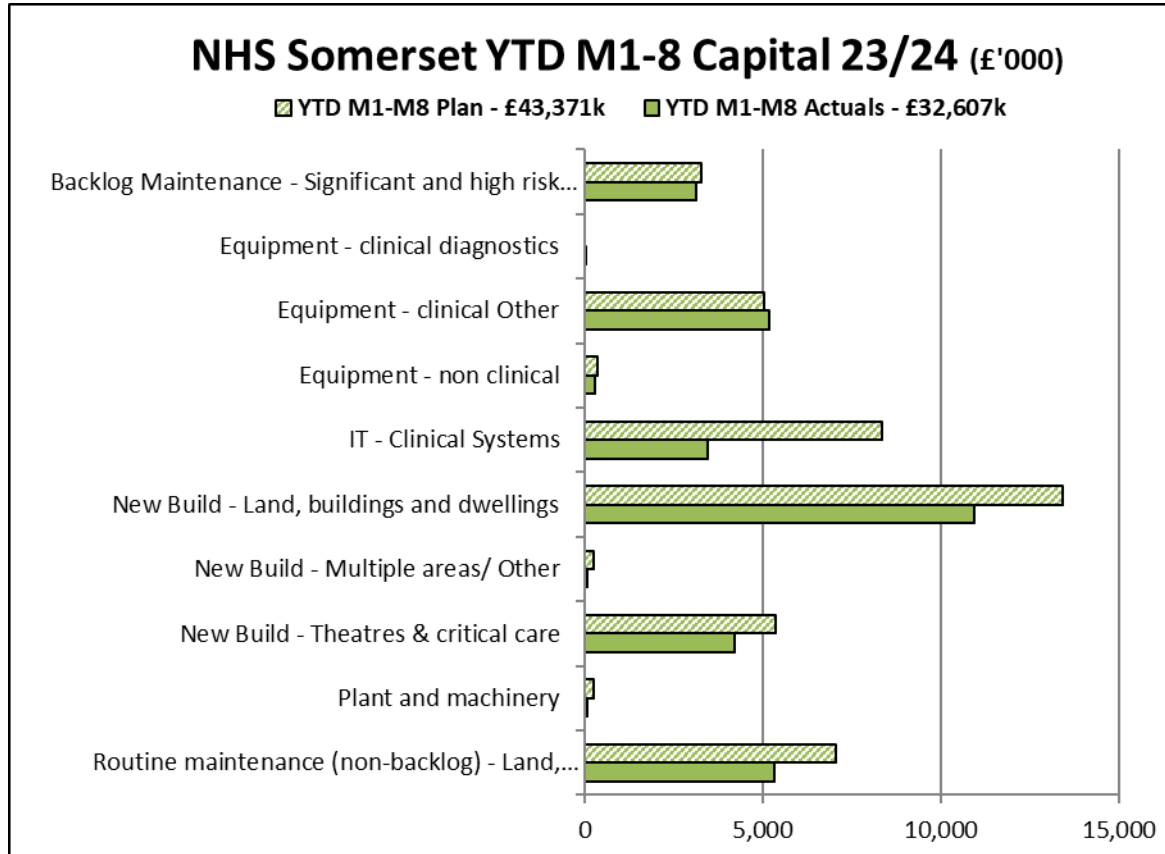


**Cyber Security –2023/24 £0.6m**

\* Figures subject to business case approval and may change



# NHS Somerset – Trust Capital Scheme Breakdown



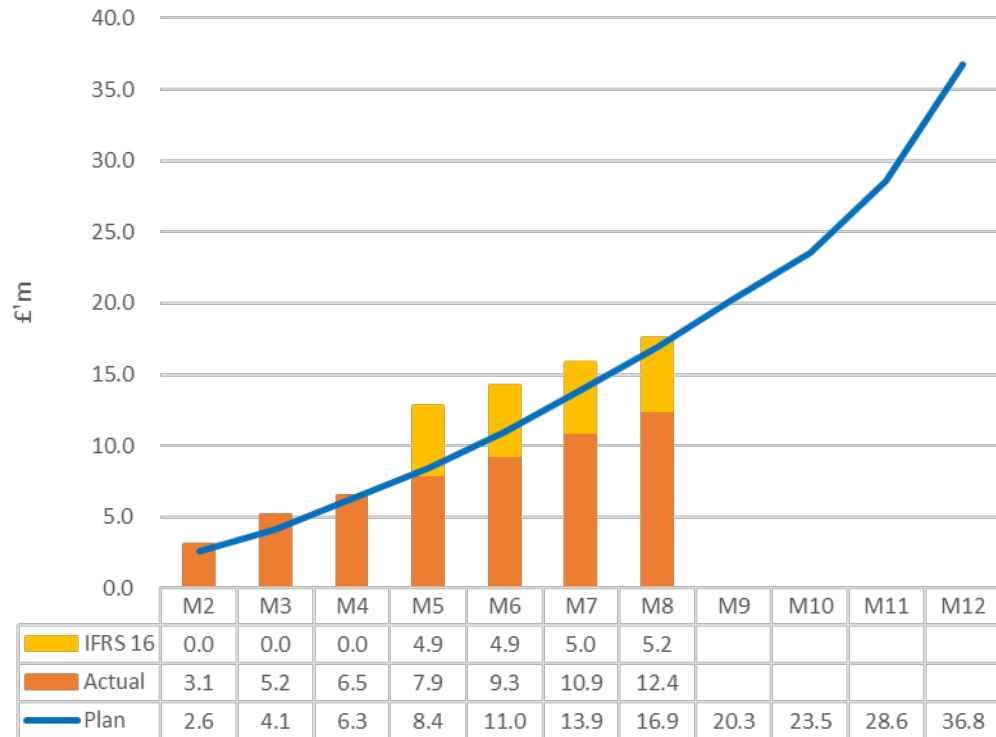
Note the above position excludes remeasurement of lease liabilities resulting from RPI increases on long-term lease deals forecasted at £12.3m.

As a result of the remeasurement of lease liability, the Capital position is forecasted to be £9.1m over plan this financial year.

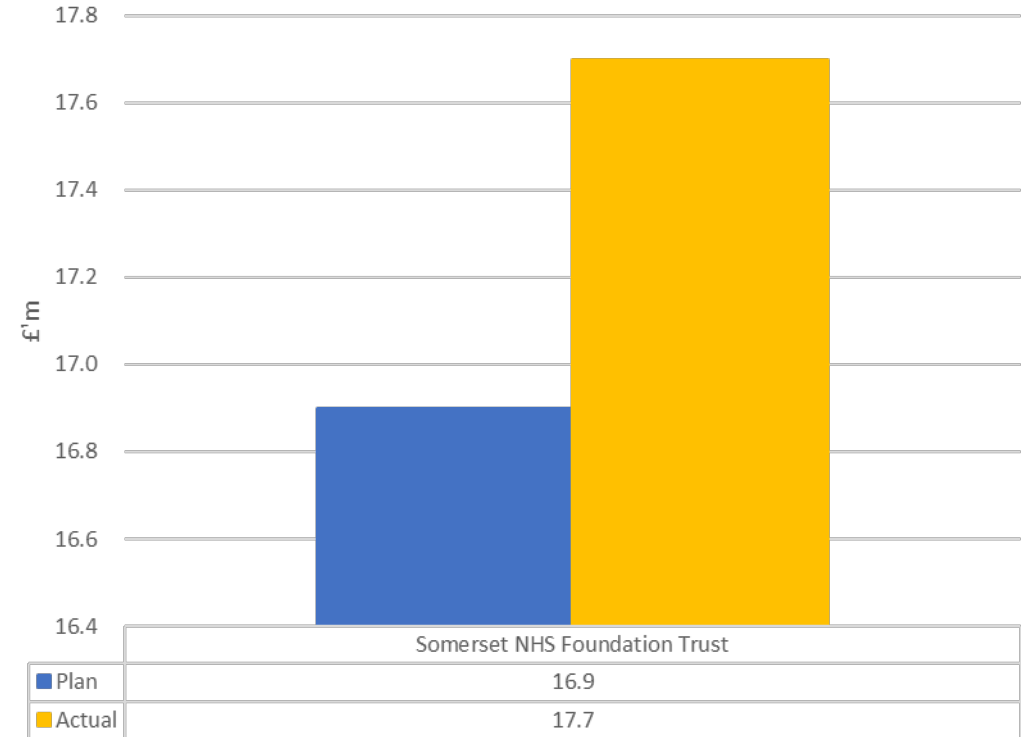
# NHS Somerset - Capital by Trust

## Month 8

Capital Envelope - YTD Plan v Actual  
(Including IFRS 16 - separately analysed)



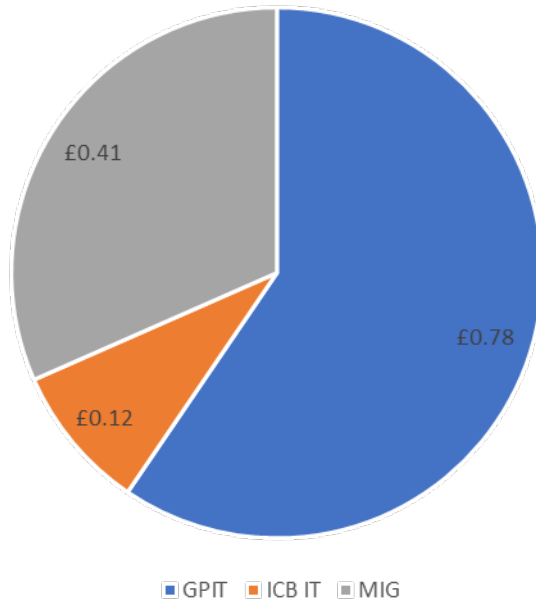
Trust Capital Envelope - YTD Plan v Actual  
(Including IFRS 16)



NB This information has been taken from Tab 44 (Capital CT Analysis) on the Provider Financial Returns

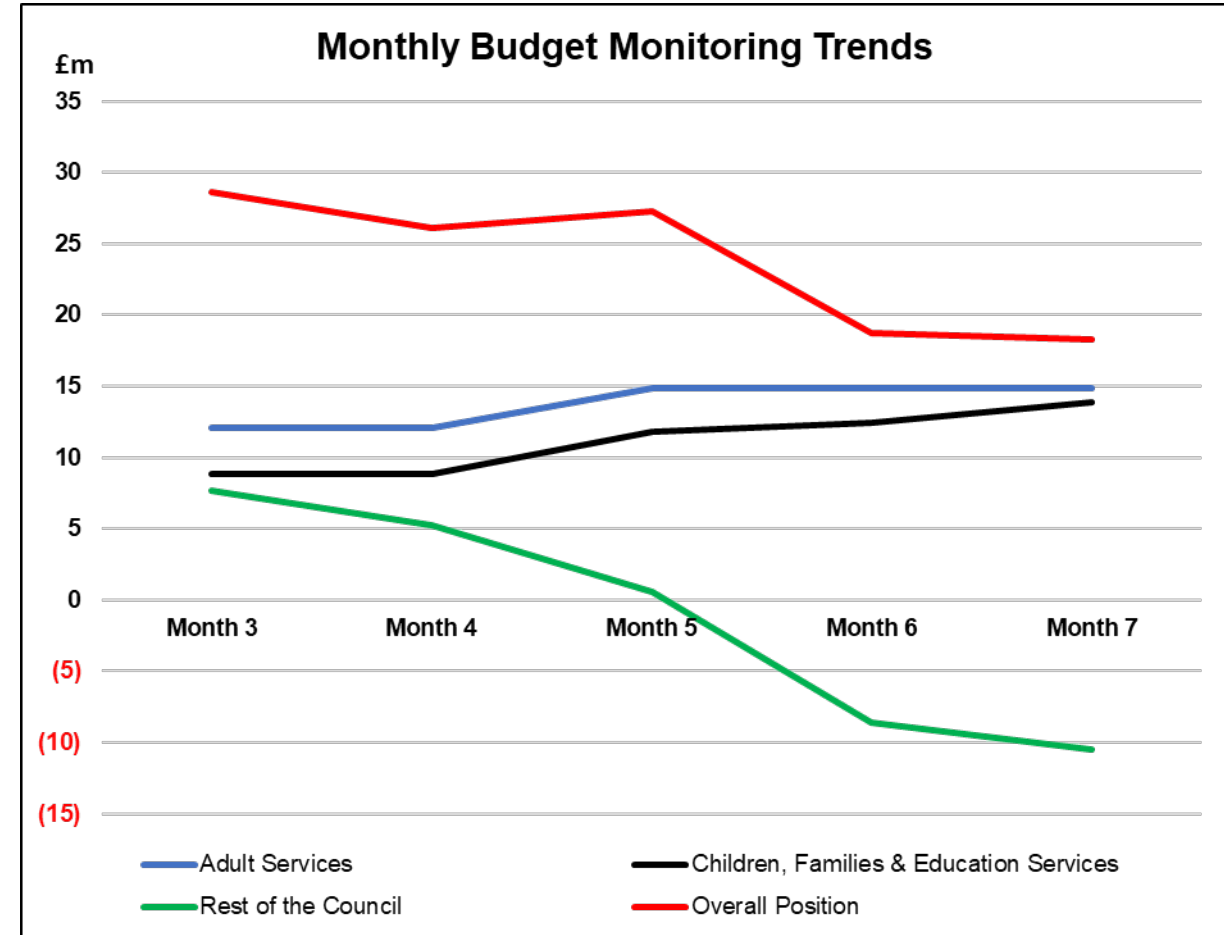
# NHS Somerset - Commissioner BAU Capital Month 8

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



Scheme Description	Funding Type	Funding Status	Amount £'m
QSL-023-001	23/24 GPIT PID	Awaiting Approval	0.78
QSL-023-002	23/24 ICB Corporate IT PID	Awaiting Approval	0.12
QSL-023-003	2023/24 PID for Minor Improvement Grants	Allocated	0.15
11X-022-003 & 11X-022-004 Clawback	Clawback of Prior Year Accrual	Clawed Back	-0.02
11X-022-003 & 11X-022-004 Clawback (2)	Clawback of prior year accrual	Clawed Back	-0.02
QSL-023-004	GP Practice Estates	Awaiting Approval	0.30
<b>Total</b>			<b>1.30</b>
BAU Allocation			1.30
<b>Outstanding PID's</b>			<b>0.00</b>

Service Area	Month 3 £m	Month 4 £m	Month 5 £m	Month 6 £m	Month 7 £m
Adult Services	12.1	12.1	14.9	14.9	14.9
Children, Families & Education Services	8.8	8.8	11.8	12.4	13.9
<b>Total Adult and Children's</b>	<b>20.9</b>	<b>20.9</b>	<b>26.7</b>	<b>27.3</b>	<b>28.8</b>
Community Services	-	-	-	1.3	-
Climate & Place	-	-	-	(5.3)	(5.4)
Strategy, Workforce & Localities	5.1	2.7	2.3	0.9	0.9
Resources & Corporate Services	1.5	1.5	1.3	(2.2)	(2.8)
Public Health	1.4	1.3	0.3	-	-
Non-Service	(0.5)	(0.5)	(3.5)	(3.6)	(3.5)
Corporate Contingency	-	-	-	-	-
Traded	0.2	0.2	0.2	0.3	0.3
<b>Rest of the Council</b>	<b>7.7</b>	<b>5.2</b>	<b>0.6</b>	<b>(8.6)</b>	<b>(10.5)</b>
<b>Overall Forecast Overspend</b>	<b>28.6</b>	<b>26.1</b>	<b>27.3</b>	<b>18.7</b>	<b>18.3</b>



- Month 7 Budget Monitoring to January Executive & Month 9 to February Executive
- Highlights the issues around the difficulties of managing the demand led budgets in Adults & Childrens
- Greater financial control & reporting having an impact