

Report to the NHS Somerset Integrated Care Board on 30 March 2023

Title: NHS Somerset Finance Report – Month 10	Enclosure G
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Version Number / Status:	1
Executive Lead	Alison Henly, Chief Finance Officer and Director of Performance
Clinical Lead:	N/A
Author:	Scott Sealey, Associate Director of Finance

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 31 January 2023.

This report sets out the overall financial position for the NHS Somerset Integrated Care System as at 31 January 2023 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
- NHS Somerset CIP / QIPP

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

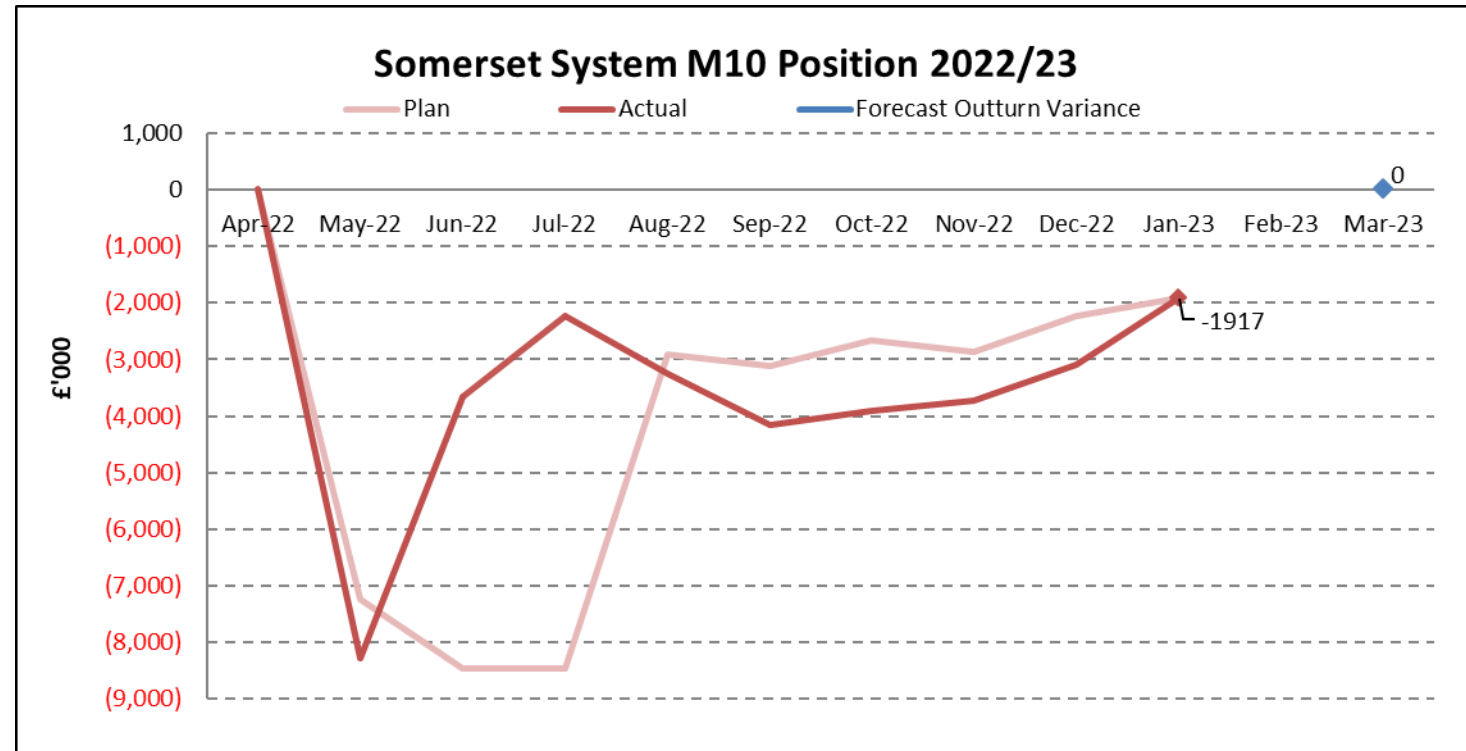
Equality	Financial decisions are made with due regard to eliminate discrimination, harassment and victimisation, to advance equality of opportunity and to foster good relations between people who share a relevant protected characteristic (as cited in under the Equality Act 2010) and those who do not 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 £900,069,000 for the 10 months from 01 July 2022/23 financial year as at 31 January 2023.			
Governance or Legal	The financial report details any constitutional standards required to be met by the NHS Somerset Integrated Care Board			
Sustainability	No issues identified			
Risk Description	NHS Somerset Integrated Care Board must ensure it delivers the planned financial target.			
Risk Rating	Consequence	Likelihood	RAG Rating	GBAF Ref
	3	4	12	202

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

As at month 10, NHS Somerset has claimed a further £5.8m in additional Covid-19 funding, relating to M1-M5 vaccination programme (£2.2m) and testing (£3.6m).

Forecasting to drawdown a further £2.0m relating to £1.4m Primary Care Additional Reimbursable Roles Scheme and £0.6m Discharge Fund.



Performance against organisation-specific and system control totals									
£000's	Month 10			Month 1-10 YTD			Forecast Outturn		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
ICB	0	0	0	0	0	0	0	0	0
Somerset FT	25	883	858	(2,067)	(2,067)	0	0	0	0
YDH FT	283	283	0	150	150	0	0	0	0
System	308	1,166	858	(1,917)	(1,917)	0	0	0	0

2022/23 Month 10 Reporting - ICS View

Somerset ICS QSL

Month 10 (January 2023)

No. of Providers 2

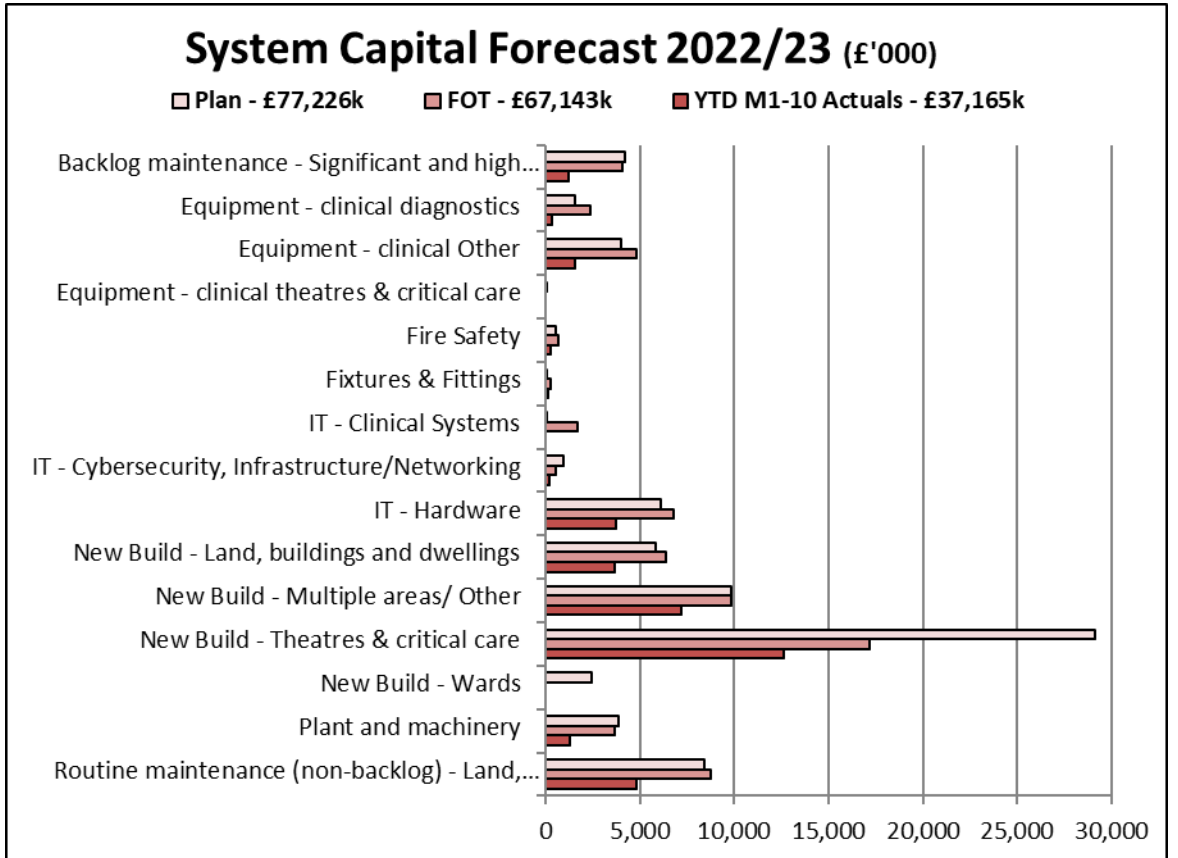
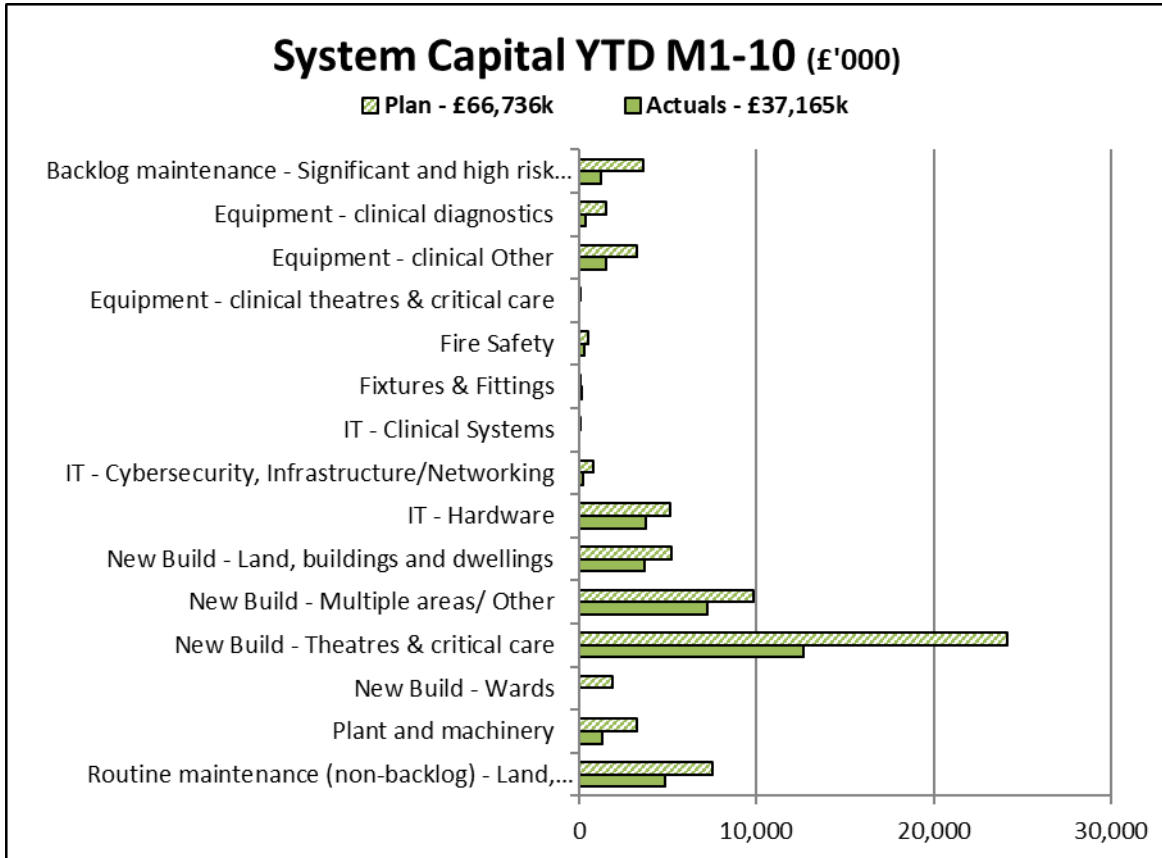
Full Year Allocation £m 1,177.2

Key Indicators

	Plan	Actual	Variance		Change
	£m	£m	£m	%	
Financial Performance					
Year to date surplus / (deficit)	(1.9)	(1.9)	0.0	0.0%	↑
Forecast surplus / (deficit)	0.0	0.0	0.0	0.0%	→
Net system (risk)/mitigations		0.0		0.0%	
No of Providers in forecast Deficit	0	0	0		
Efficiency					
Year to Date efficiency	28.7	30.8	2.1	7.4%	
Forecast efficiency	37.1	38.8	1.7	4.6%	
Recurrent forecast as % of total		62%			
Agency Controls					
Forecast spend against ceiling	22.7	42.5	(19.8)	-86.9%	
YTD agency spend as % of Ceiling		156%			
Provider Capital Controls (FOT)					
- Excluding IFR16	29.5	29.4	0.1	0.4%	
- Including IFR16	29.5	29.6	(0.1)	-0.3%	

Financial Position Overview

Surplus / (Deficit)	Year-to-date				Forecast Outturn			
	Plan £m	Actual £m	Under/(over) spend		Plan £m	FOT £m	Under/(over) spend	
			£m	%			£m	%
Total CCG Net Expenditure	282.3	275.1	7.2	2.5%	282.3	275.1	7.2	2.5%
CCG In-Year Allocation	275.1	275.1	0.0	0.0%	275.1	275.1	0.0	0.0%
CCG Total	(7.2)	0.0	7.2	2.6%	(7.2)	0.0	7.2	2.6%
Total ICB Net Expenditure	695.8	702.9	(7.2)	(1.0%)	894.9	902.1	(7.2)	(0.8%)
ICB In-Year Allocation	702.9	702.9	0.0	0.0%	902.1	902.1	0.0	0.0%
ICB Total	7.2	0.0	(7.2)	(1.0%)	7.2	(0.0)	(7.2)	(0.8%)
Income excluding COVID Reimbursements	728.8	778.7	49.9	6.9%	874.3	938.4	64.1	7.3%
COVID-19 Reimbursements	0.5	5.9	5.4	1,135.4%	0.5	6.5	6.0	1,273.1%
Total Income	729.2	784.6	55.3	7.6%	874.8	944.9	70.1	8.0%
Pay	(496.5)	(521.5)	(25.0)	(5.0%)	(594.0)	(625.7)	(31.6)	(5.3%)
Non Pay	(224.0)	(255.5)	(31.6)	(14.1%)	(267.9)	(308.0)	(40.1)	(15.0%)
Non Operating Items (exc gains on disposal)	(10.7)	(9.5)	1.2	11.5%	(12.8)	(11.2)	1.6	12.4%
Total Expenditure	(731.2)	(786.5)	(55.3)	(7.6%)	(874.8)	(944.9)	(70.1)	(8.0%)
NHS Providers	(1.9)	(1.9)	0.0	0.0%	0.0	0.0	0.0	0.0%
System Financial Performance	(1.9)	(1.9)	0.0	0.0%	0.0	0.0	0.0	0.0%



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 10, the ICB is forecasted to fully utilising the carried forward allocation from the CCG £7.2m.

Forecasting to drawdown a further £2.0m relating to £1.4m Primary Care Additional Reimbursable Roles Scheme and £0.6m Discharge Fund.

	Year to Date (M1-M10)				Forecast Outturn			
	Plan £m	Actual £m	Variance £m	Variance %	Plan £m	Forecast £m	Variance £m	Variance %
M4-12 Somerset ICB								
System Revenue Resource Limit	(702.9)				(900.1)			
Acute Services	362.4	363.3	(0.9)	(0.3%)	466.4	467.5	(1.1)	(0.2%)
Mental Health Services	58.8	59.1	(0.3)	(0.6%)	75.5	75.9	(0.4)	(0.5%)
Community Health Services	74.3	72.2	2.1	2.8%	95.2	92.7	2.5	2.7%
Continuing Care Services	32.3	28.8	3.5	10.8%	41.5	37.3	4.2	10.1%
Primary Care Services	70.4	72.4	(2.1)	(2.9%)	90.1	92.5	(2.5)	(2.7%)
Other Commissioned Services	33.8	37.2	(3.4)	(10.0%)	43.3	47.4	(4.1)	(9.3%)
Other Programme Services	1.0	1.0	0.0	0.0%	1.3	1.3	0.0	0.0%
Reserves / Contingencies	(0.6)	3.5	(4.1)	662.7%	(2.1)	2.4	(4.4)	212.7%
Delegated Primary Care Commissioning	56.8	59.1	(2.4)	(4.2%)	73.2	77.0	(3.8)	(5.2%)
ICB Running Costs	6.5	6.2	0.3	4.8%	8.4	8.0	0.4	4.2%
Total Net Expenditure	695.7	702.9	(7.2)	(1.0%)	892.9	902.1	(9.2)	(1.0%)
Discharge Fund Reimbursement		0.0				0.6		
ARRS		0.0				1.4		
TOTAL Somerset ICB Surplus/(Deficit)	7.2	0.0	(7.2)	(1.0%)	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	(2.6%)	282.3	275.1	7.2	(2.6%)
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 is forecasting a breakeven position against allocated resource for 2022/23.

YDH FT has claimed a further £1.2m in additional Covid-19 funding, relating to testing to date.

Financial Position Overview								
	Year-to-date				Forecast Outturn			
	Plan	Actual	Under/(over) spend		Plan	FOT	Under/(over) spend	
	£m	£m	£m	%	£m	£m	£m	%
Patient Care Income from CCGs & NHSE	160.0	161.1	1.2	0.7%	191.9	193.2	1.2	0.6%
Other Patient Care Income	23.4	28.1	4.7	20.3%	27.8	33.8	6.0	21.7%
Other Operating Income excluding top-up	16.8	19.0	2.1	12.7%	20.2	22.5	2.3	11.4%
Total Income excluding reimbursements	200.1	208.2	8.0	4.0%	239.9	249.5	9.5	4.0%
COVID Reimbursement (Validated)	0.0	0.9	0.9		0.0	0.9	0.9	
COVID Reimbursement (Unvalidated)	0.5	0.3	(0.1)	(27.2%)	0.5	0.5	0.0	7.8%
COVID Reimbursement (Other)	0.0	(0.0)	(0.0)		0.0	0.0	0.0	
Total Income including reimbursements	200.6	209.4	8.8	4.4%	240.4	250.8	10.4	4.3%
Agency	(5.3)	(11.9)	(6.6)	(123.9%)	(6.3)	(14.3)	(7.9)	(125.0%)
Pay excluding Agency	(126.4)	(125.6)	0.8	0.6%	(151.8)	(151.3)	0.5	0.3%
Total Pay	(131.7)	(137.5)	(5.8)	(4.4%)	(158.1)	(165.5)	(7.4)	(4.7%)
Non Pay	(65.8)	(69.3)	(3.4)	(5.2%)	(78.7)	(82.2)	(3.5)	(4.4%)
Other non operating items	(3.0)	(2.5)	0.4	15.1%	(3.5)	(3.1)	0.5	13.4%
Total expenditure	(200.5)	(209.2)	(8.8)	(4.4%)	(240.4)	(250.8)	(10.4)	(4.3%)
Adjusted Financial Performance	0.2	0.2	0.0	0.0%	(0.0)	0.0	0.0	0.0%
System Performance Adjustments	0.0	0.0	0.0		0.0	0.0	0.0	
System Performance Measure	0.2	0.2	0.0	0.0%	(0.0)	0.0	0.0	0.0%

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

SFT have claimed a further £4.7m in additional Covid-19 funding, relating to vaccination programme M1-M5 (£2.2m) and testing (£2.4m).

Financial Position Overview								
	Year-to-date				Forecast Outturn			
	Plan	Actual	Under/(over) spend		Plan	FOT	Under/(over) spend	
	£m	£m	£m	%	£m	£m	£m	%
Patient Care Income from CCGs & NHSE	481.9	494.1	12.2	2.5%	578.2	600.9	22.7	3.9%
Other Patient Care Income	19.1	34.9	15.8	83.2%	22.7	38.4	15.7	69.3%
Other Operating Income excluding top-up	27.7	41.6	13.9	50.0%	33.5	49.6	16.1	48.2%
Total Income excluding reimbursements	528.6	570.5	41.9	7.9%	634.4	688.9	54.5	8.6%
COVID Reimbursement (Validated)	0.0	3.0	3.0		0.0	3.0	3.0	
COVID Reimbursement (Unvalidated)	0.0	1.7	1.7		0.0	2.2	2.2	
COVID Reimbursement (Other)	0.0	0.0	0.0		0.0	0.0	0.0	
Total Income including reimbursements	528.6	575.2	46.6	8.8%	634.4	694.1	59.7	9.4%
Agency	(12.8)	(23.5)	(10.8)	(84.3%)	(16.4)	(28.2)	(11.8)	(72.2%)
Pay excluding Agency	(352.0)	(360.5)	(8.5)	(2.4%)	(419.5)	(431.9)	(12.4)	(3.0%)
Total Pay	(364.8)	(384.0)	(19.2)	(5.3%)	(435.9)	(460.1)	(24.2)	(5.6%)
Non Pay	(158.2)	(186.3)	(28.1)	(17.8%)	(189.2)	(225.8)	(36.6)	(19.3%)
Other non operating items	(7.6)	(7.0)	0.6	7.8%	(9.1)	(8.2)	0.9	10.1%
Total expenditure	(530.5)	(577.3)	(46.8)	(8.8%)	(634.2)	(694.1)	(59.9)	(9.4%)
Adjusted Financial Performance	(1.9)	(2.1)	(0.2)	(0.0%)	0.2	0.0	(0.2)	(0.0%)
System Performance Adjustments	(0.2)	0.0	0.2	100.0%	(0.2)	0.0	0.2	100.0%
System Performance Measure	(2.1)	(2.1)	(0.0)	(0.0%)	0.0	0.0	(0.0)	(0.0%)

Risks and Mitigations 2022/23

	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)
Health Care Support Workers Rebanding				
Intermediate Care				
Delivery of Provider CIPs		(3,326)	(1,100)	(4,426)
SHS				
SSW PCN Proposal				
Primary Care Resilience				
GP Prescribing				
GP Direct Access				
Community Diagnostic Centres				
Risk to plan delivery of ESRF clawback	(1,000)	0	0	(1,000)
Total Risks	(8,000)	(3,326)	(1,100)	(12,426)
Mitigations/benefits:				
System Contingency (D&C)	4,840			4,840
System R/NR Solution	2,160	3,326	1,100	6,586
NHSE Funding (CDCs)				
Regional Contingency				
ESRF Benefit H1				
ESRF Benefit H2				
Slippage on Investments				
Slippage on Investments - MH				
MIU Savings				
Discharge Fund				
Unidentified clawback mitigation	1,000	0	0	1,000
Total ICB Risks and Mitigations	0	0	0	0

NHS Somerset Risks and Mitigations Schedule - Jan 2022/2023

	ICB	SOMERSET NHS FT	YDH NHS FT	Total	Change from previous month
	£'000	£'000	£'000	£'000	£'000
				0	(750)
				0	(4,404)
		(2,700)			
	(4,999)			(4,999)	1,115
			0	0	(500)
			(200)	(200)	(400)
				0	0
	(200)			(200)	(300)
	(500)			(500)	0
				0	(500)
	0	0	0	0	0
	(5,699)	(2,700)	(200)	(5,899)	(6,239)
	0			0	1,736
		2,700		2,700	492
				0	500
	1,386			1,386	(626)
	1,500		200	1,700	0
	2,700			2,700	0
	285			285	0
				0	1,200
		65		65	0
				0	0
		0		0	0
	172	65	0	237	(2,937)

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 10. The change column details the change in risks and mitigations for month 10 in comparison to Dec-22. The current format does not include any risks or mitigations from the local authority.

Agency Spend 2022/23 – M10

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 10 is £35,387k, an overspend of £17,326k against plan.

Current 2022/23 FOT for agency spend is £42,474k, an overspend of £19,750k against plan/agency cap.

2022/23 Agency Spend	Cumulative YTD Total	2022/23	Change in FOT since M9
	£000s	£000s	£000s
Plan	18,060	22,724	-
Actual / FOT	35,387	42,474	+0
Variance	17,326	19,750	-

***Agency costs relating to escalation total £7,094k in months 1-10.**

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	3,205	3,205	3,138	3,024	3,279	3,237	3,863	4,047	4,263	4,126			35,387
Variance	1,326	1,621	1,686	1,558	1,763	1,638	2,068	1,935	2,039	1,693			17,326

Agency Spend 2022/23 – M10

Staffing Group	Plan / Actual	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	YTD	2022/23
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Registered nursing, midwifery and health visiting staff	Plan	695	572	493	529	550	582	675	805	850	937	6,689	8,478
	Actual	1,182	1,182	979	1,001	1,076	1,235	1,280	1,414	1,419	1,653	12,422	15,118
Healthcare scientists and scientific, therapeutic and technical staff	Plan	114	90	87	88	92	100	119	141	150	167	1,148	1,467
	Actual	220	220	177	192	329	251	353	279	355	358	2,734	3,319
Support to clinical staff	Plan	134	121	113	118	120	124	134	145	149	158	1,317	1,625
	Actual	191	191	223	169	94	151	215	226	225	185	1,870	2,243
Total non-medical - Clinical staff agency	Plan	943	783	694	735	762	807	927	1,090	1,150	1,263	9,154	11,569
	Actual	1,593	1,593	1,379	1,362	1,499	1,637	1,849	1,918	2,000	2,196	17,026	20,680
	Variance	651	810	685	627	737	830	922	829	850	933	7,873	9,110
Consultants	Plan	643	575	576	522	534	550	574	668	692	741	6,075	7,509
	Actual	804	804	817	860	1,063	966	1,396	1,327	1,555	1,207	10,800	12,836
Career/staff grades	Plan	0	0	0	0	0	0	0	0	0	0	0	0
	Actual	61	61	40	47	8	17	(31)	2	40	(3)	241	326
Trainee grades	Plan	294	226	183	208	219	242	294	355	381	430	2,832	3,646
	Actual	670	670	792	685	573	500	561	698	573	675	6,397	7,492
Total medical and dental staff agency	Plan	937	801	759	731	753	792	867	1,022	1,074	1,170	8,906	11,155
	Actual	1,535	1,535	1,649	1,592	1,644	1,483	1,926	2,027	2,168	1,879	17,438	20,654
	Variance	598	734	890	861	891	691	1,059	1,005	1,094	709	8,532	9,500
Total non medical - non-clinical staff agency	Plan	0	0	0	0	0	0	0	0	0	0	0	0
	Actual	77	77	110	69	135	117	88	102	96	51	922	1,140
	Variance	77	77	110	69	135	117	88	102	96	51	922	1,140
Total Agency	Plan	1,880	1,585	1,453	1,466	1,515	1,599	1,794	2,112	2,224	2,433	18,060	22,724
	Actual	3,205	3,205	3,138	3,024	3,279	3,237	3,863	4,047	4,263	4,126	35,387	42,474
	Variance	1,326	1,621	1,686	1,558	1,763	1,638	2,068	1,935	2,039	1,693	17,326	19,750

*YTD acute escalation agency costs total – Medical Consultants: £5,565k Nursing: £1,529k.

Agency Spend by driver

Trust	Nursing Vacancies £	Medical Vacancies £	Other Staff Vacancies £	Increased Sickness £	Enhanced Care £	Escalation - Nursing £	Escalation - Medical £	Medical Rota gaps/On Call/Capacity £	Nursing/ Other staff Serv reqs/capacity £	Other £	SHS £	Total £
SFT	4,221	2,480	2,804	2,027	2,326	1,299	5,177	541	1,772	856		23,503
YDH	584	3,702	851	324	371	230	388	740	210	204	4,280	11,884
Total	4,805	6,182	3,655	2,350	2,697	1,529	5,565	1,281	1,982	1,060	4,280	35,387
% of total	14%	17%	10%	7%	8%	4%	16%	4%	6%	3%		12%

This table provides a breakdown of agency spend (excluding NHS locums) by reason which is captured when the request is made.

Of the SHS expenditure, £3.2m (75%) is for GP locums.

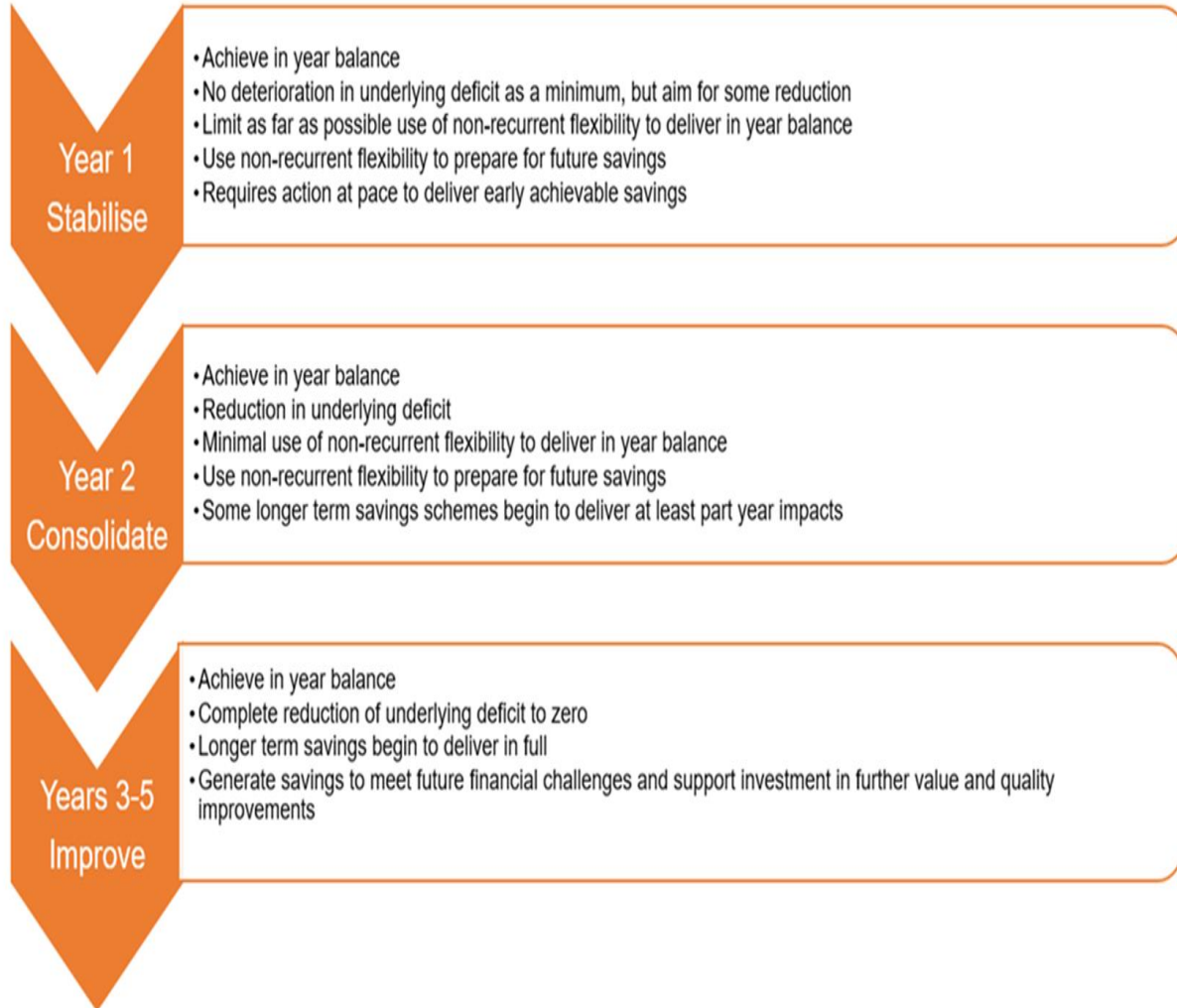
Escalation is the largest single driver of agency usage. Other areas with significant agency usage incl Integrated & Urgent Care (medicine), Mental Health and Community Hospitals/OPMH where there are high levels of vacancies.

CIP / QIPP 2022/23 – M10

Recurrent / Non Recurrent of Forecasted Efficiencies at M9	ICB	Somerset FT	YDH FT	NHS Somerset	%
	(£'000s)	(£'000s)	(£'000s)	(£'000s)	
Recurrent	(16,349)	(5,947)	(1,058)	(23,354)	63%
Non Recurrent	(2,000)	(6,881)	(3,504)	(12,385)	33%
Unidentified	0	(1,353)	0	(1,353)	4%
Total	(18,349)	(14,181)	(4,562)	(37,092)	

Efficiency Forecast Status	ICB	Somerset FT	YDH FT	NHS Somerset	%
	(£'000s)	(£'000s)	(£'000s)	(£'000s)	
Fully Developed	(17,939)	(9,500)	(4,562)	(32,001)	86%
Plans in Progress	(410)	(2,448)	0	(2,858)	8%
Opportunity	0	(880)	0	(880)	2%
Unidentified	0	(1,353)	0	(1,353)	4%
Total	(18,349)	(14,181)	(4,562)	(37,092)	

Risk Status of Forecast Efficiencies	ICB	Somerset FT	YDH FT	NHS Somerset	%
	(£'000s)	(£'000s)	(£'000s)	(£'000s)	
Low	(18,349)	(11,948)	(4,562)	(34,859)	94%
Medium	0	(880)	0	(880)	2%
High	0	(1,353)	0	(1,353)	4%
Total	(18,349)	(14,181)	(4,562)	(37,092)	



	Assessment of Strategic Financial Plan	RAG
Year 1	Achieve in year balance	Green
	No deterioration in underlying deficit as a minimum, but aim for some reduction	Red
	Limit as far as possible use of non-recurrent flexibility to deliver in year balance	Green
	Use non-recurrent flexibility to prepare for future savings	Yellow
	Requires action at pace to deliver early achievable savings	Yellow

- The system is currently assessing the exit underlying deficit from 22/23, however we expect the position to deteriorate.
- Use of N/R flexibility likely to be less than plan in 22/23
- Collaboration hub currently reviewing the effectiveness of schemes funded in 22/23. to understand if the benefits expected to be delivered have been achieved
- System currently assessing productivity opportunities for 23/24 and beyond