

REPORT TO:	NHS SOMERSET INTEGRATED CARE BOARD ICB Board Part A	ENCLOSURE:
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DATE OF MEETING:	25 July 2024	
REPORT TITLE:	NHS Somerset Finance Report – Month 2 2024/25	
REPORT AUTHOR:	Scott Sealey, Deputy Chief Finance Officer and Deputy Director of Performance and Contracting	
EXECUTIVE SPONSOR:	Alison Henly, Chief Finance Officer and Director of Performance and Contracting	
PRESENTED BY:	Scott Sealey, Deputy Chief Finance Officer and Deputy Director of Performance and Contracting	

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

SELECT (Place an 'X' in relevant box(es) below)	LINKS TO STRATEGIC OBJECTIVES (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

PREVIOUS CONSIDERATION / ENGAGEMENT

ICB Finance Committee.

REPORT TO COMMITTEE / BOARD

The enclosed paper provides an update summarising the NHS Somerset Integrated Care System financial position for the 2024/25 financial year as 31 May 2024.

This report provides an analysis of financial performance across the following areas:

- Summary of NHS Somerset Financial Position
- Summary of Organisational Financial Positions
- NHS Somerset System Capital
- Summary of Somerset Council Financial Position

The Integrated Care Board is asked to note the report for assurance of the NHS Somerset ICS financial position.

IMPACT ASSESSMENTS – KEY ISSUES IDENTIFIED
(please enter 'N/A' where not applicable)

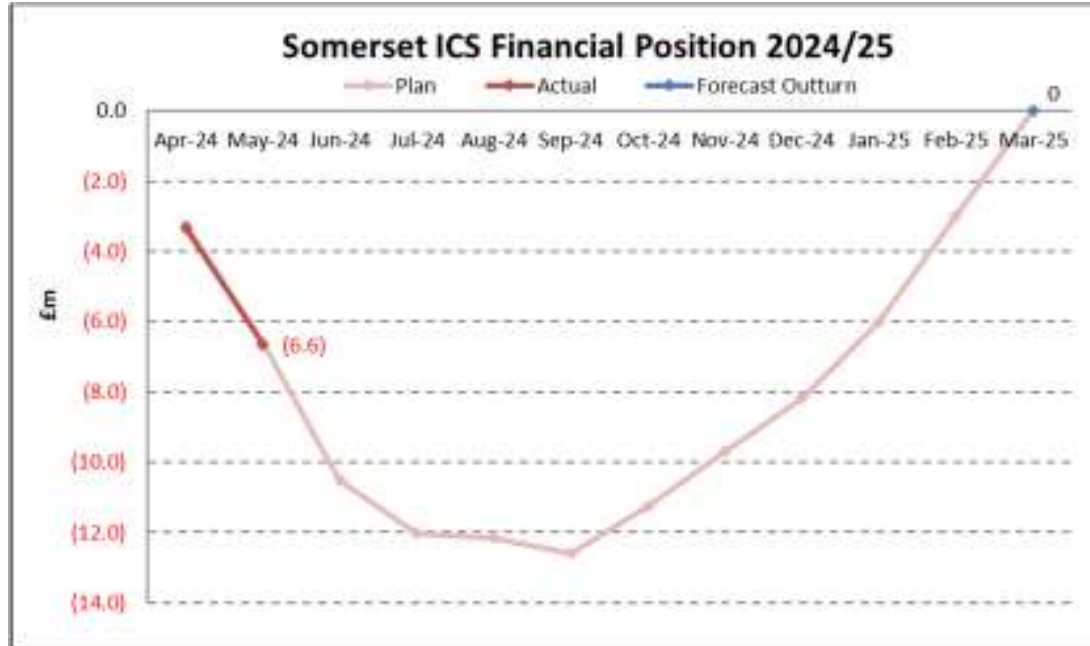
Reducing Inequalities/Equality & Diversity	Financial decisions are made with due regard to eliminate discrimination, harassment and victimisation, to advance equality of opportunity and to foster good relations between people who share a relevant protected characteristic (as cited in under the Equality 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
Financial/Resource/Value for Money	NHS Somerset Integrated Care Board has a confirmed revenue budget of £1,338,556,000 for the 2024/25 financial year as at 31 May 2024.
Sustainability	No issues identified
Governance/Legal/Privacy	The financial report details any constitutional standards required to be met by the NHS Somerset Integrated Care Board
Confidentiality	No issues identified
Risk Description	GBAF Reference 664 – RAG Rating 16

Headline Summary

- NHS Somerset is forecasting to deliver a balanced outturn position for the 2024/25 financial year
- At month 2, NHS Somerset has a nominal year to date overspend of £0.045m.
- Somerset Council have not completed a budget monitoring position at month 2. There are a number of year-to-date emerging issues that have been highlighted.
- NHS Somerset's capital programme is £9.7m behind plan year-to-date as a result of delays against Surgical Centre and EHR. This financial year, NHS Somerset is expecting to fully utilise its capital allocation.
- At month 2, year-to-date NHS Somerset's total savings programme is behind plan by £0.6m, with a shortfall of £2.2m in recurrent savings. NHS Somerset is forecasting to deliver total efficiencies in line with plan this financial year, including the same recurrent/non-recurrent breakdown – however, at month 2, the amount of unidentified savings is £21.0m.
- Total system agency costs are £0.4m below plan year to date; and are forecasted to be in line with plan this financial year.
- The system is managing several medium and high rated risks, which could materialise: -
 - Prescribing NCSO Pressures
 - Secondary Care Cost Pressures
 - Winter System Pressures
 - System Savings Programme
 - Continuing Care
 - Elective Recovery
 - Flexibility in Ringfenced Budgets

NHS Somerset - Financial Headlines

Month 2 2024/25



NHS Somerset forecasting to deliver a balanced outturn position for the 2024/25 financial year.

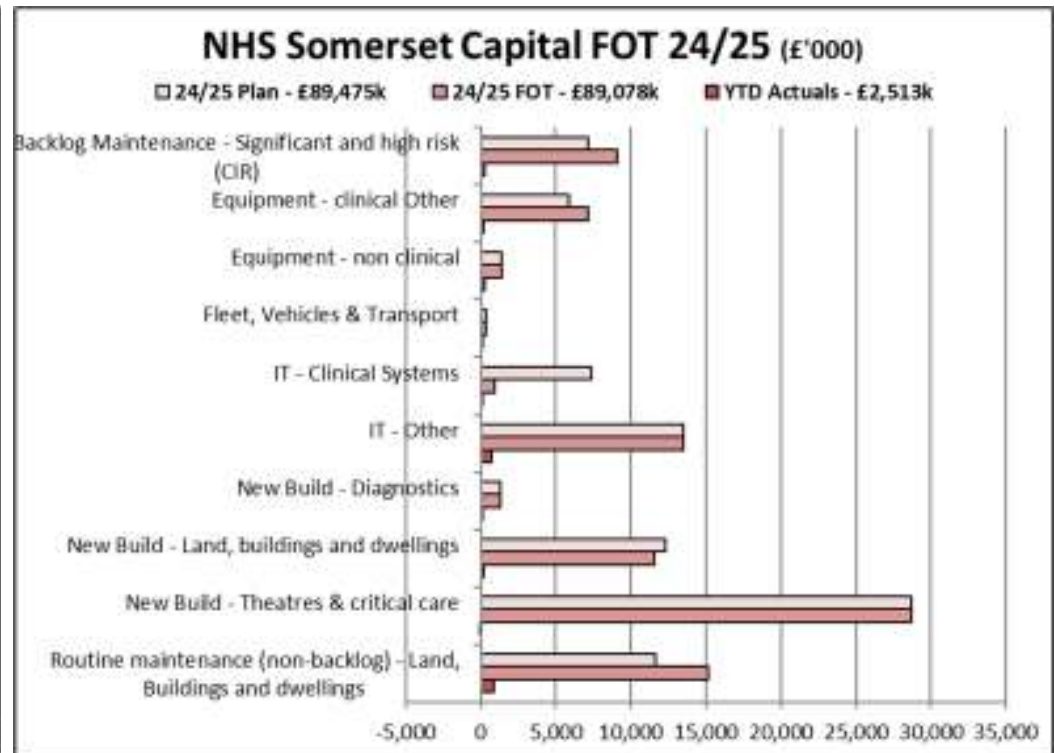
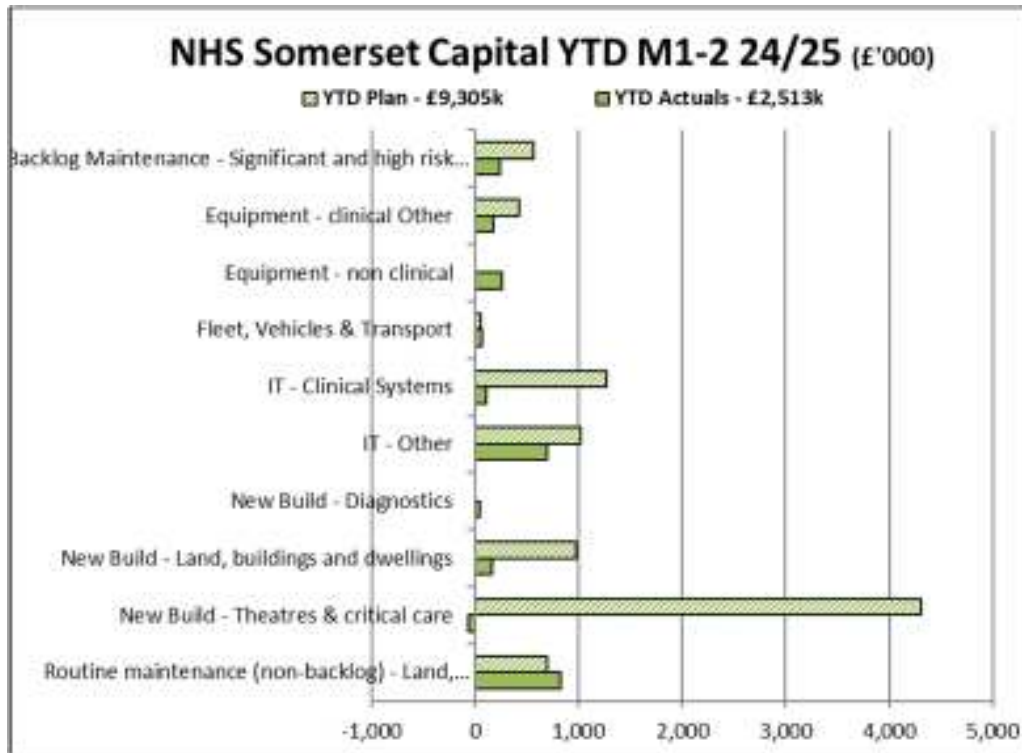
Note Somerset FT have a nominal year to date adverse variance of £0.045m at month 2.

Somerset Council have recently completed their final accounts for 2023/24, which is detailed in slide 4.

The Council have completed an emerging issues exercise for month 2, that is highlighted in slide 5. Council projections will be included in the table from month 3.

Performance against organisation-specific and system control totals									
£m's	Month 2			Month 1-2 YTD			Forecast Outturn 2024/25		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHS Somerset ICB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Somerset NHS FT	(3.4)	(3.3)	0.0	(6.6)	(6.6)	(0.0)	0.0	0.0	0.0
Somerset Council									
Somerset ICS	(3.4)	(3.3)	0.0	(6.6)	(6.6)	(0.0)	0.0	0.0	0.0

NHS Somerset – Trust Capital Scheme Breakdown



Note the above position of Capital Schemes excludes remeasurement of lease liabilities of £4.7m and Other Adjustments for donations of -£1.2m.

At month 2, NHS Somerset's capital programme is £9.7m behind plan as a result of delays against Surgical Centre and EHR. This financial year, NHS Somerset is expecting to fully utilise its capital allocation.

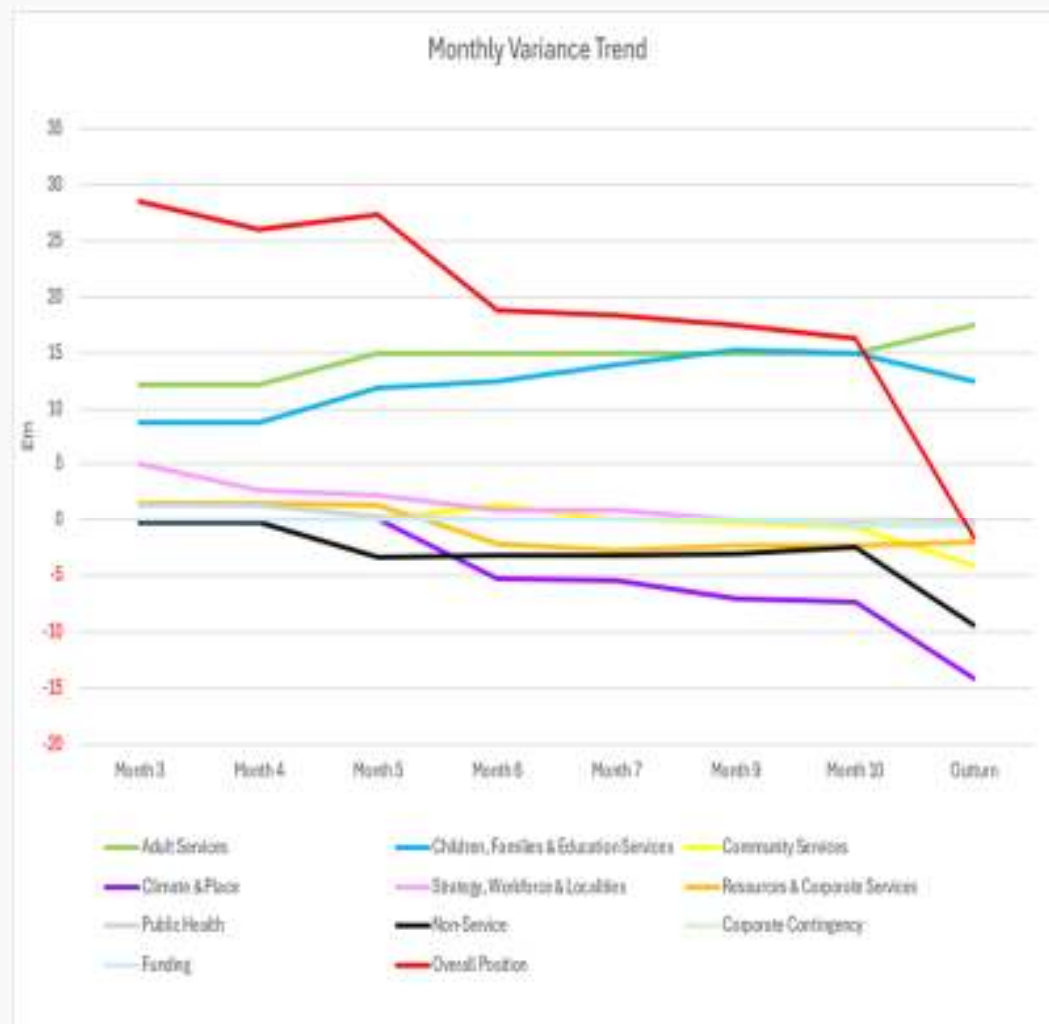
2023/24 Draft Revenue Outturn

GOOD NEWS - underspend £1.6m for the year

Wanted to bring draft revenue outturn as soon as possible

Full outturn will be submitted to August Executive & will include Revenue, Capital & HRA

Service Area	Month 3	Month 4	Month 5	Month 6	Month 7	Month 9	Month 10	Outturn
Adult Services	12.1	12.1	14.9	14.9	14.9	14.9	14.9	17.4
Children, Families & Education Services	8.8	8.8	11.8	12.4	13.9	15.3	14.9	12.4
Community Services	0.0	0.0	0.0	1.3	0.0	-0.3	-0.7	-4.1
Climate & Place	0.0	0.0	0.0	-5.3	-5.4	-7.0	-7.3	-14.1
Strategy, Workforce & Localities	5.1	2.7	2.3	0.9	0.9	0.1	-0.1	-0.5
Resources & Corporate Services	1.5	1.5	1.3	-2.2	-2.8	-2.4	-2.4	-2.1
Public Health	1.4	1.3	0.3	0.0	0.0	0.0	0.0	-0.1
Total Service Position	28.9	26.4	30.6	22.0	21.5	20.6	19.3	8.9
Non-Service:								
Corporate Management	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.8
Non-Service	-0.5	-0.5	-3.5	-3.5	-3.5	-3.5	-3.0	-10.2
Traded	0.2	0.2	0.2	0.3	0.3	0.4	0.5	0.0
Corporate Contingency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.6
Funding	0.0	0.0	0.0	0.0	0.0	0.0	-0.5	-0.5
Overall Position	28.6	26.1	27.3	18.7	18.3	17.5	16.3	-1.6



2024/25 Month 2 – Emerging Issues

- Focus is on finalising the 2023/24 outturn, producing the statement of accounts for the year & costing the new staffing strictures but given the financial challenges, a Month 2 emerging issues report has been produced to highlight the key potential variances & issues
- With the significant risks in the Adults and Childrens budgets, a more detailed budget monitoring exercise has been undertaken in these areas.
- Key areas with potential significant variances are: -
 - Council wide restructure
 - Adults - Potential underspend of £1.7m
 - Children, Families & Education Services - Potential overspend of £5.1m - Children Looked After potential £3.9m overspend and Education £1.2m
 - Waste - increased cost to kerbside collection service for 2024/25 with a potential overspend of £3m
 - Corporate Contingency - Budget of £6m uncommitted at this stage
- Full month 3 budget monitoring report will be produced