

Report to the NHS Somerset Integrated Care Board on 1 December 2022

Title: NHS Somerset Finance Report – Month 6	Enclosure H
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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 30 September 2022.

This report sets out the overall financial position for the NHS Somerset Integrated Care System as at 30 September 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
- 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

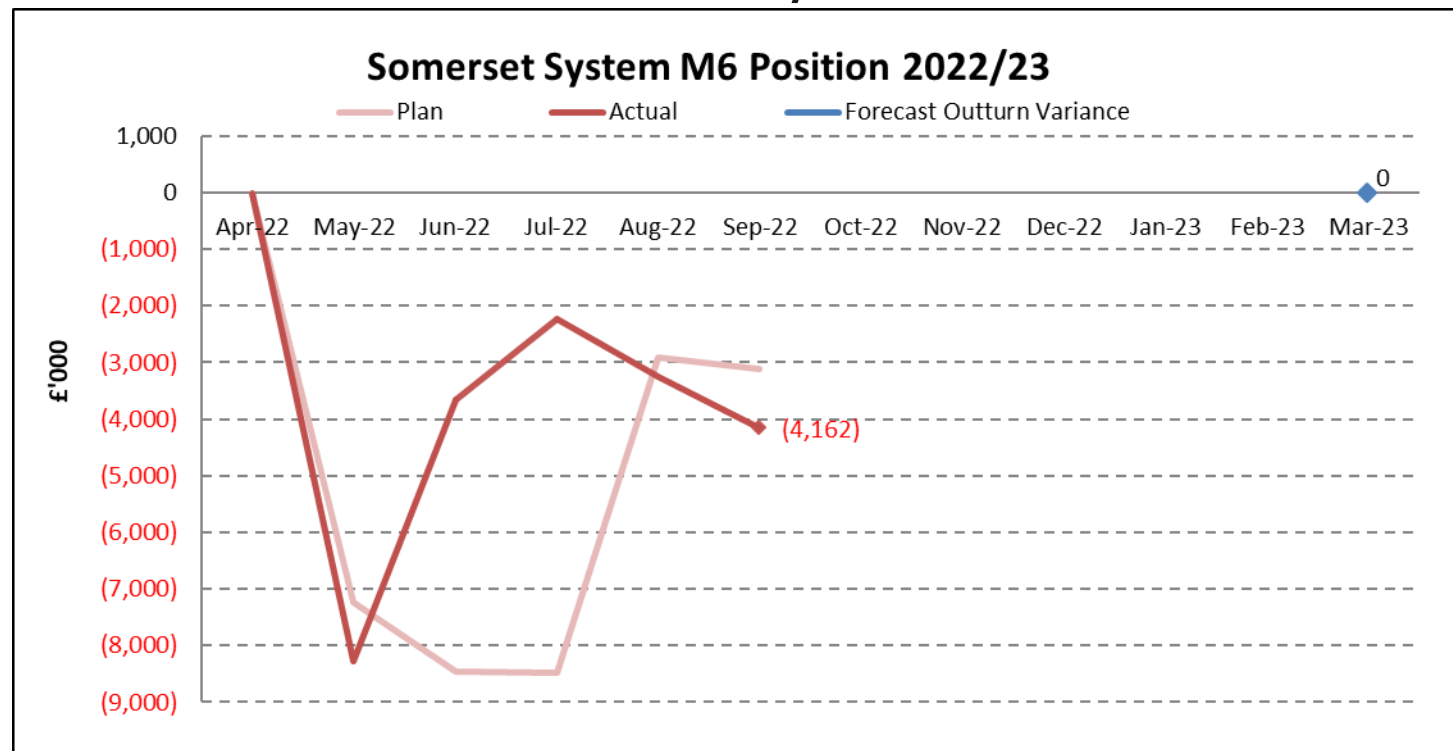
Equality	Financial decisions are made with due regard to eliminate discrimination, harassment and victimisation, to advance equality of opportunity and to foster good relations between people who share a relevant protected characteristic (as cited in under the Equality Act 2010) and those who do not 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 £879,656,000 for the 9 months from 01 July 2022/23 financial year as at 30 September 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 is forecasting to achieve a balanced outturn position for the 2022/23 financial year.

As at month 6, NHS Somerset has an adverse year to date position of £1.1m. This relates to the year to date pressure forecasted against SHS within YDH FT (£0.4m) and at SFT the cost of the extra bank holiday and GP Direct Access pressures (£0.7m).

As at month 6, NHS Somerset has claimed a further £5.0m in additional Covid-19 funding, relating to vaccination programme (£2.7) and testing (£2.3m).



Performance against organisation-specific and system control totals									
£000's	Month 6			Month 1-6 YTD			Forecast Outturn		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
ICB	0	0	0	0	0	0	0	0	0
Somerset FT	(210)	(782)	(572)	(3,007)	(3,712)	(705)	0	0	0
YDH FT	22	(126)	(148)	(99)	(450)	(351)	0	0	0
System	(188)	(908)	(720)	(3,106)	(4,162)	(1,056)	0	0	0

2022/23 Month 6 Reporting - ICS View

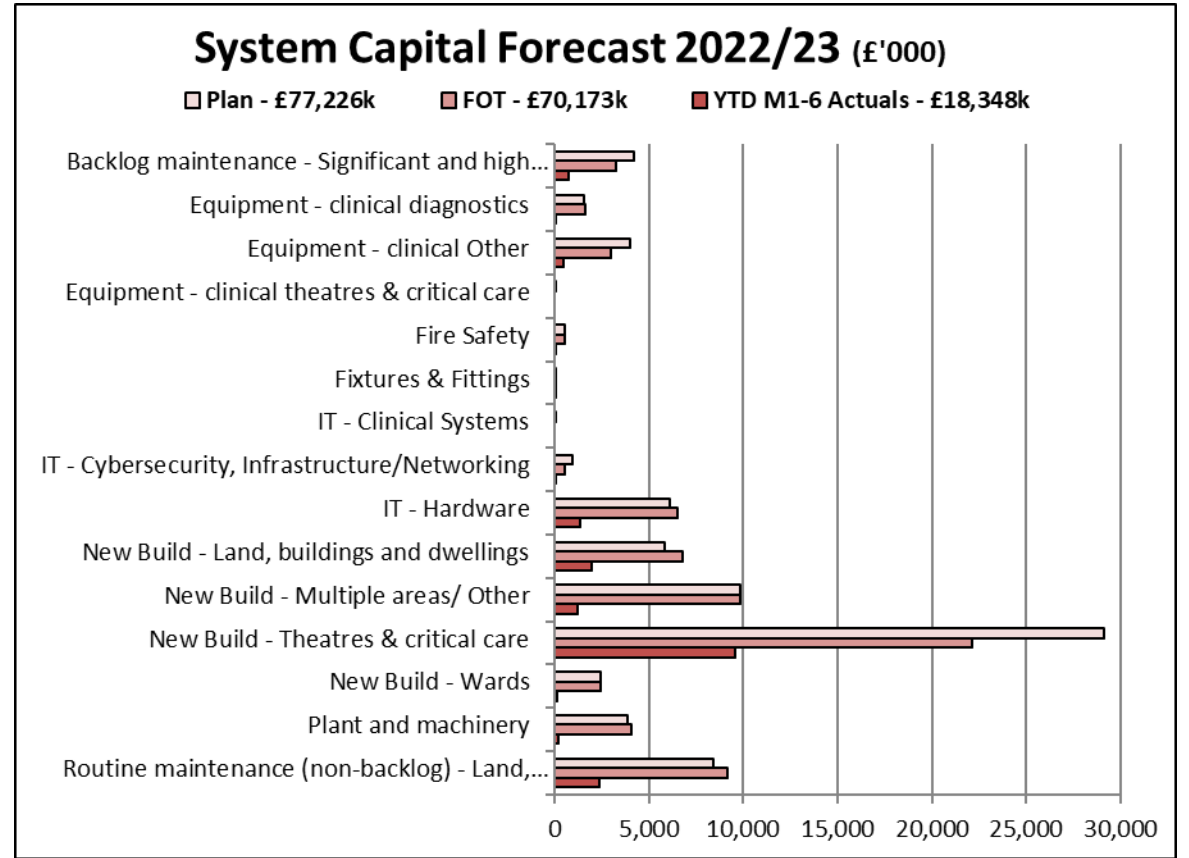
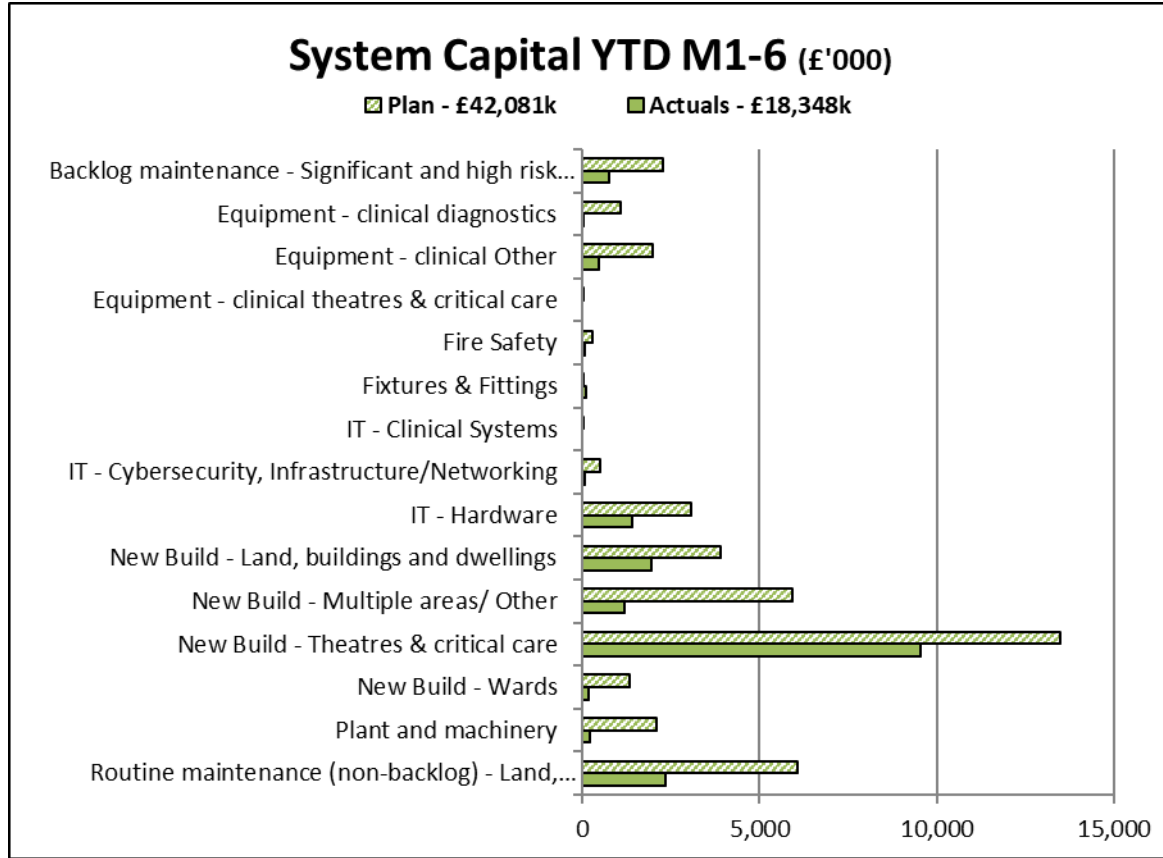
Somerset ICS	QSL
Month 6 (September 2022)	

No. of Providers	2
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Full Year Allocation £m	1,155.2
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Key Indicators					
	Plan	Actual	Variance		Change
	£m	£m	£m	%	
Financial Performance					
Year to date surplus / (deficit)	(3.1)	(4.2)	(1.1)	-0.2%	↓
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	14.5	14.9	0.4	2.9%	
Forecast efficiency	37.1	0.0	(37.1)	-100.0%	
Recurrent forecast as % of total		58%			
Agency Controls					
Forecast spend against ceiling	22.7	35.7	(13.0)	-57.1%	
YTD agency spend as % of Ceiling		84%			
Provider Capital Controls (FOT)					
- Excluding IFR16	29.4	29.5	(0.2)	-0.5%	
- Including IFR16	29.4	29.6	(0.3)	-0.9%	

Financial Position Overview								
Surplus / (Deficit)	Year-to-date				Forecast Outturn			
	Plan	Actual	Under/(over) spend		Plan	FOT	Under/(over) spend	
	£m	£m	£m	%	£m	£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	294.6	301.8	(7.2)	(2.4%)	872.9	880.1	(7.2)	(0.8%)
ICB In-Year Allocation	301.8	301.8	0.0	0.0%	880.1	880.1	0.0	0.0%
ICB Total	7.2	0.0	(7.2)	(2.4%)	7.2	(0.0)	(7.2)	(0.8%)
Income excluding COVID Reimbursements	436.7	455.8	19.1	4.4%	874.3	912.3	38.0	4.3%
COVID-19 Reimbursements	0.5	4.9	4.4	926.1%	0.5	7.5	7.0	1,473.3%
Total Income	437.1	460.6	23.5	5.4%	874.8	919.8	45.0	5.1%
Pay	(299.7)	(308.1)	(8.4)	(2.8%)	(594.0)	(608.5)	(14.5)	(2.4%)
Non Pay	(134.2)	(151.6)	(17.4)	(13.0%)	(267.9)	(300.1)	(32.2)	(12.0%)
Non Operating Items (exc gains on disposal)	(6.4)	(5.1)	1.2	19.5%	(12.8)	(11.2)	1.7	12.9%
Total Expenditure	(440.2)	(464.8)	(24.6)	(5.6%)	(874.8)	(919.8)	(45.0)	(5.1%)
NHS Providers	(3.1)	(4.2)	(1.1)	(0.2%)	0.0	0.0	(0.0)	(0.0%)
System Financial Performance	(3.1)	(4.2)	(1.1)	(0.2%)	0.0	0.0	0.0	0.0%



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

	Year to Date (M1-M6)				Forecast Outturn			
	Plan £m	Actual £m	Variance £m	Variance %	Plan £m	Forecast £m	Variance £m	Variance %
M4-12 Somerset ICB								
System Revenue Resource Limit	(301.8)				(879.7)			
Acute Services	158.8	158.7	0.0	0.0%	471.2	471.0	0.2	0.0%
Mental Health Services	25.5	25.2	0.0	0.0%	75.7	75.2	0.5	0.0%
Community Health Services	29.3	27.9	0.1	0.5%	87.1	85.5	1.6	0.5%
Continuing Care Services	13.8	13.3	0.2	2.4%	41.5	40.5	1.0	2.4%
Primary Care Services	30.3	30.7	0.0	0.1%	90.1	90.9	(0.9)	0.1%
Other Commissioned Services	13.1	14.1	(0.5)	(5.5%)	38.9	40.9	(2.0)	(5.5%)
Other Programme Services	0.4	0.4	0.0	0.0%	1.3	1.3	0.0	0.0%
Reserves / Contingencies	(3.1)	2.8	(5.1)	121.1%	(12.6)	(7.0)	(5.6)	24.7%
Delegated Primary Care Commissioning	23.8	25.7	(1.9)	(12.0%)	71.5	73.9	(2.3)	(2.7%)
ICB Running Costs	2.6	2.6	(0.0)	(1.3%)	7.9	7.9	(0.0)	(0.3%)
Total Net Expenditure	294.6	301.8	(7.2)	(2.4%)	872.5	880.1	(7.6)	(0.9%)
Covid reimbursement		0.0				0.4		
TOTAL Somerset ICB Surplus/(Deficit)	7.2	0.0	(7.2)	(2.4%)	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.

At month 6, YDH FT is forecasting a year to date pressure of £0.4m relating to SHS.

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

Financial Position Overview								
	Year-to-date				Forecast Outturn			
	Plan £m	Actual £m	Under/(over) spend		Plan £m	FOT £m	Under/(over) spend	
			£m	%			£m	%
Patient Care Income from CCGs & NHSE	95.9	97.6	1.7	1.8%	191.9	195.2	3.3	1.7%
Other Patient Care Income	13.6	15.0	1.4	10.0%	27.8	29.5	1.8	6.4%
Other Operating Income excluding top-up	9.9	10.0	0.1	0.6%	20.2	21.2	1.0	4.7%
Total Income excluding reimbursements	119.5	122.6	3.1	2.6%	239.9	245.9	6.0	2.5%
COVID Reimbursement (Validated)	0.0	0.6	0.6		0.0	0.6	0.6	
COVID Reimbursement (Unvalidated)	0.5	0.2	(0.2)	(52.0%)	0.5	1.1	0.6	135.2%
COVID Reimbursement (Other)	0.0	0.0	0.0		0.0	(0.0)	(0.0)	
Total Income including reimbursements	120.0	123.5	3.5	2.9%	240.4	247.7	7.3	3.0%
Agency	(3.3)	(6.6)	(3.3)	(102.4%)	(6.3)	(11.7)	(5.4)	(84.6%)
Pay excluding Agency	(75.7)	(75.0)	0.7	0.9%	(151.8)	(151.9)	(0.1)	(0.1%)
Total Pay	(79.0)	(81.6)	(2.6)	(3.3%)	(158.1)	(163.6)	(5.5)	(3.5%)
Non Pay	(39.4)	(40.7)	(1.3)	(3.3%)	(78.7)	(80.6)	(1.9)	(2.4%)
Other non operating items	(1.7)	(1.6)	0.1	5.1%	(3.5)	(3.4)	0.1	3.3%
Total expenditure	(120.1)	(123.9)	(3.8)	(3.2%)	(240.4)	(247.7)	(7.3)	(3.0%)
Adjusted Financial Performance	(0.1)	(0.5)	(0.4)	(0.3%)	(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	(0.1)	(0.5)	(0.4)	(0.3%)	(0.0)	0.0	0.0	0.0%

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

Year to date costs for the usage of escalation beds totals £3.6m.

As at month 6, SFT has claimed a further £4.0m in additional Covid-19 funding, relating to vaccination programme (£2.7m) and testing (£1.4m).

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	289.1	300.5	11.4	4.0%	578.2	601.1	22.9	4.0%
Other Patient Care Income	11.4	9.6	(1.9)	(16.2%)	22.7	19.2	(3.5)	(15.5%)
Other Operating Income excluding top-up	16.6	23.1	6.4	38.8%	33.5	46.1	12.6	37.7%
Total Income excluding reimbursements	317.2	333.2	16.0	5.0%	634.4	666.4	32.0	5.0%
COVID Reimbursement (Validated)	0.0	2.5	2.5		0.0	4.9	4.9	
COVID Reimbursement (Unvalidated)	0.0	1.5	1.5		0.0	0.8	0.8	
COVID Reimbursement (Other)	0.0	0.0	0.0		0.0	(0.0)	(0.0)	
Total Income including reimbursements	317.2	337.2	20.0	6.3%	634.4	672.1	37.7	5.9%
Agency	(6.2)	(12.5)	(6.2)	(100.2%)	(16.4)	(24.0)	(7.6)	(46.4%)
Pay excluding Agency	(214.5)	(214.0)	0.5	0.2%	(419.5)	(420.9)	(1.4)	(0.3%)
Total Pay	(220.7)	(226.5)	(5.8)	(2.6%)	(435.9)	(444.9)	(9.0)	(2.1%)
Non Pay	(94.8)	(110.9)	(16.1)	(17.0%)	(189.2)	(219.4)	(30.3)	(16.0%)
Other non operating items	(4.5)	(3.5)	1.0	22.5%	(9.1)	(7.5)	1.6	17.6%
Total expenditure	(320.0)	(340.9)	(20.9)	(6.5%)	(634.2)	(671.8)	(37.6)	(5.9%)
Adjusted Financial Performance	(2.8)	(3.7)	(0.9)	(0.3%)	0.2	0.2	0.1	0.0%
System Performance Adjustments	(0.2)	(0.0)	0.2	80.5%	(0.2)	(0.2)	(0.1)	(30.0%)
System Performance Measure	(3.0)	(3.7)	(0.7)	(0.2%)	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 (South Somerset West)				
Primary Care Resilience				
GP Prescribing				
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	4,840			4,840
System R/NR Solution	2,160	3,326	1,100	6,586
ESRF Benefit H1				
Slippage on Investments				
MIU Savings				
System Balance Sheet				
Unidentified clawback mitigation	1,000	0	0	1,000
Total ICB Risks and Mitigations	0	0	0	0

NHS Somerset Risks and Mitigations Schedule - Sep 2022/2023

	ICB	SOMERSET NHS FT	YDH NHS FT	Total	Change
	£'000	£'000	£'000	£'000	£'000
	(2,750)			(2,750)	2,250
	(2,323)	(2,252)		(4,575)	(2,575)
	(5,513)			(5,513)	(5,513)
		(2,788)	(726)	(3,514)	912
			(1,000)	(1,000)	(1,000)
	(500)			(500)	(500)
	(500)			(500)	(500)
	(1,000)			(1,000)	(1,000)
		(2,791)		(2,791)	(2,791)
	0	0	0	0	1,000
	(12,586)	(7,831)	(1,726)	(22,143)	(9,717)
	1,240			1,240	(3,600)
	9,306	7,581	1,576	18,463	11,877
	1,700			1,700	1,700
				0	0
				0	0
	340	250	150	740	740
		0	0	0	(1,000)
	0	0	0	0	0

Committed to Jasmine and MPH

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 6. 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

Staffing Group	Plan / Actual	M1	M2	M3	M4	M5	M6	YTD	2022/23
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Registered nursing, midwifery and health visiting staff	Plan	695	572	493	529	550	582	3,422	8,478
	Actual	1,182	1,182	979	1,001	1,076	1,235	6,656	11,546
Healthcare scientists and scientific, therapeutic and technical staff	Plan	114	90	87	88	92	100	571	1,467
	Actual	220	220	177	192	329	251	1,389	2,832
Support to clinical staff	Plan	134	121	113	118	120	124	731	1,625
	Actual	191	191	223	169	94	151	1,019	2,044
Total non-medical - Clinical staff agency	Plan	943	783	694	735	762	807	4,724	11,569
	Actual	1,593	1,593	1,379	1,362	1,499	1,637	9,064	16,422
	Variance	651	810	685	627	737	830	4,340	4,853
Consultants	Plan	643	575	576	522	534	550	3,400	7,509
	Actual	804	804	817	860	1,063	966	5,315	9,872
Career/staff grades	Plan	0	0	0	0	0	0	0	0
	Actual	61	61	40	47	8	17	233	521
Trainee grades	Plan	294	226	183	208	219	242	1,373	3,646
	Actual	670	670	792	685	573	500	3,890	7,762
Total medical and dental staff agency	Plan	937	801	759	731	753	792	4,773	11,155
	Actual	1,535	1,535	1,649	1,592	1,644	1,483	9,438	18,155
	Variance	598	734	890	861	891	691	4,665	7,000
Total non medical - non-clinical staff agency	Plan	0	0	0	0	0	0	0	0
	Actual	77	77	110	69	135	117	586	1,121
	Variance	77	77	110	69	135	117	586	1,121
Total Agency	Plan	1,880	1,585	1,453	1,466	1,515	1,599	9,497	22,724
	Actual	3,205	3,205	3,138	3,024	3,279	3,237	19,088	35,698
	Variance	1,326	1,621	1,686	1,558	1,763	1,638	9,591	12,974

*YTD acute escalation agency costs total – Medical Consultants: £1,309k, Nursing: £518k.

Recurrent / Non Recurrent of Forecasted Efficiencies at M6	ICB	Somerset FT	YDH FT	NHS Somerset	%
	(£'000s)	(£'000s)	(£'000s)	(£'000s)	
Recurrent	(12,798)	(5,968)	(1,320)	(20,086)	54%
Non Recurrent	(2,801)	(5,947)	(3,242)	(11,990)	32%
Unidentified	(2,750)	(2,266)	0	(5,016)	14%
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	(13,960)	(6,943)	(3,040)	(23,943)	65%
Plans in Progress	(1,639)	(2,913)	(772)	(5,324)	14%
Opportunity	0	(2,059)	(750)	(2,809)	8%
Unidentified	(2,750)	(2,266)	0	(5,016)	14%
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	(15,599)	(6,943)	(3,040)	(25,582)	69%
Medium	0	(2,913)	(772)	(3,685)	10%
High	(2,750)	(4,325)	(750)	(7,825)	21%
Total	(18,349)	(14,181)	(4,562)	(37,092)	