

REPORT TO:	NHS SOMERSET INTEGRATED CARE BOARD ICB Board Part A	ENCLOSURE:
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DATE OF MEETING:	26 September 2024	
REPORT TITLE:	NHS Somerset Finance Report – Month 4 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

PREVIOUS CONSIDERATION/ENGAGEMENT

ICB Finance Committee

Executive summary and reason for presentation to Committee/Board	<p>The enclosed paper provides an update summarising the NHS Somerset Integrated Care System financial position for the 2024/25 financial year as 31 July 2024.</p> <p>This report provides an analysis of financial performance across the following areas:</p> <ul style="list-style-type: none"> • Summary of NHS Somerset Financial Position • Summary of Organisational Financial Positions • NHS Somerset System Capital • Summary of Somerset Council Financial Position
Recommendation and next steps	<p>The Integrated Care Board is asked to note the report for assurance of the NHS Somerset ICS financial position</p>

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

**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 £1,356,629,000 for the 2024/25 financial year as at 31 July 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

Please keep these front pages to a maximum of three

Headline Summary

- NHS Somerset is forecasting to deliver a balanced outturn position for the 2024/25 financial year.
- At month 4, NHS Somerset has a year-to-date deficit of £1.2m as a result of the junior doctor's industrial action at the end of June and start of July.
- NHS Somerset's capital programme is £0.5m ahead of plan year-to-date. Forecasted capital outturn for 2024/25 is in line with our Capital Resource Limit.
- At month 4, year-to-date NHS Somerset's total savings programme is behind plan by £0.3m, with a shortfall of £3.5m in recurrent savings. NHS Somerset is forecasting to deliver total efficiencies in line with plan this financial year, however total recurrent delivery is estimated to be £8.7m lower than plan driven by unidentified savings at month 4 of £8.4m.
- Total system agency costs are £2.1m lower than planned year to date; and are forecasted to be £5.8m below plan this financial year.
- Somerset Council are projecting a £0.2m underspend at month 3, with Corporate Contingency of £6.0m offsetting service position pressures. In particular, Children, Families and Education Services are forecasting a £5.4m adverse position this financial year.
- The system is managing several medium and high rated risks, which could materialise: -
 - Industrial Action
 - LD Pooled Budget
 - Transport Services
 - Prescribing NCSO Pressures
 - Secondary Care Cost Pressures
 - Winter System Pressures
 - System Savings Programme
 - Continuing Care
 - Elective Recovery

Somerset ICS - Financial Headlines

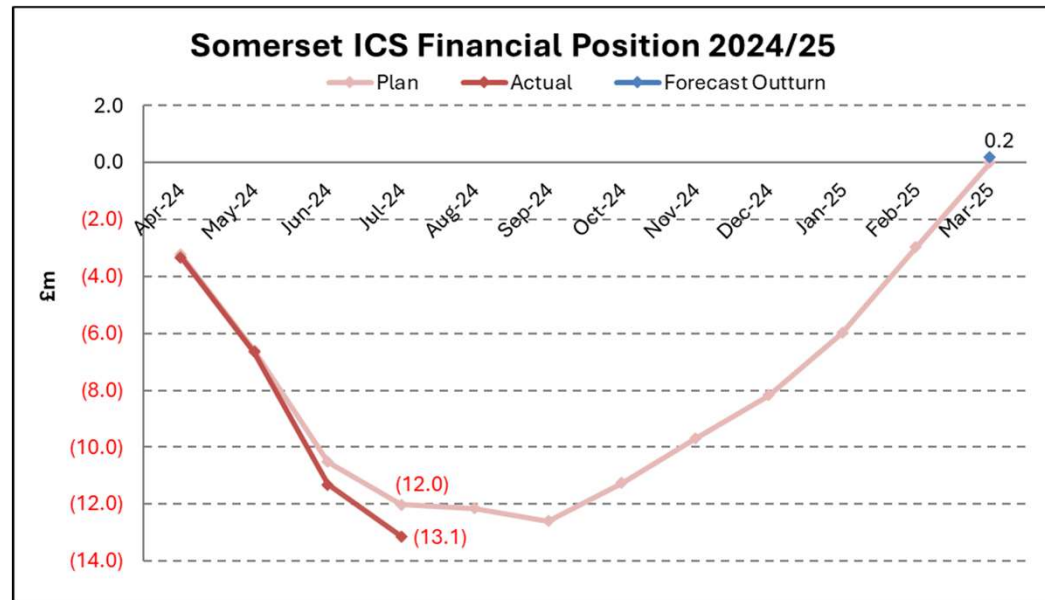
Month 4 2024/25

NHS Somerset has a year-to-date adverse variance of £1.2m at month 4, resulting from cost pressures and income loss of the Junior Doctor industrial action in June/July within Somerset NHS FT.

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

NHS Somerset's Capital expenditure is forecasted to be in line with our Capital Resource Limit this financial year.

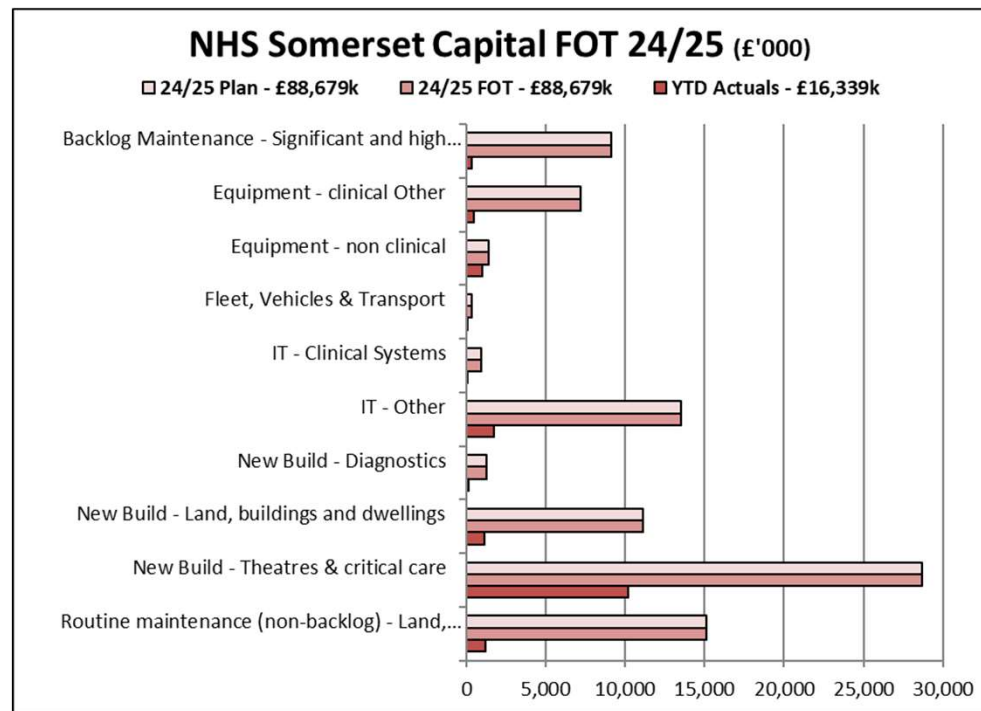
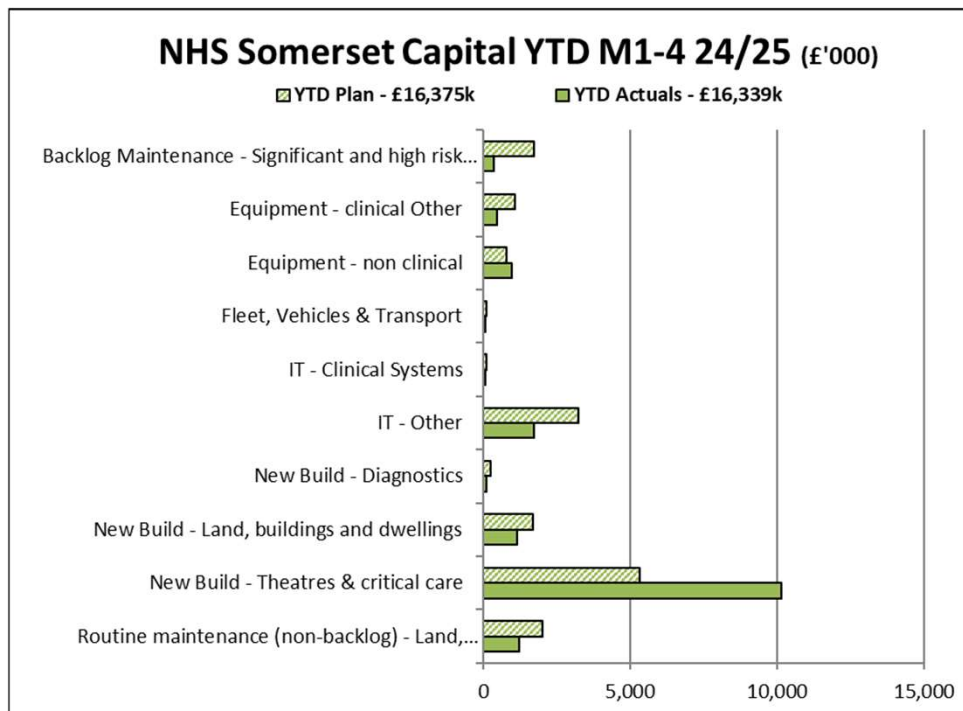
Somerset Council is forecasting to deliver a £0.2m favourable position this financial year at month 3.



Performance against organisation-specific and system control totals									
£'m	Month 4			YTD Month 1-4			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	(1.5)	(1.8)	(0.3)	(12.0)	(13.2)	(1.2)	0.0	0.0	0.0
Somerset Council*	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	0.2
Somerset ICS	(1.5)	(1.8)	(0.3)	(12.0)	(13.1)	(1.1)	0.0	0.2	0.2

*Somerset Council forecasted position is as at month 3, with the YTD position being the pro rated annual forecast

NHS Somerset – Trust Capital Scheme Breakdown

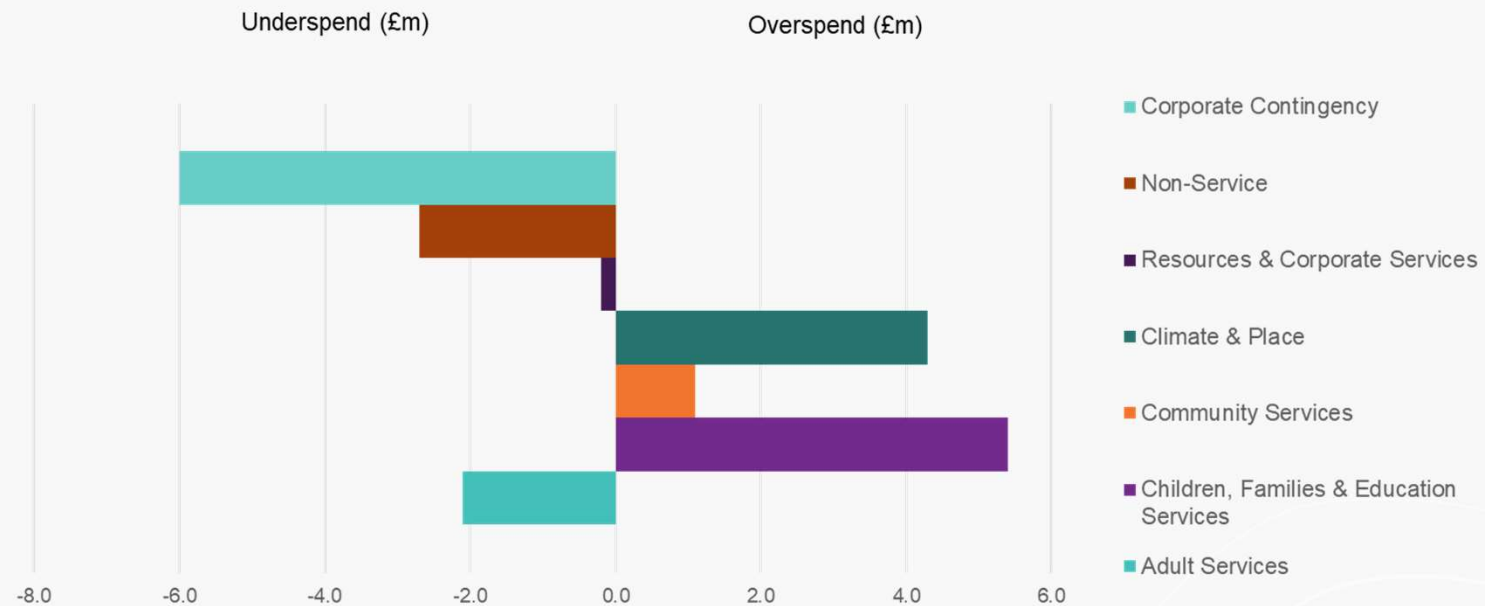


At month 4, NHS Somerset’s capital schemes are in line with plan year-to-date; in particular, the Surgical Centre is now £3.7m ahead of plan. Forecasted capital outturn for 2024/25 is in line with plan.

Note the above 24/25 FOT position of capital schemes excludes remeasurement of lease liabilities of £5.1m (-£0.6m variance YTD) and Other Adjustments for donations of -£1.2m (+0.2m variance YTD) which are included within our Capital Resource Limit.

Somerset Council Headlines

£0.2m underspend at month 3 (quarter 1)



Forecast Summaries

Directorate	Reason for Variance
Adult Services	£2.1m favourable variance against their budget (0.8% of service budget). This variance is due to the commissioning work carried out with the market to reduce residential and nursing weekly fees.
Children, Families & Education Services	Adverse variance of £5.4m (3.8% of budget). This is mainly due to an overspend of £6.3m on the external placements budget as a result of the rising numbers of children coming into care with many of these children moving into high cost residential and unregistered placements.
Community Services	£1.1m adverse variance against their budget. In the main this is due to pressures seen in the Open Spaces and Coroners budgets.
Climate & Place	Adverse variance of £4.3m against their budget. In the main this is due to the increase in Waste services contract costs. Additional pressures are also seen in Safety defects, capitalisation of salary costs against capital projects and unachievable income targets within Land Charges.
Strategy, Workforce & Localities	On budget for month three.