

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

Title: NHS Somerset Finance Report – Month 6 2023/24	Enclosure L
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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 2023/24 financial year as 30 September 2023.

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

Recommendations and next steps

The Integrated Care Board is asked to note the report of the NHS Somerset ICS 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 £1,293,200,000 for the 2023/24 financial year as at 30 September 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	584

Headline Summary

- NHS Somerset is forecasting to deliver a balanced outturn position for the 2023/24 financial year
- At month 6, NHS Somerset has a year to date overspend of £5.5m resulting from costs and income less relating to industrial action of £2.4m, Provider under performance against inter system contracts of £0.7m and Prescribing expenditure exceeding plan by £2.5m.
- The ICS' Capital position is marginally behind planned expenditure, but the system is forecasting to utilise all capital allocations this financial year.
- At month 6, total system agency spend for 2023/24 is forecasted to exceed our cap by £6.9m, with year to date overspent by £2.8m against plan.
- The system is managing several medium and high rated risks, which could materialise: -
 - Prescribing NCSO pressures (already materialising)
 - Winter Acute Escalation
 - System Cost Reduction/Productivity Stretch
 - LD Pooled Budget
 - Intermediate Care
 - Elective Recovery
 - Industrial Action
- Somerset Council are projecting a £18.7m overspend at month 6, which is largely driven by pressures within Adult Social Care and Childrens' Social Care.

NHS Somerset - Financial Headlines

Month 6 2023/24

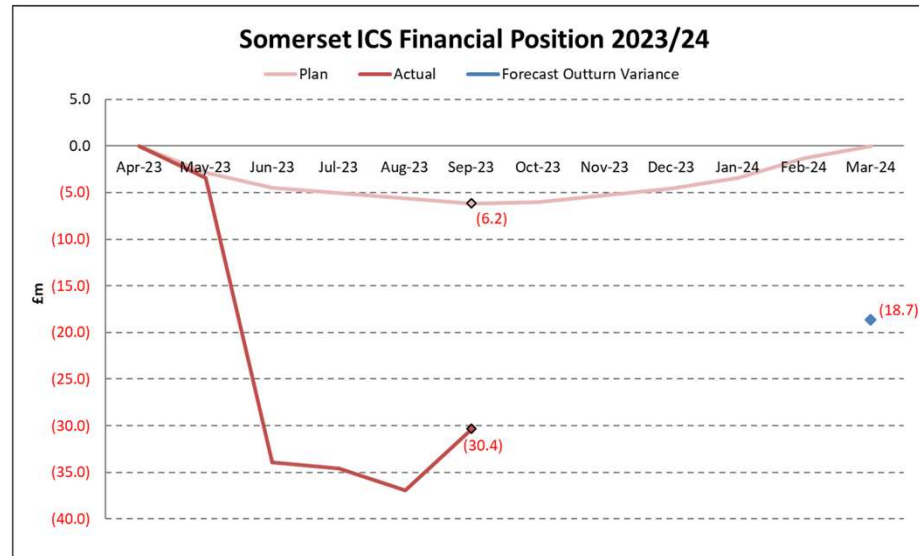
NHS Somerset is forecasting to deliver a balanced outturn position for the 2023/24 financial year.

At month 6, NHS Somerset has a year to date overspend of £5.5m.

Somerset ICB's year-to-date variance relates to Prescribing costs exceeding plan by £2.5m.

Somerset FT's £3.0m in-year adverse position is driven by costs and income loss relating to industrial action, and system underperformance against inter system contracts.

Somerset Council are projecting a £18.7m overspend at month 6, largely driven by pressures within Adult Social Care and Childrens' Social Care.



Performance against organisation-specific and system control totals									
£m's	Month 6			Month 1-6 YTD			Forecast Outturn 2023/24		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHS Somerset ICB	0.0	0.0	0.0	0.0	(2.5)	(2.5)	0.0	0.0	0.0
Somerset NHS FT	(0.6)	(2.1)	(1.5)	(6.2)	(9.2)	(3.0)	0.0	0.0	0.0
Somerset Council	0.0	8.6	8.6	0.0	(18.7)	(18.7)	0.0	(18.7)	(18.7)
Somerset ICS	(0.6)	6.5	7.1	(6.2)	(30.4)	(24.2)	0.0	(18.7)	(18.7)

Somerset ICB Finances

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

At month 6, Somerset ICB has a year-to-date pressure of £2.5m.

This in-year variance relates to Prescribing NCSO cost pressure of £1.8m actual at M4 with a further £0.7m anticipated for M5-6.

Financial Position Overview								
Somerset ICB	Year to Date (M1-M6)				Forecast Outturn 2023/24			
	Plan £m	Actual £m	Variance £m	Variance %	Plan £m	Forecast £m	Variance £m	Variance %
System Revenue Resource Limit	(646.6)				(1,293.2)			
Acute Services	329.1	329.0	0.1	0.0%	658.2	658.0	0.2	0.0%
Mental Health Services	54.9	55.0	(0.0)	(0.1%)	109.8	109.9	(0.1)	(0.1%)
Community Health Services	58.7	58.3	0.4	0.7%	117.4	116.6	0.8	0.7%
Continuing Care Services	28.6	27.7	0.9	3.1%	57.2	55.7	1.5	2.6%
Primary Care Services	64.4	66.9	(2.5)	(3.9%)	128.7	131.2	(2.5)	(1.9%)
Other Commissioned Services	28.8	28.7	0.1	0.3%	57.6	57.4	0.2	0.3%
Other Programme Services	1.0	1.0	0.0	0.0%	2.1	2.1	0.0	0.0%
Reserves / Contingencies	(3.2)	(0.7)	(2.5)	77.8%	(6.3)	(6.2)	(0.1)	1.4%
Delegated Primary Care Commissioning	78.3	77.3	1.0	1.3%	156.6	156.6	0.0	0.0%
ICB Running Costs	5.9	5.9	0.0	0.0%	11.9	11.9	0.0	0.0%
Total Net Expenditure	646.6	649.1	(2.5)	(0.4%)	1,293.2	1,293.2	0.0	0.0%
TOTAL Somerset ICB Surplus/(Deficit)	0.0	(2.5)	0.0	(0.4%)	0.0	0.0	0.0	0.0%

Somerset FT Finances

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

At month 6, Somerset FT is forecasting a year to date overspend position of £3.0m.

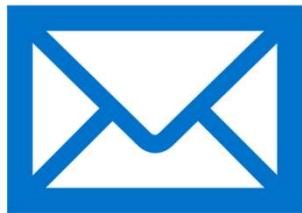
This in-year variance is due to:

- The costs of backfilling shifts due to industrial action at M6 of £1.8m
- A loss of ERF income as a result of industrial action of £1.8m partly offset by over-performance against the revised trajectory of £1.2m, giving a net £0.6m overspend
- Under performance against Dorset ICB and Specialised Commissioning contracts of £0.7m

Financial Position Overview								
Somerset FT	Year to Date (M1-M6)				Forecast Outturn 2023/24			
	Plan £m	Actual £m	Variance £m	Variance %	Plan £m	Forecast £m	Variance £m	Variance %
Patient Care Income from ICBs & NHSE	432.3	439.7	7.3	1.7%	865.8	870.5	4.8	0.6%
Other Patient Care Income	31.4	28.6	(2.8)	(8.8%)	62.5	62.7	0.1	0.2%
Other Operating Income excluding top-up	26.4	34.8	8.4	31.8%	54.1	57.7	3.6	6.6%
Total Income	490.1	503.0	13.0	2.6%	982.4	990.9	8.5	0.9%
Agency	(15.7)	(18.4)	(2.8)	17.6%	(28.1)	(36.9)	(8.8)	31.3%
Pay excluding Agency	(323.6)	(328.3)	(4.7)	1.5%	(645.4)	(633.9)	11.5	(1.8%)
Total Pay	(339.2)	(346.7)	(7.5)	2.2%	(673.5)	(670.8)	2.7	(0.4%)
Non Pay	(150.4)	(159.4)	(9.0)	6.0%	(295.7)	(305.1)	(9.4)	3.2%
Other non operating items	(6.0)	(3.8)	2.2	(36.8%)	(12.0)	(10.0)	2.0	(16.9%)
Total Expenditure	(495.6)	(510.0)	(14.3)	2.9%	(981.2)	(985.9)	(4.7)	0.5%
Adjusted Financial Performance	(5.6)	(6.9)	(1.4)	(0.3%)	1.2	5.0	3.8	0.4%
System Performance Adjustments	(0.6)	(2.3)	(1.7)	(278.3%)	(1.2)	(5.0)	(3.8)	(316.8%)
System Performance Measure	(6.2)	(9.2)	(3.0)	(0.6%)	0.0	0.0	0.0	0.0%

**Somerset
System
Capital Funding
2023/24**
updated 22nd September, 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 £1.1m



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
£0.4m & 2024/25 £1.3m**



**Elective Recovery - 2023/24 £10.3m &
2024/25 £2.1m**



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



**Frontline Digitisation (inc Digital EPR) -
2023/24 £3.9m, 2024/25 £5.2m &
2025/26 £6.7m**



**Diagnostics - Endoscopy - 2023/24 £1.2m
& 2024/25 £0.5m**



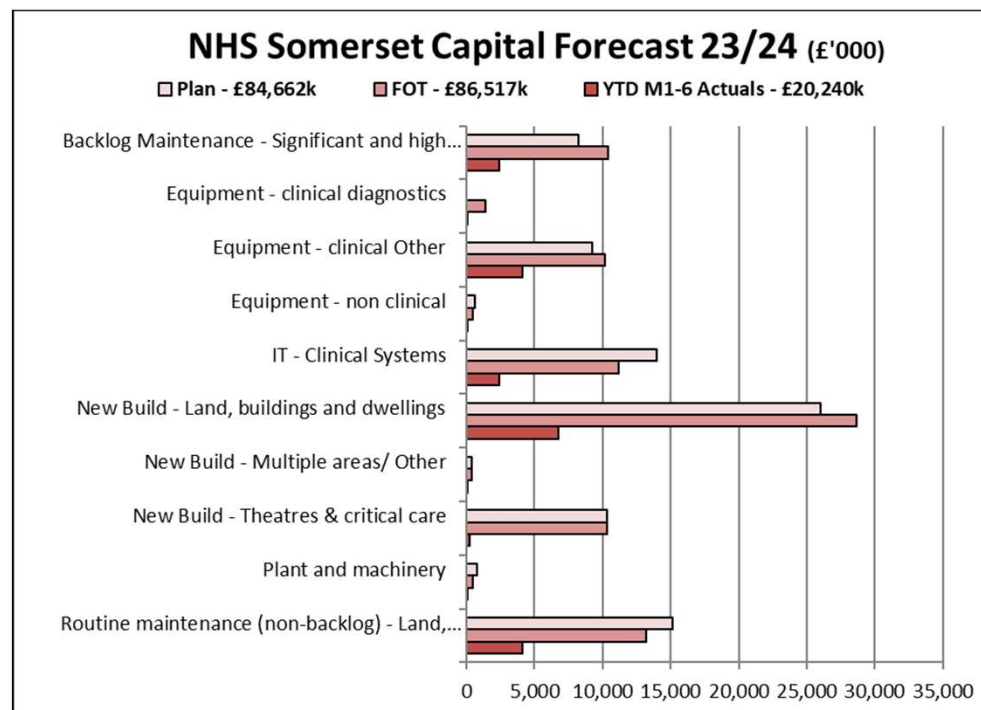
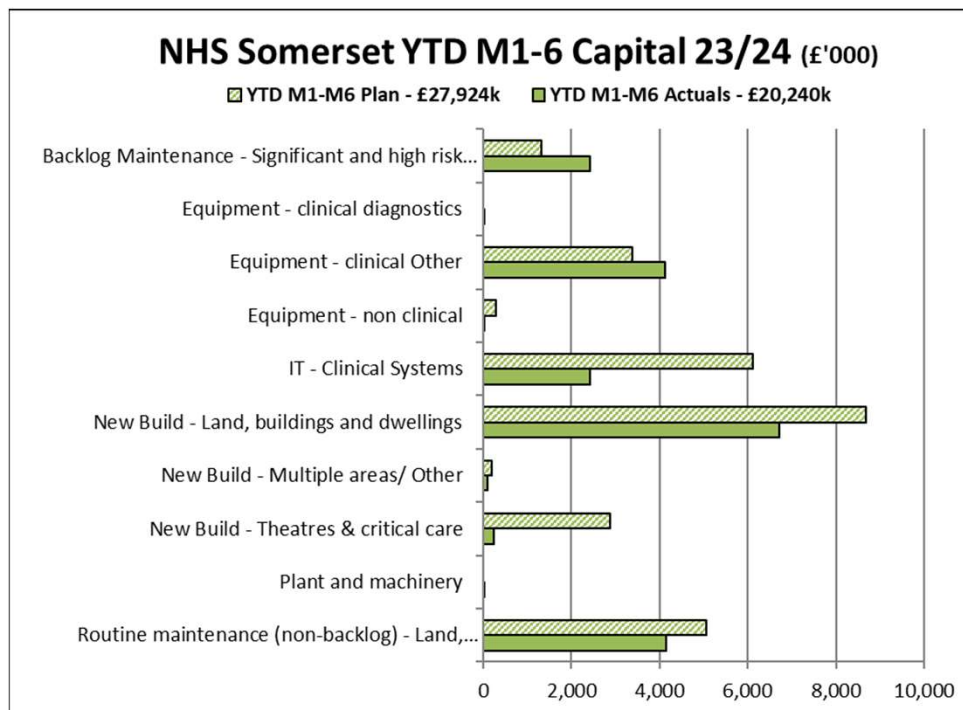
**Mental Health - UEC - 2023/24 £0.4m &
2024/25 £0.7m**



Diagnostics - Imaging 2023/24 £1.4m

* Figures subject to business case approval and may change

NHS Somerset – Trust Capital Scheme Breakdown

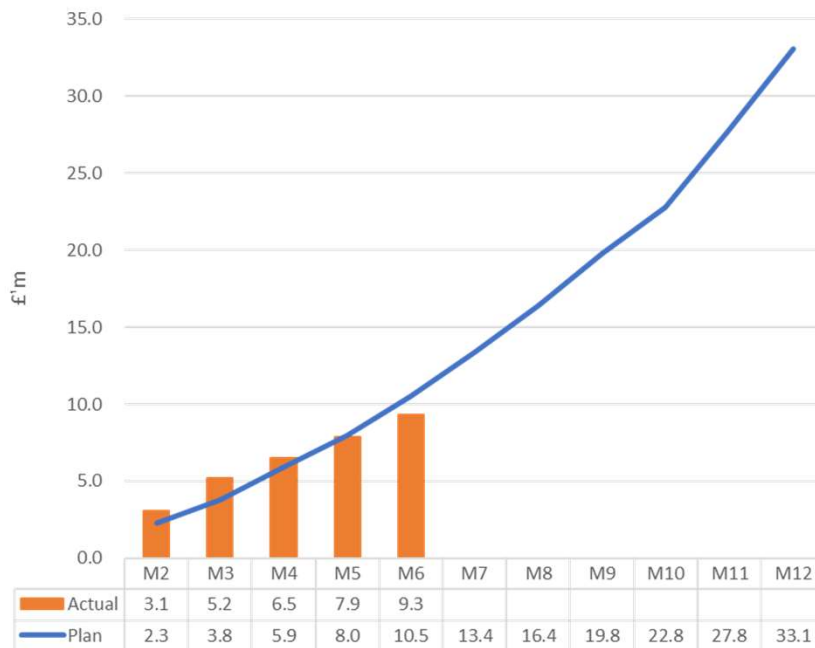


NHS Somerset is forecasting to utilise all capital allocations this financial year.

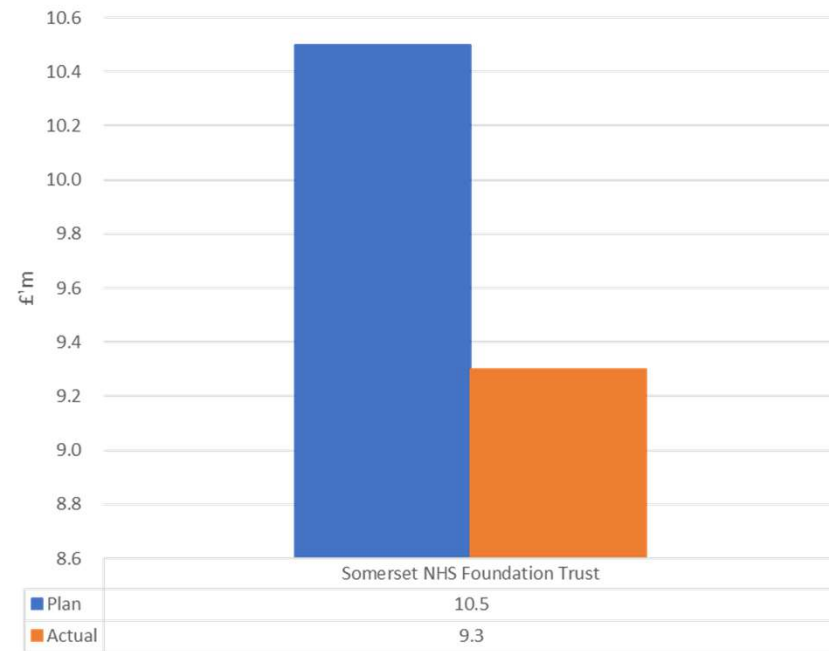
At month 6, NHS Somerset is behind planned expenditure, with spend against Surgical Centre, Theatre Expansion and IT Clinical systems currently below year-to-date budget.

NHS Somerset - Capital by Trust

Capital Envelope - YTD Plan v Actual



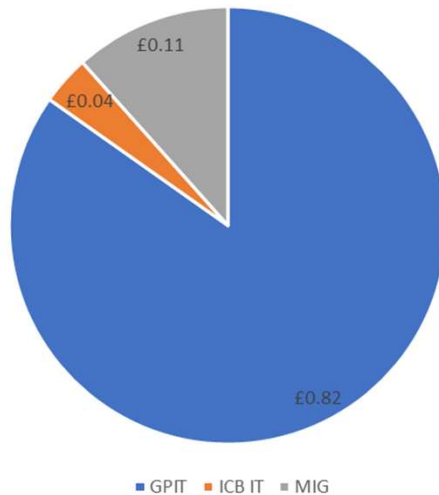
Trust Capital Envelope - YTD Plan v Actual



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

NHS Somerset - Commissioner BAU Capital

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	0.04
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
Total			0.92
BAU Allocation			1.30
Outstanding PID's			0.38

Somerset Council 2023/24 Revenue Budget - Month 6

Service Area	Original Budget £m	Current Budget £m	Full Year Projection £m	Month 6 Variance £m	A/(F)	RAG Status	Movement From Month 5 £m
Adult Services							
Adult Social Care Operations - Physical Disability/Sensory Loss/65 Plus	114.2	114.3	119.6	5.3	A	Red	0.0
Adult Social Care Operations - Mental Health	23.5	23.5	24.5	1.0	A	Red	0.0
Adult Social Care Operations - Learning Disabilities	110.5	109.9	117.4	7.5	A	Red	0.0
Commissioning	(62.2)	(62.2)	(61.1)	1.1	A	Red	0.0
Adult Services Total	186.0	185.5	200.4	14.9	A	Red	0.0
Children, Families & Education Services							
Children & Families	81.8	82.0	92.7	10.7	A	Red	0.6
Commissioning and Performance	11.1	11.2	10.9	(0.3)	(F)	Green	(0.3)
Inclusion	12.6	15.8	17.5	1.7	A	Red	0.0
Education, Partnerships and Skills	17.4	14.1	14.4	0.3	A	Red	0.3
Children & Family Services Total	122.9	123.1	135.5	12.4	A	Red	0.6
Community Services							
Housing	5.9	6.1	6.1	0.0	-	Green	0.0
Customer Services	6.9	6.7	6.7	0.0	-	Green	0.0
Cultural Services	9.1	9.7	10.1	0.4	A	Red	0.4
Regulatory & Operational Services	13.1	12.9	13.8	0.9	A	Red	0.9
Community Services Total	35.0	35.4	36.7	1.3	A	Red	1.3
Climate & Place							
Climate, Environment & Sustainability	55.8	55.5	56.1	0.6	A	Red	(0.2)
Infrastructure & Transport	21.8	22.1	23.2	1.1	A	Red	(0.4)
Economy, Employment & Planning	10.5	10.4	10.4	0.0	-	Green	0.0
Accountable Bodies	3.7	3.7	(3.3)	(7.0)	(F)	Green	(7.0)
Climate & Place Total	91.8	91.7	86.4	(5.3)	(F)	Green	(7.6)
Strategy, Workforce & Localities							
Partnership & Localities	0.8	0.7	0.7	0.0	-	Green	0.0
Strategy & Performance	3.2	3.2	3.2	0.0	-	Green	0.0
Workforce	6.0	5.8	5.4	(0.4)	(F)	Green	(0.2)
Governance, Democratic & Legal Services	9.0	9.3	10.6	1.3	A	Red	(0.2)
Strategy, Workforce & Localities Total	19.0	19.0	19.9	0.9	A	Red	(0.4)

Somerset Council are predicting a £18.7m overspend.

Represents 3.7% overspend

Majority of overspends look like they are permanent and will add to the savings gap for 2024/25

Somerset Council 2023/24 Revenue Budget - Month 6

Service Area	Original Budget £m	Current Budget £m	Full Year Projection £m	Month 6 Variance £m	A/(F)	RAG Status	Movement From Month 5 £m
Resources & Corporate Services							
Finance	12.6	12.8	11.4	(1.4)	(F)	Green	(1.2)
Strategic Asset Management	(9.2)	(9.6)	(9.2)	0.4	A	Red	0.0
Information Communication Technology	17.7	17.8	16.6	(1.2)	(F)	Green	(1.3)
Resources & Corporate Services Total	21.1	21.0	18.8	(2.2)	(F)	Green	(2.5)
Public Health	1.7	1.7	1.7	0.0	-	Green	0.0
Non-Service	9.8	9.8	6.2	(3.6)	(F)	Green	(0.1)
Traded Services							
Dillington	0.0	0.0	0.3	0.3	A	Red	0.1
Traded Services Total	0.0	0.0	0.3	0.3	A	Red	0.1
Total Service Position	487.3	487.2	505.9	18.7	A	Red	(8.6)
Corporate Contingency	6.0	5.7	5.7	0.0	-	Green	-
Total After Contingencies	493.3	492.9	511.6	18.7	A	Red	(8.6)
Reserves	(19.9)	(19.9)	(19.9)	0.0	-	Green	0.0
Transfers to Schools	0.0	0.4	0.4	0.0	-	Green	0.0
Council Tax	(345.4)	(345.4)	(345.4)	0.0	-	Green	0.0
Business Rates	(116.1)	(116.1)	(116.1)	0.0	-	Green	0.0
Revenue Support Grant	(7.9)	(7.9)	(7.9)	0.0	-	Green	0.0
Flexible Use of Capital Receipts	(4.0)	(4.0)	(4.0)	0.0	-	Green	0.0
Total Position	0.0	(0.0)	18.7	18.7	A	Red	(8.6)