

Clinical Commissioning Group

Report to the NHS Somerset Clinical Commissioning Group on 30 March 2017

Title: Interim Two Year Operational Financial Plan 2017/18 and 2018/19	Enclosure G
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Summary and Purpose of Paper

This report sets out the planned financial position for the Somerset Clinical Commissioning Group for the periods 1 April 2017 to 31 March 2018 and 1 April 2018 to 31 March 2019 and provides details of the planned financial position across the following areas:

- Financial Framework
- QIPP
- Summary Financial Position
- Risks and Mitigations

Recommendations and next steps

The Somerset Clinical Commissioning Group is asked to approve the interim financial plans for 2017/18 and 2018/19. Further work will be undertaken to address the financial challenge and an updated plan presented at the end of the first quarter of 2017/18.

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.
Privacy	No issues identified.

Engagement	No issues identified.			
Financial / Resource	The Somerset Clinical Commissioning Group is anticipating funding totalling £720,073,000 in 2017/18 and £734,475,000 in 2018/19.			
Governance or Legal	<p>The financial plan details any constitutional standards required to be met by the Clinical Commissioning Group.</p> <p>Although the interim budgets contain a significant unresolved financial challenge to deliver the control total as set by NHS England, see table 6 above, the CCG needs to ensure that through the actions detailed above, the CCG will not breach the CCG statutory duties as detailed in sections 223H(1) and 223I(3) of the NHS Act 2006 (as amended) which state the clinical commissioning groups have to:</p> <ul style="list-style-type: none"> • ensure expenditure in a financial year does not exceed income • ensure revenue resource use does not exceed the amount specified in directions <p>This may require a further authorised increase in spend agreed with NHS England which would result in a deficit being authorised during 2017/18.</p> <p>As the control total set by NHS England is a deficit target for the CCG in 2017/18 it will not deliver the statutory duty of the CCG. Assurance has been sought from NHS England that the CCG Governing Body can approve this interim plan. This assurance, together with legal advice from the CCG solicitors, confirms that the CCG can approve a deficit plan which delivers the control total set. Therefore, this interim plan should be approved subject to further discussions with NHS England regarding the in year authorised spend level against the agreed plan.</p>			
Risk Description	The Somerset Clinical Commissioning Group must ensure it delivers the planned financial target and there is significant risk that due to levels of activity and cost the target is not achieved. .			
Risk Rating	Consequence	Likelihood	RAG Rating	GBAF Ref
	4	4	16	SO2



Somerset
Clinical Commissioning Group

Interim Two Year Operational Financial Plan

2017/18 and 2018/19

1 FINANCIAL PLAN 2017/18 AND 2018/19

Financial Framework

- 1.1 The publication of 'Delivering the Forward View: NHS planning guidance 2016/17 – 2020/21' signalled the importance for Clinical Commissioning Groups to work in partnership with the local system to have plans which are balanced, meet the business rules and are aligned across its strategic, operational and financial measures.
- 1.2 The Somerset system consists of the Clinical Commissioning Group, the three Somerset NHS Foundation Trusts and the health and care services provided by the County Council.
- 1.3 Allocations for 2016/17 to 2020/21 were published in January 2016 and detailed the allocation of the £8.4 billion real terms increase to the NHS by 2020/21. The table below details the initial allocations for Somerset Clinical Commissioning Group (CCG). The allocations remain indicative for the final two years of the settlement.

Table 1: Initial Funding Allocations 2016/17 – 2020/21

Year	Increase in Funding %	Increase in Funding £'000
2016/17	3.05	20,514
2017/18	2.14	14,831
2018/19	2.04	14,449
2019/20	2.11	15,217
2020/21	3.87	28,560

Allocations 2017/18 and 2018/19

- 1.4 Allocations for 2017/18 and 2018/19 were published in January 2016. These have been adjusted further as below.

Table 2: Funding Allocations 2017/18 and 2018/19

	2017/18 £'000	2018/19 £'000
Initial Allocations (including growth of):	708,193 14,831	722,642 14,449
Adjustments:		
Recurrent 2016/17 from NHS England	60	60
Running Costs	11,850	11,840
PMS Funding	2,216	2,216
Specialised Services		
Identification Rules adjustment	2,593	2,634
National Tariff		
Price change adjustment	(4,839)	(4,917)
Total Allocation	720,073	734,475

1.5 The distance from target based on the growth allocation for 2017/18 is expected to be under target by approximately 2.4%. This represents the percentage points under the nationally calculated target allocation assumed for Somerset which, based on the 2017/18 allocation, equates to c£17m.

1.6 Indicative allocations were also published for primary care medical services and specialised services for the Somerset population to calculate a place based allocation. These services are currently commissioned directly by NHS England. The original allocations for 2017/18 and 2018/19 are included below.

Table 3: Primary Care Medical Services Allocations 2017/18 and 2018/19

Year	Allocation £'000	Increase in Funding %	Increase in Funding £'000
2017/18	78,957	1.0	782
2018/19	79,747	1.0	790

Table 4: Specialised Services Allocations 2017/18 and 2018/19

Year	Allocation £'000	Increase in Funding %	Increase in Funding £'000
2017/18	129,784	4.7	5,800
2018/19	135,483	4.4	5,699

Table 5: Place Based Allocations 2017/18 and 2018/19

Year	Allocation £'000	Increase in Funding %	Increase in Funding £'000
2017/18	916,934	2.4	21,413
2018/19	937,872	2.3	20,938

Financial Position 2016/17

1.7 Somerset is forecasting a deficit of £9.950m in 2016/17, before application of nationally directed headroom. NHS England has recently confirmed that the 1% headroom reserve should be released to the Clinical Commissioning Group's bottom line at month 12 of 2016/17. This will reduce the deficit position to £3.016m. This represents a significant deterioration from the original plan, primarily due to increased activity within local acute providers who are now on Payment by Results contracts together with significant in year cost pressures, including a 40% increase in funded nursing care fees.

Financial Plan 2017/18 and 2018/19

1.8 Engaging practices and other primary care professionals in the commissioning of services is essential in this period. Through this plan,

front line clinicians are being provided with the resources to make commissioning decisions which will translate patient needs into redesigned, high quality services for patients in local and convenient settings.

- 1.9 The financial strategy will put in place the resources required to deliver key elements of the strategy set out in the Sustainability and Transformation Plan (STP), whilst continuing to sustain or improve performance against national targets. A theme of the strategy is to maintain flexibility to respond to emerging pressures and issues.
- 1.10 To support the delivery of the STP and the operational plan, a Risk and Investment pool has been agreed between the Clinical Commissioning Group and the three Somerset NHS Foundation Trusts. This is detailed further within paragraphs 1.29 to 1.37.
- 1.11 For both years detailed, the interim plan does not deliver the full CCG business rules. The financial business rules requires a 1% surplus to be achieved, however due to the financial constraints within the Somerset system, NHS England has not requested that the Clinical Commissioning Group deliver the full business rules in 2017/18 and 2018/19, however the CCG needs to work towards recovery of the financial position.
- 1.12 NHS England has issued control totals as detailed in Table 6 to be achieved over the next two years. However, this interim plan does not deliver to these controls, see the table below and further detail in paragraph 1.69. Further discussions are being held between the Somerset STP leaders, NHS England and NHS Improvement in respect of the actions required to close this gap in 2017/18 and 2018/19.

Table 6: 2017/18 and 2018/19 Surplus / (Deficit)

	2017/18 £'000	2018/19 £'000
CCG interim plan (deficit)/surplus	(17,224)	604
Financial challenge	(15,476)	(4,130)
Control Total	(1,748)	4,734

- 1.13 In 2016/17, the CCG is forecasting it will not meet its statutory duty to ensure that expenditure in a financial year did not exceed income. It is expected that this will be escalated as part of the annual NHS England assurance process and the CCG may become subject to directions during 2017/18.
- 1.14 Given that the CCG now faces a cumulative deficit, significant in year risks and a challenging in year QIPP target, the CCG is working in partnership with the Somerset system to deliver further financial savings in 2017/18 to support the position.

1.15 This interim plan reflects the current position for Somerset CCG, however this position is expected to improve in year through the delivery of the following complimentary workstreams and actions:

- implementation of the Sustainability and Transformation Plan turnaround initiatives
- managing risk and demand through the system wide Risk and Investment Pool
- continued targeted governance including a monthly executive CCG Finance Group chaired by the Vice-chair and a capability and capacity assessment of executive Directors to deliver the overall strategy
- in year application of any remaining contingency

1.16 Further actions awaiting consideration from NHS England and are shown below:

- a formal request has been to NHS England to review the reduction in allocation made for the change in the national tariff pricing structure. The CCG has submitted a claim for £5.3m to be returned to the CCG in 2017/18 to more accurately reflect the actual impact of this change
- discussions are ongoing with NHS England regarding the application of the remaining 50% headroom funding (£3.5m) in 2017/18. This is on the basis that the collaborative risk process agreed across the health economy places a different approach to managing in year variances from plan, however this has not been agreed at plan
- ongoing discussions with NHS England through the planning process to agree the in year authorised spend level against the control total

1.17 Although the interim budgets contain a significant unresolved financial challenge to deliver the control total as set by NHS England, see table 6 above, the CCG needs to ensure that through the actions detailed above, the CCG will not breach the CCG statutory duties as detailed in sections 223H(1) and 223I(3) of the NHS Act 2006 (as amended) which state the clinical commissioning groups have to:

- ensure expenditure in a financial year does not exceed income
- ensure revenue resource use does not exceed the amount specified in directions

1.18 Further updates to this plan will be presented to the Governing Body through the monthly finance report and will specifically highlight the

progress against the challenge to achieve overall expenditure in line with the control total.

1.19 As the control total set by NHS England is a deficit target for the CCG in 2017/18 it will not deliver the statutory duty of the CCG. Assurance has been sought from NHS England that the CCG Governing Body can approve this interim plan. This assurance, together with legal advice from the CCG solicitors, confirms that the CCG can approve a deficit plan which delivers the control total set. Therefore, this interim plan should be approved subject to further discussions with NHS England regarding the in year authorised spend level against the agreed plan.

1.20 Other pressures for 2017/18 are included below. A number of these cost pressures are funded from the growth allocation and others will be mitigated through delivery of QIPP schemes:

- policy pressures assumed within growth e.g. CAMHS transformation investment
- Payment by Results tariff inflator including CNST adjustment
- the change proposed in the tariff consultation to move the tariff structure to a more granular healthcare resource grouping (HRG4+)
- a significant cost pressure resulting from the recent Learning Disabilities procurement
- reinstating the 0.5% contingency as mandated within the CCG business rules

Financial Bridge 2017/18

1.21 Table 7 and Table 8 summarise the financial bridge for 2017/18 and 2018/19. This reconciles the current 2016/17 forecast financial position to the planned financial positions for 2017/18 and 2018/19.

Table 7: Financial Bridge 2017/18

Financial Bridge 2017/18	2017/18 £'000
2016/17 deficit position	9,950
Surplus non-recurrent funding b/f from 2015/16	6,484
In Year Deficit 2016/17	16,434
Less: 2016/17 non recurrent expenditure	(2,521)
Add back: 2016/17 non recurrent benefits	8,337
Full Year Effect of Recurrent Mitigations:	
Full Year Effect of QIPP and other savings plans	(12,975)
FYE of Cost Commitments:	
Patient Transport Service Re-procurement	100
Cost Pressures 2017/18:	
Learning Disabilities Contract	2,215
Allocation Change HRG4	4,839
System reserve (non recurrent)	2,739
Business Rules – Contingency	3,612
Business Rules – Headroom (Increase)	171
Use of 50% Headroom to fund existing investments	(3,552)
Growth and cost pressures avoided via QIPP delivery and other mitigations:	
Local Tariff	2,542
Net Tariff inflator and Efficiencies	529
QIPP Investment	658
QIPP Investment – Risk Pool	4,500
Demographic and Non Demographic Growth	21,769
MH Parity of Esteem	1,280
STP £3p/h over 2 years	847
Sub Total	51,524
Funded By:	
Growth	(14,820)
QIPP	(19,480)
Sub Total	(34,300)
TOTAL 2017/18 Deficit	17,224

Table 8: Draft Financial Bridge 2018/19

Draft Financial Bridge 2018/19	2018/19 £'000
2017/18 deficit position	17,224
Reversal of system reserve	(2,739)
Sub-Total	14,485
Cost Pressures:	
Business Rules – Contingency (Increase)	63
HRG4+ Changes (Increase)	78
Business Rules – Headroom	144
Growth	22,438
Net Tariff Inflater and Efficiencies	4,391
Mental Health Parity of Esteem	1,598
QIPP Investment – Risk Pool	4,500
SubTotal	47,697
Funded By:	
Growth	(14,439)
QIPP	(33,862)
Sub Total	(48,301)
TOTAL 2018/19 (Surplus)	(604)

- 1.22 Demographic pressures and increases in the costs of delivering medical and surgical advances, will need to be contained within the current contract envelopes and will require a relentless focus on managing pressures and delivery of challenging QIPP targets.
- 1.23 Budgets have been set at 2016/17 forecast outturn, adjusted for any non-recurrent benefits and full year effect of any investment or savings schemes.
- 1.24 Due to the deficit position of the CCG in 2016/17, the CCG has implemented significant non recurrent measures in order to maintain the position, however this has effectively pre committed a significant element of growth for 2017/18.
- 1.25 This plan is predicated on the basis that costs associated with increases in demand and additional activity relating to delivery of access standards, will also be contained within the available funding.
- 1.26 This plan is based on the application of national tariff prices for 2017/18 and 2018/19 as issued in December 2016.
- 1.27 All emergency threshold funding and readmission penalties are committed to recurrent schemes to reduce emergency admissions. Any reduction to this funding will require a cross health community discussion to decide if schemes can be decommissioned or additional support can be found from partners.
- 1.28 Within the national shared planning guidance, CCGs were required to support the ambition to achieve genuine parity of esteem between mental and physical health by 2020. This included an expectation that CCG

spending on Mental Health would increase in real terms by at least as much as the CCG allocation in percentage terms. For Somerset CCG, this has been assumed in excess of 2.14% of the current spend on mental health services (£76m) resulting in investment of £1.756m on mental health services in 2017/18 (this includes new parity of esteem investment plus £0.476m full year effect of 2016/17 Mental Health investments) and at 2.04% a further £1.598m investment in 2018/19.

- 1.29 Further detail regarding the work programme to deliver these ambitions is included within the Sustainability and Transformation Plan (STP).

Sources of Funds 2017/18 and 2018/19

- 1.30 The CCG is anticipating funding totaling £720.073 million in 2017/18 and £734.475 million in 2018/19 as shown in Table 9 below.

Table 9: 2017/18 and 2018/19 Sources of Funds

Description	2017/18			2018/19		
	Recurring £'000	Non Recurring £'000	Total £'000	Recurring £'000	Non Recurring £'000	Total £'000
Recurrent baseline	693,362		693,362	708,193		708,193
Recurrent changes in year growth	2,276 14,831		2,276 14,831	2,276 14,449		2,276 14,449
Sub Total	710,469	-	710,469	724,918	-	724,918
Notified Adjustments:						
Running cost allocation	11,850		11,850	11,840		11,840
Identification Rules adjustment		2,593	2,593		2,634	2,634
Tariff adjustment (HRG4+)		(4,839)	(4,839)		(4,917)	(4,917)
Sub Total	11,850	(2,246)	9,604	11,840	(2,283)	9,557
Total	722,319	(2,246)	720,073	736,758	(2,283)	734,475

- 1.31 Within the table above, are non-recurring adjustments, made up of the following:

- funding transfers between CCGs and specialised commissioning, following work to implement consistent identification rules (IRs)
- the NHS England modelled impact of changes to prices in the 2017/18 and 2018/19 National Tariff (notably the move to HRG4+ and the changes to the tool and methodology for top up payments)

Financial Challenge

- 1.32 There is a significant financial challenge across the Somerset health and social care community. The three main Somerset providers have a combined minimum Cost Improvement Programme challenge of £26.5m (2017/18), as shown in Table 10 below.

Table 10: Somerset Providers 2017/18 Cost Improvement Programme

Provider	2017/18 Total CIP £'m	%
Somerset Partnership NHS Foundation Trust	4.4	2.7
Taunton and Somerset NHS Foundation Trust	13.4	4.6
Yeovil District Hospital NHS Foundation Trust	8.7	5.9

Investment and Risk Shared Pool

1.33 For 2017/18, the NHS organisations in the local health system have signed up to an Investment and Risk Shared Pool.

1.34 The partners are:

- Taunton and Somerset NHS Foundation Trust
- Yeovil District Hospital NHS Foundation Trust
- Somerset Partnership NHS Foundation Trust
- Somerset Clinical Commissioning Group

1.35 The principles under which this pool will be administered are based on the 14 'Must Do' principles as agreed within the Somerset Sustainability and Transformation Plan.

1.36 The formation of this agreement starts the system journey towards an Accountable Care System model for Somerset and moves away from payment on a PbR contractual basis towards a shared capitated based budget.

1.37 The pool works as a risk share to ensure the delivery of QIPP and mitigation of cost pressures through partnership working and also provides a vehicle to agree transformational investment by partners through allocating a fair share of both costs and associated savings.

1.38 All CCG commissioning budgets are within the scope of this pool and any improvement or deterioration against CCG planned budgets will be subject to the risk shares noted below:

Taunton and Somerset NHS Foundation Trust	26%
Somerset Partnership NHS Foundation Trust	18%
Yeovil District Hospital NHS Foundation Trust	11%
Somerset Clinical Commissioning Group	45%

1.39 This allocation of risk across the system incentivises the system to work in partnership to ensure that the current plans submitted to NHS England are delivered in full to avoid further costs into their own organisations.

1.40 The full governance arrangements are currently being finalised between partners and will be in place prior to 1 April 2017.

1.41 An initial meeting of the Somerset Health Partners Risk Share Management Board is due to take place during April 2017.

Clinical Commissioning Group Efficiency Programme

1.42 The Clinical Commissioning Group has also developed its own efficiency programme which focuses on:

- the full year effect of 2016/17 schemes
- new 2017/18 schemes including flat cash assumptions on all contracts

1.43 Table 11 below shows the anticipated efficiency savings from these programmes.

Table 11: Clinical Commissioning Group Efficiency Programme

	Gross £'000	Investment £'000	Net £'000
Full Year Effect of 2016/17 schemes			
GP 999 Car	1,789	(470)	1,319
Patient Initiated Follow-Ups (PIFU)	662		662
Elective Care IFR Plus	2,707		2,707
Reducing Variation in Outpatient Referrals from GP Practices	894		894
Consultant Connect	709	(88)	621
Test and Learn Pilots	1,324		1,324
Delayed Transfers of Care	680	(340)	340
Scope of Referral Management Centre	850		850
Yeovil WIC	800	(200)	600
Urgent Connect	498	(100)	398
OOH/111 Benefit Realisation	205		205
Reducing emergency admissions from care homes	75		75
Respiratory pathway	100		100
Ophthalmology	65		65
Cardiology	50		50
Cancer follow up/C section/breast cancer/vascular	150		150
Knee - Price and Criteria	250		250
Plaster beds	200		200
Neuro ESD	100		100
Sub Total	12,108	(1,198)	10,910
New 2017/18 schemes			
GP Prescribing	2,289		2,289
MH Investment	1,280	(1,280)	0
PC Investment	847	(847)	0
Risk Pool	4,500	(4,500)	0
LD Savings Programme	1,440		1,440
Patient Transport	347		347
Running Costs Inflation	1,170		1,170
Sub Total	11,873	(6,627)	5,246
Total Schemes	23,981	(7,825)	16,156
Flat Cash Assumption	7,607		7,607
Total QIPP	31,588	(7,825)	23,763

Application of Funds

- 1.44 The principles within this financial plan are aligned with the emerging priorities of the Sustainability and Transformation Plan.
- 1.45 Over the duration of the Sustainability and Transformation Plan implementation investment in acute hospitals will reduce with more services being delivered outside of hospital settings.

- 1.46 Table 12 below shows the application of funds for 2017/18 and 2018/19. Budgets have been allocated on a flat cash basis, therefore assuming that all growth, tariff inflation and other cost pressures are met by delivery of QIPP schemes.

Table 12: Budget Framework 2017/18 and 2018/19

Programme	2017/18 Flat Cash Adjusted Budget £'000	2018/19 Flat Cash Adjusted Budget £'000
Secondary Care Commissioning:		
NHS Contracts	482,410	482,766
Independent and Private Sector	128,060	124,361
Total Secondary Care Commissioning	610,470	607,127
Prescribing Services:		
GP Prescribing	77,241	77,241
Other Prescribing	3,198	3,198
Total Prescribing Services	80,439	80,439
Managed Programmes	9,230	9,157
Managed Programmes surplus/(deficit)	(17,224)	604
Running Costs	11,230	11,220
Primary Care Programmes	14,481	14,481
Better Care Fund	11,447	11,447
Total	720,073	734,475

Secondary Care Services

- 1.47 Approximately 85% of the Clinical Commissioning Group's annual budget is spent on secondary care commissioning.
- 1.48 Planned NHS contracts by provider for 2017/18 and 2018/19 are set out below in Table 13.

Table 13: Contract Value by Provider

Provider	2016/17 M8 Outturn £'000	2017/18 Flat Cash Adjusted Budget £'000	2018/19 Flat Cash Adjusted Budget £'000
Foundation Trusts:			
Dorset County Hospital NHS Foundation Trust	2,153	2,223	2,223
Royal Brompton and Harefield NHS Foundation Trust	440	239	239
Royal Devon and Exeter NHS Foundation Trust	4,540	4,128	4,128
Royal United Hospital Bath NHS Foundation Trust	30,166	29,431	29,431
Salisbury NHS Foundation Trust	594	555	555
Somerset Partnership NHS Foundation Trust	128,604	130,649	130,649
South Western Ambulance Service NHS Foundation Trust	20,611	20,797	21,075
Taunton and Somerset NHS Foundation Trust	182,297	184,562	184,640
University Hospitals Bristol NHS Foundation Trust	8,868	7,537	7,537
Yeovil District Hospital NHS Foundation Trust	81,823	79,600	79,600
Sub-Total	460,096	459,721	460,077
Other NHS Trusts:			
North Bristol NHS Trust	7,268	6,667	6,667
Northern Devon Healthcare NHS Trust	463	463	463
Sirona Care and Health	499	499	499
Weston Area Health NHS Trust	15,116	15,060	15,060
Sub Total	23,346	22,689	22,689
Financial Recovery Plan Identified Savings (included within contracts for 2017/18 and 2018/19)	(1,425)		
Sub Total	(1,425)	-	-
Total NHS Service Level Agreements	482,017	482,410	482,766

1.49 Frameworks are based on a roll-forward of 2016/17 contract outturn adjusted to reflect agreed developments and non-recurring adjustments actioned during 2016/17. For Somerset providers, further adjustments are included to agree to signed contract values. Finance envelopes for 2017/18 and 2018/19 are based on flat cash, therefore assuming that all growth and tariff inflation is met by QIPP delivery, through a system focus on demand management.

1.50 Contract values have not been adjusted to reflect any transfer of resource to the Better Care Fund, and therefore these funds remain as part of the CCG contract at this stage.

Taunton and Somerset NHS Foundation Trust

1.51 The 2017/18 contract has been based on the forecast outturn for 2016/17 with the removal of £3m funding for the dermatology service which the CCG will no longer be commissioning through this contract. The impact of the Identification Rules exercise will see £4.924m of activity transferring from NHS England Specialist Services to be commissioned by the CCG.

Yeovil District Hospital NHS Foundation Trust

- 1.52 The 2017/18 contract has been based on the forecast outturn for 2016/17 less the removal of £2.8m to reflect the impact of the new HRG4+ tariff changes which will reduce the cost of the activity commissioned. Additional funding of £600,000 has been included to reflect agreement of a local price review. An additional £1.4m has been added to the CCG's £79.6m from the risk share to put in place a contract envelope of £81m.

Somerset Partnership NHS Foundation Trust

- 1.53 The 2017/18 contract has been based on forecast outturn for 2016/17 with a reduction of £2.390m reflecting the decommissioning of Shepton Mallet inpatient beds and Minor Injury Unit. The CCG has included the Stroke Early Supported Discharge contract of £1.2m to the main contract value for 2017/18 and has also included the transfer of dressing's supply of £1.168m recurrently for 2017/18. Further investment to ensure the trust could achieve its STF targets as well as reflecting growth for mental health parity of esteem of £2.750m has also been added to this contract for 2017/18.

South Western Ambulance Service NHS Foundation Trust

- 1.54 The South Western Ambulance Service NHS Foundation Trust contract is a block contract negotiated on behalf of all 12 South West CCGs by the South, Central and West Commissioning Support Unit. The 2017/19 contract has been based on forecast outturn for 2016/17 with growth of 2.54% paid at 50% marginal rate of tariff, which is based on a two year rolling average (previously 4 years).

Non NHS Contracts

- 1.55 In addition to commissioning services from NHS providers the Clinical Commissioning Group will commission a range of services from the independent and private sector. Contract values are set out in Table 14 below.

Table 14: Contract Values for Services from the Independent and Private Sector

Scheme/Provider	2016/17 M8 Outturn £'000	2017/18 Flat Cash Adjusted Budget £000	2018/19 Flat Cash Adjusted Budget £000
British Red Cross	375	375	375
British Pregnancy Advisory service	40	40	40
Continuing Care	36,562	37,062	37,062
COPD Services	663	663	663
Cruse Bereavement	25	25	25
Dermatology Services	0	3,000	3,000
Dorothy House Hospice	297	297	297
Exceptional Treatments	337	337	337
Marie Stopes	221	221	221
NHS Funded Nursing care	14,770	14,770	14,770
Non Contractual Activity	7,953	7,878	7,878
Oasis	962	962	962
Odstock Medical Limited	30	30	30
Other Commissioning	8,824	9,696	5,997
Palliative Care Funding	374	374	374
Partnership Working – Pooled Budgets	18,422	21,592	21,592
Partnership Working - Other	1,915	1,915	1,915
Patient Transport Services	697	797	797
Shepton Mallet Health Partnership	14,516	15,221	15,221
Spells in Private Sector	7,954	8,038	8,038
St Margaret's Hospice	2,054	2,054	2,054
Voluntary Car Services	1,055	708	708
Weston Hospice	135	135	135
Wheelchair Services (Millbrook)	2,035	1,870	1,870
Total	120,216	128,060	124,361

Continuing Health Care

1.56 The Continuing Health Care budgets for 2017/18 and 2018/19 shown in Table 14 have been based on a roll forward from 2016/17 adjusted for non-recurrent QIPP schemes. Updates for 2017/18 and 2018/19 include:

- uplifts to reflect both volume and price changes
- savings generated by new QIPP schemes for 2017/18 and 2018/19
- additional funding to support a new staffing model within the CHC assessment team. This reflects a transfer of assessment services from Somerset Partnership NHS Foundation Trust to the CCG and represents both new staff and existing staff transferred between organisations.

NHS Funded Nursing Care

- 1.57 NHS funded nursing care is care provided by a registered nurse, paid for by the NHS, for people who live in a care home. Patients are eligible for NHS funded nursing care if:
- you live in a care home registered to provide nursing care and
 - you do not qualify for NHS continuing healthcare but have been assessed as needing care from a registered nurse
- 1.58 The budgets for 2017/18 and 2018/19 are based on a roll forward of forecast outturn for 2016/17, which included a significant increase (39.5%) in payment rates from the previous year. This rate had been set as an interim arrangement for 9 months to allow further evidence to be gathered. Further guidance is expected after the rate is assessed and therefore this remains a currently unquantified risk for the CCG in respect of any further adjustment to payment rates.

Non Contractual Activity

- 1.59 Non contractual activity relates to NHS funded services delivered by providers that do not have a written contract with the patient's responsible commissioner (but where the provider holds a written contract with another commissioner). This principally applies to emergency treatments provided by a hospital that the responsible commissioner would not normally contract with, but can also apply for elective activity and where the patient has exercised choice.

Partnership Agreements

- 1.60 Included within non NHS contracts are three pooled budget agreements (joint funding) which have been agreed under Section 75 of the National Health Service Act 2006.
- 1.61 These arrangements are based on a formal partnership agreement which sets out the services covered by the pooled budget, the aims and outcomes of pooling financial resources, the funds to be contributed by each partner and the percentage of risk share. The three schemes are detailed in Table 15 shown below.

Table 15: Partnership Agreements with the Local Authority

Scheme	Somerset CCG Contribution	Somerset CCG Contribution
	2016/17 £'000	2017/18 £'000
Integrated Community Equipment Service	1,190	1,340
Learning Disabilities Services	17,029	20,049
Carers Services	203	203
Total	18,422	21,592

- 1.62 Budgets have been uplifted to reflect recurrent cost pressures materialising in 2016/17. The CCG has also earmarked funding of £2.2m for the new Learning Disabilities contract in 2017/18. A separate briefing regarding cost pressures against the Learning Disabilities pooled budget is due to be presented to the Governing Body of the CCG.

Prescribing

GP Prescribing

- 1.63 Prescribing budgets for 2017/18 and 2018/19 take into account the projected underspend against budgets from 2016/17 and include growth of 5.4% for 2017/18 and 4.4% for 2018/19. This has then been adjusted for further opportunities to deliver Quality, Innovation, Productivity and Prevention savings. GP Prescribing values are set out in Table 16 below.
- 1.64 The recharge for public health prescribing costs relates to costs incurred for smoking cessation and sexual health services and is based on historic expenditure levels. Somerset County Council has given notice on the existing smoking cessation service contract and discussions are ongoing to identify any potential financial impact in respect of the prescribing of smoking cessation products.

Table 16: GP Prescribing

GP Prescribing	2016/17 M8 Outturn	2017/18 Flat Cash Adjusted Budget	2018/19 Flat Cash Adjusted Budget
	£'000	£'000	£'000
GP Prescribing Budget	78,489	78,364	78,364
Public Health Prescribing Recharge	(1,123)	(1,123)	(1,123)
Total	77,366	77,241	77,241

Other Prescribing

- 1.65 In addition to GP prescribing, funding has been set aside to support the following programmes, as shown in Table 17 below:

Table 17: Other Prescribing

Other Prescribing	2016/17 M8 Outturn	2017/18 Flat Cash Adjusted Budget	2018/19 Flat Cash Adjusted Budget
	£'000	£'000	£'000
Prescribing Rebates	(430)	(430)	(430)
Central Recharge for national adjustment for unknown prescriptions	1,942	1,992	1,992
Home Oxygen Service	1,426	1,236	1,236
Other Prescribing	600	400	400
Total	3,538	3,198	3,198

Primary Care Programmes

- 1.66 Resources totaling £14,481,000 have been identified to support Primary Care programmes. Primary Care programmes comprise a range of important priority areas for Somerset CCG which do not fall within the scope of secondary healthcare services. Table 18 details these programmes and services.

Table 18: Primary Care Programmes

Primary Care Programmes	2016/17 M8 Outturn £'000	2017/18 Flat Cash Adjusted Budget £'000	2018/19 Flat Cash Adjusted Budget £'000
Out of Hours	5,460	5,460	5,460
111 Service	1,415	1,415	1,415
GP Enhanced Services	4,140	4,190	4,190
GP IT	1,200	1,200	1,200
PMS Premium	2,216	2,216	2,216
Other	274	-	-
Total	14,705	14,481	14,481

Out of Hours

- 1.67 Somerset CCG is responsible for ensuring that appropriate out-of-hours service arrangements are in place for the population of Somerset. This service is provided by Somerset Doctors Urgent Care.

111 Service

- 1.68 NHS 111 is a nationally specified but locally commissioned service and Somerset CCG is responsible for commissioning this service for the population of Somerset. This service is provided by Somerset Doctors Urgent Care.

GP Enhanced Services

- 1.69 Clinical Commissioning Groups are free to commission a wide range of community based services funded from their overall funding allocation. With the exception of any local improvement schemes commissioned on behalf of NHS England and proposed transitional arrangements for current local enhanced services, Clinical Commissioning Groups will commission these services through the NHS standard contract. This can include services delivered by GP practices, provided they go beyond the services provided under the GP contract.

GP IT

- 1.70 Somerset CCG has allocated £1,200,000 revenue funding for GP IT services in 2017/18 and 2018/19. This will enable Somerset Clinical Commissioning Group to deliver requirements to its member general

practices, including funding of core clinical system maintenance and IT support, in line with General Practice System of Choice Framework (GPSoc). The allocation also enables local delivery of national initiatives, with project management and training support for implementation of Summary Care Records and Electronic Prescription Service. Operational support and delivery is achieved with this funding via Service Level Agreements with South, Central and West Commissioning Support.

PMS Premium

- 1.71 NHS England has completed a PMS review and has transferred PMS Premium funding of £2,216,000 to the Clinical Commissioning Group, who now have responsibility for managing these funds. This funding is fully committed to practices within the proposed Primary Care Improvement scheme.

Primary Care Extended Access

- 1.72 The CCG is anticipating an additional allocation of funds to be made available in year during 2017/18 and 2018/19 to support delivery of improved access to primary care services. The Government mandate within the General Practice Forward View requires the NHS to improve access to primary care so that by 2020/21 all patients have access to GP led primary care services for both routine and urgent care needs 7 days a week, and for an extended hours period during weekdays. The funding to support this initiative will be based on an allocation of £6 per head of weighted population, which would equate to an allocation for Somerset of £3.4million. In line with the national planning guidance, this is not shown within the initial budgets.

Running Cost Programmes

- 1.73 Funding totaling £11,850,000 has been allocated to support the CCG headquarters and central functions for 2017/18, reducing to £11,840,000 for 2018/19.
- 1.74 These allocations have been reduced by anticipated QIPP savings of £620,000 to arrive at a budget value of £11,230,000 for 2017/18 and £11,220,000 for 2018/19.
- 1.75 To support the effective running of the CCG, some functions are provided in house and others are commissioned from South, Central and West Commissioning Support. Table 19 below details the running costs budgets for Somerset CCG for 2017/18 and 2018/19.

Table 19: Running Cost Programme

	2016/17 M8 Outturn	2017/18 Flat Cash Adjusted Budget	2018/19 Flat Cash Adjusted Budget
Running Cost Programme	£'000	£'000	£'000
Total Running Cost Programme	11,196	11,230	11,220

Detailed Directorate level budgets are currently under review and will be made available when finalised.

Managed Programmes

- 1.75 Managed Programmes are a series of specific allocations of funding pending their transfers to budgets during the year. An analysis for 2017/18 and 2018/19 managed programmes are set out in Table 20 below.

Table 20: 2017/18 and 2018/19 Managed Programmes

	2016/17 M8 Outturn	2017/18 Flat Cash Adjusted Budget	2018/19 Flat Cash Adjusted Budget
	£'000	£'000	£'000
Surplus / (Deficit)	(9,950)	(17,224)	604
Contingency	-	2,126	1,909
Headroom	6,934	7,104	7,248
Primary Care Collaboration Fund *	1,152	0	0
CHC Risk Pool contribution	447	0	0
Total	(1,417)	(7,994)	9,761

* now shown as a commitment against the Clinical Commissioning Group's 1% headroom funding

Surplus/ (Deficit)

- 1.76 The business rules for Clinical Commissioning Groups for 2017/18 and 2018/19 require all CCGs to aim for an in-year breakeven position, with expectations being set for the minimum level of improvement for CCGs in deficit in 2016/17. The control totals expected to be delivered by Somerset Clinical Commissioning Group in 2017/18 and 2018/19 are shown in Table 21 below.

Table 21: 2017/18 and 2018/19 Surplus / (Deficit)

	2017/18 £'000	2018/19 £'000
CCG interim plan (deficit)/surplus	(17,224)	604
Financial challenge	(15,476)	(4,130)
Control Total	(1,748)	4,734

- 1.77 At this stage the interim financial plan demonstrates that the Clinical Commissioning Group will not deliver its control totals for 2017/18 and 2018/19 without significant further savings delivered in line with STP/turnaround projections or changes to the allocation. For 2017/18 the interim budgets have a deficit of £17,224,000, which is a £15,476,000 variance from the expected control total of £1,748,000 deficit. Further actions are being taken through the STP and with NHS England to resolve the position during the year.
- 1.78 For 2018/19 the Clinical Commissioning Group has an anticipated surplus of £604,000, which is a £4,130,000 variance from the expected control total of £4,734,000 surplus.
- 1.79 Table 22 below demonstrates the cumulative deficit position of the Clinical Commissioning Group in 2017/18 and 2018/19 assuming that the financial challenge is resolved in both years

Table 22: Movement on Historic Underspend / (Deficit)

Movement on Historic Underspend / (Deficit)	2017/18 £'000	2018/19 £'000
Forecast (deficit) brought forward	(9,950)	(4,764)
Adjustment for 1% headroom reserve released in month 12 2016/17	6,934	
Control Total	(1,748)	4,734
Balance Carried Forward	(4,764)	(30)

- 1.80 The deficit brought forward into 2017/18 has been adjusted to reflect release of the 1% headroom reserve to the Clinical Commissioning Group's bottom line in month 12 of 2016/17, as recently confirmed by NHS England. Further clarity is still to be made available as to how this will be reflected in final plan submissions to NHS England for 2017/18 and 2018/19.
- 1.81 The Government's mandate to NHS England includes a requirement to achieve year on year improvements to NHS efficiency and productivity in order to achieve financial balance by 2020/21. The expectation is therefore that Somerset CCG's historic deficit will be brought back into balance by 2020/21 at the latest.

Contingency

- 1.82 'Everyone Counts: Planning for Patients 2014/15 to 2018/19' outlined the national requirement for Clinical Commissioning Group's to hold a contingency of at least 0.5% to mitigate risks within the local health community. This has been confirmed by NHS England as a required business rule for 2017/18. Table 23 shows the funding that has been set aside as a contingency to manage in year pressures.

Table 23: Contingency Requirement

	2016/17 £'000	2017/18 £'000	2018/19 £'000
Contingency	3,559	3,612	3,673

- 1.83 These contingency funds have already been partially committed to enable the Clinical Commissioning Group to agree contract values with providers for 2017/18 and 2018/19. These commitments are detailed in Table 24 below.

Table 24: Contingency Commitments

	2017/18 £'000	2018/19 £'000
Opening Balance	3,612	3,673
Committed to agree contracts:		
Dorset County Hospital NHS Foundation Trust	(89)	(89)
South Western Ambulance Service NHS Trust	(286)	(564)
Weston Area Health NHS Trust	(245)	(245)
Yeovil District Hospital NHS Foundation Trust	(866)	(866)
Balance of Contingency Funds	2,126	1,909

Non Recurring Requirement for Clinical Commissioning Groups

- 1.84 As confirmed by NHS England within the Business Rules requirement, in 2017/18 and 2018/19 Clinical Commissioning Groups are required to set aside 1.0% of funding for non-recurrent expenditure. New guidance for 2017/18 and 2018/19 requires that only 50% of this funding should remain uncommitted at the start of the year, with the other 50% being available for immediate investment.
- 1.85 Table 25 below details the Headroom fund and proposed schemes to be funded from the 50% released for investment.

Table 25: Headroom Fund

	2017/18	2018/19
50% uncommitted balance held	3,552	3,625
Use of 50% Headroom		
Primary Care Collaboration Fund	1,326	1,397
Delayed Transfers of Care Developments	680	680
Primary Care Improvement Schemes	1,297	1,297
Prescribing Incentive Scheme	250	250
Total Headroom Funding	7,105	7,249

- 1.86 NHS England has requested business cases to be submitted to enable the regulator to approve schemes proposed for commitment from the 50% headroom released for investment. Each scheme needs to deliver a greater level of savings than investment in year as a gateway for approval.

Commissioning for Quality and Innovation (CQUIN)

- 1.87 The current CQUIN scheme enables providers to earn up to 2.5% of annual contract value if they deliver objectives set out in the scheme. For 2017/18 and 2018/19 the full 2.5% will continue to be available to providers but changes have been made to the scheme. Continuing with existing arrangements, 1.5% of the 2.5% will be linked to delivery of nationally identified indicators. The remaining 1% will be assigned to support providers locally, with 0.5% available subject to provider engagement and commitment to the STP process. The remaining 0.5% will be held within a system risk reserve. This risk reserve can only be released for investment when it is demonstrated that the provider is delivering its control total for 2017/18.
- 1.88 CQUIN funding for 2017/18 and 2018/19 has been fully allocated to the contract values reflected within this plan.

Better Care Fund

- 1.89 Launched through the Spending Round in June 2013 and highlighted as a key element of public service reform, the Better Care Fund has a primary aim to 'drive closer integration and improve outcomes for patients and service users and carers'. The fund is set up under a Section 75 agreement between NHS Somerset and Somerset County Council.
- 1.90 There are a number of national conditions that this funding must achieve namely, to maintain provision of social care services, to support progress on meeting the 2020 standards for 7 day services, data sharing and joint assessment and accountable lead professional for high risk populations.
- 1.91 In 2017/18, Somerset County Council will receive an additional £1,036,000 funding to be included within the Better Care Fund, which increases to £9m in 2018/19. The CCG will work with Somerset County Council to agree the application of this funding.
- 1.92 In addition to this, system leaders have received new guidance from NHSI and NHSE titled 'Action to get A&E performance back on track' which has highlighted an extra £1 billion being made available by the Chancellor for social care, in part to be used to free up in the region of 2,000 to 3,000 acute hospital beds. It is expected that the CCG will be working with Somerset County Council to agree the application of funding received from this allocation within Somerset.
- 1.93 As part of the same guidance, there is an expectation that some A&E demand will be managed in other parts of the urgent care system by:
- ensuring that every hospital implements a comprehensive front door streaming model by October 2017

- strengthening support to care homes to ensure that they have direct access to clinical advice, including appropriate on-site assessment
- implementing the recommendations of the Ambulance Response Programme by October 2017
- proceeding with the standardisation of Walk In Centres, Minor Injury Units and Urgent Care Centres
- rolling out evening and weekend GP appointments, to 50% of the public by March 2018 and 100% by March 2019
- increasing the number of 111 calls receiving clinical assessment by a third by March 2018

Risk

1.94 In addition to the cost commitments detailed within this financial plan the Clinical Commissioning Group has significant risks which are detailed in Table 26 below. Risk values have been probability rated to provide an adjusted potential risk value for the plan submission to NHS England.

Table 26: Risks

Risks	2017/18		2018/19	
	Full Risk Value £'000	Risk Rated Value £'000	Full Risk Value £'000	Risk Rated Value £'000
SWAST Paramedics rebanding	328	328	481	481
Somerset Health Community Risk Pool contribution	4,500	4,455	4,500	4,455
QIPP (Primary Care)	852	843	852	843
Other cost pressures	1,500	1,125	1,500	1,125
T&S (growth risk)	1,600	1,200	1,699	1,274
YDH Contract inconsistencies	2,520	1,890	2,520	1,890
Somerset Partnership – Additional Community Beds	500	375	500	375
Out of County Contract agreements	2,612	1,959	2,612	1,959
CHC Growth and additional staffing requirement	1,700	1,683	1,700	1,683
Learning Disabilities Growth	400	300	400	300
GP Prescribing Growth	2,000	1,500	2,000	1,500
Primary Care/LES Transformation	2,080	2,080	4,087	4,087
Other Primary Care	1,000	1,000	1,000	1,000
Market Rent	895	895	895	895
Specialist Commissioning – Identification Rules Transfer	500	495	500	495
Total Risks	22,987	20,128	25,246	22,362

SWASFT Paramedics Rebanding

1.95 This is a national issue relating to the pay grade rebanding of paramedic staff. NHS England have advised that an additional allocation will be made available to Clinical Commissioning Groups in 2017/18 and 2018/19

to fund this, however have also advised that these allocations should not be included within 2017-19 financial plans. This risk is included pending receipt of this allocation and is matched by a mitigation to reflect the receipt of these funds.

Somerset Health Community Risk Pool and other QIPP delivery

1.96 The Clinical Commissioning Group has identified risks linked to delivery of the new Somerset Health Community risk share pool and also its ability to deliver at least an equivalent saving for any investment being made within the system as follows:

- £4,500,000 QIPP savings to be achieved in line with the CCGs contribution to the risk pool
- £852,000 QIPP savings to be achieved in line with the CCGs contribution into Primary Care
- £1,500,000 additional risks relating to current discussions regarding the split of financial responsibility for joint funded patients with other commissioners
- £1,600,000 growth risk with Taunton and Somerset NHS Foundation Trust
- £2,520,000 growth risk with Yeovil District Hospital NHS Foundation Trust
- £500,000 risk that additional community bed capacity will be required at Somerset Partnership NHS Foundation Trust during periods of escalation
- £2,612,000 PbR activity risk against out of county NHS contracts

Activity Growth Continuing Care and GP Prescribing

1.97 The Clinical Commissioning Group has included risks for Continuing Health Care growth and additional staffing requirements (£1,700,000), GP Prescribing growth (£2,000,000) and Learning Disabilities pooled budget growth (£400,000) to recognise that growth levels could exceed those included within the financial plan.

Primary Care/LES Transformation

1.98 A risk of £2,080,000 has been identified representing a further investment for primary care as detailed within the STP. The CCG does not currently have plans to invest this funding. Any funding released will require agreement of a full business case with supporting information evidencing an equivalent value of savings to be delivered.

Other Primary Care

- 1.99 A risk of £1,000,000 has been identified representing the expectation of an allocation to be received from NHS England for the walk in service patients at Yeovil Health Centre.

Market Rent

- 1.100 The Clinical Commissioning Group has included a risk of £895,000 in relation to the change in NHS Property Services charging regime to market rent. NHS England have indicated that additional allocations will be made available to Clinical Commissioning Groups to fund this increase, however this risk has been included pending receipt of this allocation. This risk is matched by a mitigation reflecting receipt of these funds during 2017-19.

Specialist Commissioning – Identification Rules Transfer

- 1.101 The Clinical Commissioning Group has included a risk of £500,000 in relation to the Identification Rules transfer from Specialist Commissioning, particularly given concerns regarding use of a 2014/15 activity baseline for this transfer exercise.

Mitigation Strategy

- 1.102 A mitigation strategy is currently being developed by the CCG as detailed in Table 27 below. Mitigation values have been probability rated to provide an adjusted potential mitigation value for the plan submission to NHS England.

Table 27: Mitigations

Mitigations	2017/18		2018/19	
	Full Mitigation Value £'000	Expected Mitigation Value £'000	Full Mitigation Value £'000	Expected Mitigation Value £'000
Contingency and Somerset Health Community Risk Pool contribution	4,500	4,500	4,500	4,500
Turnaround Actions and Contribution from risk share partners	11,441	10,899	11,441	10,899
QIPP (Primary Care)	852	426	852	426
Mitigations relying on potential funding:				
Market Rent	895	895	895	895
SWAST Paramedics	328	328	481	481
Primary Care Health Centre	1,000	1,000	1,000	1,000
Primary Care/LES Transformation	2,080	2,080	4,087	4,087
Total Mitigations	21,096	20,128	23,256	22,288

Contingency Funds and the Somerset Health Community Risk Pool

- 1.103 The Somerset Health Community Risk Pool assumes a notional £10m investment from all partners. The CCG's contribution towards this investment is 45% of the total £10m, equating to £4.5m. This is reflected within the CCG's risks for 2017/18 and 2018/19, however as per the principles of the risk pool, this needs to be met by an equivalent level of savings in year.

Turnaround Actions and Contributions from Risk Share Partners

- 1.104 The Clinical Commissioning Group is expecting significant turnaround actions to deliver savings for the Somerset system in 2017/18. An estimate of these savings is shown in the table above, representing the CCG's anticipated savings element identified within the turnaround plan.
- 1.105 The workstream areas from the Turnaround Plan are detailed below:

System Workforce

- reviewing all functions of the system workforce to realise a future workforce that is affordable, right-sized and delivers based on competencies and skill mix requirements

Demand Management

- focussing on the development of robust processes to support demand management and activity reduction and support improvement of non-emergency RTT pathways

Integration

- Consists of driving continued benefits of integration of system functions and organisations

Efficiency

- aims to deliver better value by realising benefits of productivity improvements

Cost Improvement Controls

- Ensuring cost reductions and improvements are delivered in a standardised system wide approach with equal criteria and that all areas of spend are tackled and improved

Primary Care QIPP

- 1.106 A risk has been included in respect of Primary Care investment (see paragraph 1.98). This mitigation assumes that funding will only be

released on agreement of a full business case which provides supporting information evidencing an equivalent value in savings to be delivered.

Mitigations relying on potential funding

- 1.107 The Clinical Commissioning Group is expecting any risk materialising from paramedic staff rebanding, market rent, the Primary Health Care Centre and Primary Care/LES transformation to be supported by additional national funding ensuring the Clinical Commissioning Group is not adversely affected as a result of these cost pressures.
- 1.108 Assuming that all risks and mitigations materialise at the values identified above, this leaves a fully mitigated risk position in 2017/18 and a remaining unmitigated risk of £74,000 in 2018/19 (based on probability rated values).

Capital

- 1.109 In addition to revenue funding, the Clinical Commissioning Group will receive a capital allocation to support the Clinical Commissioning Group's administration function. In December 2016 the Clinical Commissioning Group submitted a plan requesting a capital programme for 2017/18 for £35,000 to support capital corporate IT infrastructure. A further £620,000 has been requested to support GP IT.
- 1.110 The Clinical Commissioning Group has requested capital grant funding of £172,000 to support grants to St Margaret's Hospice, Dorothy House and Weston Hospices and £333,000 to support additional specialist equipment costs.

Summary

- 1.111 Working with the wider Somerset health and care system the Clinical Commissioning Group has developed an Interim Two Year Operating Plan for 2017/18 and 2018/19 which focuses on the priorities to deliver a long term, financially sustainable health system and this financial framework sets out plans for the development of health services in Somerset during this period. However at this stage the interim plan does not deliver the control total and there remains a number of material risks to the financial position, which may require a further authorised increase in spend agreed with NHS England which would result in a deficit being authorised during 2017/18.
- 1.112 This has far reaching implications for the CCG and wider Somerset system in terms of assurance by NHS England, and embarking on a period of financial recovery back to recurrent balance and delivery of a surplus in a period of low growth.