

# Clinical Commissioning Group

Report to the NHS Somerset Clinical Commissioning Group on 15 September 2016

<b>Title: Financial Report 2016/17 1 April 2016 – 31 July 2016</b>	<b>Enclosure I</b>
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## Summary and Purpose of Paper

An update to be given summarising the current and forecast financial position for 2016/17.

This report sets out the overall financial position for the Somerset Clinical Commissioning Group for period 1 April 2016 to 31 July 2016 and provides an analysis of the financial performance across the following areas:

- Financial Framework
- QIPP
- Summary Financial Position

## Recommendations and next steps

The Somerset Clinical Commissioning Group is asked to discuss the report of the financial position.

## Impact Assessments – key issues identified

<b>Equality</b>	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.
<b>Quality</b>	Financial decisions are made to deliver with regard to the best possible value for service users.
<b>Privacy</b>	No issues identified.

<b>Engagement</b>	No issues identified.			
<b>Financial / Resource</b>	The Somerset Clinical Commissioning Group has a budget of <b>£715,172,000</b> in 2016/17.			
<b>Governance or Legal</b>	The financial report details any constitutional standards required to be met by the Clinical Commissioning Group.			
<b>Risk Description</b>	The Somerset Clinical Commissioning Group must ensure it delivers the planned financial target.			
<b>Risk Rating</b>	Consequence	Likelihood	RAG Rating	GBAF Ref
	3	4	12	SO2



**Somerset**  
***Clinical Commissioning Group***

**Finance Report 2016/17**

**1 April – 31 July 2016**



**SOMERSET CLINICAL COMMISSIONING GROUP**

**FINANCE REPORT 2016/17  
1 APRIL – 31 July 2016**

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**Somerset Clinical Commissioning Group**  
**1 April – 31 July 2016 Finance Report**

**1 Executive Summary**

Measure	Paragraph Ref.	Target £'000	Forecast Actual £'000	RAG Score
Year End Surplus		6,484	6,484	
Headroom		6,934	6,934	
Contingency		3,559	3,559	
Underlying (Deficit)/Surplus		-	(5,903)	
Current QIPP Delivery		31,646	16,796	

**Summary of overall position**

Programme	Forecast Year-end (under) / overspend £'000
Secondary Care Commissioning	(800)
Prescribing	-
Other Programmes	-
Running Costs	(500)
2016/17 Development Programme	-
Managed Programmes - Surplus	(6,484)
Unidentified QIPP	12,636
<b>Year End Outturn Position before mitigation strategy</b>	<b>4,852</b>
<b>Carried Forward to Risk Mitigations Strategy</b>	<b>(11,336)</b>
<b>Forecast Year End Outturn Position</b>	<b>(6,484)</b>

**Key:**

Standard achieved (100%+)	
Standard marginally under-achieved (85%+)	
Standard under-achieved (<85%)	

## 2 FINANCIAL STRATEGY 2016/17

### Financial Framework

- 2.1 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.
- 2.2 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. In 2016/17 £5.4bn was allocated to the NHS (£3.8bn in real terms), however it should be noted that £2.1bn is held centrally within the Sustainability and Transformation Fund of which £1.8bn is for provider sustainability. Table 1 below details the allocations for Somerset Clinical Commissioning Group). The allocations remain indicative for the final two years of the settlement.

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

Year	Increase in Funding %	Increase in Funding £'000	Distance from Target %
2016/17	3.05	20,514	(2.51)
2017/18	2.14	14,831	(2.43)
2018/19	2.04	14,449	(2.39)
2019/20	2.11	15,217	(2.44)
2020/21	3.87	28,560	(2.43)

### Non Recurring Requirement for Clinical Commissioning Groups

- 2.3 As confirmed by NHS England within the Business Rules requirement guidance, in 2016/17 Clinical Commissioning Groups are required to set aside 1.0% of funding for non-recurrent expenditure. Revised guidance for 2016/17 requires that the 1 percent non-recurrent spend required by the business rules should be uncommitted at the start of the year, to enable progressive release across the year subject to agreement by NHS England. Before revision of this guidance, the fund for 2016/17 was previously committed to ongoing schemes from 2015/16. The use of headroom over several years to support transformation had previously been agreed within NHS England as part of the 2015/16 plan. This change in guidance from previous years has resulted in a significant cost pressure to the Clinical Commissioning Group to recreate this funding in year.
- 2.4 These previous commitments for ongoing transformation schemes have now been funded from baseline funding however the Clinical Commissioning Group are continuing to discuss the release of the



headroom funding to support the Clinical Commissioning Group's financial position.

### **Financial Plan 2016/17**

2.5 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.

2.6 This plan represents the first year of the emerging whole system Sustainability and Transformation plan. The Financial Framework for 2016/17 is underpinned by the vision of the Somerset Health and Care System; namely:

- people in Somerset will be encouraged to stay healthy and well through a focus on:
  - building support for people in our local communities and neighbourhoods
  - supporting healthy lifestyle choices to be the easier choices
  - supporting people to self-care and be actively engaged in managing their condition

When people need to access care or support this will be through joined up health, social care and wellbeing services. The result will be a healthier population with access to high quality care that is affordable and sustainable.

2.7 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, whilst continuing to improve performance against national targets. A theme of the strategy is to maintain flexibility to respond to the emerging pressures and issues.

2.8 The plan submitted to the Governing Body in March 2016 committed to delivering a cumulative breakeven position. This effectively used the previous year's surplus to support the position in 2016/17. After protracted discussions with NHS England, the Clinical Commissioning Group changed the planned position to a cumulative surplus in 2016/17 equal to the surplus reported in 2015/16, £6,484,000. This improvement in our position increased the financial gap accordingly. This represented a significant financial challenge for 2016/17.

2.9 As in 2015/16, the Clinical Commissioning Group will not be delivering the full Clinical Commissioning Group business rules. The financial business

rules requires a 1% surplus to be achieved, which represents £7,100,000 for Somerset Clinical Commissioning Group in 2016/17.

- 2.10 Table 2 below highlights the Clinical Commissioning Groups in year Financial Position, which analyses the total allocation between the in year allocation and any drawdown of historic surplus for use in 2016/17. For 2016/17, the Clinical Commissioning Group has not planned to draw down any funds from the previous year.

**Table 2: National Support 2016/17**

	<b>£'000</b>
Total Clinical Commissioning Group allocation 2016/17	715,172
Total expenditure 2016/17	708,688
Surplus In Year	6,484
Less: Return of Prior Year Surplus	(6,484)
2016/17 Drawdown of previous surplus	-

*\* Total expenditure 2016/17 equals total allocation less surplus of £6,484,000*

- 2.11 Table 3 below highlights the Clinical Commissioning Group's underlying financial position.

**Table 3: Underlying Financial Position**

	<b>£'000</b>	<b>£'000</b>
Total Clinical Commissioning Group Allocation 2016/17	715,172	
Less: Non Recurrent Allocation	(9,889)	
<b>Total Recurrent Allocation 2016/17</b>		<b>705,283</b>
Total Expenditure 2016/17	708,688	
Less: 1% Headroom (non recurrent)	(6,934)	
<b>Less: Other Non Recurrent Adjustments:</b>		
CHC Risk Pool	(447)	
Vanguard	(3,043)	
Non-recurrent financial benefit	1,593	
<b>Total Recurring Expenditure 2016/17</b>		<b>699,857</b>
Underlying Surplus Position before financial gap		(5,426)
Financial Challenge (identified in Table 5)		11,336
<b>Underlying Deficit Position</b>		<b>5,910</b>

- 2.12 The table above assumes that the £11,336,000 financial challenge will be delivered non recurrently; however this will be continually reviewed throughout the financial year.

- 2.13 As part of the plan for 2016/17 the Clinical Commissioning Group is required to detail the actions to bring the recurrent position back into financial balance by March 2017.

2.14 The recurrent position has changed by £7,000 as reflected in the table below:

**Table 4: Movement in Recurrent Deficit**

	£'000	£'000
<b>Recurrent Deficit Month 2</b>		<b>5,903</b>
Net increase in recurrent commitments mitigated by non recurrent sources	7	
<b>Sub Total Changes</b>		<b>7</b>
<b>Revised Recurrent Deficit</b>		<b>5,910</b>

2.15 A financial challenge of £11,336,000 has improved by £350,000 from Month 1 and this movement is detailed in the table below, although the Clinical Commissioning Group risks have significantly increased and this is shown in table 26.

**Table 5: Financial Challenge Movement**

	<b>Non Recurrent £'000</b>	<b>Recurrent £'000</b>	<b>Total £'000</b>
<b>Financial Challenge at Month 2</b>	<b>(950)</b>	<b>12,636</b>	<b>11,686</b>
CAMHS Transformation Plans and Other Slippage	(50)		(50)
Reduction in cost commitment for Out of Area LD Patients	(300)		(300)
<b>Total</b>	<b>(1,300)</b>	<b>12,636</b>	<b>11,336</b>

## Financial Position 2016/17

### Sources of Funds

2.16 Table 6 sets out the resource allocations for the Somerset Clinical Commissioning Group in 2016/17.

**Table 6: Sources of Funds**

Description	Recurring £'000	Non Recurring £'000	Total £'000
Recurrent baseline brought forward from 2015/16	672,848		672,848
2016/17 growth	20,514		20,514
<b>Sub-Total recurring baseline</b>	<b>693,362</b>		<b>693,362</b>
<b>Notified Adjustments:</b>			
• Running cost allocation	11,861		11,861
• Return of 2015/16 underspend		6,484	6,484
• CAMHS Eating Disorder Services		295	295
• Vanguard Funding		1,943	1,943
• NHS England Transfers	60		60
• GP Development Programme – (national allocation)		49	49
<b>Sub-Total notified adjustments</b>	<b>11,921</b>	<b>8,771</b>	<b>20,692</b>
<b>Anticipated Adjustments:</b>			
• 2016/17 quality premium		1,118	1,118
<b>Sub-Total anticipated adjustments</b>		<b>1,118</b>	<b>1,118</b>
<b>Total Sources of Funds</b>	<b>705,283</b>	<b>9,889</b>	<b>715,172</b>

2.17 Within the sources of funds shown in Table 6, the following funding adjustments have been taken into account.

#### Notified Adjustments:

- the 2016/17 running costs allocation of £11,861,000, which has been published separately from the opening Somerset Clinical Commissioning Group Programme funding
- an allocation of £295,000 for investment in CAMHS Eating Disorder Services for 2016/17
- Quarters 1 and 2 vanguard project funding of £1,943,000 for the South Somerset, Taunton and Mendip Symphony programmes
- NHS England funding adjustments of £60,000, including funding allocated for newborn hearing screening services, payable by the CCG via the maternity pathway tariff
- the return of the underspend from 2015/16 (£6,484,000)

- an allocation of £49,000 from GP development funds to enable practices to support training of reception and clerical staff to play a greater role in care navigation, signposting and handling GP paperwork in order to free up GP time

Anticipated Adjustments:

- estimated quality premium funding earned in 2015/16. This funding currently remains at risk as validated performance data is not yet available for all metrics. The Clinical Commissioning Group is also in discussion with NHS England regarding any further risk to securing this funding given that the Clinical Commissioning Group did not deliver the full Clinical Commissioning Group Business Rules in 2015/16.

### Applications of Funds

- 2.18 Table 7 sets out the distribution of funding for the programmes managed by the Somerset Clinical Commissioning Group.

**Table 7: Budget Framework**

Programme	Initial Programme £'000	Variations £'000	Revised Programme £'000
<b>Secondary Care Commissioning:</b>			
NHS Contracts	467,303	7,883	475,186
Independent and Private Sector	113,928	1,567	115,495
<b>Total Secondary Care Commissioning</b>	<b>581,231</b>	<b>9,450</b>	<b>590,681</b>
<b>Prescribing:</b>			
GP Prescribing	79,196	(30)	79,166
Other Prescribing	3,438	(150)	3,288
<b>Total Prescribing</b>	<b>82,634</b>	<b>(180)</b>	<b>82,454</b>
Other Programmes	12,342	447	12,789
Running Costs	11,861	-	11,861
Development Programme	-	-	-
Managed Programmes	15,574	3,002	18,576
Better Care Fund	11,447	-	11,447
Recurrent QIPP to be identified	(1,929)	(10,707)	(12,636)
<b>TOTAL</b>	<b>713,160</b>	<b>2,012</b>	<b>715,172</b>

### Secondary Care Services

#### NHS Contracts

- 2.19 NHS contracts by provider for 2016/17 are set out below in Table 8. A further analysis of spend to 31 July 2016 is included in Appendix 1.

**Table 8: Contract Values by Provider**

<b>Secondary Care Commissioning</b>	<b>Initial Programme</b>	<b>Contract Variations</b>	<b>Revised Value</b>	<b>Forecast Year End (under) / overspend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Foundation Trusts:</b>				
Dorset County Hospital NHS Foundation Trust	2,318	(50)	2,268	-
Royal Brompton and Harefield NHS Foundation Trust	356	34	390	-
Royal Devon and Exeter NHS Foundation Trust	4,840		4,840	-
Royal United Hospitals Bath NHS Foundation Trust – Maternity	2,586		2,586	-
Royal United Hospitals Bath NHS Foundation Trust	26,730		26,730	-
Salisbury NHS Foundation Trust	581	13	594	-
Somerset Partnership NHS Foundation Trust	128,610	1,061	129,671	(500)
South Western Ambulance Service NHS Foundation Trust	19,873	638	20,511	-
Taunton and Somerset NHS Foundation Trust	175,723	4,015	179,738	-
University Hospitals Bristol NHS Foundation Trust	8,368		8,368	-
Yeovil District Hospital NHS Foundation Trust	75,904	1,100	77,004	-
<b>Sub Total</b>	<b>445,889</b>	<b>6,811</b>	<b>452,700</b>	<b>(500)</b>
<b>Other NHS Trusts:</b>				
North Bristol NHS Trust	6,638	330	6,968	-
Northern Devon Healthcare NHS Trust	387	26	413	-
Sirona Care and Health	501	(2)	499	-
Weston Area Health NHS Trust (Includes NICE Drugs)	13,888	718	14,606	-
<b>Sub Total</b>	<b>21,414</b>	<b>1,072</b>	<b>22,486</b>	<b>-</b>
<b>Total NHS Service Level Agreements</b>	<b>467,303</b>	<b>7,883</b>	<b>475,186</b>	<b>(500)</b>

- 2.20 Frameworks are based on a roll-forward of 2015/16 contract out-turn adjusted to reflect agreed developments, non-recurring adjustments actioned in 2015/16, application of the appropriate national tariff inflator for Somerset NHS Providers, growth to deliver Constitutional Standards and to reflect the delivery of QIPP schemes.
- 2.21 Contract values in 2016/17 have not been adjusted to reflect the transfer of resources to the Better Care Fund as this is expected to have a neutral impact in 2016/17.
- 2.22 Contract variations have been actioned to reflect:
- adjustments to agree to signed contract values for 2016/17. A number of contracts still await final sign-off and agreement of values and therefore any uplifts to those contracts remain outstanding
- 2.23 In 2016/17, the contracts with both Yeovil District Hospitals NHS Foundation Trust and Taunton and Somerset NHS Foundation Trust are now on a Payment by Results basis. This means that the contracts are fully variable and the value is based on the amount of activity undertaken by providers. This will add a significant level of financial risk on both the Clinical Commissioning Group and the providers during 2016/17, with the focus of the Clinical Commissioning Group to ensure that activity is within the financial envelope provided.

## Taunton and Somerset NHS Foundation Trust

2.24 As at Month 4 of 2016/17 the Trust are reporting an over performance against plan of £978,000. Year to date data demonstrates significant under performance on day cases and elective inpatients, with over performance in emergency inpatients and other services. The over performance within other services includes pre-operative assessment clinics, outpatient procedures, unbundled services, critical care and drugs and devices. An analysis of this position by Point of Delivery is demonstrated in Table 9 below.

**Table 9: Taunton and Somerset NHS Foundation Trust Key Variances**

<b>Point of Delivery</b>	<b>Annual Plan</b>	<b>Year to Date Plan</b>	<b>Year to Date Actual</b>	<b>Year to date Variance from Plan</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
A & E	6,830	2,283	2,269	(14)
Day Cases	21,154	6,968	6,238	(730)
Elective Inpatients	18,760	6,180	5,043	(1,137)
Emergency	51,987	17,376	18,969	1,593
Outpatients First	13,654	4,498	4,016	(482)
Outpatients Follow Up	11,816	3,893	4,051	158
Other	55,537	18,404	19,994	1,590
<b>Total</b>	<b>179,738</b>	<b>59,603</b>	<b>60,580</b>	<b>978</b>

2.25 A year end over performance estimate of £2,900,000 has been reflected in the Clinical Commissioning Group's risk schedule (see table 26), along with an additional risk in respect of QIPP non delivery.

## Yeovil District Hospital NHS Foundation Trust

- 2.26 As at Month 4 of 2016/17 the Trust are over performing against budgeted contract value by £1,658,000. The main drivers of this over performance are within A & E, non elective/emergency inpatients and outpatient follow-up attendances. An analysis of this position by Point of Delivery is demonstrated in Table 10 below.

**Table 10: Yeovil District Hospital NHS Foundation Trust Key Variances**

	<b>Annual Plan</b>	<b>Year to Date Plan</b>	<b>Year to Date Actual</b>	<b>Year to date Variance from Plan</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
A & E	3,544	1,181	1,399	218
Day Cases	7,160	2,387	2,447	60
Inpatients	7,687	2,562	2,875	313
Emergency	23,789	7,929	8,613	684
Outpatients First	3,951	1,317	1,364	47
Outpatients Follow Up	5,442	1,814	2,057	243
Other	25,431	8,373	8,466	93
<b>Total</b>	<b>77,004</b>	<b>25,563</b>	<b>27,221</b>	<b>1,658</b>

- 2.27 A year end overperformance estimate of £4,500,000 has been reflected in the Clinical Commissioning Group's risk schedule (see table 26), along with an additional risk in respect of QIPP non delivery.
- 2.28 The Director of Commissioning Reform is leading a series of workstreams to validate and challenge the activity and cost information submitted and this will be risk assessed to form an ongoing view on the expected outcome of these contracts for 2016/17.

## Sustainability and Transformation Fund

- 2.29 As part of the Five Year Forward View the Sustainability and Transformation Fund (STF) has been introduced to provide NHS Providers with additional funding to achieve financial balance while focusing on changing the way they provide high quality care for patients. As part of this process Providers were required to submit improvement trajectories across four key access standards. These has been ratified by NHS Improvement / NHS England Tripartite with further stretch ambitions mandates in some cases where a Provider has a history of good performance. Where a Provider is eligible to receive funding and has signed up to the stipulated financial control total, financial sanctions for specific Sustainability and Transformation Fund indicators cannot be enforced, including RTT, by the Clinical Commissioning Group.
- 2.30 Taunton NHS Foundation Trust, Yeovil District Hospital NHS Foundation Trust and Somerset Partnership NHS Foundation Trust have all agreed to



a financial control total and are eligible to access the funds. Details of how the assessment of delivery against the financial and operational performance criteria outlined in the guidance has been released to Providers.

- 2.31 There is a risk to the Clinical Commissioning Group that in order to achieve the financial improvement required to meet revised control totals, in addition to further provider efficiencies, providers may be assuming an increase in commissioner income in 2016/17. Any increase will be challenged where appropriate, however it should be noted that any further deterioration in the contractual positions would further affect the Clinical Commissioning Groups current reported financial position.

#### **Somerset Partnership NHS Foundation Trust**

- 2.32 Additional funding of £1,000,000 was invested with Somerset Partnership NHS Foundation Trust in 2016/17 to fund care costs for specific, high cost, out of area Mental Health patient placements. During the year the circumstances in respect of a number of these patients have changed, which in some cases has resulted in a change in commissioning responsibility. As a result, this additional investment is no longer fully committed and a year end underspend of £500,000 is currently anticipated.

#### **Out of County Contracts**

- 2.33 Year end overperformance is anticipated against the following out of county NHS contracts. A total of £1,000,000 has been included within the Clinical Commissioning Group's risk schedule (see table 26) to reflect the potential cost pressure in respect of these contracts. The main cause for this variance is outlined below.

#### **Royal Brompton and Harefield NHS Foundation Trust**

- 2.34 Month 4 data is showing year to date overperformance against plan in respect of Cardiology non-elective inpatients and critical care.

#### **Royal United Hospitals Bath NHS Foundation Trust – Maternity Contract**

- 2.35 The current budget allocated to this contract is £250,000 less than the proposed contract value for 2016/17.

#### **University Hospital Bristol NHS Foundation Trust**

- 2.36 Month 4 data shows overperformance against plan in elective and emergency inpatient care. This overperformance is particularly focused in ENT and Trauma and Orthopaedics specialties. A year end cost pressure is also anticipated in respect of non PbR drug costs, particularly Paediatric Clinical Immunology and Homecare drug costs.

### **Northern Devon Healthcare NHS Trust**

- 2.37 Month 4 data shows overperformance against plan of £15,000 year to date. This reflects over performance in both scheduled and unscheduled inpatient care, particularly in General Surgery and General Medicine specialties.

### **Weston Area Health NHS Trust**

- 2.38 Month 4 data reports over performance against plan of £107,000. This mainly relates to over activity in non-elective inpatients and excess bed days, particularly in the General Medicine specialty.
- 2.39 All contracts will be monitored closely throughout the year and activity data will be analysed and challenged where appropriate.
- 2.40 To facilitate this process, monthly Finance and Information Group meetings have been established with both Yeovil District Hospital NHS Foundation Trust and Taunton and Somerset NHS Foundation Trust as a forum for discussion of any finance and data issues that arise.

### **Summary**

- 2.41 An under spend of £500,000 is currently reflected against NHS contracts for the financial year, with significant risks included in the risk schedule for the Clinical Commissioning Group.

### **Non NHS Contracts**

- 2.42 In addition to commissioning services from NHS providers, the Somerset Clinical Commissioning Group commissions a range of services from the independent and private sector. Contract values are set out in Table 11.

**Table 11: Contract Values for Services from the Independent and Private Sector**

<b>Scheme/Provider</b>	<b>Initial Programme</b>	<b>Contract Variations</b>	<b>Revised Value</b>	<b>Forecast Year End (under) / overspend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
British Pregnancy Advisory service	40	-	40	-
British Red Cross	375	-	375	-
Continuing Care	37,362	(300)	37,062	-
COPD Services	663	-	663	-
Cruse Bereavement	25	-	25	-
Dorothy House Hospice	297	-	297	-
Exceptional Treatments	417	-	417	-
Marie Stopes	221	-	221	-
NHS Funded Nursing Care	10,870	(100)	10,770	-
Non Contractual Activity	7,653	-	7,653	-
Oasis	962	-	962	-
Odstock Medical Limited	30	-	30	-
Other Commissioning	7,928	2,119	10,047	(300)
Palliative Care Funding	374	-	374	-
Partnership Working – Pooled Budgets	18,942	(795)	18,147	-
Partnership working – Other	1,072	843	1,915	-
Patient Transport Services	697	-	697	-
Shepton Mallet Treatment Centre	12,598	(200)	12,398	-
Spells in Private Sector	8,038	-	8,038	-
St Margaret's Hospice	2,054	-	2,054	-
Voluntary Car Services	1,055	-	1,055	-
Weston Hospice	135	-	135	-
Wheelchair Services	2,120	-	2,120	-
<b>TOTAL</b>	<b>113,928</b>	<b>1,567</b>	<b>115,495</b>	<b>(300)</b>

2.43 A further analysis of spend to 31 July 2016 is included at Appendix 3.

### **Continuing Healthcare**

2.44 The Continuing Health Care budgets for 2016/17 shown in Table 11 have been based on a roll forward from 2015/16 and have been uplifted to reflect both volume and price changes and reduced by QIPP schemes totaling £1,130,000 as appropriate. Additional QIPP of £400,000 has also been identified against the Clinical Commissioning Group's unidentified target. The budget is projected to breakeven at Month 4.

### **NHS Funded Nursing Care**

2.45 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

2.46 The budget for 2016/17 was based on a roll forward from 2015/16, uplifted to reflect growth and reduced by QIPP schemes as appropriate. A national decision to uplift the Funded Nursing Care rate from £112.00 per week to £156.25 per week will increase costs by £4,000,000. At this stage, the Clinical Commissioning Group has assumed this pressure will be managed nationally.

### **Other Commissioning**

2.47 Other commissioning is currently showing a forecast underspend position of £300,000 for the financial year. This underspend relates to an under commitment against CAMHS Transformation investment due to delays in implementation of development plans pending recruitment to new job roles within Somerset Partnership NHS Foundation Trust.

2.48 Other commissioning funds include £1,400,000 allocated to deliver RTT trajectories agreed with NHS England. Delivery of these trajectories is subject to ongoing negotiations with provider organisations, NHS England and NHS Improvement. This is primarily being delivered through the Taunton and Somerset NHS Foundations Trust contract and the cost of this is reflected as part of the projected variance against contract value. In addition the Clinical Commissioning Group, through the Referral Management Centre, is facilitating transfers to the Independent Sector.

2.49 The Clinical Commissioning Group risk schedule also highlights areas of cost pressure including;

- a forecast cost of £1,000,000 to recognise the additional capacity within orthopaedic services required to be commissioned during 2016/17
- a reduction in estimated quality premium funding available to the CCG in 2016/17 due to underperformance against the Red 1 ambulance performance target

### **Non Contractual Activity**

2.50 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 where the patient has exercised choice.

2.51 The non-contractual activity budget for 2016/17 has been based on a roll forward from 2015/16. Due to the nature of this activity, there is historically high volatility in this area. The Clinical Commissioning Group has included a risk of £300,000 over commitment against this budget at the financial year end within the risk schedule.

### Partnership Agreements

2.52 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.

2.53 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 12.

**Table 12: Partnership Agreements with the Local Authority**

Scheme	Somerset Clinical Commissioning Group Contribution £'000
Integrated Community Equipment Service	1,040
Learning Disabilities Services	16,904
Carers Services	203
<b>Total</b>	<b>18,147</b>

### Integrated Community Equipment Service

2.54 The Somerset Integrated Community Equipment Service (ICES) is a partnership of organisations that include Somerset County Council and the Somerset Clinical Commissioning Group. The ICES Partnership seeks to create and sustain an Integrated Community Equipment Service for Somerset residents which is fully capable of meeting demand and that delivers the goals of all ICES partners.

2.55 Somerset County Council have supplied forecast figures in respect of this budget showing a projected overspend to the Clinical Commissioning Group of approximately £300,000 and this is currently highlighted within the Clinical Commissioning Group risk schedule. This reflects higher than anticipated equipment issues year to date. In order to address one of the key areas contributing to this overspend, increased monitoring of high cost high issue products has been introduced with an enhanced authorisation structure for these items. This will help to ensure that prescribers consider other more cost effective alternatives before ordering these items.

## **Learning Disability Service**

- 2.56 The Somerset Clinical Commissioning Group funds services within this partnership arrangement to meet the health needs of people with a learning disability. Somerset County Council acts as both commissioner and provider for the service and sub-commissions Somerset Partnership NHS Foundation Trust, from pooled health and social care funds, to manage the health needs of adults with learning disabilities. The Somerset Clinical Commissioning Group is responsible for ensuring that funds dedicated to the health needs of people with learning disabilities are used as effectively and efficiently as possible. QIPP schemes totaling £500,000 have been assumed when setting the budget in 2016/17, however only £250,000 is projected to be achieved due to delays in the procurement of the Learning Disabilities Provider Service.
- 2.57 Somerset County Council have supplied forecast figures for this programme for 2016/17 showing a projected overspend to the Clinical Commissioning Group of £2,000,000. The Clinical Commissioning Group is currently working through the mitigations with Somerset County Council to avoid this overspend materialising during 2016/17. A cost pressure of £800,000 has been estimated within the Clinical Commissioning Group's risk schedule in respect of this.

## **Carers Services**

- 2.58 A pooled budget arrangement is in place between Somerset Clinical Commissioning Group and Somerset County Council to provide funding for the 'Somerset Offer to Carers' service hosted by Compass. This service provides emotional and personal support which is directed at adult carers. In addition to this service, the carer's services hosted by Somerset Partnership NHS Foundation Trust offers a service to Adult Carers of people with mental health issues and a separate service to young carers. The carers' service hosted by Somerset County Council also offers a service to Young Carer's from within Children's Services.

## **The Better Care Fund**

- 2.59 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 has been set up as a pooled budget for 2016/17.
- 2.60 Somerset Clinical Commissioning Group and Somerset County Council have developed and signed up to a Better Care Fund (BCF) plan which has involved the development of a number of schemes to achieve the performance outcomes expected from the BCF.
- 2.61 There are a number of National Conditions that this funding must achieve namely, maintain provision of social care services, agreement on a local action plan to reduce delayed transfers of care and improve patient flow,

better data sharing based on NHS number and agreement to invest in NHS commissioned out of hospital services.

2.62 Table 13 details the Source of Funds to be put into the BCF pooled budget, as well as the schemes and funding allocated to achieve the expected outcomes.

**Table 13: Summary of the 2016/17 Better Care Fund**

Source of Funds	£'000	Application of Funds	Budget £'000
NHS Somerset Clinical Commissioning Group	35,213	Reablement and ILTs (incl. Carers)	14,509
Somerset County Council	3,466	Person Centric Care	20,704
		Housing Support to Enable Independence	3,466
<b>Total</b>	<b>38,679</b>	<b>Total</b>	<b>38,679</b>

2.63 The Somerset Clinical Commissioning Group's source of funds includes £11,400,000 transferred to Somerset County Council. The remaining source of funds £23,800,000 is current funding allocated to existing contracts in 2016/17, therefore already committed against services and not available for redevelopment unless savings are generated.

### **Shepton Mallet NHS Treatment Centre**

2.64 Shepton Mallet NHS Treatment Centre is run by Care UK, and specialises in providing NHS patients with swift access to elective and diagnostic procedures such as ear, nose and throat procedures, endoscopy, general surgery, gynaecology, joint replacements, minor orthopaedic surgery, ophthalmology and urology. This contract has undergone a procurement process and it has been announced that the new contract has been awarded to the Shepton Mallet Health Partnership, a joint venture between Care UK and Somerset Partnership NHS Foundation Trust.

2.65 The 2016/17 budget for Shepton Mallet NHS Treatment Centre is based on 2015/16 forecast outturn. The final outturn position for 2015/16 confirms that the forecast on which the 2016/17 budget was based was understated and a significant cost pressure is anticipated against this contract until the new contract commences in 2017. Based on an extrapolation of the outturn position at Month 4 of 2016/17 the current forecast cost pressure is £2,000,000. This suggests a significant increase in cost compared to the 2015/16 outturn position. This is being investigated to understand the underlying drivers of the increase and will be addressed at contract review meetings with Care UK. The table below reflects the current position against the contract.

**Table 14: Shepton Mallet NHS Treatment Centre overspend analysis**

<b>Procedures</b>	<b>Annual Plan £'000</b>	<b>Year to Date Plan £'000</b>	<b>Year to Date Actual £'000</b>	<b>Year to Date Variance From Plan £'000</b>
Orthopaedic	6,720	2,240	2,741	501
Ophthalmology	1,199	400	417	17
General Surgery	804	268	289	21
Other	1,121	374	365	(9)
<b>Sub-Total Procedures</b>	<b>9,844</b>	<b>3,282</b>	<b>3,812</b>	<b>530</b>
Outpatients	1,796	599	730	131
Diagnostics	491	164	163	(1)
Direct Access	251	84	82	(2)
Other	416	139	156	17
<b>Total</b>	<b>12,798</b>	<b>4,268</b>	<b>4,943</b>	<b>675</b>

2.66 The projected overspend has been assumed within the Clinical Commissioning Group risk schedule.

### **Spells in the Independent Sector**

2.67 Within the programme, funding is also set aside for the commissioning of activity from the independent sector to support the operation of patient choice. The Somerset Clinical Commissioning Group has agreed a range of procedures covered under the Department of Health's Any Qualified Provider programme.

2.68 The 2016/17 budget for spells in the independent sector is based on 2015/16 forecast outturn. An overspend of £500,000 is estimated against budget for 2016/17, attributable to an increase in activity for orthopaedic procedures. This is fully reflected within the Clinical Commissioning Group's risk schedule.

### **Wheelchair Services**

2.69 Data reporting from Millbrook Healthcare shows that wheelchair equipment costs rose significantly over the last four months of the 2015/16 financial year. This was the result of a backlog of patients who had been waiting for wheelchairs. The Clinical Commissioning Group is working with Millbrook Health care to better understand the data provided and has challenged elements of the charges identified.

2.70 An estimated £500,000 overspend has been included within the Clinical Commissioning Group's risk schedule for 2016/17. This includes continued clearance of waiting lists and has also been driven by a higher complexity of equipment issues than anticipated. The Clinical Commissioning Group continues to work with Millbrook Healthcare to address issues that have arisen with regard to charging for equipment and accessories not factored in to the new tariff structure. This is expected to



improve the reported position, however where this does not deliver a full mitigation the Clinical Commissioning Group will seek to increase waiting times where appropriate, to fully recover the position.

- 2.71 This cost pressure in respect of equipment issues has been mitigated by a potential reclaim of VAT chargeable on this contract. The Clinical Commissioning Group is waiting on a response from HMRC to determine whether this is applicable. The total VAT reclaimable would be £585,000 if approved, which includes an element of back dated claim. This would reduce the reported position with regard to this contract in 2016/17, to leave an underspend against budget of £85,000.

### Summary

- 2.72 A forecast underspend of £300,000 is currently forecast on services commissioned from the independent and private sector.
- 2.73 In total a year end underspend of £800,000 is currently forecast in respect of Secondary Care services with a significant level of risks included within the Clinical Commissioning Group risk schedule.

### GP Prescribing

- 2.74 Prescribing budgets for 2016/17 have been increased to take into account growth of 5% in 2016/17, pharmacy margin adjustments and the projected overspend against budgets from 2015/16. This has then been adjusted for further opportunities to deliver Quality, Innovation, Productivity and Prevention savings (2.2%).

**Table 15: 2016/17 Prescribing Budgets**

<b>GP Prescribing</b>	<b>Initial Programme</b>	<b>Budget Adjustment</b>	<b>Revised Value</b>	<b>Forecast Year End (under)/ Overspend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£,000</b>
<b>Total GP Prescribing Budget 2016/17</b>	<b>80,319</b>	<b>(30)</b>	<b>80,289</b>	<b>-</b>
Public Health Prescribing Recharge	(1,123)	-	(1,123)	-
<b>Total</b>	<b>79,196</b>	<b>(30)</b>	<b>79,166</b>	<b>-</b>

- 2.75 A further analysis of spend to 31 July 2016 is included in Appendix 4.
- 2.76 As part of establishing the Clinical Commissioning Group's baseline funding position £1,573,000 was removed to support the cost of prescribing relating to Public Health Services, which was transferred to the Local Authority. This is recovered from Somerset County Council through a recharge for the cost of drugs prescribed. This recharge baseline has reduced to £1,123,000 in 2016/17. The prescribing for smoking cessation service was

transferred to a new service provider from 1st April 2015, commissioned directly by Somerset County Council.

2.77 The Business Services Authority has released a forecast based on data to June 2016 that indicates a projected underspend of £3,300,000 for the year.

2.78 The Clinical Commissioning Group continues to use a forecast model to complement the Business Services Authority forecasts which takes into account seasonal fluctuations in the GP prescribing position through use of prior year trend analysis. This has added £2,300,000 to the current GP prescribing position reported by the Business Services Authority as October and December months historically fluctuate widely. The Clinical Commissioning Group is being prudent by bringing these likely fluctuations into its position at an earlier stage. This projected position includes the assumption that QIPP schemes totaling £2,020,000 will be delivered. Additional QIPP of £1,600,000 has been requested from this programme to support the overall financial position. The resulting projected underspend of £1,000,000 forms part of the Clinical Commissioning Group's risks and mitigations strategy.

#### **Other Prescribing**

2.79 In addition to GP prescribing, funding of £3,288,000 has been set aside to support the following programmes:

- contribution to the national allocation adjustment for unknown prescriptions
- home oxygen
- prescribing rebates

Overall, until robust monitoring information is received, the Clinical Commissioning Group is forecasting breakeven against this budget.

#### **Primary Care Programmes**

2.80 Resources totaling £12,789,000 have been identified to support Primary Care programmes. The majority of Primary Care services are commissioned by NHS England.

**Table 16: Primary Care Programmes**

<b>Programme</b>	<b>Initial Programme</b>	<b>Budget Adjustment</b>	<b>Revised Value</b>	<b>Forecast Year End (under)/overspend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Out-of-Hours	5,400	-	5,400	-
111 Service	1,400	-	1,400	-
Enhanced Services	4,215	75	4,290	-
Primary Care Review	-	450	450	-
GP IT	1,327	(127)	1,200	-
GP Development Funds		49	49	
<b>Total</b>	<b>12,342</b>	<b>447</b>	<b>12,789</b>	<b>-</b>

**Out of Hours**

- 2.81 Somerset Clinical Commissioning Group 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 (part of Northern Doctors, a GP led social enterprise).

**111 Service**

- 2.82 NHS 111 is a nationally specified but locally commissioned service and Somerset Clinical Commissioning Group is responsible for commissioning this service for the population of Somerset. This service is provided by Somerset Doctors Urgent Care.
- 2.83 The Clinical Commissioning Group are currently in discussions with Somerset Doctors Urgent Care to agree sums repayable to the Clinical Commissioning Group in relation to under delivery against performance targets included within the 2015/16 contract.

**Enhanced Services**

- 2.84 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 core GP contract.

**Table 17: Enhanced Services**

<b>Scheme</b>	<b>Initial Programme</b>	<b>Budget Adjustment</b>	<b>Revised Value</b>	<b>Forecast Year End (under)/ overspend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Enhanced Services:</b>				
Anti-Coagulation	1,527	-	1,527	-
Immediate Care and First Response	24	-	24	-
Minor Injuries	145	-	145	-
Near Patient Testing (Drug monitoring)	404	-	404	-
Compression Bandaging (Leg Ulcer)	330	-	330	-
Neonatal Checks	4	-	4	-
Pre and Post-Operative Care	339	-	339	-
Injectable Risperidone	1	-	1	-
Vasectomy	80	-	80	-
Diabetes Insulin Initiation	14	-	14	-
Complimentary Therapy	26	-	26	-
ENT and Microsuction	10	-	10	-
Dermatology	321	-	321	-
Fracture Clinic	22	-	22	-
Homeless Care	5	-	5	-
Young Peoples Clinics	35	-	35	-
Tongue Ties	5	-	5	-
Complex Care	131	-	131	-
Minor Surgery	110	-	110	-
Hep B	3	-	3	-
Primary Care ECG	19	-	19	-
Frome Urgent Care Service	45	-	45	-
GP Teledermatology	16	-	16	-
Discharge Liaison Nursing (RUH)		75	75	
<b>Optometry Enhanced Services:</b>				
Acute Community Eye Care Service	420	-	420	-
Low vision Scheme	100	-	100	-
<b>CQUIN</b>	<b>79</b>	<b>-</b>	<b>79</b>	<b>-</b>
<b>Total</b>	<b>4,215</b>	<b>75</b>	<b>4,290</b>	<b>-</b>

- 2.85 A value for money review of Local Enhanced Services is due to be undertaken and it is anticipated that this will deliver savings of £50,000 in 2016/17. This will be shown as a further mitigation to the financial position as highlighted in table 26 of this report.

### **Primary Care Review**

- 2.86 The Clinical Commissioning Group is currently holding £450,000 (see table 16) to enhance Primary Care services within Somerset. The Clinical Commissioning Group and NHS England are in discussions regarding the utilisation of these funds and the associated benefit to the Health Economy.

## **GP IT**

- 2.87 Funding for GP IT was included within the Clinical Commissioning Group allocation for 2016/17, whereas previously it was a separate funding stream from NHS England. Somerset Clinical Commissioning Group has allocated £1,200,000 revenue funding for GP IT services in 2016/17. This will enable the Clinical Commissioning Group to deliver requirements to its 74 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 CSU. The budget is currently forecast to deliver a breakeven position for 2016/17.

## **GP Development Funds**

- 2.88 The Clinical Commissioning Group has been allocated funding of £49,000 from GP development funds to enable practices to support training of reception and clerical staff to play a greater role in care navigation, sign posting and handling GP paperwork and subsequently free up time available to GPs.

## **Running Cost Programmes**

- 2.90 Funding totaling £11,861,000 has been allocated to support the Clinical Commissioning Group headquarters and central functions for 2016/17. To support the effective running of the Clinical Commissioning Group, some functions are provided in house and others are commissioned from South, Central and West Commissioning Support.
- 2.91 The funding for running costs is separately identified in the Clinical Commissioning Group allocations and has been set at the same funding level as 2015/16. This means that the Clinical Commissioning Group has needed to review all the commitments against this allocation, in order to deliver a QIPP challenge of £306,000, to fund pay and price increases for 2016/17. Table 18 sets out the Running Cost Programme for the Somerset Clinical Commissioning Group for 2016/17. A further analysis of spend is shown in Appendix 5.

**Table 18: Running Cost Programmes**

Running Cost Programmes	Whole Time Equivalent Establishment	Whole Time Equivalent Actual	Annual Budget	Year to Date Budget	Year to Date Expenditure	Year to Date (under) / overspend
			£'000	£'000	£'000	£'000
Governing Body	2.8	2.9	723	241	241	-
Senior Leadership Team	4.9	4.1	806	268	268	-
Executive Office	3.0	3.0	122	41	41	-
Directorate of Finance and Performance and Acute Commissioning	28.3	22.1	1,714	579	425	(154)
Directorate of Clinical and Collaborative Commissioning	30.3	27.1	2,006	666	664	(2)
Directorate of Quality, Safety and Governance	48.6	47.4	3,315	1,100	1,078	(22)
Commissioning Reform	4.5	3.5	226	75	56	(19)
System Transformation	5.0	5.0	297	99	99	-
CSU Costs			2,652	884	884	-
Running Cost Saving Programme	-	-	-	-	-	-
<b>Total Running Cost Programme</b>	<b>127.4</b>	<b>115.1</b>	<b>11,861</b>	<b>3,953</b>	<b>3,756</b>	<b>(197)</b>

2.92 All costs in Table 18 are stated at 2016/17 pay and prices.

2.93 The Clinical Commissioning Group has a £500,000 running cost savings programme including reviewing both pay and non pay commitments and at Month 4 has already achieved £90,000, predominantly as a result of slippage on vacant posts. This budget is forecast to deliver the full underspend of £500,000

### **2016/17 Development Programme**

2.94 As part of the 2016/17 Local Delivery Plan, the Clinical Commissioning Group has developed a recurring development programme totaling £46,449,000. This is summarised in the Table 19 below.

**Table 19: Development Programmes**

<b>Programme</b>	<b>2016/17 £'000</b>	<b>Issued to Programmes £'000</b>	<b>Revised Programme £'000</b>
<b>Brought Forward commitments 2015/16:</b>			
Support for overspending budgets	1,422	(1,422)	-
Recurrent expenditure funded via non-recurrent funding sources in 2015/16	671	(671)	-
<b>Sub-Total</b>	<b>2,093</b>	<b>(2,093)</b>	
<b>New Commitments 2016/17:</b>			
GP IT	1,327	(1,327)	-
Reinstatement of contingency funds	3,559	(3,559)	-
Reinstatement of headroom funds	6,934	(6,934)	-
Learning Disabilities growth	500	(500)	-
New Patient Transport Service	100	(100)	-
Mental Health Parity of Esteem	1,109	(1,109)	-
Primary Care Investment	450	(450)	-
GP Prescribing Growth	2,200	(2,200)	-
Continuing Healthcare Growth	948	(948)	-
Funded Nursing Care fee increases	100	(100)	-
Stroke Early Supported Discharge (Full Year Cost)	600	(600)	-
CHC Previously Unassessed Periods of Care Risk Share Contribution	447	(447)	-
Enhanced Tariff Option confirmed within 2016/17 consultation	1,587	(1,587)	-
Vanguard	1,100	(1,100)	-
Tariff inflator	5,873	(5,873)	-
<b>Sub-Total</b>	<b>26,834</b>	<b>(26,834)</b>	
<b>Growth Avoided by QIPP delivery</b>			
Partnership Working	500	(500)	-
Prescribing High Cost Drugs	500	(500)	-
GP Prescribing	2,020	(2,020)	-
Continuing Health Care	1,130	(1,130)	-
Tariff inflator (non-Somerset) & Secondary Care Growth	13,066	(13,066)	-
Admin (pay award, NI pressure)	306	(306)	-
<b>Sub-Total</b>	<b>17,522</b>	<b>(17,522)</b>	
<b>TOTAL</b>	<b>46,449</b>	<b>(46,449)</b>	-

2.95 This funding has been fully allocated to programme budgets

## Managed Programmes

2.96 Managed Programmes are a series of specific allocations of funding pending their transfer to budgets during the year. An analysis for 2016/17 managed programmes are set out in the table below.

**Table 20: Managed Programmes**

	<b>Initial Programme 2016/17 £'000</b>	<b>Issued to Programmes 2016/17 £'000</b>	<b>Revised Programme 2016/17 £'000</b>
Surplus		6,484	6,484
Contingency	3,559	-	3,559
Headroom	6,934	-	6,934
CQUIN	11,711	(11,711)	-
Resilience	3,482	(3,482)	-
Primary Care Collaboration Fund	1,152	-	1,152
CHC Risk Pool	447	-	447
<b>Total</b>	<b>27,285</b>	<b>(8,709)</b>	<b>18,576</b>

2.97 Managed programmes, and the development programme, comprise an important element of the Somerset Clinical Commissioning Group's risk management strategy. Funds are held centrally and are only released to individual programmes once the programme has been agreed and expenditure commitments identified. This provides flexibility to manage any in year pressures or volatility, and requires robust financial control by budget managers.

### 2016/17 Surplus

2.98 Within the application of funds, the Clinical Commissioning Group planned for 0.9% of the total funding allocation to be reported as an underspend, in line with the Clinical Commissioning Group's commitment with NHS England.

2.99 This reduced surplus was agreed in conjunction with NHS England; however NHS England is expecting that the Clinical Commissioning Group fully delivers all business rule requirements for 2017/18 onwards.

2.100 The Clinical Commissioning Group is in discussion with NHS England to release the surplus to support the Clinical Commissioning Group financial position in 2016/17.

### Contingency

2.101 'Delivering the Forward View: NHS planning guidance 2016/17 – 2020/21' outlined the national requirement for Clinical Commissioning Groups to hold a contingency of at least 0.5% to mitigate risks within the local health community. Table 21 below shows the funding that has been set aside as a contingency to manage in year pressures. The mitigations shown in



table 26 assumes this budget is released in order to support the Clinical Commissioning Group's current financial position.

**Table 21: Contingency**

Description	Initial Programme £'000	Released to manage financial position £'000	Balance Remaining £'000
Contingency Budgets	3,559	-	3,559

**Non Recurring Requirement for Clinical Commissioning Groups**

- 2.102 As confirmed by NHS England within the Business Rules requirement guidance, in 2016/17 Clinical Commissioning Groups are required to set aside 1% of funding for non-recurrent expenditure. Revised guidance for 2016/17 requires that the 1% non-recurrent spend required by the business rules should be uncommitted at the start of the year, to enable progressive release across the year. On a quarterly basis NHS England and NHS Improvement will review delivery of commissioners' and providers' plan and in discussion with local health systems, will decide whether the local system needs to continue to hold the 1% non-recurrent budget in reserve, or whether it can be released for investment.
  
- 2.103 Before revision of this guidance, the fund for 2016/17 was previously committed to ongoing schemes from 2015/16. The use of headroom over several years to support transformation had previously been agreed within NHS England as part of the 2015/16 plan. This change in guidance from previous years has resulted in a significant cost pressure to the Clinical Commissioning Group to recreate this funding in year.
  
- 2.104 These previous commitments for ongoing transformation schemes have now been funded from baseline funding however the Clinical Commissioning Group are continuing to discuss the release of the headroom funding against these commitments to ensure transformation can progress at pace.
  
- 2.105 The Clinical Commissioning Group is in discussion with NHS England that this headroom fund will be released in order to support the financial position.

**Commissioning for Quality and Innovation (CQUIN)**

- 2.106 Within the financial plan, £11,711,000 was set aside to represent 2.5% of the relevant contract values to support CQUIN for 2016/17. This funding reflects the focus on promoting quality and ensures that quality improvements are considered as part of each financial discussion.
  
- 2.107 Providers of acute ambulance, community, mental health and learning disability services on a national standard contract, are eligible to earn the

full 2.5% of contract value subject to agreeing and achieving the agreed CQUIN goals.

- 2.108 Providers can non recurrently earn CQUIN funding for meeting agreed quality standards through national and local CQUIN schemes. The CQUIN goals must be stretching and focused and reflect local priorities.
- 2.109 This funding has been fully allocated to provider budgets in 2016/17 and has been adjusted accordingly in line with contract settlements.

### Primary Care Collaboration Fund

- 2.110 In 2015/16 The Clinical Commissioning Group had set aside funding of £2,890,000 to support the transformation of care of patients aged 75 or older and reduce avoidable admissions by providing this funding for practice plans to do so. The Clinical Commissioning Group had developed, in conjunction with the Somerset Local Medical Committee, a plan on how this funding would be utilised to support this group of patients. From this resource, funding has been allocated to contracts in 2016/17 to support Ambulatory Care, District Nursing and Out of Hours services. This funding has been transferred to support these programmes within this report.
- 2.111 Plans for commitment of the £1,152,000 balance of funds are shown in Table 22 below.

**Table 22: Utilisation of £5 per Head Funding**

Description	Initial Programme Amount £'000	Allocated to Programmes £'000	Balance Remaining £'000	Forecast Year End (under) / overspend £'000
<b>Test and Learn Pilots:</b>				
North Sedgemoor	75	-	75	-
Taunton Deane	214	-	214	-
Mendip	310	-	310	-
West Somerset	91	-	91	-
South Somerset	334	-	334	-
Crewkerne, Chard and Ilminster	128	-	128	-
<b>Total</b>	<b>1,152</b>	<b>-</b>	<b>1,152</b>	<b>-</b>

### Continuing Healthcare Risk Pool

- 2.112 Funding of £447,000 has been identified within managed programmes to cover the Clinical Commissioning Group's commitment to a national pooled risk share arrangement for Continuing Healthcare retrospective funding claims. This contribution represents a reduction from the contribution made previously, resulting from an underspend against the risk pool in 2015/16. This underspend was retained by NHS England to support the NHS England Group's year-end financial position. This represents the final payment for retrospective funding claims.

## QIPP

2.113 Within the Clinical Commissioning Group financial plan submission, the original level of QIPP savings equated to £20,380,000. Table 23 below highlights how the level of QIPP savings has increased as a result of the additional unidentified QIPP required to achieve the agreed financial plan with NHS England and taking into account changes as a result of contractual negotiations as they have been finalised. This confirms the new QIPP target of £31,646,000.

**Table 23: Level of QIPP Savings**

	<b>£'000</b>
QIPP level estimated at plan	20,380
Add increase in unidentified QIPP	12,194
Less adjustment contract negotiations	(928)
<b>Revised QIPP target</b>	<b>31,646</b>

2.114 Standardised QIPP monitoring templates have been developed to capture scheme status and deliverables on a monthly basis. Director programme leads have been assigned to each scheme and QIPP delivery is now a standing item on the Clinical Commissioning Group's leadership meeting.

2.115 A Finance Group has been established and this is chaired by the Clinical Commissioning Group's Audit Committee Chair and comprises clinical membership together with the Clinical Commissioning Group's Accountable Officer and Chief Financial Officer. Alongside reviews of QIPP progress which is under delivering, this group is also exploring areas for further delivery in 2016/17. Table 24 below shows a summary of current schemes. Appendix 7 shows a detailed breakdown of QIPP progress by scheme, highlighting risks and mitigations affecting each scheme and progress to date.

**Table 24: Summary of QIPP Schemes**

<b>Scheme</b>	<b>NHS England Scheme Value</b>	<b>Current Confirmed Delivery</b>	<b>Current Forecast Delivery</b>	<b>Total</b>	<b>Current Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Urgent and Emergency Care	1,807	120	708	828	(979)
Elective Care	3,200	39	2,961	3,000	(200)
Person Centered Care	2,440	20	1,710	1,730	(710)
Community Services	1,942	395	1,253	1,648	(294)
Quality and Patient Safety	4,350	1,115	3,204	4,319	(31)
Other QIPP	5,271	1,758	3,513	5,271	-
Unidentified QIPP	12,636	-	-	-	(12,636)
<b>Total</b>	<b>31,646</b>	<b>3,447</b>	<b>13,349</b>	<b>16,796</b>	<b>(14,850)</b>

## **Urgent and Emergency Care**

- 2.116 The projected shortfall in QIPP delivery primarily relates to an Emergency Care Reductions scheme which cannot be delivered to the timescales as originally identified. The Urgent and Emergency Care Programme Board are working to replace this shortfall with new schemes as well as working up an Emergency Care Reductions scheme that can deliver to a more realistic timeframe. Urgent Connect is a new scheme due for roll out in September 2016. This work was summarised in a separate paper presented to the Governing Body at 21 July meeting.

## **Elective Care**

- 2.117 The projected shortfall in QIPP delivery relates to the Patient Initiated Follow Up (PIFU) scheme, which due to the timeframe required to implement across the County will not deliver to the original timescales. The Elective Care Programme Board are working to replace this shortfall with additional savings from other schemes as well as continuing to work on the roll out of PIFU to achieve the savings originally identified. Consultant Connect is a new scheme due for roll out in September 2016. The Board is currently assessing opportunities within procedures of low clinical value, breast cancer, hernia and knee.

## **Person Centered Care**

- 2.118 The projected shortfall in QIPP delivery relates to two schemes, first, a delay in the introduction of the Delayed Transfer of Care scheme (DToC). The Clinical Commissioning Group is working with local NHS providers and the county council to implement a DToC scheme that will deliver to a new timeframe. Secondly at this point in the year the South Somerset Test and Learn scheme is not delivering the original level of QIPP savings for the increment level agreed due to lower number of patients going through the hub than originally forecast. The Clinical Commissioning Group is working to replace this shortfall with alternative savings options.

## **Community Services**

- 2.119 The new scheme Community Hospital Flexibility (£382,000) has been allocated to the Community Service Programme. This has increased the scheme value for the Programme and reduced other QIPP accordingly. The projected shortfall primarily relates to the Learning Disabilities scheme, which is detailed in paragraph 2.56 -2.57.

## **Quality and Patient Safety**

- 2.120 The projected shortfall in QIPP delivery relates to the Care Homes Support and Medicines Optimisation Resource schemes due to resource requirements. The Quality and Patient Safety directorate has increased its target savings to be achieved through CHC reviews to replace this shortfall.

### Other QIPP

- 2.121 At this point in the financial year the Clinical Commissioning Group is assuming that the individual programme QIPP schemes will deliver to target.

### Unidentified QIPP

- 2.122 This balance remains at £12,636,000 and represents the additional savings that the Clinical Commissioning Group needs to deliver in year, before further risks. This is detailed within the next section.

### Risks and Mitigations

#### Risk Mitigation Strategy - Finance Group Updates

- 2.123 Table 25 below shows the breakdown of the movement since the original plan on the level of unidentified QIPP.

**Table 25: Unidentified QIPP**

	£'m
<b>Total Gap reported at Month 2</b>	<b>14.1</b>
Additional QIPP schemes identified (CHC and Prescribing)	(0.7)
Budget Reviews	(0.4)
Community Hospital bed flexibility	(0.4)
<b>Total Current Gap</b>	<b>12.6</b>

2.124 Table 26 and 27 below show the breakdown of the current financial challenge.

**Table 26: Analysis of Financial Challenge**

	£'m	£'m
<b>Current Financial Challenge (as identified in Table 5)</b>		<b>11.3</b>
<b>Risks Materialised</b>		
Orthopaedics	1.0	
RTT	0.5	
YDH contract over performance	4.5	
T&S contract over performance	2.9	
SMTC	2.0	
Other contracts	1.0	
Millbrook wheelchairs	0.5	
Prescribing	(1.0)	
Pooled Budgets	1.1	
Private Sector Spells / NCA;s	0.8	
DToC Developments	0.6	
Quality Premium	0.3	
		<b>14.2</b>
<b>Total Financial Challenge Before Mitigations</b>		<b>25.5</b>

**Table 27: Further Potential Risks not yet materialized:**

	£'m
<b>Further Risks:</b>	
Taunton & Somerset NHS Foundation Trust QIPP Under delivery	1.9
Yeovil District Hospital NHS Foundation Trust QIPP Under delivery	1.4
Property Services Market Rent Increase	0.5
Quality Premium Funding Assumption	0.3
<b>Total Further Risks</b>	<b>4.1</b>

2.125 Due to timing and better information becoming available to inform the position, the current risks reported are different to those reported to NHS England for Month 4, to reflect a more up to date position.

2.126 Table 28 below shows the breakdown of mitigations currently identified and reported within forecast variances.

**Table 28: Analysis of Mitigations**

Mitigations	2016/17 £'000	RAG	Risk Adjusted £'000
Millbrook VAT/waiting times	585	Green	585
Backlog RTT clearance IS	1,400	Green	1,400
Capital to revenue transfer	323	Yellow	242
Sale of Property	260	Green	260
Vanguard accruals	350	Green	350
Prescribing Incentive	230	Red	115
Vanguard funding of admin	200	Green	200
Contingency	3,559	Green	3,559
Personal Health Budgets (balance sheet)	300	Green	300
CAMHS Eating Disorders	295	Green	295
Local Enhanced Services	100	Red	50
Shepton Mallet Campus	300	Green	300
<b>Total Mitigations</b>	<b>7,902</b>		<b>7,656</b>

1.127 Table 29 below shows further identified mitigations not yet delivered.

**Table 29: Further Mitigations not yet delivered:**

	2016/17 £'000	Risk Adjusted £'000
Urgent Care	475	262
Elective	600	300
Continuing Healthcare	500	375
Prescribing	300	150
Community Services	100	75
Mental Health	343	343
Other	1,750	1,200
Further Savings Options being Explored	200	100
<b>Total</b>	<b>4,268</b>	<b>2,805</b>

2.128 Table 30 below summarises the current financial challenge.

**Table 30: Current Financial Challenge Summary**

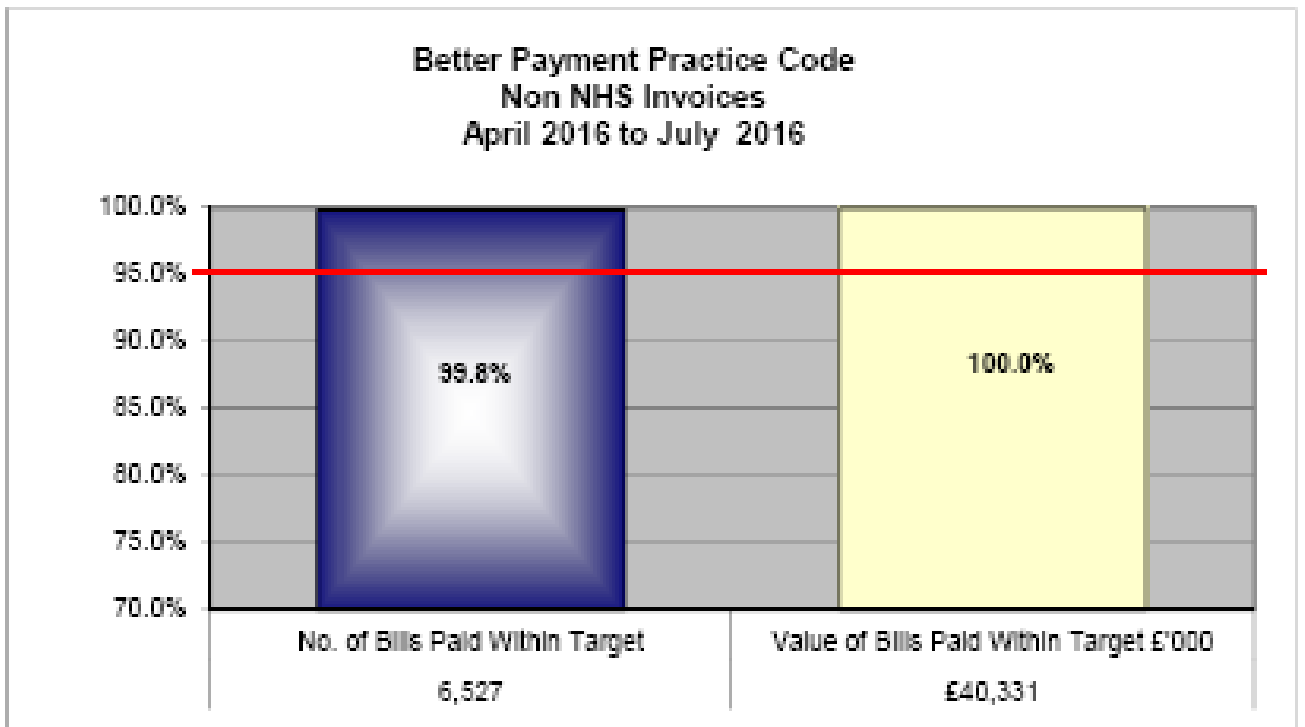
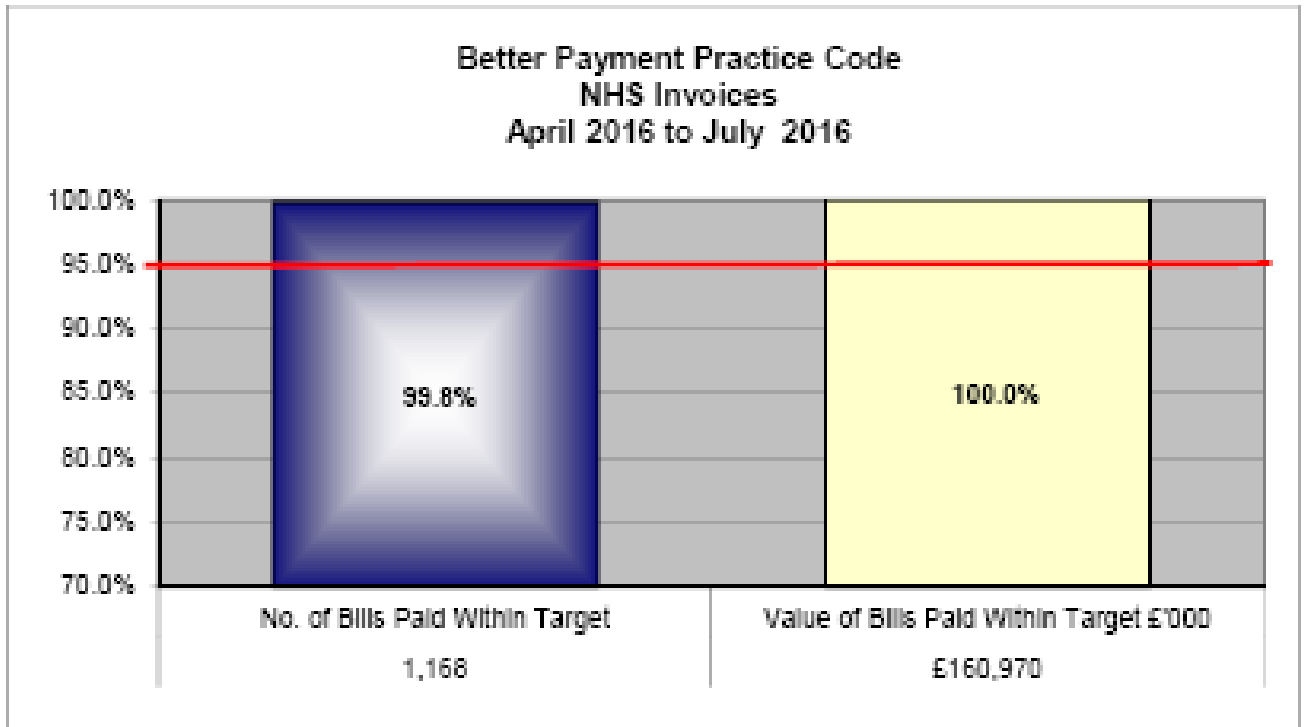
	£'m
Current Financial challenge including reported forecast variances	25.5
Mitigations currently identified	(7.6)
Further identified mitigations not yet delivered	(2.8)
<b>Remaining gap to resolve</b>	<b>15.1</b>
Potential risks not yet materialised	4.1

2.129 The Clinical Commissioning Group is in discussion with NHS England regarding further mitigations available to support the delivery of the financial position, as part of the wider Clinical Commissioning Group financial recovery plan.



## Better Payment Practice Code

- 2.130 NHS bodies are required to pay NHS and trade creditors in accordance with the Better Payment Practice Code. The target is to pay 95% of NHS and trade creditors within 30 days of receipt of goods or a valid invoice, whichever is the later, unless other payment terms have been agreed with the supplier. This will be monitored during 2016/17 to ensure compliance.



## Run Rate

- 2.131 The run rate analysis is the straight line extrapolation of the year to date position. This represents what the forecast position would be, based on current actual levels of activity and spend, should nothing else impact on the rate of activity. A reconciliation is provided as to the difference between the run rate calculated forecast outturn and the reported forecast outturn.

**Table 31: Run Rate**

Description	Year-end (under) / overspend £'000
Year to Date Run Rate	4,852
Financial Gap (included within Risk Mitigation Strategy)	(11,336)
<b>Total</b>	<b>(6,484)</b>

- 2.132 The Clinical Commissioning Group has identified significant risks at £15,100,000 remaining after mitigations are delivered, representing a considerable challenge for the Clinical Commissioning Group. An outline recovery plan has been developed by the Finance Group to partially mitigate this risk in 2016/17 and to improve the underlying financial position moving forward into 2017/18. At this stage a year end under spend of £6,484,000 continues to be reflected, in line with the Clinical Commissioning Group's financial plan for 2016/17. This will be reviewed at Month 5 and a revised position finalised at Month 6 after the conclusion of national deep dive exercise and further discussion with NHS England.

## SUMMARY

- 2.133 Table 32 sets out the forecast year end position as at 31 July 2016.

**Table 32: Forecast Year End Position against Programmes**

Programme	Forecast Year-end (under) / overspend £'000
Secondary Care Commissioning	(800)
Prescribing	-
Other Programmes	-
Running Costs	(500)
2016/17 Development Programme	-
Managed Programmes - Surplus	(6,484)
Unidentified QIPP	12,636
<b>Year End Outturn Position before mitigation strategy</b>	<b>4,852</b>
<b>Carried Forward to Risk Mitigations Strategy</b>	<b>(11,336)</b>
<b>Forecast Year End Outturn Position</b>	<b>(6,484)</b>

## Statement of Financial Position

2.134 Table 33 details the statement of financial position for the Somerset Clinical Commissioning Group as at 31 July 2016.

**Table 33: Statement of Financial Position of the Clinical Commissioning Group as at 31 July 2016:**

	Opening Balance 1 April 2016 £'000	Closing Balance 31 July 2016 £'000	Movement  £'000
<b>Non-Current Assets:</b>			
Premises, Plant, Fixtures and Fittings	-	-	-
IM&T	394	370	(24)
Intangible Assets	17	15	(2)
Long-term receivables	-	-	-
<b>Total Non-Current Assets</b>	<b>411</b>	<b>385</b>	<b>(26)</b>
<b>Current Assets:</b>			
Inventories	2	2	-
Trade and other receivables	5,487	5,178	(309)
Cash and cash equivalents	50	250	200
<b>Total Current Assets</b>	<b>5,539</b>	<b>5,430</b>	<b>(109)</b>
<b>Total Assets</b>	<b>5,950</b>	<b>5,815</b>	<b>(135)</b>
<b>Current Liabilities:</b>			
Trade and other payables	(29,997)	(33,106)	(3,109)
Other liabilities	-	-	-
Provisions	(910)	(724)	186
Borrowings	-	-	-
<b>Total Current Liabilities</b>	<b>(30,907)</b>	<b>(33,830)</b>	<b>(2,923)</b>
<b>Non-Current Liabilities:</b>			
Long term Liabilities	-	-	-
Provisions	-	-	-
-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>(30,907)</b>	<b>(33,380)</b>	<b>(2,923)</b>
<b>Assets less Liabilities (Total Assets Employed)</b>	<b>(24,957)</b>	<b>(28,015)</b>	<b>(3,058)</b>
<b>FINANCED BY:</b>			
<b>TAX PAYERS' EQUITY</b>			
General fund	(24,957)	(25,854)	(897)
Generated (Surplus)/Deficit Reserve	-	(2,161)	(2,161)
Revaluation reserve	-	-	-
-	-	-	-
<b>Total Taxpayers' Equity</b>	<b>(24,957)</b>	<b>(28,015)</b>	<b>(3,058)</b>

**Note: The movement in receivables and payables primarily relates to a change in treatment of the maternity pathway.**

## Capital

2.135 The Clinical Commissioning Group has submitted a bid for capital for 2016/17 and is awaiting confirmation from NHS England of the agreed schemes and associated funding levels.

**APPENDIX 1**

**SERVICE LEVEL AGREEMENT/CONTRACT VALUES BY PROVIDER**

<b>Secondary Care Commissioning</b>	<b>Annual Budget</b>	<b>Year to Date Budget</b>	<b>Year to Date Expenditure</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Foundation Trusts</b>				
Dorset County Hospital NHS Foundation Trust	2,268	756	658	(98)
Royal Brompton & Harefield NHS Foundation Trust	390	130	136	6
Royal Devon and Exeter NHS Foundation Trust	4,840	1,613	1,508	(105)
Royal United Hospital Bath NHS Trust - Maternity Contract	2,586	797	862	65
Royal United Hospital Bath NHS Trust	26,730	8,858	8,760	(98)
Salisbury NHS Foundation Trust	594	198	182	(16)
Somerset Partnership NHS Foundation Trust	129,671	43,224	43,224	0
South Western Ambulance Service NHS Trust	20,511	6,837	6,837	0
Taunton and Somerset NHS Foundation Trust	179,738	59,602	60,580	978
University Hospitals Bristol NHS Foundation Trust	8,368	2,789	2,845	56
Yeovil District Hospital NHS Foundation Trust	77,004	25,563	27,221	1,658
<b>Sub total</b>	<b>452,700</b>	<b>150,367</b>	<b>152,813</b>	<b>2,446</b>
<b>Other NHS Trusts</b>				
North Bristol NHS Trust	6,968	2,297	2,281	(16)
Northern Devon Healthcare NHS Trust	413	138	153	15
Sirona Care & Health	499	166	166	0
Weston Area Health NHS Trust	14,606	4,821	4,928	107
<b>Sub total</b>	<b>22,486</b>	<b>7,422</b>	<b>7,528</b>	<b>106</b>
<b>Total NHS Service Level Agreements</b>	<b>475,186</b>	<b>157,789</b>	<b>160,341</b>	<b>2,552</b>

## APPENDIX 2

**Somerset Clinical Commissioning Group  
Contract Performance as at 31 July 2016**

Provider	Annual Plan	Year To Date Plan	Year To Date Actual	Variance	Variance %
<b>Taunton &amp; Somerset NHS Foundation Trust</b>					
Inpatients -- Elective & Daycase	38,207	12,736	10,726	-2,010	-15.78%
Inpatients -- Non-Electives	37,616	12,539	13,070	531	4.24%
Maternity Deliveries	2,908	969	1,085	116	11.93%
Outpatients	302,804	100,935	102,260	1,325	1.31%
Critical Care	3,506	1,169	1,172	3	0.29%
Accident & Emergency	56,121	18,707	19,768	1,061	5.67%
<b>Yeovil District Hospital NHS Foundation Trust</b>					
Inpatients -- Elective & Daycase	14,913	4,971	4,727	-244	-4.91%
Inpatients -- Non-Electives	13,931	4,644	4,892	248	5.35%
Maternity Deliveries	1,329	443	427	-16	-3.61%
Outpatients	165,014	55,005	52,817	-2,188	-3.98%
Critical Care	2,927	976	1,011	35	3.62%
Accident & Emergency	38,020	12,673	12,960	287	2.26%
<b>Royal United Hospitals Bath NHS Foundation Trust</b>					
Inpatients -- Elective & Daycase	4,184	1,395	1,380	-15	-1.05%
Inpatients -- Non-Electives	5,533	1,844	1,804	-40	-2.19%
Outpatients	46,109	15,370	15,643	273	1.78%
Accident & Emergency	7,816	2,605	2,670	65	2.48%
<b>Other Providers</b>					
Inpatients -- Elective & Daycase	21,216	7,072	7,364	292	4.13%
Inpatients -- Non-Electives	6,340	2,113	2,153	40	1.88%
Outpatients	106,928	35,643	36,744	1,101	3.09%
Accident & Emergency	21,962	7,321	7,775	454	6.21%

**Notes:**

- RUH data excludes RNHRD activity
- There have been coding changes in 2016/17 based on contract requirements which mean both financial years are less comparable
- T&S, YDH and RUH data is based on SLAM (as opposed to SUS) which includes plan data. Other Providers data is based on SUS, with a plan based on 2015/16 outturn

**CONTRACT VALUES FOR SERVICES FROM THE INDEPENDENT AND  
PRIVATE SECTOR**

<b>Scheme/Provider</b>	<b>Annual Budget</b>	<b>Year to Date Budget</b>	<b>Year to Date Expenditure</b>	<b>Year to Date (under) /overspend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
British Pregnancy Advisory Service	40	13	13	-
British Red Cross	375	125	125	-
Continuing Care	37,062	12,354	12,354	-
COPD Contract	663	221	221	-
Cruse Bereavement	25	8	8	-
Dorothy House Hospice	297	99	99	-
Exceptional Treatments	417	139	139	-
Marie Stopes	221	74	74	-
NHS Funded Nursing Care	10,770	3,590	3,590	-
Non Contractual Activity	7,653	2,551	2,651	100
OASIS	962	321	321	-
Odstock Medical Limited	30	10	10	-
Other Commissioning	10,047	3,349	3,249	(100)
Palliative Care Funding	374	125	125	-
Partnership Working – Pooled Budgets	18,147	6,049	6,416	367
Partnership Working – Other	1,915	638	638	-
Patient Transport Services	697	232	232	-
Shepton Mallet Treatment Centre	12,398	4,133	4,808	675
Spells in Private Sector	8,038	2,679	2,734	55
St Margarets Hospice	2,054	685	685	-
Voluntary Car Services	1,055	352	352	-
Weston Hospice	135	45	45	-
Wheelchair Services	2,120	707	707	-
<b>TOTAL</b>	<b>115,495</b>	<b>38,499</b>	<b>19,507</b>	<b>1,097</b>

**PRESCRIBING EXPENDITURE**  
**1 MAY – 31 JULY 2016**

	<b>Annual Budget £'000</b>	<b>Year-to-Date Budget £'000</b>	<b>Year-to-Date Expenditure £'000</b>	<b>Variance £'000</b>
GP Prescribing	79,466	26,489	25,422	(1,067)
Other prescribing	3,288	1,096	1,096	-
<b>Total</b>	<b>82,754</b>	<b>27,585</b>	<b>26,538</b>	<b>(1,067)</b>

## HEADQUARTERS AND CENTRAL PROGRAMMES

Running Cost Programmes	Whole Time Equivalent Establishment	Whole Time Equivalent Actual	Annual Budget	Year to Date Budget	Year to Date Expenditure	Year to Date (under) / overspend
			£'000	£'000	£'000	£'000
Governing Body	2.8	2.9	723	241	241	0
Senior Leadership Team	4.9	4.1	806	268	268	0
Executive Office	3.0	3.0	122	41	41	0
Directorate of Finance and Performance and Acute Commissioning	28.3	22.1	1,714	579	425	(154)
Directorate of Clinical and Collaborative Commissioning	30.3	27.1	2,006	666	664	(2)
Directorate of Quality, Safety and Governance	48.6	47.4	3,315	1,100	1,078	(22)
Commissioning Reform	4.5	3.5	226	75	56	(19)
System Transformation	5.0	5.0	297	99	99	0
CSU Costs			2,652	884	884	0
Running Cost Saving Programme	-	-	0	0	0	0
<b>Total Running Cost Programme</b>	<b>127.4</b>	<b>115.1</b>	<b>11,861</b>	<b>3,953</b>	<b>3,756</b>	<b>(197)</b>



## Appendix 6

Cashflow Statement	April £'000 Actual	May £'000 Actual	June £'000 Actual	July £'000 Actual	August £'000 Fcast	Sept £'000 Fcast	Oct £'000 Fcast	Nov £'000 Fcast	Dec £'000 Fcast	Jan £'000 Fcast	Feb £'000 Fcast	March £'000 Fcast	Total
<b>Opening Balance</b>	<b>50</b>	<b>933</b>	<b>684</b>	<b>333</b>	<b>514</b>	<b>577</b>	<b>619</b>	<b>259</b>	<b>658</b>	<b>660</b>	<b>647</b>	<b>652</b>	<b>50</b>
<b>Receipts:</b>													
NHS Receipts	143	127	17	378	73	50	50	50	50	50	50	50	1,088
Department of Health – Cash Limit	58,283	59,265	57,279	58,860	62,641	61,670	58,708	58,653	59,854	58,727	58,919	54,472	707,331
Other	708	345	218	330	92	102	92	92	92	104	155	42	2,372
<b>Total Receipts</b>	<b>59,134</b>	<b>59,737</b>	<b>57,514</b>	<b>59,568</b>	<b>62,806</b>	<b>61,822</b>	<b>58,850</b>	<b>58,795</b>	<b>59,996</b>	<b>58,881</b>	<b>59,124</b>	<b>54,564</b>	<b>710,791</b>
<b>Payments Local:</b>													
NHS Payments	39,918	39,363	39,798	41,878	42,853	42,815	40,667	40,438	41,168	40,437	40,437	40,666	490,438
Non NHS Payments	10,489	12,820	10,135	9,494	11,771	10,855	10,524	10,129	10,280	10,364	10,129	6,558	123,548
Salaries & Wages, Tax, NI & Pensions	572	575	581	778	601	610	610	610	610	610	610	610	7,377
GP Payments (Exeter System) & Other	1,289	1,212	1,282	1,377	1,277	1,330	1,331	1,566	1,807	1,556	1,399	1,399	16,825
<b>National:</b>													
Prescription Pricing Authority	5,536	6,016	6,069	5,860	6,241	6,170	5,808	5,923	6,129	5,927	6,544	5,934	72,157
CHC Risk Pool Contribution	447	-	-	-	-	-	-	-	-	-	-	-	447
<b>Total Payments</b>	<b>58,251</b>	<b>59,986</b>	<b>57,865</b>	<b>59,387</b>	<b>62,743</b>	<b>61,780</b>	<b>58,940</b>	<b>58,666</b>	<b>59,994</b>	<b>58,894</b>	<b>59,119</b>	<b>55,167</b>	<b>710,792</b>
<b>Closing Balance</b>	<b>933</b>	<b>684</b>	<b>333</b>	<b>514</b>	<b>577</b>	<b>619</b>	<b>529</b>	<b>658</b>	<b>660</b>	<b>647</b>	<b>652</b>	<b>49</b>	<b>49</b>

The balance brought forward is cleared cash balance, whereas the bank balance in the statement of financial position is the cash book balance which includes uncleared payable orders and cash in hand.

Programme	Scheme Name	2016/17 Plan £'000			2016/17 Forecast Savings £'000			Scheme Variance	Project Start Date	End Date	Benefit Start Date	Responsible Clinician	Responsible Director	Project RAG	Financial RAG	Scheme Update
		Gross Savings (-) Rec/Y	CCG Investment Required (+) Rec   Y	Net 2016/17 Saving (-)	YTD Actual	Forecast Actual	Total Savings Forecast									
Urgent and Emergency Care	Paediatrician in ED	145	0	145	0	0	0	-145	TBC		TBC				Meeting took place with MPH. The trust does not wish to proceed with the original scheme and is considering whether there are any other alternatives.	
	GP 999 Car	138	0	138	12	143	155	17	Oct-16		Oct-16				CCG and SWASFT working towards the scheme starting in October 2016 and communications with GPs and other professionals commencing.	
	OOH 111 Benefit Realisation	200	0	200	0	103	103	-97	Oct-16		Oct-16				Trial took place in July and repeating in September 2016. Debrief will then take place to inform the model.	
	Emergency Care Reductions	1,000	0	1,000	0	0	0	-1,000	TBC						Scheme to be quantified.	
	Taunton OPAL	324	0	324	108	216	324	0	ongoing						Full year effect of implementation of OPAL unit at MPH in 2015/16.	
	Urgent Connect	0	0	0	0	246	246	246	Sep-16	Mar-17	Sep-16				Urgent Connect and Consultant Connect (Elective Care) to be rolled out together as a joint project as agreed at Leadership on 28 July. Scheme to commence in September 2016.	
	<b>Total</b>		<b>1,807</b>	<b>0</b>	<b>1,807</b>	<b>120</b>	<b>708</b>	<b>828</b>	<b>-979</b>							
Elective Care	Patient Initiated Follow - Ups (PIFU)	2,000	400	1,600	0	821	821	-779	Oct-15		Sep-16				TST roll out to Rheumatology, Cardiology, Orthopaedics (Spines & Fracture Clinics), RUH underway in Urology, ENT & Orthopaedics (Fracture Clinics). YDH have held a Follow Up Reform workshop which includes roll out of PIFU in Urology in August. SMTC and Care UK are also introducing PIFU.	
	Reducing Variation in Outpatient Referrals from GP Practices	500	0	500	34	580	614	114	Oct-16		May-16				1st Wave: Completed all 9 practice visits. 2nd Wave: 4 of 10 visits completed. Approach for Phases 3 and 4 being planned with information pack being prepared for circulation in September. Work to support GP Locums and communication to GPs on emerging themes being progressed.	
	Elective Care: IFR Plus	1,100	0	1,100	5	1,177	1,182	82	Oct-16		Jul-16				Cholecystectomy was on the Clinical Commissioning Policy Forum June agenda. A key requirement is ensuring monitoring is in place to assess impact of policies on activity e.g. Hip Policy. Further work benchmarking with other CCGs is underway to ascertain any other areas that may benefit from a policy.	
	Consultant Connect	0	0	0	0	383	383	383	Jun-16		Sep-16				A document assessing both Consultant and Urgent Connect was presented to Urgent Care Programme Board, Leadership and Elective Care Clinical Programme Board and all agreed that the opportunity should be explored. An implementation plan with go live mid-Sep was shared with Leadership on 28 July.	
<b>Total</b>		<b>3,600</b>	<b>400</b>	<b>3,200</b>	<b>39</b>	<b>2,961</b>	<b>3,000</b>	<b>-200</b>								
Person Centred Care	South Somerset Test & Learn	800	0	800	0	600	600	-200			May-16				Continuing, daily 'huddle' conversations; proactive phone calls to patients; home visits; ward rounds; joint appointments; developing e-records; 'organising' phone calls. Numbers of referrals are increasing and plans are underway for second hub in Wincanton. More work required to quantify actual savings to date, although forecast at £160k May-Jul.	
	Taunton Test & Learn	276	0	276	0	276	276	0			Apr-16				Capacity constraints within the CSU have meant that limited data has been available to measure the effectiveness of the schemes.	
	Mendip Test & Learn	74	0	74	0	74	74	0			Apr-10				Capacity constraints within the CSU have meant that limited data has been available to measure the effectiveness of the schemes.	
	Telehealth	122	0	122	20	40	60	-62							10 Somerset Care care homes have been identified to take forward multi-user pilot. The Wi-Fi connectivity in these homes has been checked for technical compliance and meets the standard. Somerset Care has been asked to co-ordinate a meeting with 3 care homes so they can receive multi user training and identify appropriate patients for phase 1 of the pilot.	
	House of Care	168	0	168	0	0	0	-168							Make the Resource Library live on the CCG website and promote this along with all versions of My Life Plan and training courses in the GP Bulletin. Complete the House of Care Embedding Plan including proposal for 3 motivational interviewing training courses and a few Operational Support Courses. An on-line version of My Life Plan produced by Redgate Medical Centre to be investigated for potential wide scale use.	
	DToC	1,000	0	1,000	0	720	720	-280							Final plan to Directors of Finance and Chief Executives Sept 2016, then implement as part of the Community services workstream in STP.	
<b>Total</b>		<b>2,440</b>	<b>0</b>	<b>2,440</b>	<b>20</b>	<b>1,710</b>	<b>1,730</b>	<b>-710</b>								
Community Services	Emerging Personality Disorder	209	0	209	26	139	165	-44	Apr-16		Apr-16				Confirmation of funding re-affirmed with Somerset Partnership, discussed again at the Quarterly contract meeting in May 2016, SomPar confirmed intention to step service up and start recruitment. Agree a financial plan for the period of the year that the service will not be fully operational (financial clawback discussion with providers underway). Recruit to staff positions	
	Learning Disabilities	500	0	500	0	250	250	-250	Apr-16		Apr-16				LDPS procurement has had an impact on the ability of in year savings being achieved. Large pooled budget overspend exists.	
	Flexi Beds	500	0	500	125	375	500	0	Apr-16		Apr-16				Bed utilisation now being monitored to maximise capacity availability over the winter period.	
	Ambulatory Care Community Bed Flexibility (ORCP)	351	0	351	117	234	351	0	Apr-16		Apr-16				Sompar and CSU have redeveloped dashboard and data reporting to ensure robustness in reporting QIPP activity. Blood transfusion pathway workshop held and pending sign off of prescriptions.	
	<b>Total</b>		<b>1,942</b>	<b>0</b>	<b>1,942</b>	<b>395</b>	<b>1,253</b>	<b>1,648</b>	<b>-294</b>							
Care Home Support	336	0	336	41	86	127	-209								Scheme now operating but at lesser scale than originally planned	

