

Report to the NHS Somerset Clinical Commissioning Group on 30 January 2020

Title: Financial Report 2019/20 1 April 2019 – 30 November 2019	Enclosure M
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Executive Lead	Alison Henly, Director of Finance, Performance and Contracting
Clinical Lead:	NA
Author:	Alison Henly, Director of Finance, Performance and Contracting

Summary and Purpose of Paper

The enclosed paper provides an update summarising the current and forecast financial position for 2019/20.

This report sets out the overall financial position for the Somerset Clinical Commissioning Group for period 1 April 2019 to 30 November 2019 and provides an analysis of the financial performance across the following areas:

- Summary Financial Position
- Financial Framework
- QIPP
- Somerset System Financial Position

Recommendations and next steps

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

Impact Assessments – key issues identified

Equality	Financial decisions are made with due regard to eliminate discrimination, harassment and victimisation, to advance equality of opportunity and to foster good relations between people who share a relevant protected characteristic (as cited in under the Equality Act 2010) and those who do not share in it.
Quality	Financial decisions are made to deliver with regard to the best possible value for service users.
Privacy	No issues identified.

Engagement	No issues identified.			
Financial / Resource	The Somerset Clinical Commissioning Group has a current budget of £872,808,000 in 2019/20.			
Governance or Legal	The financial report details any constitutional standards required to be met by the Clinical Commissioning Group.			
Risk Description	The Somerset Clinical Commissioning Group must ensure it delivers the planned financial target.			
Risk Rating	Consequence	Likelihood	RAG Rating	GBAF Ref
	4	3	12	SO2

SOMERSET CLINICAL COMMISSIONING GROUP
FINANCE REPORT TO THE GOVERNING BODY
AS AT 30 NOVEMBER 2019

1 INTRODUCTION

- 1.1 The purpose of this report is to update the Governing Body on the Clinical Commissioning Group's financial performance for the financial year 2019/20 as at 30 November 2019.
- 1.2 The Clinical Commissioning Group has a planned in year deficit position of £4.5m for 2019/20 and is currently anticipating delivery of this position for the financial year. This is under-pinned by a requirement to deliver Quality, Innovation, Productivity and Prevention (QIPP) plans and mitigate any in year risks as they arise.
- 1.3 The Somerset health system submitted an Operational Plan for 2019/20 to NHS England/NHS Improvement on 23 May 2019. This plan has received final approval and forms the basis of the budgets detailed in this report.
- 1.4 Subject to a quarterly review by NHS England on achievement of the financial plan and adherence to the conditions of the Commissioner Sustainability Fund, the Clinical Commissioning Group will be eligible to receive £4.5m Commissioner Sustainability Funding (CSF) in 2019/20. Receipt of this funding will enable the Clinical Commissioning Group to deliver a balanced in year position for 2019/20. To encourage sensible profiling of plans and to discourage phasing of savings plans towards the latter part of the year, the payment of CSF funds is weighted towards the latter part of the year. Clinical Commissioning Groups are eligible to receive 10% of the total allocation for quarter 1, 25% for quarter 2, 30% for quarter 3, and the balance of 35% for the final quarter of the year.
- 1.5 The Clinical Commissioning Group has demonstrated achievement of the CSF conditions for the first two quarters of 2019/20 and has been confirmed eligible for receipt of CSF for this period. This funding has now been received by the Clinical Commissioning Group and equates to 35% of the total available CSF annual allocation, at a total value of £1,575,000.
- 1.6 It should be noted that the Clinical Commissioning Group has a cumulative brought forward debt of £3.556m to repay as part of the Financial Recovery Plan.
- 1.7 The following areas are reported on in this paper:
- forecast outturn
 - Revenue Resource Limit
 - financial performance highlights and exceptions
 - Quality, Innovation, Productivity and Prevention (QIPP)
 - risks and mitigations

- cash
- better payments practice code
- capital
- system position

2 FINANCE REPORT

Forecast Outturn

- 2.1 As noted in the introduction to this report, the Clinical Commissioning Group have a planned in year deficit position of £4.5m before CSF.
- 2.2 At the end of November 2019 the Clinical Commissioning Group is anticipating achievement of this position, through full mitigation of risks by targeting and delivering QIPP plans and cost saving programmes.

Revenue Resource Limit

- 2.3 The annual revenue resource limit is £872.808m at month 8, which includes core Clinical Commissioning Group programme funding of £784.924m, delegated primary care commissioning funding of £76.029m and running cost allocations of £11.855m.
- 2.4 Additional resource allocations have been received during month 8 and these are detailed in Table 1 below.
- 2.5 The Clinical Commissioning Group has a carried forward deficit of £3.556m, however this is not applied to the in year allocation.
- 2.6 Table 1 below shows the breakdown of resources available to the Clinical Commissioning Group in 2019/20.

Table 1: 2019/20 Revenue Resource Limit

	2019/20 £'000
Initial Allocations	771,901
<i>(including growth of):</i>	42,415
Recurrent Adjustments:	
* Recurrent 2018/19 from NHS England	872
* Primary Care Improving Access funding	3,302
* Cost transfer to local system	435
Specialised Services	
Identification Rules adjustment	(267)
Primary Care	
Delegated budget	76,029
Non Recurrent Adjustments:	
* Paramedic Rebanding	679
* Ambulance winter funding	186
* Primary Care Improving Access funding	41
* STP Infrastructure funding	198
* Excess Treatment costs	(35)
* Diabetes Transformation fund	38
* Diabetes STP Implementation funds Q1 and Q2	25
* Flash Glucose Monitoring (Q1)	80
* Individual Placement Support (MH) Q1 to Q3	167
* GPFV – GP Retention	125
* GPFV – Practice Resilience	79
* GPFV – Reception and Clerical staff training	97
* GPFV – Online consultations	159
* GPFV – Primary Care Networks	431
* GPFV – STP Funding – Workforce Training Hubs	99
* GPFV – STP Funding – Fellowships Core Offer	89
* GPFV – STP Funding – Fellowships Aspiring Leaders	113
* Maternity System Early Adopter site	550
* Medicines Optimisation in Care Homes (MOCH) Q1 and Q2	49
* Suicide Prevention Post Bereavement	28
* Community Mental Health Transformation	2,212
* Community MH Crisis Services Transformation	335
* MH Liaison Transformation	495
* Primary Care Support (Symphony)	366
* 2019/20 Armed Forces OOH allocation	20
* Q1 and Q2 CSF	1,575
* LTP Implementation – STP Ageing Well Programme – transforming community care	145
* Perinatal MH Transformation Funding	110
* CYP Green Paper Project Initiation Funds	40
* CYP Mental Health Support Teams Wave 1 2019/20	62
* CYP Green Paper 2019/20 Waiting Time Initiatives	40
* Place-Based Leadership programme Seed funding 2019/20 for Somerset STP	55
* Primary Care Networks	10
* NHS 111 Services	22
* Better Care Fund support	480
* Adult and Children's Palliative and End of Life Care Services	247
* Enhanced GP IT infrastructure and resilience arrangements	146
* Charge Exempt Overseas Visitor (CEOV) Adjustments	(933)
* ECTP Advice and Guidance Clinical Support	15
* Integrated Volunteering Approaches Programme 2019/20	41
Running Costs	11,855
Total In Year Allocation	872,808

Financial Performance Highlights and Exceptions

2.7 Table 2 below shows the forecast end of year financial position against key budget reporting lines for 2019/20, based on data available as at November 2019.

Table 2: 2019/20 Analysis of Programme Expenditure

Expenditure	Annual Budget £'000	Forecast Expenditure £'000	Forecast Variance £'000	Previous reported Variance £'000	Variance Change
Somerset STP Providers	455,934	455,934	0	0	Static
Other Acute Commissioning	123,207	126,607	3,400	3,400	Static
Other Community and Partnerships	33,544	33,074	(470)	(510)	Deterioration
Continuing Care and Funded Nursing Care	47,997	50,497	2,500	2,500	Static
Prescribing	81,545	82,645	1,100	1,100	Static
Primary Care Delegated Budgets	76,029	76,029	0	0	Static
Other Primary Care	18,790	17,898	(892)	(642)	Improvement
Better Care Fund	12,521	12,521	0	0	Static
Other Programmes	17,871	12,633	(5,238)	(5,448)	Deterioration
Corporate Running Costs	11,855	11,455	(400)	(400)	Static
Investments and QIPP schemes	(3,560)	(3,560)	0	0	Static
Planned Deficit	(2,925)	0	2,925	2,925	Static
Total Expenditure	872,808	875,733	2,925	2,925	Improvement

Note: movement is assessed against the last reported position

Key:

Improved forecast position compared to previous month	Improvement
Static forecast position compared to previous month – favourable variance	Static
Static forecast position compared to previous month – adverse variance	Static
Deteriorated forecast position compared to previous month	Deterioration

2.8 A number of variances to plan have emerged as at month 8, and these are highlighted below. Forecasts will continue to be reviewed and refined as further data becomes available.

2.9 Specific elements of the financial position to be highlighted at this stage in the financial year include:

- **Acute Services**

- * **Somerset STP provider contracts:** As per the Somerset system Memorandum of Understanding (MoU), contracts with Somerset STP providers are agreed at fixed values for 2019/20.
- * As a system, further work is required to develop savings plans outlined during the 2019/20 planning process. The Clinical Commissioning Group currently holds these savings assumptions within its planned budget values, however it is understood that as these savings initiatives are developed and finalised the financial impact will be contractualised and reflected with the relevant provider. All system partners have agreed to regular monitoring of delivery and agree to consider in year adjustments to reflect progress and share associated risks appropriately across the system.

* **Out of County and Independent Sector Acute Contracts:**
contract data available year to date is showing variances against planned contract values with the following providers;

- Royal Devon and Exeter NHS Foundation Trust – the reported year to date position shows an adverse variance to plan of £334,000 in respect of elective and non-elective activity and regular day admissions. This is across a range of specialties, but particularly in elective orthopaedics, non elective plastic surgery, general medicine and gastroenterology, and clinical haematology and nephrology day admissions as at month 8. This will continue to be monitored over the coming months and a year end position of £550,000 over performance against plan is currently forecast in respect of this contract.
- University Hospitals Bristol NHS Foundation Trust – this contract is now demonstrating an adverse variance against plan, particularly within non-elective cardiology and dermatology and ophthalmology day cases and outpatient procedures. A forecast over commitment of £100,000 is currently anticipated in respect of this contract and this will be reviewed in the coming months, particularly over the winter period.
- Royal United Hospital Bath NHS Foundation Trust – this contract is currently over performing against plan and is forecast to be £450,000 over plan at the year end. The majority of this over performance is within day cases, particularly trauma and orthopaedics and urology, and gynaecology and ophthalmology outpatient procedures.
- Independent Sector Providers – the Clinical Commissioning Group’s contract with Nuffield Health is over performing against plan by £229,000 year to date. Planned activity for 2019/20 assumed a reduction in growth levels and this has not materialised to the level anticipated. A total year end overspend of £500,000 is currently anticipated in respect of all independent sector contracts.

The overall position in respect of Out of County and Independent Sector acute care contracts is an anticipated overspend against plan of £1,600,000 for the year based on the latest activity data available.

- **South Western Ambulance NHS Foundation Trust contract**

Planned finance and activity levels for this contract in 2019/20 have been maintained at those contracted for 2018/19, with the agreement that both provider and commissioners will introduce

measures to mitigate any in year growth. A break glass mechanism has been incorporated into the contract for 2019/20 that will be triggered when activity levels exceed planned levels by 0.8%. Once this threshold is breached, over performance costs will be incurred on all activity above plan. Activity to date has breached this threshold and an over commitment of £387,000 has been confirmed for the 8 month period to November 2019. A total year end overspend of £600,000 has been incorporated into the reported forecast outturn position, which assumes that excess activity levels will continue for the remainder of the financial year.

- **Non Contractual Activity**

Based on historical expenditure profiles and invoices received to date, non contractual activity is currently anticipated to be £200,000 over plan at the financial year end.

- **Independent Sector QIPP Savings**

Financial plans for 2019/20 included an expectation that QIPP savings of £1m would be delivered in respect of activity provided by independent sector acute services providers. The forecast outturn position for acute service contracts anticipates that these savings will not be delivered in year, as evidenced by current activity levels and over performance within this sector.

The overall position with regard to the Acute Commissioning contracts is a forecast year end overspend of £3.4m against planned funding. This comprises £1.6m in respect of Out of County and Independent Sector contracts, £0.6m in respect of the contract with South Western Ambulance Services NHS Foundation Trust, £0.2m in respect of non contractual activity, and £1m of non delivered QIPP savings.

- **Other Community and Partnerships**

- * **Wheelchair services contract:** based on historical expenditure trends and charges received year to date it is currently anticipated that this contract will underspend against planned budget by £400,000. For 2019/20 the payment mechanism for this contract was changed from a payment by results tariff based payment structure to one comprising a fixed overhead charge with itemised charging for equipment issues. Cost information made available throughout the year will further clarify any impact that this change in payment mechanism will have on expenditure levels and the forecast will be reviewed accordingly. It is anticipated that any cost impact will be minimal.

- * **Community Equipment Service Pooled Budget:** Local Authority reporting as at month 6 indicates a projected annual underspend to the Clinical Commissioning Group of £70,000

against the contribution that we make to the community equipment service pooled budget. This is a deterioration from the previously reported forecast underspend of £110,000 and this forecast will continue to be reviewed as further data becomes available.

- **Continuing Care and Funded Nursing Care**

As at month 8, Continuing Care and Funded Nursing Care expenditure is forecast to be above planned levels by circa £2.5m for this year. This overspend can be attributed to a number of factors, including:

- * delays in delivery of QIPP plans to review care packages for CHC fast track patients. The CHC team have reviewed and increased the staffing resource dedicated to delivering these reviews and this should improve delivery over the coming months
- * addressing a back log of CHC assessments. The number of overdue assessments is gradually diminishing and the associated costs will reduce accordingly over the course of the financial year. Very few CHC assessments are now breaching the 28 day target for the time from receipt of an assessment to confirmation of a funding decision
- * increasing numbers of high cost Learning Disability cases meeting the eligibility criteria
- * increasing numbers of fast track referrals

Actions are being taken to mitigate the overspend year to date and bring expenditure back to planned levels over the remainder of the financial year. However, these actions are unlikely to mitigate the full overspend that has been incurred to date.

The current forecast position incorporates the release of a provision from the balance sheet, which has historically been established to reflect the potential cost associated with the CHC assessment backlog. As the backlog is expected to be cleared by the end of the year, it is considered that this provision is no longer required.

National increases in nursing home fees for funded nursing care patients were announced in April 2019 at a rate in excess of the increase included within the Clinical Commissioning Group's financial plans. This cost pressure has been incorporated into the reported forecast financial position at a cost of approximately £400,000.

- **Primary Care Prescribing**

GP prescribing data for August to October 2019 demonstrates that price increases to Category M drugs are now being realised within the prescribing expenditure position. Therefore, the £1.2m cost pressure previously reported as a risk is now reflected within the forecast outturn position.

Offsetting this cost pressure is an anticipated saving of £100,000 in respect of medicines management costs.

- **Primary Care Delegated Budgets**

Overall primary care delegated budgets are anticipated to break even against planned funding for the year. However, some variances are emerging against individual budget lines including:

- * cost pressures relating to GP premises due to actual costs being higher than anticipated during budget setting
- * cost pressures relating to the support of Symphony Health Services due to pressures at Oaklands, South Petherton and Martock surgeries

These cost pressures have been offset by an expectation of an underspend against Primary Care Network budgets.

- **Other Primary Care**

The forecast outturn reported in respect of other Primary Care services incorporates an anticipated under commitment against budget in relation to the recruitment of posts within the team dedicated to the support of delegated Primary Care Commissioning services. A vacancy factor equating to £300,000 is currently anticipated in respect of these staffing posts.

A saving of £200,000 is also anticipated to be delivered from the decommissioning of the Urgent Care service previously provided at Oaklands Surgery.

Other underspends of £415,000 are anticipated against planned budgets for GP Local Enhanced Services and Primary Care Health and Social Care IT networks.

- **Other Programmes**

Other Programmes comprises a range of budgets including Out of Hours and 111 services, mental health transformation funds, mental health S117 after care costs, Learning Disability Transforming Care placement costs and a range of national funding allocations for service transformation projects.

Also included in the position reported against Other Programmes are growth allocations identified during the planning process which have been reallocated to offset emerging cost pressures across other budgets.

The forecast underspend reported against Other Programmes includes an expectation that financial support of £1.2m will be made available from central resource to recognise and mitigate the cost pressure driven by the national increase in Category M drug prices. This resource is not confirmed and further updates are awaited concerning how this issue will be addressed nationally.

- **Running Costs**

The Clinical Commissioning Group's corporate running costs are currently anticipated to be £400,000 under budget for the financial year. This is due to staff vacancies and delays in recruitment to new posts arising from the staffing restructure.

2.10 Table 3 below demonstrates that the Clinical Commissioning Group is expecting to meet the planned deficit control total of £4.5m as agreed with NHS England and has received Q1 and Q2 CSF funding of £1,575,000. Also highlighted is the carried forward cumulative deficit of £3.56m.

Table 3: 2019/20 Planned Financial Position

Description	£m
2019/20 in-year planned deficit	4.50
0.5% mandated reserve	0.00
Commissioner Sustainability Fund Received (Q1 and Q2)	(1.58)
End of year deficit	2.93
Anticipated Commissioner Sustainability Fund	(2.93)
Anticipated in-year financial position	0.00
Carried forward (surplus) / deficit	3.56
Cumulative financial position	3.56

Recurring Underlying Financial Position

2.11 Table 4 below demonstrates the recurring underlying financial position of the Clinical Commissioning Group, accounting for non-recurrent cost commitments, non-recurrent financial benefits and full year effects.

Table 4: Recurring Underlying Financial Position

	£'000	£'000
Total Clinical Commissioning Group allocation 2019/20	872,808	
Less: non recurrent allocation	(8,681)	
Total recurrent allocation 2019/20		864,127
Total forecast expenditure 2019/20	875,733	
Less: non recurrent resource allocations and other commitments:		
Non recurrent spend funded by non recurrent resource allocations	(6,965)	
Fit for My Future programme cost	(940)	
Somerset System Providers – planning gap support	(445)	
Continuing Healthcare assessment backlog and QIPP slippage	(1,500)	
Add: Non recurrent QIPP/Benefits		
Brought forward system support funds	2,500	
Running cost vacancy savings	400	
DToC investment slippage	180	
Primary Care Delegation Team vacancy factor	300	
Pooled budget forecast in year underspend	70	
Delivery of currently unidentified QIPP savings	7,000	
Other in year non recurrent slippage	2,747	
Add: Full Year Effect of cost commitments		
Primary Care Test and Learn projects	88	
High cost named patient care package	540	
Category M drug price increases	1,200	
Total Recurring Expenditure 2019/20		880,908
2019/20 Underlying Surplus/(Deficit) Position		(16,781)

- 2.12 This position assumes that £7 million of QIPP savings required to deliver the planned financial position are delivered non recurrently in year. In addition to this, £1.2 million in respect of national pharmaceutical price increases has been included as a recurrent cost pressure, as have cost pressures associated with Out of County acute contract performance, which is currently forecast to be managed in year for 2019/20.

Quality, Innovation, Productivity and Prevention (QIPP)

- 2.13 The Clinical Commissioning Group QIPP target for 2019/20 is £22.8m.
- 2.14 As identified in section 2.6 of this report, these QIPP values include savings targets for which detailed delivery plans are still being developed across the Somerset health system. As these initiatives are developed and finalised, the financial impact will be recognised through contract adjustments to reflect delivery by the relevant provider. Planned savings to be achieved by delivery against these QIPP schemes are profiled across the latter half of the financial year. The current reported financial position assumes that these QIPP schemes will deliver to plan.
- 2.15 Anticipated non delivery of planned savings in relation to reduced activity with independent sector acute service providers is now reflected within the forecast outturn position reported against acute commissioning budgets.
- 2.16 Table 5 below summarises the 2019/20 QIPP plans for the Clinical Commissioning Group.

Table 5: 2019/20 QIPP Plans

Description	£m	Delivery
Demand Management	5.2	Green
Community Services	2.9	
High Cost Drugs	1.5	
Corporate Services Review*	1.6	Yellow
Acute Services Review*	4.2	Red
Independent Sector#	1.0	Yellow
Delegated Primary Care services#	0.2	
GP Prescribing	1.3	Green
Continuing Healthcare#	1.8	Yellow
Unidentified#	2.5	Yellow
Other	0.6	
TOTAL QIPP	22.8	

*non delivery included in CCG risk position at 50%

#non delivery included in CCG risk/forecast outturn position

- 2.17 The corporate risk register is routinely updated to reflect risks around the delivery of QIPP plans which are under achieving and will impact on the financial position.
- 2.18 Areas where projected savings are not achieving planned levels are reported through variations within the 'Highlight and exceptions' section above or highlighted in the risks section below.

Risks to Delivery of the Financial Plan

- 2.19 A number of risks have been identified during the planning and financial monitoring process. The most significant risks are highlighted in Table 6 below.

Table 6: 2019/20 Risks

Risks	Risk Value M8 £'000	Risk Value M7 £'000	Movement £'000
Acute services review QIPP delivery	2,100	2,100	0
Corporate services review QIPP delivery	700	700	0
Other QIPP schemes still to be developed	705	855	(150)
CHC fee uplifts and QIPP delivery	700	850	(150)
Primary Care delegated budgets	200	200	0
Partnership working	400	400	0
Out of county contracts	500	500	0
Prescribing – Category M drug price increases – assumes no national support	1,200	0	1,200
Total Risks	6,505	5,605	900
Assumed central support for Category M drug price increases	0		0
Total Net Risks	6,505	5,605	900

- 2.20 The risk position at month 8 has increased from the previous month. This is mainly to reflect that national support may not be made available to mitigate the cost pressure relating to Category M drug price increases.
- 2.21 As risks and any mitigating savings are realised they are reported within the forecast financial position against the relevant budget area.
- 2.22 Within Clinical Commissioning Group national core business rules there is a requirement to set aside 0.5% of financial allocations as a local contingency to cover any risks to delivery of financial plans. For Somerset Clinical Commissioning Group this would be equivalent to £3.9m in 2019/20. During the planning process for 2019/20 the required level of contingency has been released into the financial position in order to enable delivery of a balanced financial plan. The Clinical Commissioning Group is therefore not meeting this business rule requirement for the financial year.

Cash

- 2.23 The Clinical Commissioning Group is required to manage its cash to minimum levels by the end of the financial year; however during the year the level will vary. The forecast and actual end of month cash book balances are shown in Table 7 below.

Table 7: Cash Book Balances

Month end	Actual Cash Book Balance £'000	Forecast Cash Book Balance £'000
April 2019	30	802
May 2019	115	883
June 2019	88	867
July 2019	1,023	813
August 2019	334	895
September 2019	1,194	858
October 2019	309	830
November 2019	336	829

Better Payment Practice Code (BPPC)

- 2.24 The Clinical Commissioning Group is required, as part of its administrative duty, to pay 95% of all creditors within 30 days of receipt of goods or valid invoice. Table 8 below shows the cumulative position for April 2019 to November 2019. Performance exceeds the target of 95%.

Table 8: Better Payment Practice Code Performance

NON NHS PAYABLES	Number	£'000
Total Non-NHS trade invoices paid in the year	6,442	89,373
Total Non-NHS trade invoices paid within target	6,436	88,869
Percentage of Non-NHS trade invoices paid within target	99.91%	99.44%
NHS PAYABLES	Number	£'000
Total NHS invoices paid in the year	2,273	380,806
Total NHS invoices paid within target	2,261	380,776
Percentage of NHS invoices paid within target	99.47%	99.99%

Capital

- 2.25 Clarity over capital funding and spending plans tends to evolve as the year progresses. Table 9 below sets out the current position regarding capital schemes, allocation and progress made in 2019/20.
- 2.26 Once agreement on schemes is received from NHS England, progress on programme areas can commence.

Table 9: 2019/20 Capital Plan

Capital Scheme	Allocation	Progress
CCG Corporate Capital IM&T Refresh	The CCG has submitted a corporate capital bid for £44,000 for 2019/20	This capital funding will be used to invest in a refresh of information technology, which will enable staff to work in an environment that is fit for purpose and supports efficient and effective work processes across sites

Somerset System Position**System Overview**

- 2.27 As at the end of November 2019, the Somerset health system is reporting forecast year end financial performance in line with planned levels by all Somerset STP providers.
- 2.28 At month 8, the Somerset system is reporting an adverse variance of £253,000 year to date. This variance to plan sits with Yeovil District Hospital NHS Foundation Trust and mainly represents cost pressures relating to medical and nursing staff, including the use of agency and bank staff. It should be noted however, that the greater part of planned CIP savings across the system partners are profiled to be delivered in the final quarter of the financial year and this could result in a deterioration of the financial position if these savings are not delivered.
- 2.29 All Somerset health system partners are reporting that agreed control totals are anticipated to be delivered for the financial year, as demonstrated in Table 10 below.

Table 10: Performance against organisation specific and system control totals

Organisation	Year to date (month 8)			Month 8 forecast position			
	Plan (including CSF/PSF) £'000	Actual £'000	Variance £'000	Plan (excluding CSF/PSF) £'000	Plan (including CSF/PSF) £'000	Actual £'000	Variance £'000
	CCG	(1,425)	(1,425)	0	(4,500)	0	0
T&S	(6,993)	(6,985)	8	(17,924)	(6,000)	(6,000)	0
SomPar	819	829	10	518	2,720	2,720	0
YDH	(2,853)	(3,124)	(271)	(19,339)	0	0	0
System	(10,452)	(10,705)	(253)	(41,245)	(3,280)	(3,280)	0

2.30 There are significant risks to delivery of the system financial position, including those identified by the Clinical Commissioning Group in Table 6 of this report, and the continuing challenge for providers to deliver challenging cost improvement plans (CIP). Providers also anticipate a significant financial risk in relation to escalating demand from emergency admissions and further demand pressures throughout the winter period.

2.31 System partner risks in addition to those reported by the Clinical Commissioning Group are detailed in Table 11 below.

Table 11: System Partner Risks

Risk	Month 8 £m	Actions
Yeovil District Hospital NHS Foundation Trust CIP risk	1.70	
Taunton and Somerset NHS Foundation Trust CIP risk	1.50	
Somerset Partnership NHS Foundation Trust CIP risk	-	
Provider CIP risk sub total	3.20	
Corporate Services Review QIPP/CIP delivery	0.70	
Acute Services Review QIPP/CIP delivery	2.10	
System work streams sub total	2.80	
Non elective and Winter escalation	2.60	System reviewing A&E data to understand where the additional demand is originating from. Long stay patients workstream internally fully operational so anticipated that this should impact on the flow through the Trust. Work ongoing internally to review modelling to quantify impact and also additional community schemes being worked up which may mitigate some of the additional capacity that will be required over the winter period.
Taunton and Somerset NHS Foundation Trust other cost pressures	0.60	Including 52 week wait fines
Yeovil District Hospital NHS Foundation Trust other cost pressures	0.70	Including medical staffing
TOTAL	9.90	

3 CONCLUSION

3.1 The Governing Body is asked to note the financial report as at November 2019.

3.2 There are significant challenges in delivering the financial position in 2019/20 and the Somerset health system continues to pursue the actions required to improve on this position for the future, including:

- delivery of outcomes from the transformation initiatives
- continued challenge to any potential non-essential expenditure
- a continued focus on the development and delivery of the Fit for my Future work programme