

Report to STP Board: 19 September 2019

Agenda item:	1.		
Title:	Financial Performance and Financial Planning		
Lead:	Paul Scott, Financial Performance and Financial Planning Group (FPPG) Chair		
Author:	Simon Rudkins, Head of Strategic Finance, System Delivery Unit (SDU)		
Report purpose (<i>Please mark one in bold</i>)			
APPROVAL	DECISION	ASSURE	INFORM
Link to STP Priorities (<i>Please mark all applicable in bold</i>)			
AT HOME IS BEST	SAFE and EFFECTIVE HOSPITAL CARE, WHEN NEEDED	WE'RE ONLY SUSTAINABLE TOGETHER	SUPPORTED DELIVERY
Committees/groups where this has been presented to before (<i>including date</i>)			
N/A			

Purpose of the paper

The purpose of this paper is to update the Sustainability and Transformation Partnership (STP) Board on progress in respect of:

- 2019/20 System finances;
- Medium-term planning; and
- Estates work programme.

The STP Board is invited to:

The STP Board is asked to **note** the contents of this report.

1. INTRODUCTION / BACKGROUND

The overall System budget is an amalgamation of our NHS partners who each remain accountable to their Board and regulators for delivering their own individual budgets.

For 2019/20, the System has worked closely with regulators to agree a System plan of £192m overspend. This is very financially challenging given local cost pressures and a CCG allocation that is lower than anticipated.

2. BODY OF REPORT

2019/20 System finances

The System position as at Month 4 is shown in the table below:

Financial Performance as at 31 July 2019

Financial Performance as at 31 Jul 2019	YTD Exc FRF*			FOT Exc FRF*			FOT Inc FRF*			Control Total FRF* CT		
	YTD Plan	YTD Actual	YTD Var	Plan 19/20	FOT	Var	Plan 19/20	FOT	Var	exc FRF	FRF Plan	FRF FOT
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
CCS	(0.1)	(0.1)	0.1	0.2	0.2	0.0	1.0	1.0	0.0	0.3	(0.8)	(0.8)
CPFT	(2.5)	(1.2)	1.3	(0.7)	(0.7)	0.0	1.1	1.1	0.0	(0.9)	(1.7)	(1.7)
CUH	(19.9)	(19.7)	0.2	(66.1)	(66.1)	0.0	(33.1)	(33.1)	0.0	(66.1)	(33.0)	(33.0)
NWAngliaFT	(15.4)	(15.3)	0.1	(35.3)	(35.3)	0.0	(5.7)	(5.7)	0.0	(35.3)	(29.6)	(29.6)
RPH	(16.7)	(16.0)	0.8	(15.5)	(15.5)	0.0	0.0	0.0	0.0	(15.5)	(15.5)	(15.5)
CCG	(18.8)	(19.4)	(0.7)	(75.0)	(75.0)	0.0	(75.0)	(75.0)	0.0	(25.0)	0.0	0.0
TOTAL	(73.4)	(71.6)	1.8	(192.4)	(192.4)	0.0	(111.7)	(111.7)	0.0	(142.5)	(80.6)	(80.6)

*NOTE: Total Financial Recovery Funding (FRF) as categorised in the table above also includes Provider Sustainability Fund (PSF), Commissioner Sustainability Funding (CSF) and Marginal Rate Efficiency Tariff (MRET). Values in the table above are before adjustments (bottom line basis ie, pre-adjustments).

The System plan is a deficit of £192m; this is £50m away from the System Control Total of £142m overspend but will enable us to access a substantial sum of £81m of Provider/Commissioner Sustainability Funding (PSF/CSF) available to this System for those organisations achieving their respective Control Totals.

The Month 4 position set out above indicates that the System remains ahead of plan in terms of year-to-date position and forecast out-turn, however, the System is managing emerging issues that will need to be managed to ensure delivery of our financial plan for 19/20.

Our CCG is reporting £5m unmitigated risk against delivery of plan, based on expected spend for the rest of the year, with a total risk of c£9m; the CCG is developing a Financial Recovery Plan with support from System partners. In addition to this, there is £1m unmitigated risk in CPFT. Other System partners have indicated additional risks but have, however, also suggested that these can be mitigated at this part of the year. Finance Directors are leading a process to understand the drivers of the position and identify mitigations for the System position; we will continue to focus on this and report through our Healthcare Executive.

We have developed a process for review of System partner financial forecasts through our Finance Directors network, with formal approval by HCE prior to any individual partner changes. As yet, the System forecast remains as per plan. STP Board is asked to note this position.

Medium Term Planning

In line with the national timetable, our System is modelling the financial projections for the medium term through to 2023/24; a first draft submission is due on 27 September. More information on the LTP planning process is presented in a separate paper to this Board meeting.

Estates Work Programme

Following the submission of the checkpoint the focus of the Estates group is now on progressing the key areas of work and developing the response to the Long Term Plan. In particular:

Developing local System Estates plans – To implement the Estates strategy it has been agreed that detailed 'Plans on pages' need to be developed, which identify the local estate, the services provided and the current and future demand. In this way partners from Primary Care, community and mental health providers, acute providers, commissioners, local authorities can take a joined up approach to capacity planning and ensure the combined assets are used effectively.

Five year Estates Capital Prioritisation – As part of the 2018 Estates Strategy the System undertook a prioritisation of capital plans. There was no requirement to refresh this in the 2019 submission, however as the System is developing our response to the Long Term Plan the Estates group has identified that a refresh would be useful and so it is planned that this will take place in the Autumn.

Planning and health – A planning and health workshop was held earlier in the year and a number of areas were identified to support closer working between planning and health authorities. A number of planning authorities are currently consulting on their developer contribution policies and the group is coordinating consistent responses to each with the aim of more consistent policies across the planning authorities within the System.

3. RECOMMENDATIONS

The STP Board is asked to **note** the contents of this report.

September 2019