in good health
The Norfolk and Waveney Health and Care Partnership

Subject:	**Norfolk and Waveney System Finance Report**
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Purpose of paper:	Discussion and information

1. Executive Summary

Month 9 Financial Position

- The financial position for the Norfolk and Waveney health system at month 9, excluding PSF, FRF, MRET and CSF is £78.6m deficit against a plan of £68.1m deficit, a £10.5m adverse position.

- The year to date adverse positions of NNUH (£9.8m) and CCGs (£2.3m), are reduced by the favourable year to date variance of £1.5m at NCH&C. The adverse variance year to date will result in PSF/FRF of £13.5m not being received.

- The forecast deficit of £103.0m, is £19.4m adverse to the planned deficit of £83.6m. This is due to a NNUH (£17.1m) and CCGs (£3.0m), partly off-set by NCHC (£0.7m).

- The Norfolk and Waveney health system is now not expecting to meet the control total or provide financial support to the Cambridgeshire and Peterborough system as planned. The adverse variance at NNUH is forecast to result in the loss of PSF/FRF of £23.1m.

- A further deterioration in forecast is anticipated for JPUH, this has yet to be quantified and agreed with the Trust's board. Without mitigation this could result in a further loss of PSF/FRF of £1.8m and therefore this is an area for the system to focus on.

2. Financial Position: Month 9

The month 9 financial position is based on the day five "heads up" call that organisations have with the regulator. The reported position to NHSE&I, at organisational level, is as follows:

Norfolk & Waveney STP
2019/20 Month 9 YTD Financial Performance

Adjusted financial performance surplus/(deficit) **excluding** PSF, FRF, MRET, CSF

		Month 9			Forecast			Control Total		
		Actual	**Plan**	**Variance**	**Forecast**	**Plan**	**Variance**	**Forecast**	**CT**	**Variance**
		£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
JPUH	D	(5,623)	(5,623)	0	*(6,081)*	(6,081)	0	(6,081)	(6,381)	300
NCHC	D	(1,076)	(2,534)	1,458	(1,798)	(2,475)	677	(1,798)	(2,775)	977
NNUH		(50,745)	(40,983)	(9,762)	(71,440)	(54,340)	(17,100)	(71,440)	(55,340)	(16,100)
NSFT		(2,987)	(2,987)	0	(3,317)	(3,317)	0	(3,317)	(3,517)	200
QEHKL		(21,656)	(21,664)	8	(25,589)	(25,589)	0	(25,589)	(25,898)	309
Subtotal Providers		(82,087)	(73,791)	(8,296)	(108,225)	(91,802)	(16,423)	(108,225)	(93,911)	(14,314)
GY&W CCG	D	1,185	1,635	(450)	2,280	2,880	(600)	2,280	2,200	80
North Norfolk CCG	D	73	448	(375)	100	600	(500)	100	0	100
Norwich CCG	D	73	523	(450)	100	700	(600)	100	0	100
South Norfolk CCG	D	1,215	1,815	(600)	1,620	2,420	(800)	1,620	2,120	(500)
West Norfolk CCG	D	855	1,230	(375)	1,140	1,640	(500)	1,140	1,040	100
Subtotal CCGs		3,401	5,651	(2,250)	5,240	8,240	(3,000)	5,240	5,360	(120)
TOTAL STP		**(78,686)**	**(68,140)**	**(10,546)**	**(102,985)**	**(83,562)**	**(19,423)**	**(102,985)**	**(88,551)**	**(14,434)**

Plan figures as per regulatory submissions.

Month 9 actuals/FOT from Trust & CCG Draft 'Heads Up' regulatory call

The table above shows that at the end of month 9, excluding PSF, FRF MRET & CSF, we have under achieved against plan by £10.5m (month 8 £5.4m adverse), a £5.1m adverse movement in the month. This movement is driven by an adverse increase in deficits at NNUH of £3.4m and at the CCGs of £2.3m. This is partly off-set by an improvement at QEHKL of £0.4m.

The year to date adverse positions of NNUH (£9.8m) & CCGs (£2.3m), are reduced by the favourable year to date variance of £1.5m at NCH&C. The adverse variance year to date will result in PSF/FRF of £13.5m not being received year to date.

The forecast deficit of £103.0m, is £19.4m adverse to planned deficit of £83.6m. This is due to variances at NNUH (£17.1m) and CCGs (£3.0m), partially off-set by a favourable variance at NCHC of £0.7m.

The final forecast position at NNUH will be confirmed as part of their revised forecast submission to NHSI/E. The adverse position is mainly due to CIP non delivery, loss of clinical income due to increased emergency demand and the high level of elective cancellations, as well as premium pay costs to deliver additional activity and to cover vacant posts.

The deterioration in the CCGs forecast is primarily driven by increased acute expenditure (£3.0m) as part of agreeing a block contract with NNUH.

A further deterioration in forecast is anticipated for JPUH, this has yet to be quantified and agreed with the Trust's board and at this stage is shown in line with plan, as per month 8, until finalised. Should this deteriorate then the system should consider whether this can be mitigated in order not to lose further national support funding.

Norfolk & Waveney STP
2019/20 Month 9 YTD Financial Performance

Adjusted financial performance surplus/(deficit) **including** PSF, FRF, MRET, CSF

		Month 9			Forecast			Control Total		
		Actual	Plan	Variance	Forecast	Plan	Variance	Forecast	CT	Variance
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
JPUH	D	(70)	(70)	0	*1,859*	1,859	0	1,859	1,559	300
NCHC	D	728	(730)	1,458	977	300	677	977	0	977
NNUH		(40,238)	(18,203)	(22,035)	(60,933)	(20,691)	(40,242)	(60,933)	(21,691)	(39,242)
NSFT		(701)	(701)	0	200	200	0	200	0	200
QEHKL		(6,158)	(6,166)	8	(2,287)	(2,287)	0	(2,287)	(2,596)	309
Subtotal Providers		(46,439)	(25,870)	(20,569)	(60,184)	(20,619)	(39,565)	(60,184)	(22,728)	(37,456)
GY&W CCG	D	1,185	1,635	(450)	2,280	2,880	(600)	2,280	2,200	80
North Norfolk CCG	D	73	448	(375)	100	600	(500)	100	0	100
Norwich CCG	D	73	523	(450)	100	700	(600)	100	0	100
South Norfolk CCG	D	1,215	1,815	(600)	1,620	2,420	(800)	1,620	2,120	(500)
West Norfolk CCG	D	855	1,230	(375)	1,140	1,640	(500)	1,140	1,040	100
Subtotal CCGs		3,401	5,651	(2,250)	5,240	8,240	(3,000)	5,240	5,360	(120)
TOTAL STP		**(43,038)**	**(20,219)**	**(22,819)**	**(54,944)**	**(12,379)**	**(42,565)**	**(54,944)**	**(17,368)**	**(37,576)**

Plan figures as per regulatory submissions.

Month 9 actuals/FOT from Trust & CCG Draft 'Heads Up' regulatory call. Lines with an 'D' are draft and subject to change.

The table above shows the month 9 financial performance including PSF, FRF, MRET and CSF.

The tables show that due to the deterioration in NNUH and CCGs position, we are now not expecting to meet the control total or provide financial support to the Cambridgeshire and Peterborough system as planned. The adverse variance at NNUH is forecast to result in the loss of PSF/FRF of £23.1m, the anticipated adverse variance at JPUH would result in a loss of PSF/FRF of £1.8m. Overall this would mean receipt of £46.3m of PSF, FRF, MRET & CSF out of a total of £71.2m.

3. CIPs & QIPPs Month 9

The month 9 CIP & QIPP delivery as reported to NHSE&I is shown in the table below

Norfolk & Waveney STP
2019/20 Month 9 YTD Financial Performance

CIP & QIPP delivery

		Month 9			Forecast		
		Actual	**Plan**	**Variance**	**Forecast**	**Plan**	**Variance**
		£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
JPUH	D	4,727	5,318	(591)	*9,298*	9,298	0
NCHC		3,025	3,060	(35)	4,386	4,500	(114)
NNUH		17,219	19,213	(1,995)	26,900	28,558	(1,658)
NSFT		7,859	7,777	82	10,862	10,862	0
QEHKL	D	3,746	3,976	(230)	5,400	6,015	(615)
Subtotal Providers		36,576	39,344	(2,769)	56,846	59,233	(2,387)
GY&W CCG	D	13,013	12,302	711	17,032	16,136	896
North Norfolk CCG	D	5,699	6,927	(1,228)	7,617	9,100	(1,483)
Norwich CCG	D	8,567	7,756	811	11,290	10,100	1,190
South Norfolk CCG	D	7,086	11,167	(4,081)	9,736	15,025	(5,289)
West Norfolk CCG	D	9,783	9,603	180	12,390	12,461	(71)
Subtotal CCGs		44,148	47,755	(3,607)	58,065	62,822	(4,757)
TOTAL STP		**80,724**	**87,099**	**(6,376)**	**114,911**	**122,055**	**(7,144)**

Plan figures as per regulatory submissions.

Month 9 actuals/FOT from Trust & CCG Draft 'Heads Up' regulatory call. Lines with an 'D' are draft and subject to change.

At month 9 health organisations achieved £80.7m of CIPs and QIPPs against a plan of £87.1m, £6.4m adverse to their plans (Month 8 £5.5m adverse). Overall CCGs are forecast to under deliver £4.8m of QIPPs and providers (NNUH, QEHKL and NCHC) are forecasting to under deliver their CIPs by £2.4m, a total of £7.1m (5.9%) adverse to plan (Month 8 £5.2m adverse).

A further deterioration in forecast CIP delivery is anticipated for JPUH, this has yet to be quantified and agreed with the Trust's board and continues to be shown in line with plan, as per month 8, until finalised.