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 7 Financial Position

- The financial position for the Norfolk and Waveney system at month 7, excluding PSF, FRF, MRET and CSF is £55.8m deficit against a plan of £53.0m deficit, a £2.8m adverse position.

- The year to date overspends at NNUH (£3.8m) and QEHKL (£0.2m) have been partly off-set by an underspend at NCHC (£1.1m). Further mitigation of the year to date adverse position is required to ensure receipt of PSF/FRF, totalling £20.5m, at the end of quarter 3.

- All organisations are formally forecasting delivery of their financial plans and control totals for 2019/20.

LTP Financial Projections

At the time of writing:

- The Norfolk and Waveney STP 2020/21 position submitted in the latest draft LTP financial plan is £16.3m adverse to trajectory.

- Post assessment for deliverability, the Norfolk and Waveney STP has reduced the estimated QIPPs to 3%.

- It has been confirmed that NSFT is now presented 100% within the Norfolk and Waveney STP footprint, rather than being split between Norfolk and Waveney and SNEE.

- NSFT, NCHC and the CCGs have agreed delivery of their financial trajectories for each year 2020/21 to 2023/24.

- All organisations have agreed delivery of their final 2023/24 except NNUH which currently shows a £13.4m adverse position to their trajectory.

- For the final submission on 15th November, all STP partners are in discussion about submitting a financial plan that is fully compliant and delivers the trajectory for each year.

- If the final decision is to submit a compliant plan then we expect to have access to the Norfolk and Waveney reserve, currently held by the regional office.

2. Financial Position: Month 7

The month 7 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 7 YTD Financial Performance

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

		Month 7			Forecast			Control Total		
		Actual	Plan	Variance	Forecast	Plan	Variance	Forecast	CT	Variance
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
NNUH		(35,638)	(31,886)	(3,752)	(54,340)	(54,340)	0	(54,340)	(55,340)	1,000
QEHKL		(15,883)	(15,687)	(196)	(25,589)	(25,589)	0	(25,589)	(25,898)	309
JPUH	D	(5,677)	(5,677)	0	(6,081)	(6,081)	0	(6,081)	(6,381)	300
NCHC		(900)	(2,049)	1,149	(1,798)	(2,475)	677	(1,798)	(2,775)	977
NSFT	D	(2,087)	(2,087)	0	(3,317)	(3,317)	0	(3,317)	(3,517)	200
Subtotal Providers		(60,185)	(57,386)	(2,799)	(91,125)	(91,802)	677	(91,125)	(93,911)	2,786
North Norfolk CCG		350	350	0	600	600	(0)	600	0	600
Norwich CCG		408	408	0	700	700	0	700	0	700
South Norfolk CCG		1,413	1,413	0	2,420	2,420	0	2,420	2,120	300
GY&W CCG		1,330	1,272	58	2,880	2,880	0	2,880	2,200	680
West Norfolk CCG		898	957	(59)	1,640	1,640	0	1,640	1,040	600
Subtotal CCGs		4,399	4,399	0	8,240	8,240	0	8,240	5,360	2,880
TOTAL STP		**(55,786)**	**(52,987)**	**(2,799)**	**(82,885)**	**(83,562)**	**677**	**(82,885)**	**(88,551)**	**5,666**

Plan figures as per regulatory submissions.

Month 7 actuals/FOT from Trust & CCG Draft 'Heads Up' regulatory call

The table above shows that at the end of month 7, excluding PSF, FRF MRET and CSF, Norfolk and Waveney STP has under achieved against plan by £2.8m (month 7 £0.1m favourable), a £2.9m adverse movement in the month. This movement is driven by an increase in deficit at NNUH (£2.3m adverse), JPUH (£0.5m adverse) and QEHKL (£0.2m adverse). This is partly off-set by an improvement in the year-to-date position for NCHC (£0.1m favourable). Further mitigation of the year to date adverse position is required to ensure receipt of PSF/FRF, totalling £20.5m, at the end of quarter 3.

Norfolk & Waveney STP
2019/20 Month 7 YTD Financial Performance

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

		Month 7			Forecast			Control Total		
		Actual	Plan	Variance	Forecast	Plan	Variance	Forecast	CT	Variance
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
NNUH		(19,284)	(15,532)	(3,752)	(20,691)	(20,691)	0	(20,691)	(21,691)	1,000
QEHKL		(4,928)	(4,732)	(196)	(2,287)	(2,287)	0	(2,287)	(2,596)	309
JPUH	D	(1,580)	(1,580)	0	1,859	1,859	0	1,859	1,559	300
NCHC		348	(800)	1,148	977	300	677	977	0	977
NSFT	D	(504)	(504)	0	200	200	0	200	0	200
Subtotal Providers		(25,948)	(23,148)	(2,800)	(19,942)	(20,619)	677	(19,942)	(22,728)	2,786
North Norfolk CCG		350	350	0	600	600	(0)	600	0	600
Norwich CCG		408	408	0	700	700	0	700	0	700
South Norfolk CCG		1,413	1,413	0	2,420	2,420	0	2,420	2,120	300
GY&W CCG		1,330	1,272	58	2,880	2,880	0	2,880	2,200	680
West Norfolk CCG		898	957	(59)	1,640	1,640	0	1,640	1,040	600
Subtotal CCGs		4,399	4,399	0	8,240	8,240	0	8,240	5,360	2,880
TOTAL STP		**(21,549)**	**(18,749)**	**(2,800)**	**(11,702)**	**(12,379)**	**677**	**(11,702)**	**(17,368)**	**5,666**

Plan figures as per regulatory submissions.

Month 7 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 7 financial performance including PSF, FRF, MRET & CSF.

The tables show that all organisations at the end of month 7 are forecasting delivery of their financial plans and control totals and hence receipt of full PSF, FRF, MRET and CSF. Also that the organisations in the Norfolk and Waveney system are still forecasting to overachieve and provide the financial support to the Cambridgeshire & Peterborough system.

3. CIPs & QIPPs Month 7

The month 7 CIP & QIPP delivery as reported to NHSE&I is shown in the table below

Norfolk & Waveney STP
2019/20 Month 7 YTD Financial Performance

CIP & QIPP delivery

		Month 7			Forecast		
		Actual	Plan	Variance	Forecast	Plan	Variance
		£000s	£000s	£000s	£000s	£000s	£000s
NNUH		11,566	13,256	(1,690)	26,860	28,558	(1,698)
QEHKL	D	2,500	2,719	(219)	6,015	6,015	0
JPUH	D	3,380	3,182	198	9,298	9,298	0
NCHC		2,279	2,266	13	4,274	4,500	(226)
NSFT	D	5,555	5,855	(300)	10,862	10,862	0
Subtotal Providers		25,280	27,278	(1,998)	57,309	59,233	(1,924)
North Norfolk CCG	D	4,810	5,095	(285)	8,141	9,100	(959)
Norwich CCG	D	7,305	5,827	1,478	11,663	10,100	1,563
South Norfolk CCG	D	5,344	8,333	(2,989)	9,407	15,025	(5,618)
GY&W CCG	D	9,037	9,037	0	16,224	16,136	88
West Norfolk CCG	D	6,916	7,029	(113)	11,210	12,461	(1,251)
Subtotal CCGs		33,412	35,320	(1,908)	56,645	62,822	(6,177)
TOTAL STP		**58,692**	**62,598**	**(3,906)**	**113,954**	**122,055**	**(8,101)**

Plan figures as per regulatory submissions.

Month 7 actuals/FOT from Trust & CCG Draft 'Heads Up' regulatory call. Lines with an 'D' are draft and subject to change.

At month 7 Norfolk and Waveney STP organisations achieved £58.7m of CIPs and QIPPs against a plan of £62.6m, £3.9m adverse to their plans (Month 6 £3.9m adverse). Overall CCGs are forecast to under deliver £6.2m of QIPPs and providers (NNUH & NCH&C) are forecasting to under deliver their CIPs by £1.9m, a total of £8.1m (6.6%) adverse to plan (Month 6 £2.3m adverse).

At the end of month 7 all Norfolk and Waveney STP organisations are forecasting achievement of their control totals, therefore other mitigating factors are expected to generate favourable variances that offset £8.1m forecast under delivery of CIPs and QIPPs.

4. Five Year Financial Plans

LTP Five Year Financial Plan (Draft Submission) as at 1st November

An updated draft of the Norfolk and Waveney STP five year financial plan was returned to NHSE&I on the 1st November, as required by the regional review meeting. In this iteration progress has been made to close the financial gap between the notified trajectories and the previous draft position that was submitted on the 17th October.

The latest summary (draft) submission sent to NHSE on the 1st November is as follows:

	2020/21			2021/22			2022/23			2023/24		
	Req'd Trajectory £'000	Current position £'000	Variance £'000	Req'd Trajectory £'000	Current position £'000	Variance £'000	Req'd Trajectory £'000	Current position £'000	Variance £'000	Req'd Trajectory £'000	Current position £'000	Variance £'000
JPUH	0.2	(4.5)	(4.7)	1.1	(3.3)	(4.4)	1.1	(1.0)	(2.1)	1.1	1.1	0.0
NNUH	(37.3)	(46.2)	(8.9)	(32.1)	(44.0)	(11.9)	(27.5)	(41.0)	(13.5)	(22.9)	(36.3)	(13.4)
NSFT	(1.2)	(1.2)	0.0	(0.1)	(0.1)	0.0	1.3	1.3	0.0	1.4	1.4	0.0
NCHC	(1.5)	(1.5)	0.0	(1.0)	(1.0)	0.0	(0.3)	(0.3)	0.0	0.4	0.4	0.0
QEH	(19.4)	(22.1)	(2.7)	(17.4)	(17.6)	(0.2)	(15.4)	(15.5)	(0.1)	(13.6)	(13.6)	0.0
CCGs	7.4	7.4	0.0	7.7	7.7	0.0	8.1	8.1	0.0	8.5	8.5	0.0
Total	**(51.8)**	**(68.1)**	**(16.3)**	**(41.8)**	**(58.3)**	**(16.5)**	**(32.7)**	**(48.4)**	**(15.7)**	**(25.1)**	**(38.5)**	**(13.4)**

The 2020/21 position previously reported to the STP Executive was £9.5m adverse to trajectory; this has deteriorated to £16.3m primarily due to reversion back to the original 3% QIPPs. The impact of this was mitigated by removing any remaining contingencies from Norfolk and Waveney organisations, £8m from the CCG and £1m from QEH.

All Norfolk and Waveney STP organisations, except NNUH, have agreed to deliver the 2023/24 trajectory. The position of NNUH creates the overall system position of a £13.4m adverse variance to the 2023/24 system trajectory.

NCH&C, NSFT and the CCGs have presented delivery of their trajectories for all years 2020/21 to 2023/24.

The final change is that NHSE confirmed NSFT's financial position is now 100% in the Norfolk and Waveney STP rather than being split between Norfolk and Waveney (circa 65%) and SNEE (circa 35%) as previous.

LTP Five Year Financial Plan (Final Submission) for 15th November

At the time of writing, all STP partners are in discussion about submitting a financial plan that is fully compliant and delivers the trajectory for each year for the final submission on 15th November.

To achieve this each acute provider will show delivery of trajectory for 2020/21 by including additional transformation schemes to the value of their adverse variance. As these will be recurrent the impact will flow **though each year and show achievement of the 2023/24 trajectory. For NNUH, additional trans**formation sums will need to be included in 2021/22 and 2022/23 so that the trajectory for each year can be achieved.

The additional transformation plans will be worked up in the next four months to enable a level of confidence in their achievement. Due to the risk of delivery for these additional transformation schemes, the Norfolk and Waveney STP will expect to have access to the Norfolk and Waveney reserve i.e. the circa £16m of the regionally held risk reserve that has been provided by Norfolk and Waveney STP organisations.