



SUMMARY REPORT		
Transformation Board Meeting in Public	19 December 2017	Item: 3b
Title of report	Confidential: Shaping our Future Finance Work Stream Report: December 2017	
Workstream	Finance	
SRO	SoF Finance Director	
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Purpose of report	<p>The purpose of this report is to provide an update on the key issues from the SOF finance work stream.</p> <p>The report updates members on:</p> <ul style="list-style-type: none">• The latest publicly reported financial performance information by Cornwall & Isles of Scilly organisations;• The Cornwall and Isles of Scilly 2017-18 Recovery Plan, and progress towards a Three Year Financial Plan• SoF budget position	
Recommendation	<p>The Transformation Board is asked to:</p> <ul style="list-style-type: none">• Note the contents of this report regarding financial performance information for the system at Month 7• Note the latest Cornwall and Isles of Scilly 2017-18 Recovery update, and the progress towards a Three Year Financial Plan• Note the SoF budget position	
Engagement and Consultation Undertaken to Date	The financial position was discussed at the December Portfolio Board.	

Financial Update: Key points for consideration are:

2017/18 Financial Position for STP

- Based upon current Month 7 reporting, the Cornwall health and social care system financial position is a deficit of circa £22.0m compared to a deficit plan of £15.9m for the year to date, a negative variance of £6.0m. For the Cornwall health system this is a Month 7 year to date deficit of £18.7m compared to a £15.9m deficit plan;
- The combined year-to-date cumulative deficit position of the NHS providers (RCHT & CFT) is £4.3m at Month 7, which is an improvement of £0.2m against the cumulative phased year-to-date plan position;
- The Council (adult social care and public health) reports a net deficit of £3.3m after one-off funding of £9.8m at month 6 with the underlying position being a £13.1m overspend. Public Health reported a breakeven position after a contribution from reserves of £0.8m. At an organisational level this is being mitigated and offset by other one off funding;

System Overview, Risks and Year End Forecast

- Financial performance to date across the system continues to highlight significant financial risk. Whilst the performance to date is on plan for NHS provider organisations, the phasing of efficiency programmes increases the financial delivery challenge in the remainder of the year;
- The actual position across the system remains one of deficit and financial risk to NHS nationally approved 'control total'. The current year end forecast for the NHS is a deficit of c£45m, with further unmitigated risks in the CCG and to provider STF funding estimated at c£5m to £7m;

Cornwall and Isles of Scilly 2017/18 Recovery Actions

- Improving the overall NHS financial position remains a key requirement to enable the local system to move forward effectively. Work continues to identify actions to improve the in-year outturn, whilst not compromising on patient safety. Recent progress has identified potential to secure improvements of up to £2m in 2017/18.
- This builds on processes now in place to deliver against the challenging savings and cost improvement programmes already within the 2017/18 Plans. Joint discussions between NHS England, NHS Improvement and local NHS bodies continue to take place, to assure progress and maximise appropriate opportunities for reducing the existing over commitment against locally available resources.

SoF Programme Budget Month 7 position statement

- As at Month 7 the SoF Programme is forecasting a full year budget underspend of £0.5m although some uncertainty remains around resource requirements for the Programme for the remainder of 2017/18 in relation to accelerating the model of care programme of work.

Balancing NHS Budget: 3 year financial plan

- Alongside work on the in-year position, work is progressing on a three year financial plan to constrain cost growth going forward and return the health system to balance within three years, the approach and principles for which have been endorsed by the CCG Governing Body and RCHT & CFT Boards. The aim is to create an improvement culture, supporting sustainability of a 'single system'. Capacity and demand modelling has also been procured to quantify the scale of the challenge in reaching control totals and the impacts of system changes.

Interdependencies with other work streams	<i>All STP Work streams</i>
Financial implications	<i>As noted above</i>
Key Risks	<i>As noted above</i>
Sources of evidence in support of proposals	<i>N/A at this stage</i>
Equality and Diversity Statement	<i>N/A at this stage</i>
Communications requirements	<i>N/A at this stage</i>