Our Healthier South East London
Sustainability and Transformation Partnership

NHS

# SEL Finance Update – M4 – August 2018/19


OHSEL Board
10th September 2018

Our Healthier South East London
Sustainability and Transformation Partnership

NHS

# Key Messages – 2018/19 Month 4 results and summary

**Contents and Basis of information presented**

- This document includes summary YTD and Forecast financial information for the SEL Commissioners and the SEL Providers covering:
  - 2018/19 – June, M4, Non ISFE returns for Commissioners and
  - 2018/19 – June, M, FIMS returns for Providers

**Commissioner Summary**

- YTD the SEL CCGs are reporting a combined adverse variance from plan of £4m, with an adverse variance in Bexley of £4.1m
- All the CCGs have been impacted by increased expenditure in relation to acute activity and are seeking to mitigate this from additional savings and use of reserves. At M4 the CCGs continue to forecast on plan outturns
- The Net Risk to the forecast outturn position has deteriorated slightly in M4 being £31m
- YTD and forecast QIPP delivery have also deteriorated with adverse variances of £2.3m and £9.6m. At M4, unidentified QIPP remained at £9.8m but has subsequently ben reduced to below £3m
- SEL CCGs are in the process of identifying and executing mitigating actions

**Provider Summary**

- YTD provider performance has deteriorated since M3 with the sector now reporting an adverse variance of £5.5m. Within that KCH are reporting an adverse variance of £5.9m with the other trusts all broadly in line with plan. We understand that the KCH variance is principally driven by timing differences most of which are expected to normalise in coming months
- In M4 the providers factored into their forecasts the impact of the pay award. Each provider estimates a significant unfunded cost pressure arising from the award
- Each of the acute providers forecast an adverse variance against plan after PSF given under performance against A&E targets. The forecast shortfall could increase if this under performance continues beyond current estimates
- The CIP YTD variance is adverse by £4m and the forecast shortfall now stands at £52.5m. This shortfall has increased significantly since M3 as neither GSTT or KCH have factored in any value for unidentified schemes that at M3 had a value of £41.4m. Both trusts have identified significant savings opportunities that are in the process of being developed and evaluated. At this stage it is difficult to assess what additional value these schemes may deliver and a significant residual shortfall is anticipated
- To differing degrees all the Trusts have significant risks associated with their CIP plans and most are reliant on identifying new schemes and additional in year mitigations to avoid downgrading their forecasts. As a result the reliance on non-recurrent saving solutions continues to edge up and at M4 stands at £32.4m