

## One Northern Devon Financial Status

### Financial Summary

Category	Income	Spend	Balance
Brought Forward from 2022/23 (Rollover for Contracted spend)	-£322,487	322,487	£0
Brought Forward from 2022/23 (Ringfenced for specific schemes/projects)	-£267,295	£267,295	£0
Brought Forward from 2022/23 (Balance)	-£30,686	£30,686	£0
Income/Spend Allocated to income stream (confirmed)	-£116,129	£115,343	-£786
Income with spend direct to Partners	-£67,413	£67,413	£0
<b>Sub-total</b>	<b>-£804,010</b>	<b>£803,224</b>	<b>-£786</b>
Requested Funding Unconfirmed			£0
Spend Allocated to income stream (unconfirmed)		£20,833	£20,833
Contracted Spend (Unfunded)		£3,608	£3,608
High Priority (Unfunded)		£101,597	£101,597
Low Priority (Unfunded)		£99,604	£99,604
<b>TOTAL</b>	<b>-£804,010</b>	<b>£1,028,866</b>	<b>£224,856</b>

### Report Summary

This paper sets out the implications for One Northern Devon of its current funding situation for the 2023/24 financial year, the impact on a number of core OND programmes and staff, and a range of options to consider to identify potential funding sources and/or mitigate the consequences of the funding shortfall.

#### Background

Over a number of years, OND has been funded on the basis of in-kind contributions from partners, grant funding and support from the Devon Clinical Commissioning Group. The funding and the programme of work that has been developed has cemented the partnership as a leader in its field in addressing the wider determinants of health, the health and wellbeing of the population of Northern Devon, person-centred approaches to wrapping care around identified individuals, and strengthening community development through the One Towns.

The recent NHS Hewitt Review underlined the importance of the agendas that OND is working on:

*“Prevention, population health management and tackling health inequalities are not a distraction from the immediate priorities: indeed, they are the key to sustainable solutions to those immediate performance challenges. There will never be a perfect time to shift the dial toward focusing more on preventative services and interventions. It is easy to argue - especially in the current climate of financial constraints and performance issues - that addressing these issues should be something we consider when the current pressures have died down. But that has always been the case. The truth is, unless we make the change, the continual focus on improving flow through acute hospitals will simply channel more and more of an older and increasingly unhealthy population into acute hospitals, which will never be large or efficient enough to cope.”*

Despite this, going into the new financial year, it is clear that One Northern Devon’s financial position has deteriorated year on year with confirmed funding being over 60% lower than in 2022/23. The reduction in available funding of some £200k has been caused by a range of factors including:

- no additional contribution to OND’s core costs beyond the funding provided by the RDUH
- reduced contribution to project costs from partners
- no availability of Improved Better Care Funding (iCBF) which had previously contributed to core costs of between £50 and £100K as well as funding specific projects
- a number of projects funded through grant income will also come to an end during the year.

The prospect of additional funding coming onstream to ameliorate this situation appears unlikely at this stage. The Devon system is in System Oversight Framework 4 (SOF4) which is the lowest segment requiring intensive support to use all their levers to address the often complex, historical problems they face, and embed lasting solutions. This highlights the severe financial challenges faced by the Devon system and the implication is that the delegation to LCPs and partner organisations will not take place as envisaged until the system is out of SOF4 and the LCPs mature. In addition, the Devon system did not receive an additional ICBF funding which has offered the opportunity in the past to support the work of OND.

Funding to support work on health inequalities is earmarked by NHSE for ICSs but, at this stage, it is uncertain whether the allocation provided to the Devon system in 2023/24 will be used to support the bottom line in Devon or be used to fund system priorities and shared among the five LCPs. More broadly it is clear that the funding settlement for local government means that there are limited resources available and this is the case for the wider public sector.

#### Analysis

**Impact of funding shortfall:** The attached spreadsheet sets out an overview of the OND work programme in total, the confirmed 2023/24 funding available, where there are funding gaps, and where we have been able to transfer existing 2022/23 resources forward to the current financial year. The main implications are in relation to the current work programme:

- There are shortfalls on non-pay costs such as engagement events, conference costs, annual report (£11k gap)
- Primary Care Flow ends on 31 August 2023 (£25k gap)
- Secondary Care Flow Project Management ends on 30 April 2023 (£7k gap)
- Community Mental Health Flow/PM to end on 31 Oct 2023 (£20k gap)
- High Flow step down coordinator - unfunded (11k gap)
- High Flow to end Feb 24 (£2.5k)
- Community Flow manager ends 31 October 2023 (£27k gap)

- Community Flow workers ends Nov 2023 (£55k gap)
- Community Flow Tier 1 and Tier 2b support - unfunded
- Community Developers in 5 One Towns ends Sep 2023 (£55k gap)

In addition, a number of projects undertaken in the previous financial year will not continue including:

- Tackling Loneliness
- Health Inequalities Workshops 2022-23
- Fame Project
- Flow Education tool
- Workplace Wellbeing Project Co-ordinator
- Nature on Prescription Project Co-ordinator
- HAND project co-ordinator
- HAND community projects
- Health inequalities engagement
- Co-Production Group support

Funding has been secured for a number of ring fenced projects for 2023/24 including:

- Poverty Truth Commission Project (£100k)
- Health Inequalities (2022-2023 funds for HI Engagement) (£10k)
- InHIP (£100k)
- Health Inequalities Project (£20k)

On the assumption of no further funding being made available, alongside those projects that have come to an end, we will not be able to continue some aspects of the Flow programme and the One Towns programme will also cease. These are long established core programmes of work for OND that have taken a long time to develop and embed so putting these projects on hold will have a negative impact on OND and more importantly the people and communities supported through these projects. It will also mean that some OND staff on temporary contracts will have to be let go.