

Meeting of BNSSG CCG Governing Body

Date: Tuesday 4th June 2019

Time: 1.30pm

Location: The Vassall Centre, Gill Avenue, Downend, Bristol, BS16 2QQ

Agenda number: 6.3

Report title: Update on System Plan

1. Purpose

To update the Governing Body on changes to the Annual Financial Plan approved by the Governing Body and the revised Annual Plan submitted to NHS England / NHS Improvement on 23 May.

2. Background

The CCG Governing Body approved the CCG Annual Financial Plan and submitted the plan to NHS England / NHS Improvement on 4 April. The plan was for an in year deficit of £15m, which was £15m adverse to the NHS England / NHS Improvement Control Total of breakeven.

This plan should be seen as a component part of the Healthier Together System financial plan, which was for an in year deficit of £58.7m, which was £15m adverse to the NHS England / NHS Improvement Control Total of £43.7m deficit.

This plan was not supported by NHS England / NHS Improvement and the CCG and wider system were asked to re-submit plans by 23 May, and demonstrate a shared understanding of what was driving the system variance to Control Total and what recovery actions were proposed in order improve the financial position.

The CCG re-submitted the Annual Financial Plan on 23 May. The Plan is for an in year deficit of £12m.

The Healthier Together System financial plan is for an in year deficit of £55.7m, which is £12m adverse to the NHS England / NHS Improvement Control Total of £43.7m deficit

It is expected that support for this plan by the NHS England / NHS Improvement Regional Team will then trigger:

- a support payment to the CCG of £2m
- a re-set of the CCG Control Total to an in year £10m deficit; and an opportunity to earn Commissioner Sustainability Funding of £10m
- an in year breakeven financial position

Movements in the Plan

In summary the movements in the CCG Financial Plan are as follows, which have been worked up and supported by Healthier Together providers:

<u>Initial Plan</u>	<u>£15.0 m adv</u>
<u>Additional Cost Pressures</u>	
Price inflation on CHC residential and domiciliary care placements	£ 1.5m
Increases to Acute provider SLAs	£ 4.3m
Investment funding for Core 24 Mental Health services	£ 0.8m
<u>Financial Recovery Actions</u>	
Withhold planned investments in Cancer and Maternity from NHSE Transformation Fund	(£ 1.6m)
Additional NHS cost inflation funding related to Local Authority commissioned services	(£ 0.2m)
Assume NHS England Transformation fund allocation for Integrated Care Bureau	(£ 2.0m)
Withhold investment in Core 24 Mental Health Services	(£ 0.8m)
Changes in Savings Plan	(£ 4.8m)
£2.2m remove system savings associated with RAPID/REACT and ICB	
(£1.3m) Dis-investment in RAPID/REACT teams	
(£1.5m) Allow elective waiting times to increase and reduce activity in Independent Sector	
(£0.5m) Further reductions in Outpatients Follow Up activity	
(£0.5m) High Cost Drugs and Devices	
(£1.5m) Reduced Urgent Care activity offset by investment in out of hospital alternatives, notably Frailty and Same Day Emergency Care	
(£1.5m) Efficiency in Personal Health Budgets	
(£0.2m) other changes in forecast savings	
Other minor changes to planned budgets	(£ 0.2m)
<u>Revised Plan</u>	<u>£12.0m adv</u>

The plan is compliant with all other aspects of NHS England / NHS Improvement financial assurance process and requires an overall Savings Delivery of £40.4m (3% of notified resource)

Risks and Mitigations

The Annual Financial Plan is stretching. The previous Annual Plan had net un-mitigated risks of £5.1m. An assessment of key risks and mitigations is set out below and demonstrate no net un-mitigated risks to the delivery of the revised Annual Plan:

Risks

Unidentified savings	£ 6.2m
Delegated Primary Care Locum costs funding	£ 1.0m
Delegated Primary Care Premises charge funding	£ 0.7m
High Risks Savings	£ 3.0m
Further No Cheaper Stock Obtainable pressure	£ 0.5m
Additional System Savings Plan not yet included in Acute SLAs	<u>£ 2.5m</u>
	£13.9m

Mitigations

Release of 0.5% Contingency Reserve	(£ 6.4m)
Expected Delegated Primary Care Allocations	(£ 1.7m)
Expected NCSO cost pressure allocation	(£ 0.3m)
Track record of stretching savings delivery	(£ 3.0m)
Finalisation of Acute SLA risk sharing for System Savings	<u>(£ 2.5m)</u>
	(£13.9m)

3. Summary and Recommendations

1. The Governing Body is asked to note the updates to the Annual Financial Plan and associated assessment of risks and mitigations.
2. The Governing Body is asked to note the potential additional £2m allocation and changes to Control Total and access to £10m Commissioner Sustainability Fund
3. The Governing Body is asked to note the changes to Annual Budgets as a result of the changes to the plan.