

Meeting: Governing Body			
Meeting Date	23 March 2022	Action	Receive
Item No.	8.2	Confidential	No
Title	2022/23 finance plan		
Presented By	Sam Evans, Executive DoF Bury Council & Bury CCG		
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Clinical Lead	N/A		

Executive Summary

The purpose of this paper is to update the Governing Body on the latest submission of the 2022/23 CCG financial plan.

The 2021/22 forecast outturn at month 11 is £359.4m, which is to deliver a break even position post reimbursement for a number of outside of envelope costs. To get to a true forecast out turn £9.5m of non recurrent items need to be removed, which gives a true forecast out turn of £349.9m.

The initial CCG allocation for 2022/23 was £360.8m and this was to fund all inflationary and growth pressures both as a result of 2022/23 national and local uplifts but also the full year impacts of 2021/22 funding decisions. A number of iterations of the plan have been completed, with CCGs and providers working together to deliver the Greater Manchester position. This has resulted in a recommendation that is being taken through Greater Manchester governance processes that requires the CCG to deliver £4.5m QIPP, alongside £5.15m allocation from Greater Manchester of system monies, to return a break even position in 2022/23.

QIPP delivery in 2022/23 will be a challenge with over 70% of CCG expenditure within block contracts with NHS providers or within national contracts with primary care providers and the CCG having the largest per capita QIPP target of any of the Greater Manchester CCGs. Non recurrent QIPP accounts for two-thirds of the QIPP requirement and 40% of the QIPP requirement is currently rated as high risk.

Recommendations

It is recommended that the Governing Body:

- Note the contents of this report
- Note the GM support and QIPP achievement required to break even.
- Note the size, the non recurrent nature and the high risk elements of the QIPP plan.
- Approve this 2022/23 budget and delegate responsibility to the Executive DoF to make any final changes as a consequence of feedback from the national team.

Links to CCG Strategic Objectives	
SO1 - To support the Borough through a robust emergency response to the Covid-19 pandemic.	<input type="checkbox"/>
SO2 - To deliver our role in the Bury 2030 local industrial strategy priorities and recovery.	<input type="checkbox"/>
SO3 - To deliver improved outcomes through a programme of transformation to establish the capabilities required to deliver the 2030 vision.	<input type="checkbox"/>
SO4 - To secure financial sustainability through the delivery of the agreed budget strategy.	<input checked="" type="checkbox"/>
Does this report seek to address any of the risks included on the Governing Body Assurance Framework? If yes, state which risk below:	
GBAF	

Implications						
Are there any quality, safeguarding or patient experience implications?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Has any engagement (clinical, stakeholder or public/patient) been undertaken in relation to this report?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Have any departments/organisations who will be affected been consulted ?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any conflicts of interest arising from the proposal or decision being requested?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any financial Implications?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Is an Equality, Privacy or Quality Impact Assessment required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any associated risks including Conflicts of Interest?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are the risks on the CCG's risk register?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>

1.0 Introduction

The purpose of this paper is to update the Governing Body on the latest submission of the 2022/23 CCG financial plan.

2.0 2021/22 Forecast Outturn

The forecast outturn at month 11 is £359.4m, which is to deliver a break even position post reimbursement for a number of outside of envelope costs. To get to a true forecast out turn £9.5m of non recurrent items need to be removed:

- £3.7m Hospital Discharge Programme (HDP)
- £1.2m Primary Care Improving Access
- £1.2m Other Primary Care inc GP COVID, PCN & Infrastructure
- £1.0m Transforming Community Services
- £1.0m Hosted Allocations
- £0.5m Cancer
- £0.3m Winter Access Fund (Primary Care)
- £0.6m Other smaller allocations

This gives a true forecast out turn of £349.9m and included with the budget to allow the CCG to retain a break even position in 2021/22 is the £4.9m of system monies received from Greater Manchester.

3.0 2022/23 initial allocations

Due to the delay in the establishment of the Greater Manchester Integrated Care System (ICS), CCGs are to continue until at least 30th June 2022 and therefore ICS allocations have been disaggregated to CCG level. The CCG initial allocation for 2022/23 is £360.8m which is made up as follows:

CCG initial Allocation	£'000
Core Allocation	£322,769
Health Inequalities Allocation	£1,062
Ockenden Funding – to support Maternity services	£369
System Development Funding for Mental Health and Community Services	£263
PC Delegated Allocation	£32,503
Running Costs	£3,838
Total	£360,804

This allocation is to fund nationally set inflation on NHS contracts (1.7%), Better Care Fund uplift (5.3%), the Mental Health Investment Standard, as well as local inflationary pressures in

CHC (14%) in line with the SCB decision to increase rated with care providers recognising whole system economic pressures and to bring these rates more in line with other localities. This uplift is also to fund other national and local commitments and the full year effect of 2021/22 investment decisions.

4.0 Proposed settlement

A number of iterations of the plan have been completed, with CCGs and providers working together to deliver the Greater Manchester position. This has resulted in a recommendation that is being taken through Greater Manchester governance processes that requires the CCG to deliver £4.5m QIPP, alongside £5.15m allocation from Greater Manchester of system monies, to return a break even position in 2022/23. This is shown below:

Proposed Settlement	£m
2022/23 forecast expenditure	£370.45
Less: CCG QIPP delivery	-£4.50
Total	£365.95
Funded by:	
Initial Allocations	-£360.80
GM Support	-£5.15
Total	-£365.95

It should be noted that this settlement remains a proposal and is yet to be ratified and therefore the allocation of system monies may reduce which would result in an increase in the QIPP requirement.

5.0 2022/23 QIPP delivery

QIPP delivery in 2022/23 will be a challenge with over 70% of CCG expenditure within block contracts with NHS providers or within national contracts with primary care providers and the CCG having the largest per capita QIPP target of any of the Greater Manchester CCGs. The CCG has identified QIPP with regard to CHC of £1.5m at this stage this is a planning assumption associated with the implementation of the ADAM system and the removal of the Hospital Discharge Programme. There is also a final £2m from the Council to the CCG in terms of rebalancing the contributions to the pooled budget in 2022/23. This was included within the recent paper to the Strategic Commissioning Board

The final element of identified QIPP is in relation to the 2021/22 underspend on Independent Sector Acute activity of £788k. This underspend will only materialise as a QIPP if current activity and trajectory trends continue and Bury patients are not able to access care to the same level as in 2019/20. There is a further unidentified QIPP of £210k, for which savings will need to be identified.

Non recurrent QIPP accounts for two-thirds of the QIPP requirement and 40% of the QIPP requirement is currently rated as high risk. The delivery of these schemes will be monitored both internally and externally throughout 2022/23 and any deviation from trajectory will be reported and remedial action taken.

Project	Risk Rating	Recurrent / Non Recurrent	Plan £'000
CHC Packages	High	Recurrent	£1,500
Acute underspend	Medium	Non Recurrent	£788
Rebalance of ICF contributions - Council to CCG	Low	Non Recurrent	£2,000
Unidentified	High	Non Recurrent	£210
Total			£4,498

6.0 Conclusion

The Governing Body is asked to:

- Note the contents of this report
- Note the allocation of GM system monies and QIPP achievement required to break even.
- Note the size, the non recurrent nature and the high risk elements of the QIPP plan.
- Approve this 2022/23 budget and delegate responsibility to the Executive DoF to make any final changes as a consequence of feedback from the national team.

Simon O'Hare
Acting Deputy CFO
March 2022