

Birmingham and Solihull ICS Financial Planning 21/22 - JHOSC June 2021

ICS Financial Performance – October 20 to March 21

The BSOL system originally submitted a plan showing a deficit of £50.4m for the final 6 months of the financial year. Due to movement in assumptions and performance during October and November, the financial plan was revised to a £19.2m deficit.

The year end financial performance, by organisation, is shown below:

	Plan	Actual
Birmingham and Solihull Mental Health	(£2.6m)	(£1.7m)
Birmingham Community Healthcare	£0.8m	£0.1m
Birmingham Women's and Children's	(£3.7m)	£3.8m
The Royal Orthopaedic Hospital	(£2.2m)	(£2.4m)
University Hospitals Birmingham	(£11.4m)	£12.8m
Birmingham and Solihull CCG	£0m	£1.0m
TOTAL	(£19.2m)	£13.6m

The BSOL system finished the year in surplus, largely as a result of additional resources released by NHSE/I in Month 12 to cover shortfalls in non-NHS income and the impact of the backlog of annual leave in NHS organisations.

ICS Financial Planning Process

- ICS finance planning covers the H1 period between April and September 2021.
- Systems received an allocation broadly in line with that received during H2 20/21, therefore including additional funding for ongoing Covid costs.
- Additional funding also allocated for:
 - Elective Recovery Fund – Funding for additional recovery activity over and above historic baselines (70% of 19/20 activity in April, 75% in May, 80% in June, 85% from July onwards)
 - Mental Health Investment Standard
 - Service Development Funding for specific priorities within the Long Term Plan and targeted post-Covid challenges:
 - Mental Health
 - Primary Care
 - Community - Roll out of the two-hour crisis community health response at home
 - Long COVID
 - Outpatient Video Consultation
 - Learning Disability and Autism
 - Ockenden Review of Maternity Services

ICS Financial Plan – April to September 21

The BSOL system submitted a plan to NHSE/I on 6th May showing a deficit of £28m for the H1 21/22, with a range of potential mitigations that could bring the system into financial balance.

The deficit plan, by organisation, is shown below:

	Plan
Birmingham and Solihull Mental Health	(£1.6m)
Birmingham Community Healthcare	(£1.6m)
Birmingham Women's and Children's	(£2.7m)
The Royal Orthopaedic Hospital	(£0.5m)
University Hospitals Birmingham	(£10.2m)
Birmingham and Solihull CCG	(£11.3m)
TOTAL	(£28.0m)

Following additional work to identify and firm up additional mitigations, the ICS has verbally committed to targeting a breakeven position for H1. It is expected that a formal resubmission will be made on or around 15th June.

Key Assumptions within the H1 Financial Plan

- Restoration and Recovery of services:
 - Plans assume funding to deliver the baseline activity targets as per the Elective Recovery Fund (70% of 19/20 activity in April, 75% in May, 80% in June, 85% from July onwards).
 - Plans for BWCH, ROH and the CCG (for the Independent sector) include baseline costs that will deliver activity over and above these activity targets.
 - In total, this additional activity would generate £5.7m of ERF income if overall system activity targets are achieved.
 - Plans for BCHC assume funding to cover the restoration of standard community services, plus additional funding to retain key service developments introduced during Covid.
 - Plans for BSMHT and FTB assume additional funding for mental health surge capacity and the full year effect of expanded services funded through the Mental Health Investment Standard.
- Efficiency Targets
 - There were no explicit efficiency targets placed on NHS organisations in 20/21.
 - H1 allocations assume the continued suspension of efficiency targets until 1st July 2021.
 - For Q2, efficiency targets of 0.55% have been top-sliced from allocations.
 - Systems with an underlying financial deficit (which includes BSOL) have had an additional improvement target applied to their allocation (£2.9m for BSOL).
 - It is expected that savings targets of a minimum of 1.1% will be reintroduced from H2.