

# **Financial Plan 2019/20**

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# CCG allocation uplifts

- The CCG's core 'programme' allocation has been uplifted by 5.63%, or £90.9m
- The programme allocation remains £38m below the CCG's 'target' allocation as determined by NHSE
- The CCG's primary care allocation has been uplifted by 6.23% or £11m
- The CCG's running cost allocation has remained flat in cash terms (and will reduce by 20% in 20/21).

CCG 'Programme' Allocation Growth 2019/20		
	2019/20	
	£m	%
Baseline allocation	1,615.78	
Allocation uplift	90.90	5.63%
Pace of change adjustment	0.15	
Other funding adjustment	2.17	
Final allocation	1,709.00	5.77%

CCG Primary Care Allocation Growth 2019/20		
	2019/20	
	£m	%
Baseline allocation	176.77	
Allocation uplift	11.01	6.23%
Pace of change adjustment	0.01	
Other funding adjustment	-	
Final allocation	187.79	

# Expenditure pressures

The CCG is required to fund a range of expenditure pressures in 19/20 from it's allocation growth including:

- Activity growth in acute services (elective and non-elective) of 3.5%
- NHS Tariff uplift of 5.5% for acute services, which includes funding for national pay awards and funding from provider sustainability fund
- Uplifts of 6.3% in mental health and learning disability spend to ensure delivery of the Mental Health Investment Standard
- Growth in continuing healthcare expenditure of 7% which mirrors trends in prior years
- Primary care pressures including: GP national contract pay award; primary care networks investment at £1.50 per head; and GP indemnity costs (previously paid centrally).

Table 4: Expenditure Assumptions					
Expenditure Categories	Activity Growth (Population) %	Activity Growth (Other) %	Provider Inflation %	Provider Efficiency %	Total Uplift %
Acute	0.7%	2.8%	5.5%	-1.1%	7.9%
Community	0.7%	2.3%	3.8%	-1.1%	5.7%
Continuing Healthcare	0.7%	3.3%	3.0%	-	7.0%
Mental Health	0.7%	2.9%	3.8%	-1.1%	6.3%
Learning Disabilities	0.7%	2.9%	3.8%	-1.1%	6.3%
Primary Care Co-Commissioning	0.7%	5.5%	-	-	6.2%
Primary Care Prescribing	0.7%	-	2.3%	-	3.0%
Non-Operational Property Charges	-	-	5.0%	-	5.0%
Programme Pay Spend	-	-	3.0%	-	3.0%
Running Costs	-	-	3.0%	-	3.0%

# High level financial plan

- 19/20 allocation growth of £104.2m is £56.2m less than total forecast expenditure pressures
- The CCG therefore has to deliver savings of £56.2m (2.9% of allocation) to meet the control total set by NHS England
- £5m of the savings requirement remains unidentified as at 31 January
- There are various competing demands on the activity growth £61.8m (next slide)
- Non-recurrent pressures £26.1m are the impact of non-recurrent solutions in 18/19 needing recurrent savings in 19/20
- The CCG is required to set aside a contingency reserve equivalent to 0.5% of allocation (£8.7m) to manage in-year cost pressures
- Earmarked investments include budgets for specific ambulance service and overseas visitors allocations.

<u>High Level Financial Plan 2019/20</u>			
	Sources	Applications	Total
	£m	£m	£m
<b>2018/19 Forecast Surplus (control total)</b>			<b>34.0</b>
Allocation Growth	104.2		
Activity Growth		61.8	
Tariff Uplift (inflation less efficiency)		58.4	
18/19 Non-Recurrent Pressures		26.1	
Contingency		8.7	
Earmarked Investments		5.4	
	104.2	160.4	(56.2)
2019/20 QIPP Savings Plan			56.2
<b>2019/20 Forecast Surplus (control total)</b>			<b>34.0</b>

# Investment pressures

- The activity growth funding in the plan (£61.8m) covers a number of programme spend areas
- Balance of growth monies available for investment after excluding acute, continuing healthcare and prescribing is £24.6m
- Known commitments against growth total £13.9m, leaving £10.7m available for investment
- There is an investment shortfall of £13.9m, or £18.9m including £5m unidentified QIPP savings
- Children & young people requirements include speech and language (£1.1m) and special educational needs and disabilities (£1.1m)
- Mental health requirements include neuro-developmental pathway (£7.3m); perinatal services (£2.2m) and home treatment (£1.8m)
- Primary care is largely the uplift to the national contract and related cost pressures
- Learning disability is largely the impact of TCP and full year effect of growth in packages

2019/20 Activity Growth and Investments			
	Activity Growth		
	£m		
Total Growth monies in Plan	61.8		
less Acute growth	-30.3		
less CHC growth	-5.5		
less prescribing growth	-1.4		
<b>Balance of Growth Funding</b>	<b>24.6</b>		
	Investments		
	Committed	Potential	Total
	£m	£m	£m
<b>Programme Area</b>			
Children and Young People	0.8	2.8	3.6
Community Services		0.9	0.9
Mental Health		14.7	14.7
Learning Disability	4.7	0.5	5.2
Primary Care	8.4	5.8	14.2
<b>Total</b>	<b>13.9</b>	<b>24.6</b>	<b>38.5</b>
Available Growth Funding	13.9	10.7	24.6
<b>Shortfall</b>	<b>0.0</b>	<b>-13.9</b>	<b>-13.9</b>



**Thank you for  
listening.  
Any questions?**