

HSI22/021

GOVERNING BODY

Title of paper	Finance Report		
Agenda item	8	Date of meeting	6 April 2022
Exec lead	Roshan Patel, Chief Finance Officer		
Author	Jane Cole, Director of Finance		

Purpose	For decision	<input type="checkbox"/>
	To ratify	<input type="checkbox"/>
	To discuss	<input type="checkbox"/>
	To note	<input checked="" type="checkbox"/>

Link to strategic objective	Operational service delivery Supporting people and teams Transforming services Strategic planning and engagement Developing our Integrated Care System
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Executive Summary

Summary Financial Position

The CCG remains on track to deliver an overall breakeven position for the financial year 2021/22.

Within this, pressures being managed through use of reserves and other areas of underspend include:

- Increases in volume of high cost packages of care in Continuing Healthcare, not price per package - largely in Southampton, South-West Hampshire and the North and Mid Hampshire systems.
- Community schemes commissioned to support Hospital Discharge and Surge capacity over and above hospital discharge allocations – largely within the South-East Hampshire and Southampton systems.

The CCG hosts all non-recurrent allocations for the system including Service Development Funds (SDF), a thorough review process has been undertaken to ensure relevant allocations have been made to system partners to support the agreed programs of work.

High Level update of the DRAFT financial plan 2022/23

- Hampshire and IOW Integrated Care System (ICS) has a draft finance plan for 2022/23 of a deficit of £166.4m on an overall allocation of £3.4bn. For HioW the scale of financial deficit is the largest in the South-East Region. Included within the plan is an efficiency requirement of £155.9m.

<ul style="list-style-type: none"> • Within the ICS the Clinical Commissioning Group (CCG) has a deficit of £2m. Included within the plan is an efficiency requirement of £37.5m for the CCG. For which Continuing Health Care (£10m); Prescribing (£9m); Corporate (£10m) are the material items. • To note – this is a draft position and we are expecting the position to improve before the final submission 	
Recommendations	<p>To note financial performance for year to date (to 28 February 2022) and the financial forecast</p> <p>To note progress towards developing the financial plan for 2022/23</p>
Publication	<p>Include on public website <input type="checkbox"/></p>

Please provide details on the impact of following aspects	
Equality and quality impact assessment	This paper does not request decisions that impact on equality and diversity
Patient and stakeholder engagement	Not applicable
Financial impact, legal implications and risk	As set out in the paper

Hampshire, Southampton and Isle of Wight CCG

Finance Report 2021/22

February 2022 (Month 11)

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Executive Summary – 2021/22

Month 11 Position (February)

Key Messages

Summary Financial Position

The CCG remains on track to deliver an overall breakeven position for the financial year 2021/22.

Within this, pressures being managed through use of reserves and other areas of underspend include:

- Increases in volume of high cost packages of care in Continuing Healthcare, not price per package - largely in Southampton, South-West Hampshire and the North and Mid Hampshire systems.
- Community schemes commissioned to support Hospital Discharge and Surge capacity over and above hospital discharge allocations – largely within the South-East Hampshire and Southampton systems.

The CCG hosts all non-recurrent allocations for the system including Service Development Funds (SDF), a thorough review process has been undertaken to ensure relevant allocations have been made to system partners to support the agreed programs of work.

Forecast Outturn Surplus / (Deficit) for 2021/22 by Local Team

CCG Plan Vs Actual	Financial Position - Annual			Anticipated Allocations			FOT
	Plan	Actual	Variance	HDP	Additional Roles	Winter Access Funds	Variance Post Additional Allocations
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Isle of Wight Local Team	268.4	269.8	(1.5)	1.2	0.2	0.0	0.0
North and Mid Hampshire Local Team	683.7	686.6	(2.9)	2.6	0.3	0.0	0.0
South East Hampshire Local Team	667.3	669.9	(2.6)	2.3	0.3	0.0	0.0
South West Hampshire Local Team	555.3	557.8	(2.5)	2.0	0.5	0.0	0.0
Southampton Local Team	429.5	431.6	(2.1)	1.5	0.6	0.0	0.0
CCG Hosted and Pass Through	551.3	554.0	(2.7)	0.0	0.0	2.7	0.0
Corporate Costs	68.7	69.2	(0.5)	0.5	0.0	0.0	0.0
NHS Hampshire, Southampton & Isle of Wight CCG Total	3,224.3	3,239.0	(14.7)	10.0	1.9	2.7	0.0

Forecast Position Summary:

Each Local Team is still forecasting break-even.

Year to Date Surplus / (Deficit) for 2021/22 by Local Team

CCG Plan Vs Actual	Financial Position - Month 11			Anticipated Allocations			YTD
	Plan	Actual	Variance	HDP	Additional Roles	Winter Access Funds	Variance Post Additional Allocations
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Isle of Wight Local Team	244.6	245.6	(1.0)	0.8	0.2	0.0	0.0
North and Mid Hampshire Local Team	620.7	622.7	(2.0)	1.7	0.3	0.0	0.0
South East Hampshire Local Team	611.8	613.6	(1.8)	1.5	0.2	0.0	0.0
South West Hampshire Local Team	508.8	510.6	(1.8)	1.3	0.5	0.0	0.0
Southampton Local Team	393.8	395.2	(1.5)	1.0	0.5	0.0	0.0
CCG Hosted and Pass Through	515.6	515.6	(0.0)	0.0	0.0	0.0	0.0
Corporate Costs	57.4	57.7	(0.3)	0.3	0.0	0.0	0.0
NHS Hampshire, Southampton & Isle of Wight CCG Total	2,952.8	2,961.0	(8.3)	6.6	1.6	0.0	0.0

Year to Date Position Summary:

- Each Local Team is break-even year to date.

Hampshire, Southampton & IOW CCG Month 11 Position Summary 2021/22 by Programme Area

	Annual Budget £'m	MONTH 11 - FEBRUARY 2022			Forecast		Total Outstanding	
		YTD Budget £'m	YTD Actual £'m	YTD Variance £'m	Outturn £'m	Variance £'m	COVID / ARRS / WAF YTD £'m	COVID / ARRS / WAF FOT £'m
Acute Commissioning	1,533.9	1,406.4	1,404.7	1.6	1,535.1	(1.2)	0.0	0.0
Mental Health Commissioning	268.4	245.8	247.6	(1.8)	269.8	(1.4)	0.0	0.0
Community Services Commissioning	330.0	305.2	312.2	(7.0)	342.1	(12.1)	4.4	8.1
Prescribing	285.0	260.9	257.1	3.8	283.8	1.2	0.0	0.0
Primary Care (Excluding Prescribing)	69.6	65.1	61.3	3.8	66.2	3.4	0.0	0.0
Delegated Commissioning	249.0	225.9	227.9	(2.0)	253.8	(4.8)	1.6	4.6
Continuing Care	205.6	188.4	190.3	(1.9)	211.6	(6.1)	1.8	1.4
Other Commissioning	262.5	236.1	229.9	6.2	244.2	18.4	0.4	0.5
Running Costs	32.6	30.2	30.0	0.3	32.4	0.2	0.0	0.0
Control Total	(12.3)	(11.4)	0.0	(11.4)	0.0	(12.3)	0.0	0.0
All Local Teams In Year Position	3,224.3	2,952.8	2,961.0	(8.3)	3,239.0	(14.7)	8.3	14.7
Retrospective Top Up Outstanding	10.0	6.6	0.0	6.6	0.0	10.0		
Additional Roles Reimbursement Scheme Outstanding	1.9	1.6	0.0	1.6	0.0	1.9		
Winter Access Funds Outstanding	2.7	0.0	0.0	0.0	0.0	2.7		
All Local Teams Revised In Year Position	3,239.0	2,961.0	2,961.0	0.0	3,239.0	0.0		

Variance analysis commentary is on the next slide

Variance Analysis Commentary

Month 11 Position (February)

- **Community Services** overspending is largely not an issue as this is where the CCG is anticipating significant retrospective Hospital Discharge Programme allocations. However, there is some pressure on Community Services where schemes have been commissioned to support Hospital Discharge and Surge capacity over and above hospital discharge allocations – largely within the South East Hampshire and Southampton. It should be noted that control action is taking place to review usage and effectiveness of HDP & Surge schemes with a view to reducing to within budget for financial year 22/23.
- **Delegated Commissioning** overspend is not an issue as this is where the CCG is anticipating retrospective allocations for Additional Roles and Winter Access Funding.
- **Continuing Health Care** is overspending due to the growth in high cost packages of care - largely in Southampton, South West Hampshire and the North and Mid Hampshire systems.
- Not committing all reserves (shown in '**Other Commissioning**') has helped to balance the cost pressures largely in Continuing Healthcare and Community Services.

Finance Annexes

February 2022 (Month 11)

Isle of Wight Local Team Month 11 Position (February)

	Annual Budget £'m	MONTH 11 - FEBRUARY 2022			Forecast		COVID / ARRS / WAF	
		YTD Budget	YTD Actual	YTD Variance	Outturn	Variance	Outstanding	Outstanding
		£'m	£'m	£'m	£'m	£'m	YTD £'m	FOT £'m
Acute Commissioning	126.9	116.3	116.1	0.2	126.7	0.2	0.0	0.0
Mental Health Commissioning	32.7	29.9	28.2	1.7	31.4	1.3	0.0	0.0
Community Services Commissioning	28.6	26.6	28.5	(1.9)	31.3	(2.7)	0.8	1.2
Prescribing	27.1	24.8	24.8	0.0	27.6	(0.5)	0.0	0.0
Primary Care (Excluding Prescribing)	4.2	3.9	3.7	0.2	4.2	0.0	0.0	0.0
Delegated Commissioning	23.0	21.0	21.4	(0.4)	23.3	(0.4)	0.2	0.2
Continuing Care	14.8	13.6	12.9	0.7	14.2	0.6	0.0	0.0
Other Commissioning	12.1	9.3	10.0	(0.6)	11.1	1.0	0.1	0.0
Running Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Control Total	(1.0)	(0.8)	0.0	(0.8)	0.0	(1.0)	0.0	0.0
Isle of Wight Local Team In Year Position	268.4	244.6	245.6	(1.0)	269.8	(1.5)	1.0	1.5
Retrospective Top Up Outstanding	1.2	0.8	0.0	0.8	0.0	1.2		
Additional Roles Reimbursement Scheme Outstanding	0.2	0.2	0.0	0.2	0.0	0.2		
Winter Access Funds Outstanding	0.0	0.0	0.0	0.0	0.0	0.0		
Isle of Wight Local Team Revised In Year Position	269.8	245.6	245.6	0.0	269.8	0.0		

North and Mid Hampshire Local Team Month 11 Position (February)

	Annual Budget £'m	MONTH 11 - FEBRUARY 2022			Forecast		COVID / ARRS / WAF	
		YTD Budget	YTD Actual	YTD Variance	Outturn	Variance	Outstanding	Outstanding
		£'m	£'m	£'m	£'m	£'m	YTD £'m	FOT £'m
Acute Commissioning	329.6	302.0	303.5	(1.5)	331.1	(1.5)	0.0	0.0
Mental Health Commissioning	60.8	55.7	56.4	(0.7)	61.8	(1.0)	0.0	0.0
Community Services Commissioning	60.9	56.3	56.9	(0.6)	63.1	(2.2)	1.4	2.2
Prescribing	73.4	67.1	66.3	0.8	73.4	0.0	0.0	0.0
Primary Care (Excluding Prescribing)	9.8	9.1	7.9	1.2	8.6	1.2	0.0	0.0
Delegated Commissioning	67.0	60.8	61.1	(0.4)	67.4	(0.3)	0.3	0.3
Continuing Care	49.7	45.6	46.9	(1.4)	52.6	(2.8)	0.2	0.3
Other Commissioning	33.0	24.7	23.6	1.1	28.7	4.3	0.1	0.1
Running Costs	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0
Control Total	(0.5)	(0.4)	0.0	(0.4)	0.0	(0.5)	0.0	0.0
North and Mid Hampshire Local Team In Year Position	683.7	620.7	622.7	(2.0)	686.6	(2.9)	2.0	2.9
Retrospective Top Up Outstanding	2.6	1.7	0.0	1.7	0.0	2.6		
Additional Roles Reimbursement Scheme Outstanding	0.3	0.3	0.0	0.3	0.0	0.3		
Winter Access Funds Outstanding	0.0	0.0	0.0	0.0	0.0	0.0		
North and Mid Hampshire Local Team Revised In Year Position	686.6	622.7	622.7	0.0	686.6	0.0		

South East Hampshire Local Team Month 11 Position (February)

	Annual Budget £'m	MONTH 11 - FEBRUARY 2022			Forecast		COVID / ARRS / WAF	
		YTD Budget £'m	YTD Actual £'m	YTD Variance £'m	Outturn £'m	Variance £'m	Outstanding YTD £'m	Outstanding FOT £'m
Acute Commissioning	319.6	293.1	292.5	0.5	319.2	0.4	0.0	0.0
Mental Health Commissioning	58.3	53.5	53.5	0.0	58.5	(0.2)	0.0	0.0
Community Services Commissioning	62.4	57.9	60.5	(2.6)	66.2	(3.8)	0.7	1.3
Prescribing	75.8	69.4	68.8	0.7	74.8	0.9	0.0	0.0
Primary Care (Excluding Prescribing)	12.0	11.0	10.4	0.6	11.3	0.7	(0.0)	0.0
Delegated Commissioning	60.5	55.4	56.1	(0.7)	61.2	(0.7)	0.2	0.3
Continuing Care	52.7	48.2	47.5	0.7	53.1	(0.5)	0.8	1.0
Other Commissioning	27.0	24.1	24.3	(0.3)	25.6	1.4	0.0	0.0
Running Costs	0.0	0.0	(0.1)	0.1	(0.1)	0.1	0.0	0.0
Control Total	(1.0)	(0.8)	0.0	(0.8)	0.0	(1.0)	0.0	0.0
South East Hampshire Local Team In Year Position	667.3	611.8	613.6	(1.8)	669.9	(2.6)	1.8	2.6
Retrospective Top Up Outstanding	2.3	1.5	0.0	1.5	0.0	2.3		
Additional Roles Reimbursement Scheme Outstanding	0.3	0.2	0.0	0.2	0.0	0.3		
Winter Access Funds Outstanding	0.0	0.0	0.0	0.0	0.0	0.0		
South East Hampshire Local Team Revised In Year Position	669.9	613.6	613.6	0.0	669.9	0.0		

South West Hampshire Local Team Month 11 Position (February)

	Annual Budget £'m	MONTH 11 - FEBRUARY 2022			Forecast		COVID / ARRS / WAF	
		YTD Budget £'m	YTD Actual £'m	YTD Variance £'m	Outturn £'m	Variance £'m	Outstanding	Outstanding
							YTD £'m	FOT £'m
Acute Commissioning	260.8	239.1	237.7	1.4	261.7	(0.9)	0.0	0.0
Mental Health Commissioning	47.3	43.3	43.1	0.2	46.0	1.4	0.0	0.0
Community Services Commissioning	55.1	51.0	52.0	(1.0)	56.7	(1.5)	0.9	2.4
Prescribing	63.8	58.3	57.9	0.4	63.7	0.0	0.0	0.0
Primary Care (Excluding Prescribing)	10.8	10.0	10.0	0.0	10.9	(0.1)	0.0	0.0
Delegated Commissioning	51.2	46.9	46.9	0.0	51.2	0.0	0.5	0.5
Continuing Care	49.7	45.5	45.9	(0.3)	50.2	(0.6)	0.4	(0.4)
Other Commissioning	16.6	14.6	17.1	(2.4)	17.4	(0.8)	0.0	0.0
Running Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Control Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South West Hampshire Local Team In Year Position	555.3	508.8	510.6	(1.8)	557.8	(2.5)	1.8	2.5
Retrospective Top Up Outstanding	2.0	1.3	0.0	1.3	0.0	2.0		
Additional Roles Reimbursement Scheme Outstanding	0.5	0.5	0.0	0.5	0.0	0.5		
Winter Access Funds Outstanding	0.0	0.0	0.0	0.0	0.0	0.0		
South West Hampshire Local Team Revised In Year Position	557.8	510.6	510.6	0.0	557.8	0.0		

Southampton Local Team Month 11 Position (February)

	Annual Budget £'m	MONTH 11 - FEBRUARY 2022			Forecast		COVID / ARRS / WAF	
		YTD Budget £'m	YTD Actual £'m	YTD Variance £'m	Outturn £'m	Variance £'m	Outstanding YTD £'m	Outstanding FOT £'m
Acute Commissioning	190.7	174.7	174.4	0.4	190.4	0.3	0.0	0.0
Mental Health Commissioning	52.1	47.7	48.2	(0.5)	52.3	(0.2)	0.0	0.0
Community Services Commissioning	55.4	51.0	52.9	(1.9)	58.3	(2.9)	0.6	1.0
Prescribing	39.1	35.8	35.5	0.3	39.4	(0.3)	0.0	0.0
Primary Care (Excluding Prescribing)	8.7	8.1	8.2	(0.1)	8.7	(0.1)	0.0	0.0
Delegated Commissioning	41.1	37.6	38.1	(0.5)	41.7	(0.7)	0.5	0.6
Continuing Care	26.2	23.9	26.4	(2.5)	29.0	(2.8)	0.4	0.5
Other Commissioning	16.3	14.9	11.7	3.2	12.0	4.3	0.0	0.0
Running Costs	0.0	0.0	(0.1)	0.1	(0.1)	0.1	0.0	0.0
Control Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Southampton Local Team In Year Position	429.5	393.8	395.2	(1.5)	431.6	(2.1)	1.5	2.1
Retrospective Top Up Outstanding	1.5	1.0	0.0	1.0	0.0	1.5		
Additional Roles Reimbursement Scheme Outstanding	0.6	0.5	0.0	0.5	0.0	0.6		
Winter Access Funds Outstanding	0.0	0.0	0.0	0.0	0.0	0.0		
Southampton Local Team Revised In Year Position	431.6	395.2	395.2	0.0	431.6	0.0		

CCG Hosted and Pass Through Local Team Month 11 Position (February)

	Annual Budget £'m	MONTH 11 - FEBRUARY 2022			Forecast		COVID / ARRS / WAF	
		YTD Budget £'m	YTD Actual £'m	YTD Variance £'m	Outturn £'m	Variance £'m	Outstanding YTD £'m	Outstanding FOT £'m
Acute Commissioning	303.5	278.6	278.2	0.3	303.2	0.3	0.0	0.0
Mental Health Commissioning	17.1	15.7	18.0	(2.3)	19.8	(2.7)	0.0	0.0
Community Services Commissioning	67.5	62.5	61.6	0.9	66.6	0.9	0.0	0.0
Prescribing	1.0	1.0	0.1	0.9	0.1	0.9	0.0	0.0
Primary Care (Excluding Prescribing)	19.4	18.8	17.7	1.1	17.7	1.7	0.0	0.0
Delegated Commissioning	6.3	4.3	4.3	0.0	9.0	(2.7)	0.0	2.7
Continuing Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Commissioning	146.3	144.1	135.8	8.4	137.8	8.6	0.0	0.0
Running Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Control Total	(9.8)	(9.3)	0.0	(9.3)	0.0	(9.8)	0.0	0.0
CCG Hosted and pass through In Year Position	551.3	515.6	515.6	0.0	554.0	(2.7)	0.0	2.7
Retrospective Top Up Outstanding	0.0	(0.0)	0.0	0.0	0.0	0.0		
Additional Roles Reimbursement Scheme Outstanding	0.0	0.0	0.0	0.0	0.0	0.0		
Winter Access Funds Outstanding	2.7	0.0	0.0	0.0	0.0	2.7		
CCG Hosted and pass through Revised In Year Position	554.0	515.6	515.6	0.0	554.0	0.0		

Corporate Costs (1)

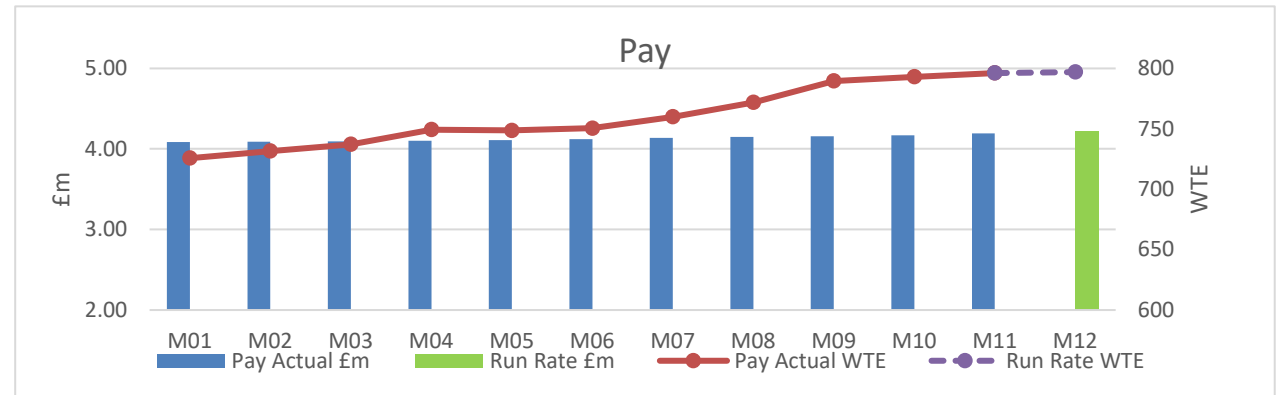
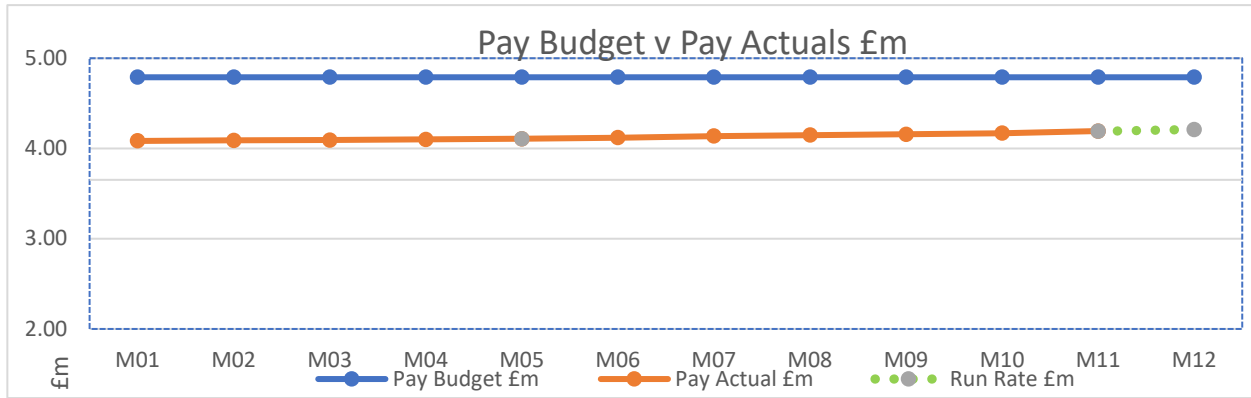
Month 11 Position (February)

	Annual	Pay					Non Pay			Forecast	
	Budget	YTD Budget	YTD Savings	YTD Net Budget	YTD Actual	YTD Variance	YTD Budget	YTD Actual	YTD Variance	Outturn	Variance
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
CHC	12.6	9.7	0.0	9.7	9.3	0.4	1.8	1.3	0.5	12.6	0.0
Chief Finance Officer	15.5	6.0	(0.2)	5.8	5.6	0.3	8.5	8.2	0.3	15.5	0.0
Chief Medical Officer	2.1	1.9	0.0	1.9	1.9	0.0	0.0	0.0	0.0	2.1	0.0
Chief Nursing Officer	5.3	4.5	(0.1)	4.4	4.3	0.1	0.4	(0.1)	0.5	5.3	0.0
Chief of Staff	9.6	5.3	(0.2)	5.1	4.8	0.3	3.7	4.9	(1.2)	9.6	0.0
Executive Director of Delivery	21.2	16.6	(0.4)	16.2	14.5	1.7	3.2	3.0	0.2	21.2	0.0
Executive Director of Performance	2.5	1.6	(0.1)	1.5	1.3	0.3	0.8	0.8	0.0	2.5	0.0
Executive Director of Strategy and Transformation	1.6	1.5	(0.1)	1.4	1.0	0.4	0.0	0.1	(0.1)	1.6	0.0
Governing Body	2.9	2.1	(0.1)	2.0	2.2	(0.1)	0.6	0.2	0.4	2.9	0.0
Workforce	1.0	0.2	0.0	0.2	0.6	(0.5)	0.9	0.5	0.4	1.0	0.0
Corporate Reserves	(5.6)	0.0	0.0	0.0	0.0	0.0	(11.0)	(7.0)	(4.0)	(5.6)	0.0
Corporate Costs In Year Position	68.6	49.5	(1.1)	48.4	45.4	3.0	9.0	12.0	(3.0)	68.6	0.0

The staffing budget is showing a significant underspend in the year to date on pay costs largely due to vacancies in the CHC and Medicines Management teams. The savings target issued to the Corporate budgets at the beginning of the year has been achieved through staffing vacancies.

Corporate Costs (2)

Month 11 Position (February)



The actual pay costs have risen steadily in year from £4.08m a month in April to £4.19m in February as vacancies in structures have been recruited to. However, this is still significantly under the monthly pay budget of £4.79m, and hence the large cumulative staffing underspend in year.

Hampshire and Isle of Wight Integrated Care System (ICS)

High level update of the Draft Financial Plan (2022/23)

(to note – this is a draft position and we are expecting the position to improve before Final)

March 2022

Financial Summary

Hampshire and IOW Integrated Care System (ICS) has a draft finance plan for 2022/23 of a deficit of £166.4m on an overall allocation of £3.4bn. For HioW the scale of financial deficit is the largest in the South East Region. Included within the plan is an efficiency requirement of £155.9m.

Within the ICS the Clinical Commissioning Group (CCG) has a deficit of £23.2m. Included within the plan is an efficiency requirement of £37.5m for the CCG. For which Continuing Health Care (£10m); Prescribing (£9m); Corporate (£10m) are the material items.

To note – this is a draft position and we are expecting the position to improve before the final submission

Initial analysis of the gap shows;

- £62m of factors that could be considered outside of the systems control such as energy inflation, ambulance fuel costs, and increases above inflation for CHC packages and care providers
- £41m of continuing covid costs and on going infection prevention and control measures (NB system COVID allocation also reduced by £98m). This analysis needs further work to unpick
- £8m of Ambulance pressures some outside HioW (South Central Ambulance Services is within HIOW ICS, but also covers Berkshire, Oxford and Bucks)
- £55m of other items such as cost growth, investments (including ongoing revenue costs related to elective recovery programmes - TIF) and a continuation of £18m Hospital Discharge Schemes.

Workforce growth in the draft plans from each Provider was determined to be considerably higher than expectations – Up to 7% with some Trusts which was partly driving the gap.

The planning assumption is for all systems to reach a break-even financial position however this assume systems will be operating with a reduced impact of COVID. Additional inflationary pressure due to recent world events and cost of living pressures are also adding to the system deficit. For all ICS's we need to isolate and identify these “understandable pressures” as they are not funding with ICS allocations

Allocations Analysis - 2022/23

Overall allocation is £31.9m less than Flat Cash due to the loss of non-recurrent funding sources such as Hospital Discharge and reductions in COVID funding which was announced in Jan 22. When determining how allocations should be distributed the finance teams took a bottom up approach based on the information available to create financial envelopes for each Provider. At this time whilst we knew the overall global financial allocation for the ICB it needed to be “cut” and distributed to each organisation.

The loss of funding sources such as Hospital Discharge and reductions in COVID funding means that the system needs to determine how to remove these costs (people and services) from our current operations. It’s unlikely that all Hospital Discharge Schemes can be removed in their entirety and the ICS plan assumes that we could fund up to £17m of services into 22/23 noting that spend in 21/22 on these services was £42.5m. National there is a very rigid line on systems needing to remove these costs.

Comparison of ICB Allocation 21/22 and Published 22/23	21/22 Half 2		Published 2022/23	Variance
	Allocation	Doubled		
	£m	£m	£m	£m
Programme Baseline *	1,437.4	2,829.7	2,902.6	72.9
Covid	86.0	171.9	74.0	(98.0)
Elective Recovery	26.3	52.5	57.5	5.0
Hospital Discharge	21.3	42.5	0.0	(42.5)
Maternity	0.0	0.0	2.6	2.6
Health Inequalities	0.0	0.0	5.4	5.4
Programme Allocation	1,570.9	3,096.6	3,042.1	(54.5)
Primary Care	137.1	274.2	296.6	22.4
Running Costs	17.3	34.7	34.9	0.3
Overall Allocation	1,725.3	3,405.6	3,373.7	(31.9)
Elective Recovery - SpecComm	0.0	0.0	15.5	15.5

* Includes Aging Well and MHIS Allocation

- **Triangulation of workforce growth assumptions with activity and finance to reduce cost growth, through:
Provider meetings – w/c 28th March
Local Delivery System meetings – w/c 4th April**
- **Review and scrutiny of all investments with impact assessment on activity and performance**
- **Review of CoVID and Infection Prevention Control costs to understand trigger points for removal**
- **Systematic review of Hospital Discharge Programme and Surge schemes currently in place to understand and agree triggers and implications of curtailing/ceasing spend**
- **Clinical Commissioning Group efficiency programs to be worked up in more detail, and programme management arrangements to be considered**
- **Use of the ‘Model System’ to determine unwarranted variation and drive further productivity and cost reduction to support longer term financial sustainability**