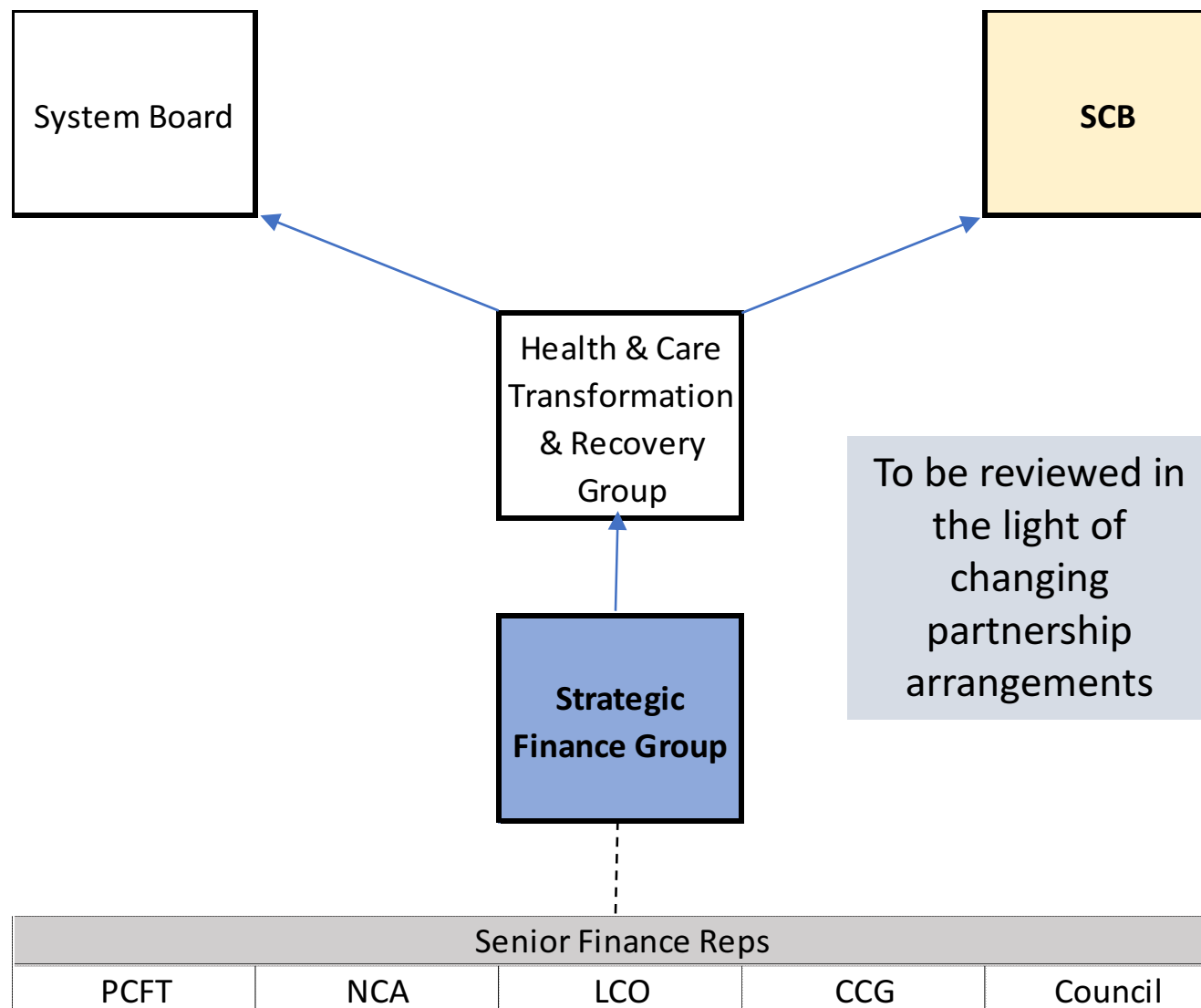


Strategic Finance Update

SCB 7th December 2020

Principles

- Clinical & political engagement and leadership
- Co-production & collaboration
- System view
 - One pot
 - Shared objectives
 - Shared risks and benefits
 - Single reporting
 - Max benefits/min harm (e.g. no cost shunting)
- Transparency
- Check, challenge & hold to account



ICF Categories 20/21

All CCG healthcare allowed per legislation
Community Services
Mental Health
Learning Disabilities
Acute non-surgical services
Continuing Healthcare
Intermediate Care
Primary Care (prescribing & LES)
Transformation and Better Care Fund
Adult Social Care
Care in the Community
Public Health
All health and care related children's services
CCG staffing budgets
Council commissioning staff budgets

Pooled, £323m

Cannot be pooled:
Acute surgery
Director of Adult Social Care
Services related to the MH A
Adoption & fostering
Accommodation of children
Charging of accommodation
and recovery of client costs.

Could be pooled but recommend
for alignment:

Reserves
All Council directorates outside
Adult Social Care, Children's
Social Care and Public Health
(excludes DSG and HRA)

Aligned, £139m

GP Core Contract
Emergency Ambulance Services
Central Drugs

In-View, £38m

Integrated Care Fund

Budget Outlook

Council

Savings target next 2 years £21m (prior to Spending Review)

Driven by relative underfunding, ↑ demand, ↑ costs and ↓ income

Limited non-recurrent reserves

Risks from more COVID waves, Brexit and recession

CCG

Underlying deficit c£17m next year (prior to system reset)

Driven by relative underfunding, ↑ demand, ↑ costs and ↓ NHS productivity

No reserves

Risks from more COVID waves, Brexit and recession

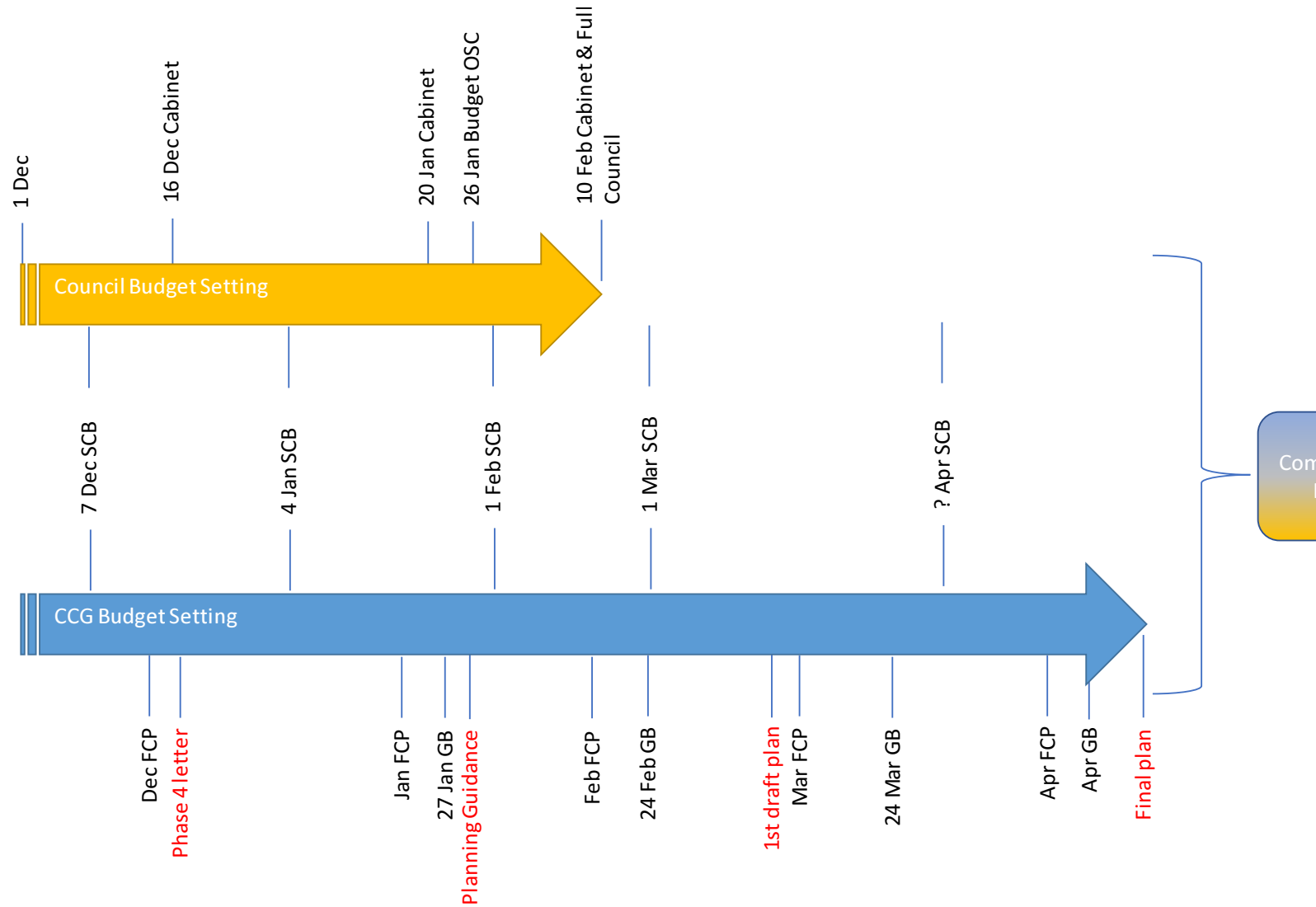
Uncertainty re system redesign, funding and financial frameworks

- Both significantly challenged
- Uncertainty = major risk across the system
- Interdependent so need to work together to optimise system finances

Latest OCO Savings and Efficiency Plans

Programme	Area	Org	Programme Lead	2021/22 Saving Target (£'000)	2022/23 Saving Target (£'000)	2023/24 Saving Target (£'000)	Total All years	System Risk	System Risk Narrative
Urgent Care	All	CCG	Lindsey Darley	TBC	TBC	TBC	TBC	Y	System risk is around reduced income to acute dependent on contracting model or more work in PC, Community or VCFA. Value is TBC as waiting finalised contracting guidance and work needed from acute colleagues to model impact of activity reductions on costs and income.
Planned Care	All	CCG	Leah Robins	£851	£1,562	£0	£2,413	N	Additional work in PC and Community were factored into business cases.
Community	Adult Social Care	LA	Julie Gonda	£4,834	£5,655	£1,961	£12,450	Y	System risk is increased costs to CCG as a result of service potential increased use of crisis services as a result of service availability or time spent and mental health impacts of technology and reduced physical contact with residents / clients.
Community	New LD	LA / CCG	Will Blandamer	TBC	TBC	TBC	TBC	Y	This is an OCO wide piece of work that is currently in early phase but due to the inter related nature of the work to cost changes for all partners.
Community	CHC	CCG	Catherine Jackson	£500	£500	£0	£1,000	Y	Reviewing CCG packages of care may lead to identify costs are attributable elsewhere in the system.
Community	Prescribing & High Cost Drugs	CCG	Salina Calligan	£803	£750	£0	£1,553	N	All schemes are either gain share where benefit is shared with acute.
Community	Transformation Fund	LA / CCG	Lindsey Darley	£559	£0	£0	£559	Y	£559k is only Residential Care, other amounts are based on urgent care reductions and so are TBC. System risk is around reduced income to acute dependent on contracting model or more work in PC, Community or VCFA. Value is TBC as waiting finalised contracting guidance and work needed from acute colleagues to model impact of activity reductions on costs and income.
Childrens	All	LA		TBC	TBC	TBC	TBC	TBC	Awaiting latest position.
Mental Health	All	CCG	Julie Gonda	TBC	TBC	TBC	TBC	N	CMHT review unlikely to propose any reduced income to acute and High Cost placement review will look to repatriate where possible and this would not have a negative impact upon partners.
				£7,547	£8,467	£1,961	£17,975		

Process/ Timeline



Plus: public & stakeholder engagement and consultation, OSC, Health OSC, HWB, Exec Team, System Board Health & Care Recovery and Transformation Group, GM forums, etc

Spending Review 1/2

General Points

- 1 year instead of 3 (for revenue)
- Not as harsh as some feared - some positive news
- Devil in the detail
- Doesn't close the existing financial gaps and challenges in the public sector

Local Government & Social Care

- Core spending power to increase by 4.5% (mostly CT flexibilities)
- Revenue Support Grant to be increased in line with inflation
- £3b to help LAs deal with pressures of C-19, incl additional spend & compensation for lost CT & BR & other income
- LAs also have access to >£1b funding for social care - £300m new grant funding + £700m-£800m possible from 3% social care precept, subject to political decisions
- Existing LA grants maintained in 21/22, e.g. the additional £1b Soc Care funding announced in last year's SR, the £2.1b iBCF, Disable Facilities Grant, etc
- Extra money for homelessness & rough sleeping
- Lower than originally planned increases in NLW
- £4b levelling up fund (local infrastructure investment)

Estimated Impact on Bury Council MTFS

- 1% precept = c£0.8m, so could generate **up to £2.4m** subject to political decision
- **c£1m** additional grants (targeted at Social Care)
- Freeze on pay **c£2m**
- Lower than planned increase in NLW **c£1m**
- One-off C-19 funding **c£5m**

Spending Review 2/2

Overall Health Budget

- *Ignoring C-19 funds & costs*, no big change from existing 5-year deal to 23/24 for NHS LTP
- = NHS gets £6.6b cash increase (revenue) to £147.1b in 21/22

Direct COVID-19

- £50b for health & care in 20/21 in direct response to C-19 (Test & Trace, mass screening, vaccine procurement, PPE, use of Independent Sector, & Infection Control measures, etc)
- >£20b already earmarked for 21/22, incl £3b NHS "recovery package" for 21/22 (non-recurrent: £1b for WL backlogs, £0.5m for MH + £1.5b for other existing pressures from C-19 e.g. lower productivity due to IPC). Further C-19 funding will be agreed early in 2021.

NHS Capital

- An increase in national capital funding from £8.2b to £11.1b in 20/21 in response to C-19 (then falls to £9.4b in 21/22)

NHS workforce

- Disappointing in terms of limited cash boost to HEE. Public sector pay freezes not applying to "front line" staff, but not sure what likely uplifts will look like or whether they'll be backed up with any extra funding (or will need to come from Dept savings)

Public Health

- Disappointing that PH gets virtually no mention at all in the 122 page document
- Simply says the PH grant will be maintained - not sure whether in cash terms or real terms