

# CPPEG Meeting

## *Finance Update*



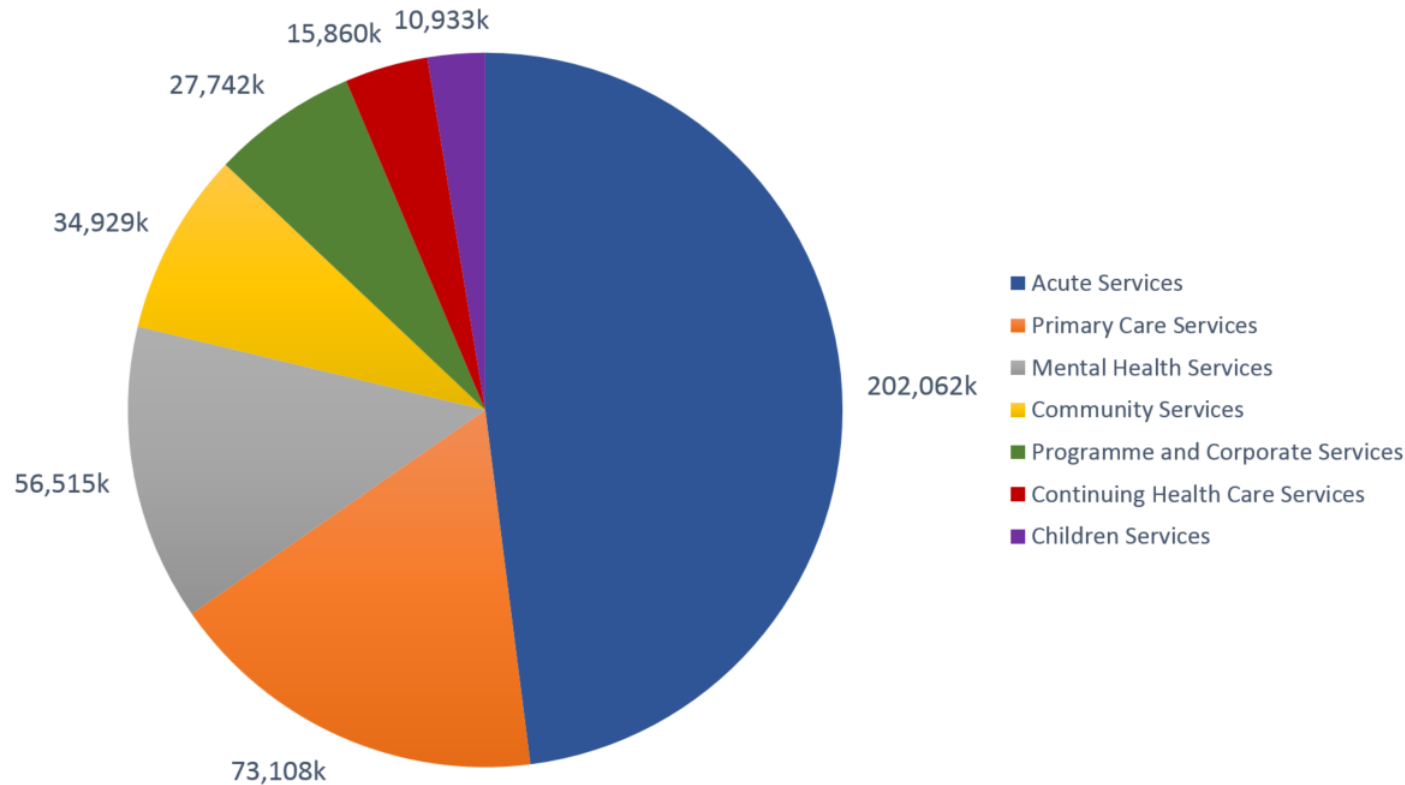
# Drivers of the NHS Financial Challenge

- Across the UK **people are living longer**, healthier lives but demand for Health Services is increasing.
- Demand for health care is highly geared to our **growing and aging population**.
- Demand is also heavily impacted by **rising public expectations**, the **effectiveness of prevention** and public health, and **availability of social care**.
- Even more significant is the steady expansion of **new technologies**, treatments and cures.



# Setting the scene

### 2018/19 Budget



The CCG’s job is to design, commission and oversee services to maximise the health outcomes for our population within a set level of resources.

The CCG receives its resource in the form of an allocation from NHS England (NHSE) and makes up the CCG’s budget for each year. The goal is to ensure the total cost of running the CCG does not exceed the allocation it receives.

For this financial year (which runs from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019) the CCG has received an allocation of £421m. This has been split across several areas as detailed on the chart to the left.

BUDGET

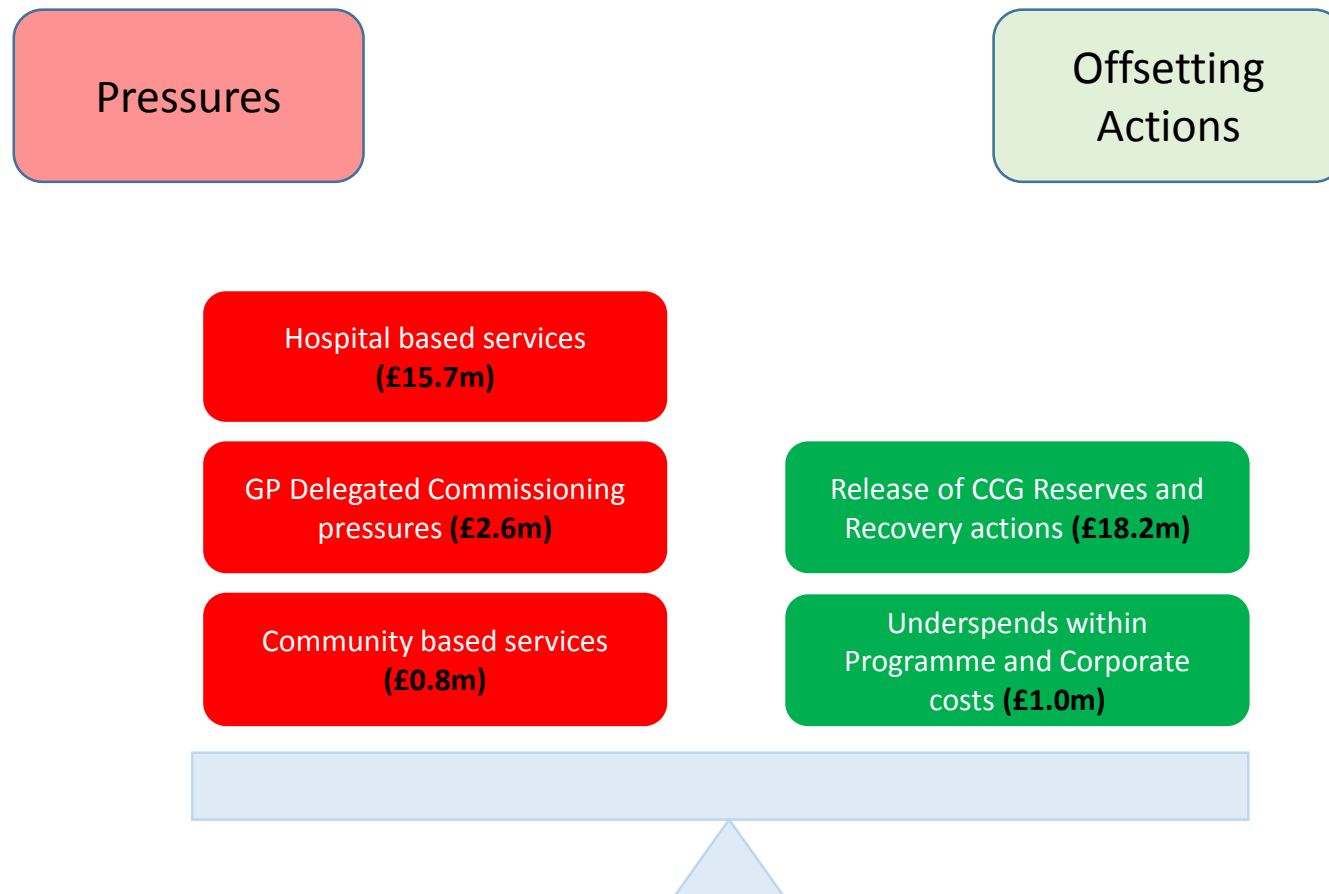


# Where we are now ....

So far Camden CCG has reported financial performance from April 2018 to January 2019.

Currently Camden CCG has spent in line with budget and forecasts to deliver a breakeven position by the end of the financial year at 31<sup>st</sup> March 2019.

This has been achieved through the release of reserves and through benefits arising from a recovery plan which was initiated to mitigate risks which have materialised throughout the year.



# Where are we now?



Although the CCG has reported a breakeven position (that all our costs will be the same as our allocation), there are a number of **risks** the CCG has reported to NHSE.

At present we estimate the worst case value of these risks to be **£4.8m**. These risks mainly relate to increased acute spend.

In order to meet financial balance and manage risk the CCG has a Financial Recovery Plan to find savings.

# 19/20 & beyond - how much money are we getting ...

## National 5-year revenue settlement

- In January 2019 CCG allocations for 2019/20 to 2023/24 were published. The allocations changed from earlier publications, this included taking into account the additional 20.5bn extra a year by 2023/24.
- For 19/20 the CCG was originally planning on receiving no growth. This has been updated to reflect the new expectations around service investment to reach our current allocation growth of 4.96% for 2019/20.
- To support the NHS long-term plan the new allocation comes with investment requirements in mental health, community and primary care services.
- The CCG is receiving reduced growth allocation as it is considered to be over-funded, it is estimated that by 2023/24 we will still be over-funded by £31m.

# How does our allocation compare ...

## Core Services

Growth		2019/20	2020/21	2021/22	2022/23	2023/24
Headline growth	Camden CCG	4.96%	3.20%	2.81%	2.54%	2.43%
	NCL	5.75%	4.22%	3.87%	3.55%	3.27%
	London	5.78%	4.34%	4.00%	3.67%	3.35%
	England	5.65%	4.22%	4.00%	3.78%	3.66%

## Primary Medical

Growth		2019/20	2020/21	2021/22	2022/23	2023/24
Headline growth	Camden CCG	6.83%	4.69%	6.04%	5.37%	4.29%
	NCL	6.74%	4.64%	5.65%	4.43%	4.19%
	London	6.65%	4.43%	5.39%	4.11%	4.04%
	England	6.59%	4.42%	5.36%	4.07%	4.05%

## National Allocation Comparison

### Core Services

NCL compares broadly well with National headline growth (at least in 19/20 and 20/21) but consistently less well than the London Region as a whole.

**Growth for Camden CCG is lower year on year compared to the local and national position (£18m)**

### GP Delegated Commissioning

In contrast to core services, NCL is further below its target allocation than London and therefore receives slightly higher growth (in all years) compared to the national position.

**Camden CCG growth is higher in all years when compared to the NCL, London and national position (£2.6m)**

# Finance key points to note ...



Based on initial modelling there is a gap between how much we receive and how much we think we need to spend of circa £26m.

For 2019/20 in order to meet this gap the Quality, Innovation, Productivity and Prevention Programme (QIPP) has a target of £26m.

The 2019/20 financial planning is happening now so the gap might change.

It is going to be challenging to meet the 2019/20 allocation target ... it's going to be tough year for finance.

**Collaboration, Integration and Transformation is key to meeting challenges**



Any  
Questions?

