

Cambridgeshire and Peterborough
Integrated Care System

System Partnership Board Report

Meeting	System Partnership Board Meeting in Public		
Date of Meeting	Wednesday 15 September 2021		
Agenda item:	2.5		
Title:	C&P Finance Report Month 4		
Lead:	Louis Kamfer, CFO C&P CCG, Chair FPPG		
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Report purpose <i>(Please mark one in bold)</i>			
APPROVAL	DECISION	ASSURE	INFORM
Committees/groups where this has been presented to before <i>(including date)</i>			
<ul style="list-style-type: none"> • FPPG 03 Sep • System Leaders 07 Sep 			
Purpose of the paper			
<p>To update System Partnership Board in respect to:</p> <ul style="list-style-type: none"> • M4 21/22 Financial position • Medium-Term Financial Plan refresh • Capital investment • Risks 			
Recommendation			
The Board is asked to Note and discuss the contents of this report			

1. INTRODUCTION

- 1 At Month 4, the system is ahead of plan but the forecast position for H1 remains on plan.

2. MONTH 4 FINANCE UPDATE

MONTH 4 FINANCIAL POSITION

- 2 The ICS revised H1 plan, submitted 15 June, is a projected surplus of £3.5m. At Month 4, the System is on-track to deliver the plan and is reporting a favourable position YTD, primarily through ERF income received above plan in Q1.
- 3 In H1, the system plan identified c1% of efficiencies; at Month 4, we remain confident that these will be achieved. There will be an increased requirement to deliver recurrent efficiencies in H2 of 21/22, estimated to be a minimum of 3.5%; we are reviewing progress against this through ATFG, FPPG and the continued engagement with the Regional Productivity Group.
- 4 Following a review of ERF by the NHSE National Team, the delivery target increased from Q2, and modelling suggests that this put at risk the ability to generate further ERF. We await guidance on how ERF will be applied during H2.

MEDIUM-TERM FINANCIAL PLAN REFRESH

- 5 We are refreshing our existing Medium-Term Financial Plan (MTFP) to assess the impact of changes since the covid pandemic on our longer-term projections.
- 6 We have been asked to update the NHSE National team in October with the emerging medium-term projection and how this compares to the pre-covid underlying position and improvement trajectory. Given the timescales involved, we are working at pace using as much existing data as possible, with a review for any subsequent amendments in light of the current operating environment.
- 7 We have set out an ambitious timeframe for this initial piece of work, requiring input from Operational and Strategic planning leads and a check & challenge session on the initial draft outputs with FPPG, COOs and Directors of Strategy has been set up. We anticipate engagement with our Regional NHSE colleagues in advance of the follow-up session with Julian Kelly, anticipated for October.

CAPITAL INVESTMENT

- 8 The ICS 21/22 Capital Plan achieved the requirement to remain within the available CDEL envelope. A review of the current position is being undertaken through ATFG and FPPG and we continue to work alongside NHSE Regional colleagues.
- 9 Capital expenditure is under greater scrutiny for all systems in 21/22; the NHSE Regional Team have released a supplementary process, applicable from Q1, reviewing in-year and forecast delivery and require systems with variance above 15% to do a detailed review and potentially a mandated reprofiling. At Q1, against the reprofiled plan, the variance YTD does not trigger the Regional NHSE review process.

FPPG continues to monitor performance routinely through the monthly ICS finance report.

RISKS

10 The forecast at Month 4 is that the ICS H1 financial plan will be delivered, however there remain a number of risks in relation to delivery of H1 and preparation for H2 and beyond as set out below:

- The target for Q2 ERF has been increased from 85% to 95% and modelling suggests this change puts achievement of ERF during Q2 at risk. We await ERF guidance on H2 and detailed system activity planning.
- Delivery of efficiencies within the H1 plan will be key to supporting delivery of the increased ask for H2.
- The ability of the ICS to deliver on the transformation priorities is critical to underpinning our medium-term financial recovery
- Funding for the Hospital Discharge Programme has only been assumed for H1.

3. RECOMMENDATIONS

- System Partnership Board is asked to note and discuss the contents of this report