Financial Strategy 2019/20 – 2023/24

Ambition
The CCG prioritises its investments and manages its allocation to ensure the system meets the vision, objectives and deliverables of the Long Term Plan and the Integrated Care System. The CCG improves outcomes for its population and reduces health inequalities through needs-based distribution of funding whilst at the same time achieving financial sustainability and hitting its control total in each of the five years of the plan.

Strategic Priorities
1. Long term financial sustainability of the health and care system
2. Short term affordability – hitting our organisational control total in years 1 and 2, and moving to a recurrent underlying surplus position
3. Prioritising investments in services which improve care and achieve the best possible value for our population
4. Funding the priority transformational initiatives agreed by the system
5. Exploring options to give Integrated Care Providers and Primary Care Networks financial accountability for devolved budgets for their populations

Our key system impacts
We will support the transformation ambitions of the Nottingham and Nottinghamshire ICS through the delivery of:

1. System financial balance
   Working collaboratively with provider colleagues and local authority partners to ensure the health and care system is affordable and sustainable - not shifting cost pressures between organisations

2. Back office efficiencies
   Achieving economies of scale through coming together as a single CCG, with streamlined back office functions, avoidance of duplication of effort and standardised processes and pathways

3. Aligning resource & need
   Using segmentation and stratification to understand the resource utilisation by different groups of patients and allocating funding accordingly in line with need

4. Out of hospital investment
   Funding increased capacity in community and primary care to manage care in an out-of-hospital setting and reducing avoidable emergency activity

5. Mental health investment
   Funding increased capacity in mental health services to improve outcomes and enable service expansion and faster access to community and crisis mental health services for both adults and particularly children and young people

6. Improved digital access
   Using technology to improve productivity and drive efficiencies whilst improving services for patients by enabling virtual access to healthcare services

Key Metrics:

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation growth</th>
<th>Efficiency Target (£m)</th>
<th>Efficiency Target (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020/21</td>
<td>4.0%</td>
<td>58.9</td>
<td>3.4%</td>
</tr>
<tr>
<td>2021/22</td>
<td>4.2%</td>
<td>40.3</td>
<td>2.3%</td>
</tr>
<tr>
<td>2022/23</td>
<td>3.9%</td>
<td>22.0</td>
<td>1.2%</td>
</tr>
<tr>
<td>2023/24</td>
<td>3.7%</td>
<td>20.2</td>
<td>1.1%</td>
</tr>
</tbody>
</table>
Financial Strategy 2019/20 – 2023/24

- **August - September 2019**: Key financial message communicated to Primary Care and Secondary Care partners
- **August - September 2019**: Continue system engagement with jointly developed financial plan
- **October - November 2019**: Develop detailed delivery plans for efficiency
- **October - November 2019**: Commissioning co-production across the system for all plans
- **December 2019 to January 2020**: Commence and complete contract negotiation

- **August - September 2019**: Key commissioning intentions and actions communicated to provider partners
- **August - September 2019**: Commence QIPP identification process
- **October - November 2019**: Further enhance system financial planning process with detail
- **December 2019 to January 2020**: Review contract reform opportunities