Reference: FOI.ICB-2627/107

Subject: Continuing Healthcare / All-Age Continuing Care

I can confirm that the ICB does hold some of the information requested; please see responses below:

QUESTION	RESPONSE
We are requesting this information to better understand how Continuing Healthcare / All-Age Continuing Care services are currently managed across ICBs, including systems, processes and resourcing models. Please find our questions below.	
1. What case management system or systems does the ICB currently use for Continuing Healthcare / All-Age Continuing Care? Please provide supplier, system name, contract start date, contract end date, extension options, and whether each system is used ICB-wide or by place/locality.	The core patient data system used within AACC for the management of patient care records is Caretrack. The system is contracted to be supplied by Broadcare Services The contract expiry date for this system is 31st March 2027, with an optional 1-year extension available to the ICB This is used ICB wide.
2. Does the ICB have any recorded plans to procure a new CHC / All-Age Continuing Care system? If yes, please provide the expected procurement date, and whether the intention is to procure a single ICB-wide system.	The ICB is currently in the process of clustering with Gloucestershire ICB with a view to a merged single organisation existing from 1st April 2027. Digital systems supporting AACC will be reviewed as part of overall alignment work. There is no fixed timetable for procurement currently.

3. What was the ICB's total annual spend on Continuing Healthcare / All-Age Continuing Care in the most recent completed financial year?	The ICB's total annual spend on AACC was £140,740,000 for 2025/26.
4. Who is the senior person responsible for CHC / All-Age Continuing Care at the ICB? Please provide name, job title and email address. If responsibility is split by place/locality, please provide a breakdown.	Rosi Shepherd - Chief Clinical Leadership and Delivery Officer (Nursing) If you wish to contact this department within the ICB, please use the following contact details, stating which department you require: bnssg.customerservice@nhs.net Tel: 0117 900 2655 or 0800 073 0907 (freephone)
5. Does the ICB use a DPS, framework, brokerage platform, e-brokerage system, or other digital tool to source CHC-funded packages? If yes, please provide supplier/system name, scope of use and contract end date.	The ICB does not utilise a provider framework or dynamic purchasing system (DPS), we hold a preferred provider list of accredited providers and work with our Local Authorities to ensure continuity of commissioning.
6. Does the ICB pay CHC providers based on commissioned package values, actual care delivered, actual visit/delivery data, or another payment model? Please provide any recorded policy or description of the approach used.	The ICB pays CHC providers based on actual care delivered. Providers supply invoices on a per-client basis, with invoicing values checked by the ICB against expected contracted values. Providers new to the area are encouraged to contact the ICB's Bristol and South Gloucestershire Brokerage Team via: bnssg.brokerage@nhs.net For details on North Somerset Council process please contact the North Somerset Council Brokerage Team directly. brokerage.team@n-somerset.gov.uk

7. On average how many CHC / All-Age Continuing Care provider invoices were processed in the most recent completed financial year, and what system or process is used to validate them?	BNSSG ICB processed approximately 12,527 invoices in the most recent financial year. The invoices were validated using the Caretrack system.
8. Does the ICB collect actual care delivery data for CHC-funded packages? If yes, please state what data is collected, which system is used, and whether it is used for payment, quality monitoring, contract management or forecasting.	No, the ICB does not collect any delivery data.
9. How many manual reports relating to CHC are produced per month and how long do these reports take to produce?	A full-time Performance Lead produces a range of reports throughout the month, supporting operational delivery and performance. Additional financial reporting is undertaken by the ICB's finance directorate. It is estimated that 10-15 reports are regularly produced.
10. Does the ICB use digital dictation, speech recognition, AI transcription or any transcription tool to support CHC DSTs, assessments, reviews or case notes? If yes, please provide supplier, system name, contract end date and annual spend.	No, the ICB does not use digital dictation, speech recognition, AI transcription or any transcription tool to support CHC DSTs, assessments, reviews or case notes.
11. Has NHS England or the ICB set any recorded CHC savings, efficiency or cost-reduction target? If yes, please provide the value, deadline/financial year, and any relevant programme or board paper where this is recorded.	Yes, the ICB does have efficiency savings targets attached to the AACC programme. For 2026/27 this is £4,479,000. Please see enclosed ICB Budget Setting Paper.
12. Does the ICB have any recorded requirements, strategies, procurement documents or board papers stating that its CHC system should integrate with Trust or	The ICB does not have any recorded requirements, strategies, procurement documents or board papers stating that its CHC system should integrate with Trust or Local Authority systems.

Local Authority systems? If yes, please provide copies or extracts.	
13. Does the ICB hold any recorded issues, improvement requirements, lessons learned, audit findings, risk-register entries, or service-improvement plans relating to its CHC / All-Age Continuing Care system? If yes, please provide copies or extracts.	Please refer to the Corporate Risk Register which was discussed at the March 2026 Board meeting: 6.3 - ICB Board Risk Registers - March 2026 May 2026 – Caretrack Application Audit was recently completed. The ICB is withholding internal audit reports under Section 31(1)(a) of the Freedom of Information Act 2000 (Prevention or detection of crime). Section 31 is a qualified exemption, and the ICB has weighed the public interest factors for and against disclosure. Factors in favour of disclosure: • Transparency and Accountability: The ICB recognises the inherent public interest in transparency regarding how public funds are managed and monitored. • Public Assurance: Disclosing audit reports demonstrates that the ICB actively reviews its own processes and takes internal governance seriously. Factors in favour of maintaining the exemption (Withholding): • Protection of Public Funds: There is an overwhelming public interest in ensuring that the ICB's assets, digital systems, and financial processes remain secure from fraudulent exploitation. • Preserving Control Integrity: Disclosing the granular weaknesses identified by internal audit before they are fully

	remediated directly undermines the purpose of the audit function, which is to safely identify and fix risks without exposing the organisation to immediate external threats. • Operational Disruption: The financial and reputational harm resulting from a successful fraud attempt would severely impact the ICB's ability to deliver essential public services. The ICB has considered the balance of both disclosing the information and maintaining the exemption and believes that it is in the public's best interest to apply the exemption. Disclosing detailed control weaknesses creates an unacceptable risk of criminal exploitation. Therefore, the public interest in maintaining the exemption outweighs the public interest in disclosure.
14. Does the ICB currently have a CHC / All-Age Continuing Care transformation, improvement, efficiency, recovery, or digital programme in place? If yes, please provide the programme name, lead officer, objectives, expected savings, and relevant board papers or programme documents where held.	The ICB does not have an explicit CHC / All-Age Continuing Care transformation, improvement, efficiency, recovery, or digital programme. • Transformation and improvement initiatives are developed and implemented as a business-as-usual process across AACC functions. • Savings and efficiencies forms part of the wider-ICB savings programme, see response to question 11. • There is no AACC-specific digital transformation programme.

The information provided in this response is accurate as of 10 August 2026 and has been approved for release by Cath Leech, Chief Finance and Corporate Services Officer and Lee Colwill, Head of Business and Commissioning (Chief Nursing Office) for NHS Bristol, North Somerset and South Gloucestershire ICB.

Healthier Together
Improving health and care in Bristol, North Somerset and South Gloucestershire

BNSSG ICB Finance, Estates & Digital Committee

ICB 2026/27 Financial Plan & Budget Setting

Contents

1. Purpose

This paper sets out the proposed ICB budget for 2026/27, including detail of the individual account balances and risk/mitigations to the position. This should be read in the overall context of the combined system breakeven plan.

As part of the submission process, the ICB was also required by NHS England to set out summary financial plans for a further two years as part of a national medium-term plan submission.

2. Executive summary

The ICB has submitted a balanced revenue financial plan to NHS England against a 2026/27 allocation of £2,526 million, predicated on delivery of savings of £53.5 million. Balanced financial plans have also been submitted to for years 2 and 3 of the medium-term planning horizon (2027/28 and 2028/29).

i. Key Assumptions:

- Application of national business rules and revenue finance and contracting guidance.
- Programme budgets uplifted for pay and price inflation as per NHS Payment Scheme.
- Budget demonstrates achievement of mandated minimum investments in Mental Health and Better Care Fund, and dental ring-fence.
- Budget aligned with key elements of NHS England 10-year plan, and demonstrates investment in transitions from hospital to community, digital and preventative care.
- Contract alignment with key system partners.
- £9.5m reduction in ICB allocation linked to nationally mandated cost of commissioning reduction.
- A planned, uncommitted contingency of £6.3m (0.25% of ICB allocation) held in reserves.

ii. Savings Plan:

The total savings plan is £53.5 million, with £28.0 million secured through national tariff efficiency and £25.5 million from actions directly delivered by the ICB (section 6).

iii. Risks and Mitigations:

A reasonable downside and upside case showing a range of a £7.8m deficit to an £8.2m surplus. Whilst gross risks are c£39.5m compared to gross mitigations of £22.7m there is greater likelihood of the mitigations crystalising. Therefore, given the range this suggests that a base-case breakeven submission is a reasonable planning assumption.

iv. Conclusion:

The budget has been set in a robust manner based on current year spend, known changes, pressures, and a deliverable savings plan. The risk and mitigation analysis supports the conclusion that the balanced plan is a reasonable planning assumption.

3. Recommendations

The paper sets out several recommendations:

- **To approve a breakeven plan for 2026/27 and the key assumptions and constituent parts as set out in the paper.**
- **To approve the 2026/27 savings plan of £53.5m.**
- **To note the reasonable downside case of £7.8m underpinned by gross risks of £39.5m in 2026/27.**
- **To note the high-level financial plan submissions for years 2 and 3 (2027/28 – 2028/29).**

4. ICB Revenue Allocations

NHS England has released three-year funding allocations for all ICB funding streams. BNSSG ICB's total revenue resource for 2026/27 amounts to £2.52 billion (refer to table 4.2 for further details), which serves as the foundation for overall revenue planning and the target for achieving a break-even outcome.

Table 4.1 – Published 3-year ICB allocations 2026/27 – 2028/29 (£m)

	Programme (core)	Primary Medical Services	Pharmacy, Ophthalmology & Dental	Running Costs	TOTAL
2026/27					
Recurrent	£2,139.9	£218.8	£98.3	£15.8	**£2,472.8**
Non-Recurrent	£51.3	£0.0	£2.2	£0.0	**£53.5**
2026/27 Total	**£2,191.2**	**£218.8**	**£100.5**	**£15.8**	**£2,526.2**
2027/28					
Recurrent	£2,206.3	£222.1	£100.1	£16.1	**£2,544.6**
Non-Recurrent	£28.7		£2.2		**£30.9**
2027/28 Total	**£2,235.0**	**£222.1**	**£102.3**	**£16.1**	**£2,575.5**
2028/29					
Recurrent	£2,280.5	£225.4	£102.0	£16.4	**£2,624.3**
Non-Recurrent	£29.6		£2.2		**£31.9**
2028/29 Total	**£2,310.2**	**£225.4**	**£104.2**	**£16.4**	**£2,656.2**

i. 2026/27 Recurrent Allocations

Recurrent allocations are constructed from current year (2025/26) baselines, adjusted for the following:

- National cost inflation assumptions (2.03%).
- National efficiency target (-2%).
- Convergence towards a target 'fair-share', where ICBs are above/below target allocation.
- Real-terms growth, based on national assumptions about additional activity and cost growth.
- In 2026/27, a reduction in allocation (£9.5m) has been levied in line with nationally imposed 'cost of commissioning' limits, and expectations that ICBs will operate on a £19.40 per head basis in 2026/27.

ii. 2026/27 Non-Recurrent Allocations

Additional non-recurrent allocations are allocated to ICBs each year, totalling c.£44m in 2026/27. The most significant of these allocations are:

- £13.2m one-off revenue bonus for assumed delivery of break-even financial position in 2025/26.
- £13.5m continued funding for existing Community Diagnostic Centres (CDC).
- £7.2m of funding linked to provider depreciation costs and fully allocated to system partners.
- £1.7m funding for elective and diagnostic activity, with associated performance improvements expected against the 18-week RTT and 6-week diagnostic waiting time standards.
- £16.5m Targeted Service Development Funding (SDF).

iii. 2026/27 Service Development Fund (SDF)

In 2025/26, a significant amount of the ICB SDF allocations transferred into ICB core programme allocations as an additional allocation adjustment to support local flexibility. Starting in 2026/27, this allocation adjustment is included in recurrent ICB baselines.

The Service Development Fund keeps funding for specific programme initiatives, ensuring that it is used only for its designated purpose. It should be noted that the Cancer Alliance allocations are made to BNSSG ICB as host for the regional Somerset, Wiltshire, Avon & Gloucestershire Cancer Alliance.

Table 4.2 – 2026/27 ICB revenue allocations by funding stream (£m):

	Programme (core)	Primary Medical Services	Pharmacy, Ophthalmology & Dental	Running Costs	TOTAL
2026/27 Recurrent Allocations					
Recurrent baseline (opening)	**£2,087.6**	**£215.4**	**£96.3**	**£15.4**	**£2,414.8**
Inflation	£42.4		£2.0		**£44.3**
National Efficiency |Factor	(£41.8)		(£1.9)		**(£43.7)**
Convergence to fair shares allocations	£3.6	£0.1			**£3.7**
Growth (real-terms)	£57.5	£3.4	£1.9		**£62.8**
Adjustment to Running Cost Allowance				£0.3	**£0.3**
ICB Cost of Commissioning Reduction	(£9.5)				**(£9.5)**
Total recurrent allocation	**£2,139.9**	**£218.8**	**£98.3**	**£15.8**	**£2,472.8**
recurrent allocation growth (%)	*3.0%*	*1.6%*	*1.9%*	*0.0%*	*2.8%*
real-terms growth (excluding inflation)	*2.8%*	*1.6%*	*1.8%*	*0.0%*	*2.6%*
2026/27 Non-Recurrent Allocations					
2025/26 Business Rules - revenue bonus	£13.2				**£13.2**
CDC Funding	£13.6				**£13.6**
Provider depreciation	£7.2				**£7.2**
Additional elective/diagnostic funding	£1.7				**£1.7**
Management of obesity drugs	£0.9				**£0.9**
secondary dental funding transfer	(£1.9)		£1.9		**£0.0**
Other	£0.2		£0.2		**£0.4**
Total non-recurrent allocation	**£34.8**	**£0.0**	**£2.2**	**£0.0**	**£37.0**
2026/27 Service Devilment Funding (SDF)					
Cancer	£10.7				**£10.7**
Children & Young People	£0.4				**£0.4**
Innovation	£0.0				**£0.0**
Mental Health & LD	£2.4				**£2.4**
Prevention & Long-term Conditions	£2.9				**£2.9**
Total SDF allocation	**£16.5**	**£0.0**	**£0.0**	**£0.0**	**£16.5**
TOTAL ICB Allocation 2026/27	**£2,191.2**	**£218.8**	**£100.5**	**£15.8**	**£2,526.2**

5. National Business Rules & Headline Planning Assumptions

i. Cost Uplift Factor & National Efficiency

- Programme budgets have been adjusted to account for pay and price inflation, following the NHS Payment Scheme's net Cost Uplift Factor of 2.03%.
- All Programme budgets are expected to deliver a minimum 2% national efficiency requirement.

ii. Nationally mandated ICB investments

- **Mental Health Investment Standard (MHIS)** - NHS England requires ICBs to comply with the Mental Health Investment Standard (MHIS) for their main programme funding allocation. ICB MHIS targets have been set for 2026/27 based on a 2.03% inflationary uplift (flat real funding growth).
- **Better Care Fund (BCF)** - The minimum overall NHS contribution made by ICBs to the BCF must increase by an average of 3.0% in 2026/27. The minimum NHS contribution to adult social care will increase by 4.4% in 2026/27.
- **Dental Services Ring-fence** - The utilisation of ICB POD allocations is subject to a ringfence on budgets for dental services.
- Clinical Negligence Scheme for Trusts (CNST) – System partners receive funding so their contributions to NHS Resolution are completely funded.
- **Uplifts to Low Volume Activity (LVA) contracts** – to align with nationally set values for non-contract relationships with out of area providers where activity values do not exceed an annual value of £1.5m.

iii. Growth

In addition to the application of business rules and mandated investments set out above, growth has been applied to programme budgets in line with national expectations, and to support delivery of the NHS England 10-Year Health Plan:

Funding to support activity / price growth:

- 0.7% growth in budgets linked to demographic growth projections.
- Specific activity and price growth funded in All-age Continuing Care (4.7%) and Prescribing (7.3%) budgets in line with national forecast growth rates and price increases.
- High-cost drugs and devices funding uplifted in line with latest horizon scanning.

Funding to support elective recovery and referral to treatment targets:

- £9m of funding to reflect the full year running costs of the Bristol elective centre.

Funding to support delivery of the 10-year plan and support the three 'left-shifts':

- £8m of funding to support moving care from hospital to community settings.
- £5.8m further recurrent investment in anticipatory care and prevention.
- Digital Investment of £0.5m (growing to £7m over the next three years of the ICB medium-term plan).

Table 5.1 – 2026/27 ICB applications of funding (£m):

Opening Underlying Surplus	**£16.0**	as at March 2026
Recurrent allocation growth	**£64.3**	
Inflation		
Inflation	**(£33.9)**	set at 2.03% in line with national tariff
Activity / Price Growth		
Demographic Growth	(£9.4)	0.72% acrross all applicable programme budgets
Other activity / price growth	(£17.1)	Prescribing & CHC growth
High-Cost Drugs & Devices	(£3.4)	Based on horizon scanning
	(£29.9)	
Other Mandated applications of growth funding		
Mental Health Investment Standard	(£4.7)	
Ring-Fenced PMC & POD allocation growth	(£5.6)	including dental ring-dence
Better care fund	(£1.6)	as per minimum NHS contribution
CNST	(£4.2)	allocated to provders in line with national guidance
Mandated uplifts to LVA & inter-system contracts	(£1.0)	
	(£17.1)	
ICB efficiency		
National Efficiency Factor	£33.2	2% applied to all applicable programme budgets
ICB Efficiency to mitigate growth	£8.8	Medicines Management
Cost of commissioning savings	£9.5	
	£51.5	
MTP Investments		
Elective Centre	**(£9.1)**	agreed as part of system Medium-term plan
Anticipatory Care	**(£5.8)**	agreed as part of system Medium-term plan
Community investment to support left-shift	**(£8.0)**	to support delivery of 10-year plan
Digital investment to support left-shift	**(£0.5)**	to support delivery of 10-year plan
	(£23.3)	
Uncommitted Recurrent Growth	**£11.6**	
Closing Underlying Surplus	**£27.6**	planned as at March 2027
Non-recurrent		
Non-recurrent allocations (including SDF)	**£53.5**	
Use of non-recurrent funding	**(£40.3)**	
Non-recurrent deficit support funding	**(£32.0)**	
NCTR risk-share	**(£6.7)**	
Childrens Trauma Informed Practice	**(£0.1)**	
Other non-recurrent commitments	**(£1.9)**	
	(£27.6)	
2026/27 Financial Plan	**£0.0**	

It should be noted, that whilst the ICB plans to improve its underlying position by £11.6m in 2026/27 (to an underlying surplus of £27.6m by March 2027), this is invested back into the

system, most notably through £32m of continuing non-recurrent support to NHS providers within the system.

6. ICB summary Position

Table 6.1 shows a balanced ICB budget for 2026/27, based on a total allocation of £2,526 million. This budget assumes planned savings of £53.5 million.

The ICB is planning to deliver a recurrent surplus of £27.6m, offset by equal and opposite net non-recurrent commitments to get to break-even plan. On a recurrent basis, excluding inflation, expenditure levels are £12.4m (0.5%) higher compared to 2025/26.

Table 6.1 – 2026/27 ICB Summary financial plan by programme area:

	2026/27 baseline	National assumptions	Other Net Growth	Savings	Other Investment	2026/27 recurrent budget	non-recurrent	2026/27 total budget
Acute	(£1,157.3)	(£24.8)	(£18.9)	£21.8	(£9.1)	(£1,188.2)	(£66.1)	**(£1,254.3)**
Mental Health	(£237.7)	(£9.6)	(£2.2)	£4.7	-	(£244.8)	(£9.9)	**(£254.7)**
Community	(£246.3)	(£6.6)	(£0.3)	£4.9	(£13.2)	(£261.5)	£3.0	**(£258.5)**
Childrens	(£49.5)	(£1.0)	(£0.5)	£1.0	(£0.6)	(£50.6)	(£1.1)	**(£51.6)**
Funded Care	(£140.7)	(£0.1)	(£6.1)	£4.9	-	(£142.0)	-	**(£142.0)**
Primary Care	(£37.9)	(£0.6)	(£0.2)	£0.5	-	(£38.1)	-	**(£38.1)**
Medicines Management	(£162.1)	(£0.2)	(£12.1)	£10.2	-	(£164.3)	-	**(£164.3)**
Delegated Primary Care	(£311.8)	(£5.3)	-	-	-	(£317.1)	(£2.2)	**(£319.3)**
Total Programme spend	**(£2,343.4)**	**(£48.2)**	**(£40.2)**	**£48.1**	**(£22.8)**	**(£2,406.6)**	**(£76.2)**	**(£2,482.8)**
Support Costs	(£9.4)	-	-	-	-	(£9.4)	(£0.0)	**(£9.5)**
Running Costs	(£15.4)	(£0.3)	-	-	-	(£15.8)	-	**(£15.8)**
Other Costs	**(£24.9)**	**(£0.3)**	**£0.0**	**£0.0**	**£0.0**	**(£25.2)**	**(£0.0)**	**(£25.2)**
Reserves	(£30.7)	(£2.5)	£10.4	£3.4	£5.9	(£13.4)	(£4.9)	**(£18.2)**
Reserves	**(£30.7)**	**(£2.5)**	**£10.4**	**£3.4**	**£5.9**	**(£13.4)**	**(£4.9)**	**(£18.2)**
Total Expenditure	**(£2,398.9)**	**(£51.0)**	**(£29.9)**	**£51.5**	**(£16.9)**	**(£2,445.1)**	**(£81.1)**	**(£2,526.2)**
Allocations	£2,415.0	£51.5	£57.5	(£51.2)	-	£2,472.8	£53.5	**£2,526.2**
Surplus / (Deficit)	**£16.0**	**£0.5**	**£27.7**	**£0.3**	**(£16.9)**	**£27.6**	**(£27.6)**	**£0.0**

7. 2026/27 ICB Savings plan

The ICB's total savings plan amounts to £53.5 million. Of this, £28.0 million is achieved by applying national tariff efficiency to provider contracts, while the remaining £25.5 million comes from initiatives that the ICB will carry out directly.

Table 7.1 – 2026/27 ICB savings plan (£m)

	roll-forward budget (m)	savings target	savings target (%)	Project
ICB Core Efficiency - NHS & LVA				
Acute Services - NHS	£1,104.2	(£20.8)	(1.9%)	Contracted National Efficiency
Mental Health Services - NHS	£157.7	(£3.1)	(2.0%)	Contracted National Efficiency
ICB Core Efficiency - Other Contracts				
Sirona	£160.2	(£3.2)	(2.0%)	Contracted National Efficiency
ISTC	£47.8	(£1.0)	(2.0%)	Contracted National Efficiency
Total (Contracted National Efficiency)		**(£28.0)**		
ICB Core Efficiency - Other				
ICB Acute Service Expenditure	£12.3	(£0.2)	(2.0%)	Other Core Efficiency
ICB Community Health Service Expenditure	£104.3	(£2.1)	(2.0%)	Other Core Efficiency
ICB Mental Health Service Expenditure	£104.3	(£2.1)	(2.0%)	Other Core Efficiency
ICB Primary Care Service Expenditure	£191.9	(£0.8)	(0.4%)	Other Core Efficiency
ICB Efficiency to mitigate growth				
Primary Care Prescribing		(£3.3)		Other Primary Care Prescribing
Switching to best value DOACs	£148.1	(£0.6)	(6.0%)	Best value DOACs
Switching to best value SGLT-2s		(£4.9)		Best value SGLT-2s
HCDD Biosimilar switches	£59.3	(£2.0)	(3.4%)	High-cost Drugs savings
ICB cost of commissioning adjustment				
Support Costs - staff savings	-	(£2.9)	-	Support Costs - staff savings
Digital Savings	-	(£0.5)	-	Digital Savings
Primary Care Prescribing	£148.1	(£1.1)	(0.7%)	Other Primary Care Prescribing
ICB All-age Continuing Care Service Expenditure	£140.7	(£4.9)	(3.5%)	All-Age Continuing Care
Total Other ICB Efficiencies		**(£25.5)**		
TOTAL ICB Efficiencies 2026/27		**(£53.5)**		

The £25.5m of ICB savings comprises:

Primary Care medicines optimisation savings of c.£8.8m (approximately 6% of total budget). A significant amount (£5m) is anticipated to come from reduced prices and opportunities to switch, particularly involving SGLT2 inhibitors, which are frequently prescribed for Type 2

Diabetes. A further £3.9m of savings associated with switches to cheaper medicines and benefits from price reductions

HCDD savings of c£2m: associated with 'High-Cost' drugs switches to biosimilars in secondary care.

Funded Care efficiencies of £4.9m (approximately 3.5% of budget) with two principal areas of focus:

- Funded nursing care (FNC) – the ICB is still a relative outlier in terms of number of patients on the FNC caseload when compared to national benchmark data, however, the impact of tighter eligibility criteria and accelerated caseload reviews has seen the average number of patients on the caseload reduced in 2025/26 by around 160 patients compared to the prior year. It is expected that this trajectory will continue into the current year, with a target reduction in the average caseload down to 2,003 patients (a 12% reduction), and savings of c.£4m.
- Fast track caseload reduction: continued reduction in the average caseload from 275 in 2025/26 to 260 in 2026/27 (a reduction of c.5%), and savings of approximately £1m.

ICB Costs of Commissioning Savings (staff costs) of £2.9m: this reflects a proportion of the overall reduction (£9.5m) that is not covered by the general reduction to meet the £19 per head and is therefore a draw on wider budgets.

Digital savings of £0.5m: expected efficiencies around bringing some CSU services in-house and other consolidation.

There is no specific savings target for Delegated Primary Care, this is because there is no national efficiency requirement included in GP and POD service contracts, and no identified growth pressure against notified allocations.

8. 2026/27 Risks and mitigations

i. Risks

- **Funded care** - driven by delivery of the savings target (particularly in the context of expected headcount reductions across the ICB) and whether growth rates have been fully captured. The potential downside is estimated to be between £3 million and £4 million.
- **High-Cost Drugs & Devices** - this has been fully funded against Month 9 horizon scanning. However, prior experience suggests that the increasing baseline usage of NICE TA drugs could pose a developing financial risk. This needs to be monitored through ongoing forecasting processes with Medicines Optimisation and through system-level performance and governance groups. Robust results in 25/26, plus a 50% risk/gain share with the Bristol Group, greatly reduce this risk, and the potential downside is estimated at approximately £2 million.

- **Elective variable activity** - we are expecting to agree a payment limit with the Bristol Group which should provide substantial mitigation against excess variable costs. However, there is still a risk relating to out of sector and in particular the independent sector that has seen waiting lists rising recently. Downside risk assessed at £2m.
- **ADHD and Autism** - during 2025/26 we saw a significant overspend on Right to Choose (RTC) of around £6m. Baseline has been trued up to indicative activity plans set in September and material investment has been made in the Children's pathway. However, there remains significant risk of rising spend especially as cost of medication is an on-going cost once diagnosed. We have assessed a downside risk at £3m.
- **UEC** – commissioner and provider plans are based on an agreed No Criteria to Reside (NCTR) trajectory. If the trajectory is not met, discussions with the Bristol group regarding additional funding are likely to take place. We have estimated a downside risk of c.£3m.
- **S117 funding split** – The ICB is discussing with local authorities how to appropriately split S117 costs. The estimated downside risk amounts to £4 million.
- **Mental Health placements** – whilst we have modelled forward average growth rates, slight changes in caseload can lead to significant increases in co cost. Additionally, there is a specific concern involving Forensic adults and CAMHS tier 4. Several LD&A service users, who are presently under Specialist Commissioning and South-West Provider Collaborative funding, are anticipated to transition into ICB funding responsibility. This initiative aims to help NHSE achieve its goal of transitioning more service users into appropriate community environments.

  Currently the budget does not follow the discharge/step down of patients and the ICB finance team is actively seeking any supporting information on costs from NHSE to quantify the potential financial risk to the ICB. These can be very high-cost individuals exceeding £1m per patient. We have estimated a downside risk at £2m.
- **Discharge to Assess Beds –** The Critical Incident within UHBW saw the closure of 48 beds, in response to this the ICB commissioned c.30 beds to enable patients to be relocated from the affected area. At this time those beds remain occupied. The estimated 52-week risk of maintaining this provision would be c.£3m.
- **Transition savings** – Delays in the expected timing of savings as outlined in the plan could result in additional expenses. If the merger is delayed until 2027/28, unexpected costs may be incurred, leading to spending that exceeds the initial estimates. The downside scenario is projected to amount to £1.0m.

ii. Mitigations

- **Contingency** - the ICB has uncommitted contingency of £6.3m (0.25%) as part of the 26/27 budget.
- **Left-shift investment slippage** – we have invested material amounts into left-shift investments (around £13m), it is reasonable to assume some of this investment will slip and whilst that may create additional downstream pressures these are either

accounted for in the risks (such as within UEC) or would not have impacted until a later time period. The downside case assumes a conversative £1.5-£2m benefit.

- **Non-recurrent benefits** – historically, we have seen non-recurrent benefits arise during the year, a reasonable assumption may be around £4.0m.

iii. Net position

The table below sets out an illustrative reasonable downside and upside case showing a range of a £7.8m deficit to a £8.2m surplus. Whilst gross risks are c£39.5m compared to gross mitigations of £22.7m there is greater likelihood of the mitigations crystalising. Therefore, given the range this suggests the base case of breakeven is a reasonable planning assumption. Notwithstanding this the risks and mitigations will need to be managed carefully throughout the year.

Table 8.1 – 2026/27 ICB Risks & Mitigation Scenarios:

	Gross	Reasonable downside		Reasonable upside	
	£m	%	£m	%	£m
Risks					
ADHD & Autism	(£6.0)	50.00%	(£3.0)	20.00%	(£1.2)
MH/LD placements	(£4.0)	50.00%	(£2.0)	20.00%	(£0.8)
S117 funding split	(£8.0)	50.00%	(£4.0)	0.00%	£0.0
Funded care	(£6.0)	50.00%	(£3.0)	20.00%	(£1.2)
HCDD	(£3.5)	50.00%	(£1.8)	20.00%	(£0.7)
UEC	(£6.0)	50.00%	(£3.0)	20.00%	(£1.2)
Elective variable	(£4.0)	50.00%	(£2.0)	20.00%	(£0.8)
Transition savings	(£2.0)	50.00%	(£1.0)	20.00%	(£0.4)
Total Risks	**(£39.5)**		**(£19.8)**		**(£6.3)**
Mitigations					
Contingency	**£6.3**	100.00%	£6.3	100.00%	£6.3
Left-shift investment slippage	**£8.4**	20.00%	£1.7	50.00%	£4.2
Non-recurrent benefits	**£8.0**	50.00%	£4.0	50.00%	£4.0
Total Mitigations	**£22.7**		**£12.0**		**£14.5**
Net Risk			**(£7.8)**		**£8.2**

9. Medium Term-Plan

In addition to submitting a financial plan for 2026/27, NHS England required all organisations to submit a Medium-Term financial plan outlining summary expenditure and savings plans for a further two years, to the period ending March 2029.

The ICB submitted a balanced plan, break-even plan in each of these years, summarised in table 9.1 below.

In years 2 and of the plan, growth has been fully, recurrently committed from a planning perspective, whilst growth has been applied broadly in line with where we would expect investment to be made from a programme area perspective, there will need to be detailed plans built up as to exactly how this funding will be committed in future years. Appendix A of this paper contains a summary that connects all three years of the financial plan.

Efficiency plans have been developed for both years, but the requirements are expected to decrease since it is assumed that the £9.5 million in savings from commissioning will be achieved on a recurring basis in Year 1 (2026/27).

Table 9.1 – ICB Medium-Term Financial plan summary:

	2025/26 underlying position	2026/27 plan	2027/28 plan	2028/29 plan	3-year total growth
Acute	(£1,157.3)	(£1,254.3)	(£1,266.6)	(£1,294.1)	11.8%
Mental Health	(£237.7)	(£254.7)	(£256.8)	(£262.7)	10.5%
Community	(£246.3)	(£258.5)	(£281.2)	(£302.9)	23.0%
Childrens	(£49.5)	(£51.6)	(£51.6)	(£52.5)	6.0%
Funded Care	(£140.7)	(£142.0)	(£148.4)	(£155.1)	10.2%
Primary Care	(£37.9)	(£38.1)	(£38.3)	(£38.5)	1.4%
Medicines Management	(£162.1)	(£164.3)	(£170.8)	(£177.4)	9.4%
Delegated Primary Care	(£311.8)	(£319.3)	(£324.4)	(£329.6)	5.7%
Total Programme spend	**(£2,343.4)**	**(£2,482.8)**	**(£2,538.3)**	**(£2,612.8)**	**11.5%**
Support Costs	(£9.4)	(£9.5)	(£9.4)	(£9.4)	-
Running Costs	(£15.4)	(£15.8)	(£16.1)	(£16.4)	6.4%
Other Costs	**(£24.9)**	**(£25.2)**	**(£25.5)**	**(£25.8)**	**4.0%**
Reserves	(£30.7)	(£18.2)	(£20.6)	(£25.9)	(15.4%)
Reserves	**(£30.7)**	**(£18.2)**	**(£20.6)**	**(£25.9)**	**(15.4%)**
Total Expenditure	**(£2,398.9)**	**(£2,526.2)**	**(£2,584.3)**	**(£2,664.6)**	**11.1%**
Allocations	£2,415.0	£2,526.2	£2,584.3	£2,664.6	10.3%
Surplus / (Deficit)	**£16.0**	**£0.0**	**£0.0**	**£0.0**	**-**

Efficiency Plan			
Recurrent efficiency plan	(£53.5)	(£37.3)	(£38.3)
as a % of allocation	(2.1%)	(1.4%)	(1.4%)

Underlying (Recurrent) Position			
Opening	£16.0	£27.6	£28.5
Closing	**£27.6**	**£28.5**	**£28.5**

10. Key Programme Area Highlights

Acute

The ICB has invested in block and variable services in 26/27, in line with national guidance.

High-cost drugs have been fully funded on 25/26 outturn. Key changes in the Acute landscape for 26/27 include tariff changes due to many biosimilars and home care drugs and introduction of blended tariff in urgent and emergency care. Work with the Trusts is underway to understand the full impact of these through into finance, commissioning and contracts.

We have invested above average inflation growth in the independent sector and in the NHS, with NBT through the surgical centre.

Children's

There has been material investment approved by the ICB/S Board to implement a needs led model for Neurodiversity, including funding to accelerate addressing the current waiting lists. Whilst it is expected to have significant impact & benefit for this proportion of the population there is residual financial risk that the ICB will continue to incur costs from Right to Choose (RtC) providers for ASD & ADHD assessments.

No other items of note beyond core planning assumptions applied to all balances (national inflation, efficiency and assumed demographic growth of 0.72%).

Community

The £14.25m investment shown is the MTFP assumption around Community Investment, the key priorities from this investment will be Neighbourhood Health, including left shift investments to impact No Criteria To Reside (NCTR). This will be the first of three years investment with the total investment over the three years planned to be more than £50m.

There is a significant risk against the community budget pertaining to the cost of D2A beds, these are likely to overspend by c£3m in 26/27. We have aligned budgets to planned beds only. There is therefore a risk that system pressures will result in further beds being opened. This is partially mitigated by the Community Investment budget not yet being fully committed.

Delegated primary care

For delegated primary care, all items are included within the targeted growth of £5.3m (offset fully by additional allocation). These budgets are set by the ICB for Delegated Primary Medical Care, and the POD hub for Pharmacy, Optometry & Dental (POD).

- The 2026/27 GP Contract introduces an overall funding uplift of 3.6% cash (1.4% real terms), alongside a significant reprioritisation of existing resources rather than wholly new investment, most notably through the redistribution of capacity funding into a practice-level GP reimbursement model to increase workforce capacity and support same-day urgent access.

  At this time we are awaiting full publication of payment rates to enable finalising the allocation of funding to service lines.

  we do not expect this to be a pressure on our budgets and may release amounts held in core primary care reserved to offset historical shortfalls in the Delegated Primary Medical Care budget related to a negative Distance from Target (DfT).

- The 2026/27 Dental contract has had a number of adjustments to reform the payment model for practices and also to encourage further recovery of Dentistry (post-pandemic

nationally) Our system has seen year on year recovery and is planning deliver c.75% of contracted activity.

The key change introduced is a mandated requirement for 8.2% of contract value to be delivered as urgent/unscheduled care, supported by a revised activity-based payment model, representing a rebalancing of existing contractual value rather than additional investment

The ring-fence on the dental budgets will continue and therefore this has been factored into any assumptions.

Primary care

There is a recurrent reserve, brought forward from prior years, to address historical shortfalls in the delegated primary care budget.

No other items of note beyond core planning assumptions applied to all balances (national inflation, efficiency and assumed demographic growth of 0.7%).

Funded care

The outturn from 25/26 is reporting balanced budget, indicating that the material growth seen in previous years has plateaued. A growth of 4.7% (6.08% in FNC) has been applied in line with national assumptions.

The team have entered the second of a two-year savings plan, anticipating delivering c.£4.9m, which will include, retaining the progress made in Fast Track and continuing to achieve further savings relating to FNC.

Medicines management

The growth has been based on detailed horizon scanning work undertaken by the meds management team around likely cost pressures, from new drugs becoming available and current trends. The most significant items are:

- Tirzepatide, a weight management drug for treating type 2 diabetes, £3.8m
- Flash and continuous blood glucose monitoring, £1.6m

The savings plan is attributable to many items, the most significant items is a SGLT2 inhibitor, used to treat type 2 diabetes, heart failure, and chronic kidney disease, due to a drug license expiring, £4.9m.

Mental health, LD&A and Dementia

The ICB has invested all of the 26/27 MHIS investment standard, as part of its ongoing commitment to invest in Mental Health services.

The underlying position for mental health and learning disabilities has deteriorated from 25/26 plan by c.£10m. This is mainly driven by increase in placement costs - mainly s117 of £5.1m due to the ICB decisions to move from a global percentage contribution to a case-by-case contribution. A further £5m is the impact of Autism and ADHD right to choose providers entering the market and driving activity.

The ICB is now pro-actively investing locally in upstream interventions in ADHD and Autism services to address the ongoing issues – these include investment in a Primary Care Hub with local GPs leading ADHD/Autism referral pathways and investment in AWP to increase NHS capacity.

The ICB plan also includes investment in Talking Therapies assessment and treatment trajectories in line with national expectations.

Running costs

Running cost remain consistent with prior year, the impact of the ICB £19 has been transacted through overall allocations.

Support costs

No material changes.

11. Conclusion

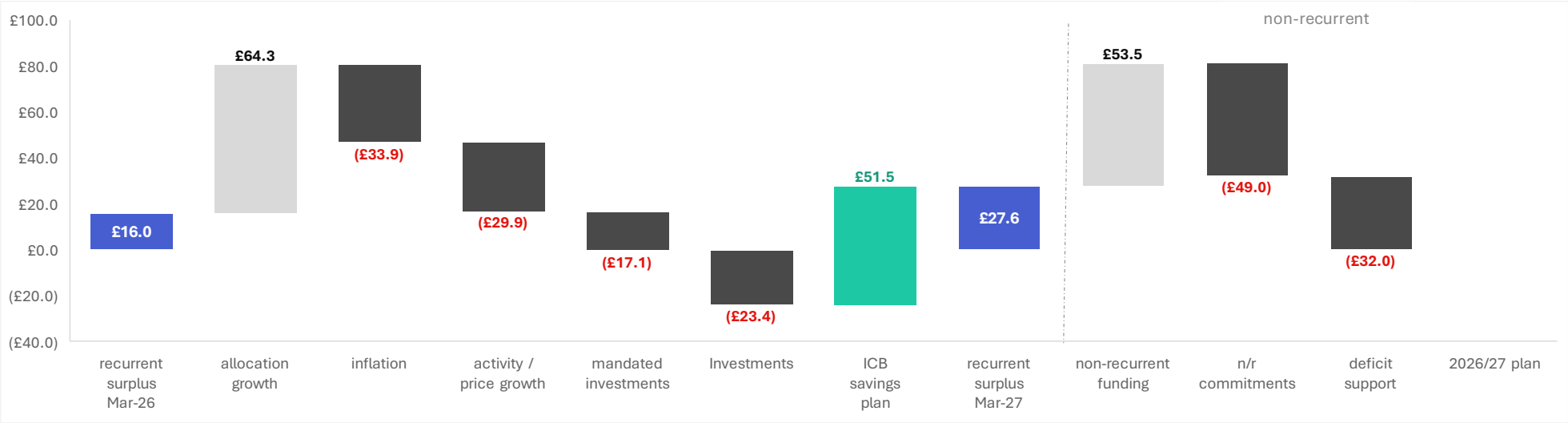
The budget has been set in a robust and proportionate manner based on current year spend, known changes and pressures and a stretching but deliverable savings plan. The Risk and Mitigation analysis supports the conclusion that the balanced plan is a reasonable planning assumption.

12. Appendices

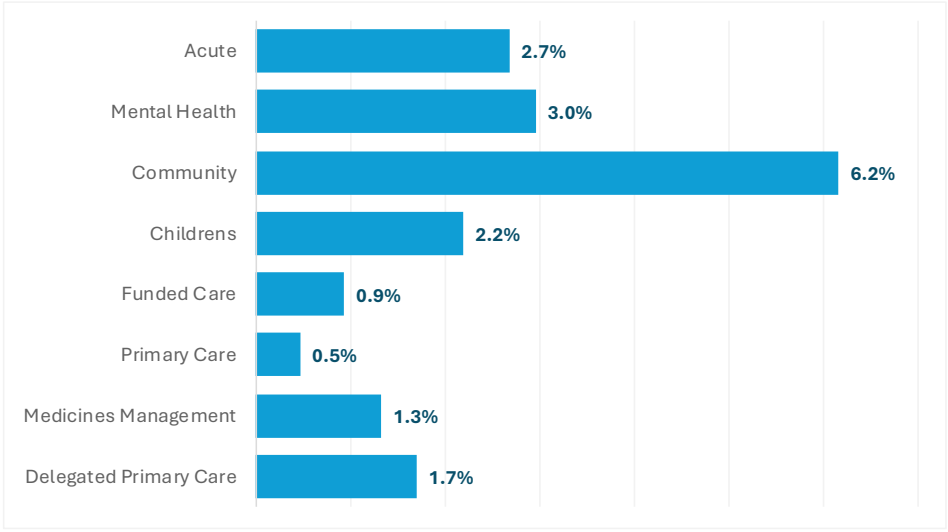
a) 3-Year Financial Plan Summary

	FY2026-27	FY2027-28	FY2028-29
Underlying (recurrent) ICB surplus	**16,015**	**27,615**	**28,533**
Core Allocation			
Real-terms Growth	57,518	63,277	71,270
Net Tariff	626	-	-
Convergence	3,594	3,346	3,130
Elective Recovery Funding	6,448	-	-
Ring-fenced allocation growth	5,542	5,431	5,462
ICB Cost of Commissioning Reduction	(9,472)	(190)	(193)
Total allocation growth	**64,257**	**71,864**	**79,668**
Applications of growth			
Inflation	(33,872)	(37,534)	(38,540)
Demographic Growth	(9,430)	(10,246)	(10,578)
Other activity / price growth	(17,081)	(12,501)	(12,725)
HCDD	(3,350)	(3,500)	(3,500)
	(63,733)	**(63,782)**	**(65,343)**
Other Mandated applications of growth funding			
Mental Health Investment Standard	(4,716)	(4,741)	(4,836)
Ring-Fenced PMC & POD allocation growth	(5,604)	(5,431)	(5,462)
Better care fund	(1,600)	(1,850)	(2,100)
CNST	(4,200)	(3,350)	(3,500)
Mandated uplifts to LVA & inter-system contracts	(999)	(135)	(123)
	(17,120)	**(15,507)**	**(16,021)**
ICB efficiency			
National Efficiency Factor	33,247	37,534	38,540
ICB Efficiency to mitigate growth	8,813	-	-
Cost of commissioning savings	9,472	190	193
	51,532	**37,724**	**38,733**
MTP Investments			
Elective Centre	(9,086)	-	-
Anticipatory Care	(5,800)	-	-
Acute Growth Reserve	-	(9,750)	(13,650)
Community investment to support left-shift	(7,950)	(17,432)	(18,985)
Digital investment to support left-shift	(500)	(2,200)	(4,400)
	(23,336)	**(29,382)**	**(37,035)**
Uncommitted Recurrent Growth	**11,600**	**917**	**1**
ICB Underlying surplus	**27,615**	**28,533**	**28,534**
Non-Recurrent Allocations			
NHSE business rules revenue bonus	13,175	-	-
Service Development Funding	16,482	13,176	14,497
Other N/R allocations	23,798	26,538	25,761
	53,455	**39,714**	**40,258**
Non-Recurrent Allocations			
ICB deficit support funding to providers	(32,039)	(28,369)	(28,369)
NCTR Risk share to 15%	(6,732)	-	-
Service Development Funding	(16,482)	(13,176)	(14,497)
Other N/R allocations	(23,798)	(26,538)	(25,761)
Childrens Trauma Informed Practice	(100)	-	-
Other non-recurrent commitments	(1,919)	(164)	(165)
	(81,070)	**(68,247)**	**(68,792)**
Non-Recurrent commitments	**(27,615)**	**(28,533)**	**(28,534)**
In-Year ICB Surplus / (Deficit)	**-**	**-**	**-**

1) 2026/27 ICB Financial Plan Summary (bridge)



2) Net Recurrent growth by Programme Area 2026/27



3) Share of Programme Spend by Area 202627