

# Tameside and Glossop Integrated Financial Position: M5 2016/17

2016/17 Revenue Monitoring Statement at 31 August 2016 and  
projected outturn to 31 March 2017

Single Commissioning Board – 4 October 2016

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# Combined Financial Position for the ICF

Description	Year to Date (M5)			Year End			Movement	
	Budget	Actual	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month
Acute	82,174	82,477	(304)	198,339	198,256	83	(274)	357
Mental Health	12,123	12,217	(94)	29,096	29,168	(72)	(203)	132
Primary Care	33,481	33,882	(401)	80,423	81,167	(744)	(590)	(155)
Continuing Care	4,053	4,139	(86)	12,254	12,445	(191)	(206)	15
Community	11,409	11,396	13	27,539	27,572	(33)	(5)	(28)
Other	10,833	9,869	964	25,237	24,838	399	783	(383)
QIPP				0	4,790	(4,790)	(12,893)	8,103
CCG Running Costs	1,815	1,907	(92)	5,162	4,604	558	425	132
<b>CCG Sub Total</b>	<b>155,888</b>	<b>155,888</b>	<b>(0)</b>	<b>378,050</b>	<b>382,840</b>	<b>(4,790)</b>	<b>(12,963)</b>	<b>8,173</b>
Adult Social Care & Early Intervention	17,585	18,111	(526)	41,995	43,258	(1,263)	(1,263)	0
Childrens Services, Strategy & Early Intervention	10,507	10,719	(213)	25,877	26,387	(510)	(308)	(202)
Public Health	(2,653)	(2,533)	(120)	1,400	1,687	(287)	(237)	(50)
<b>TMBC Sub Total</b>	<b>25,439</b>	<b>26,297</b>	<b>(858)</b>	<b>69,272</b>	<b>71,332</b>	<b>(2,060)</b>	<b>(1,808)</b>	<b>(252)</b>
<b>GRAND TOTAL</b>	<b>181,327</b>	<b>182,185</b>	<b>(858)</b>	<b>447,322</b>	<b>454,172</b>	<b>(6,850)</b>	<b>(14,771)</b>	<b>7,921</b>

<b>A: Section 75 Services</b>	<b>93,866</b>	<b>93,263</b>	<b>603</b>	<b>232,236</b>	<b>235,396</b>	<b>(3,160)</b>
CCG	78,435	78,074	361	190,216	191,739	(1,523)
TMBC	15,431	15,189	242	42,020	43,657	(1,637)
<b>B: Aligned Services</b>	<b>74,409</b>	<b>75,808</b>	<b>(1,399)</b>	<b>183,435</b>	<b>186,570</b>	<b>(3,135)</b>
CCG	64,402	64,700	(298)	156,183	158,895	(2,712)
TMBC	10,008	11,108	(1,100)	27,252	27,675	(423)
<b>C: In Collaboration Services</b>	<b>13,051</b>	<b>13,114</b>	<b>(63)</b>	<b>31,650</b>	<b>32,206</b>	<b>(556)</b>
CCG	13,051	13,114	(63)	31,650	32,206	(556)
TMBC	0	0	0	0		0

The CCG figure quoted in table 1 differs from that reported to NHS England in the Non ISFE return, due to the treatment of QIPP and timing of the recovery plan. This is to ensure consistency of reporting across the Integrated Commissioning Fund, for both CCG and Local Authority. This is presentational only and does not affect the underlying position. It has been agreed at Single Commissioning Board, that all financial gaps (including QIPP) should be treated as a deficit until the savings have been achieved (ie, reported as green in QIPP/recovery plans)

- Opening commissioner financial gap of £21.5m. Total economy gap (inc FT of £17.3m) is £38.8m.
- Still need to close £6.85m of the commissioner gap.
- Significant improvement in the CCG QIPP position following submission of recovery plan.
- Still work to do to ensure delivery of full savings target. Significant risk attached to this.
- Currently forecasting:
  - CCG to deliver 1% surplus in 2016/17
  - Keep 1% of CCG allocation uncommitted
  - Maintain Mental Health parity of esteem
  - Remain within CCG running cost allocation
  - TMBC deliver a balanced budget

## Recommendations

- Note the updated M5 YTD position and projected outturn
- Acknowledge risk in relation to achieving balanced 2016/17 financial position
- Acknowledge significant savings required to close the long term financial gap

# Key Movements & Narrative: CCG

## CCG

- Submission of recovery plan has led to significant increase in value of green rated QIPP schemes (£0.6m to £8.7m)
- Significant changes in outturn position by directorate:
  - **Acute:** Movement of £350k budget from reserves to fund pressures in Independent sector.  
Release of £500k savings in CATs to fund QIPP target. Also release cross year benefit on NCA to QIPP.  
Detailed breakdown of movements in acute providers detailed seperately
  - **Mental Health:** £61k benefit in the position due to reduced activity in Hurst Beckett unit.  
Still on track to meet parity of esteem commitments.
  - **Primary Care:** £145k movement in position relates to pressures in relation to provision of 7 day access.  
Detailed work on value of prescribing spend ongoing.
  - **Continuing Care:** Reduction in value of both budget and forecast in relation to 15/16 estimates.  
Detailed work on value of 16/17 forecast and monitoring arrangements ongoing.
  - **Community:** £181k for community IT moved from reserves into budgets.
  - **Running Costs:** Value of underspend is increased to £558k as part of review of cost to feed into recovery plan.

## Acute Provider Drilldown

- **Tameside FT:** Overspent by (£631k) YTD. Showing as breakeven by year end due to the expectation that transformational schemes will be realised and activity will reduce. Pressures driven by:
  - Elective & DC Admissions: Particularly T&O (£320k)
  - Ambulatory: Pulmonary embolism (£105k) / DVT (£79k)
  - Maternity (£65k) / Gynaecology (£90k)
  - Dispute over cross year excess bed days not included in actuals below (£290k)
- **Central Manchester:** Pressures driven by macular activity (£234k) and waiting list initiatives for gastroenterology (£34k) / cardiology (£28k)
- **South Manchester:** High cost Critical Care patient (£94k) & vascular day cases (£59k)
- **Salford:** Outpatient follow ups (£30k) / Ad Hoc Drugs (£32k)
- **Stockport / Pennine Acute:** Underspend of £66k in T&O elective / £12k in T&O Daycase for the respective providers which offsets the increase in independent sector and other providers.

£000's	Year to Date			Forecast		
	Budget	Actual	Variance	Budget	Actual	Variance
Tameside	52,511	53,142	(631)	127,075	127,075	0
Central Manchester	9,352	9,428	(76)	22,280	22,601	(321)
Stockport	4,950	4,640	310	11,969	11,685	284
South Manchester	2,676	2,750	(74)	6,568	6,751	(183)
Pennine Acute	1,681	1,538	143	4,029	3,796	233
Salford	1,339	1,462	(122)	3,226	3,421	(195)
WWL	579	585	(5)	1,409	1,278	131
Bolton	33	32	0	80	76	4
<b>Total</b>	<b>73,122</b>	<b>73,577</b>	<b>(455)</b>	<b>176,635</b>	<b>176,683</b>	<b>(48)</b>

# Key Movements & Narrative: TMBC

## Adult Social Care

- Better Care Fund - Removal of payment for the performance element of BCF has resulted in changes to national conditions around NHS commissioned out of hospital services. There is a minimum requirement in 2016/17 to invest £4.4m of the overall BCF allocation into these services which represents an increase of £1.12m on the previous year's figure. Consequently this has resulted in a £1.12m reduction in the BCF resource available to fund Adult Social Care
- CCTV - The service has a projected deficit of £0.060m. A service review is underway in this area to reduce expenditure where appropriate. Updates will be provided in future reports

## Children's Social Care

- Looked After Children (LAC) - The current number of LAC supported by the Council is 445. This includes Fostering and Adoption placements as well residential care homes. Numbers have increased by 10 since April 2016. Current estimates are that spend will be in excess of budget by £0.442m by the end of the financial year. It should be noted that the service is exposed to the risk of further unexpected and complex needs placements

## Public Health

- Temporary resourcing of the Active Tameside capital investment prudential borrowing repayments is currently under consideration. The temporary resourcing arrangements will be replaced in future years via the recurrent savings achieved from a significant reduction to the annual management fee payable. Currently a borrowing repayment of £0.186m is included within the projected outturn estimate.

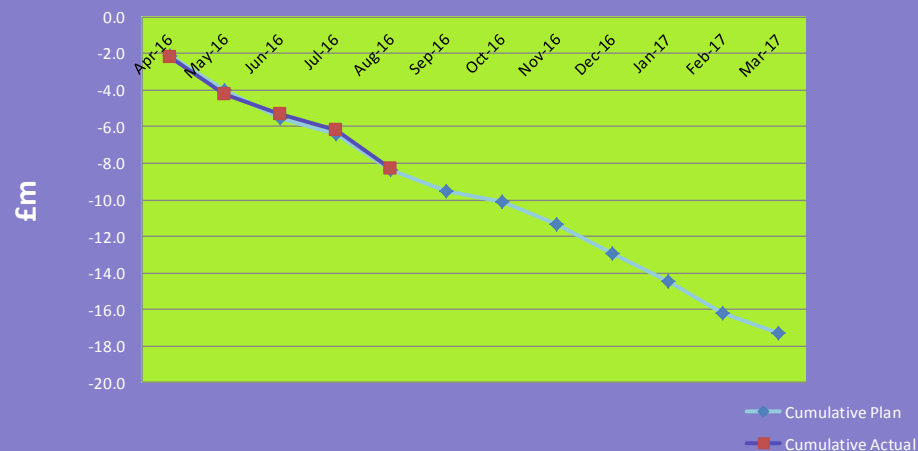
# Key Movements & Narrative: Tameside & Glossop Integrated Care FT

- For the 5 months to August 2016, the ICO is delivering a deficit of £8.3m, broadly on line with plan.
- The year end forecast is for the planned £17.3m deficit, and assumes the following;
  - Delivery of the £7.8m savings target
  - Payment from commissioners will be reflective of activity incurred inclusive of any forecast over performance from T&G CCG
  - Small over performance on all PbR contracts
  - Financial and performance criteria for receipt of £6.9m Sustainability and Transformation funding (STF) is achieved in full.
  - £17.3m working capital/loan is received to fund the deficit position.
  - Agency expenditure does not increase significantly

## Key Risks to the Financial Position

- Under-performance of savings target
- Over performance not funded by the CCG
- STF metrics and therefore funding not achieved in full
- Additional unplanned expenditure due to winter pressures incurred
- Savings relating to transformation schemes delayed

ICO Cumulative Financial Position



# Closing the Financial Gap

## Establishing the Financial Gap

- Current financial gap across the health and social care economy in Tameside & Glossop will be £70.2m by 20/21
- In 16/17 the gap is £45.7m. This is made of £13.5m CCG, £8m Council and £24.2m ICO. The provider gap represents the underlying recurrent financial position at THFT. However, the Trust is in receipt of £6.9m sustainability funding in 2016/17 resulting in a planned deficit of £ 17.3 m

T&G Projected Financial Gap	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Tameside MBC	8,000	22,114	22,601	21,752	25,837
Tameside & Glossop CCG	13,500	22,485	22,083	22,209	18,547
Tameside FT (after CIP)	24,200	24,380	24,686	25,049	25,786
<b>Economy Wide Gap</b>	<b>45,700</b>	<b>68,979</b>	<b>69,370</b>	<b>69,010</b>	<b>70,170</b>

## Closing the Financial Gap

- CCG recovery plan recently submitted to NHS England which demonstrates initiatives which would allow the CCG to close 16/17 gap and deliver required 16/17 surplus. Some risk associated with this.
- More work required to identify recurrent, activity backed, transformational schemes which will contribute towards to residual gap of £14.7m in 17/18.

Summary of QIPP £'000s	2016/17				2017/18			
	R	A	G	Total	R	A	G	Total
Priority 1 - Prescribing	0	1,449	0	1,449	0	1,393	0	1,393
Priority 2 - Effective Use of Resources/Prior approval	0	500	0	500	0	2,400	0	2,400
Priority 3 - Demand Management	96	265	0	361	0	1,886	0	1,886
Priority 4 - Single Commissioning Function responsibilities	0	463	391	854	0	1,060	219	1,279
Priority 5 - Back office functions and enabling schemes - IM&T and Estates	0	250	0	250	1,000	1,000	0	2,000
Priority 6 - Governance	0	30	0	30	0	100	0	100
<b>Other Schemes in progress/achieved:</b>	<b>R</b>	<b>A</b>	<b>G</b>	<b>Total</b>	<b>R</b>	<b>A</b>	<b>G</b>	<b>Total</b>
Neighbourhoods	0	0	460	460	0	451	230	681
Primary Care	0	0	360	360	100	2,000	0	2,100
Mental Health	0	0	232	232	0	1,000	232	1,232
Acute Services - Elective	0	310	500	810	0	1,210	0	1,210
Enabling schemes to facilitate QIPP achievement	0	0	0	0	0	1,000	240	1,240
Other efficiencies	0	1,007	6,767	7,774	0	0	28	28
<b>Grand Total:</b>	<b>96</b>	<b>4,274</b>	<b>8,710</b>	<b>13,080</b>	<b>1,100</b>	<b>13,500</b>	<b>949</b>	<b>15,549</b>
Including adjustment for Optimum Bias: 10% of red rated schemes will be realised 50% of amber rated schemes will be realised 100% of green rated schemes will be realised	10	2,137	8,710	10,857	110	6,750	949	7,809
<b>QIPP Target</b>				13,500				22,485
Savings still to find assuming application of optimism bias:				2,643				14,676
Other Actions to close the gap in 2016-17 (to be confirmed)				2,643				
<b>Outstanding QIPP at close of 2016-17:</b>				0				

# Closing the Financial Gap (cont)

## Closing the Financial Gap – Tameside MBC

- Range of options currently being explored and proposals being considered by the Council to deliver the remaining gap in 2016-17.

Scheme Detail	R	A	G	Total
Public Health - Planned reduction to the annual management fee payable to Active Tameside and additional incidental savings delivered within the service			217	217
Public Health - Reduction in the Community Services contract value has been agreed with Tameside FT			169	169
Public Health - Reduction in the Pennine Care Community Health contract value			160	160
Public Health - Additional resource (projected cost pressures)			49	49
Public Health - Reduction in estimated capital financing repayments (Active Tameside) - The capital financing figure in 16-17 has reduced due to a rephasing of works to reconfigure the Active Tameside estate			514	514
Public Health - The Council is currently in the process of identifying further options to address the projected financial gap that is expected to arise during 2016/17. Updates will be reported within future monitoring reports		272		272
Adult Social Care - Additional resource (projected cost pressures)			3,908	3,908
Adult Social Care - The Council is currently in the process of identifying further options to address the projected financial gap that is expected to arise during 2016/17. Updates will be reported within future monitoring reports	997			997
Childrens Social Care - Reduction to inflationary increases that were projected to materialise during 2016/17			120	120
Childrens Social Care - Additional resource (projected cost pressures)			1,215	1,215
Childrens Social Care - The Council is currently in the process of identifying further options to address the projected financial gap that is expected to arise during 2016/17. Updates will be reported within future monitoring reports	379			379
<b>TOTAL</b>	<b>1,376</b>	<b>272</b>	<b>6,352</b>	<b>8,000</b>

# Financial Risk Within the ICF

- Main financial risks within the ICF are listed to the right.
- Detailed registers which include further information about the risk and mitigating actions are reviewed by Audit Committee. Copies are available on request.
- Overall level of risk is comparable to that reported at M4.
- Removed risk about receipt of transformation money from GM Health and social care partnership.
- Added new risks about national changes to rates of FNC contribution and ensuring that transformation money
- Significant risks include:
  - CCGs ability to maintain spend within allocation and deliver a surplus in 16/17: A financial recovery plan was recently submitted to NHS England to demonstrate how we meet business rules. We now need to focus on successful delivery of this plan.
  - Meeting the financial gap recurrently: Many of the actions within the 16/17 recovery plan are non recurrent and transactional in nature. To ensure economy wide gap is met in the long term we need to replace these short term measures with recurrent, activity backed transformational schemes.

Extracts From the Corporate Risk Registers	Probability	Impact	Risk	RAG
The achievement of meeting the Financial Gap recurrently.	4	4	16	R
Over Performance of Acute Contract	3	4	12	A
Not spending transformation money in a way which delivers required change	2	4	8	A
Over spend against GP prescribing budgets	3	4	12	A
Over spend against Continuing Health Care budgets	2	3	6	A
Operational risk between joint working.	1	5	5	A
CCG Fail to maintain expenditure within the revenue resource limit and achieve a 1% surplus.	4	4	16	R
In year cuts to Council Grant Funding	2	3	6	A
Care Home placement costs are dependent on the current cohort of people in the system and can fluctuate throughout the year	3	4	12	A
Looked After Children placement costs are volatile and can fluctuate throughout the year	3	4	12	A
Unaccompanied Asylum Seekers	4	3	12	A
Provider Market Failure	2	5	10	A
Funded Nursing Care – impact of national changes to contribution rates	4	2	8	A



# Other Significant Issues

## Better Care Fund

- Tameside Better Care Fund plan for 16/17 was approved by NHS England on 1 September 2016.
- Plan meets all requirements and funding has been released subject to spend being consistent with final approved plan.
- All spend is monitored through the Integrated Care Fund and is being spent in the following areas:

Scheme Name	2016-17 Budget (£000's)		
	CCG	TMBC	Total
<b>Urgent Integrated Care Service</b>	578	2,374	2,952
IRIS	578	1,338	1,916
Early Supported Discharge Team		286	286
Community Occupational Therapists		750	750
<b>Localities</b>	412	3,265	3,677
Telecare / Telehealth	174	667	841
ICES (Joint Loan Store)	238	450	688
Reablement Services		2,148	2,148
<b>Carers Support (In line with national conditions of Care Act related funding)</b>	412	0	412
Carers Breaks (Adults)	412	0	412
<b>Primary Care (£5 per head for over 75s)</b>	1,070	0	1,070
<b>Existing Grant - Disabled Facilities Grant</b>		1,978	1,978
<b>Impact Of New Care Act Duties</b>		529	529
<b>Integration Pump Priming</b>	982		982
<b>Maintaining Services</b>	0	4,801	4,801
Mental Health Services		2,450	2,450
Adult Social Care - Community based services (incl Care homes)		2,351	2,351
<b>Contingency</b>	900		900
<b>Total BCF Fund</b>	<b>4,354</b>	<b>12,947</b>	<b>17,301</b>

## Funded Nursing Care

- 40% increase in health contribution toward FNC cases has been agreed nationally. Total CCG impact of up to £593k.
- This was an interim change until December 2016 pending outcome of national review into FNC charges. Element of the rate for agency nursing staff (which could lead to reduction of the rate in the future regional variation
- Local authority stand to be significant beneficiary of this. Therefore across the health and social care economy the net impact will be lower than the pure health impact above and we are managing within ICF.

## Transformation Funding

- £23.2m bid for transformation funding has been made to Greater Manchester Health & Social Care Partnership. A decision about whether this funding has been approved is due to be formally ratified by end September.
- Currently in the process of determining milestones and KPIs against which the investment will be assessed.