

Tameside and Glossop Integrated Financial Position: M6

2016/17 Revenue & Capital Monitoring Statements at 30
September 2016 and projected outturn to 31 March 2017

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Section 1 - Care Together Economy Revenue Financial Position

Care Together Economy Revenue Financial Position

| Organisation | Year to Date | | | Year End Forecast | | | Movement | |
|----------------------------------|------------------|------------------|--------------------|-------------------|------------------|--------------------|-----------------------------|--------------------------------|
| | Budget £'000s | Actual £'000s | Variance £'000s | Budget £'000s | Actual £'000s | Variance £'000s | Previous Month £'000s | Movement in Month £'000s |
| Tameside & Glossop CCG | 186,867 | 187,883 | (1,016) | 378,050 | 382,243 | (4,193) | (4,790) | 597 |
| Tameside MBC | 33,827 | 35,044 | (1,217) | 69,272 | 71,706 | (2,434) | (2,060) | (374) |
| Total Single Commissioner | 220,694 | 222,927 | (2,233) | 447,322 | 453,949 | (6,627) | (6,850) | 223 |
| ICO Deficit | | | (9,223) | | | (17,300) | (17,300) | - |
| Total Whole Economy | | | (11,456) | | | (23,927) | (24,150) | 223 |

Key Risks in Year End Forecast

- That the CCG QIPP doesn't deliver to current planned levels
- That the current level of Delayed Transfers of Care adversely impacts on the delivery of the Winter Plan with associated financial consequences

Planned Mitigations to Identified Risks

- Ownership of individual QIPP schemes together with rigorous monitoring will ensure delivery
- The Winter Plan reflects an integrated approach across the economy which is essential in managing delayed transfers of care (DTOCs) with implementation of the Home First transformation project critical to managing the level of DTOCs.

Mitigations to adverse variances contained in Year to Date Position

- Continued work to deliver improvement on the CCG QIPP position following submission of recovery plan.
- Diligent efforts in striving to deliver the savings target in full. Significant risk attached to this.
- TMBC planning to deliver balanced budget by end of year

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)

Tameside & Glossop CCG

| Description | Year to Date | | | Year End Forecast | | | Movement | |
|-------------------|------------------|------------------|--------------------|-------------------|------------------|--------------------|-----------------------------|--------------------------------|
| | Budget £'000s | Actual £'000s | Variance £'000s | Budget £'000s | Actual £'000s | Variance £'000s | Previous Month £'000s | Movement in Month £'000s |
| Acute | 99,070 | 99,030 | 40 | 198,339 | 198,387 | (48) | 83 | (131) |
| Mental Health | 14,510 | 14,654 | (144) | 29,019 | 29,094 | (74) | (72) | (2) |
| Primary Care | 40,930 | 41,283 | (353) | 81,879 | 82,152 | (273) | (744) | 471 |
| Continuing Care | 5,224 | 5,271 | (47) | 12,254 | 12,522 | (269) | (191) | (78) |
| Community | 13,713 | 13,681 | 32 | 27,539 | 27,574 | (35) | (33) | (2) |
| Other | 11,241 | 11,699 | (458) | 23,858 | 23,870 | (12) | 399 | (412) |
| QIPP | - | - | - | - | 4,193 | (4,193) | (4,790) | 597 |
| CCG Running Costs | 2,179 | 2,264 | (85) | 5,162 | 4,451 | 711 | 558 | 153 |
| CCG Total | 186,867 | 187,883 | (1,016) | 378,050 | 382,243 | (4,193) | (4,790) | 597 |

- Submission of recovery plan has led to increase in value of green rated QIPP schemes (£8.7m to £9.3m)
- Significant changes in outturn position by directorate:
 - **Acute:**
Detailed breakdown of movements in acute providers detailed separately
 - **Primary Care:**
Prescribing forecast reduced by £267k based on Month 4 actuals lower than anticipated. £200k underspend on Primary Care Quality Scheme will contribute to delivery of the recovery plan.
 - **Continuing Care:** Increase in forecast to account for overall economy pressure relating to FNC rate increase. Detailed work on value of 16/17 forecast and monitoring arrangements ongoing.
 - **Other:** Release of £526k underspend on care Together transition fund to contribute to recovery plan.
 - **Running Costs:** Value of underspend is increased to £711k as part of continued review of costs to feed into recovery plan.

- Original commissioner financial gap £21.5m. Still need to close £6.627m of this gap.
- Significant improvement in the CCG QIPP position following submission of recovery plan.
- Still work to do to ensure delivery of full savings target.
- CCG current planning to:
 - Deliver 1% surplus in 2016/17 but this is still a significant risk pending progress on the recovery plan
 - Keep 1% of allocation uncommitted
 - Maintain Mental Health parity of esteem
 - Remain within running cost allocation

Recommendations

- Note the updated M6 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

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)

Tameside MBC

| Description | Year to Date | | | Year End Forecast | | | Movement | |
|---|------------------|------------------|--------------------|-------------------|------------------|--------------------|-----------------------------|--------------------------------|
| | Budget £'000s | Actual £'000s | Variance £'000s | Budget £'000s | Actual £'000s | Variance £'000s | Previous Month £'000s | Movement in Month £'000s |
| Adult Social Care & Early Intervention | 20,059 | 20,808 | (749) | 41,995 | 43,493 | (1,498) | (1,263) | (235) |
| Childrens Services, Strategy & Early Intervention | 13,010 | 13,401 | (392) | 25,877 | 26,660 | (783) | (510) | (273) |
| Public Health | 759 | 835 | (77) | 1,400 | 1,553 | (153) | (287) | 134 |
| CCG Total | 33,827 | 35,044 | (1,217) | 69,272 | 71,706 | (2,434) | (2,060) | (374) |

Children's Social Care

- A number of temporary social workers have been employed to address caseload capacity issues. The associated expenditure is assumed to continue until the end of the current financial year.
- Further cost reduction options are under consideration to ensure a balanced budget will be delivered during the current financial year. The additional in-borough residential service provision capacity will contribute towards these cost reductions. However, 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.

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
- Cost projections associated with Residential and Nursing Care have increased compared to the previous month.
- 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

Recommendations

- Note the updated M6 YTD position and projected outturn
- Acknowledge risk in relation to achieving balanced 2016/17 financial position

Tameside & Glossop Integrated Care NHS Foundation Trust (ICO)

| Description | Year to Date | | | Year End Forecast | | | Movement | |
|--|------------------|------------------|--------------------|-------------------|------------------|--------------------|-----------------------------|--------------------------------|
| | Budget £'000s | Actual £'000s | Variance £'000s | Budget £'000s | Actual £'000s | Variance £'000s | Previous Month £'000s | Movement in Month £'000s |
| Income | 101,086 | 102,559 | 1,473 | 202,785 | 204,904 | 2,119 | 204,904 | 0 |
| Expenditure | 105,913 | 107,508 | (1,595) | 210,707 | 212,826 | (2,119) | 212,826 | 0 |
| Earnings before interest, taxes, depreciation and amortisation | (4,827) | (4,949) | (122) | (7,922) | (7,922) | 0 | (7,922) | 0 |
| Net Deficit after Exceptional Costs | (9,521) | (9,223) | 298 | (17,300) | (17,300) | 0 | (17,300) | 0 |

Financial Position

- For the 6 months to September 2016, the ICO is delivering a deficit of £9.2m, 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 Efficiency savings target
 - Delivery of the Tameside and Glossop CCG block contract
 - Small over performance on all associate 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 – c.£2.8m of schemes are currently rag rated medium or high risk.
- Non delivery of the A&E trajectory in Q3 and Q4 will result in the Trust not receiving £430k of STF.
- Additional unplanned expenditure due to winter pressures.
- Savings relating to transformation schemes delayed.
- Performance targets requiring unplanned expenditure to use the independent sector.

CCG – Provider Performance

| Description | Year to Date | | | Year End Forecast | | |
|--------------------|------------------|------------------|--------------------|-------------------|------------------|--------------------|
| | Budget £'000s | Actual £'000s | Variance £'000s | Budget £'000s | Actual £'000s | Variance £'000s |
| Tameside FT | 63,405 | 63,849 | (444) | 127,075 | 127,075 | 0 |
| Central Manchester | 11,245 | 11,438 | (193) | 22,280 | 22,630 | (350) |
| Stockport | 5,960 | 5,646 | 314 | 11,969 | 11,686 | 283 |
| South Manchester | 3,229 | 3,098 | 131 | 6,568 | 6,773 | (205) |
| Pennine Acute | 2,021 | 1,875 | 146 | 4,029 | 3,797 | 232 |
| Salford | 1,614 | 1,734 | (120) | 3,226 | 3,464 | (238) |
| WWL | 696 | 607 | 89 | 1,409 | 1,313 | 96 |
| Bolton | 40 | 39 | 1 | 80 | 80 | 0 |
| CCG Total | 88,210 | 88,286 | (76) | 176,636 | 176,818 | (182) |

Acute Provider Drilldown

- **Tameside FT:** Overspent by (£444k) YTD. Showing as breakeven by year end due to the expectation that transformational schemes will be realised. Pressures driven by:
 - Elective & DC Admissions: Particularly T&O (£499k) / GS (£161k)
 - Ambulatory: Pulmonary embolism (£134k) / DVT (£103k)
 - Maternity / Gynaecology (£124k)
- **Central Manchester:** Pressures driven by macular activity (£251k YTD) / Critical Care – AKU (£67k YTD) / Day cases for cardiology (£44k) & Ophthalmology (£37k)
- **South Manchester:** Pressures due to Critical Care patient (£69k) / Day cases on vascular (£99k) & plastic surgery (£64k)
- **Salford:** Pressures due to Devices (£46k) / Pain Management (£34k)
- **Stockport / Pennine Acute:** SFT underspend continues due to Stroke £117k / Critical Care £27k and Pennine underspend continues due to a reduction in elective and daycase activity £74k

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 £17.3m

| 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 |
| Economy Wide Gap | 45,700 | 68,979 | 69,370 | 69,010 | 70,170 |

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.
- £2m would potentially take the form of a loan requiring repayment in 17/18.
- More work required to identify recurrent, activity backed, transformational schemes which will contribute towards the residual gap of £15.1m (inc. optimum bias) 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 | 1,500 | 0 | 1,500 |
| PRIORITY 3 - Demand Management | 96 | 265 | 0 | 361 | 0 | 1,886 | 0 | 1,886 |
| PRIORITY 4 - Single Commissioning Function Responsibilities | 0 | 172 | 504 | 676 | 0 | 571 | 438 | 1,009 |
| PRIORITY 5 - Back Office Functions and Enabling Schemes | 0 | 250 | 0 | 250 | 1,000 | 1,000 | 0 | 2,000 |
| PRIORITY 6 - Governance | 0 | 30 | 0 | 30 | 0 | 100 | 0 | 100 |
| Other Schemes in progress/achieved: | R | A | G | Total | R | A | G | Total |
| Neighbourhoods | 0 | 0 | 460 | 460 | 0 | 451 | 230 | 681 |
| Primary Care | 0 | 0 | 742 | 742 | 0 | 2,100 | 0 | 2,100 |
| Mental Health | 0 | 0 | 232 | 232 | 0 | 1,000 | 232 | 1,232 |
| Acute Services - Elective | 0 | 310 | 500 | 810 | 0 | 1,165 | 0 | 1,165 |
| Enabling Schemes to facilitate QIPP | 0 | 0 | 0 | 0 | 0 | 1,000 | 240 | 1,240 |
| Technical Finance & Reserves | 0 | 244 | 4,231 | 4,475 | 0 | 0 | 0 | 0 |
| Other efficiencies | 0 | 1,088 | 2,638 | 3,726 | 0 | 0 | 28 | 28 |
| Grand Total: | 96 | 4,308 | 9,307 | 13,711 | 1,000 | 12,166 | 1,168 | 14,334 |
| 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 | 2,154 | 9,307 | 11,470 | 100 | 6,083 | 1,168 | 7,351 |
| QIPP Target | | | | 13,500 | | | | 22,485 |
| Savings still to find assuming application of optimism bias: | | | | 2,030 | | | | 15,134 |

Financial Risk within the ICF

- Main financial risks within 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 M5.
- Significant risks include:
 - CCG's ability to maintain spend within allocation and deliver a surplus in 16/17: The financial recovery plan submitted to NHS England is being constantly updated to demonstrate how we meet business rules but there is still potentially £2m which may require repayment in 17/18. We now need to focus on the successful delivery of this plan with minimal requirement for loaned funds.
 - 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 in 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 – BCF & Devo

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

Derbyshire Better Care Fund

- Derbyshire Better Care Fund for 16/17 has also been approved by NHS England.
- Plan meets all requirements and funding has been released subject to spend being consistent with final approved plan.

Funded Nursing Care

- 40% increase in health contribution toward FNC cases has been agreed nationally. The impact to the whole economy and individually on T&G CCG and TMBC is in the process of being determined.
- This was an interim change until December 2016 pending the outcome of a national review into FNC charges. There is an element of the rate for agency nursing staff (which could lead to a reduction of the rate in the future regional variation)

Transformation Funding

- Transformation funding of £23.2m has been approved by Greater Manchester Health & Social Care Partnership. The Investment Agreement that will support the release of the funding is in the process of being developed. It is anticipated that the Investment Agreement will be signed on 18th November

Section 2 - Care Together Economy Capital Financial Position

Tameside MBC

| Scheme | Approved Capital Programme Total £'000s | Approved 2016/2017 Allocation £'000s | Expenditure to Month 6 £'000s | Projected Expenditure to 31 March 2017 £'000s | 2016/2017 Projected Outturn Variation £'000s | Comments |
|--|---|--------------------------------------|-------------------------------|---|--|---|
| Childrens Services - In Borough Residential Properties | 912 | 912 | 595 | 675 | 237 | Purchase of 2 additional in-borough properties including associated property adaptations. An Edge of Care establishment is yet to be purchased |
| Public Health - Leisure Estate Reconfiguration | 20,268 | 5,203 | 2,828 | 4,064 | 1,139 | Active Dukinfield - The scheme is on budget with an anticipated opening date of 2 January 2017. Active Longendale - The scheme is on budget with an anticipated opening date of 21 November 2016. Active Hyde – Work due to start on site in late January 2017 with completion scheduled for October/November 2017. Denton Wellness Centre – Layout plans and development agreement being established. Facility to be completed late 2018. The programme total of all schemes includes the sum of £ 2.650 million which will be wholly financed by Active Tameside. |
| Adult Services - Disabled Facilities Grant - Adaptations | 1,978 | 1,978 | 519 | 1,978 | 0 | |
| Total | 23,158 | 8,093 | 3,942 | 6,717 | 1,376 | |