

Tameside and Glossop

Integrated Financial Position: M7

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

6 December 2016

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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	218,502	219,686	(1,184)	378,403	381,591	(3,188)	(4,193)	1,005
Tameside MBC	38,939	40,718	(1,779)	69,272	72,322	(3,050)	(2,402)	(648)
Total Single Commissioner	257,441	260,404	(2,963)	447,675	453,913	(6,238)	(6,595)	357
ICO Deficit	(10,152)	(10,230)	(78)	(17,300)	(17,300)	0	-	-
Total Whole Economy			(3,041)			(6,238)	(6,595)	357

The overall financial position of the Care Together Economy has improved by £357k month on month reducing the projected year end deficit to £6.2m or 1.4% of the full year budget. Key points to note are as follows:

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.

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)

Original commissioner financial gap £21.5m. Still need to close £6.2m of this gap which is dependent on a proportion of amber and red schemes delivering in accordance with the optimism bias applied.

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.
- Continued work to deliver and identify further savings as part of the TMBC QIPP.
- Diligent efforts in striving to deliver the savings target in full. Significant risk attached to this.

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	116,043	115,319	724	198,163	198,183	(20)	(48)	28
Mental Health	16,928	16,964	(36)	29,076	29,174	(97)	(74)	(23)
Primary Care	47,897	48,385	(488)	81,655	81,903	(249)	(273)	24
Continuing Care	6,396	6,588	(192)	12,249	12,625	(376)	(269)	(107)
Community	16,017	15,964	53	27,539	27,492	47	(35)	82
Other	12,672	13,773	(1,102)	24,560	24,491	69	(12)	81
QIPP					3,188	(3,188)	(4,193)	1,005
CCG Running Costs	2,549	2,693	(144)	5,162	4,535	627	711	(84)
CCG Total	218,502	219,686	(1,184)	378,403	381,591	(3,188)	(4,193)	1,005

Overall there has been an improvement to the CCG's projected year end financial position by just over £1m or a 24% reduction in the projected year end variance. It is important to note that the majority of this improvement is a result of non-recurrent means and includes:

- Green rated QIPP schemes have increased by £1,005k to £10,312k
- Other changes in outturn position by directorate:
 - **Acute:** Detailed breakdown of movements in acute providers detailed separately
 - **Primary Care:** Delegated budgets continue to perform to plan.
 - **Community Services:** Slippage relating to 165 Telehealth units (£39k) Correction of double count relating to McMillan GP lead (£35k)
 - **Continuing Care:** Increase in forecast to account for overall economy pressure relating to FNC rate increase £220k. Detailed work on value of 16/17 forecast and monitoring arrangements ongoing.
 - **Other:** QIPP findings as above.
 - **Running Costs:** Value of underspend has decreased (£84k) due to additional VAT costs, regarding the Air conditioning at New Century House.

- Significant improvement in the CCG QIPP position following submission of recovery plan
- Still work to do to ensure delivery of full recurrent 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 M7 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	24,290	25,076	(786)	41,995	43,342	(1,347)	(1,498)	151
Childrens Services, Strategy & Early Intervention	14,906	15,829	(923)	25,877	27,459	(1,582)	(783)	(799)
Public Health	(258)	(187)	(71)	1,400	1,521	(121)	(121)	-
TMBC Total	38,939	40,718	(1,779)	69,272	72,322	(3,050)	(2,402)	(648)

Overall the TMBC position has worsened by £648k month on month increasing the projected year end variance to just over £3m, 4.4% on the current years net budget. An explanation of the movements and other background is provided below:

Children's Social Care

•Additional temporary social workers recruited to address caseload capacity (£0.5m), additional external residential and foster care placements (£0.1m), planned savings initiatives yet to be realised (£0.9m), additional minor variations (£0.1m).

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. This is partial offset by underspends elsewhere within Public Health.

Adult Social Care

•Changes to the regulations associated with the Better Care Fund has created a pressure of £1.12m

•CCTV - The service has a projected deficit of £0.100m. A service review is underway in this area to reduce expenditure where appropriate. Updates will be provided in future reports.

•Forecast net expenditure associated with Residential care has reduced since the previous period.

Recommendations

- Note the updated M7 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	118,667	120,354	1,687	202,785	204,904	2,119	204,904	-
Expenditure	123,343	125,575	(2,232)	210,707	212,826	(2,119)	212,826	-
Earnings before interest, taxes, depreciation and amortisation	(4,676)	(5,221)	(545)	(7,922)	(7,922)	-	(7,922)	-
Net Deficit after Exceptional Costs	(10,152)	(10,230)	(78)	(17,300)	(17,300)	-	(17,300)	-

Financial Position

- For the 7 months to October 2016, the ICO is delivering a deficit of £10.2m, 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 contract
 - Small over performance on all associate PbR contracts
 - Financial and performance criteria for receipt of £6.5m Sustainability and Transformation funding (STF) is achieved.
 - £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.
- Increased expenditure on agency staffing.
- 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

Acute Provider Drilldown

•**Tameside FT:** Showing as breakeven by year end due to the expectation that transformational schemes will be realised. The below areas are underspent YTD, however, these underspends should be considered in line with the budget profiling discussed under ‘Acute TFT Movement’.

- **Elective:** Colorectal at £43k / Upper Gastro Surgery at £37k
- **Non Elective:** General Medicine at £275k / Gen Surgery at £236k
- **OP Procedures:** Pain Management at £41k / Urology at £21k / Breast at £39k

•**Central Manchester:** Adverse movement of full year forecast due to Critical Care (£121k) / Excess Bed Days (£25k) / Acute Kidney Unit (£30k). Pressure due to macular activity (£305k) continues.

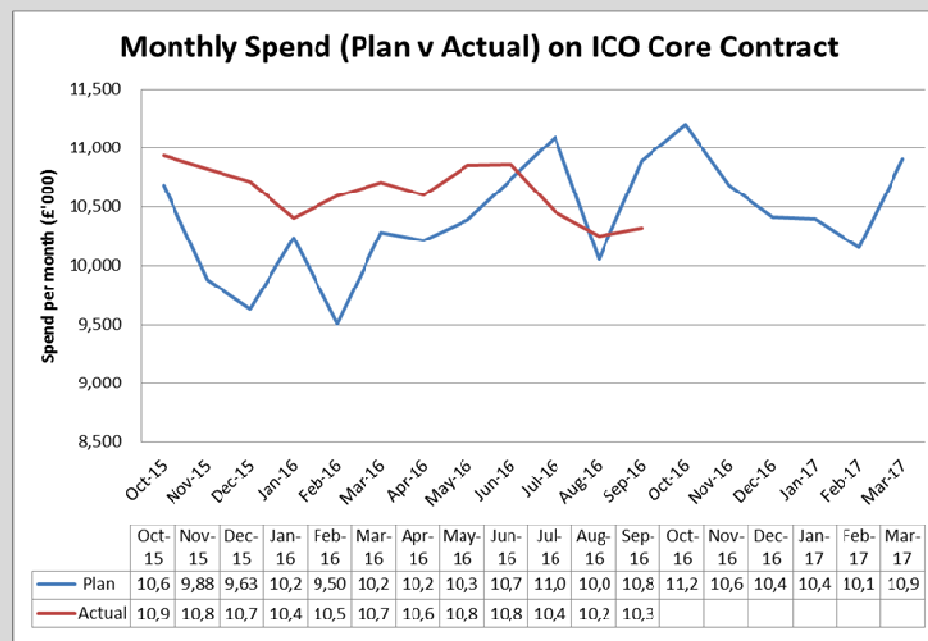
•**Stockport :** Favourable movement of full year forecast due to recognising under performance within Stroke at £165k / Elective T&O at £187k.

Provider	Year to Date			Forecast		
	Budget £000's	Actual £000's	Variance £000's	Budget £000's	Actual £000's	Variance £000's
TFT	74,610	74,181	429	127,075	127,075	()
CMFT	13,103	13,648	(545)	22,280	22,926	(646)
SFT	6,968	6,441	527	11,969	11,186	783
UHSM	3,772	3,963	(191)	6,568	6,835	(267)
PAHT	2,356	2,203	153	4,029	3,792	236
SRFT	1,885	2,006	(121)	3,226	3,483	(257)
WWL	813	744	69	1,409	1,320	89
BOLT	47	48	(1)	80	88	(8)
Total	103,553	103,234	319	176,635	176,706	(71)

Acute TFT Movement

•The YTD position is underspent by £429k, of which £280k is non-recurrent and relates to cross year excess bed days

•The below graph shows a spike in the profiling of the budget during July and Sept, resulting in less budget allocation over the winter period of 16-17. As such, it is expected that the current underspent position will come back in line with plan over subsequent months.



Risks

•**Prescribing:** The forecast remains unchanged this month but there is a potential risk to the position pending future price rises. Further investigation is ongoing to clarify the impact of this increase and whether this will be offset by the benefits of QIPP programmes.

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

- CCG recovery plan submitted to NHS England which demonstrates initiatives which would allow the CCG to close the £13.5m 16/17 gap and deliver required surplus.

Summary of QIPP £'000s	2016/17				2017/18			
	R	A	G	Total	R	A	G	Total
PRIORITY 1 - Prescribing		1,449	0	1,449		1,393		1,393
PRIORITY 2 - Effective use of resources/Prior Approval		500		500		1,500		1,500
PRIORITY 3 - Demand Management	96	265		361	828	658		1,486
PRIORITY 4 - Single Commissioning Function Responsibilities	0	144	519	663		571	523	1,094
PRIORITY 5 - Back Office Functions and Enabling Schemes	250			250	500	1,000		1,500
PRIORITY 6 - Governance		30		30		100		100
Other Schemes in progress/achieved:	R	A	G	Total	R	A	G	Total
Neighbourhoods			460	460		451	230	681
Primary Care			1,036	1,036		100	1,000	1,100
Mental Health			232	232	1,000		232	1,232
Acute Services - Elective		310	500	810	200	1,030	29	1,259
Enabling Schemes to facilitate QIPP				0		1,000	240	1,240
Technical Finance & Reserves		444	4,531	4,975				0
Other efficiencies		612	3,034	3,646			28	28
Grand Total	346	3,754	10,312	14,412	2,528	7,803	2,282	12,613
Including adjustments for Optimum bias	35	1,877	10,312	12,224	253	3,902	2,282	6,436
10% of red rated schemes will be realised								
50% of amber rated schemes will be realised								
100% of green rated schemes will be realised								

- Still £3.188k of savings to find in, which reduces to £1,276 if we apply optimism bias rules to out amber/red rated schemes.

- The savings identified are shown in the table to the right with a split between recurrent and non recurrent elements of the savings.

Recurrent vs Non Recurrent	2016/17	2017/18
Recurrent Savings	4,659	11,045
Red	250	1,700
Amber	2,698	7,803
Green	1,711	1,542
Non Recurrent Savings	9,753	1,568
Red	96	828
Amber	1,056	0
Green	8,601	740
Total	14,412	12,613

Closing the Financial Gap - TMBC

Service	Savings Area	Detail	2016/17			
			R	A	G	Total
Public Health	Savings found	Planned Reduction to annual management fee payable to Active Tameside and other incidental savings			217	217
		Reduction in Community Services contract value - agreed with ICO			169	169
	Additional resource (projected cost pressures)			49	49	
	Reduction in estimated capital financing repayments (Active Tameside)	Reduction in capital financing costs in 2016/17 due to rephasing of works to reconfigure Active Tameside estate			456	456
	Savings still to be found			490	490	
	sub total Public Health			-	490	891
Adult Social Care	Additional resource (projected cost pressures)				3,908	3,908
	Savings still to be found	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
	sub total Adult Social Care			997	-	3,908
Childrens Social Care	Savings found	Reduction to inflationary increases that were projected to materialise during 2016/17.			120	120
	Additional resource (projected cost pressures)				1,215	1,215
	Savings still to be found	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
	sub total Childrens Social Care			379	-	1,335
TOTAL			1,376	490	6,134	8,000
Including adjustment for Optimism Bias			138	245	6,134	6,517
10% of red rated schemes will be realised						
50% of red rated schemes will be realised						
100% of red rated schemes will be realised						
QIPP Target						8,000
Savings still to be found after accounting for optimism bias						1,483

Commissioner 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

Tameside 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 budgets (£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	1,974
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	-	412
Carer Breaks (Adults)	412	-	412
Primary Care (£5 per head for over 75's)	1,070	-	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	-	4,801	4,801
Mental health Services		2,450	2,450
Adult Social Care - Community based Services (Inc care Homes)		2,351	2,351
Contingency	900	-	900
Total	4,354	12,947	17,301
	Funded by (£000's)		
NHS Tameside & Glossop CCG			15,323
Central Funded Grants			1,978
Total BCF Fund			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.

Scheme name	Hosted by		
	DCC/Other		
	CCG	CCGs	Total
	£000's		
Community Home & Hospital Enhanced care team	-	23,138	23,138
Reablement Services / Community services		18,287	18,287
CDM & Discharge Ward		2,877	2,877
Mental Health		1,974	1,974
Primary Care	164	1,529	1,693
Intergration Pump priming		8,051	8,051
Maintaining Services	284	24,801	25,085
Maintaining Eligibility Criteria			-
LCCTS	284		284
Adult Social care		24,801	24,801
Demographic pressures			-
Total	448	57,519	57,967
	Funded by (£000's)		
NHS Tameside & Glossop CCG			2,212
Other CCGs and Central			55,755
Total BCF Fund			57,967

Other Significant Issues

Funded Nursing Care

- 40% increase in health contribution toward FNC cases has been agreed nationally. The assessment of the impact to the whole economy has been completed and the additional cost is estimated to be £189k.
- This is 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 in early December 2016.

Section 2 - Care Together Economy Capital Financial Position

Tameside MBC

Scheme	Approved Capital Programme Total £'000s	Approved 2016/2017 Allocation £'000s	Expenditure to Month 7 £'000s	Projected Expenditure to 31 March 2017 £'000s	2016/2017 Projected Outturn Variation £'000s	Comments
Childrens Services - In Borough Residential Properties	912	912	615	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	2,923	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 19 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	618	1,978	0	
Total	23,158	8,093	4,156	6,717	1,376	