

Report to: **STRATEGIC COMMISSIONING BOARD**

Date: 30 January 2018

Officer of Single Commissioning Board Kathy Roe – Director Of Finance – Tameside & Glossop CCG and Tameside MBC
 Claire Yarwood – Director Of Finance – Tameside and Glossop Integrated Care NHS Foundation Trust

Subject: **TAMESIDE & GLOSSOP CARE TOGETHER ECONOMY – 2017/18 CONSOLIDATED FINANCIAL MONITORING STATEMENT AT 30 NOVEMBER 2017 AND PROJECTED OUTTURN TO 31 MARCH 2018**

Report Summary: This is a jointly prepared report of the Tameside & Glossop Care Together constituent organisations on the consolidated financial position of the Economy.

The report provides a 2017/2018 financial year update on the month 8 financial position (at 30 November 2017) and the projected outturn (at 31 March 2018).

The Tameside and Glossop Care Together Strategic Commissioning Board are required to manage resources within the Integrated Commissioning Fund. The Clinical Commissioning Group and the Council are also required to comply with their constituent organisations’ statutory functions.

A summary of the Tameside and Glossop Integrated Care NHS Foundation Trust financial position is also included within the report. This is to ensure members have an awareness of the overall financial position of the whole Care Together economy and to highlight the increased risk of achieving financial sustainability in the short term whilst also acknowledging the value required to bridge the financial gap next year and through to 2020/21.

- Recommendations:** To NOTE:
- The 2017/2018 financial year update on the month 8 financial position (at 30 November 2017) and the projected outturn (at 31 March 2018).
 - The significant level of savings required during the period 2017/18 to 2020/21 to deliver a balanced recurrent economy budget.
 - The significant amount of financial risk in relation to achieving an economy balanced budget across this period.

Financial Implications:
 (Authorised by the statutory Section 151 Officer & Chief Finance Officer)

Budget Allocation (if Investment Decision)	Details contained within the report
CCG or TMBC Budget Allocation	Details contained within the report
Integrated Commissioning Fund Section – S75, Aligned, In-Collaboration	Details contained within the report
Decision Body – SCB,	Details contained within the

Executive Cabinet, CCG Governing Body	report
Value For Money Implications – e.g. Savings Deliverable, Expenditure Avoidance, Benchmark Comparisons	Details contained within the report
<p>Additional Comments</p> <p>This report provides the consolidated financial position statement of the 2017/18 Care Together Economy for the period ending 30 November 2017 (Month 8 – 2017/18) together with a projection to 31 March 2018 for each of the three partner organisations.</p> <p>The report explains that there is a clear urgency to implement associated strategies to ensure the projected funding gap is addressed and closed on a recurrent basis across the whole economy.</p> <p>A risk share arrangement is in place between the Council and CCG relating to the residual balance of net expenditure compared to the budget allocation at 31 March 2018, the details of which are provided within the report.</p> <p>It should be noted that the Integrated Commissioning Fund for the partner Commissioner organisations will be bound by the terms within the Section 75 agreement and associated Financial Framework agreement which has been duly approved by both the Council and Clinical Commissioning Group.</p>	

Legal Implications:

(Authorised by the Borough Solicitor)

Given the implications for each of the constituent organisations this report will be required to be presented to the decision making body of each one to ensure good governance.

How do proposals align with Health & Wellbeing Strategy?

The Integrated Commissioning Fund supports the delivery of the Tameside and Glossop Health and Wellbeing Strategy

How do proposals align with Locality Plan?

The Integrated Commissioning Fund supports the delivery of the Tameside and Glossop Locality Plan

How do proposals align with the Commissioning Strategy?

The Integrated Commissioning Fund supports the delivery of the Tameside and Glossop Single Commissioning Strategy

Recommendations / views of the Health and Care Advisory Group:

A summary of this report is presented to the Health and Care Advisory Group for reference.

Public and Patient Implications:

Service reconfiguration and transformation has the patient at the forefront of any service re-design. The overarching objective of Care Together is to improve outcomes for all of our citizens whilst creating a high quality, clinically safe and financially sustainable health and social care system. The comments and views of our public and patients are incorporated into all services provided.

Quality Implications:	As above.
How do the proposals help to reduce health inequalities?	The reconfiguration and reform of services within Health and Social Care of the Tameside and Glossop economy will be delivered within the available resource allocations. Improved outcomes for the public and patients should reduce health inequalities across the economy.
What are the Equality and Diversity implications?	Equality and Diversity considerations are included in the re-design and transformation of all services
What are the safeguarding implications?	Safeguarding considerations are included in the re-design and transformation of all services
What are the Information Governance implications? Has a privacy impact assessment been conducted?	There are no information governance implications within this report and therefore a privacy impact assessment has not been carried out.
Risk Management:	Associated details are specified within the presentation
Access to Information :	Background papers relating to this report can be inspected by contacting :

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1. EXECUTIVE SUMMARY

- 1.1 This report aims to provide an update on the financial position of the care together economy as at month 8 in 2017/18 (to 30 November 2017) and to highlight the increased risk of achieving financial sustainability. Supporting details are provided in **Appendix A**.
- 1.2 The report includes the details of the Integrated Commissioning Fund and the progress made in closing the financial gap for the 2017/18 financial year. The total Integrated Commissioning Fund is £486m in value, however it should be noted that this value is subject to change throughout the year as new Inter Authority Transfers are actioned and allocations are amended.
- 1.3 The Tameside and Glossop Care Together Strategic Commissioning Board are required to manage all resources within the Integrated Commissioning Fund and comply with both organisations' statutory functions from the single fund.
- 1.4 It should be noted that the report includes details of the financial position of the Tameside and Glossop Integrated Care NHS Foundation Trust. This is to ensure members have an awareness of the projected total financial challenge which the Tameside and Glossop Care Together economy is required to address during 2017/18.
- 1.5 Please note that any reference throughout this report to the Tameside and Glossop economy refers to the three partner organisations within the Care Together programme, namely:
 - Tameside and Glossop Integrated Care NHS Foundation Trust;
 - NHS Tameside and Glossop Clinical Commissioning Group;
 - Tameside Metropolitan Borough Council.

2. FINANCIAL SUMMARY

- 2.1 **Table 1** provides details of the summary 2017/18 budgets, net expenditure and forecast outturn of the Integrated Commissioning Fund and Tameside and Glossop Integrated Care NHS Foundation Trust. Supporting details of the forecast outturn variances are explained within **Appendix A**. Members should note that there are a number of risks that have to be managed within the economy during the current financial year, the key one's being:
 - Significant budget pressures for the Clinical Commissioning Group relating to Continuing Care related expenditure of £4.4m.
 - Children's Services within the Council is managing unprecedented levels of service demand which is currently projected to result in additional expenditure of £7.6m when compared to the available budget.
 - The Integrated Care Foundation Trust is working to a planned deficit of £24.5m for 2017/18. However it should be noted that efficiencies of £10.4m are required in 2017/18 in order to meet this sum.
- 2.2 **Table 2** provides details of the Strategic Commission risk share arrangements in place for 2017/18. Under this arrangement the Council has agreed to resource up to £5 m in each of the next two financial years (2017/18 and 2018/19) in support of the Clinical Commissioning Group's Quality, Innovation, Productivity and Prevention programme savings target which is conditional upon the Clinical Commissioning Group agreeing to a reciprocal arrangement in 2019/20 and 2020/21.

Any variation from budget is shared in the ratio 80:20 for Clinical Commissioning Group:Council. A cap is placed on the shared financial exposure for each organisation (after the use of £5m) in 2017/18 which is a maximum £0.5 m contribution from the Clinical Commissioning Group towards the Council year end position and a maximum of £2.0 m contribution from the Council towards the Clinical Commissioning Group year end position. The Clinical Commissioning Group year end position is adjusted prior to this contribution for costs relating to the residents of Glossop (13% of the total Clinical Commissioning Group variance) as the Council has no legal powers to contribute to such expenditure.

Table 1 – Summary of the Tameside and Glossop Care Together Economy – 2017/18

	2017/18		
	Budget	Forecast	Variance
	£'000	£'000	£'000
Strategic Commission	485,827	497,163	(11,336)
Integrated Care Foundation Trust	(24,349)	(24,349)	0
Total Whole Economy	461,478	472,814	(11,336)

Table 2 – Risk Share

Strategic Commission - Risk Share	£'000
Tameside MBC - Non Recurrent Contribution	(4,111)
Tameside MBC	(6,725)
Clinical Commissioning Group	(500)
Total	(11,336)

is also managing during the current

- 2.3 The additional risks which each constituent organisation is required to manage are provided within **Appendix A**.

3. 2017/18 EFFICIENCY PLAN

- 3.1 The economy has an efficiency sum of £35.1m to deliver in 2017/18, of which £24.7m is a requirement of the Strategic Commissioner.
- 3.2 **Appendix A** provides supporting analysis of the delivery against this requirement for the whole economy. It is worth noting that there is a forecast £4.0m under achievement of this efficiency sum by the end of the financial year, £3.6m of which relates to the Strategic Commissioner.
- 3.2 It is therefore essential that additional proposals are considered and implemented urgently to address this gap and on a recurrent basis thereafter.

4. RECOMMENDATIONS

- 4.1 As stated on the front of the report.