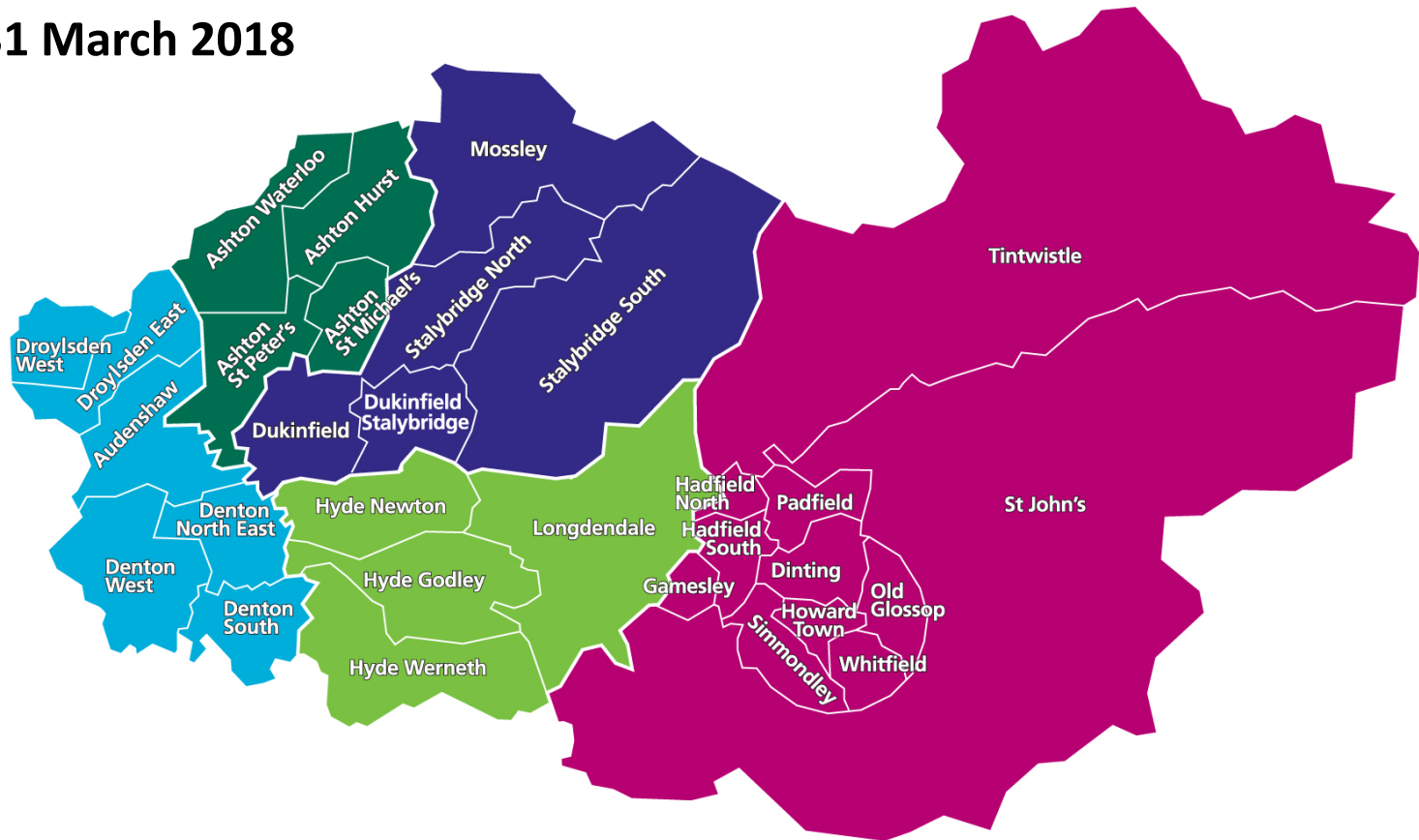


Tameside and Glossop Integrated Financial Position

financial monitoring statements

Period Ending 31 March 2018
Month 12



Kathy Roe
Claire Yarwood

Integrated Care Together Economy Financial Position

The 2017/18 financial gap has been closed but approximately half as a result of non recurrent funds.

Significant challenges remain in order to recurrently balance 2018/19.

Organisation	Year End			Previous Month	Movement in Month
	Budget	Actual	Variance		
	£000's	£000's	£000's	£000's	£000's
Strategic Commission	485,466	493,351	-7,885	-7,429	-456
ICFT	-22,088	-22,054	34	0	0
Total	463,378	471,297	-7,851	-7,429	-456

- Following transaction of the Integrated Commissioning Fund risk share, the Strategic Commission funding position shows a gap of £7,851k. This gap relates primarily to pressures within Children's Social Care as explained within the Executive Summary. This net funding gap within the Council will be resourced via a £500k contribution from the CCG into the ICF risk share agreement, with the residual balance financed via a combination of Council in year revenue and existing general reserve balances. Both CCG and council continue to report that we will meet financial control totals.
- The Trust has delivered against its Planned net deficit of £23.7m, this is c£4k favourable to plan
- The Integrated Commissioning Fund has now received the extra non-recurrent contributions from the risk share agreement ensuring a balanced position is now achieved.
- While the financial gap is a large figure, it is important to appreciate this equals 1.7% of the total budget:



Economy Wide Highlights

- The full £23,900k QIPP target has been achieved in year (£12,252k delivered recurrently). As such the CCG has met financial control totals.
- CCG surplus has increased to £9,347k in line with national planning guidance.
- Risk Share contributions transacted > £3,700k – Continuing Care
> £500k – MH Non-CHC
> **£4,200k Sub Total**
> £500k Children's Social Care
- CHC/MH Non-CHC and Neuro Rehab has overspent by £2,193k. However, it is important to recognise this includes the increased contribution from the risk share highlighted above. The underlying position is a £6,393k cost pressure in this area.
- £8,609k overspend on Children's Services predominantly driven by out of area placements & agency social workers. £500k from the risk share contribution was transacted in this area as outlined above.
- £2,960k overspend on acute, driven by increased activity (mainly emergency admissions) at providers other than the ICFT
- £23.7m ICFT Control total was delivered

Tameside and Glossop Strategic Commissioner Financial Position

- Overspend of £7,885k is driven by significant pressures in children's services, which has seen further deterioration of £456k in M12. This deterioration relates primarily to an increase in the number of looked after children.
- Both organisations are currently reporting that statutory duties and financial control totals have been met. The CCG is reporting that the QIPP target has been fully achieved, with post mitigation risks of zero. The significant change since M11 is a change to the CCG surplus. On 20 March Paul Baumann, Chief Finance Officer, NHS England sent a letter to all CCGs which resulted in two changes
 - System Risk Reserve. In line with guidance The CCG kept £1,722k of resource on reserves to offset any wider system pressures across the NHS. We have been asked to release this reserve and increase the value of our reported surplus. Nationally commissioner surpluses will increase by around £560m as a result of this, which will be used to help offset the deficit position in the provider sector.
 - Category M Drugs. As reported previously a clawback arrangement has been in operation in 2017/18, where the benefit of price reductions for Cat M drugs has sat with NHS England rather than the CCG. In light of other pressure faced by CCG (most notably around NCSO drugs), Paul Baumann has agreed that the Cat M rebate will be returned to all CCGs to improve the bottom line position.
 - The net impact of these changes is an increase in the surplus to £9,347. It is important to note that there is no mechanism through which the CCG would be able to draw down any of this surplus in 2018/19:

	£'000s
Planned Surplus (i.e. 1% plus carry forward from 16/17)	7,174
System Risk Reserve	1,722
Category M Drugs	451
Total 17/18 Surplus	9,347

Service	Year End Position		
	Budget	Actual	Variance
	£'000	£'000	£'000
Acute	203,291	206,251	- 2,960
Mental Health	29,954	29,940	14
Primary Care	83,109	81,777	1,332
Continuing Care	13,623	14,329	- 706
Community	27,451	27,477	- 26
Other	26,756	26,138	619
QIPP	-	-	-
CCG Running Costs	5,197	3,469	1,728
Adult Services	44,185	43,642	543
Children's Social Care	35,192	43,801	- 8,609
Public Health	16,708	16,527	181
Integrated Commissioning Fund	485,466	493,351	- 7,885
CCG Expenditure	389,381	389,381	0
TMBC Net Expenditure	96,085	103,970	- 7,885
Integrated Commissioning Fund	485,466	493,351	- 7,885
A: Section 75 Services	265,511	264,721	790
B: Aligned Services	186,721	195,926	- 9,205
C: In Collaboration Services	33,234	32,704	530
Integrated Commissioning Fund	485,466	493,351	- 7,885

Tameside Integrated Care Foundation Trust Financial Position

High level financial overview

	Month 12			Outturn		
	Plan	Actual	Variance	Plan	Actual	Variance
	£000	£000	£000	£000	£000	£000
Normalised Surplus/(Deficit)	(1,642)	(1,672)	(30)	(23,730)	(23,726)	4
Capital Expenditure	1,269	2,375	1,106	4,825	4,827	2
Cash and Equivalents	1,190	1,415	225	0	0	0
Trust Efficiency Savings	1,263	1,306	43	10,397	10,038	(359)
Use of Resources Metric	3	3	0	3	3	0



Outturn Net position is £23.7m deficit, the Trust delivered against its 2017/18 plan.



Trust Efficiency Programme is c. £0.36m behind the in year Target. In Month, it delivered £43k above plan



Cash is £0.2m above the planned balance

Key risks and highlights

Key Risks – I&E

- **Control Total** – The Trust has delivered against its Planned net deficit of £23.7m, this is c£4k favourable to plan.
- **Medical Staffing** - The level of medical agency expenditure is providing a financial pressure for the Trust, particularly within ED, T&O and Medicine.
- **Winter Schemes** – Funding for Tranche 2 Winter schemes has ceased at the end of March, therefore all winter schemes/initiatives not ceased will cause a financial pressure into the new financial year.
- **IT Outage** – The Trust has incurred costs relating to the unexpected IT outage at the end of March
- **Rates (PFI)** – The Trust incurred c£150k in rates for periods 2015-2018 for retail outlets in the PFI, this is unfunded.
- **Activity levels** - Income on smaller clinical contracts is falling, but no corresponding reduction in costs.
- **TEP** – The Trust reported an in year shortfall to TEP of c£0.36m

Key Risks – Balance Sheet/Other

- **Loans** - At the end of 2016/17, the Trust had loan liability of £54.8m. It is anticipated that this will increase to £75.4m in 2017/18. The Trust will be required to repay part of this liability in 2018 and a further loan may be required to service this repayment.
- **Cash** - The March month end cash balance was £0.2m above the expected £1.2m plan.
- **Winter Tranche 1 & 2** – The Trust have been in receipt of Tranche 1 & 2 monies of £618k & £725k. T1 will reduce the Trusts Planned deficit to £23.7m. The Tranche 2 monies of £725k have been used to support winter schemes
- **Agency Cap** - The NHSI requirement is for the Trust to reduce medical agency expenditure by £1.2m. The Trust outturn in 2017/18 is £10.8m which is c£0.7m better than the NHSI target.

Integrated Commissioning Fund Risks

Individualised Commissioning

A

- While the 17/18 financial position is now balanced, growth in individualised packages of care remains one of the CCGs biggest financial risks going forward. While overspend in the ledger is £2,193, this includes mitigation through increased council contribution to the ICF risk share. The underlying pressure against opening budgets is £6,393k.
- A financial recovery plan is in place and work is underway to implement the schemes and a paper looking at procurement of care home beds for patients with dementia went through the governance process in February.

Children's Services

R

- Net expenditure in excess of revenue budget of £8.61m – primarily due to increased expenditure on children's placements and agency social workers as a result of increased demand. In addition there were appointments to senior posts to the approved budget allocation which were necessary to support the implementation of required improvements within the service..
- The number of Looked After Children has increased from 519 at April 2017 to 613 in March 2018.
- An additional non recurrent £ 18m budget allocation has been approved, £10 million of which has been allocated in 2018/19. The details of the demand management and reduction strategy will be reported during 18/19

QIPP

G

- The CCG had an annual savings target of £23,900k in 17/18, which has been reported as fully achieved in year.
- However less than half of this was achieved on a recurrent basis, meaning we will start 2018/19 with a target of £19,800k. Post optimism bias, we have schemes in place to deliver approximately £13m of savings in 18/19. Further work is required to identify new schemes to close this gap and enable 18/19 control totals to be delivered.

Acute services

A

- Demand Management for emergency services at the associate providers remains a key risk for the CCG. Total overspend of £2,173k is driven by emergency admissions and critical care

	£000's	(Over)/Under Spend
A&E		-180
Urgent Care		-1,165
Excess Bed Days		-85
Outpatients		-539
Planned Care		336
Critical Care		-588
Other		48
Total		-2,173
- This risk will continue into 18/19, where a QIPP planning assumption has been made that future growth can be contained and activity will not increase over 17/18 levels.

Mental Health:

A

- Heightened levels of out of area placements at premium prices due to shortage of MH beds locally are a significant driver of overspend
- Cost pressures to deliver requirement of Five Year Forward View present a significant medium term risk to financial position of Strategic Commissioner (though slippage in implementation of schemes in 17/18 has improved the in year position slightly).
- Sustainability of local MH providers and safer staffing requirements are also a risk.

Adult Social Care

A

- In 17/18 there is an underspend of £543k, however, there is significant medium term risk in this area as a result of:
 - increased demand for social care services to support improvement in DTOCs and as a result of demographic growth
 - financial pressure from living wage legislation and care home market

Financial Gap and Efficiency Position 17/18

- In order to deliver financial control totals, an economy wide savings target of £35,070k was set for 2017/18. This is made of £10,397k Trust Efficiency Plan (TEP) savings at the ICFT and £24,673k across the strategic commissioner (made up of £23,900k CCG QIPP and £773k of planned council savings).
- The table below details achievement against this target. In total, savings of £34,710k were delivered, which left a shortfall of £360k on the TEP within the ICFT. However, the provider planned deficit will still be met as a result of other means.
- For the commissioner, the full £23,900k QIPP target has been reported as achieved in full since month 10. The council delivered the full target of £773k.

Key Headlines:

- Final projected economy savings are £360k lower than target.
- £19,592k (56%) of expected savings are due to be delivered on a recurrent basis.

£000's	Annual Target	Risk Rated Forecast Position				Savings	Variance
		Posted	Low	Medium	High		
ICFT	10,397	10,037	-	-	-	10,037	- 360
Strategic Commissioner	24,673	24,673	-	-	-	24,673	- 0
Technical Target	1,875	10,611	-	-	-	10,611	8,736
Primary Care	1,748	2,279	-	-	-	2,279	532
Single Commissioning	1,137	1,221	-	-	-	1,221	84
Neighbourhoods	781	781	-	-	-	781	-
Acute Services - Elective	1,116	586	-	-	-	586	- 530
Other	1,324	724	-	-	-	724	- 600
Effective Use of Resources	1,500	815	-	-	-	815	- 685
Mental Health	994	296	-	-	-	296	- 698
GP Prescribing	2,516	1,185	-	-	-	1,185	- 1,331
Back Office Functions	2,024	562	-	-	-	562	- 1,463
Demand Management	8,885	4,840	-	-	-	4,840	- 4,045
Adult Social Care	336	336	-	-	-	336	-
Public Health	437	437	-	-	-	437	-
Total Economy Position	35,070	34,710	-	-	-	34,710	- 360

Financial Gap and Efficiency Position 18/19

➤ In 18/19 there is a QIPP target of £19.8m for the CCG. The latest QIPP position for the CCG is detailed below.

Summary of 2018/19 QIPP Achivement						Expected Saving
	R	A	G	B	Grand Total	
Tameside ICFT	0	0	2,480,000	0	2,480,000	2,480,000
Reverse Demographic Growth	0	0	2,480,000	0	2,480,000	2,480,000
GP Prescribing	180,000	1,645,000	175,000	0	2,000,000	1,015,500
Individualised Commissioning Recovery Plan	0	700,000	626,552	0	1,326,552	976,552
Dementia Care Home Tender	0	495,000	0	0	495,000	247,500
Chairing of MDT	0	205,000	0	0	205,000	102,500
Broadcare/Liaison	0	0	200,000	0	200,000	200,000
Fast Track Recovery plan	0	0	132,000	0	132,000	132,000
CareTech 10% reduction	0	0	104,552	0	104,552	104,552
Dowry Income	0	0	190,000	0	190,000	190,000
Other Established Programme Related Schemes	0	2,918,607	1,329,848	0	4,248,455	2,789,152
Associate Provider Demand Management Schemes	0	1,300,000	0	0	1,300,000	650,000
Urgent Treatment Centre/Urgent Primary Care	0	133,333	0	0	133,333	66,667
VCS Grants	0	0	65,122	0	65,122	65,122
Estates Strategy	0	250,000	0	0	250,000	125,000
QPP Achivement	0	500,000	0	0	500,000	250,000
Budget Management	0	600,274	399,726	0	1,000,000	699,863
Running Costs Savings	0	135,000	865,000	0	1,000,000	932,500
Technical Financial Adjustments	0	1,000,000	5,471,000	0	6,471,000	5,971,000
Release of reserves	0	0	3,500,000	0	3,500,000	3,500,000
Release 0.5% contingency	0	0	1,971,000	0	1,971,000	1,971,000
Slippage on Mental Health	0	1,000,000	0	0	1,000,000	500,000
Capped Expenditure Process	2,185,000	0	0	0	2,185,000	218,500
Activity related policy changes	2,052,000	0	0	0	2,052,000	205,200
Transforming Care for people with learning disabilities	98,000	0	0	0	98,000	9,800
TARGET	35,000	0	0	0	35,000	3,500
FSG	0	0	0	0	0	0
Grand Total	2,365,000	6,263,607	10,082,400	0	18,711,007	13,450,704