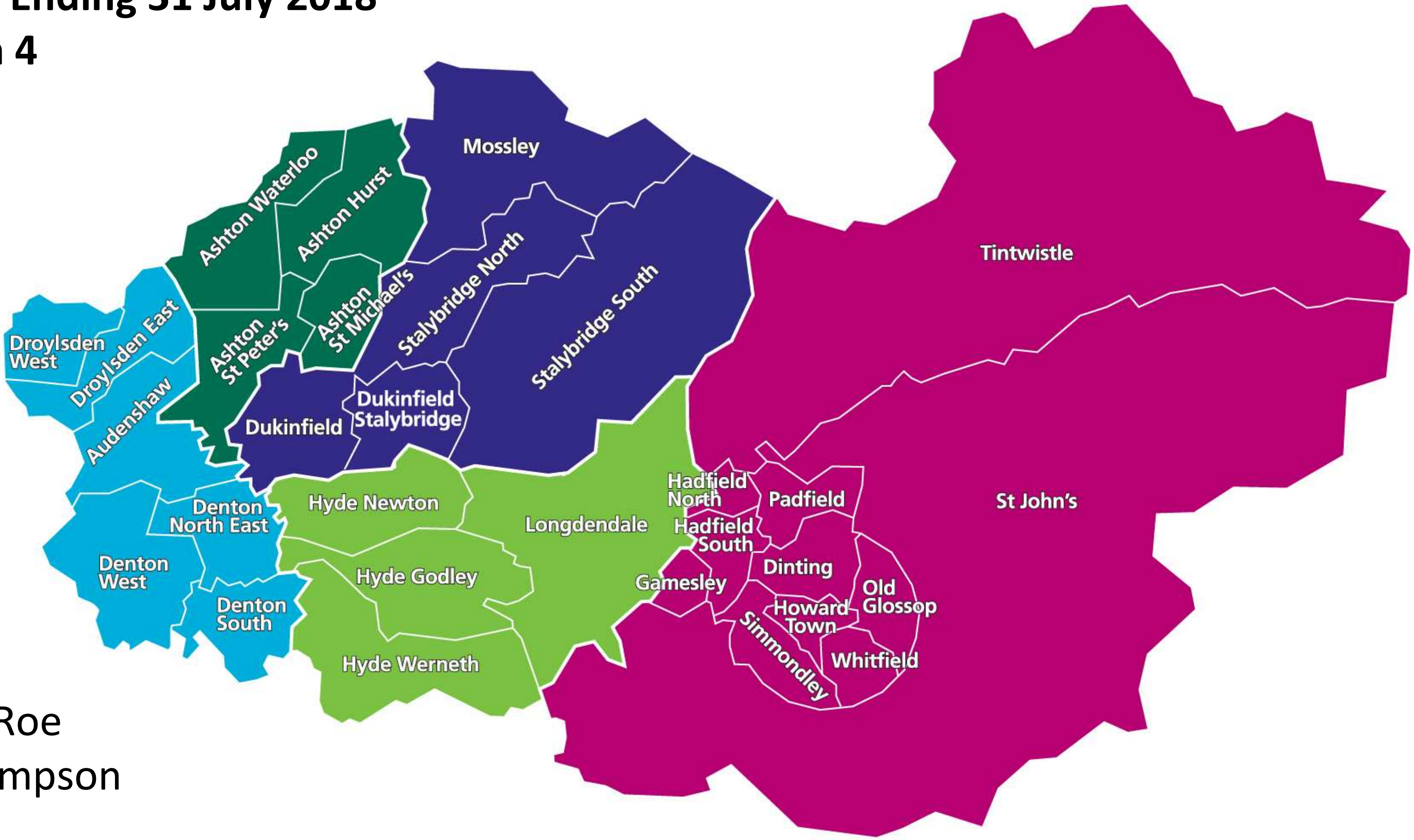
Tameside and Glossop Integrated Financial Position

financial monitoring statements

APPENDIX 1

Period Ending 31 July 2018
Month 4

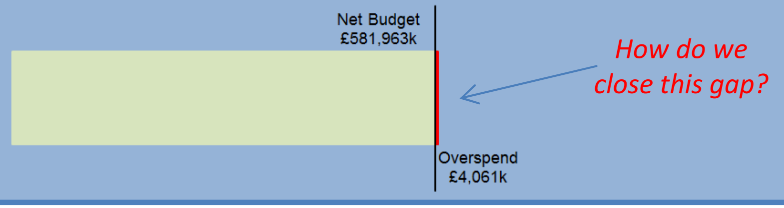


Kathy Roe
Sam Simpson

Appendix 1

Tameside & Glossop Integrated Economy Wide Financial Position

In 2018/19 the Tameside & Glossop economy still has a £4m financial gap to close



£3.0m

Children's Social Care

Expected in year pressure on Children's Social Care

£4.6m

Healthier Together

Significant emerging risk from 2020 onwards relating to the cost of implementing Healthier Together

£1.5m

CCG Net Risk

Reported control total will be met and £9.3m surplus will be delivered. But risk of £1.5m against delivery of target

£1.9m

ICFT TEP

The Trust is forecasting an underachievement of TEP. Failure to achieve TEP will result in the Trust not achieving its plan

Message from the DOF

In this July report we would like to expand on our message last month regarding the relaunch of the Targeted Efficiency Programme across the strategic commissioner as one of our key priorities to complement the programme in the ICFT.

Across the strategic commissioner we are facing a 'do nothing' financial gap of £29m next year, which is set to grow to £62m by 2022/23. Plans are in place which will deliver expected savings of £20m, but even in this 'do something' scenario there is still a financial gap of £42m to close.

We already have a focus on TEP delivery across the economy, including financial recovery plans for CHC and children's services. But it is important that measures are introduced to increase the pace and scale of planned savings in order to balance budgets for 2019/20 and beyond. The challenge is to think big, think transformationally and remember that nothing is off the table when looking at new savings initiatives:

- What should we start/stop doing?
- What can we do more/less of?
- What can we do differently or cheaper?
- What can we outsource or do in partnership with others?
- Can we revisit old ideas or best practice from elsewhere?

Over the Autumn all new and emerging savings schemes (76 at time of writing) will be presented at a 'Star Chamber'. These will be intense scrutiny panels made up of executive directors, clinicians and council members to review and challenge schemes. Savings, outcomes, quality and value for money will be the focus.

The Star Chamber process will result in a list of prioritised schemes which our organisation will pursue and use as the basis for setting a robust balanced budget for 2019/20 and beyond.

Tameside & Glossop Integrated Commissioning Fund - Forecast

- At the start of the year the opening ICF was £911m.
- Budget movements since this (including transformation funding and PFI budget adjustments) have seen the gross value of the ICF increase to £941m.
- This is £9m lower than the Gross budgets reported last month as a result of Housing Benefit claimants moving onto Universal Credit (which is not administered by the Council). As both expenditure and subsidy income are reduced, this change is nil effect on the net budget.
- After council income is taken into account the net value of the ICF is £582m.
- Detailed monitoring is done against this net position.
- At present a £4m overspend is currently forecast against this net budget.

	Forecast Position					Net Variance	
Forecast Position £000's	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance	Previous Month	Movement in Month
Acute	205,388	0	205,071	205,308	-238	-48	-189
Mental Health	32,827	0	32,758	32,861	-103	-1	-103
Primary Care	84,534	0	84,487	84,412	75	173	-97
Continuing Care	14,569	0	14,504	17,441	-2,937	-2,982	45
Community	30,040	0	30,040	30,045	-4	-0	-4
Other CCG	22,915	0	23,338	20,131	3,207	2,859	349
CCG TEP Shortfall (QIPP)	0	0	0	1,546	-1,546	-2,537	991
CCG Running Costs	5,175	0	5,175	5,175	-0	0	-0
Adults	82,590	-42,098	40,492	40,507	-15	-56	41
Children's Services	78,326	-29,225	49,100	52,174	-3,074	-3,242	168
Individual Schools Budgets	127,944	-127,944	0	0	0	0	0
Population Health	16,353	-121	16,232	16,197	35	35	0
Operations and Neighbourhoods	76,386	-26,007	50,379	50,924	-545	-482	-63
Growth	45,146	-37,287	7,858	10,106	-2,247	-2,103	-145
Governance	88,931	-79,882	9,049	9,049	0	0	0
Finance & IT	5,839	-1,351	4,488	4,602	-113	-101	-12
Quality and Safeguarding	355	-288	67	73	-6	-6	0
Capital and Financing	10,998	-1,360	9,638	8,236	1,402	413	989
Contingency	4,163	-6,823	-2,660	-3,388	728	728	0
Corporate Costs	8,726	-6,857	1,870	550	1,320	1,502	-182
Integrated Commissioning Fund	**941,206**	**-359,244**	**581,888**	**585,949**	**-4,061**	**-5,848**	**1,787**
CCG Expenditure	395,449	0	395,374	396,920	-1,546	-2,537	991
TMBC Expenditure	545,757	-359,244	186,514	189,029	-2,515	-3,311	796
Integrated Commissioning Fund	**941,206**	**-359,244**	**581,888**	**585,949**	**-4,061**	**-5,848**	**1,787**
A: Section 75 Services	307,329	-41,144	266,713	269,235	-2,522	-3,354	832
B: Aligned Services	337,686	-96,822	241,487	242,468	-981	-1,708	727
C: In Collaboration Services	296,117	-221,278	73,687	74,246	-558	-786	228
Integrated Commissioning Fund	**941,131**	**-359,244**	**581,888**	**585,949**	**-4,061**	**-5,848**	**1,787**

Note that while this report talks about the integrated economy wide position, it does not capture any Local Authority spend for residents of Glossop. All spend at Tameside & Glossop Clinical Commissioning Group, Tameside Metropolitan Borough Council and Tameside & Glossop Integrated Care Foundation Trust is captured. But no spend from Derbyshire County Council is included.

Tameside & Glossop Integrated Economy Financial Position

- Using the net ICF, the strategic commissioner is £389k overspent at M4.
- This is a £13,509k improvement on the YTD overspend at M3. It relates to changes in the reported council position due to re-profiling of budgets to reflect the advanced payments of the community contract
- By year end we are forecasting an overspend of £4,061k, an improvement of £1,787k linked to CCG TEP and Council Capital & Financing.
- In order to meet financial control totals , this needs to reduced to zero. More work is required to progress schemes to deliver savings.
- The ICFT have an agreed a control total with NHSI. This means that an authorised deficit is in place. Current forecasts show this will be achieved.
- Further savings of £4,061k are required to meet the economy wide target.

Forecast Position £000's	YTD Position Budget	YTD Position Actual	YTD Position Variance	Forecast Position Budget	Forecast Position Forecast	Forecast Position Variance	Variance Previous Month	Variance Movement in Month
Acute	67,321	67,702	-381	205,071	205,308	-238	-48	-189
Mental Health	10,697	10,746	-49	32,758	32,861	-103	-1	-103
Primary Care	25,982	25,853	129	84,487	84,412	75	173	-97
Continuing Care	4,465	5,456	-991	14,504	17,441	-2,937	-2,982	45
Community	10,013	9,950	63	30,040	30,045	-4	-0	-4
Other CCG	10,917	9,694	1,223	23,338	20,131	3,207	2,859	349
CCG TEP Shortfall (QIPP)	0	0	0	0	1,546	-1,546	-2,537	991
CCG Running Costs	1,331	1,325	6	5,175	5,175	-0	0	-0
Adults	13,497	13,714	-216	40,492	40,507	-15	-56	41
Children's Services	18,570	19,595	-1,025	49,100	52,174	-3,074	-3,242	168
Population Health	10,496	10,496	0	16,232	16,197	35	35	0
Operations and Neighbourhoods	16,793	16,822	-29	50,379	50,924	-545	-482	-63
Growth	2,619	3,608	-989	7,858	10,106	-2,247	-2,103	-145
Governance	1,971	1,045	926	9,049	9,049	0	0	0
Finance & IT	1,496	1,291	205	4,488	4,602	-113	-101	-12
Quality and Safeguarding	22	81	-59	67	73	-6	-6	0
Capital and Financing	0	0	0	9,638	8,236	1,402	413	989
Contingency	-887	1,027	-1,914	-2,660	-3,388	728	728	0
Corporate Costs	623	-2,088	2,712	1,870	550	1,320	1,502	-182
Integrated Commissioning Fund	**195,928**	**196,317**	**-389**	**581,888**	**585,949**	**-4,061**	**-5,848**	**1,787**
CCG Expenditure	130,726	130,726	-0	395,374	396,920	-1,546	-2,537	991
TMBC Expenditure	65,202	65,591	-389	186,514	189,029	-2,515	-3,311	796
Integrated Commissioning Fund	**195,928**	**196,317**	**-389**	**581,888**	**585,949**	**-4,061**	**-5,848**	**1,787**
A: Section 75 Services	94,380	90,625	3,755	266,713	269,235	-2,522	-3,354	832
B: Aligned Services	80,956	81,238	-282	241,487	242,468	-981	-1,708	727
C: In Collaboration Services	20,592	24,454	-3,862	73,687	74,246	-558	-786	228
Integrated Commissioning Fund	**195,928**	**196,317**	**-389**	**581,888**	**585,949**	**-4,061**	**-5,848**	**1,787**
ICFT - post PSF Agreed Deficit	-9,079	-9,044	35	-19,149	-19,149	0		
Economy Wide In Year Deficit	**-9,079**	**-9,433**	**-354**	**-19,149**	**-23,210**	**-4,061**		

Tameside & Glossop ICFT Financial Position

Summary

- For the financial period to the **31st July 2018**, the Trust has reported a net deficit of c.£2.0m (Post Provider Sustainability Funding [PSF])
- Cumulatively the Trust has reported a net deficit of c.£9.0m (post PSF), which is c.£34k better than plan.
- The Trust delivered c.£954k of savings in month, this is an overachievement against target by c.£0.1m in month and c.£0.8m cumulatively.
- To date the Trust has spent c.£2.9m on Agency spend, against a plan of £3.1m; based on this run rate, spend should be within the agency cap of £9.5m.

	Month 4			YTD			Annual
Financial performance metric	Plan (£000)	Actual (£000)	Variance (£000)	Plan (£000)	Actual (£000)	Variance (£000)	Plan (£000)
Normalised Surplus/(Deficit) before PSF	(£2,334)	(£2,322)	£12	(£9,993)	(£9,958)	£34	(£23,370)
PSF	£281	£281	£0	£914	£914	£0	£4,221
Surplus/(Deficit) post PSF	(£2,053)	(£2,041)	£12	(£9,079)	(£9,044)	£34	(£19,149)
Capital Expenditure	£347	£73	(£274)	£1,071	£503	(£568)	£5,600
Cash and Equivalents	£1,220	£1,683	£463				
Trust Efficiency Savings	£830	£954	£124	£2,742	£3,550	£808	£13,000
Use of Resources Metric	3	3		3	3		3

Key risks

- **Control Total –** The Trust now has an agreed control for 2018/19 of c£19.2m, this assumes the Trust will be in receipt of the full Provider Sustainability fund and deliver the performance and financial requirements set by NHSI.

- **Provider Sustainability Fund** - The Trust must achieve its financial plan at the end of each quarter to achieve 70% of the PSF, the remainder is predicated on achievement of the A&E target for each quarter based on the improvement trajectories stated by NHSI.

- **TEP** – The Trust is currently forecasting an underachievement against its in year TEP delivery of **c£1.9m** and recurrently of **c£2.2m**. **Failure to achieve TEP will result in the Trust not achieving its plan**. Work is on-going with Theme groups to develop high risk schemes and generate hopper ideas to improve this forecast position.

- **Loan Liability -** The Trust currently has a loan of **£75.4m** at the end of 2017/18. The Trust may be required to repay part of this liability in 2018. To do this the Trust would require a new loan, now the Trust has agreed a control total this now would be at the standard borrowing rate of 1.5%.

Strategic Commissioner Financial Position

£275K **Car Park Pressure**	£1,000k **Manchester FT**	£220k **MH Beds**	£1,400k **Capital & Financing**
Delay in construction of Darnton Road car park (which will have fewer spaces than originally envisaged) creating pressure to the position.	Forecast overspend, based on £366k over YTD. £254k of YTD pressure relates to emergency pathway (8.5% increase in A&E attendances). £148k overspend outpatient related.	Contribution to additional mental health capacity in Pennine Care. While this is a pressure, the costs is funded from the wider FYFV investment and included in a risk share arrangement.	Continued financing of capital expenditure from receipts and reserves resulting in significant savings on borrowing costs. Additional investment income also being achieved.

Acute

R

➢The overall position for acute services includes underspend against independent sector contracts and a TEP adjustment which masks significant risk on associate contracts. Underspend at Stockport is offset by pressures at The Christie and Pennine Acute, but Manchester University FT is currently forecast to overspend by £1m.

➢ In the first 4 months of the year there is an actual overspend of £366k

➢£254k of this relates to pressures in the emergency pathway, driven by
- 8.4% increase in A&E attendances in Q1 18/19 vs Q1 17/18
- 18.5% increase in emergency admissions
- Small number of high cost long length of stay emergency patients

➢£148k pressure in outpatients, driven by 11% increase in first attendances and a £130k pressure in treatment for Macular Degeneration

➢Offsetting this is a significant underspend on Elective/Daycase. While activity is slightly higher than in the corresponding period last year, the plan expected activity to increase by 10% to meet RTT targets.

➢However considerable future risk around Elective/Daycase position:
- People on waiting list (3,212) increased by 6.7% since March
- 29 T&G patients breached 52 week target - plan to treat by September

➢These issues require further investigation in order to fully understand and will form basis of deep dive at M5.

Children's Services

R

➢The financial position has improved slightly due to staff vacancies but this remains a significant pressure. The Council continues to experience extraordinary increases in demand for Children's Social Care Services, placing significant pressures on staff and resources.

➢The number of Looked after Children has gradually increased from 612 at 31 March 2018 to 636 at 31 July 2018. Despite the additional financial investment in the service in 2017/18 and 2018/19, the service is projecting to exceed the approved budget by £3,002k; due to the additional placement costs. It should be noted that the 2018/19 placements budget was based on the level of Looked After Children at December 2017 (585) ; the current level at 31 July 2018 is 636; a resulting increase of 51 (8.7%). This should also be considered alongside the current average weekly cost of placements in the independent sector with residential at £3,681 and foster care £761.

Individualised Commissioning

R

➢Growth in the cost and volume of individualised packages of care is the amongst the biggest financial risks facing the Strategic Commissioner.

➢Deep dive into Individualised Commissioning Recovery plan included later in this report.

Strategic Commissioner Financial Position

Growth Directorate R

- The service continues to face pressures due to non-delivery of savings and additional cost pressures. Following the liquidation of Carillion the appointed liquidator PwC has been managing the contracts to enable the smooth transfer to other providers. This transfer took place on 31 July 2017 but significant costs were incurred up to this date which were not included in the budget.
- Significant pressures are also being experienced in relation to loss of income due to the sale of assets and utilisation of assets for Council purposes, income from advertising and income from Building Control and Development Control is currently forecast to be less than budget.
- Non delivery of savings is also creating further pressures. The additional Services contract with the Local Education Partnership (LEP) was due to end at the end of October 2018, it was anticipated that savings as a result of a new provision would be achievable. As a result of the collapse of Carillion the existing contract with the LEP has been extended until July 2019 to enable a full review of the Service. Savings anticipated will therefore not materialise in 2018/19. In addition, the purchase of the Plantation Industrial Estate is no longer proceeding and the anticipated additional income will not be realised.
- The movement from the prior period is due to the forecast surplus on the Ecology Unit being included in the period 3 forecast. This is a hosted service and any surplus or deficit on the service is not held within the Council budget.

Operations and Neighbourhoods A

- The service continues to face pressures due to non-delivery of savings and additional cost pressures. The new Car parking provision around the hospital on Darnton Road was expected to generate additional income of £500k per annum. Delays in the construction of the spaces has resulted in the non-delivery of the saving in 2018/19 of £275k. There have been additional pressures of £207k due to waste disposal levy and construction costs. There are also growing budget pressures in this area due to more proactive gully cleansing (to prevent flooding) and increased maintenance for Children's playgrounds as a result of delayed capital investment.

Capital Financing, Contingency and Corporate Costs G

- The 2018/19 budget assumed some of the prior year capital expenditure would be financed from borrowing and that additional borrowing would be required. Continued use of reserves and capital receipts to finance capital expenditure has meant that this borrowing is not yet required and interest charges in 2018/19 will be lower that budget.
- Interest earned to date on cash investments is higher than budget due to an increase in the average rate of interest being achieved. This is due to a combination of increase rates overall and a more proactive investment strategy, together with the new investment in Manchester Airport.

Primary Care G

- Cat M price increases of £15m per month have been agreed at a national level from August. Prices expected to change again from October, but unclear what the impact of this will be. Estimated price increase will cost the CCG around £100k per month for as long as the prices remain at new rates. Current position assumes pressure will persist until March.
- Significant progress against TEP, particularly for repeat ordering protocols means the Cat M pressure has been contained and we have actually increased expected achievement at M4.

Mental Health G

- An additional £2.5m of recurrent investment was agreed in 2018/19 in order to meet requirements of the Five Year Forward View. While this recurrent commitment remains in place, there is likely to be some non recurrent slippage against this which can count towards TEP this year.
- Budgets included an expectation that 5 specialist MH placements would be required. There have been 2 new admissions this month, which based on average lengths of stay has created a £100k pressure.
- The position this month also includes £220k for Mental Health beds at Pennine Care. This creates additional capacity and has been agreed across all Pennine commissioners. Both the specialist placements and MH beds are contained within the additional £2.5m investment and do not impact upon expected slippage forecast within TEP.

TEP – Targeted/Trust Efficiency Plan

£212k

GP Prescribing

Despite pressures on Category M drugs, significant savings realised by meds mgt team in Q1. Most notably around repeat ordering protocols, where value of forecast has improved by £212k.

£533k

Growth

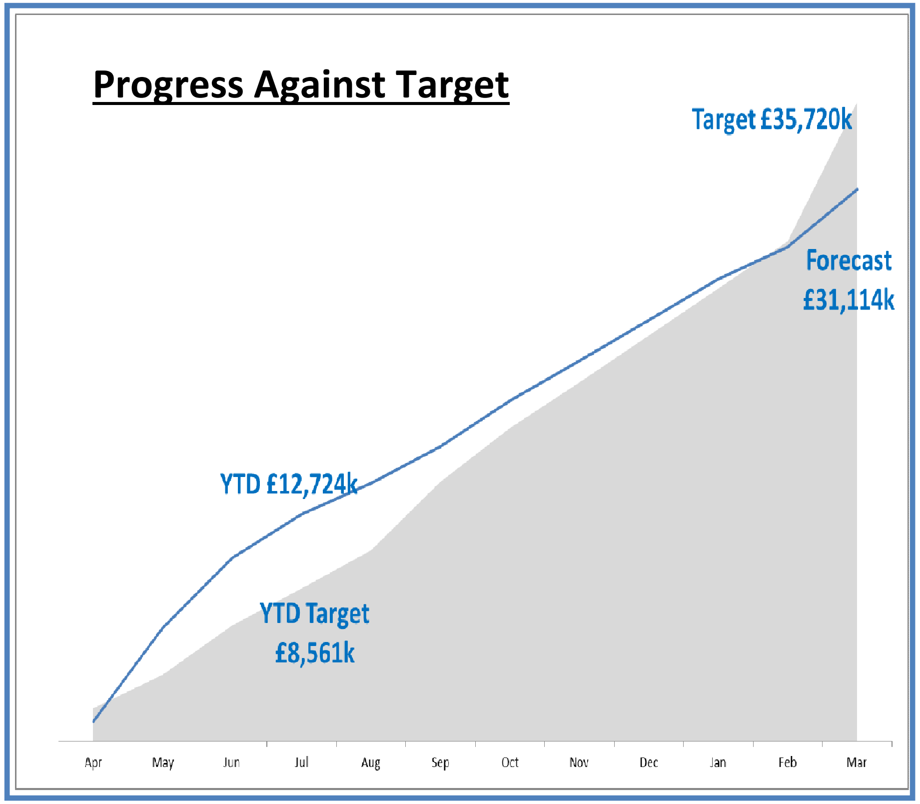
Savings previously rated as high risk have now been removed from the TEP as they will not be achieved. Removal of these savings is contributing to the forecast overspend in this area.

£1,124k

CCG Emerging Pipeline

Not yet realised any savings in relation to emerging schemes which would change policy or limit activity. Therefore forecast savings reduced. High risk schemes, therefore post optimism bias impact limited.

- The economy wide savings target for 2018/19 is £35,720k:
  - Commissioner £22,919k (£19,800k CCG & £3,119k TMBC)
  - Provider £12,801k
- Against this target, £12,724k of savings have been realised in the first four months, 36% of the required savings.
- Expected savings by the end of the year are £31,114k, a shortfall of £4,606k against target. It is an improvement of £1,092k against the position reported last month. The key driver of the improvement is a re-assessment of the risk against a CCG scheme to release risk reserve .
- A sample of some of the most significant changes over the last month are highlighted in the boxes above. Because of early realisation of non recurrent schemes, we are significantly ahead of the planned savings trajectory at M4, but unless new schemes are identified we still struggle to maintain this performance in the months to come.
- More work is required to identify new schemes and turn red and amber schemes green.
- £17,005 (55%) of forecast savings expected to be delivered recurrently.



TEP – Targeted/Trust Efficiency Plan

Economy Wide TEP Summary - 18/19 - Month 4

Organisation	High Risk	Medium Risk	Low Risk	Savings Posted	Total	Opening Target	Post Bias Expected Saving	Post Bias Variance
CCG	1,456	5,147	6,853	8,682	22,138	19,800	18,254	(1,546)
TMBC	313	552	990	456	2,311	3,119	1,753	(1,366)
Strategic Commissioner	**1,769**	**5,699**	**7,843**	**9,138**	**24,449**	**22,919**	**20,007**	**(2,912)**
ICFT	1,793	1,559	5,962	3,586	12,900	12,801	11,107	(1,695)
Economy Total	**3,562**	**7,258**	**13,804**	**12,724**	**37,349**	**35,720**	**31,114**	**(4,606)**

Org	Theme	High Risk	Medium Risk	Low Risk	Savings Posted	Total	Opening Target	Post Bias Expected Saving	Post Bias Variance
CCG	Emerging Pipeline Schemes	1,026	0	0	0	1,026	3,239	103	(3,136)
	GP Prescribing	180	1,640	180	802	2,802	2,000	1,820	(180)
	Individualised Commissioning Recovery Plan	250	255	305	144	954	1,326	601	(725)
	Other Established Schemes	0	2,253	351	1,561	4,165	4,283	3,039	(1,244)
	Tameside ICFT	0	0	1,653	827	2,480	2,480	2,480	0
	Technical Financial Adjustments	0	1,000	4,363	5,348	10,711	6,472	10,211	3,739
CCG Total		**1,456**	**5,147**	**6,853**	**8,682**	**22,138**	**19,800**	**18,254**	**(1,546)**
TMBC	Adults	213	272	212	0	697	697	369	(328)
	Growth	0	25	340	0	365	898	353	(546)
	Finance & IT	50	0	0	122	172	172	127	(45)
	Governance	0	0	129	25	154	154	154	0
	Childrens (Learning)	0	0	90	0	90	90	90	0
	Operations & Neighbourhoods	50	255	0	0	305	580	133	(448)
	Pop. Health	0	0	219	309	528	528	528	0
TMBC Total		**313**	**552**	**990**	**456**	**2,311**	**3,119**	**1,753**	**(1,366)**
Strategic Commissioner Total		**1,769**	**5,699**	**7,843**	**9,138**	**24,449**	**22,919**	**20,007**	**(2,912)**
ICFT	Corporate	0	0	435	508	943	1,300	943	(357)
	Demand Management	662	71	601	293	1,626	1,631	964	(666)
	Estates	89	50	186	87	412	450	323	(127)
	Finance Improvement Team	72	340	641	415	1,468	1,067	1,396	329
	Medical Staffing	394	148	3	24	569	1,103	176	(927)
	Nursing	238	63	540	406	1,247	1,250	1,010	(240)
	Paperlite	117	64	32	28	240	250	123	(127)
	Pharmacy	0	221	176	34	431	450	431	(19)
	Procurement	223	402	83	28	736	752	513	(238)
	Transformation Schemes	0	0	2,200	1,000	3,200	3,200	3,200	0
	Technical Target	0	200	117	58	375	0	375	375
	Vacancy Factor	0	0	947	705	1,653	1,350	1,653	303
ICFT Total		**1,793**	**1,559**	**5,962**	**3,586**	**12,900**	**12,801**	**11,107**	**(1,695)**
Economy Total		**3,562**	**7,258**	**13,804**	**12,724**	**37,349**	**35,720**	**31,114**	**(4,606)**

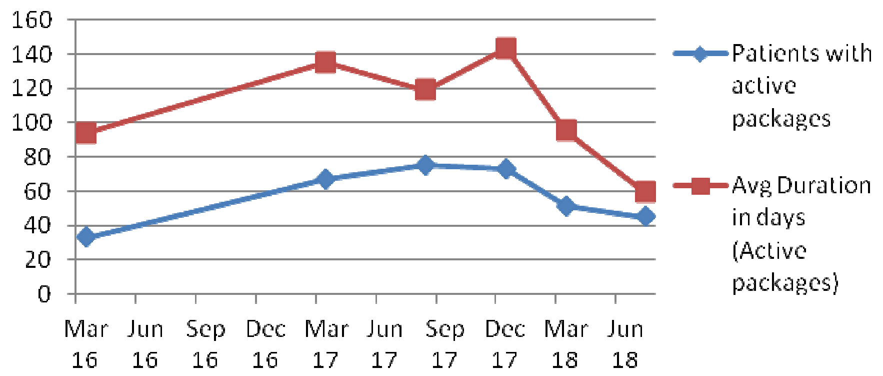
Individualised Commissioning – Deep Dive

Fast Track Packages

➢45 active packages are in place at July 2018. This is a net reduction of 6 patients since March 2018, and represents a 40% reduction from the August peak when we were funding 75 active packages.

➢The average duration in days is currently 59 days, a reduction of 50% over the past 12 months and a reduction of 38% since March 2018.

➢The team are closely monitoring length of stay in fast track packages (37% of packages in April were over 90 days). There is now a tracker in place to make this process more robust and ensure only valid reasons if 3 month breaches occur.



Neuro Rehabilitation

➢Neuro network have now completed individual assessments on all 'out of borough' placements.

➢The review found that all T&G CCG specialist Neuro rehab placements were made appropriately.

➢However the review has highlighted that current local provision has not developed sufficiently to meet the complex needs of these individuals. The next Individualised Commissioning recovery plan will update on progress against this issue.

Carson House Risk

➢CQC has issued a notice of decision to remove the registration of Carson house . The provider has 28 days to request a tier 1 tribunal appeal .

➢There are currently 35 residents that would be affected by a possible removal of registration.

➢Provision has been made in the current forecast for potential additional costs which may arise as consideration may need to be made for alternative accommodation.

Chairing of MDT's

➢Chairing of MDT's has been in place since 1st May 2018. The teams have played a crucial role thus far in supporting a 2018-19 YTD reduction in CHC expenditure of £144k.

➢Work is ongoing with the hospital discharge to ensure that criteria is applied robustly and that the number of assessments using the Decision Support Tool in the acute trust is reduced in order to meet the Quality Premium.

Funded Nursing Care

➢There has been an increase in FNC placement numbers from 209 at April 2018 to 229 as at July, work is ongoing to establish the reason for the upward trend and whether there is a link to the reduction in CHC spend. Further updates will be provided periodically throughout the year.

Liaison Review of Payments

➢Lack of confidence in Liaison findings thus far due to misinterpretation of data that the CCG have provided.

➢Figures provided on 10th August by Liaison indicate a potential clawback of £9k for 2017-18 packages (reduction of £500k from their initial estimates)

➢Further meeting scheduled with Liaison, Finance and the Individualised Commissioning team to agree next steps.