

Report to: STRATEGIC COMMISSIONING BOARD

Date: 12 December 2018

Officer of Strategic Commissioning Board Kathy Roe – Director Of Finance – Tameside & Glossop CCG and Tameside MBC

Subject: STRATEGIC COMMISSION AND NHS TAMESIDE AND GLOSSOP INTEGRATED CARE FOUNDATION TRUST – CONSOLIDATED 2018/19 REVENUE MONITORING STATEMENT AT 31 OCTOBER 2018 AND FORECAST TO 31 MARCH 2019

Report Summary: As at 31 October 2018 the Integrated Commissioning Fund is forecasting to spend £582.3m against an approved budget of £580.4m, an **overspend of £1.9m**, but an improvement on the position reported at month 6. This forecast masks significant risks and pressures in a number of areas, including Continuing Care, Children’s Services and Operations and Neighbourhoods.

The improved position from month 6 is due to a combination of improved savings delivery and the release of corporate contingency budgets.

Recommendations: Strategic Commissioning Board Members are recommended :

1. To note the report content.
2. Acknowledge the significant level of savings required during 2018/19 to deliver a balanced recurrent economy budget together with the related risks which are contributing to the overall adverse forecast.
3. Acknowledge the significant cost pressures facing the Strategic Commission, particularly in respect of Continuing Healthcare, Children’s Social Care and Operations & Neighbourhoods, and Growth.

Financial Implications: This report provides the 2018/19 consolidated financial position statement at 31 October 2018 for the Strategic Commission and Integrated Care Foundation Trust partner organisations. For the year to 31 March 2019 the report forecasts that service expenditure will exceed the approved budget in a number of areas, due to a combination of cost pressures and non-delivery of savings. These pressures are being partially offset by additional income in corporate and contingency which may not be available in future years.

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

The report emphasises that there is a clear urgency to implement associated strategies to ensure the projected funding gap in the current financial year is addressed and closed on a recurrent basis across the whole economy. The Medium Term Financial Plan for the period 2019/20 to 2023/24 identifies significant savings requirements for future years. If budget pressures in service areas in 2018/19 are sustained, this will inevitably lead to an increase in the level of savings required in future years to balance the budget.

It should be noted that the Integrated Commissioning Fund for the Strategic Commission is bound by the terms within the Section 75 and associated Financial Framework agreements.

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| 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 Strategic 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 : |

Tom Wilkinson, Assistant Director of Finance, Tameside Metropolitan Borough Council

 Telephone: 0161 342 5609

 e-mail: tom.wilkinson@tameside.gov.uk

Tracey Simpson, Deputy Chief Finance Officer, Tameside and Glossop Clinical Commissioning Group



Telephone:0161 342 5626



e-mail: tracey.simpson@nhs.net

David Warhurst, Associate Director Of Finance, Tameside and Glossop Integrated Care NHS Foundation Trust



Telephone:0161 922 4624



e-mail: David.Warhurst@tgh.nhs.uk

1. INTRODUCTION

- 1.1 This report aims to provide an overview on the financial position of the Tameside and Glossop economy in 2018/19 at the 31 October 2018 with a forecast projection to 31 March 2019. Supporting details for the whole economy are provided in **Appendix 1**.
- 1.2 The report includes the details of the Integrated Commissioning Fund (ICF) for all Council services and the Clinical Commissioning Group. The total net revenue budget value of the ICF for 2018/19 is currently £580.4 million.
- 1.3 It should be noted that the report also 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 overall Tameside and Glossop economy position. Reference to Glossop solely relates to health service expenditure as Council services for Glossop are the responsibility of Derbyshire County Council and High Peak Borough Council.
- 1.4 Please note that any reference throughout this report to the Tameside and Glossop economy refers to the three partner organisations namely:
- Tameside and Glossop Integrated Care NHS Foundation Trust (ICFT)
 - NHS Tameside and Glossop CCG (CCG)
 - Tameside Metropolitan Borough Council (TMBC)

2. FINANCIAL SUMMARY

- 2.1 As at 31 October 2018 the Integrated Commissioning Fund is forecasting to spend £582.3m against an approved budget of £580.4m, an overspend of £1.9m, but an improvement on the position reported at month 6. This forecast masks significant risks and pressures in a number of areas, including forecast overspend on Continuing Care (£2.8m), Children's Services (£6.6m) and Operations and Neighbourhoods (£2.4m).
- 2.2 The forecast position for the Strategic Commission has improved by £0.8m from month 6, due mainly to further delivery of savings on CCG budgets and the release of Council corporate contingency budgets.

3. TARGETED EFFICIENCY PLAN (TEP) SAVINGS

- 3.1 The opening economy wide savings target for 2018/19 is £35.920m, consisting of:
- Clinical Commissioning Group - £19.8m
 - Tameside MBC - £3.1m
 - Integrated Care Foundation Trust - £13.0m
- 3.2 Against this target, £18.9m of savings have been realised in the first seven months, 53% of the required savings.
- 3.3 Expected savings by the end of the year are £32.8m, a shortfall of £3.1m against target and a small improvement on the position reported last month.
- 3.4 The scale of the financial gap in future years mean there must be a continued focus on identifying schemes for 2019/20 and beyond. The Medium Term Financial Plan for the period 2019/20 to 2023/24 identifies significant savings requirements for future years. If budget pressures in service areas in 2018/19 are sustained, this will inevitably lead to an increase in the level of savings required in future years to balance the budget.

4. RECOMMENDATIONS

4.1 As set out at the front of the report.