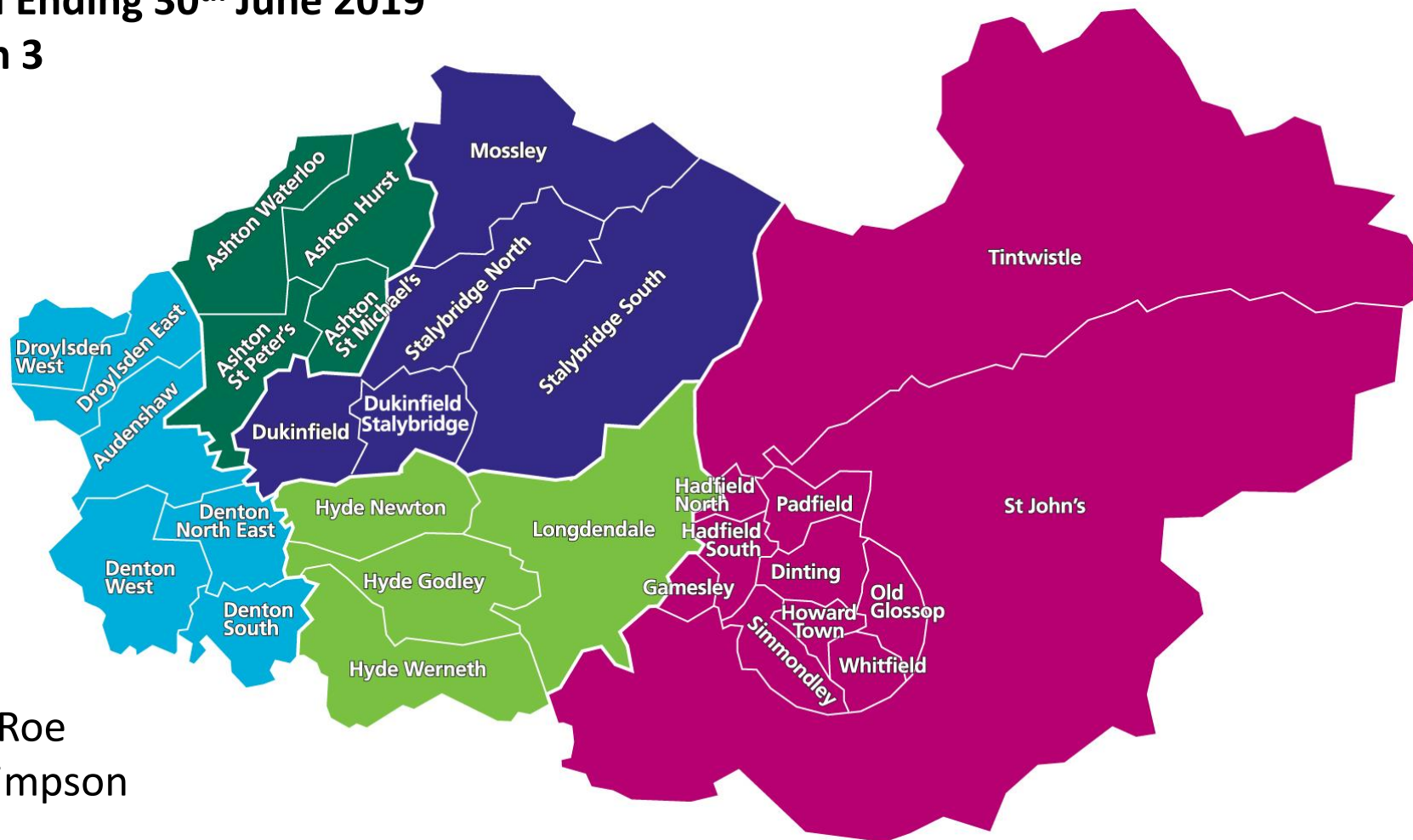


Tameside and Glossop Integrated Financial Position

financial monitoring statements

Period Ending 30th June 2019

Month 3



Kathy Roe

Sam Simpson

Integrated Financial Position Summary Report

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Appendix 1 – Detailed Service Budget Analysis

Note:

The values in this report have been presented in £'000s. All values reconcile exactly in it lowest denomination, however, on presentation there may be some minor rounding differences in the variance calculations as a result of reporting the values at a higher level.

Tameside & Glossop Integrated Economy Wide Financial Position

£3,317k

ICF Position Improvement

The significant favourable variance relates primarily to an increase in the forecast dividend income from the Council's strategic investment in Manchester Airport Group, following notification of the July dividend payment. The level of dividend to be received in 2019/20 is not guaranteed and this projection will be revised once notification of the second dividend payment is received in December 2019.

Message from the DOFs

As we reach the end of the first quarter of the financial year, we have a good opportunity to take stock and reflect on some of our recent achievements. The ICFT has agreed financial control totals, while the CCG, Local Authority and many other organisations, have moved into Tameside One – a physical representation of our joined up working to prioritise population health and continue with the innovative work under the Care Together umbrella. We continue to receive positive exposure at both a local level, and nationally, with nominations and successes at both the HSJ awards, and the MJ awards. The CCG has recently been rated as outstanding in its annual NHS England assessment, receiving the highest rating of green in the Finance and leadership category – again, demonstrating how well our system of integration is working.

Whilst there is clearly cause for celebration and lots of good reasons to be optimistic, we need to acknowledge the scale of the financial challenge the economy still faces. In the short term we need to close the financial gap and achieve TEP targets in 2019/20. Longer term we need to acknowledge that Local Authority funding from central government will continue to reduce and that non-recurrent transformation funding will come to an end. Against this backdrop our challenge will be to continue providing award winning services at the same time as balancing the budget.

This report covers all spend at Tameside & Glossop Clinical Commissioning Group (CCG), Tameside Metropolitan Borough Council (TMBC) and Tameside & Glossop Integrated Care Foundation Trust (ICFT). It does not capture any Local Authority spend from Derbyshire County Council or High Peak Borough Council for the residents of Glossop.

Forecast Position £000's	Forecast Position		
	Net Budget	Net Forecast	Net variance
CCG Expenditure	418,891	419,707	(816)
TMBC Expenditure	196,803	198,189	(1,386)
Integrated Commissioning Fund	615,694	617,896	(2,202)
ICFT - post PSF Agreed Deficit	(5,686)	(5,686)	0
Economy Wide In Year Deficit	(5,686)	(7,888)	(2,202)

Tameside & Glossop Integrated Commissioning Fund

With a gross budget for 2019/20 in excess of £943m, as at month 3 the Integrated Commissioning Fund has a forecast net spend of £617,896k, against a net budget of £615,694k. The forecast overspend of £2,202k is primarily driven by Children's Services and CCG TEP shortfall, offset by contingency and capital financing. Favourable movements include CCG TEP, where £1,200k of cross year benefit in prescribing has been utilised in closing the gap and reducing the net risk, as well as the increased dividend income from Manchester Airport within the capital and finance directorate.

Forecast Position £000's	Forecast Position					Net Variance	
	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance	Previous Month	Movement in Month
Acute	214,594	0	214,594	215,072	(478)	0	(478)
Mental Health	37,207	0	37,207	37,189	18	0	18
Primary Care	85,460	0	85,460	85,366	94	0	94
Continuing Care	16,785	0	16,785	16,781	4	0	4
Community	33,105	0	33,105	33,103	2	0	2
Other CCG	26,576	0	26,576	26,216	360	0	360
CCG TEP Shortfall (QIPP)	0	0	0	816	(816)	(1,984)	1,168
CCG Running Costs	5,164	0	5,164	5,164	0	0	0
Adults	84,083	(46,750)	37,333	37,607	(274)	20	(294)
Children's Services	53,893	(5,337)	48,556	53,108	(4,552)	(4,258)	(294)
Education	27,977	(21,972)	6,005	6,066	(61)	(211)	150
Individual Schools Budgets	115,214	(115,214)	0	0	0	0	0
Population Health	16,262	(170)	16,092	16,372	(280)	12	(292)
Operations and Neighbourhoods	78,812	(28,185)	50,627	51,740	(1,113)	(841)	(272)
Growth	42,784	(33,915)	8,870	9,956	(1,086)	(530)	(556)
Governance	73,759	(64,565)	9,193	8,983	210	221	(11)
Finance & IT	6,218	(1,408)	4,809	4,801	8	0	8
Quality and Safeguarding	440	(304)	136	136	(0)	(0)	0
Capital and Financing	10,763	(6,647)	4,116	914	3,202	0	3,202
Contingency	5,674	0	5,674	3,904	1,770	1,393	377
Corporate Costs	8,272	(2,881)	5,392	4,603	789	659	130
Integrated Commissioning Fund	943,042	(327,348)	615,694	617,896	(2,202)	(5,519)	3,317

Children's Services

Children's Social Care is forecast to overspend by £4,552k. The significant aspect of the projected variance relates to placements related expenditure. The number of looked after children when establishing the 2019/20 budget was 648 (December 2018), an all time high for Tameside and considered to be the peak. However, Members should note that the number of looked after children has since increased to 685 at 5 July 2019 – an increase of 5% during this period. The projection assumes the current cost of all existing placements for the remainder of the financial year with an assumption for a further net increase of 5 placements from July, again for the remainder of the year.

The directorate is evaluating a number of initiatives to reduce the number and related costs of looked after children, the details of which will be reported in future monitoring reports. These include:

- targeting earlier intervention to support children and families via existing embedded service initiatives such as edge of care and family group conferencing, stopping children entering care
- a redesign of the Family Intervention Service to deliver intensive support at the early signs of family breakdown, again to prevent children from entering care.
- Clear guidance and increasing seniority of oversight for the approval of residential placements to ensure all other care options have been considered
- Detailed tracker developed to support improved management oversight of key areas of case progression such as Special Guardianship and the discharge of orders
- an urgent review of care provision sufficiency within the borough
- the implementation of a completed placements commissioning strategy review
- a review of the existing local authority residential estate for potential change of provision of one home to a short term assessment unit with a focus on either rehabilitation back to home and/or family or to support the identification of appropriate longer term placement arrangements
- the evaluation of an in borough planned / emergency respite unit to prevent family breakdown and admission to care
- a targeted senior management lead review of discreet cohorts of Looked After Children is now underway to ensure current placement arrangements, care plans and legal status are appropriate to need. This is focused initially on the 15 year plus cohort

In addition, the directorate senior leadership team are reviewing the number and duration of budgeted posts within the service to reduce the level of projected expenditure for vacant positions to deliver the vacancy savings target.

Acute

At this stage in the year it is too early to identify clear trends that may be emerging in secondary care, particularly as two of our associate providers have reported data quality issues.

Forecasts include YTD high cost patient costs at Pennine Acute, as well as The Christie.

Data is showing an over performance in Ophthalmology in the independent sector. A block contract was agreed with Manchester FT (MFT) in 19/20 in order to manage demand and expenditure in this area. Further investigations will take place to understand this issue and ensure referrals are appropriate and where possible directed to MFT, avoiding any duplication of payment. A deep dive report, updating on this issue will be taken to FQAG in August.

Whilst some planning provision was made to clear RTT in 19/20, the CCG has seen a 18.9% increase in people on the waiting list since March 18. This presents a risk to the CCG as this backlog is cleared.

Tameside & Glossop Integrated Commissioning Fund

Forecast Position £000's	Forecast Position					Net Variance	
	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance	Previous Month	Movement in Month
CCG Expenditure	418,891	0	418,891	419,707	(816)	(1,984)	1,168
TMBC Expenditure	524,151	(327,348)	196,803	198,189	(1,386)	(3,535)	2,148
Integrated Commissioning Fund	943,042	(327,348)	615,694	617,896	(2,202)	(5,519)	3,317
A: Section 75 Services	391,514	(46,820)	344,694	345,687	(993)	(5,493)	4,500
B: Aligned Services	301,764	(100,210)	201,554	198,698	2,856	136	2,720
C: In Collaboration Services	249,764	(180,318)	69,446	73,512	(4,065)	(162)	(3,903)
Integrated Commissioning Fund	943,042	(327,348)	615,694	617,896	(2,202)	(5,519)	3,317

Operations and Neighbourhoods

Pressures included in the forecast include

- Shortfall in income from car parks (approx. £447K)
- Anticipated income from inappropriate use of bus lanes, however, this demonstrate that the cameras are acting as a successful deterrent.
- Although footfall has increased since the opening of Tameside One, until the public realm area is complete, income from the outdoor market remains under target.

Capital and Financing

The significant favourable variance relates to an increase in the forecast dividend income from the Council's strategic investment in Manchester Airport Group, following notification of the July dividend payment. The level of dividend to be received in 2019/20 is not guaranteed and this projection will be revised once notification of the second dividend payment is received in December 2019. In addition, the forecast interest to be earned from surplus cash deposits has increased as the average rate earned on deposits is higher than previously forecast.

Corporate Costs

Underspends are forecast due to an anticipated reduction of £565k in the contributions required to insurance reserves, following receipt of the actuarial assessment at the end of 2019/20. Other minor underspends relate to a forecast reduction in coroners costs and savings on AGMA contributions.

Growth

Significant budget pressures relate to a shortfall in income relating to Estates, particularly where rental income for industrial units is not being realised. Fee income from planning and building control is also less than budget.

In addition, forecast costs in Corporate Landlord exceed budget due to rents not being realised and additional forecast costs for utilities in respect of Tameside One.

Tameside Integrated Care Foundation Trust Financial Position

- **Revenue** - The Trust has agreed a control with NHSI of **c.£5.686m** after Financial Recovery Fund (FRF) and Provider Sustainability Funding (PSF); for the financial period to **30th June 2019**, the Trust has reported a net deficit of **£1.456m** post FRF and PSF, which is £24k below plan.
- **Trust Efficiency Programme (TEP)** - the Trust has a TEP target in 2019/20 of **£11.580m** including carried forward schemes from 2018/19. During month 3 the Trust delivered **£878k** against a plan of **£650k** reporting an overachievement of **c.£228k** in month. The Trust is forecasting at month 3 to deliver **c.£10.977m** by the end of the year. Schemes are being developed across the Trust to mitigate the shortfall of **c.£603k (5%)**.

Financial performance metric	Month 3			YTD			Annual
	Plan (£000)	Actual (£000)	Variance (£000)	Plan (£000)	Actual (£000)	Variance (£000)	Plan (£000)
Normalised Surplus/(Deficit) before PSF & FRF	(£2,458)	(£2,434)	£24	(£7,060)	(£7,010)	£50	(£25,220)
PSF	£237	£237	£0	£709	£709	£0	£4,727
FRF	£741	£741	£0	£2,221	£2,221	£0	£14,807
Surplus/(Deficit) post PSF	(£1,480)	(£1,456)	£24	(£4,130)	(£4,080)	£50	(£5,686)
Capital Expenditure	£284	£273	(£11)	£697	£392	(£305)	£4,487
Cash and Equivalents	£1,220	£1,136	(£84)				£1,220
Trust Efficiency Savings	£650	£878	£228	£1,854	£1,923	£69	£11,580
Use of Resources Metric	3	3		3	3		3

- **Agency cap** - The Trust has an agency cap of **c.£9.454m**, but a plan of **£7m**. During Month 3 the Trust spent **£529k** against a plan of **£575k**, reporting an underspend of **£46k** and reporting below the cap
- **Capital** – Capital expenditure is behind plan **by c.£305k (A)** year to date
- **Cash** – The cash balance was **£84k** better than plan at the end of Month 3.