

# Tameside and Glossop Integrated Financial Position: M8

2016/17 Revenue & Capital Monitoring Statements at 30  
November 2016 and projected outturn to 31 March 2017

15 December 2016

Stephen Wilde  
Tracey Simpson  
Ann Bracegirdle

## **Section 1 - Care Together Economy Revenue Financial Position**

# Care Together Economy Revenue Financial Position

Organisation	Year to Date			Year End Forecast			Movement	
	Budget £'000s	Actual £'000s	Variance £'000s	Budget £'000s	Actual £'000s	Variance £'000s	Previous Month £'000s	Movement in Month £'000s
Tameside & Glossop CCG	250,941	251,641	(700)	377,978	380,495	(2,517)	(3,188)	671
Tameside MBC	46,043	48,290	(2,126)	69,272	72,643	(3,371)	(3,050)	(321)
<b>Total Single Commissioner</b>	<b>296,984</b>	<b>299,931</b>	<b>(2,826)</b>	<b>447,250</b>	<b>453,138</b>	<b>(5,888)</b>	<b>(6,238)</b>	<b>350</b>
ICFT Deficit	(11,356)	(11,476)	(120)	(17,300)	(17,300)	0	-	-
<b>Total Whole Economy</b>			<b>(2,946)</b>			<b>(5,888)</b>	<b>(6,238)</b>	<b>350</b>

The overall financial position of the Care Together Economy has improved by £350k month on month reducing the projected year end deficit to £5.89m or 1.3% of the full year budget. Key points to note are as follows:

## Key Risks in Year End Forecast

- That the CCG QIPP doesn't deliver to current planned levels
- That the current level of Delayed Transfers of Care adversely impacts on the delivery of the Winter Plan with associated financial consequences

## Planned Mitigations to Identified Risks

- Ownership of individual QIPP schemes together with rigorous monitoring will ensure delivery
- The Winter Plan reflects an integrated approach across the economy which is essential in managing delayed transfers of care (DTOCs) with implementation of the Home First transformation project critical to managing the level of DTOCs.

*The CCG figure quoted in table 1 differs from that reported to NHS England in the Non ISFE return, due to the treatment of QIPP and timing of the recovery plan. This is to ensure consistency of reporting across the Integrated Commissioning Fund, for both CCG and Local Authority. This is presentational only and does not affect the underlying position. It has been agreed at Single Commissioning Board, that all financial gaps (including QIPP) should be treated as a deficit until the savings have been achieved (i.e., reported as green in QIPP/recovery plans). Please note that accruals are included within the year end projections for the Council and not within the year to date totals. The CCG projections include accruals with in both year to date and year end projection total.*

Original commissioner financial gap £21.5m. Still need to close £5.9m of this gap which is dependent on a proportion of amber and red schemes delivering in accordance with the optimism bias applied.

## Mitigations to adverse variances contained in Year to Date Position

- Continued work to deliver improvement on the CCG QIPP position following submission of recovery plan.
- Continued work to deliver and identify further savings as part of the TMBC QIPP.
- Diligent efforts in striving to deliver the savings target in full. Significant risk attached to this.

# Tameside & Glossop CCG

Description	Year to Date			Year End Forecast			Movement	
	Budget £'000s	Actual £'000s	Variance £'000s	Budget £'000s	Actual £'000s	Variance £'000s	Previous Month £'000s	Movement in Month £'000s
Acute	132,749	132,003	746	197,643	197,522	121	(20)	141
Mental Health	19,350	19,384	(34)	29,098	29,153	(55)	(97)	42
Primary Care	54,709	55,192	(483)	81,655	82,736	(1,081)	(249)	(832)
Continuing Care	7,568	7,729	(161)	12,251	12,637	(386)	(376)	(10)
Community	18,322	18,296	26	27,559	27,520	39	47	(8)
Other	15,350	16,001	(651)	24,610	23,852	758	69	689
QIPP					2,517	(2,517)	(3,188)	671
CCG Running Costs	2,893	3,036	(143)	5,162	4,558	604	627	(23)
<b>CCG Total</b>	<b>250,941</b>	<b>251,641</b>	<b>(700)</b>	<b>377,978</b>	<b>380,495</b>	<b>(2,517)</b>	<b>(3,188)</b>	<b>671</b>

Overall there has been an improvement to the CCG's projected year end financial position by just over £1m in the projected year end variance. It is important to note that the majority of this improvement is a result of non-recurrent means and includes:

- Green rated QIPP schemes have increased by £671k to £10,983
- Other changes in outturn position by directorate:
  - **Acute:** Detailed breakdown of movements in acute providers detailed separately
  - **Prescribing:** A full review of prescribing costs has now been completed. This has resulted in a pressure of £757k. The forecast includes an expectation around QIPP achievement and an adjustment relating to number of prescribing days. But the key driver of the underlying pressure is the fact that prescribing volumes in 16/17 have increased by 4.28% in T&G against a benchmark increase of 2.84% in GM and 2.08% nationally.
  - **Continuing Care:** Forecast in line with month 7 to account for overall economy pressure relating to FNC rate increase. Detailed work on value of 16/17 forecast and monitoring arrangements ongoing.
  - **Other:** QIPP findings as above.
  - **Running Costs:** The deterioration in the Running Costs is due to IT expenditure regarding the impending moves from NCH offset by reduction of the Hyperion licences which we no longer use.

- Significant improvement in the CCG QIPP position following submission of recovery plan.
- £10,983k of the £13,500k target is now fully achieved, leaving a residual gap of £2,517k.
- The CCG has a plan to close this residual gap and has reported a post mitigation risk of zero to NHSE at M8, but still work to do to implement this plan.
- Much of the gap is closed non recurrently therefore still work to close gap recurrently in future years.
- CCG planning to:
  - Deliver 1% surplus in 2016/17
  - Keep 1% of allocation uncommitted
  - Maintain Mental Health Investment Target (formerly parity of esteem)
  - Remain within running cost allocation

## Recommendations

- Note the updated M8 YTD position and projected outturn
- Acknowledge significant savings required to close the long term financial gap

*The CCG figure quoted in table 1 differs from that reported to NHS England in the Non ISFE return, due to the treatment of QIPP and timing of the recovery plan. This is to ensure consistency of reporting across the Integrated Commissioning Fund, for both CCG and Local Authority. This is presentational only and does not affect the underlying position. It has been agreed at Single Commissioning Board, that all financial gaps (including QIPP) should be treated as a deficit until the savings have been achieved (i.e., reported as green in QIPP/recovery plans)*

# CCG – Provider Performance

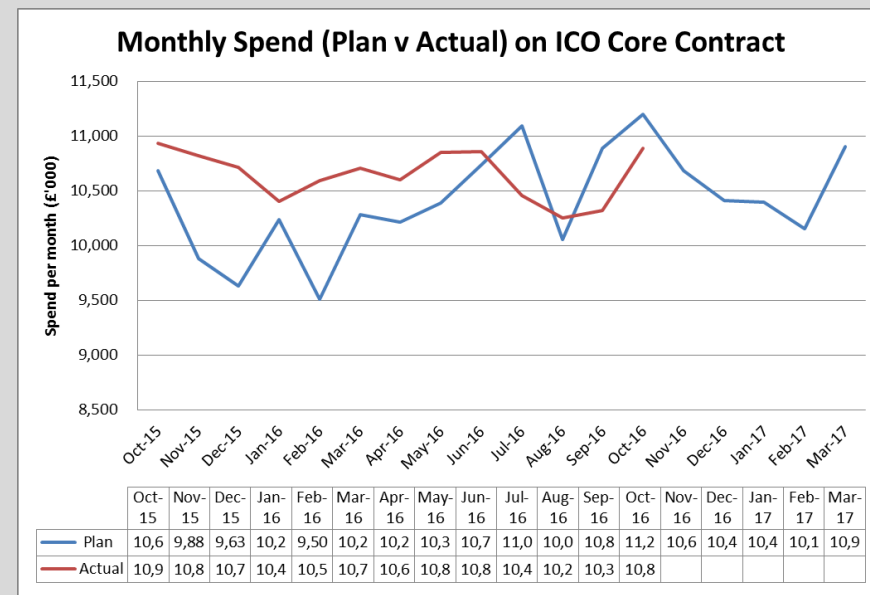
## Acute Provider Drilldown

- **ICFT:** We are working towards agreeing a year end settlement with the ICFT which is anticipated to be an underspend against plan.
- Detailed below are the current areas underspending, however, these underspends should be considered in line with the budget profiling discussed under 'Acute TFT Movement' opposite:
  - **Non Elective:** General Surgery at £40k / T&O at £44k / General Medicine at £60k
  - **Critical Care:** £424k underspent YTD
  - **Drugs:** £191k underspent YTD
- **Central Manchester:** Adverse movement of full year forecast due to additional NEL activity - Cardiology (£35k), Nephrology (£44k), General Surgery (£35k) and Critical Care (£146k).
- **Pennine Acute:** Adverse movement of full year forecast due to one high cost patient incurring costs of (£43k) and Critical Care charges of (£12k).

Description	Year to Date			Year End Forecast		
	Budget £'000s	Actual £'000s	Variance £'000s	Budget £'000s	Actual £'000s	Variance £'000s
ICFT	85,193	84,442	751	126,575	126,575	0
Central Manchester	14,995	15,552	(557)	22,280	23,037	(757)
Stockport	7,985	7,396	589	11,969	11,114	855
South Manchester	4,344	4,570	(226)	6,568	6,830	(262)
Pennine Acute	2,697	2,623	74	4,029	3,871	158
Salford	2,159	2,259	(100)	3,226	3,478	(252)
WWL	929	798	131	1,409	1,259	150
Bolton	53	51	2	80	85	(5)
<b>CCG Total</b>	<b>118,355</b>	<b>117,691</b>	<b>664</b>	<b>176,136</b>	<b>176,249</b>	<b>(113)</b>

## Acute TFT Movement

- The YTD position is underspent by £751k, of which £280k is non-recurrent and relates to cross year excess bed days.
- The graph below shows a spike in the profiling of the budget during July and September. Extending this to October, we have a further increase in budget contributing to the favourable YTD movement. It is expected that this will come back in line with plan over subsequent months so an element of forecast underspend as a year end settlement would seem a reasonable position.



# Tameside MBC

Description	Year to Date			Year End Forecast			Movement	
	Budget £'000s	Actual £'000s	Variance £'000s	Budget £'000s	Actual £'000s	Variance £'000s	Previous Month £'000s	Movement in Month £'000s
Adult Social Care & Early Intervention	28,052	28,943	(779)	41,995	43,331	(1,336)	(1,347)	11
Childrens Services, Strategy & Early Intervention	17,017	18,293	(1,276)	25,877	27,791	(1,914)	(1,582)	(332)
Public Health	973	1,054	(71)	1,400	1,521	(121)	(121)	-
<b>TMBC Total</b>	<b>46,043</b>	<b>48,290</b>	<b>(2,126)</b>	<b>69,272</b>	<b>72,643</b>	<b>(3,371)</b>	<b>(3,050)</b>	<b>(321)</b>

Overall the TMBC year end forecast position has deteriorated by £0.3m since period 7 increasing the projected year end variance to c.£3.4m, 7.3% on the current year's net budget. An explanation of the movements and other background is provided below:

## Children's Social Care

- Additional temporary social workers recruited to address caseload capacity (£0.5m), additional external residential and foster care placements (£0.4m), planned savings initiatives yet to be realised (£0.9m), additional minor variations (£0.1m).

## Public Health

- Temporary resourcing of the Active Tameside capital investment prudential borrowing repayments is currently under consideration. The temporary resourcing arrangements will be replaced in future years via the recurrent savings achieved from a significant reduction to the annual management fee payable. Currently a borrowing repayment of £0.186m is included within the projected outturn estimate. This is partial offset by underspends elsewhere within Public Health.

## Adult Social Care

- Changes to the regulations associated with the Better Care Fund has created a pressure of £1.12m
- CCTV - The service has a projected deficit of £0.100m. A service review is underway in this area to reduce expenditure where appropriate. Updates will be provided in future reports.

## Recommendations

- Note the updated M8 YTD position and projected outturn
- Acknowledge risk in relation to achieving balanced 2016/17 financial position

# Tameside & Glossop Integrated Care NHS Foundation Trust (ICFT)

Description	Year to Date			Year End Forecast			Movement	
	Budget £'000s	Actual £'000s	Variance £'000s	Budget £'000s	Actual £'000s	Variance £'000s	Previous Month £'000s	Movement in Month £'000s
Income	135,590	137,443	1,853	202,785	205,184	2,399	205,137	(47)
Expenditure	140,688	143,184	(2,496)	210,707	213,803	(3,096)	213,749	(54)
Earnings before interest, taxes, depreciation and amortisation	(5,098)	(5,741)	(643)	(7,922)	(8,619)	(697)	(8,612)	7
<b>Net Deficit after Exceptional Costs</b>	<b>(11,356)</b>	<b>(11,476)</b>	<b>(120)</b>	<b>(17,300)</b>	<b>(17,300)</b>	<b>-</b>	<b>(17,300)</b>	<b>-</b>

## Financial Position

- For the 8 months to November 2016, the ICFT is delivering a deficit of £11.5m, broadly on line with plan.
- The year end forecast is for the planned £17.3m deficit, and assumes the following;
  - Delivery of the £7.8m Efficiency savings target
  - Delivery of the Tameside and Glossop CCG contract
  - Small over performance on all associate PbR contracts
  - Financial and performance criteria for receipt of £6.5m Sustainability and Transformation funding (STF) is achieved.
  - £17.3m working capital/loan is received to fund the deficit position.
  - Agency expenditure does not increase significantly

## Key Risks to the Financial Position

- Under-performance of savings target – c.£1.8m of schemes are currently rag rated medium or high risk.
- Increased expenditure on agency staffing.
- Additional unplanned expenditure due to winter pressures.
- Savings relating to transformation schemes delayed.
- Performance targets requiring unplanned expenditure to use the independent sector.

# Closing the Financial Gap

## Establishing the Financial Gap

- Current financial gap across the health and social care economy in Tameside & Glossop is estimated to be £70.2m by 20/21.
- In 16/17 the opening gap was £45.7m. This is made of £13.5m CCG, £8m council and £24.2m ICO. Progress towards closing these gaps has been made throughout the year.
- The provider gap represents the underlying recurrent financial position at THFT. However, the Trust is in receipt of £6.9m sustainability funding in 2016/17 resulting in a planned deficit of £17.3m.
- An updated position for 2017/18 and subsequent years will be presented after budget setting is completed in January 2017.

T&G Projected Financial Gap	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Tameside MBC	8,000	22,114	22,601	21,752	25,837
Tameside & Glossop CCG	13,500	22,485	22,083	22,209	18,547
Tameside FT (after CIP)	24,200	24,380	24,686	25,049	25,786
<b>Economy Wide Gap</b>	<b>45,700</b>	<b>68,979</b>	<b>69,370</b>	<b>69,010</b>	<b>70,170</b>

## Closing the Financial Gap - CCG

- CCG recovery plan submitted to NHS England which demonstrates initiatives which would allow the CCG to close the £13.5m 16/17 gap and deliver required surplus.

Summary of QIPP £'000s	2016/17				2017/18			
	R	A	G	Total	R	A	G	Total
PRIORITY 1 - Prescribing	1,449	0	0	1,449	1,123	1,393	0	2,516
PRIORITY 2 - Effective Use of Resources / Prior Approval	0	0	0	0	0	1,500	0	1,500
PRIORITY 3 - Demand Management	0	0	500	500	828	5,318	0	6,146
PRIORITY 4 - Single Commissioning Function Responsibilities	0	120	543	663	0	486	523	1,009
PRIORITY 5 - Back Office Functions and Enabling Schemes	250	0	0	250	500	1,000	0	1,500
PRIORITY 6 - Governance	0	30	0	30	0	100	0	100
<b>Other Schemes in progress/achieved:</b>								
Neighbourhoods	0	0	460	460	0	525	230	755
Primary Care	0	0	698	698	0	312	1,000	1,312
Mental Health	0	0	232	232	500	0	232	732
Acute Services - Elective	0	110	500	610	500	59	500	1,059
Enabling Schemes to facilitate QIPP	0	0	0	0	0	1,682	0	1,682
Technical Finance & Reserves	0	370	4,992	5,362	0	0	4,382	4,382
Other efficiencies	0	603	3,058	3,661	4,388	0	28	4,416
<b>Grand Total:</b>	<b>1,699</b>	<b>1,233</b>	<b>10,983</b>	<b>13,915</b>	<b>7,839</b>	<b>12,374</b>	<b>6,895</b>	<b>27,108</b>

Including adjustments for Optimum bias  
 10% of red rated schemes will be realised  
 50% of amber rated schemes will be realised  
 100% of green rated schemes will be realised

170	617	10,983	11,769	784	6,187	6,895	13,866
-----	-----	--------	--------	-----	-------	-------	--------

- Savings identified exceed the target by £415k but after allowing for optimism bias, this becomes a shortfall of £1.731m.
- Analysis of recurrent vs. Non Recurrent savings:

Recurrent vs Non Recurrent	2016/17	2017/18
<b>Recurrent Savings</b>	<b>3,709</b>	<b>21,158</b>
Red	1,699	7,011
Amber	260	12,134
Green	1,750	2,013
<b>Non Recurrent Savings</b>	<b>10,206</b>	<b>5,950</b>
Red	0	828
Amber	973	240
Green	9,233	4,882
<b>Total</b>	<b>13,915</b>	<b>27,108</b>



# Closing the Financial Gap - TMBC

Service	Savings Area	Detail	2016/17			Total
			R	A	G	
Public Health	Savings found	Planned Reduction to annual management fee payable to Active Tameside and other incidental savings			217	217
		Reduction in Community Services contract value - agreed with ICO			169	169
	Additional resource (projected cost pressures)			49	49	
	Reduction in estimated capital financing repayments	Reduction in capital financing costs in 2016/17 due to rephasing of works to reconfigure Active Tameside estate			456	456
	Savings still to be found			490	490	
<b>sub total Public Health</b>			-	<b>490</b>	<b>891</b>	<b>1,381</b>
Adult Social Care	Additional resource (projected cost pressures)				3,908	3,908
	Savings still to be found	The Council is currently in the process of identifying further options to address the projected financial gap that is expected to arise during 2016/17. Updates will be reported within future monitoring reports.	997			997
	<b>sub total Adult Social Care</b>			<b>997</b>	-	<b>3,908</b>
Childrens Social Care	Savings found	Reduction to inflationary increases that were projected to materialise during 2016/17.			120	120
	Additional resource (projected cost pressures)				1,215	1,215
	Savings still to be found	The Council is currently in the process of identifying further options to address the projected financial gap that is expected to arise during 2016/17. Updates will be reported within future monitoring reports.	379			379
	<b>sub total Childrens Social Care</b>			<b>379</b>	-	<b>1,335</b>
<b>TOTAL</b>			<b>1,376</b>	<b>490</b>	<b>6,134</b>	<b>8,000</b>
Including adjustment for Optimism Bias			138	245	6,134	<b>6,517</b>
10% of red rated schemes will be realised						
50% of amber rated schemes will be realised						
100% of green rated schemes will be realised						
<b>QIPP Target</b>						<b>8,000</b>
<b>Savings still to be found after accounting for optimism bias</b>						<b>1,483</b>

# Commissioner Financial Risk within the ICF

- Main financial risks within ICF are listed to the right
- Detailed registers which include further information about the risk and mitigating actions are reviewed by Audit Committee. Copies are available on request.
- Key changes to the financial risks since last month:
  - The probability of failing to close the financial gap has reduced in the current financial year, so the RAG has been reduced from Red to Amber.
  - There is an increased probability that the GP prescribing budgets will overspend, so the RAG has been increased from Amber to Red.
  - Due to the progress made in the CCG's recovery plan, the risk of not maintaining expenditure within the revenue resource limit and not achieving the 1% surplus has significantly reduced. The risk status has therefore been amended to Green.
  - Due to increased dependency levels of those placed in care homes and the associated cost pressures, the risk has been changed from Amber to Red.
  - Significant demand and associated financial pressures in the care home market nationally is resulting in an increased probability of provider failure.

Extracts From the Corporate Risk Registers	Probability	Impact	Risk	RAG
The achievement of meeting the Financial Gap recurrently.	3	4	12	A
Over Performance of Acute Contract	3	4	12	A
Not spending transformation money in a way which delivers required change	2	4	8	A
Over spend against GP prescribing budgets	4	4	16	R
Over spend against Continuing Health Care budgets	2	3	6	A
Operational risk between joint working.	1	5	5	A
CCG Fail to maintain expenditure within the revenue resource limit and achieve a 1% surplus.	1	4	4	G
In year cuts to Council Grant Funding	2	3	6	A
Care Home placement costs are dependent on the current cohort of people in the system and can fluctuate throughout the year	4	4	16	R
Looked After Children placement costs are volatile and can fluctuate throughout the year	3	4	12	A
Unaccompanied Asylum Seekers	4	3	12	A
Care Home Provider Market Failure	3	5	15	R
Funded Nursing Care – impact of national changes to contribution rates	4	3	12	A

# Other Significant Issues

## Tameside Better Care Fund

- Tameside Better Care Fund plan for 16/17 was approved by NHS England on 1 September 2016.
- Plan meets all requirements and funding has been released subject to spend being consistent with final approved plan.
- All spend is monitored through the Integrated Care Fund and is being spent in the following areas:

Scheme name	2016-17 budgets (£000's)		
	CCG	TMBC	Total
<b>Urgent Integrated Care Service</b>	<b>578</b>	<b>2,374</b>	<b>2,952</b>
IRIS	578	1,338	1,916
Early Supported Discharge Team		286	286
Community Occupational Therapists		750	1,974
<b>Localities</b>	<b>412</b>	<b>3,265</b>	<b>3,677</b>
Telecare/Telehealth	174	667	841
ICES (Joint Loan Store)	238	450	688
Reablement Services		2,148	2,148
<b>Carers Support (in line with National Conditions of Care act related funding)</b>	<b>412</b>	<b>-</b>	<b>412</b>
Carer Breaks (Adults)	412	-	412
<b>Primary Care (£5 per head for over 75's)</b>	<b>1,070</b>	<b>-</b>	<b>1,070</b>
<b>Existing Grant - Disabled Facilities Grant</b>	<b>-</b>	<b>1,978</b>	<b>1,978</b>
<b>Impact of New Care Act Duties</b>	<b>-</b>	<b>529</b>	<b>529</b>
<b>Integration Pump Priming</b>	<b>982</b>	<b>-</b>	<b>982</b>
<b>Maintaining Services</b>	<b>-</b>	<b>4,801</b>	<b>4,801</b>
Mental health Services		2,450	2,450
Adult Social Care - Community based Services (Inc care Homes)		2,351	2,351
<b>Contingency</b>	<b>900</b>	<b>-</b>	<b>900</b>
<b>Total</b>	<b>4,354</b>	<b>12,947</b>	<b>17,301</b>
	<b>Funded by (£000's)</b>		
NHS Tameside & Glossop CCG			15,323
Central Funded Grants			1,978
<b>Total BCF Fund</b>			<b>17,301</b>

## Derbyshire Better Care Fund

- Derbyshire Better Care Fund for 16/17 has also been approved by NHS England.
- Plan meets all requirements and funding has been released subject to spend being consistent with final approved plan.

Scheme name	Hosted by		
	DCC/Other		
	CCG	CCGs	Total
	<b>£000's</b>		
<b>Community Home &amp; Hospital Enhanced care team</b>	<b>-</b>	<b>23,138</b>	<b>23,138</b>
Reablement Services / Community services		18,287	18,287
CDM & Discharge Ward		2,877	2,877
Mental Health		1,974	1,974
<b>Primary Care</b>	<b>164</b>	<b>1,529</b>	<b>1,693</b>
<b>Intergration Pump priming</b>		<b>8,051</b>	<b>8,051</b>
<b>Maintaining Services</b>	<b>284</b>	<b>24,801</b>	<b>25,085</b>
Maintaining Eligibility Criteria			-
LCCTS	284		284
Adult Social care		24,801	24,801
Demographic pressures			-
<b>Total</b>	<b>448</b>	<b>57,519</b>	<b>57,967</b>
	<b>Funded by (£000's)</b>		
NHS Tameside & Glossop CCG			2,212
Other CCGs and Central			55,755
<b>Total BCF Fund</b>			<b>57,967</b>

# Other Significant Issues

## **Funded Nursing Care**

- 40% increase in health contribution toward FNC cases has been agreed nationally. The assessment of the impact to the whole economy has been completed and the additional cost is estimated to be £189k.
- This is an interim change until December 2016 pending the outcome of a national review into FNC charges. There is an element of the rate for agency nursing staff (which could lead to a reduction of the rate in the future regional variation)

## **Transformation Funding**

- Transformation funding of £23.2m has been approved by Greater Manchester Health & Social Care Partnership. The Investment Agreement that will support the release of the funding been developed and was signed on 16<sup>th</sup> December 2016. The year 1 funding of £5.2m has now been made available to the economy.



## **Section 2 - Care Together Economy Capital Financial Position**

# Tameside MBC

Scheme	Approved Capital Programme Total £'000s	Approved 2016/2017 Allocation £'000s	Expenditure to Month 8 £'000s	Projected Expenditure to 31 March 2017 £'000s	2016/2017 Projected Outturn Variation £'000s	Comments
Childrens Services - In Borough Residential Properties	912	912	618	750	162	Purchase of 2 additional in-borough properties including associated property adaptations. An Edge of Care establishment is yet to be purchased
Public Health - Leisure Estate Reconfiguration	20,268	5,203	3,174	4,064	1,139	<p>Active Dukinfield - The scheme is on budget with an anticipated opening date of 9th January 2017.</p> <p>Active Longendale (Total Adrenaline) - The scheme is on budget and opened on 19th November 2016.</p> <p>Active Hyde – Work due to start on site on February/March 2017 with completion scheduled for November/ December 2017.</p> <p>Denton Wellness Centre – Layout plans and development agreement being established. Facility to be completed late 2018. The programme total of all schemes includes the sum of £ 2.650 million which will be wholly financed by Active Tameside.</p>
Adult Services - Disabled Facilities Grant - Adaptations	1,978	1,978	749	1,978	0	
<b>Total</b>	<b>23,158</b>	<b>8,093</b>	<b>4,541</b>	<b>6,792</b>	<b>1,301</b>	