

TAMESIDE AND GLOSSOP

Care together

Tameside and Glossop Integrated Financial Position

2017/2018 Revenue & Capital Monitoring Statements

Period Ending 31 May 2017 (Month 2)

11 July 2017

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Tameside and Glossop
Integrated Care
NHS Foundation Trust

 **Tameside**
Metropolitan Borough

Section 1

Care Together Economy

Revenue Financial Position

Care Together Economy Revenue Financial Position

	Year to Date (M2)			Year End			Movement	
	Budget	Actual	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Single Commission	79,962	79,952	10	483,063	489,846	(6,783)	0	(6,783)
ICFT	(4,496)	(4,635)	(139)	(24,506)	(24,506)	0	0	0
Total Whole Economy	75,466	75,317	(129)	458,557	465,340	(6,783)	0	(6,783)

Single Commission - Risk Share	£'000	£'000	£'000
TMBC - Non Recurrent Contribution	(5,000)	0	(5,000)
TMBC	(309)	0	(309)
CCG	(1,474)	0	(1,474)
Total	(6,783)	0	(6,783)

The 2017/18 financial position in all 3 organisations is shown in the table above. The projected year end deficit across the economy is currently £6.783 m:

- The CCG is reporting that all financial control totals will be met. However there is meaningful risk attached to this. Against a £23.9m QIPP target there are £17m of savings which we are certain of meeting. Leaving £6.8m still to be delivered, there is significant risk attached to fully realising this residual target.
- Further analysis is required on the forecast net expenditure of Children's Services to 31 March 2018. A nil variance is currently reported, however this will be updated within the month 3 report presented to the Single Commissioning Board.
- The risk share of the projected year end single commission deficit by constituent organisation is provided. This includes a non recurrent contribution of £5 million by TMBC with a reciprocal arrangement by the CCG within a 4 year period as per the terms of the ICF Financial Framework
- ICFT are working to a £24.5m deficit position for 2017/18. This has not yet been agreed by NHSI. Delivery of £10.4m efficiencies are required to meet this control total.

Tameside & Glossop CCG

£000's	Year to Date (M2)			Year End			Movement	
	Description	Budget	Actual	Variance	Budget	Forecast	Variance	Previous Month
Acute	32,996	33,053	(58)	202,953	202,973	(20)	0	(20)
Mental Health	4,934	4,925	9	29,563	29,563	(0)	0	(0)
Primary Care	13,543	13,370	174	83,983	83,928	55	0	55
Continuing Care	2,278	2,297	(19)	13,668	13,599	69	0	69
Community	4,570	4,547	23	27,457	27,526	(69)	0	(69)
Other	3,489	3,722	(233)	18,712	18,747	(35)	0	(35)
QIPP	0	0	0	0	6,840	(6,840)	0	(6,840)
CCG Running Costs	835	730	105	5,155	5,155	0	0	0
CCG Expenditure	62,644	62,644	(0)	381,491	388,331	(6,840)	0	(6,840)
CCG Surplus	4,261	4,261	0	7,174	7,174	0	0	0

For 2017/18 the CCG has an allocation of £381,491k, from this baseline the CCG is expected to:

- Deliver a surplus of 1% (£3,496k),
- Achieve a £23,900k QIPP target.
- Keep 0.5% of allocation uncommitted to fund a national system risk reserve
- Demonstrate growth in Mental Health spend of 2%
- Remain within the running costs allocation

In 2016/17 the CCG had to keep 1% (£3,678k) of the allocation uncommitted in line with nation planning guidance. This was used to create a national system risk reserve which mitigated significant financial risk across the NHS as a whole, in particular within the provider sector. In March 17 a letter was received asking CCGs to release this reserve and increase surpluses.

This additional surplus has been carried forward into CCG accounts in 2017/18, increasing the total surplus reported in the table above to £7,174k. While this carry forward is included in our financial position for reporting purposes, it is important to appreciate that the CCG is not able to access this resource.

Comprehensive post reconciliation data for 2016/17 had still not been received and verified at the point the M2 position was finalised. As such the M2 position does include the impact of any cross year benefits or pressures. However we anticipate the net impact of any movements will be small and this will be reflected in the M3 position.

As things stand the CCG still needs to find £6,840k of additional savings in order to fully address the QIPP target and meet financial control totals. A more comprehensive exploration of QIPP performance is included later in this report.

The table to the right details the financial position at M2 by directorate. Highlights include:

- **Acute:** While we have received pre reconciliation data for M1 from providers, this data is very much provisional and subject to change. Several organisations have caveated the M1 data provided, citing problems caused by the recent cyber attack.

As such it is difficult to draw firm conclusions about performance or to assess if some of our QIPP targets are on trajectory. For this reason, we are forecasting to plan for all of our big acute providers. That said there was nothing to cause particular alarm in the data we have seen, overall activity appears to be broadly in line with plan, though we do have a small pressure caused by a high cost critical care patient at Central Manchester.

The £20k adverse variance in the position relates to a marked increase in MSK and physio activity at CATs. Further work will be done to determine if this is a one off spike or part of an ongoing trend.

Tameside & Glossop CCG

- **Mental Health:** The current mental health forecast ensures that the CCG will meet statutory duties around the Mental Health Investment Standard (MHIS). This includes an element of the forecast which is currently 'unallocated'.

It may be that some of this can safely be released to QIPP while still meeting the MHIS. However we are also cognisant of the five year forward view and the investment requirement associated with this. There are ongoing discussions at GM level in order to understand the implications and any potential funding streams to address the five year forward review. This element of the forecast will be reviewed once the requirements are clear.

Out of area MH placements managed by the individual commissioning teams are assumed to budget until the CHC review is concluded.

- **Primary Care:** We have a challenging QIPP target of £2.5m against prescribing in 17/18. In order to achieve this, there will need to be a concerted effort between GP practices and the CCG to maintain the progress made towards the end of 16/17. PMD data containing the prescribing position for April will not be available until mid June, therefore the M2 position reflects a breakeven position pending more detailed information.

The favourable position on Primary Care relates to Delegated Co-Commissioning.

- **Continuing Care:** A breakeven position has been assumed for M2 reporting, however we are aware of significant financial risk against this budget. A financial recovery plan for CHC is being prepared, which will quantify the pressure and look at ways to mitigate risk. Forecasts will be updated once this plan has been completed.

- **Community:** The contract for intermediate care provision at Grange View will come to an end in 2017, with the service transferring to the ICFT. At budget setting we knew there would be a £300k pressure associated with this. However, following contract negotiations with Meridian about payments during the wind down period we have been able to reduce this pressure down to £69k.
- **Other:** At M2 there is nothing in the position relating to the additional costs of surgical activity moving to Stockport as part of Healthier Together, which we know will be a pressure in future months.
- **CCG Running Costs:** To date £390k of corporate QIPP savings have been realised and we are track to remain within control total for running costs. Staff vacancies and budget for services previously commissioned from GMSS explain the YTD underspend. This is being discussed with budget holders with view to moving to QIPP next month.

The Financial Gap

Establishing the Financial Gap

- The financial gap as outlined in the locality plan across the health and social care economy in Tameside & Glossop is estimated to be £70.2m by 2020/21.
- In 2017/18 the required savings by organisation is:

CCG	£23,900k
TMBC	£773k
ICFT	£10,349k
Total	£35,022k

- Against an annual CCG target of £23.9m, £8.78m (37%) of the required savings have been banked in the first 2 months of the year. This puts us slightly ahead of trajectory on a YTD basis.
- In addition to this there is a further £8.28m, which we are completely confident of realising in future months. Leaving savings of £6.84m still to find.
- After optimism bias we anticipate making further savings of £3.88m from schemes currently rated as amber or red. This leaves post optimism savings still to find of £3m.
- While this is an improvement since last month, it needs to be noted this is before application of pressures on continuing health care and for healthier together. There is still significant risk to fully achieving the QIPP target.
- As such it is important that more work is done to turn amber/red scheme green and to bring new schemes forward in order to close this residual gap.
- £12.99m (54%) of the expected savings will be delivered on a recurrent basis, contributing toward closing the recurrent £70 economy wide gap.
- A more detailed table of QIPP schemes is included as an appendix to this report.

Planned Savings (before application of optimism bias)

	Recurrent	Non Recurrent	Total	Prior Month	Movement
R	3,022,902	2,428,000	5,450,902	5,950,902	-500,000
A	6,429,067	240,000	6,669,067	6,875,268	-206,201
G	4,433,883	3,843,560	8,277,443	10,572,932	-2,295,490
B	5,041,211	3,741,820	8,783,031	5,791,820	2,991,211
	18,927,062	10,253,380	29,180,442	29,190,922	-10,480

Expected Savings (after application of optimism bias)

	Recurrent	Non Recurrent	Total	Prior Month	Movement
R	302,290	242,800	545,090	595,090	-50,000
A	3,214,534	120,000	3,334,534	3,437,634	-103,101
G	4,433,883	3,843,560	8,277,443	10,572,932	-2,295,490
B	5,041,211	3,741,820	8,783,031	5,791,820	2,991,211
	12,991,917	7,948,180	20,940,097	20,397,476	542,621

QIPP Target	23,900,000	23,900,000	0
Savings Still to find	2,959,903	3,502,524	-542,621

Value of savings about which we are certain (i.e blue & green schemes) 17,060,473

Tameside MBC

	Year to Date (M2)			Year End			Movement	
	Budget	Actual	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care & Early Intervention	5,480	5,470	10	49,672	49,615	57	0	57
Children's Services, Strategy & Early Intervention	5,234	5,234	0	35,192	35,192	0	0	0
Public Health	6,604	6,604	0	16,708	16,708	0	0	0
Total	17,318	17,308	10	101,572	101,515	57	0	57

Adult Social Care

- There are no material variations projected at this stage in the financial year. It should be noted however that the budget includes the additional investment announced in the spring budget on 8 March 2017, a total allocation of £ 10.296 million to the local economy over the three financial year period to 2019/2020. £ 5.365 million is allocated to 2017/2018. Investment proposals were presented to the Single Commissioning Board on 25 May 2017 which are being developed further (where appropriate) to ascertain the benefits which will be realised across the local economy.

Children's Social Care

- Further analysis is required on the forecast net expenditure of Children's Services to 31 March 2018. A nil variance is currently reported, however this will be updated within the month 3 report presented to the Single Commissioning Board.

Public Health

- There are no material variations projected at this stage in the financial year. However it should be noted that the Community Services contract value c £ 5.02 million will be wholly paid in advance of 30 June 2017 to the Tameside and Glossop Integrated Care NHS Foundation Trust (ICFT) to support the cashflow of the organisation and reduce the value of loan finance interest payable during 2017/2018. The value of the investment interest forgone by the Council will be recovered from the ICFT during quarter four of this financial year.

Tameside and Glossop Integrated Care NHS Foundation Trust

Description	Year to Date			Forecast		
	Budget £'000s	Actual £'000s	Variance £'000s	Budget £'000s	Actual £'000s	Variance £'000s
Income	34,009	34,447	438	204,752	204,752	0
Expenditure	37,037	37,558	521	224,864	224,864	0
EBITDA	(3,028)	(3,111)	(83)	(20,112)	(20,112)	0
Financing	1,468	1,524	56	4,394	4,394	0
Normalised Surplus/(Deficit)	(4,496)	(4,635)	(139)	(24,506)	(24,506)	0
Exceptional Items	0	28	28	159	159	0
Net Deficit after Exceptional Costs	(4,496)	(4,664)	(168)	(24,665)	(24,665)	0

Financial Position

- For the 2 months to May 2017, the ICFT is delivering a deficit of £4.7m, which is £0.2m worse than plan
- The Trust will undertake a detailed forecast at Month 3 and is currently forecasting breakeven. Key risks include:
 - Delivery of the £10.4m, Trust Efficiency Programme.
 - Referrals from associates commissioners falling and the Trust being able to remove costs at the same rate
 - Continued reliance on Agency staffing in a number of key specialties.
 - Delivery of the Tameside and Glossop CCG block contract and activity levels staying in line with those planned.

Key Risks to the Financial Position

- Increased expenditure on agency staffing.
- Cost of Escalated beds as the Hospital continues to have a High occupancy rate.
- Savings relating to transformation schemes being delivered.
- Performance targets requiring unplanned expenditure to use the independent sector.

Key Information

- The Trusts has still not agreed its control total with NHSI.
- As the Trust is planning for a deficit, there is a requirement for a DH loan to fund it. The Trust will be subject to a higher interest rate for borrowing if a control total is not agreed.

Integrated Commissioning Fund 2017/18

Description	Year to Date (M2)			Year End			Movement	
	Budget	Actual	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month
Acute	32,996	33,053	(58)	202,953	202,973	(20)	0	(20)
Mental Health	4,934	4,925	9	29,563	29,563	(0)	0	(0)
Primary Care	13,543	13,370	174	83,983	83,928	55	0	55
Continuing Care	2,278	2,297	(19)	13,668	13,599	69	0	69
Community	4,570	4,547	23	27,457	27,526	(69)	0	(69)
Other	3,489	3,722	(233)	18,712	18,747	(35)	0	(35)
QIPP	0	0	0	0	6,840	(6,840)	0	(6,840)
CCG Running Costs	835	730	105	5,155	5,155	0	0	0
CCG Sub Total	62,644	62,644	(0)	381,491	388,331	(6,840)	0	(6,840)
Adult Social Care & Early Intervention	5,480	5,470	10	49,672	49,615	57	0	57
Childrens Services, Strategy & Early Intervention	5,234	5,234	0	35,192	35,192	0	0	0
Public Health	6,604	6,604	0	16,708	16,708	0	0	0
TMBC Sub Total	17,318	17,308	10	101,572	101,515	57	0	57
GRAND TOTAL	79,962	79,952	10	483,063	489,846	(6,783)	0	(6,783)

A: Section 75 Services	45,127	45,212	(85)	265,029	268,864	(3,835)
CCG	33,107	33,159	(52)	200,085	203,720	(3,635)
TMBC	12,020	12,053	(33)	64,944	65,144	(200)
B: Aligned Services	29,441	29,407	34	184,678	187,050	(2,373)
CCG	24,143	24,152	(9)	148,050	150,679	(2,630)
TMBC	5,298	5,255	43	36,628	36,371	257
C: In Collaboration Services	5,394	5,333	61	33,356	33,932	(575)
CCG	5,394	5,333	61	33,356	33,932	(575)
TMBC	0	0	0	0	0	0

Risk and Other Issues

- The main financial risks to the financial position of the the Integrated Commissioning Fund are listed below.
- Detailed registers including further information on risk and mitigating actions are regularly reviewed at Audit Committee. Copies are available on request.

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 December 2016. Subject to continuing to meet performance trajectories, we anticipate that £7.97m will be received by the economy in 2017/18.

Financial risk	Probability	Impact	Risk	RAG
Not spending transformation money in a way which delivers required change	2	4	8	A
Over spend against GP prescribing budgets	3	4	12	R
Over spend against Continuing Health Care budgets	4	4	16	R
Operational risk between joint working.	1	5	5	A
Failure to meet recurrent QIPP targets	4	4	16	R
Over spend on PbR contracts	3	4	12	A
CCG Fail to maintain expenditure within the revenue resource limit and achieve a 1% surplus.	3	4	12	A
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 and potential legal challenge	4	3	12	A
IR35 – the potential impact of reduced availability of ‘off payroll’ workers from 6 April 2017 and the increased cost impact if they are subsequently employed by the Economy.	4	4	16	A

Section 2

Appendices

Tameside MBC – Capital

Scheme	Approved Capital Total Scheme Budget	Approved 2017/2018 Allocation	Expenditure to Month 2	Projected Expenditure to 31 March 2018	2017/2018 Projected Outturn Variation	Scheme Comments
	£'000	£'000	£'000	£'000	£'000	
Children's Services - In Borough Residential Properties	912	125	32	125	0	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	10,174	5	10,174	0	<p>Active Dukinfield (ITRAIN) - The scheme is complete and the facility fully operational.</p> <p>Active Longendale (Total Adrenaline) - The scheme is complete and the facility fully operational.</p> <p>Active Hyde (Pool Extension) - The scheme has been tendered and additional investment is required to deliver the scheme as planned. The additional investment is yet to be confirmed.</p> <p>Denton Wellness Centre – Key Decision taken in April 2017 which approved the project and associated timescale.</p> <p>Medlock Roof - Works now complete.</p> <p>Wave Machine Replacement at Active Hyde - Work to be undertaken to coincide with the Pool extension scheme.</p> <p>Pitch Replacement Scheme at Active Copley - Works completed.</p>
Adult Services - Disabled Facilities Grant - Adaptations	2,950	2,950	197	TBC	TBC	
Total	24,130	13,249	234	10,299	0	

GM Transformation Funded Schemes

Scheme Description	Progress
Home First	Underway – delivering reduced length of stay
Digital Health	Underway – pilot commenced in March 2017
Neighbourhoods	Recruitment to some posts completed. Caseload reviews commenced in April 2017
System Wide Self Care	Delivery commenced 1 April 2017 in Glossop. Tender launched 31 March 2017 for Tameside
Flexible Community Beds	Grange view has stopped taking new patients. Full service transfer from 1 July 2017
Home Care	In Development
Organisational Development	Economy OD engagement events taken place. Future sessions in neighbourhoods to be arranged
Estates	Underway

CCG QIPP Schedule

2017/18 QIPP (£)	R	A	G	B	Grand Total	Expected Saving	Opening Target
Tameside FT	0	0	3,698,883	739,777	4,438,659	4,438,659	4,438,659
Other Associate Providers	0	2,752,729	0	0	2,752,729	1,376,365	2,752,729
Other Acute	1,530,000	291,286	0	557,233	2,378,519	855,876	2,378,519
GP Prescribing	1,123,350	1,393,000	0	0	2,516,350	808,835	2,516,350
CCG Commissioned Primary Care	35,000	223,825	29,000	2,724,000	3,011,825	2,868,413	3,011,825
Delegated Primary Care	0	87,500	0	0	87,500	43,750	587,500
Community Health Services	828,000	0	0	1,310,217	2,138,217	1,393,017	2,138,217
Continuing Healthcare	934,552	0	0	0	934,552	93,455	934,552
Mental Health	0	700,000	62,000	232,000	994,000	644,000	994,000
Corporate	0	626,163	120,000	390,837	1,137,000	823,919	1,137,000
Other	1,000,000	594,564	524,000	87,147	2,205,711	1,008,429	2,205,711
Reserves	0	0	3,843,560	2,741,820	6,585,380	6,585,380	804,938
Grand Total	5,450,902	6,669,067	8,277,443	8,783,031	29,180,442	20,940,097	23,900,000

	R	A	G	B	Grand Total	Expected Saving
Recurrent	3,022,902	6,429,067	4,433,883	5,041,211	18,927,062	12,991,917
Non Recurrent	2,428,000	240,000	3,843,560	3,741,820	10,253,380	7,948,180
Grand Total	5,450,902	6,669,067	8,277,443	8,783,031	29,180,442	20,940,097

N.B.

It should be noted that green and blue schemes total a £17.060m against a QIPP target of £23.900m . This leaves a sum of £6.840m to be delivered (as per the month 2 CCG summary table on slide 4).

There is a significant risk to the delivery of this residual balance.