

TAMESIDE AND GLOSSOP

Care together

Tameside and Glossop Integrated Financial Position

2017/2018 Revenue & Capital Monitoring Statements

Period Ending 30 June 2017 (Month 3)

22 August 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 (M3)			Year End			Movement	
	Budget	Actual	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Single Commission	125,057	125,039	18	486,227	497,176	(10,949)	(6,783)	(4,166)
ICFT	(6,781)	(6,993)	(212)	(24,506)	(24,506)	0	0	0
Total Whole Economy	118,276	118,046	(194)	461,721	472,670	(10,949)	(6,783)	(4,166)

Single Commission - Risk Share	£'000	£'000	£'000
TMBC - Non Recurrent Contribution	(5,000)	(5,000)	0
TMBC	(4,739)	(309)	(4,430)
CCG	(1,210)	(1,474)	264
Total	(10,949)	(6,783)	(4,166)

The 2017/18 financial position across the health and social care economy is shown in the table above. The projected year end deficit across the economy is currently £10.949m:

- 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 £18m of savings, which we are certain of meeting. Leaving £5.86m still to be delivered. There is significant risk attached to fully realising this residual target.
- Children's Services – Please see appendix 4.
- 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 (M3)			Year End			Movement	
	Budget	Actual	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month
Acute	49,945	50,116	(171)	203,584	204,041	(457)	(20)	(437)
Mental Health	7,388	7,652	(264)	29,483	30,462	(978)	(0)	(978)
Primary Care	20,457	19,915	542	83,771	83,714	57	55	1
Continuing Care	3,420	4,703	(1,283)	13,671	16,887	(3,217)	69	(3,286)
Community	6,857	6,686	171	27,455	27,616	(161)	(69)	(92)
Other	8,058	7,252	805	21,520	16,764	4,756	(35)	4,792
QIPP	0	0	0	0	5,860	(5,860)	(6,840)	980
CCG Running Costs	1,572	1,372	200	5,171	5,171	0	0	0
CCG Expenditure	97,697	97,697	0	384,655	390,515	(5,860)	(6,840)	980
CCG Surplus	4,261	4,261	0	7,174	7,174	0	0	0

For 2017/18 the CCG has an allocation of £384.655m, from this baseline the CCG is expected to:

- Deliver a surplus of 1% against opening allocation (£3.496m), plus carry forward of £3.678m from 16/17
- Achieve a £23.900m 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

As things stand the CCG still needs to find £5.860m of additional savings in order to fully address the QIPP target and meet financial control totals. This is an improvement in the position reported last month of £0.980m. A more comprehensive exploration of QIPP performance is included later in this report.

The table to the right details the financial position at M3 by directorate. Highlights include:

- **ICFT Contract:** The ICFT is coded across more than one cost centre to allow the CCG to comply with central reporting requirements to report acute and community expenditure separately. Payment has been agreed on a block basis for 17/18 and as such there will be no variance against budget reported as a result

of changes in activity. This contractual arrangement has enabled the CCG to report fully realisable QIPP savings of £4.4m in relation to the ICFT contract.

Nevertheless, activity data is still being reported. There has been a significant increase in emergency activity at Tameside in month 2, whether this is an abnormal spike or the start of a more permanent trend will become apparent in the coming months.

But these pressures in non-elective care are offset by reductions in outpatient and elective/day case activity; in turn these are driven by a decrease in referrals and in particular referrals from GPs. If we look at referrals in March & April of 2017, we see a total reduction in referrals to the ICFT of 11.6% when compared to the same period in 2016.

Had we been on a PbR based cost and volume contract, the net impact of the activity changes above would be an underspend of £0.711m.

- **Acute:** We have received pre reconciliation data for M2 from providers, this data is likely to change once the final post reconciliation adjustments have been made.

At month 2 we have transacted contract variations in relation to Specialist Identification Rules which has seen a change in the responsible commissioner for a number of procedures (mainly spinal surgery and neurology). This has seen the value of our contract with Salford Royal FT increase by £1.2m. We have subsequently received an IAT for £1.2m from NHSE, which has been recognised in the YTD and forecast positions.

We have recognised a £0.051m YTD pressure at the Christie within elective and day cases procedures, this has been escalated to GM level as a number of CCGs are seeing similar surges in activity.

Tameside & Glossop CCG

We have also recognised pressures at South Manchester and Stockport in relation to high cost patients and long stay critical care admissions.

£000's	Annual Plan	YTD Plan	YTD Actual	YTD Variance
Central Manchester	22,192	3,573	3,502	71
Salford	4,826	786	796	-10
Stockport	10,500	1,706	1,733	-28
South Manchester	6,582	1,062	1,157	-95
Wrightington	975	151	167	-17
Pennine Acute	3,763	610	566	44
Bolton	81	14	14	0
	48,919	7,901	7,936	-35

The CATS service currently forecasts £0.140m over planned levels. This is in recognition of recent increased referrals into the MSK service and the noted significant OPFA' who are entering the service. Whilst this is good news due to the fact that the CATS cost is less, at 75% of PbR tariff, the corresponding activity reduction is noted in the ICFT block contract and therefore cannot be recognised as a financial benefit. This will continue to be closely monitored over the coming months.

- **Mental Health:** Out of area MH placements are managed by the individual commissioning teams and fall within the scope of the CHC recovery plan.
The pressures reported in the mental health directorate are all related to this review and will contribute towards achievement of the Mental Health Investment Standard.
- **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. We have reviewed M1 data and have realised a QIPP saving of £0.850m in relation to April. We will continue to monitor PMD data and will release more money to QIPP as appropriate. There are also some emerging national concerns regarding CAT M drugs which is being investigated.
- **Continuing Care:** A detailed financial recovery plan for CHC will be presented to finance committee in July. The Individualised Commissioning Team have cleansed a significant part of the database and found significant pressure against the previously reported position.

Although there is still ongoing work to further refine the data, it is now clear that CHC spend in 16/17 was 14% higher than 15/16 on a like for like basis. In light of the recovery plan and close scrutiny CHC is currently receiving, we do not anticipate that this trajectory will continue into 17/18, but nevertheless the forecast from the cleansed Individualised Commissioning database shows a pressure in excess of £4m against budget for 17/18 (of which around £1m links to OOA MH placements).

Indications are that faster growth has been experienced in volume of fast track, learning disabilities and mental health patients. Early indications also suggest a significant movement of patients between different settings in the health economy being behind growth in the number of individualised commissioning patients. Further work is being undertaken to establish the impact of this movement.

- **Community:** There is an £0.088m pressure on the Wheelchair contract within Community due to the new contract value budget being set without VAT. The CCG are consulting with our VAT liaison provider to establish if this is payable or not. This has been assumed to be payable at M3 forecast to be prudent.
- **Other:** At M3 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.
- **Transformation Funding:** The first tranche of 17/18 Transformation Funding from GM Devolution has been received in M3. This is the first quarter's allocation. The funding is allocated directly to schemes so the funding will transfer to TGICFT.
- **CCG Running Costs:** To date £0.427m 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, £9.51m (40%) of the required savings have been banked in the first quarter of the year. This puts us slightly ahead of trajectory on a YTD basis.
- In addition to this there is a further £8.52m, which we are completely confident of realising in future months. This leaves savings of £5.86m still to find.
- After optimism bias we anticipate making further savings of £3.38m from schemes currently rated as amber or red. This leaves post optimism savings still to find of £2.47m.
- While this is an improvement since last month, it needs to be put into context against the £4m pressure in relation to CHC. There is still significant risk to fully achieving the QIPP target in 2017/18.
- 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.
- £13.21m (55%) of the expected savings will be delivered on a recurrent basis, contributing toward closing the recurrent £70m 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	3,040,926	2,428,000	5,468,926	5,450,902	18,024
A	5,434,031	240,000	5,674,031	6,669,067	-995,036
G	4,681,625	3,843,560	8,525,185	8,277,443	247,743
B	5,509,760	4,004,733	9,514,493	8,783,031	731,462
	18,666,342	10,516,293	29,182,635	29,180,442	2,193

Expected Savings (after application of optimism bias)

	Recurrent	Non Recurrent	Total	Prior Month	Movement
R	304,093	242,800	546,893	545,090	1,802
A	2,717,016	120,000	2,837,016	3,334,534	-497,518
G	4,681,625	3,843,560	8,525,185	8,277,443	247,743
B	5,509,760	4,004,733	9,514,493	8,783,031	731,462
	13,212,493	8,211,093	21,423,586	20,940,097	483,489

QIPP Target	23,900,000	23,900,000	0
Savings Still to find	2,476,414	2,959,903	-483,489

Value of savings about which we are certain (i.e blue & green schemes) 18,039,678

Tameside MBC

Description	Year to Date (M3)			Year End			Movement	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
	Budget	Actual	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month
Adult Social Care & Early Intervention	10,005	9,978	27	49,672	49,565	107	0	107
Childrens Services, Strategy & Early Intervention	7,240	8,539	(1,299)	35,192	40,388	(5,196)	0	(5,196)
Public Health	8,825	8,825	0	16,708	16,708	0	0	0
TMBC Sub Total *	26,070	27,342	(1,272)	101,572	106,661	(5,089)	0	(5,089)

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

- Please see appendix 4

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 was 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	50,947	51,486	539	204,752	204,752	0
Expenditure	55,522	56,184	662	224,864	224,864	0
EBITDA	(4,575)	(4,698)	(123)	(20,112)	(20,112)	0
Financing	2,206	2,295	89	4,394	4,394	0
Normalised Surplus/(Deficit)	(6,781)	(6,993)	(212)	(24,506)	(24,506)	0
Exceptional Items	0	42	42	159	159	0
Net Deficit after Exceptional Costs	(6,781)	(7,035)	(254)	(24,665)	(24,665)	0

Financial Position

- For Quarter 1, the ICFT is delivering a deficit of £7m, which is £0.3m worse than plan
- The Trust has agreed to report a detailed forecast with its regulator at Month 6 and is therefore showing breakeven. Key risks include:
 - Delivery of the £10.4m, Trust Efficiency Programme.
 - Referrals from associate 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 and the implications of IR35
 - 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.
- Delayed Transfers of Care and consequential impact on being able to close beds.

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 (M3)			Year End			Movement	
	Budget	Actual	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month
Acute	49,945	50,116	(171)	203,584	204,041	(457)	(20)	(437)
Mental Health	7,388	7,652	(264)	29,483	30,462	(978)	(0)	(978)
Primary Care	20,457	19,915	542	83,771	83,714	57	55	1
Continuing Care	3,420	4,703	(1,283)	13,671	16,887	(3,217)	69	(3,286)
Community	6,857	6,686	171	27,455	27,616	(161)	(69)	(92)
Other	8,058	7,252	805	21,520	16,764	4,756	(35)	4,792
QIPP	0	0	0	0	5,860	(5,860)	(6,840)	980
CCG Running Costs	1,572	1,372	200	5,171	5,171	0	0	0
CCG Sub Total	97,697	97,697	0	384,655	390,515	(5,860)	(6,840)	980
Adult Social Care & Early Intervention	9,996	9,978	27	49,672	49,565	107	57	50
Childrens Services, Strategy & Early Intervention	8,539	8,539	(1,299)	35,192	40,388	(5,196)	0	(5,196)
Public Health	8,825	8,825	0	16,708	16,708	0	0	0
TMBC Sub Total	27,360	27,342	(1,272)	101,572	106,661	(5,089)	57	(5,146)
GRAND TOTAL	125,057	125,039	(1,272)	486,227	497,176	(10,949)	(6,783)	(4,166)

A: Section 75 Services	70,872	71,513	(641)	267,185	271,545	(4,359)
CCG	52,155	52,803	(649)	202,241	206,646	(4,404)
TMBC	18,718	18,710	8	64,944	64,899	45
B: Aligned Services	45,963	45,537	425	185,692	191,919	(6,227)
CCG	37,321	36,905	415	149,064	150,157	(1,093)
TMBC	8,642	8,632	10	36,628	41,762	(5,134)
C: In Collaboration Services	8,221	7,988	233	33,349	33,712	(363)
CCG	8,221	7,988	233	33,349	33,712	(363)
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. The first £2m was received in June.

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	A
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	3	12	A

Section 2

Appendices

Tameside MBC – Capital

Scheme	Approved Capital Total Scheme Budget	Approved 2017/2018 Allocation	Expenditure to Month 3	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	51	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	21	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	346	2,200	750	
Total	24,130	13,249	418	12,499	750	

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 completed
System Wide Self Care	Delivery commenced 1 April 2017 in Glossop. Tender launched 31 March 2017 for Tameside
Flexible Community Beds	Grange View contract ended 30 June. Service transferred to ICFT on 1 July.
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	3,328,994	1,109,665	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	1,141,374	554,443	735,218	85,315	2,516,350	1,211,892	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	0	296,193	996,193	646,193	994,000
Corporate	0	645,450	64,413	427,137	1,137,000	814,275	1,137,000
Other	1,000,000	418,798	524,000	262,913	2,205,711	1,096,312	2,205,711
Reserves	0	0	3,843,560	2,741,820	6,585,380	6,585,380	804,938
Grand Total	5,468,926	5,674,031	8,525,185	9,514,493	29,182,635	21,423,586	23,900,000

2017/18 QIPP (£)	R	A	G	B	Grand Total	Expected Saving
Non Recurrent	2,428,000	240,000	3,843,560	4,004,733	10,516,293	8,211,093
Recurrent	3,040,926	5,434,031	4,681,625	5,509,760	18,666,342	13,212,493
Grand Total	5,468,926	5,674,031	8,525,185	9,514,493	29,182,635	

Notes:

Blue: Schemes where savings which have already been realised.

Green: Savings we are absolutely confident of realising in future months, 100% expected saving assumed.

Amber: Moderate risk attached to achievement of benefit. 50% realisation assumed for expected savings.

Red: Schemes with high risk of not achieving. 10% realisation assumed in expected savings calculation.

Green and blue schemes total £18.040m against a QIPP target of £23.900m . This leaves a sum of £5.860m to be delivered (as per the month 3 CCG summary table on slide 4).

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