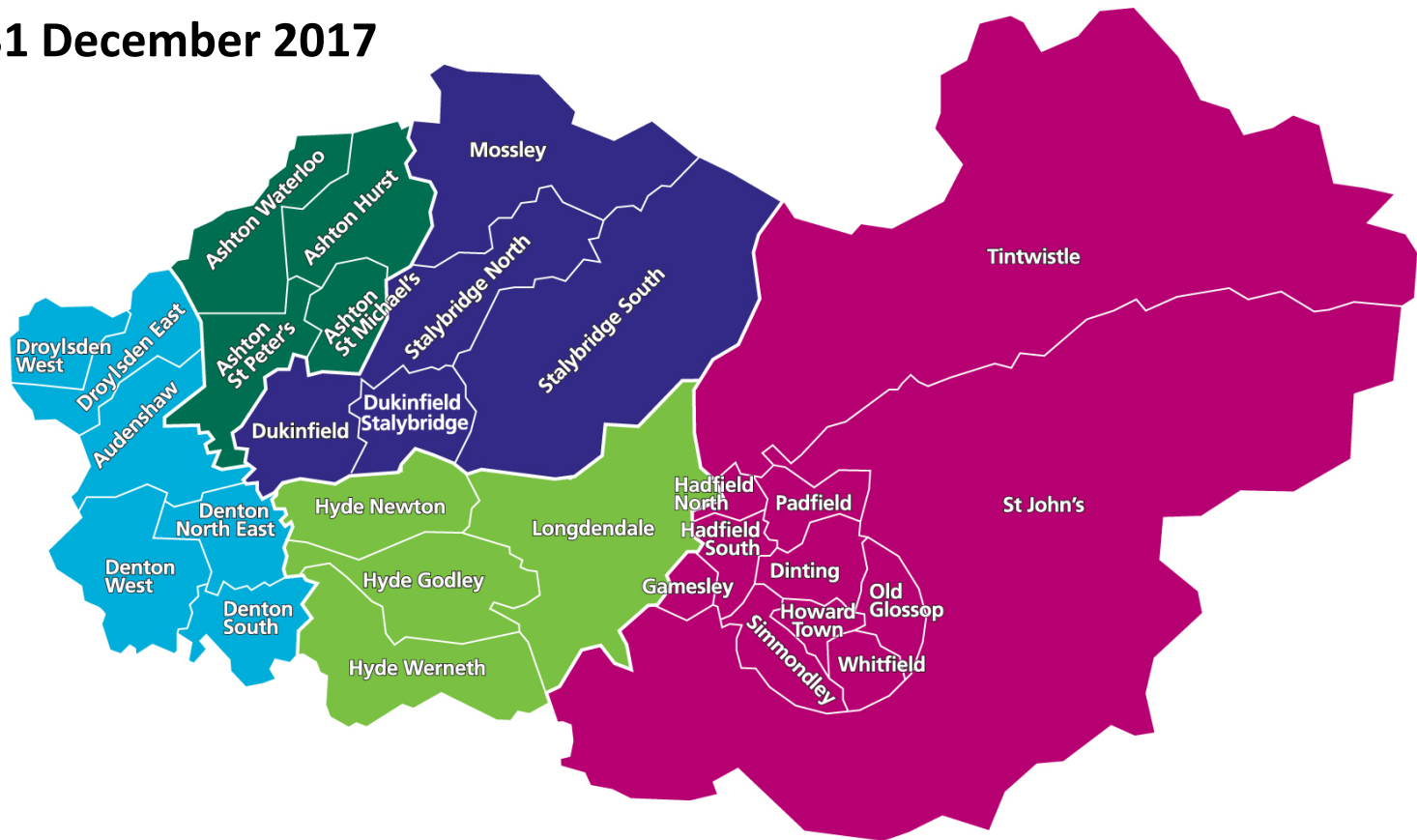


# Tameside and Glossop Integrated Financial Position

## *financial monitoring statements*

**Period Ending 31 December 2017**  
**Month 9**



Kathy Roe  
Claire Yarwood

# Integrated Care Together Economy Financial Position

**In 2017/18 the Care Together economy still has a £11,218k financial gap**

**How do we close this gap?**

Organisation	YTD Position			Forecast Position			Forecast Position	
	Budget	Actual	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Strategic Commission</b>	366,874	372,416	-5,543	486,112	497,330	-11,218	-11,336	118
<b>ICFT</b>	-18,885	-19,372	-487	-23,730	-23,730	0	0	0
<b>Total</b>	<b>347,989</b>	<b>353,044</b>	<b>-6,030</b>	<b>462,382</b>	<b>473,600</b>	<b>-11,218</b>	<b>-11,336</b>	<b>118</b>

- The strategic commissioner is forecasting a financial deficit of £11,218k, mostly driven by Individualised Commissioning and Children's Social Care. We continue to report that we will meet financial control totals, however there are risks associated with this.
- The ICFT are working to a planned deficit of £23,730k for 2017/18 (an improvement of £776k since last month). Trust efficiencies of £10,397k are required in order to meet this control total.
- The Integrated Commissioning Fund will receive extra non-recurrent contributions as appropriate during 2017-18 to ensure a balanced position is maintained.
- The economy has received £23,900k of transformation funding this year which has already resulted in clear demonstrable savings, however some of this impact has been offset by emerging pressures.
- While the financial gap is a large figure, it is important to appreciate this within the context of the total budget:



## Economy Wide Highlights

- £4,256k projected overspend on continuing care driven by an increasing number of patients accessing service - plus further individualised commissioning pressures on mental health (£1,367k) and neuro rehab (£609k)
- £7,800k projected overspend on Children's Services predominantly driven by out of area placements
- £3,798k projected shortfall on QIPP
- £1,990k projected overspend on acute, driven by increased activity (mainly emergency admissions) at providers other than the ICFT
- Risk Attached to delivery of Trust Efficiency Plan (TEP)
- Medical agency spend creating particular pressures

# Tameside Integrated Care Foundation Trust Financial Position

## High level financial overview

	Month 9			Year to Date			Forecast
	Plan	Actual	Variance	Plan	Actual	Variance	Plan
	£000	£000	£000	£000	£000	£000	£000
Normalised Surplus/(Deficit)	(1,760)	(1,508)	252	(18,885)	(19,372)	(487)	(23,730)
Capital Expenditure	741	183	(558)	2,383	1,591	(792)	4,798
Cash and Equivalents	1,190	2,250	1,060				
Trust Efficiency Savings	897	814	(83)	6,642	6,845	203	10,397
Use of Resources Metric	3	3	0	3	3	0	3

↓ YTD Net position is £19.4m deficit, c. £0.5m over the proposed deficit.

↓ Internal management forecast at Month 9 is c£23.7m deficit

↓ Trust Efficiency Programme is c. £0.2m ahead of the year to date (YTD) target

↑ Cash is £1.1m above the planned balance

## Key risks and highlights

### Key Risks – I&E

- **Control Total** - The Trust has agreed with NHSI that it will deliver its planned deficit. As the Trust did not sign up to the NHSI control total, there will be no access to STF or capital monies for A&E Streaming and from the Digital fund.
- **Medical Staffing** - The level of medical agency expenditure is providing a financial pressure for the Trust
- **Unfunded Beds** - The Trust has a number of escalated beds that are unfunded.
- **Activity levels** - Income on smaller clinical contracts is falling, but no corresponding reduction in costs.
- **TEP** - Failure to deliver the Trusts efficiency target.
- **Expenditure on A&E and General Medicine** is significantly over budget reflecting pressure in non-elective activity.

### Key Risks – Balance Sheet/Other

- **Loans** - At the end of 2016/17, the Trust had loan liability of £54.8m. It is anticipated that this will increase to £78.1m in 2017/18. The Trust will be required to repay part of this liability in 2018 and a further loan may be required to service this repayment.
- **Cash** - The December month end cash balance was £1.1m above the expected £1.2m plan. This was mainly due to receipt of PFI £ 0.85m and Winter Tranche monies of £0.3m
- **Winter Tranche 1 & 2** – The forecast assumes the receipt of Tranche 1 monies of £618k which will reduce the Trusts Planned deficit to £23.7m. The Tranche 2 monies of £725k will be used to support winter schemes and will be expended during Quarter 4
- **Agency Cap** - The NHSI requirement is for the Trust to reduce medical agency expenditure by £1.2m. Currently the Trust is forecasting to achieve the Agency cap by c. £0.6m.

Overall Risk Rating - Medium



Pressure/High Risk



Improvement/Low risk

# Tameside and Glossop Strategic Commissioner Financial Position

- Forecast overspend of £11,218k is driven by significant pressures in children's services and individualised commissioning.
- The position has improved by £118k since M8:
  - driven by the realisation of further QIPP savings and slippage on implementation of mental health investments.
  - offset by further pressures in children's social care and non contracted acute care.
- Both organisations are currently reporting that statutory duties and financial control totals will be met, but some risk associated with this. The CCG has a negative reserve which will need to be cleared over and above QIPP in order to meet the control total.
- Further work required to close the financial gap. Risk share in place between the Council and CCG to mitigate risk at year end.

## Risk Share:

The forecast overspend will be managed in line with the agreed risk share arrangements across the strategic commissioner:

Risk Share (£000's)	11,218
TMBC	3,798
Non Rec Contribution	
CCG	500
TMBC	6,920

- Non Rec contributions into the fund which are repayable over a 4 year period
- 80:20 risk share arrangement as per contributions to ICF
- £500k upper threshold on CCG contribution to TMBC & £2m cap on TMBC contribution to CCG

£000's	YTD Position			Forecast Position			Forecast Position	
	Budget	Actual	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month
Acute	152,001	153,835	- 1,834	204,653	206,642	- 1,990	- 1,601	- 389
Mental Health	22,130	22,684	- 554	29,502	30,200	- 697	- 966	269
Primary Care	62,606	61,144	1,463	83,342	82,154	1,188	1,103	86
Continuing Care	10,206	13,140	- 2,934	13,625	17,880	- 4,256	- 4,386	131
Community	20,770	20,770	- 0	27,473	27,581	- 108	- 108	-
Other	23,840	19,966	3,875	26,236	20,373	5,862	5,958	- 96
QIPP	-	-	-	-	3,798	- 3,798	- 4,111	313
CCG Running Costs	4,133	4,125	8	5,197	5,197	0	-	0
Adult Social Care	33,108	32,961	147	44,185	43,989	196	196	-
Children's services	24,517	30,367	- 5,850	35,192	42,992	- 7,800	- 7,605	- 195
Public Health	13,562	13,424	138	16,708	16,524	184	184	-
<b>Integrated Commissioning Fund</b>	<b>366,874</b>	<b>372,416</b>	<b>- 5,543</b>	<b>486,112</b>	<b>497,330</b>	<b>- 11,218</b>	<b>- 11,336</b>	<b>118</b>
CCG Expenditure	295,687	295,664	22	390,027	393,825	- 3,798	- 4,111	313
TMBC Expenditure	71,187	76,752	- 5,565	96,085	103,505	- 7,420	- 7,225	- 195
<b>Integrated Commissioning Fund</b>	<b>366,874</b>	<b>372,416</b>	<b>- 5,543</b>	<b>486,112</b>	<b>497,330</b>	<b>- 11,218</b>	<b>- 11,336</b>	<b>118</b>
A: Section 75 Services	203,799	205,256	- 1,457	265,437	269,185	- 3,748	- 4,061	313
B: Aligned Services	137,939	142,693	- 4,753	187,365	195,119	- 7,754	- 7,501	- 253
C: In Collaboration Services	25,136	24,467	668	33,310	33,026	284	226	58
<b>Integrated Commissioning Fund</b>	<b>366,874</b>	<b>372,416</b>	<b>- 5,543</b>	<b>486,112</b>	<b>497,330</b>	<b>- 11,218</b>	<b>- 11,336</b>	<b>118</b>

# Integrated Commissioning Fund Risks

## Continuing Care



- Growth in individualised packages of care remains the CCGs biggest financial risk. Total overspend at M9 is £6,232k, broken down:
  - £4,256k Continuing Care
  - £1,367k Mental Health
  - £ 609k Neuro Rehab
- The growth in this area has been well documented in previous reports and a recovery plan is in place. An update will be presented to Finance and QIPP group on 17/01/18
- Broadcare, a new IT system to improve monitoring of activity was introduced in December 2017

## Children's Services



- Pressure of £7,800k due to increased investment required in children's placements and social workers as a result of the increased demand being experienced in this area and in line with OFSTED recommendations.
- The number of Looked After Children has increased from 519 at April 2017 to 584 in November 2017.
- The current budget allocation will finance approximately 450 placements

## QIPP



- Against an annual savings target of £23,900k, £14,000k of the required savings have been banked in the first 9 months of the year. In addition to this there are further savings of £6,102k which we are certain of achieving.
- There remains £3,798 of QIPP savings still to find in 2017/18
- Internal Audit report provides a 'high assurance' rating of the CCGs QIPP monitoring processes

## Acute services



- Increased demand for emergency services reflecting winter pressures and budget pressures emerging from Specialist Commissioning devolved services has placed pressure on budgets
- Biggest contributors to the overall pressure of £1,990k are:
  - Manchester FT Contract
  - Independent Sector Contracts
  - Non Contracted Activity

## Mental Health:



- Heightened levels of out of area placements at premium prices due to shortage of MH beds locally are a significant driver of overspend
- Cost pressures to deliver requirement of Five Year Forward View present a significant medium term risk to financial position of Strategic Commissioner (though slippage in implementation of schemes in 17/18 has improved the in year position slightly).
- Sustainability of local MH providers and potential requirement of additional commissioner contributions is also a risk.

## Adult Social Care



- While an in year underspend of £196k is currently being forecast, there is significant medium term risk in this area as a result of:
  - increased demand for social care services to support improvement in DTOCs and as a result of demographic growth
  - financial pressure from living wage legislation and care home market

# Financial Gap and Efficiency Position

- In order to deliver financial control totals, an economy wide savings target of £35,070k was set for 2017/18. This is made of £10,397k Trust Efficiency Plan (TEP) savings at the ICFT and £24,673k across the strategic commissioner (made up of £23,900k CCG QIPP and £773k of planned council savings).
- The table below details progress against this target. In total savings of £30,953k are expected, leaving a shortfall of £4,116k against plan. This represents an deterioration of £116k since M8. On a YTD basis the economy as a whole is £860k behind plan, which is driven by the CCG.
- The ICFT still have £2,022k savings to deliver in final 3 months of the year. Deep dives are underway to confirm delivery of outstanding schemes.
- For the commissioner, we are below target on demand management because we are not seeing the anticipated activity reductions at associate providers. Also on prescribing, because of external pressures which are being placed upon CCG's. Non recurrent savings from budget management have gone some way to bridging this gap. While the Council shows savings of £773k are on track, this does not include the pressures associated with children's social care.

## Key Headlines:

- £21,424k of actual savings delivered in first 9 months of year.
- This represents an under-achievement against plan of £1,445k.
- Final projected economy savings are £4,116k lower than target.
- This represents a £116k deterioration against the position reported at M8.
- More work is required to bring forward new schemes addressing the short fall.
- £19,846k (64%) of expected savings are due to be delivered on a recurrent basis.

£000's	YTD Position			Annual Target	Risk Rated Forecast Position				Expected Savings	Variance
	Target	Delivered	Variance		Posted	Low	Medium	High		
<b>ICFT</b>	<b>6,642</b>	<b>6,845</b>	<b>202</b>	<b>10,397</b>	<b>8,375</b>	<b>1,422</b>	<b>70</b>	<b>1,054</b>	<b>9,866</b>	- <b>530</b>
Technical Target	932	1,512	580	1,243	1,584	93	-	-	1,677	434
Divisional Target - Corporate	728	1,167	439	1,020	1,342	-	4	37	1,345	325
Pharmacy	234	390	157	392	448	145	-	25	593	201
Divisional Target - Surgery	474	487	13	640	679	-	5	-	684	45
Transformation Schemes	400	306	- 94	1,000	453	547	-	288	1,000	-
Workforce Efficiency	91	100	9	121	100	20	-	-	120	- 1
Estates	234	457	223	557	505	20	13	-	538	- 19
Paperlite	94	2	- 92	125	8	8	-	47	16	- 109
Divisional Target - Medicine	597	491	- 106	803	617	69	-	50	685	- 118
Medical Staffing	446	287	- 159	716	444	71	-	182	515	- 201
Nursing	726	495	- 231	975	515	204	-	-	720	- 255
Demand Management	1,209	881	- 328	1,732	1,231	123	48	337	1,402	- 330
Procurement	479	270	- 210	1,073	448	122	-	87	571	- 503
<b>Strategic Commissioner</b>	<b>16,227</b>	<b>14,580</b>	<b>- 1,647</b>	<b>24,673</b>	<b>14,580</b>	<b>6,209</b>	<b>298</b>	<b>624</b>	<b>21,087</b>	<b>- 3,586</b>
Technical Target	1,635	3,322	1,687	1,875	3,322	3,844	-	-	7,165	5,290
Primary Care	1,675	2,279	604	1,748	2,279	-	-	-	2,279	532
Single Commissioning	828	967	140	1,137	967	193	-	-	1,160	23
Neighbourhoods	781	781	-	781	781	-	-	-	781	-
Acute Services - Elective	586	586	-	1,116	586	-	-	-	586	- 530
Other	724	724	-	1,324	724	-	-	-	724	- 600
Effective Use of Resources	1,125	566	- 559	1,500	566	249	-	-	815	- 685
Mental Health	294	296	2	994	296	-	-	-	296	- 698
GP Prescribing	1,761	699	- 1,062	2,516	699	207	212	624	1,118	- 1,399
Back Office Functions	393	359	- 34	2,024	359	202	-	-	562	- 1,463
Demand Management	5,845	3,419	- 2,425	8,885	3,419	1,409	-	-	4,828	- 4,057
Adult Social Care	252	252	-	336	252	15	69	-	336	-
Public Health	328	328	-	437	328	91	18	-	437	-
<b>Total Economy Position</b>	<b>22,869</b>	<b>21,424</b>	<b>- 1,445</b>	<b>35,070</b>	<b>22,954</b>	<b>7,631</b>	<b>368</b>	<b>1,677</b>	<b>30,953</b>	<b>- 4,116</b>