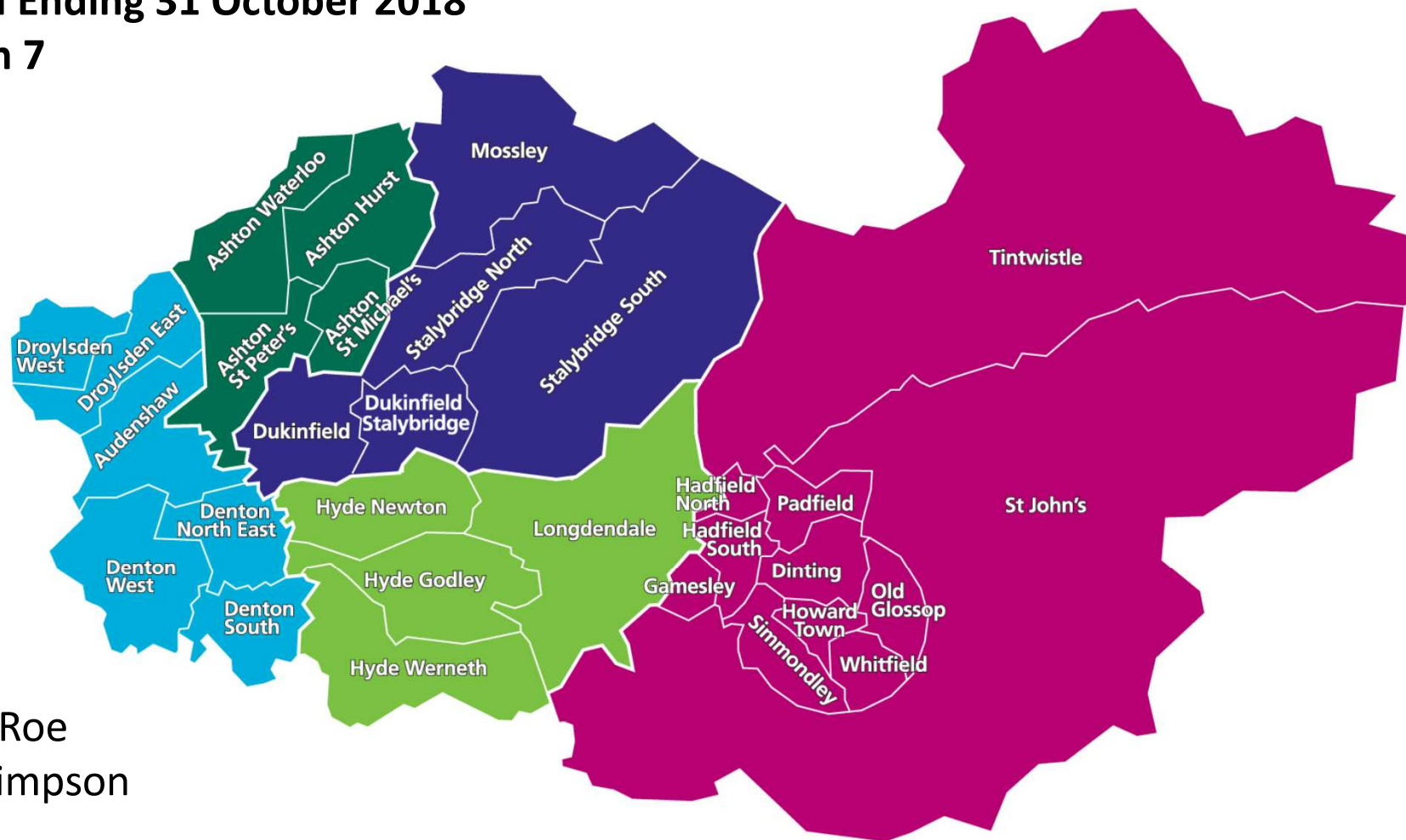


Tameside and Glossop Integrated Financial Position

financial monitoring statements

Period Ending 31 October 2018
Month 7



Kathy Roe
Sam Simpson

Integrated Financial Position Summary Report

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Tameside & Glossop Integrated Economy Wide Financial Position

£6.6m

Children's Services

Unprecedented levels of demand in Children's Social Care continue and place significant pressures on staff and resources. **Placement costs are the main driver of the forecast £6.6m in excess of approved budget.**

Message from the DOFs

The economy wide financial position has continued to improve but the overall picture remains mixed with significant challenges and risks in some areas.

Delivery of further savings and the release of contingencies has resulted in an improvement in the forecast outturn position. However, this improved overall position masks continuing pressures across a number of areas, including significant overspends on Children's Services, Continuing Healthcare and Operations and Neighbourhoods.

TEP performance has improved for both the CCG and the Trust, but further improvement is required for the CCG and Council to deliver a balanced position, and the Trust to meet its deficit control total, by 31 March 2019. Savings delivery for 2018/19 and future years remains a key priority. Financial plans for 2019/20 and beyond are now being refined and savings required next year remain significant.

£0.8m

Strategic Commission Forecast

Overall forecast outturn for the Strategic Commission has improved by £0.8m due mainly to the delivery of further savings. The forecast is now for an overspend of £1.8m.

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			Variance	
	Budget	Forecast	Variance	Previous Month	Movement in Month
CCG Expenditure	393,929	394,855	-926	-1,370	445
TMBC Expenditure	186,514	187,481	-967	-1,320	353
Integrated Commissioning Fund	580,443	582,336	-1,893	-2,691	798
ICFT - post PSF Agreed Deficit	-19,149	-19,149	0	0	0
Economy Wide Position	561,294	563,187	-1,893	-2,691	798

Tameside & Glossop Integrated Commissioning Fund

As at 31 October 2018 the Integrated Commissioning Fund is forecasting to spend £582.3m against an approved budget of £580.4m, an **overspend of £1.9m**, but an improvement on the position reported at month 6. This forecast masks significant risks and pressures in a number of areas, including Continuing Care, Children's Services and Operations and Neighbourhoods. The improved position from month 6 is due to a combination of improved savings delivery and the release of corporate contingency budgets.

Forecast Position £000's	Forecast Position					Net Variance	
	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance	Previous Month	Movement in Month
Acute	204,347	0	204,347	204,348	-1	116	-117
Mental Health	32,343	0	32,343	33,015	-672	-633	-40
Primary Care	83,791	0	83,791	83,504	286	221	65
Continuing Care	14,330	0	14,330	17,096	-2,766	-2,767	1
Community	29,912	0	29,912	30,239	-327	-305	-22
Other CCG	23,997	0	23,997	20,517	3,481	3,367	113
CCG TEP Shortfall (QIPP)	0	0	0	926	-926	-1,370	445
CCG Running Costs	5,209	0	5,209	5,209	-0	-0	0
Adults	82,653	-42,172	40,480	40,267	213	174	39
Children's Services	78,200	-28,871	49,330	55,905	-6,575	-6,733	158
Individual Schools Budgets	127,944	-127,944	0	0	0	0	0
Population Health	16,912	-680	16,232	16,171	61	61	0
Operations and Neighbourhoods	88,802	-31,990	56,811	59,250	-2,439	-2,146	-293
Growth	30,095	-28,669	1,426	2,153	-727	-894	167
Governance	88,643	-79,889	8,754	7,711	1,043	1,043	0
Finance & IT	6,103	-1,550	4,553	4,322	231	248	-16
Quality and Safeguarding	367	-288	79	79	-0	6	-6
Capital and Financing	10,998	-1,360	9,638	8,058	1,580	1,580	0
Contingency	4,163	-6,823	-2,660	-7,018	4,358	4,054	304
Corporate Costs	8,726	-6,857	1,870	583	1,287	1,287	0
Integrated Commissioning Fund	937,534	-357,092	580,443	582,336	-1,893	-2,691	798

Integrated Commissioning Fund – Movements since month 6

£117k Acute

Forecast costs on the Stockport Foundation Trust contract have increased by £101k due to an increase in elective activity and a forecast of further increased activity before year end to clear a back log on waiting lists. The forecast is based on trends and judgement on the likely increase in activity, although there is the potential for further pressures in excess of this forecast.

Increased costs are also being seen on all other NHS provider contracts, in line with previously reported trends. Whilst overall activity has increased slightly, the high levels of increased activity at Manchester Foundation Trust appear to have stabilised. Demand pressures are also resulting in increased activity on independent sector contracts.

£304k Contingency

Year end projections for the use of contingency budgets are reviewed and updated each month. The revised forecast at month 7 has released further contingency budget which offsets forecast overspends in other areas.

The overall forecast outturn for the Integrated Commissioning Fund has improved by £0.8m since period 6.

£445k CCG TEP

The improved position includes continued success on the QIPP programme for prescribing, in particular savings on repeat ordering.

Additional non-recurrent benefit is due to changes to category M prices, which will reduce by £50m nationally over the next five months to compensate for excess margins earned by pharmacies in previous years. A separate deep dive analysis on Prescribing is included on the agenda for the Finance and QIPP assurance group.

£293k Operations and Neighbourhoods

The change in forecast outturn reflects a reduction in the level of underspends forecast against pay budgets, following further review of projections for the rest of the year.

Tameside & Glossop Integrated Commissioning Fund

Forecast Position £000's	YTD Position			Forecast Position			Variance	
	Budget	Actual	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month
Acute	117,746	118,328	-582	204,347	204,348	-1	116	-117
Mental Health	18,798	19,298	-499	32,343	33,015	-672	-633	-40
Primary Care	48,079	47,897	183	83,791	83,504	286	221	65
Continuing Care	8,069	9,246	-1,177	14,330	17,096	-2,766	-2,767	1
Community	17,448	17,482	-33	29,912	30,239	-327	-305	-22
Other CCG	18,037	15,935	2,102	23,997	20,517	3,481	3,367	113
CCG TEP Shortfall (QIPP)	0	0	0	0	926	-926	-1,370	445
CCG Running Costs	2,313	2,305	7	5,209	5,209	-0	-0	0
Adults	21,013	20,932	82	40,480	40,267	213	174	39
Children's Services	36,276	39,940	-3,664	49,330	55,905	-6,575	-6,733	158
Population Health	9,469	11,287	-1,818	16,232	16,171	61	61	0
Operations and Neighbourhoods	33,140	35,484	-2,345	56,811	59,250	-2,439	-2,146	-293
Growth	832	-1,174	2,006	1,426	2,153	-727	-894	167
Governance	5,107	8,204	-3,097	8,754	7,711	1,043	1,043	0
Finance & IT	2,656	2,499	157	4,553	4,322	231	248	-16
Quality and Safeguarding	46	-37	82	79	79	-0	6	-6
Capital and Financing	5,622	1	5,621	9,638	8,058	1,580	1,580	0
Contingency	-1,552	-872	-680	-2,660	-7,018	4,358	4,054	304
Corporate Costs	1,091	-694	1,785	1,870	583	1,287	1,287	0
Integrated Commissioning Fund	344,190	346,061	-1,871	580,443	582,336	-1,893	-2,691	798
CCG Expenditure	230,490	230,490	-0	393,929	394,855	-926	-1,370	445
TMBC Expenditure	113,700	115,570	-1,871	186,514	187,481	-967	-1,320	353
Integrated Commissioning Fund	344,190	346,061	-1,871	580,443	582,336	-1,893	-2,691	798
ICFT - post PSF Agreed Deficit	-19,149	-19,149	0	-19,149	-19,149	0	0	0
Economy Wide Position	-19,149	-21,020	-7,890	561,294	563,187	-1,893	-2,691	798

The CCG surplus has increased from £9.3m to 12.3m as approved by the Strategic Commissioning Board in September 2018. This will enable draw down of £6m of cumulative surplus in 2019/20, Improving the economy wide financial position in future years

Tameside Integrated Care Foundation Trust Financial Position

SUMMARY



- For the financial period to the **31st October 2018**, the Trust has reported a net deficit of c.£13.4m (Post PSF), which is c.£208k better than plan. The in month position for October reported a £1.5m net deficit, £46k better than plan.
- The Trust delivered c.£1.2m of savings in month, this is an underachievement against target by c.£75k in month, cumulatively the Trust is reporting an overachievement against plan of c£0.6m
- To date the Trust has spent c.£4.6m on Agency spend, against a plan of £5.4m; based on this run rate, spend should be within the agency cap of £9.5m.

KEY RISKS

- Control Total** – The Trust now has an agreed control for 2018/19 of **c£19.1m**, this assumes the Trust will be in receipt of the full Provider Sustainability fund.
- Provider Sustainability Fund** - The Trust must achieve its financial plan at the end of each quarter to achieve 70% of the PSF, the remainder is predicated on achievement of the A&E target. If the Trust fail to deliver the financial and/or performance targets it will need to borrow additional cash at 1.5%
- TEP** – The Trust is currently forecasting an underachievement against its in year TEP delivery of **c£0.7m** and recurrently of **c£1m**. **Failure to achieve TEP will result in the Trust not achieving its plan.** Work is on-going with Theme groups to develop high risk schemes and generate hopper ideas to improve this forecast position.

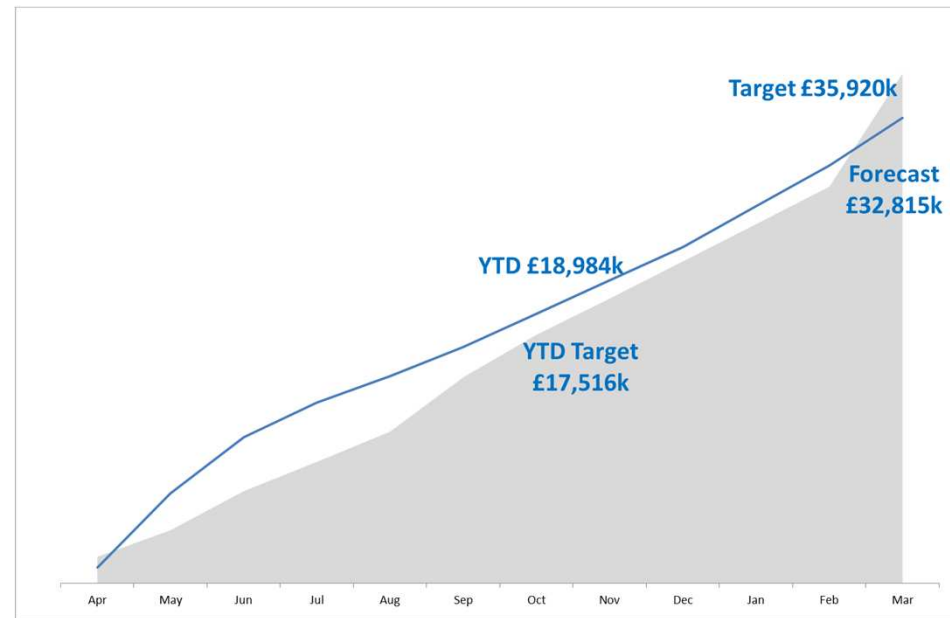
Financial Performance Metric	Month 7			YTD			Outturn
	Plan £000s	Actual £000s	Variance £000s	Plan £000s	Actual £000s	Variance £000s	Plan £000s
Normalised Surplus/(deficit) before PSF	(1,582)	(1,535)	46	(15,057)	(14,848)	208	(23,370)
Provider Sustainability Fund (PSF)	281	281	0	1,476	1,476	0	4,221
Surplus/(Deficit) post PSF	(1,301)	(1,254)	46	(13,581)	(13,372)	208	(19,149)
Capital Expenditure	655	63	(592)	2,124	768	(1,356)	4,127
Cash and Cash Equivalents	1,220	1,516	296				1,220
Trust Efficiency Savings	1,256	1,181	(75)	5,983	6,586	604	13,000
Use of Resources Metric	3	3		3	3		3

TEP – Targeted/Trust Efficiency Plan

Organisation	High Risk	Medium Risk	Low Risk	Savings Posted	Total	Target	Post Bias Expected Saving	Post Bias Variance
CCG	65	2,840	5,506	11,942	20,353	19,800	18,874	(926)
TMBC	547	280	1,028	456	2,311	3,119	1,679	(1,440)
Strategic Commissioner	612	3,120	6,534	12,398	22,664	22,919	20,553	(2,366)
ICFT	1,155	1,028	4,648	6,586	13,417	13,001	12,262	(739)
Economy Total	1,767	4,147	11,182	18,984	36,081	35,920	32,815	(3,105)

- The opening economy wide savings target for 2018/19 is £35,920k:
 - Commissioner £22,919k (£19,800k CCG & £3,119k TMBC)
 - Provider £13,001k
- Against this target, £18,984k of savings have been realised in the first seven months, 53% of the required savings.
- Expected savings by the end of the year are £32,815k, a shortfall of £3,105k against target and a small improvement on the position reported last month.
- More work is required to identify new schemes and turn red and amber schemes green.
- The scale of the financial gap in future years mean there must be a continued focus on identifying schemes for 2019/20 and beyond.

Progress Against Target



TEP – Targeted/Trust Efficiency Plan



£1,124k

Strategic Commission

Overall expected savings on CCG schemes have improved from the previous month. This includes a further improved savings forecast on GP prescribing where, despite pressures on Category M drugs, significant savings are being realised by medicines management. There is no change to savings forecast on TMBC schemes.

Org	Theme	High Risk	Medium Risk	Low Risk	Savings Posted	Total	Opening Target	Post Bias Expected Saving	Post Bias Variance
CCG	Emerging Pipeline Schemes	0	0	0	0	0	3,239	0	(3,239)
	GP Prescribing	40	890	725	1,428	3,082	2,000	2,601	601
	Individualised Commissioning	25	0	393	300	718	1,326	696	(630)
	Other Established Schemes	0	1,250	283	2,028	3,561	4,283	2,936	(1,347)
	Tameside ICFT	0	0	1,033	1,447	2,480	2,480	2,480	0
	Technical Financial Adjustments	0	700	3,071	6,740	10,511	6,472	10,161	3,689
CCG Total		65	2,840	5,506	11,942	20,353	19,800	18,874	(926)
TMBC	Adults	318	0	379	0	697	697	411	(286)
	Growth	0	25	340	0	365	898	353	(546)
	Finance & IT	50	0	0	122	172	172	127	(45)
	Governance	129	0	0	25	154	154	38	(116)
	Childrens (Learning)	0	0	90	0	90	90	90	0
	Operations & Neighbourhood	50	255	0	0	305	580	133	(448)
	Pop. Health	0	0	219	309	528	528	528	0
TMBC Total		547	280	1,028	456	2,311	3,119	1,679	(1,440)
Strategic Commissioner Total		612	3,120	6,534	12,398	22,664	22,919	20,553	(2,366)

TEP – Targeted/Trust Efficiency Plan



£693k

ICFT

Overall expected savings have improved from the previous month. The Trust is currently forecasting an underachievement against its in year TEP delivery of **£0.7m** and recurrently of **£1m**. **Failure to achieve TEP will result in the Trust not achieving its plan.** Work is on-going with Theme groups to develop high risk schemes and generate hopper ideas to improve this forecast position.

Org	Theme	High Risk	Medium Risk	Low Risk	Savings Posted	Total	Target	Post Bias Expected Saving	Post Bias Variance
ICFT	Community	0	183	38	79	300	363	300	(64)
	Corporate	0	0	270	764	1,034	805	1,034	229
	Demand Management	350	106	372	520	1,348	1,474	998	(476)
	Estates	28	10	235	224	496	569	468	(101)
	Finance Improvement Team	75	0	460	975	1,510	1,067	1,435	368
	Medical Staffing	290	105	105	80	579	1,103	290	(813)
	Nursing	129	35	326	687	1,177	1,243	1,047	(196)
	Paperlite	93	41	22	65	221	250	128	(122)
	Pharmacy	100	402	232	78	812	450	712	262
	Procurement	91	0	384	78	553	752	463	(289)
	Transformation Schemes	0	0	1,531	1,905	3,436	3,000	3,436	436
	Technical Target	0	146	173	102	421	375	421	46
	Vacancy Factor	0	0	501	1,030	1,530	1,550	1,530	(20)
ICFT Total		1,155	1,028	4,648	6,586	13,417	13,001	12,262	(739)