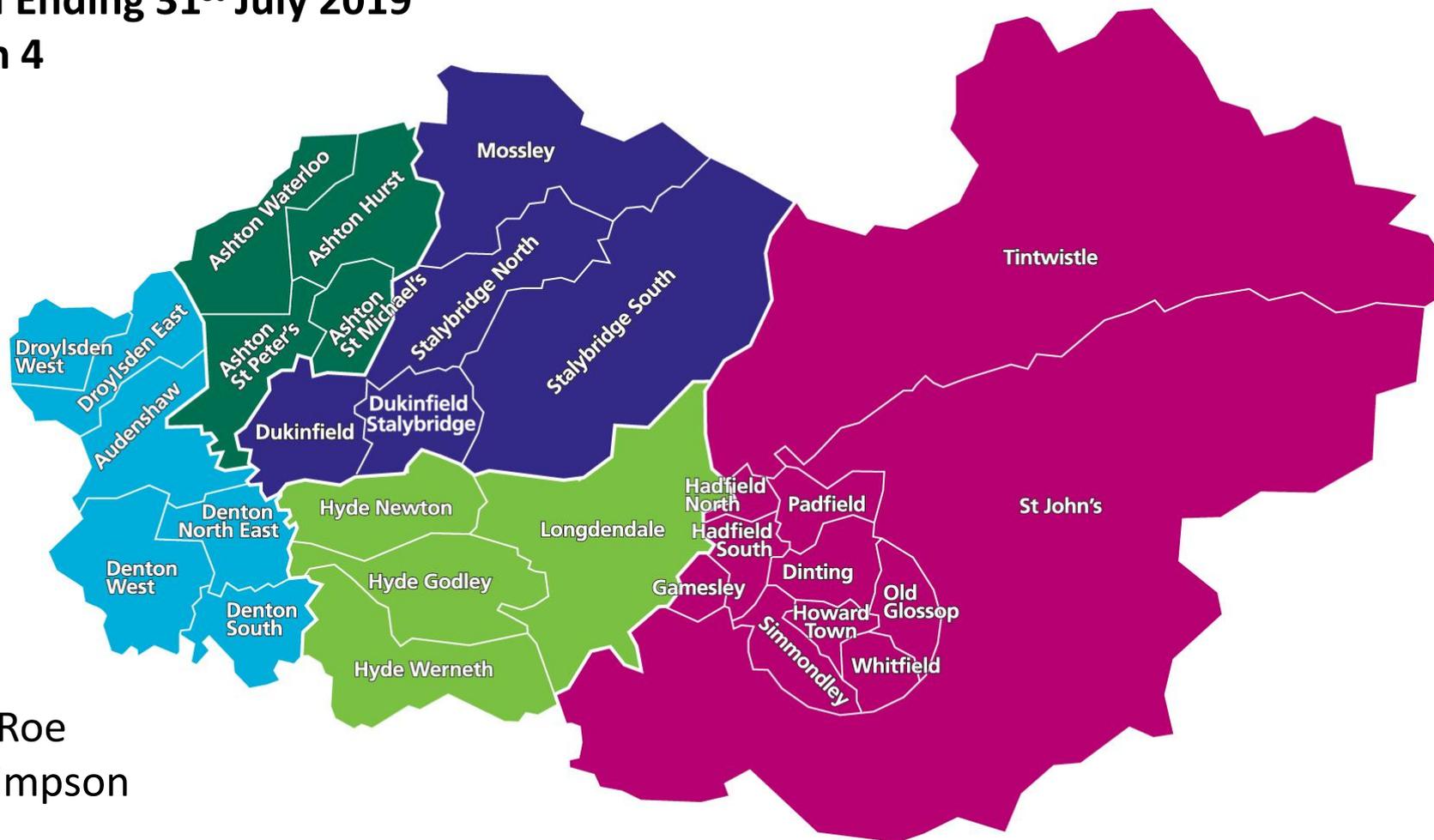


Tameside and Glossop Integrated Financial Position

financial monitoring statements

Period Ending 31st July 2019

Month 4



Kathy Roe
Sam Simpson

Integrated Financial Position Summary Report

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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.

Note

The values in this report have been presented in £'000s. All values reconcile exactly in it lowest denomination, however, on presentation there may be some minor rounding differences in the variance calculations as a result of reporting the values at a higher level.

Tameside & Glossop Integrated Economy Wide Financial Position

Message from the Directors of Finance

As we enter the second quarter of the financial year, the financial position remains challenging but we have seen a small improvement since period 3, an encouraging sign that further improvements can be made over the coming months as we continue to focus on the delivery of savings and efficiencies. Whilst our track record should encourage a degree of optimism, this needs to be set in the context of the significant financial challenge and risks that continue to face the economy.

Pressures are emerging in Acute spend, driven by increasing activity in the independent sector, and an increase in specialist activity which is being seen across the Greater Manchester economy. Whilst the current forecast for prescribing costs is on budget, this could be at risk if a no deal Brexit results in a significant increase in drug prices. The unprecedented demand for Children's services remains our single greatest financial pressure. A number of initiatives to reduce numbers and costs of looked after children are being evaluated and are beginning to be implemented, it will take some time before these measures have a significant impact on projected expenditure.

Whilst maintaining our focus on in year savings, attention is now shifting to the 2020/21 budget and future financial plans. The economy faces a funding gap of £55m by 2024/25, with a £23m gap to be closed in 2020/21. Funding for Local Government remains uncertain and is expected to continue to reduce. Although the recently announced one year spending review should provide some certainty for next year, continuing uncertainty around funding formulas and retained business rates, means that medium term planning remains challenging.

£282k

ICF Position Improvement

The overall forecast outturn has improved since period 3 by £282k, but remains as a forecast overspend against net budget.

Significant pressures remain in Children's services, Growth, and Operations and Neighbourhoods, with new pressures emerging in Acute.

Forecast Position £000's	Forecast Position					Net Variance	
	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance	Previous Month	Movement in Month
CCG Expenditure	419,780	0	419,780	420,587	(807)	(816)	9
TMBC Expenditure	524,465	(327,662)	196,803	197,916	(1,113)	(1,387)	273
Integrated Commissioning Fund	944,245	(327,662)	616,583	618,503	(1,920)	(2,202)	282

Tameside & Glossop Integrated Commissioning Fund

With a gross budget for 2019/20 in excess of £944m, as at month 4 the Integrated Commissioning Fund has a forecast net spend of £618,503k, against a net budget of £616,583k. The net budget has increased from period 3 due to some changes to Education grant budgets, and additional CCG allocations for transformation funding and GP forward view. The forecast overspend of £1,920k is primarily driven by Children's Services, Growth, Operations and Neighbourhoods and CCG TEP shortfall, offset by contingency and capital financing which includes increased dividend income from Manchester Airport.

Forecast Position £000's	Forecast Position					Net Variance	
	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance	Previous Month	Movement in Month
Acute	214,296	0	214,296	215,107	(811)	(478)	(333)
Mental Health	37,207	0	37,207	37,466	(259)	18	(277)
Primary Care	85,053	0	85,053	85,088	(34)	93	(128)
Continuing Care	16,867	0	16,867	16,396	471	5	467
Community	33,105	0	33,105	33,107	(2)	2	(4)
Other CCG	28,087	0	28,087	27,452	636	360	276
CCG TEP Shortfall (QIPP)	0	0	0	807	(807)	(816)	9
CCG Running Costs	5,164	0	5,164	5,164	0	0	0
Adults	84,083	(46,750)	37,333	37,607	(274)	(274)	0
Children's Services	53,756	(5,199)	48,556	53,078	(4,522)	(4,552)	30
Education	28,198	(22,194)	6,005	6,091	(86)	(61)	(25)
Individual Schools Budgets	115,164	(115,164)	0	0	0	0	0
Population Health	16,262	(170)	16,092	16,372	(280)	(280)	0
Operations and Neighbourhoods	78,812	(28,185)	50,627	51,529	(902)	(1,113)	211
Growth	42,753	(33,883)	8,870	9,916	(1,046)	(1,086)	40
Governance	74,070	(64,876)	9,193	9,002	191	210	(19)
Finance & IT	6,218	(1,408)	4,809	4,765	44	8	36
Quality and Safeguarding	440	(304)	136	136	(0)	(0)	0
Capital and Financing	10,763	(6,647)	4,116	899	3,217	3,202	15
Contingency	5,674	0	5,674	3,876	1,798	1,770	28
Corporate Costs	8,272	(2,881)	5,392	4,646	746	789	(43)
Integrated Commissioning Fund	944,245	(327,662)	616,583	618,503	(1,920)	(2,202)	282

Tameside & Glossop Integrated Commissioning Fund

Forecast Position £000's	Forecast Position					Net Variance	
	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance	Previous Month	Movement in Month
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TMBC Expenditure	524,465	(327,662)	196,803	197,916	(1,113)	(1,387)	273
Integrated Commissioning Fund	944,245	(327,662)	616,583	618,503	(1,920)	(2,202)	282
A: Section 75 Services	375,930	(46,820)	329,110	329,929	(819)	(5,493)	4,674
B: Aligned Services	318,686	(100,496)	218,190	222,375	(4,185)	136	(4,320)
C: In Collaboration Services	249,629	(180,346)	69,283	66,200	3,083	(162)	3,245
Integrated Commissioning Fund	944,245	(327,662)	616,583	618,503	(1,920)	(5,519)	3,599

Acute **£811k**

Emerging pressure due to significant increases in the number of patients receiving treatment in the Independent Sector.

Separately to this the Christie is over spent by 20% against plan, and similar increases being seen elsewhere in GM.

Mental Health **£259k**

This pressure reflects a re-classification of spend from continuing healthcare (where there is a corresponding positive variance) to reflect new guidance on the classification of activity.

Children's Services **£4,522k**

Children's Social Care is forecast to overspend by £4,522k mainly due to the cost of placements for looked after children. The number of looked after children when establishing the 2019/20 budget was 648 (December 2018), an all time high for Tameside and considered to be the peak. However the number of looked after children has since increased and stood at 683 on 2 August 2019. The projection assumes the current cost of all existing placements plus a further slight increase in of 5 additional placements for the remainder of the year at an average weekly cost of £ 3,000 per week (£156k per year).

Corporate, Contingency, Capital Financing

Significant favourable variances reflect the release of earmarked contingencies to offset specific pressures in service areas and savings on corporate budgets. The Capital and Financing forecast reflects additional dividend income of £2m in excess of budget.

Growth **£1,046k**

Significant budget pressures relate to a shortfall in income relating to Estates, fee income from planning and building control and rents not being realised. Pressures also forecast due to increased utility costs.

Operations and Neighbourhoods **£902k**

Pressures remain in respect of shortfalls in income from car parks and markets, and from bus lane fines. The positive movement from period 3 reflects one off savings in respect of vehicle costs.

Tameside Integrated Care Foundation Trust Financial Position

Financial Performance Metric	Month 3			YTD			Outturn
	Plan £000	Actual £000	Variance £000	Plan £000	Actual £000	Variance £000	Plan £000s
Normalised Surplus / (Deficit) Before PSF	(2,219)	(2,187)	32	(8,301)	(8,219)	82	(25,220)
Provider Sustainability Fund (PSF)	237	237	0	709	709	0	4,727
Financial recovery Fund (FRF)	741	741	0	2,221	2,221	0	14,807
Surplus / (Deficit)	-1,241	-1,209	32	-5,371	-5,289	82	-5,686
Trust Efficiency Savings	721	916	195	2,577	2,838	261	11,580
Use of Resources Metric	3	3		3	3		3

- **Revenue** - The Trust has agreed a control with NHSI of **c.£5.686m** after Financial Recovery Fund (FRF) and Provider Sustainability Funding (PSF); for the financial period to **31st July 2019**, the Trust has reported a net deficit of **£1.209m** post FRF and PSF, which is £32k below plan.
- **Trust Efficiency Programme (TEP)** - the Trust has a TEP target in 2019/20 of **£11.580m** including carried forward schemes from 2018/19. During month 4 the Trust delivered **£916k** against a plan of **£721k** reporting an overachievement of **c.£195k** in month. The Trust is forecasting at month 4 to deliver **c.£11.267m** by the end of the year, this is an improvement in month of **£291k**. Schemes are being developed across the Trust to mitigate the shortfall of **c.£313k (3%)**.
- **Agency cap** - The Trust has an agency cap of **c.£9.454m**, but a plan of **£7m**. During Month 4 the Trust spent **£511k** against a plan of **£739k**, reporting an underspend of **£228k** and reporting below the cap.
- **Capital** – Capital expenditure is ahead of plan **by c.£14k (A)** year to date.
- **Cash** – The cash balance was **£921k** better than plan at the end of Month 4.