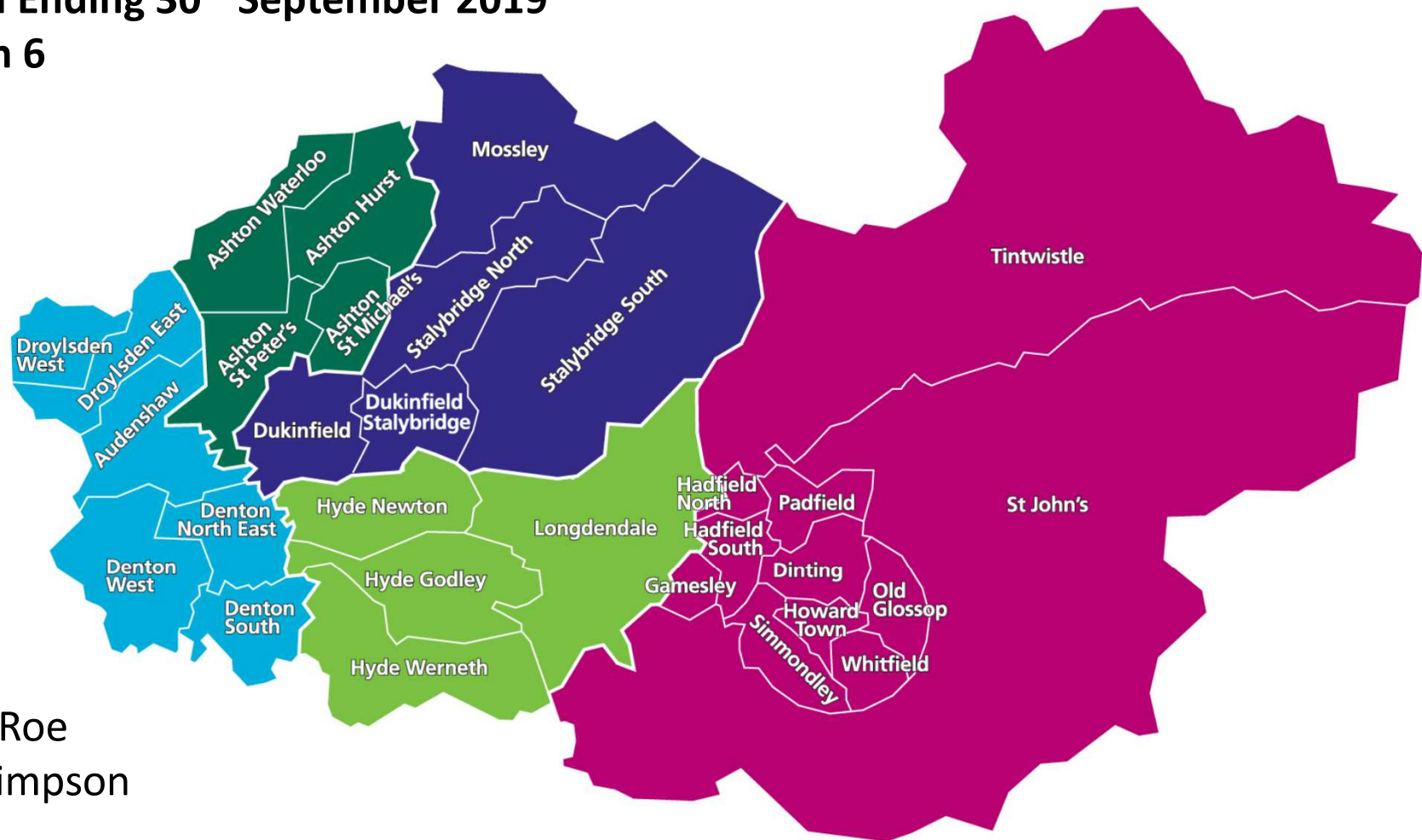


# Tameside and Glossop Integrated Financial Position

*financial monitoring statements*

Period Ending 30<sup>th</sup> September 2019  
Month 6



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## 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.

# Tameside & Glossop Integrated Economy Wide Financial Position

## Message from the Directors of Finance

At the halfway point in the financial year, the forecast outturn is beginning to look more positive overall, although it should be noted that this is largely due to a significant one off return of levy reserves from the Greater Manchester Combined Authority (GMCA).

Within the overall forecast position, we continue to experience significant financial pressures, particularly in Children's Social Care services due to increased numbers of looked after children (LAC). The forecast outturn position for Children's of £6.674m in excess of budget reflects an anticipated further increase in LAC numbers by the end of the financial year.

Delivery of in year Targeted Efficiency Plans (TEP) continues to be closely monitored. Good progress is being made in most areas, although some areas of significant risk remain.


The focus on 2020/21 budgets is now accelerating. Funding announcements in September 2019 provide greater clarity for Council budgets in 2020/21, but significant uncertainty remains for future years, making planning for the medium term increasingly difficult. The cost pressures already identified and emerging for future years means there remains a significant gap to close to balance 2020/21.


## Integrated Financial Position


 **£1.177m**

The overall forecast outturn position for the Strategic Commission is on overspend of £0.489m against a net budget of £617.425m.

The overall positive movement since month 5 is net of a number of significant movements including:

 **£2.152m Children's Social Care Services** – adverse movement due to forecast increases in the number of looked after children

 **£1.672m Operations and Neighbourhoods** – improved position due to a one-off return of reserves from GMCA relating to the levies.

 **£1.460m Contingency** – improved position due to a one-off return of reserves from GMCA and the release of contingencies.

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	420,622	0	420,622	421,006	(384)	(649)	265
TMBC Expenditure	524,755	(327,952)	196,803	196,908	(105)	(1,017)	911
<b>Integrated Commissioning Fund</b>	<b>945,377</b>	<b>(327,952)</b>	<b>617,425</b>	<b>617,914</b>	<b>(489)</b>	<b>(1,666)</b>	<b>1,177</b>

# Tameside & Glossop Integrated Commissioning Fund

With a gross budget for 2019/20 in excess of £945m, as at month 6 the Integrated Commissioning Fund has a forecast net spend of £617.914m, against a net budget of £617.425m. The forecast outturn at month 6 is now an overspend of £0.489m, an improvement of £1.2m since period 5. The overall improvement is due to significant one-off reductions to the Waste and Transport Levies, and the release of contingencies. This overall improvement masks a significant deterioration in the forecast for Children's services which is now forecast to exceed the approved budget by £6.674m.

Forecast Position £000's	Forecast Position					Net Variance	
	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance	Previous Month	Movement in Month
Acute	214,407	0	214,407	215,033	(626)	(642)	16
Mental Health	38,058	0	38,058	38,698	(640)	(509)	(131)
Primary Care	85,028	0	85,028	84,851	177	2	175
Continuing Care	16,317	0	16,317	15,854	463	406	57
Community	33,413	0	33,413	33,416	(3)	(3)	0
Other CCG	28,235	0	28,235	27,607	629	746	(117)
CCG TEP Shortfall (QIPP)	0	0	0	384	(384)	(649)	265
CCG Running Costs	5,164	0	5,164	5,164	0	0	(0)
Adults	84,083	(46,750)	37,333	37,973	(640)	(274)	(366)
Children's Services	53,756	(5,199)	48,556	55,230	(6,674)	(4,522)	(2,152)
Education	28,109	(22,104)	6,005	6,045	(41)	(49)	9
Individual Schools Budgets	115,558	(115,558)	0	0	0	0	0
Population Health	16,262	(170)	16,092	16,327	(235)	(280)	45
Operations and Neighbourhoods	78,840	(28,213)	50,627	49,857	770	(902)	1,672
Growth	42,791	(33,828)	8,964	9,806	(842)	(1,046)	204
Governance	74,144	(64,896)	9,248	9,091	158	315	(158)
Finance & IT	9,330	(2,237)	7,092	6,359	733	600	133
Quality and Safeguarding	440	(304)	136	136	(0)	(0)	0
Capital and Financing	10,788	(7,986)	2,803	(680)	3,483	3,217	266
Contingency	5,551	(235)	5,316	2,293	3,023	1,563	1,460
Corporate Costs	5,104	(473)	4,631	4,471	160	361	(201)
<b>Integrated Commissioning Fund</b>	<b>945,377</b>	<b>(327,952)</b>	<b>617,425</b>	<b>617,914</b>	<b>(489)</b>	<b>(1,666)</b>	<b>1,177</b>

# 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
A: Section 75 Services	376,418	(46,820)	329,598	330,621	(1,023)	(817)	(207)
B: Aligned Services	318,978	(100,424)	218,554	215,346	3,208	2,884	324
C: In Collaboration Services	250,008	(180,735)	69,273	71,946	(2,673)	(3,733)	1,060
<b>Integrated Commissioning Fund</b>	<b>945,405</b>	<b>(327,980)</b>	<b>617,425</b>	<b>617,914</b>	<b>(489)</b>	<b>(1,666)</b>	<b>1,177</b>

*Further detail on all service areas is set out in appendix 1 to this report*

## **Growth £842k**

Pressures remain in the Growth directorate relating mainly to shortfalls in budgeted income and additional costs relating to buildings and utilities.

## **Capital Financing £3,483k & Contingency £3,023k**

Interest earned on investments continues to exceed budget and there has been a one-off return of reserves from GMCA which has improved the overall forecast. The amount returned from GMCA is earmarked for investment in bus reform.

## **Operations and Neighbourhoods £770k**

The overall position has improved significantly due to the return of reserves from GMCA. Pressures remain due to shortfalls in car park income and additional costs related to the construction of new car parks.

## **Mental Health £640k**

The forecast outturn position for Mental Health has worsened since period 5 but remains as a forecast overspend of £640k. Most of this pressure relates to Individualised Commissioned packages of care, with two extremely high cost new packages resulting in a significant forecast pressure against the budget.

## **Acute £626k**

Pressures exist within the independent sector and a number of Acute providers continue to over-perform.

## **Children's Services £6,674k**

Increased demand since the 2019/20 budget was approved by the Council is the principal reason for the significant adverse projected outturn variation. There has been an increase of 8%, which as at October 2019 equates to 700 children looked after. The projected outturn includes a further estimated increase of 4% in the number of children looked after to 31 March 2020. This is based on the demand increase during the first six months of 2019/20 adjusted for the estimated number of children that are expected to leave the care system.

# Tameside Integrated Care Foundation Trust Financial Position

Financial Performance Metric	Month 6			YTD			Annual
	Plan £000	Actual £000	Variance £000	Plan £000	Actual £000	Variance £000	
Normalised Surplus / (Deficit) Before PSF	(1,975)	(1,996)	(22)	(14,331)	(13,997)	333	(25,368)
Provider Sustainability Fund (PSF)	315	315	0	1,654	1,654	0	4,727
Financial recovery Fund (FRF)	987	987	0	5,182	5,182	0	14,807
Surplus / (Deficit) post PSF	(673)	(694)	(22)	(7,495)	(7,161)	333	(5,834)
Capital Expenditure	360	225	(135)	924	751	(173)	3,826
Cash and Equivalents	1,220	1,211	(9)				1,220
Trust Efficiency Savings	1,089	1,114	22	4,429	4,566	133	11,580
<b>Use of Resources Metric</b>	<b>3</b>	<b>3</b>		<b>3</b>	<b>3</b>		<b>3</b>

- **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 **30<sup>th</sup> September 2019**, the Trust has reported a net deficit of **£0.694m** post FRF and PSF, which is £22k above plan
- **Trust Efficiency Programme (TEP)** - the Trust has a TEP target in 2019/20 of **£11.580m** including carried forward schemes from 2018/19. The Trust is forecasting at month 6 to deliver **c.£11.337m** by the end of the year. Schemes are being developed across the Trust to mitigate the shortfall of **c.£243k (2.1%)**.
- **Agency cap** - The Trust has an agency cap of **c.£9.454m**, but a plan of **£7m**. During Month 6 the Trust spent **£233k** against a plan of **£622k**, reporting an underspend of **£389k** and reporting below the trust plan cap.
- **Capital** – Capital expenditure is behind plan by **c.£135k** year to date.
- **Cash** – The cash balance was **£9k** better than plan at the end of Month 6, the Trust has received Q1 PSF and FRF in September M6.

**NHSI Feedback** - Given the current **financial deficit** it is likely that the Trust will be rated

**Requires Improvement**

# Tameside Integrated Care Foundation Trust Financial Position

Performance Metric - Month 5	Plan YTD	Actual YTD	Annual Plan	Forecast
Capital service cover rating	4	4	4	4
Liquidity rating	4	4	4	4
I&E margin rating	4	4	4	4
I&E margin: distance from financial plan		1		1
Updated agency rating	1	1	1	1
Risk Rating after overrides		3		3

**Capital servicing capacity** – The degree to which generated income covers financial obligations. If any Trust has a deficit and also any borrowing, this will always be at 4.

**Liquidity** - Days of operating costs held as cash or cash equivalents. To improve to just 3 (Requires Improvement) – the Trust would need to spend at least £6m less.

**I&E margin** - Degree of surplus/(deficit). The Trust deficit, at current income levels would need to be c. £17m less than it currently is i.e. around £2m.

**Distance from financial plan** - Variance between the planned and actual I&E position. The Trust **MUST** achieve this, by achieving the control total, the Trust can score a 1 and help to offset the others.

**Agency spend** – Distance from cap, this is the something the Trust **MUST** achieve and is currently achieving.