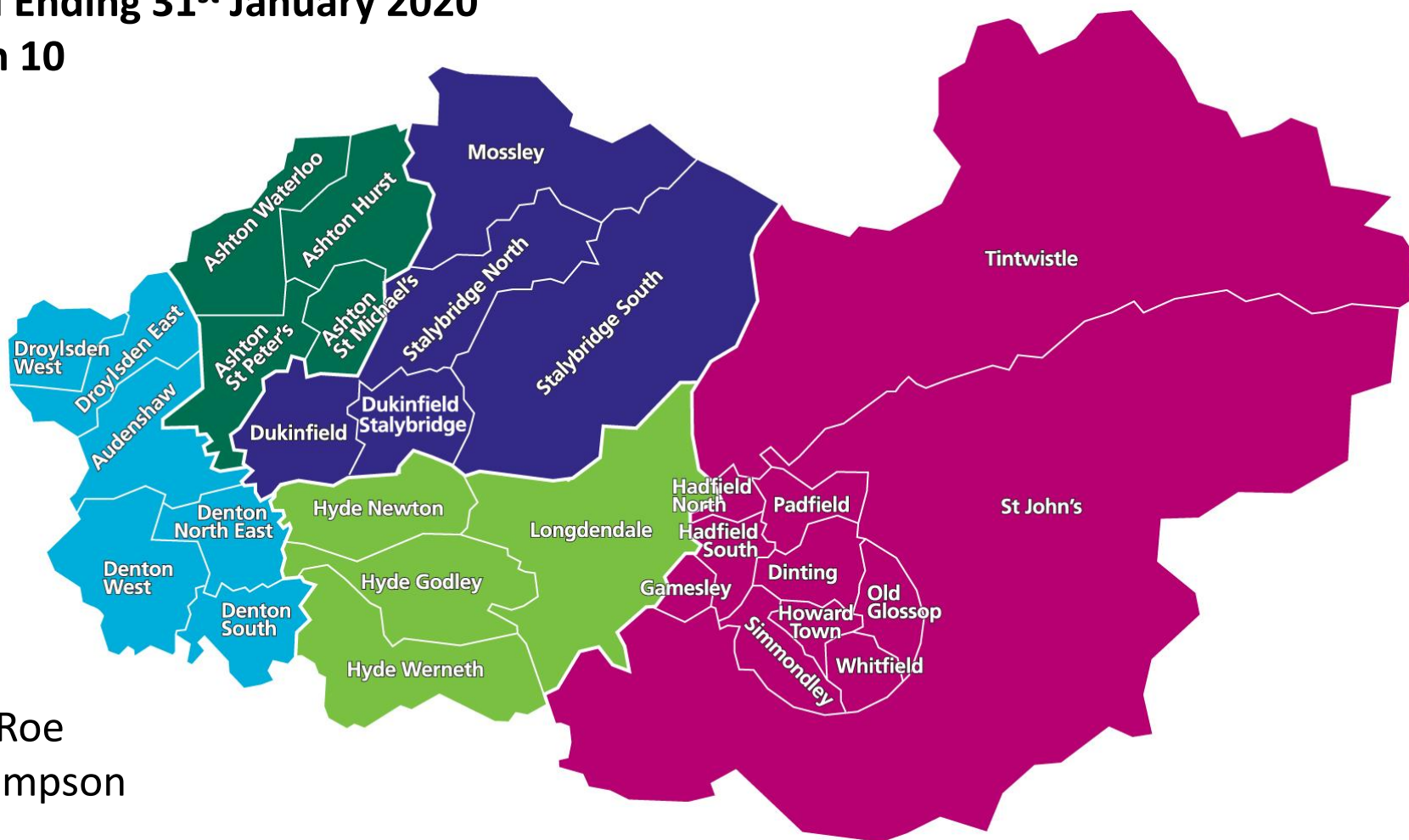


Tameside and Glossop Integrated Financial Position

financial monitoring statements

Period Ending 31st January 2020

Month 10



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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

Integrated Financial Position



£1.432m

The overall forecast outturn position for the Strategic Commission is an overspend of £0.118m against a net budget of £618.964m.

Message from the Directors of Finance

As we approach the end of the financial year, the overall forecast position continues to improve, albeit in the main by non recurrent means. CCG forecasts have remained relatively stable with improvements to Council forecasts reducing the overspend for the Integrated Commission to £0.118m.

The risk of further pressures in February and March cannot be eliminated, but we are confident that we have sufficient earmarked contingency in place to mitigate against any normal variations before year end. The significant pressures in Children's Services appear to have stabilised, and as the investment projects are being implemented, we can be cautiously optimistic that some financial stability can be maintained.

The ICFT financial position remains on track. The Trust is forecasting to achieve its control total and is working closely with commissioners to address activity and acuity related pressures.

The overall positive movement since month 9 is net of a number of significant movements including:



£0.151m Education – demand for SEN Home to School transport continues to increase.

£0.319m Operations and Neighbourhoods – forecast underspend has reduced due to a number of unexpected one-off costs including costs for four domestic homicide reviews.



£0.619m Growth – improved forecast due mainly to a revised forecast for service charge income, and reduced forecast costs for disposals.

£0.259m Governance – staffing costs are lower than previously forecast due to delays in recruitment.

£0.394m Finance & IT – additional savings on insurance costs following an actuarial review.

£0.546m Contingency – improved position due to the release of further contingency budgets to offset overspends elsewhere.

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	422,161	0	422,161	422,161	(0)	0	(0)
TMBC Expenditure	526,658	(329,855)	196,803	196,920	(118)	(1,550)	1,433
Integrated Commissioning Fund	948,819	(329,855)	618,964	619,082	(118)	(1,550)	1,432

Tameside & Glossop Integrated Commissioning Fund

With a gross budget for 2019/20 in excess of £948m, as at month 10 the Integrated Commissioning Fund has a forecast net spend of £619.082m, against a net budget of £618.964m. The forecast outturn at month 10 is now a small overspend of £0.118m, an improvement of £1.4m since period 9. The improved position since period 9 is due to forecast projections across a number of directorates having improved. However there remain a number of key overspends which place pressure on future years 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	214,137	0	214,137	215,298	(1,161)	(1,143)	(18)
Mental Health	38,679	0	38,679	39,507	(828)	(817)	(11)
Primary Care	84,787	0	84,787	84,576	211	265	(54)
Continuing Care	15,723	0	15,723	15,449	275	302	(28)
Community	33,520	0	33,520	33,510	10	8	2
Other CCG	29,902	0	29,902	28,409	1,493	1,384	109
CCG TEP Shortfall (QIPP)	0	0	0	0	0	0	0
CCG Running Costs	5,413	0	5,413	5,413	0	(0)	0
Adults	84,285	(46,974)	37,311	37,963	(652)	(640)	(12)
Children's Services	53,632	(5,199)	48,432	56,785	(8,353)	(8,353)	0
Education	26,351	(20,337)	6,014	6,207	(193)	(41)	(151)
Individual Schools Budgets	119,133	(119,133)	0	0	0	0	0
Population Health	16,262	(170)	16,092	16,327	(235)	(235)	0
Operations and Neighbourhoods	78,840	(28,213)	50,627	50,176	451	770	(319)
Growth	43,010	(33,881)	9,129	9,353	(224)	(843)	619
Governance	74,146	(64,926)	9,219	8,773	446	187	259
Finance & IT	9,117	(2,024)	7,092	6,370	722	328	394
Quality and Safeguarding	440	(304)	136	136	0	(0)	0
Capital and Financing	10,788	(8,786)	2,003	(1,382)	3,384	3,303	82
Contingency	5,551	565	6,116	1,747	4,369	3,823	546
Corporate Costs	5,104	(473)	4,631	4,465	167	151	15
Integrated Commissioning Fund	948,819	(329,855)	618,964	619,082	(118)	(1,550)	1,432

Children's Services £8,353k

Increased demand since the 2019/20 budget was approved by the Council is the principal reason for the significant adverse projected outturn variation. Whilst the overall size of the Looked After Children population has been relatively stable since month 6 (698 at 7 February 2020 compared to 700 at month 6), forecast costs have increased due to changes in placement mix. The forecast includes:

- Increased number of higher tier placements
- Exceptional costs for specialist bespoke provision
- Significant increase in legal costs and complexity of court activity
- Numbers of young people in transitional placements

In seeking to address these issues, work is actively under way to implement the Looked After Placement Sufficiency Plan, focusing on improvements across strategic commissioning, placement procurement and brokerage, contract management and quality assurance. Alongside this, the Placement and Permanence panel is individually reviewing each placement.

On 27 November 2019, the Executive Cabinet approved additional investment of £ 2.2 million (£ 1.9m via the Council, £ 0.3m via the CCG) to support 7 key Looked After Sustainability projects. These projects are all designed to more effectively and efficiently support children and families at the earliest point and include Early Help . They take a multi-faceted and coordinated approach, in order to safely and appropriately reduce the need for Local Authority Care. To stabilise the current cohort, progress children's through to permanency more effectively, step children down where appropriate and provide for a range of placements to best meet children's assessed needs.

All projects are now in train and making positive progress. Each strand is subject to regular corporate oversight and a Local Authority wide approach is being taken to ensure that they remain on track.

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	331,137	(47,044)	284,093	285,013	(920)	(997)	77
B: Aligned Services	397,146	(99,041)	298,105	301,496	(3,391)	33,600	(36,991)
C: In Collaboration Services	220,536	(183,770)	36,766	32,573	4,193	(34,152)	38,345
Integrated Commissioning Fund	948,819	(329,855)	618,964	619,082	(118)	(1,550)	1,432

Adults **£652k**

The overall forecast position for Adults Services is net of a number of variances within the service. Additional income is being received from client contributions across residential, nursing and homecare services, together with addition grant income due to inflationary uplifts.

Significant pressures are resulting in an overall forecast overspend due to savings not being delivered as planned, and additional costs arising on placements, mental health staffing and assessments, and long term support hours.

Acute **£1,161k**

The level of overspend within Acute remains stable this month with an overall movement of £18k. Whilst Manchester FT, The Christie and Pennine Acute are overspent, they are offset by an underspend at Stockport FT. This month has seen a downward trend in the level of high cost patients which has been a key driver in the earlier months of the financial year. The overall position with NHS associates is broadly in line with plan. During February, the CCG will be working with NHS providers to agree a year-end settlement.

Mental Health **£828k**

Mental Health Directorate is forecasting an overspend of £828k with the main drivers continuing to be Non CHC Individualised Commissioned (IC) packages of care (£652k), Hurst & Beckett Specialist Services (£115k) and Non Contract Activity (£50k). This is an £11k adverse movement from Month 9. With little movement from last month we remain on track to meet our obligations under the Mental Health Investment Standard.

Tameside & Glossop Integrated Commissioning Fund

Capital Financing £3,384k and Contingency £4,369k

Interest earned on investments continues to exceed budget and contingency budgets have been released to offset overspends elsewhere. There has been a one-off return of reserves from GMCA which will be put into reserves and is earmarked for investment in bus reform.

Operations and Neighbourhoods £451k

The overall underspend is due to a one-off 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. Additional unbudgeted costs have also been incurred on parking enforcement and the Tour of Britain event. Income shortfalls are also being experienced in markets.

Governance £446k

The overall forecast underspend is mainly attributable to significant savings in staff costs due to vacancies and delays in recruitment. Recovery of housing benefit overpayments has also exceed forecasts resulting in a reduction in the amount required to fund the bad debt provision. The forecast is net of some pressures including reduced income and savings delivery.

Finance & IT £722k

There remain pressures on IT budgets due to increased costs for operating and security systems, and essential software upgrades. Overall the forecast net underspend is due to staffing vacancies and delays in recruitment, and savings on insurance costs following receipt of the annual actuarial valuation.

Continuing Care £275k

The main reason for our YTD underspend is that we have not had any exceptional high cost patients charged to CHC budgets this year. These exceptional packages can cost in the region of £20k per week, making forecasting difficult and meaning an apparent underspend can quickly turn into an over spend.

The CCG is anticipating that the additional activity will start to appear as we enter the winter months and this has been assumed in our Forecast outturn.

Based on the current data and as we enter winter, we are still confident that Individualised Commissioning will achieve its full TEP target of £1m.

Primary Care £211k

The delegated position is currently reporting an underspend of £456k. £384k of this relates to 18/19 cross year (mainly estates).

Enhanced Services (£197k under) are the main driver of the PCDC underspend. Most of this relates to Minor surgery, where there has been a continual year on year downward trend. The reasons for this are currently the subject of further investigation.

Offsetting the PCDC underspend is a £206k over spend on Primary Care IT, relating to the purchase of equipment. While this presents as a pressure this year, it will help to enable savings in the future.

Tameside Integrated Care Foundation Trust Financial Position

Financial Performance Metric	Month 10			YTD			Annual Plan £000s
	Plan £000	Actual £000	Variance £000	Plan £000	Actual £000	Variance £000	
Normalised Surplus / (Deficit) Before PSF	(1,875)	(1,865)	10	(21,931)	(21,909)	22	(25,221)
Provider Sustainability Fund (PSF)	551	551	0	3,623	3,623	0	4,727
Financial recovery Fund (FRF)	1,727	1,727	0	11,351	11,351	0	14,807
Surplus / (Deficit) post PSF	403	413	10	(6,957)	(6,935)	22	(5,686)
Capital Expenditure	577	376	(201)	3,151	2,131	(1,020)	3,826
Cash and Equivalents	1,220	1,249	29				1,220
Trust Efficiency Savings	1,173	1,154	(19)	9,225	9,739	512	11,580
Use of Resources Metric / Risk Rating	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 January 2020**, the Trust has reported a net surplus of **£413k** post FRF and PSF, which is **£10k (fav.)** better than plan.
- **Forecast Position** – The Trust is forecasting to achieve its control total. The Trust is working closely with its commissioners to address activity and acuity related pressures.
- **System Control Total (SCT)** - The Trust recognises the risk to the delivery of the SCT as the financial position of other organisations deteriorate, work is underway at a GM level to manage this position. The risk relates to cash and the impact would be in 2020/21 – Full year effect is **£127k**, the risk only relates to Q4.
- **Trust Efficiency Programme (TEP)** - The Trust target is **£11.580m**. At month 10 it is forecasting **c.£11.853m** by the end of the year, this is an improvement in month of **c£152k**. The Trust continues to drive efficiency savings to help mitigate the overall Trust position, work is also underway to develop ideas and schemes towards the 2020/21 programme.
- **Agency cap** - The Trust has an agency cap of **£9.454m**, but a plan of **£7m**. During Month 10 the Trust spent **£462k** against a plan of **£543k**, reporting an underspend of **£81k**, YTD the Trust is reporting spend of **£4.587m** against a plan **£6.212m**, underspend of **£1.625m**.
- **Capital** – Capital expenditure is behind plan by **c.£201k** in month and **c.£1.020m** year to date.
- **Cash** – The cash balance is on plan at Month 10.

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

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

Requires Improvement

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.