

Tameside and Glossop Integrated Financial Position

financial monitoring statements

Period Ending 31st March 2020

Month 12



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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

ICFT Position

Against agreed control total deficit of £5,686k, delivered a favourable variance of £225k.

Position includes £952k spend on COVID-19 related costs.

CCG Position

Planned surplus of £8,777k delivered. Position includes £546k M12 allocation for COVID-19 related costs.

TMBC Position

An outturn position of £0.013m in excess of budget, on gross expenditure of £526 million.

Message from the Directors of Finance

In this final integrated finance report of 2019/20, it is perhaps worth taking a moment to reflect upon financial performance over the last 12 months. In reports written at the start of the year, we were forecasting a combined over spend of £5.5m.

Through the hard work of operational and finance teams, working together in an integrated way across organisational boundaries, we have been able to address the in-year financial challenge. The Council has delivered a balanced budget, the CCG has met its financial control total and the ICFT has remained within and delivered a £225k favourable variance against the authorised deficit position.

There are clear and justifiable reasons to celebrate our success in delivering the financial position this year. However, it must also be noted that many of the savings were only delivered non recurrently, that spend in a number of areas significantly exceeds budget; And that use of reserves was required to balance local authority budgets.

Therefore we will carry forward a significant financial challenge into 2020/21, which will be further compounded by pressures and uncertainty of the COVID-19 crisis. Whilst the immediate impact of the pandemic is significant, at present this is supported by additional funding from Government. The scale of recovery, and longer term health, social and economic implications are uncertain but expected to be significant, including significant loss of income from strategic investments, Council Tax, Business Rates and other income sources.

While it is inevitable that significant operational and management capacity is focused on our COVID-19 response at this difficult time. The underlying financial challenge remains and we cannot set aside prudent financial management or delivery of a balanced financial position. As such proposed savings schemes will continue to be scrutinised through our internal governance process and regular updates will be provided as part of the integrated finance report throughout the year.

| | Outturn Position | | | Variance | |
|--------------------------------------|------------------|----------------|-------------|----------------|-------------------|
| | Budget | Outturn | Variance | Previous Month | Movement in Month |
| CCG Expenditure | 422,859 | 422,859 | (0) | (0) | 0 |
| TMBC Expenditure | 196,803 | 196,816 | (13) | (28) | 15 |
| Integrated Commissioning Fund | 619,662 | 619,675 | (13) | (28) | 15 |
| ICFT - post PSF Agreed Deficit | (5,686) | (5,686) | 0 | 0 | 0 |
| Economy Wide In Year Deficit | (5,686) | (5,699) | (13) | (28) | 15 |

Tameside & Glossop Integrated Commissioning Fund

For the 2019/20 financial year the Integrated Commissioning Fund has spent £619,675k, against a net budget of £619,662k. The small overspend of £13k on Council budgets will be met from general reserves. Delivery of the budget has only been possible as a result of several significant non recurrent financial interventions, including one-off savings and additional one-off income. It should be noted that significant overspends are included in the overall position across a number of service areas, including Children's Services which has spent £8.4m in excess of budget. This and other pressures will continue into 2020/21.

| Forecast Position £000's | Year End Position | | | | | Net Variance | |
|--------------------------------------|-----------------------|------------------|----------------|----------------|-----------------|-------------------|----------------------|
| | Expenditure Budget | Income Budget | Net Budget | Net Actual | Net Variance | Previous Month | Movement in Month |
| Acute | 214,965 | 0 | 214,965 | 217,116 | (2,151) | (1,225) | (925) |
| Mental Health | 39,705 | 0 | 39,705 | 40,106 | (400) | (763) | 363 |
| Primary Care | 84,805 | 0 | 84,805 | 84,526 | 279 | 307 | (28) |
| Continuing Care | 15,523 | 0 | 15,523 | 15,087 | 437 | 417 | 20 |
| Community | 32,882 | 0 | 32,882 | 32,791 | 91 | 28 | 62 |
| Other CCG | 29,566 | 0 | 29,566 | 28,870 | 696 | 1,236 | (540) |
| CCG TEP Shortfall (QIPP) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CCG Running Costs | 5,413 | 0 | 5,413 | 4,365 | 1,048 | (0) | 1,048 |
| Adults | 84,285 | (45,916) | 38,369 | 39,321 | (952) | (652) | (300) |
| Children's Services | 53,686 | (5,253) | 48,432 | 56,836 | (8,404) | (8,353) | (51) |
| Education | 28,930 | (22,916) | 6,014 | 6,051 | (37) | (193) | 156 |
| Individual Schools Budgets | 116,822 | (116,822) | 0 | 0 | (0) | 0 | (0) |
| Population Health | 16,262 | (170) | 16,092 | 16,259 | (167) | (235) | 68 |
| Operations and Neighbourhoods | 78,840 | (28,213) | 50,627 | 51,170 | (543) | 451 | (994) |
| Growth | 40,241 | (33,928) | 6,313 | 6,916 | (604) | (135) | (469) |
| Governance | 74,183 | (64,926) | 9,257 | 8,835 | 421 | 484 | (62) |
| Finance & IT | 9,188 | (2,024) | 7,164 | 5,152 | 2,012 | 722 | 1,290 |
| Quality and Safeguarding | 440 | (304) | 136 | 136 | 0 | (0) | 0 |
| Capital and Financing | 13,533 | (7,986) | 5,548 | 1,262 | 4,285 | 3,385 | 901 |
| Contingency | 4,106 | (235) | 3,871 | 127 | 3,744 | 4,332 | (588) |
| Corporate Costs | 5,673 | (692) | 4,981 | 4,751 | 230 | 166 | 64 |
| Integrated Commissioning Fund | 949,048 | (329,385) | 619,662 | 619,675 | (13) | (28) | 15 |

Tameside & Glossop Integrated Commissioning Fund

| Outturn Position £000's | Outturn Position | | | | | Net Variance | |
|--------------------------------------|--------------------|------------------|----------------|----------------|--------------|----------------|-------------------|
| | Expenditure Budget | Income Budget | Net Budget | Net Actual | Net Variance | Previous Month | Movement in Month |
| CCG Expenditure | 422,859 | 0 | 422,859 | 422,859 | (0) | (0) | 0 |
| TMBC Expenditure | 526,188 | (329,385) | 196,803 | 196,815 | (13) | (28) | 15 |
| Integrated Commissioning Fund | 949,048 | (329,385) | 619,662 | 619,675 | (13) | (28) | 15 |
| A: Section 75 Services | 375,274 | (45,144) | 330,129 | 330,802 | (673) | 115 | (788) |
| B: Aligned Services | 350,608 | (100,178) | 250,431 | 253,999 | (3,569) | 34,038 | (37,607) |
| C: In Collaboration Services | 223,166 | (184,063) | 39,103 | 34,873 | 4,229 | (34,181) | 38,410 |
| Integrated Commissioning Fund | 949,048 | (329,385) | 619,662 | 619,675 | (13) | (28) | 15 |

Children's Services (£8,404k)

The final outturn position for Children's Social Care is an overspend of £8.4m against an approved net budget of £48.4m. This level of overspend has been forecast since month 9 and is due to a combination of Looked After Children (LAC) numbers exceeding forecasts and additional placement costs. The LAC population has been relatively stable over the last 6 months, standing at 704 on 3 April 2020 (700 at period 6).

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

Adults **£952k**

The adverse outturn variation is primarily due to delays in the delivery of £770k planned savings initiatives. Alongside this, there were a number of variations on income and expenditure relating to placements and packages within care homes, home care, mental health and day services provision. Expenditure on long term support exceeded budget provision together with reduced levels of housing benefit for related service provision. The variations and savings plans are now being urgently reviewed to assess the impact for 2020/21.

Acute **£2,151k**

Spend on Acute services was £925k higher at the end at year end than in the M11 forecast.

In line with COVID-19 advice, fixed and final positions have been agreed with associate NHS providers based on M9 straight line outturn positions. Because of high cost critical care patients earlier in the year this has created pressure versus our forecast position last month.

Activity with Independent sector providers has significantly increased over recent years, contributing to the reported overspend against this directorate. Additional demand for cataract surgery and increased capacity in Trauma & Orthopaedics, required to address Referral to Treatment demands are the primary drivers of this pressure.

Prescribing

We have reported the QIPP target of £1.5m as fully achieved at M12. It should be noted that as the year end position was finalised only 10 months of prescribing data was available.

Our forecast position includes an allowance for increased NCSO (No cheaper stock obtainable) prices and early collection of repeat prescriptions as a result of COVID-19. These have been calculated using the best information available to us, but we recognise there is significant uncertainty around the impact of this, which may result in either a cross year pressure or benefit in 2020/21.

Growth **£604k**

A net overspend of £604k due to shortfalls in income, particularly for Estates and Building Control and other cost pressures. Building running costs have exceeded budget, particularly for gas and electricity. Additional costs have been incurred on keeping surplus property open for longer than anticipated, and there are shortfalls in commercial rental income due to incentive arrangements in early years.

Finance & IT, Contingency, Capital & Financing

Significant favourable variances across these areas have resulted from a number of one-off savings or additional sources of income. Within finance, the results of the insurance actuarial valuation in February 2020 have enabled the release of some provisions and reserves. In Capital & Financing, additional airport dividend of £2.4m in excess of budget has been received – this is not expected in future years. Contingency budgets have been released and offset overspends across other areas.

Operations & Neighbourhoods **£543k**

Despite some significant savings on levies and staffing costs, the service has exceeded budget overall by £543k. This is due to a number of pressures including income shortfalls in car parking and markets, additional costs on hospital car parks, additional street lighting maintenance costs due to delays on the LED replacement scheme, and additional staff costs charged to revenue due to slippage on capital works.

Tameside Integrated Care Foundation Trust Financial Position

| Financial performance metric | Month 12 | | | Outturn | | | Annual |
|---|-------------|---------------|-----------------|-------------|---------------|-----------------|-------------|
| | Plan (£000) | Actual (£000) | Variance (£000) | Plan (£000) | Actual (£000) | Variance (£000) | Plan (£000) |
| Normalised Surplus/(Deficit) before PSF & FRF* | (£1,566) | (£1,350) | £216 | (£25,220) | (£24,995) | £225 | (£25,220) |
| COVID-19 Annual Leave | £0 | £241 | £241 | £0 | £241 | £241 | £0 |
| Normalised Surplus/(Deficit) before PSF & FRF | (£1,566) | (£1,591) | (£25) | (£25,220) | (£25,235) | (£15) | (£25,220) |
| Core PSF | £553 | £553 | £0 | £4,727 | £4,727 | £0 | £4,727 |
| Core FRF | £1,729 | £1,729 | £0 | £14,807 | £14,807 | £0 | £14,807 |
| Surplus/(Deficit) post Core PSF/ FRF | £716 | £691 | (£25) | (£5,686) | (£5,701) | (£15) | (£5,686) |
| Incentive FRF (Deficit Reduction) | | | | £5,686 | £5,751 | £65 | |
| Surplus/(Deficit) post Core and Incentive PSF/FRF | | | | (£0) | £50 | £50 | |
| Capital Expenditure | £781 | £1,810 | £1,029 | £4,352 | £4,265 | (£87) | £4,352 |
| Cash and Equivalents | | | £1,220 | | | | £1,220 |
| Trust Efficiency Savings | £1,176 | £1,234 | £56 | £11,580 | £11,832 | £252 | £11,580 |
| Use of Resources Metric | 3 | 3 | | 3 | 3 | | 3 |

* Financial Performance for the purposes of PSF and FRF

- **Revenue** - The Trust has agreed a control total with NHSI of **c.£5.686m** after Financial Recovery Fund (FRF) and Provider Sustainability Funding (PSF). For the financial period to **31st March 2020**, the Trust reported **£25k (adv.)** in month and an outturn of **£15k (adv.)**, this includes a **£241k** provision for annual leave due to COVID-19.
- NHSI/E has confirmed the annual leave provision due to COVID-19 will not count towards the PSF/FRF eligibility criteria. In addition, the Trust has received confirmation that it will be reimbursed fully for the costs incurred during March in responding to COVID-19 which equated to **c.£0.952m**
- As the Trust has delivered its control total, reporting a **£225k surplus**, (excluding COVID-19 annual leave) the full PSF and FRF will be allocated. In addition, the Trust will also receive FRF incentive funding (deficit reduction) of **c.£5.751m**. **The Trust post PSF/FRF position is therefore a £50k surplus. This is an extraordinary achievement.**

Tameside Integrated Care Foundation Trust Financial Position

- **Trust Efficiency Programme (TEP)** - The Trust delivered savings of **£11.831m in 2019/20**, this is **£252k (2.2%)** above the Trust target of **£11.580m**. The savings in year represents 4.3% of operating expenditure, this is 2.7% (£7.429m) higher than the national requirement of 1.6%. Recurrently the Trust has delivered savings of **£7.279m (77.6%)** of savings against a plan of **£9.380m**.
- **Agency cap** - The Trust has an agency cap of **£9.454m**, and a plan of **£7m**. During Month 12 the Trust spent **£577k** against a plan of **£342k**, reporting an overspend of **£235k**, the majority of this overspend is driven by workforce requirements for responding to COVID-19.
- The 2019/20 final Trust agency expenditure is **£5.612m**, this is against a plan of **£7m** resulting in an underspend of **£1.388m**. Despite the additional pressure of COVID-19, the Trust has spent **c20% below** its Agency plan and **c41% below** the NHSI cap.
- **Capital** – The Trust spent **£4.265m** in capital expenditure against a plan of **£4.352m**. The Trust reported a small underspend of **£87k (2%)** which was mainly due to slippages resultant from COVID-19. The Trust spent **£1.810m during March**, which represents **42%** of the capital expenditure.
- **Cash** – The cash balance is above plan at M12 by **£2.156m** due to the receipt of PSF funding in March.