



Date of Meeting : 30<sup>th</sup> July 2019  
Portfolio : Integrated Commissioning      Lead Member : Cllr Rowbotham  
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Public/Private Document : Public

## **19/20 Finance Update on the GM funded Transformation Fund Programme – to the end of June 2019**

### **Executive Summary**

- 1.1 To update the Integrated Commissioning Board (ICB) on the amended funding available for transformation, and the forecast month 3 expenditure, for the Transformation Programme.

### **Recommendation**

2. ICB are asked to note :-
1. Note this report and the amended funding available in 2019/20
  2. Provide / ask for any further clarifications
  3. Comment on the development of the structure / format for on-going reporting to the ICB and LCO Board.

### **Reason for Recommendation**

- 3.1 The TF Programme is funded by a number of different funding streams. As funding reduces it is important that ICB are made aware of this and the actions being taken to reduce expenditure in line with the reduction in funding.

### **Key Points for Consideration**

- 4.1 Commissioners and the Local Care Organisation have jointly now put in place the Rochdale Sustainability Group (RSG) and the Rochdale Sustainability Working Group (RSWG). The RSG will oversee the transformation programme and other system-wide financial sustainability topics. Reporting to the ICB and One Rochdale Health and Care (ORHC) Board will come from the RSG. The RSWG will prepare information and reports for the RSG.

- 4.2 The RSWG had an initial look at the month 03 financial position at its meeting on 15 July, the day prior to the RSG meeting on 16 July.

### **Alternatives Considered**

- 4.3 Transformation Fund funding from GM H&SCP has given the Rochdale locality the up front, “pump priming” funding that is required to fund the transformational activity which underpins the transfer of activity from the acute to the community / self help sector. Without this funding the ability to provide “pump priming” funding in this way would have not been possible.

<b>Costs and Budget Summary</b>
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- 5.1 The opening 2019/20 plan for the Rochdale transformation programme was £16,541k expenditure and £10,199k of cashable benefits (reductions in business as usual expenditure). This is supported by £6,880k of GM transformation funding. This produced a surplus plan of £538k as per table 1.

5.2 **Table 1: Opening Position as per January 2019 ICB**

	£000k
Planned expenditure	16,541
Greater Manchester transformation funding	(6,880)
Planned cashable benefits	(10,199)
<b>Total (surplus)</b>	<b>(538)</b>

- 5.3 The planned cashable benefits have been revised following the outcome of the contract negotiation and budget setting as per the table 2 below:

5.4 **Table 2: Revised Position as at June 2019**

	£000k
Planned expenditure	16,541
Greater Manchester transformation funding	(6,880)
Planned cashable benefits	(8,308)
<b>Total deficit</b>	<b>1,353</b>

5.5 **Table 3: Revised cashable benefits as at June 2019**

	Plan	Actual
Type of Cashable Benefit	<b>£m</b>	
Acute sector deflections / savings	£6.639	£5.800
Prescribing savings	£1.912	£1.912
Mental Health Out of Area Placement savings	£0.655	£0.000
Cost of Care Package savings in Adult Care	£0.695	£0.417
Cost of Care Package savings in Childrens Services	£0.207	£0.124
Reductions in duplication in Childrens Services	£0.091	£0.055
<b>Total Cashable Benefit</b>	<b>£10.199</b>	<b>£8.308</b>

- 5.6 The funding available in 2019/20 has been revised down from Table 1 of £17.079m (£10,199k + £6,880k) to Table 2 £15.188m (£8,308k + £6,880k) following the actual benefits that could be removed from contracts and budgets. It should be noted that if the deflections are not achieved as per the above then the funding available will reduce in year.
- 5.7 The expenditure profile of £16,541k has not been revised down to take account of the reduced funding highlighted above. This report highlights the variances against the original expenditure plan. The original expenditure plan from January is as per the table below.

5.8 **Table 4 January ICB Planned Expenditure for 2019/20**

	2019/20 Plan £000
Prevention and access	1,671
Primary Care	978
Neighborhoods	4,883
Mental Health	1,955
Planned Care	1,141
Urgent Care	2,310
Children	1,158
Enablers	2,445
<b>TOTAL</b>	<b>16,541</b>

- 5.9 It should be noted that the expenditure profile highlighted above from the January plan is no longer affordable due to the reduced funding available of £15,188k.

- 5.10 The forecast position for expenditure based on month 3 which is described in more detail below is currently £14,689k which is within the revised affordability envelope of £15,188k.

- 5.11 A revised expenditure profile for 2019/20 and 2020/21 will be an output from the deep dives that are currently taking place.

- 5.12 The following tables are a high-level summary of the position by theme.

- 5.13 Expenditure to date figures from providers are actuals: this may differ from the contract value, where a scheme is part of a contract. The forecast outturn figures are projected spend (or contract value) as of the current date. They do not anticipate future decisions e.g. Deep Dives, permission to recruit. Caveats to the information reported: the feeder sheet from PCFT was received later, so information on provider expenditure are based on CCG accruals.

**Table 5: 2019/20 Expenditure Forecast as at month 3**

## 5.14

	2019/20 Plan £000	2019/20 Forecast £000	Variance £000
Prevention and access	1,671	1,836	165
Primary Care	978	978	0
Neighborhoods	4,883	4,204	(679)
Mental Health	1,955	1,944	(11)
Planned Care	1,141	1,025	(116)
Urgent Care	2,310	1,183	(1,127)
Children	1,158	1,111	(47)
Enablers	2,445	2,408	(37)
<b>TOTAL</b>	<b>16,541</b>	<b>14,689</b>	<b>(1,852)</b>

Notes on significant variances are as follows:

## 5.15

*Prevention & Access*

- 5.16 • There is a £205k forecast overspend on scheme 1.2 Community Outreach is due to 2018/19 expenditure being paid in 2019/20 due to the timing of invoices received.

*Neighbourhoods*

- 5.17 • 4.1A Integrated Neighbourhood Teams: there is a forecast underspend of £336k due to vacancies. spend.
- 4.2 Intermediate Tier Service: the major part of this budget (£592k), apart from a £30k staffing at PAHT, is subject to confirmation (AMS Transport) or further scoping work (ITS additional heads). RSWG is not certain whether this money is now needed / will be spent.

*Urgent Care*

- 5.18 • 6.1 HEATT car: there is a forecast underspend of £165k because the current forecast spend through PAHT is less than the budget. Two vehicles are within the contract, but one covers three days not the whole week and there are two vacancies.
- 6.5 A&E front door streaming: the budget is £840k. This may not be spent on patient activity if the activity is counted through the main A&E contracts for Fairfield and Oldham hospitals (to be confirmed). However, if this is the case then there will need to be changes to the savings / deflections plan to remove anticipated A&E avoidances.

*Enablers*

- 5.19 • 3.13 PMO: the £48k forecast overspend arises from the Greater Manchester Evaluation cost (£120k) being met from 2019/20 and 2020/21 funds not 2018/19.

- 5.20 RSWG does not yet have information on forecast savings but is beginning to look at this.

**OVERSIGHT AND REVIEW OF THE TRANSFORMATION PROGRAMME**

5.21 RSG colleagues have discussed managing / overseeing the transformation schemes as a total programme, focussing on the bottom line forecast outturn.

5.22 A programme of 'deep dives' is in process and due to be completed in September.

**NEXT STEPS**

5.23 The RSWG will continue to consolidate transformation programme information and report to RSG.

<b>Risk and Policy Implications</b>
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6.1 The terms and conditions of the GM Transformation Fund require expenditure to be made in line with approved activity and is subject to regular performance reviews with GM. GM hold the right to withhold funding should the programme not meet its desired objectives or if the funding is not used for its approved activity.

<b>Consultation</b>
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7.1 This report has been produced in consultation with members of the RSWG.

<b>Background Papers</b>	<b>Place of Inspection</b>
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