

Tameside Strategic Commission

Finance Update Report
Financial Year 2022/23
Month 8 – 30th November 2022



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Period 8 Finance Report

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This report covers spend across the Tameside Strategic Commission (Delegated Tameside Locality budgets from Greater Manchester Integrated Care Board (ICB), Tameside Metropolitan Borough Council (TMBC)) and Tameside & Glossop Integrated Care Foundation Trust (ICFT).

Forecasts reflect a full 12 months for TMBC, but only 9 months for the ICB for the period 1 July 2022 to 31 March 2023. It does not incorporate financial data for Tameside & Glossop CCG, which ceased to exist on 30 June 2022. The CCG closedown position has been reported separately.

The report does not capture any health spend relating to Glossop, where commissioning responsibility was transferred to Derby & Derbyshire ICB from 1 July 2022.

Finance Update Report – Executive Summary

Tameside & Glossop CCG formally closed down on 30th June 2022, with responsibilities transferring to either Greater Manchester ICB or Derby & Derbyshire ICB. As such the scope of this report is different to that of previous months. Reporting for TMBC and ICFT continues as usual, but the CCG position has been replaced by budgets delegated to the Tameside Locality by GM ICB. The report no longer includes any health spend relating to Glossop, where commissioning responsibility was transferred to Derbyshire.

Plans for Tameside were submitted for delivery of a £595k surplus in 22/23. At M8 we are forecasting to achieve the surplus plus a further £208k. The plan to deliver a surplus requires savings of £7.3m to be found, and whilst this has now been achieved work continues to ensure that savings identified become recurrent.

As highlighted previously, the Council is facing significant and growing inflationary pressures across a number of areas, combined with demand pressures in Adults and Children’s services, resulting in a significant forecast overspend by 31 March 2023 of (£3,352k). This represents an improvement of £197k since M7 due to an increase in the level of investment interest.

A number of mitigations have been identified to offset against the non delivery of planned savings in year. Assuming that these mitigations are delivered will result in the forecast overspend being reduced to (£3,352k). The variances from M7 are set out on page 6.

Ongoing demand and cost pressures on Council budgets have implications for the 2023/24 budget and work continues at pace to deliver mitigations for 2022/23, whilst plans are developed to ensure a balanced budget can be delivered for 2023/24.

ICB Locality Position

Final delegated budgets are about to be signed off. As such indicative budgets have been reported, with an assumption that we will deliver a £595k surplus as per plan plus a further £208k.

Council Financial Position (£3,352k)

The forecast overspend on Council budgets has improved by £197k since M7. This assumes that a number of identified mitigations are delivered to offset pressures due to non delivery of planned savings.

ICFT Position (£966k)

M8 YTD adverse variance to plan, driven by a shortfall against efficiency target and continued pressures within Urgent and Emergency care and delayed discharges.

Forecast Position £000's	Forecast Position			Variance		Gross Budget (full year)	
	Budget	Forecast	Variance	Previous Month	Movement in Month	Expenditure Budget	Income Budget
ICB Expenditure	82,155	81,947	208	0	208	82,155	0
TMBC Expenditure	208,609	211,961	(3,352)	(3,548)	197	593,230	(384,621)
Integrated Commissioning Fund	290,764	293,908	(3,144)	(3,548)	405	675,385	(384,621)

Finance Update Report – Executive Summary

Forecast Position £000's	Forecast Position (Net)			Net Variance		Gross Budget (full year)	
	Budget	Forecast	Variance	Previous Month	Movement in Month	Expenditure Budget	Income Budget
Mental Health	6,788	6,412	376	218	158	6,788	0
Primary Care	36,068	36,126	(58)	66	(124)	36,068	0
Continuing Care	8,966	9,314	(348)	118	(466)	8,966	0
Community	27,078	27,434	(356)	(320)	(36)	27,078	0
NHS Estates	3,025	2,661	364	(82)	446	3,025	0
Efficiency Savings	230	0	230	0	230	230	0
ICB Expenditure	82,155	81,947	208	0	208	82,155	0
Adults	43,647	45,309	(1,662)	(1,658)	(3)	116,566	(72,918)
Children's Services	56,433	57,284	(851)	(851)	(0)	68,547	(12,114)
Education	7,097	8,163	(1,066)	(1,066)	0	33,772	(26,675)
Schools	0	0	0	0	0	130,223	(130,223)
Population Health	14,292	12,927	1,366	1,366	0	15,987	(1,694)
Place	27,333	33,809	(6,476)	(6,458)	(18)	92,127	(64,794)
Governance	9,128	9,098	30	30	0	71,572	(62,443)
Finance and IT	9,677	9,321	356	356	0	11,710	(2,033)
Quality and Safeguarding	97	97	0	0	0	340	(243)
Capital and Financing	4,513	2,525	1,988	1,770	218	8,680	(4,167)
Contingency	612	(2,366)	2,978	2,978	0	7,619	(7,007)
Corporate Costs	5,074	5,075	(0)	(0)	0	5,385	(310)
Levies	30,704	30,719	(15)	(15)	0	30,704	0
TMBC Expenditure	208,609	211,961	(3,352)	(3,548)	197	593,230	(384,621)
Integrated Commissioning Fund	290,764	293,908	(3,144)	(3,548)	405	675,385	(384,621)

Integrated Commissioning Fund – M8 ICB Locality Budgets

Tameside Locality

Month 8 is the fifth month in which the ICB has been operational. Locality delegated budgets are in the process of being formally signed off, but in the meantime this report presents indicative locality budgets. Plans for Tameside assumed delivery of a £595k surplus in 22/23. At M8 we assume that this plan will be delivered with a further surplus of £208k being forecast.

Mental Health – Forecast underspend £376k - Underspend primarily due to lower than expected placements, costs are anticipated to increase over Jan – Mar, however this has been factored in.

Primary Care – Forecast overspend £58k - There are some minor pressures within GP budgets in respect to ear micro-suctioning and pricing pressures within prescribing budgets.

Continuing Care – Forecast overspend £348k - Whilst placements are lower than expected, there is a high-cost placement that has been reported within the M8 position, which has moved the overall position to a forecast overspend.

Community – Forecast overspend £356k - The pressure within community budgets relates to both Termination of Pregnancy and Audiology services, work is underway to track historic costs to understand the variances against budget in further detail. Any changes to forecasts will be updated in M9.

NHS Estates – Forecast underspend £364k - Following a reconciliation of void and subsidy payments an underspend has arisen from the Q1 actual activity.

Efficiency Savings – Forecast underspend £230k - The updated savings target for Tameside is £7,325k. The original savings target was £7,800k, however this included savings now held at a GM level. At the present time we are expecting to overachieve the updated target by £230k, which has been generated from non-recurrent sources.

Greater Manchester Integrated Care

Overall, NHS GM is reporting being on plan delivering a surplus of £63.6m (FOT), including the impact of Q1 delivery in the 10 CCGs.

Gross risk of £130.8m has been reported, with potential mitigations available which would bring this down to £60.1m

The main pressures within the financial position relate to higher than budgeted activity within the private sector and higher volumes and average cost per case than budgeted for mental health placements.

The Month 8 forecast is for a significant net overspend by 31 March 2023 of (£3,352k). This represents an improvement of £197k since M7 due to an increase in the level of investment interest.

Council budgets continue to face significant pressures with continued challenges with the delivery of savings, combined with ongoing inflationary cost pressures around utilities and fuel costs, means that the forecast outturn position by March 2023 remains challenging.

Capital and Financing underspend £1,988k: There has been a £218k positive movement in the forecast outturn for Capital and Financing due to an increase in the level of investment interest expected to be earned by the end of March 2023. Increases in the Bank of England base rate continue to benefit the Council through higher rates of interest on deposits. Further increases in the base rate over the remaining four months of the year may result in some further benefit over the remaining few months.

Finance Summary Position – T&G ICFT Month 8 2022/23

Income & Expenditure summary	Current month				Year to date			
	Plan	Actual £000s	Variance	%	Plan	Actual £000s	Variance	%
Operating income from patient care activities	22,524	22,926	402	2%	177,786	178,757	971	0.5%
Other operating income	894	1,257	363	41%	8,001	10,273	2,273	28.4%
Total Operating income	23,419	24,183	765	3%	185,786	189,030	3,244	1.7%
<i>Of which COVID-19 Reimbursement</i>	<i>0</i>	<i>8</i>	<i>8</i>	<i>0%</i>	<i>1,264</i>	<i>1,294</i>	<i>30</i>	<i>2.4%</i>
Agency Pay	(660)	(1,194)	(534)	81%	(5,416)	(8,261)	(2,845)	52.5%
All other employee expenses	(16,947)	(17,445)	(497)	3%	(133,667)	(136,691)	(3,024)	2.3%
Operating non pay	(6,315)	(7,041)	(727)	12%	(50,767)	(53,437)	(2,670)	5.3%
Total operating surplus / (deficit)	(503)	(1,496)	(993)	197%	(4,063)	(9,358)	(5,295)	130.3%
Non operating items	(541)	(519)	22	(4%)	(4,352)	(4,238)	114	(2.6%)
Surplus / (deficit) before impairments and transfers	(1,045)	(2,016)	(971)	93%	(8,415)	(13,596)	(5,181)	61.6%
Technical adjustments	15	20	5	32%	123	162	39	32.1%
Adjusted financial performance surplus/(deficit)	(1,029)	(1,995)	(966)	94%	(8,293)	(13,434)	(5,142)	62.0%
I&E margin including COVID-19 Reimbursement	(4.4%)	(8.3%)	(3.9%)		(4.5%)	(7.1%)	(2.6%)	
Trust Efficiency Programme	1,209	916	(292)	(24%)	8,502	6,770	(1,732)	(20%)
Of which recurrent	602	746			28%	20%	(8.4%)	
Efficiencies as a % of Operating Expenditure	4.8%	3.4%			4%	3%	(1.0%)	
Capital Expenditure	1,382	1,222	(160)	(12%)	7,947	5,005	(2,942)	(37%)
CDEL	431	585	154	36%	3,150	1,428	(1,722)	(55%)
PDC	951	637	(314)	(33%)	4,797	3,577	(1,220)	(25%)
Cash and Equivalents					17,736	22,891	5,155	29%

Finance Summary Position – T&G ICFT

Trust Financial Summary – Month 8

In month 8 the Trust reported an overspend against plan of £966k, and a net deficit of £2m

The main driving factors behind the overspend position are unachieved TEP and continued spending pressure within Urgent and Emergency care, unfunded Pay Award and inflationary pressures

Efficiency target:

The Trust has delivered £916k of TEP in month against a plan of £1,209k, which is an under achievement against the in month plan of £292k

YTD Delivery shows a shortfall of £1,732k (the Trust has delivered 80% of the year-to-date plan)

The efficiency programme at month 8 is illustrating a probable case forecast delivery of £10.42m in efficiency savings, which equates to 3.8% of operating expenditure. This is however, a £3.21m shortfall to target