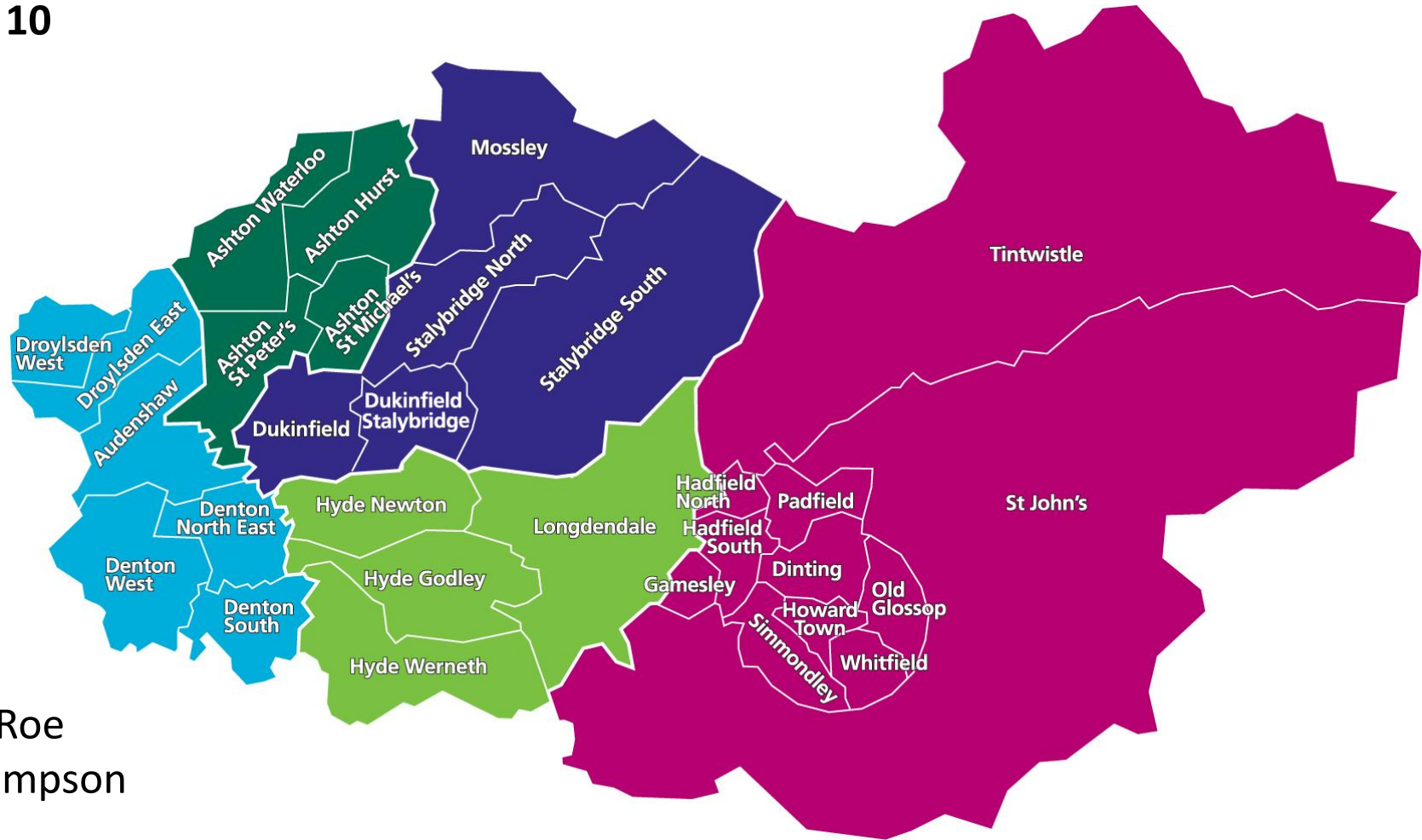


Tameside and Glossop Strategic Commission

Finance Update Report

Financial Year Ending 31st March 2021

Month 10



Kathy Roe
Sam Simpson

Month 10 Finance Report

Executive Summary	3
Strategic Commission Budgets	4 - 5
Council and CCG – Headlines	6 – 7
ICFT Summary	8 - 9

This report covers the Tameside and Glossop Strategic Commission (Tameside & Glossop Clinical Commissioning Group (CCG) and Tameside Metropolitan Borough Council (TMBC)) and Tameside & Glossop Integrated Care Foundation Trust. It does not capture any Local Authority spend from Derbyshire County Council or High Peak Borough Council for the residents of Glossop.

Finance Update Report – Executive Summary

Children's Services

£3,830k overspend

Children's services continue to present the most significant financial risk to the Integrated Commissioning Fund, both for the 2020/21 forecasts and future year budgets.

At M10 the size of the pressure has reduced from month 9, due to revised staffing forecasts, but remains a significant overspend against budget.

CCG Top Up Payments

The CCG is showing a YTD overspend of £1,379k, but a surplus of £512k by year end. This relates to anticipated top up payments which have not yet been received.

This is made up of £338k from the Hospital Discharge Programme, £15k for flu vaccines, £85k in relation to the COVID vaccination programme, and £941k in relation to activity with the independent sector.

Our position assumes that the top up will be paid in full, but risk to the position if the funding does not materialise as expected.

Message from the Directors of Finance

As we enter the final two months of this financial year, we are well placed to balance the financial position on a non-recurrent, in-year basis. As a locality we are maintaining control over our financial position within the context of the target agreed for the GM system overall.

However COVID continues to place a significant operational strain on the system, while the longer term financial outlook is a cause for concern as we contend with the aftermath of the pandemic at the same time as addressing an underlying financial deficit.

The CCG has a cumulative surplus held with NHS England which has built up over a number of years and reported in the CCG annual accounts. We have been unable to access this funding without prior authorisation from NHS England and this has been impeded as a result of the Command and Control financial regime in 2020-21.

However, NHS England have now offered us the opportunity to access this resource in the current financial year to support the financial pressures faced by the system and tackle delays incurred in implementation of the next phase of our transformation as a result of COVID.

This would be managed under the terms of the risk share arrangement of the pooled budget between the CCG and Council. Enabling system wide investment in our integrated transformation programmes to improve outcomes and efficiency as we collectively build back whilst living with COVID, and to facilitate ongoing financial sustainability across our economy.

Forecast Position £000's	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance
CCG Expenditure	441,901	0	441,901	441,389	512
TMBC Expenditure	540,467	(335,188)	205,279	205,637	(358)
Integrated Commissioning Fund	982,368	(335,188)	647,180	647,026	155

As at Month 10, the Strategic Commission is forecasting a net underspend of £0.155m by 31 March 2021. This is a significant improvement on the position reported at month 9 and reflects additional COVID related income on Council budgets which has reduced the forecast overspend to £0.358m. On the assumption that the anticipated COVID top up is received in full, a surplus of £512k is projected at year end on CCG budgets. Whilst the overall forecast position is looking more positive, there remain significant variances in some service areas which are not attributed to COVID and which present ongoing financial risks.

Finance Update Report – Strategic Commission Budgets

Forecast Position £000's	Forecast Position					Net Variance		Net Variance	
	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance	COVID Variance	Non-COVID Variance	Previous Month	Movement in Month
Acute	217,048	0	217,048	218,609	(1,561)	0	(1,561)	(97)	(1,464)
Mental Health	44,532	0	44,532	44,321	211	0	211	(77)	288
Primary Care	92,268	0	92,268	91,650	618	0	618	245	374
Continuing Care	14,521	0	14,521	14,110	411	0	411	461	(50)
Community	34,768	0	34,768	35,030	(263)	0	(263)	(129)	(133)
Other CCG	34,224	0	34,224	34,506	(283)	(1,379)	1,096	(1,892)	1,609
CCG TEP Shortfall (QIPP)	0	0	0	0	0	0	0	0	0
CCG Running Costs	4,541	0	4,541	4,541	0	0	0	0	0
Anticipated COVID Top Up	0	0	0	(1,379)	1,379	1,379	0	2,001	(622)
Adults	85,935	(47,197)	38,737	38,477	260	0	260	(440)	700
Children's Services - Social Care	64,286	(10,288)	53,998	57,827	(3,830)	0	(3,830)	(4,134)	304
Education	32,250	(25,843)	6,407	6,880	(473)	(562)	89	(684)	211
Individual Schools Budgets	119,645	(119,645)	0	0	0	0	0	0	0
Population Health	15,910	(291)	15,619	18,763	(3,144)	(3,500)	356	(3,231)	87
Operations and Neighbourhoods	80,504	(27,583)	52,921	54,221	(1,300)	(1,225)	(75)	(305)	(995)
Growth	45,526	(34,537)	10,988	11,870	(882)	(125)	(757)	(822)	(59)
Governance	67,256	(57,735)	9,521	10,334	(813)	(1,409)	596	(90)	(723)
Finance & IT	9,537	(1,907)	7,630	7,518	112	(29)	141	27	85
Quality and Safeguarding	378	(237)	141	110	31	0	31	21	9
Capital and Financing	10,379	(9,624)	756	6,098	(5,342)	(6,269)	927	(5,678)	336
Contingency	3,377	0	3,377	2,410	967	(911)	1,878	(8)	975
Contingency - COVID Costs	0	0	0	40,465	(40,465)	(40,465)	0	(28,244)	(12,221)
Corporate Costs	5,486	(301)	5,184	4,952	232	(65)	297	175	57
LA COVID-19 Grant Funding	0	0	0	(44,095)	44,095	44,095	0	28,216	15,878
Other COVID contributions	0	0	0	(10,193)	10,193	10,193	0	11,356	(1,163)
Integrated Commissioning Fund	982,368	(335,188)	647,180	647,026	155	(272)	426	(3,328)	3,482

Finance Update Report – Strategic Commission Budgets

Forecast Position £000's	YTD Position			Forecast Position			Variance	
	Budget	Actual	Variance	Budget	Forecast	Variance	COVID Variance	Non- COVID Variance
Acute	180,663	181,891	(1,228)	217,048	218,609	(1,561)	0	(1,561)
Mental Health	36,796	36,416	380	44,532	44,321	211	0	211
Primary Care	75,645	75,073	572	92,268	91,650	618	0	618
Continuing Care	11,875	11,525	350	14,521	14,110	411	0	411
Community	28,689	28,814	(125)	34,768	35,030	(263)	0	(263)
Other CCG	26,759	28,081	(1,322)	34,224	34,506	(283)	(1,379)	1,096
CCG TEP Shortfall (QIPP)	0	0	0	0	0	0	0	0
CCG Running Costs	3,645	3,651	(6)	4,541	4,541	0	0	0
Anticipated COVID Top Up	0	0	0	0	(1,379)	1,379	1,379	0
Adults	32,281	38,177	(5,896)	38,737	38,477	260	0	260
Children's Services - Social Care	44,998	46,220	(1,222)	53,998	57,827	(3,830)	0	(3,830)
Education	5,237	5,173	65	6,407	6,880	(473)	(562)	89
Individual Schools Budgets	1,569	(2,334)	3,903	0	0	0	0	0
Population Health	13,016	13,479	(464)	15,619	18,763	(3,144)	(3,500)	356
Operations and Neighbourhoods	45,509	47,268	(1,759)	52,921	54,221	(1,300)	(1,225)	(75)
Growth	10,569	9,679	889	10,988	11,870	(882)	(125)	(757)
Governance	9,086	9,740	(654)	9,521	10,334	(813)	(1,409)	596
Finance & IT	6,531	6,095	436	7,630	7,518	112	(29)	141
Quality and Safeguarding	117	60	57	141	110	31	0	31
Capital and Financing	630	(1,020)	1,650	756	6,098	(5,342)	(6,269)	927
Contingency	2,814	1,748	1,065	3,377	2,410	967	(911)	1,878
Contingency - COVID Costs	0	15,029	(15,029)	0	40,465	(40,465)	(40,465)	0
Corporate Costs	4,433	4,370	63	5,184	4,952	232	(65)	297
LA COVID-19 Grant Funding	0	(34,502)	34,502	0	(44,095)	44,095	44,095	0
Other COVID contributions	0	(9,741)	9,741	0	(10,193)	10,193	10,193	0
Integrated Commissioning Fund	540,860	514,890	25,970	647,180	647,026	155	(272)	426
CCG Expenditure	364,071	365,450	(1,379)	441,901	441,389	512	0	512
TMBC Expenditure	176,788	149,440	27,348	205,279	205,637	(358)	(272)	(86)
Integrated Commissioning Fund	540,860	514,890	25,970	647,180	647,026	155	(272)	426

Finance Update Report – Headlines

Children's Services (£3,830k)

The Directorate is reporting a forecast overspend of £3,830K at period 10 which is an overall favourable reduction of £304K from period 9. The forecast overspend is predominantly due to the number and cost of external placements. As at the end of January the number of Looked After Children was 715 a reduction of 12 from the 727 reported in the previous month.

The overall change in forecasts is predominately due to a favourable change in employee forecasts of £349K. This is mainly due to delays in filling Positive Futures posts and vacant posts in the Tameside Together Service. In addition the cost of residential external placements has reduced by £75K which is mainly due to placements for young people aged 18 and over ending. Interagency fee expenditure has also reduced by £155K.

However there are a number of areas for which the forecast expenditure has increased. These include transport costs for children open to the Child Protection & Child in Need Teams (£118K) and legal fees (£83K).

TMBC YTD Position

The YTD underspend on TMBC budgets reflects COVID funding in actuals which was not included in the budget. Significant funding has been received for mass testing activity where expenditure will be incurred during February and March 2021.

CCG Surplus £512k

On the assumption that the anticipated COVID top up is received in full, a surplus of £512k is projected at year end.

This in line with the position reported at M9 and the surplus in T&G will help to offset pressures elsewhere in the system and help GM to manage within the financial envelope.

CCG QIPP

The CCG had a QIPP target of £7,994k for 2020/21. This has been fully realised at M10.

Outstanding credit notes for estates, relating to a prior year dispute around 'true up' costs have been received and transacted. This has resulted in non-recurrent QIPP of £456k.

Our plan included provision for increased individualised commissioning patients over the winter period. While number of placements has increased slightly at the end of January, this has not happened on the scale originally envisaged. Resulting in QIPP achievement of £500k.

This has allowed us to report QIPP as fully achieved this month. However, as the majority of savings delivered are non recurrent in nature, there remains a significant financial challenge to address in future years.

COVID Costs – Council Expenditure

Further analysis of COVID related expenditure and funding is included in Appendix 2. The Council is in receipt of general COVID funding to offset general expenditure pressures and loss of income. In addition, a number of significant targeted grants are being provided to fund a range of activity include mass testing, outbreak containment and support for those impacted by the pandemic, including support to businesses, families and individuals.

Finance Update Report – Headlines

Capital and Financing (£5,342k)

As reported in previous updates, the overspend on Capital and Financing budgets is attributable primarily to the loss of the Manchester Airport Dividend in 2021 due to the COVID pandemic. The forecast position has improved slightly since last month due additional interest income on balances and borrowing costs not incurred due to cash balances being higher than previously forecast.

Governance (£813k)

The directorate is currently forecasting an overspend of (£813k) – this is driven by the Housing Benefit & Homelessness related pressures which total (£1,468k). Without this pressure, which is being subsidised by the Directorate, it would be underspending by £655k. Within Housing Benefit there is an element of Expenditure on board and lodging or non self-contained licensed accommodation where the local authority is landlord relating to the provision of Homelessness accommodation. The Local Housing Allowance limits mean that we can only claim subsidy up to a certain level. The Gross Expenditure is £1.693m of which we cannot claim subsidy for (£1.188m). This expenditure has significantly increased from previous years due to COVID pressures, with increased length of stay being a significant driver of increased cost. The budgets for this activity will transfer to the Homelessness Team in Operations and Neighbourhoods from 1 April 2021 because the Governance Directorate whilst paying Housing Benefit do not control or exercise any influence over the expenditure, which sits with the Homelessness team who commission the services. There is also a £280k pressure due to a reduction in Housing Benefit overpayments identified and collected in year together with reduced collection of prior year overpayment debts. Reduced debt collection is attributable to the economic impact of Covid 19 and the suspension or recovery processes earlier in the year.

Operations and Neighbourhoods (£1,300k)

The forecast outturn position reflects a number of under and overspends across the directorate. Significant underspends on staffing costs have arisen due to delays in recruitment and the holding of vacant posts whilst a service review and restructure takes place. Savings are also being achieved on the disposal of street sweepings, the transport levy is less than budget and one-off savings have been achieved on transport costs.

Significant pressures resulting in overspends include significant shortfalls in income from markets, licensing and public protection, and most significantly car parking (in excess of £1.4m pressure). The service has also incurred significant additional costs on winter gritting due to the prolonged cold weather, and delays to the LED Street Lighting scheme mean that savings in electricity costs have not yet materialised.

Population Health (£3,144k)

The forecast outturn position reflects the expected financial support required for Active Tameside. Population Health staff continue to be focused on COVID related activity and further additional COVID funding is expected to be allocated to Population Health, which will improve the reported position by year end.

Growth (£882k)

The net overspend reflects a number of under and overspends across the service. Savings have been achieved on utilities and premises costs due to buildings not being utilised during the year, and vacant posts have also resulted in budget savings. However, significant shortfalls in income across the service, together with abortive disposal costs, are resulting in a net overspend forecast.

Finance Summary Position – T&G ICFT

	Month 10			YTD			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Total Income	£22,902	£22,148	(£754)	£225,414	£225,227	(£187)	£271,105	£269,753	(£1,352)
Employee Expenses	(£14,984)	(£14,546)	£439	(£153,525)	(£145,633)	£7,892	(£183,530)	(£175,967)	£7,563
Non Pay Expenditure	(£6,884)	(£5,614)	£1,270	(£64,355)	(£57,335)	£7,020	(£78,075)	(£70,735)	£7,340
Total Operating Expenditure (excl. COVID-19)	(£21,868)	(£20,159)	£1,709	(£217,881)	(£202,968)	£14,912	(£261,605)	(£246,702)	£14,903
Income - COVID-19 (Mass Vaccs)	£0	£301	£301	£0	£301	£301	£0	£1,889	£1,889
Income - COVID-19 (Staff Vaccs)	£0	£27	£27	£0	£27	£27	£0	£188	£188
Employee Expenses - COVID-19	(£1,362)	(£1,533)	(£172)	(£5,386)	(£11,953)	(£6,567)	(£8,009)	(£16,482)	(£8,473)
Non Pay Expenditure - COVID-19	(£337)	(£264)	£73	(£1,289)	(£4,439)	(£3,150)	(£1,951)	(£5,104)	(£3,153)
Total Operating Expenditure - COVID-19	(£1,699)	(£1,470)	£229	(£6,674)	(£16,064)	(£9,389)	(£9,960)	(£19,510)	(£9,550)
Total Operating Expenditure	(£23,567)	(£21,629)	£1,938	(£224,555)	(£219,032)	£5,523	(£271,565)	(£266,212)	£5,353
Financing Costs	(£475)	(£495)	(£20)	(£4,940)	(£4,921)	£19	(£5,889)	(£5,882)	£7
Net Surplus/ (Deficit) before exceptional Items	(£1,140)	£24	£1,164	(£4,081)	£1,274	£5,355	(£6,349)	(£2,341)	£4,008
Trust Efficiency Programme	£267	£10	(£257)	£943	£711	(£232)	£1,500	£800	(£700)

Finance Summary Position – T&G ICFT

Trust Financial Summary

The Trust reported a small net surplus in month of c.£24k after receipt of all funding, YTD performance reported c.£1.274m surplus. Compared to plan (which was planned at c.£6.3m for Months 7-12) the Trust is reporting a favourable position in month of c.£1.164m and YTD c.£5.355m. As previously communicated, the plan submitted was in line with national guidance and assumptions which assumed no further COVID spikes in activity. As the plan is out of date, the Trust has submitted a revised forecast at month 10, which illustrates a forecast deficit of c.£2.341m by the end of the financial year.

Total COVID expenditure incurred in month equates to c.£1.470m and c.£16.064m YTD.

The Trust has delivered non recurrent efficiencies YTD equating to c.£0.711m which are largely through non recurrent income and rebates received.

Activity and Performance:

Despite the pressure the Trust is facing in managing COVID activity resultant from the 3rd surge, the Trust continues to deliver strong levels of activity performance against restoration plans particularly in Diagnostics and Endoscopy, as well as Urgent and Cancer referrals. Due to the surge in COVID cases, some areas still delivering below 100% restoration targets.

The ability for the Trust to meet restoration targets is dependent upon the availability of staff and capacity and this is not due to financial constraints.

Planning 2021/22 Update

As communicated and due to the 3rd surge in COVID cases, planning for 2021/22 has been postponed until April and further guidance is awaited. It has been communicated, that the current financial arrangements in absence of usual planning will be extended for Quarter 1 2021. Further guidance to be issued end of March 2021.

Exit Run Rate 2020/21

The Trust is currently reviewing its Exit Run Rate leaving 2020/21 financial year and will form a starting point to inform 2021/22 planning.