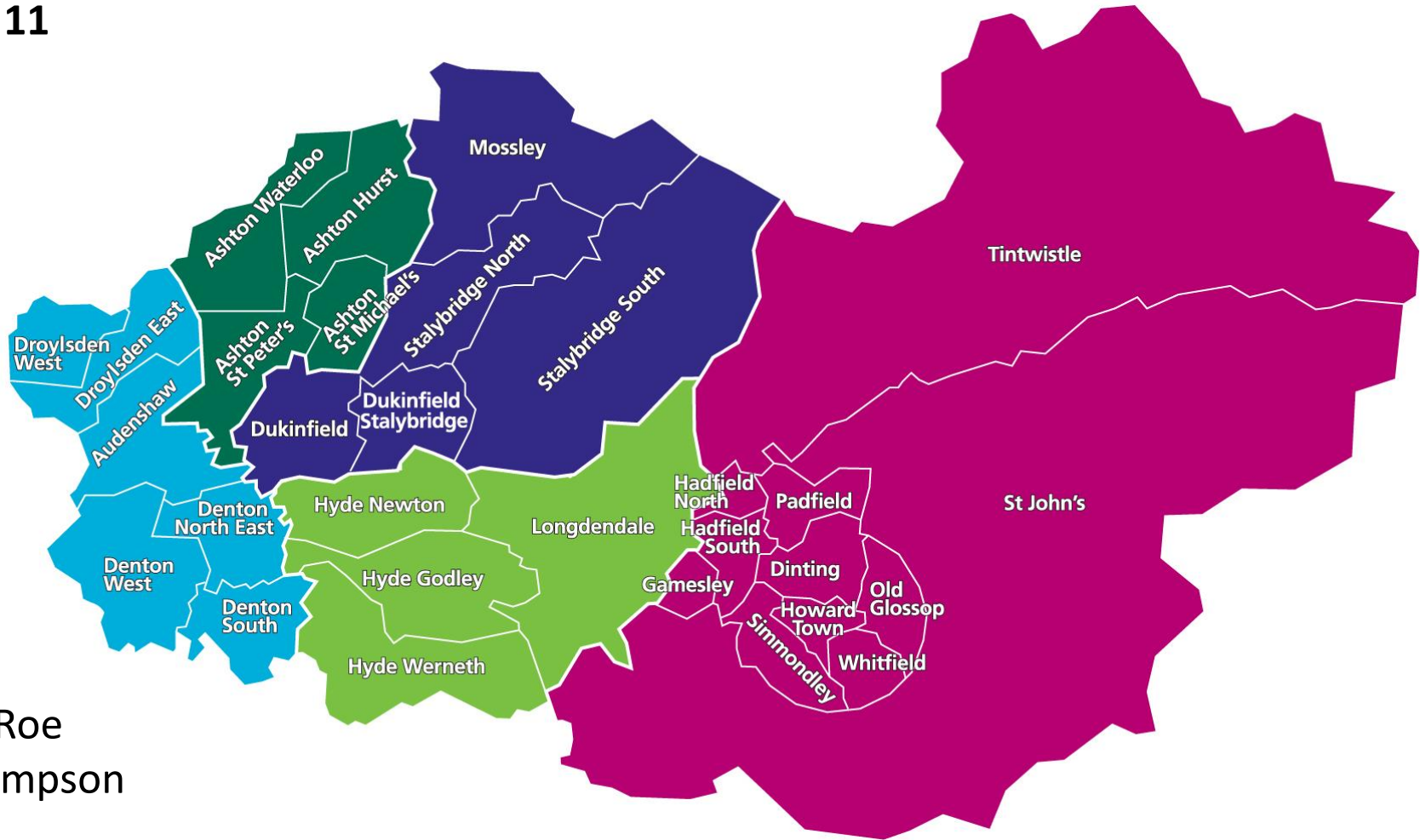


Tameside and Glossop Strategic Commission

Finance Update Report

Financial Year Ending 31st March 2021

Month 11



Kathy Roe
Sam Simpson

Month 11 Finance Report

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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

£3,682k 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 M11 the size of the pressure has reduced from month 10, due to number of small revisions in forecasts, but remains a significant overspend against budget.

As at Month 11, the Strategic Commission is forecasting a net overspend of £0.204m by 31 March 2021. This is a small overall deterioration on the position reported at month 10 and reflects the reduced surplus on CCG budgets which was previously offsetting a larger overspend on Council Budgets. As further COVID funding continues to be made available to the Council in the final month of the year, this position may improve further by the end of the financial year.

Message from the Directors of Finance

As we enter the final few weeks 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 impact of COVID continues to present significant financial risks and uncertainty. The Council approved its 2021/22 budget in February, including a significant savings programme which will be challenging to deliver in the current climate. Monitoring of delivery progress has already commenced and a relentless focus on savings delivery must continue as we enter the new financial year.

There remains significant uncertainty over the financial planning and budget setting process for the NHS, despite being a matter of weeks from the new financial year.

Forecast Position £000's	Forecast Position				
	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance
CCG Expenditure	452,234	0	452,234	452,232	2
TMBC Expenditure	540,467	(335,188)	205,279	205,485	(206)
Integrated Commissioning Fund	992,701	(335,188)	657,513	657,717	(204)

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	218,327	0	218,327	218,622	(296)	0	(296)	(1,561)	1,266
Mental Health	44,682	0	44,682	44,675	7	0	7	211	(204)
Primary Care	92,282	0	92,282	92,309	(26)	0	(26)	618	(645)
Continuing Care	14,521	0	14,521	14,046	475	0	475	411	64
Community	35,034	0	35,034	35,102	(68)	0	(68)	(263)	194
Other CCG	42,848	0	42,848	42,937	(89)	(1,379)	1,290	(283)	193
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	0	0	0	0	1,379	(1,379)
Adults	85,935	(47,197)	38,737	38,477	260	0	260	260	0
Children's Services - Social Care	64,286	(10,288)	53,998	57,680	(3,682)	0	(3,682)	(3,830)	147
Education	32,250	(25,843)	6,407	6,880	(473)	(562)	89	(473)	(0)
Individual Schools Budgets	119,645	(119,645)	0	0	0	0	0	0	0
Population Health	15,910	(291)	15,619	18,938	(3,319)	(3,675)	356	(3,144)	(175)
Operations and Neighbourhoods	80,504	(27,583)	52,921	54,221	(1,300)	(1,225)	(75)	(1,300)	(0)
Growth	45,526	(34,537)	10,988	11,870	(882)	(125)	(757)	(882)	(0)
Governance	67,256	(57,735)	9,521	10,147	(627)	(1,409)	782	(813)	186
Finance & IT	9,537	(1,907)	7,630	7,518	112	(29)	141	112	(0)
Quality and Safeguarding	378	(237)	141	117	24	0	24	31	(7)
Capital and Financing	10,379	(9,624)	756	6,098	(5,342)	(6,269)	927	(5,342)	0
Contingency	3,377	0	3,377	2,410	967	(911)	1,878	967	0
Contingency - COVID Costs	0	0	0	40,465	(40,465)	(40,465)	0	(40,465)	(0)
Corporate Costs	5,486	(301)	5,184	4,952	232	(65)	297	232	(0)
LA COVID-19 Grant Funding	0	0	0	(44,095)	44,095	44,095	0	44,095	0
Other COVID contributions	0	0	0	(10,193)	10,193	10,193	0	10,193	0
Integrated Commissioning Fund	992,701	(335,188)	657,513	657,717	(204)	(1,826)	1,622	155	(358)

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	200,092	200,240	(147)	218,327	218,622	(296)	0	(296)
Mental Health	40,808	40,550	257	44,682	44,675	7	0	7
Primary Care	82,765	82,355	410	92,282	92,309	(26)	0	(26)
Continuing Care	13,198	12,697	500	14,521	14,046	475	0	475
Community	31,954	31,954	(1)	35,034	35,102	(68)	0	(68)
Other CCG	28,949	30,199	(1,250)	42,848	42,937	(89)	(1,379)	1,290
CCG TEP Shortfall (QIPP)	0	0	0	0	0	0	0	0
CCG Running Costs	3,996	3,992	4	4,541	4,541	0	0	0
Adults	35,509	41,903	(6,394)	38,737	38,477	260	0	260
Children's Services - Social Care	49,498	48,267	1,231	53,998	57,680	(3,682)	0	(3,682)
Education	6,051	3,900	2,151	6,407	6,880	(473)	(562)	89
Individual Schools Budgets	2,254	(1,071)	3,325	0	0	0	0	0
Population Health	14,317	14,157	161	15,619	18,938	(3,319)	(3,675)	356
Operations and Neighbourhoods	49,899	49,472	428	52,921	54,221	(1,300)	(1,225)	(75)
Growth	13,299	11,458	1,841	10,988	11,870	(882)	(125)	(757)
Governance	10,172	10,872	(700)	9,521	10,147	(627)	(1,409)	782
Finance & IT	7,110	6,636	474	7,630	7,518	112	(29)	141
Quality and Safeguarding	129	51	78	141	117	24	0	24
Capital and Financing	693	(1,227)	1,920	756	6,098	(5,342)	(6,269)	927
Contingency	3,095	1,748	1,347	3,377	2,410	967	(911)	1,878
Contingency - COVID Costs	0	18,440	(18,440)	0	40,465	(40,465)	(40,465)	0
Corporate Costs	4,876	4,630	247	5,184	4,952	232	(65)	297
LA COVID-19 Grant Funding	0	(29,853)	29,853	0	(44,095)	44,095	44,095	0
Other COVID contributions	0	(10,007)	10,007	0	(10,193)	10,193	10,193	0
Integrated Commissioning Fund	598,663	571,363	27,300	657,513	657,717	(204)	(1,826)	1,622

Finance Update Report – Headlines

Children's Services (£3,682k)

The Directorate is reporting a forecast overspend of £3,682K at period 11 which is an overall favourable reduction of £147k from period 10. 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 favourable movement since period 10 reflects a number of small changes in the forecast across the service, including reductions in staffing costs, additional grant income and a reduction in the forecast for placement costs.

Population Health (£3,675k)

As reported in previous reports, the adverse variance on Population Health budgets relates to the financial risks faced by Active Tameside as a result of the COVID. The forecast outturn position has deteriorated as at Month 11 to reflect the increased risk of non repayment on long term debtors in March 2021.

Governance

The overall forecast outturn position in Governance has improved since period 10 due to the receipt of additional grant funding to contribute towards the additional administrative costs faced by the Exchequer teams during 2020/21 as a result of COVID 19.

CCG Surplus

Reported surplus at M11 is £2k, an apparent deterioration in the position since M10, where we reported a surplus of £512k.

This is a presentational change because of changes in the way we have been asked to report top-up payments nationally. The underlying position has not changed and the £512k surplus would theoretically be restored once final allocations are transacted at the end of March.

However changes to the national financial regime in 2020/21 mean that individual organisational financial positions will be monitored within the context of a financial envelope set at an STP (Sustainability and Transformation Partnership) level this year.

For us this means an envelope that has been agreed at a Greater Manchester level, with individual CCG level budgets set within the context of this wider control total. In recent months reported surpluses at T&G and at other CCGs have been used offset pressures at other organisations within the STP.

However new guidance has recently been issued, stating that each constituent part of the STP must report a break even position at year end. To facilitate this, a series of allocation adjustments will be transacted in March. The overall STP position will remain unchanged, but the reported surplus in T&G will be neutralised and we will be reporting a break even position next month.

CCG Budgets & Allocation

At M11 this report covers £452,234k of budgeted CCG spend across 2021/22 as a whole. This has increased from £441,901k last month. This is a result of £10,333k of additional allocations, which included:

- £7,844k CCG Historic Cumulative Surplus,
- £2,112k COVID Top-up, including prospective allocations for M11 & M12.
- £ 377k Various Mental Health, Primary Care & Community allocations

CCG Position & Top Up Payments

The CCG is showing a YTD overspend of £227k at M11 (reduced from £1,379k over at M10), but a surplus of £2k by year end (against a reported surplus of £512k last month).

While these may appear to be significant movements, the changes are purely presentational and relate to top up payments the CCG is able to claim under the rules of the phase 3 financial regime introduced in the 2nd half of 2020/21 as we build back post pandemic.

At Month 10, almost £1.3m of top up payments were outstanding for Independent Sector and Hospital Discharge Programme, dating back to the beginning of September. These have now been paid in full, together with a prospective payment covering spend to the end of March (based on 80% of the forecast at M10).

There will be a final IAT transacted on 31st March which will cover spend over and above the prospective payment already made. We currently estimate this at £283k.

The only historic top up outstanding at M11 relates the vaccine programme, where we are still anticipating income of £227k.

Changes to the way NHSE have asked us to report our year end position, mean that we have to include the spend relating to both of these, but keep the anticipated top up payment out of the position.

Our underlying surplus after adjusting for this change is unchanged at £512k. This variance will be restored once final allocations are transacted at the end of March.

Finance Summary Position – T&G ICFT

	Month 11			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	£22,907	£22,591	(£316)	£248,321	£247,816	(£505)	£271,228	£270,297	(£931)
Employee Expenses	(£14,995)	(£15,342)	(£346)	(£168,522)	(£160,975)	£7,547	(£183,530)	(£176,683)	£6,847
Non Pay Expenditure	(£6,955)	(£6,163)	£792	(£71,209)	(£63,401)	£7,808	(£78,198)	(£71,166)	£7,033
Total Operating Expenditure (excl. COVID-19)	(£21,950)	(£21,505)	£446	(£239,731)	(£224,376)	£15,355	(£261,728)	(£247,849)	£13,880
Income - COVID-19 (Mass Vaccs)	£0	£674	£674	£0	£975	£975	£0	£1,873	£1,873
Income - COVID-19 (Staff Vaccs)	£0	£21	£21	£0	£48	£48	£0	£91	£91
Employee Expenses - COVID-19	(£1,312)	(£1,984)	(£673)	(£6,697)	(£13,937)	(£7,240)	(£8,009)	(£16,237)	(£8,228)
Non Pay Expenditure - COVID-19	(£325)	(£267)	£58	(£1,614)	(£4,706)	(£3,092)	(£1,951)	(£5,021)	(£3,071)
Total Operating Expenditure - COVID-19	(£1,637)	(£1,556)	£81	(£8,311)	(£17,619)	(£9,308)	(£9,960)	(£19,294)	(£9,334)
Total Operating Expenditure	(£23,587)	(£23,061)	£526	(£248,042)	(£241,995)	£6,047	(£271,688)	(£267,143)	£4,545
Financing Costs	(£475)	£188	£663	(£5,415)	(£4,733)	£682	(£5,889)	(£5,169)	£720
Net Surplus/ (Deficit) before exceptional Items	(£1,155)	(£282)	£873	(£5,136)	£1,088	£6,224	(£6,349)	(£2,015)	£4,334
<i>Adjusted for allowable items:</i>									
Non NHS Income (Received in Month 11)	£0	£1,200	£1,200	£0	£1,200	£1,200	£0	£1,200	£1,200
Annual Leave (Outstanding)	£0	£0	£0	£0	£0	£0	£0	£707	£707
Adjusted Net Surplus/ (Deficit) before exceptional Items	(£1,155)	£918	£2,073	(£5,136)	£2,288	£7,424	(£6,349)	(£108)	£6,241
Trust Efficiency Programme	£267	£0	(£267)	£1,210	£711	(£499)	£1,500	£800	(£700)

Finance Summary Position – T&G ICFT

Trust Financial Summary

The Trust reported a net surplus in month of c.£918k after receipt of all funding which represents a favourable movement from month 10 of £894k. This favourable movement is largely as a result receiving non-recurrent funding from NHSE in relation to reimbursement for reduced non-clinical income (predominantly due a reduction of car parking income). At Month 10, the Trust was reporting a forecast deficit of c.£2.341m, the Trust has reported an improvement of c.£326k before allowable items in month. Therefore, the revised FOT is c.£2.015m before allowable items. After allowable items the FOT is £108k deficit.

Total COVID expenditure incurred in month equates to c.£1.556m and c.£17.619m year to date.

The Trust has delivered non recurrent efficiencies year to date 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

Following recent national guidance, the current financial framework will continue into Quarter 1 2021/22 with the primary objectives being to:

1. Provide certainty and support continuing operational response
2. Centrally generate organisational plans for Quarter 1 to avoid a lengthy planning process
3. Organisations to deliver a break even position within the funding allocated (Funding £'s still to be confirmed)

In line with NHSE/I recommendation the Trust's approach for Quarter 1 planning is that the default position is based on Quarter 3 actuals from 2020/21 having adjusted for any "one-off" items. The Trusts approach for Quarter 2-4 is still under review.