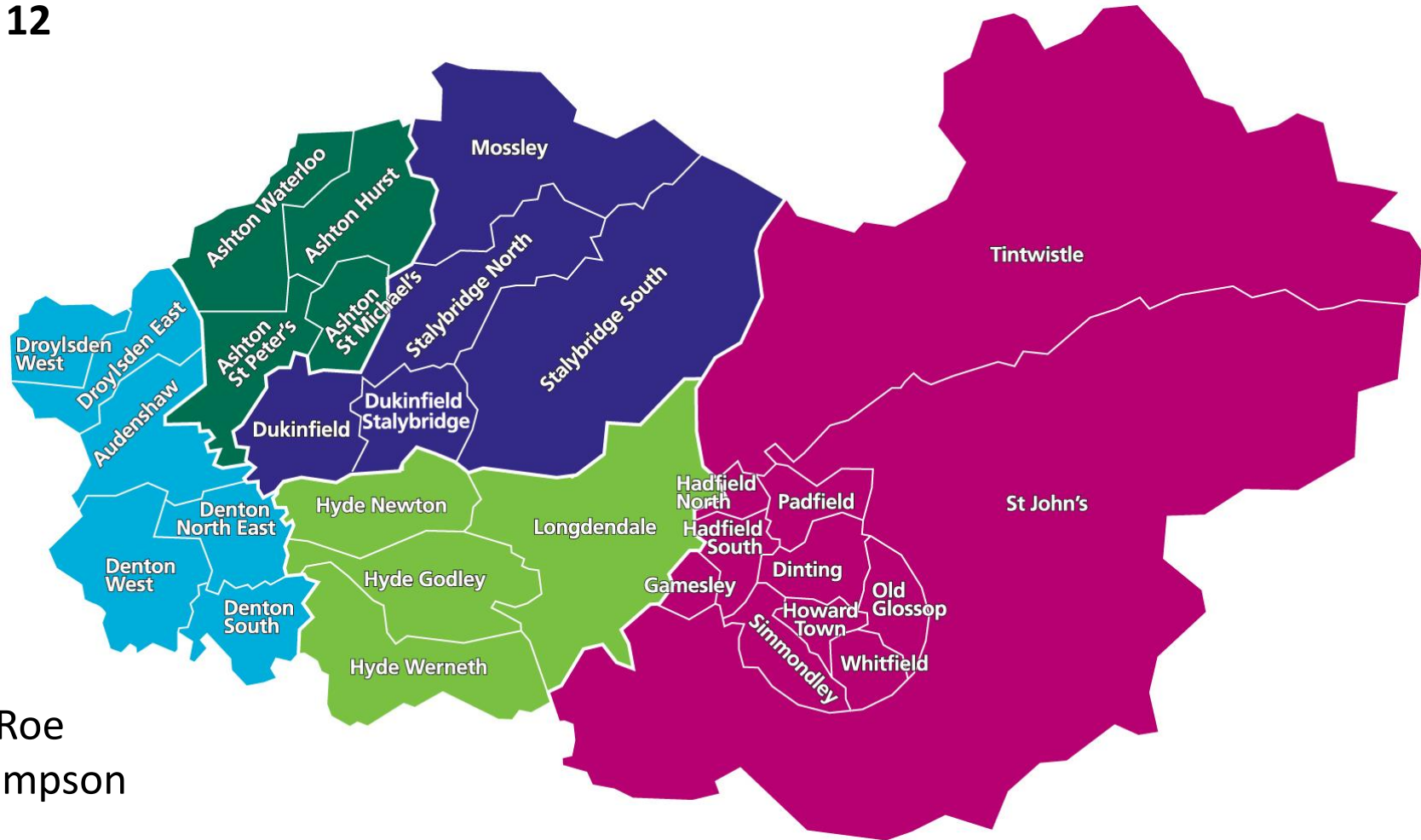


Tameside and Glossop Strategic Commission

Finance Outturn Report

Financial Year Ending 31st March 2021

Month 12



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Month 12 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 Outturn Report – Executive Summary

Message from the Directors of Finance

At the end of an unusual and challenging financial year for the Strategic Commission and ICFT, the final outturn position on 2020/21 budgets presents a broadly balanced position, with a small underspend on Council Budgets. Following receipt of final allocation adjustments on 23 April the CCG are reporting an in-year break even position. The ICFT are reporting a small deficit. Given the significant pressures and challenges that have been faced over the last 12 months, this position is a significant achievement.

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 financial impacts of COVID have been addressed with significant one-off funding during 2020/21, and whilst some further additional funding is available to the Council in 2021/22 for ongoing COVID pressures, this is one-off in nature. The longer term impacts of COVID, uncertainty over future local government funding, and a lack of clarity over future operational arrangements for the CCG, present significant barriers to sustainable financial planning.

Forecast Position £000's	Outturn Position					Net Variance		Net Variance	
	Expenditure Budget	Income Budget	Net Budget	Net Outturn	Net Variance	COVID Variance	Non-COVID Variance	Previous Month	Movement in Month
CCG Expenditure	450,608	0	450,608	450,608	0	0	0	2	(2)
TMBC Expenditure	538,292	(333,013)	205,279	205,177	102	0	102	(206)	308
Integrated Commissioning Fund	988,901	(333,013)	655,887	655,785	102	0	102	(204)	306

Finance Outturn Report – Strategic Commission Budgets

Outturn Position £000's	Outturn Position					Net Variance		Net Variance	
	Expenditure Budget	Income Budget	Net Budget	Net Outturn	Net Variance	COVID Variance	Non-COVID Variance	Previous Month	Movement in Month
Acute	218,381	0	218,381	218,287	94	0	94	(296)	389
Mental Health	45,225	0	45,225	45,049	177	0	177	7	170
Primary Care	92,451	0	92,451	92,904	(453)	0	(453)	(26)	(427)
Continuing Care	14,521	0	14,521	14,731	(210)	0	(210)	475	(685)
Community	40,298	0	40,298	40,514	(215)	0	(215)	(68)	(147)
Other CCG	35,191	0	35,191	34,653	539	0	539	(89)	628
CCG TEP Shortfall (QIPP)	0	0	0	0	0	0	0	0	0
CCG Running Costs	4,541	0	4,541	4,471	70	0	70	0	70
Anticipated COVID Top Up	0	0	0	0	0	0	0	0	0
Adults	85,935	(46,596)	39,339	38,509	830	3,925	(3,095)	260	570
Children's Services - Social Care	64,286	(10,288)	53,998	56,964	(2,966)	0	(2,966)	(3,682)	716
Education	31,730	(25,322)	6,407	6,585	(178)	(465)	287	(473)	295
Individual Schools Budgets	118,592	(118,592)	0	0	(0)	0	(0)	0	(0)
Population Health	15,910	(291)	15,619	14,453	1,166	1,153	13	(3,319)	4,484
Operations and Neighbourhoods	80,504	(27,583)	52,921	53,584	(662)	(726)	64	(1,300)	637
Growth	42,834	(34,537)	8,297	8,572	(275)	390	(665)	(882)	607
Governance	67,260	(57,735)	9,524	9,854	(329)	(1,146)	817	(627)	297
Finance & IT	9,537	(1,907)	7,630	7,100	530	(21)	551	112	418
Quality and Safeguarding	378	(237)	141	104	37	0	37	24	13
Capital and Financing	13,070	(9,624)	3,447	8,719	(5,272)	(7,308)	2,036	(5,342)	70
Contingency	2,772	0	2,772	795	1,976	(694)	2,670	967	1,010
Contingency - COVID Costs	0	0	0	32,488	(32,488)	(32,488)	0	(40,465)	7,977
Corporate Costs	5,486	(301)	5,184	4,864	321	(33)	354	232	88
LA COVID-19 Grant Funding	0	0	0	(26,615)	26,615	26,615	0	44,095	(17,479)
Other COVID contributions	0	0	0	(10,798)	10,798	10,798	0	10,193	605
Integrated Commissioning Fund	988,901	(333,013)	655,887	655,785	102	0	102	(204)	306

Finance Outturn Report – Headlines

CCG COVID Spend

Throughout 2020/21 the CCG has been able to submit claims for any COVID related expenditure, over and above baseline allocation.

All eligible COVID related claims for 2020/21 have been approved and £13,274k of additional allocation was received in total. This includes a final adjustment of £19k received on 23 April.

The Hospital Discharge Programme has been the largest area of COVID related expenditure, with a total reclaim of £9,425k. This includes support to care homes through guaranteed payments in the early days of the pandemic and more recently the Discharge to Assess programme, where the NHS has funded up to 6 weeks of post discharge care while the patient goes through the assessment process.

But we have also reclaimed costs to facilitate remote management of patients, purchase PPE, support primary care and enable vaccine rollout.

In 2021/22 eligible costs will be limited to Hospital discharge programme (HDP) and vaccine related costs.

Mental Health

The reported underspend of £177k is driven by a reduction in the number of individualised commissioning patients. This is a low volume, high cost area which can result in forecasting volatility from month to month, as patients are discharged and admitted into placements.

Despite this, we have fully achieved the Mental Health Investment Standard.

CCG Budgets & Allocation

This report covers £450,608k of spend across 2020/21 as a whole. Allocations at M12 are £1,607k lower than reported last month, including:

- £532k SDF Crisis Funding
- £284k M12 Top Up for HDP & Independent Sector
- **-£615k** Refund of unspent Lung Health Checks funding,
- **-£311k** Refund unspent ARRs funding
- **-£1,463k** System Funding Adjustment. Under the phase 3 command and control financial regime, a financial envelope has been set at an STP (Sustainability and Transformation Partnership) level. In recent months reported surpluses at T&G and at other CCGs have been used to offset pressures at other organisations across Greater Manchester. However as detailed last month, each constituent part of the STP must report a break even position at year end. Necessitating this IAT, which is made up of the previously reported surplus plus additional slippage (e.g. on GM Levy).

Primary Care

A pressure of £453k against budget is largely driven by prescribing. While the number of prescription items issued are broadly inline with historic levels, prices have increased significantly. A range of factors including availability of medications throughout the pandemic and Brexit help to explain this change, which has resulted in a cost increase of 7.13% versus 19-20 which is entirely attributable to prices changes.

Other

Budgets in 'Other' include a non recurrent, in-year commissioning reserve. Actual spend relating to this budget are captured in individual expenditure lines (e.g. 'true up' on estates or to provide for new CHC restitution claims, both of which we think will be impacted by COVID this year), creating an apparent variance against this budget. This has also been used to offset pressures else where in the CCG ledger to ensure an overall breakeven position could be reported.

Finance Update Report – Headlines

Children's Services (£2,966k)

The outturn position of £2,966k over budget is an improvement on the forecast reported at period 11 of £3,682K but remains significantly in excess of budget. The overspend is predominantly due to the number and cost of external placements. As at the end of March the number of Cared for Children was 682 a reduction of 19 from the 701 reported in the previous month.

The variation between the forecasts at period 11 and the outturn position is predominately due to a favourable variation in relation to income and expenditure on short breaks for Children with Disabilities. Work is required in this area to improve the data quality for which forecasts are based on.

Capital and Financing (£5,272k)

As reported in previous reports, the adverse variance on Capital and Financing budgets is predominantly due to the loss of the budgeted £6.4m dividend income from Manchester Airport. This income loss has been mitigated in part by additional income of £727k accrued in respect of the July 2020 investment in the airport and savings on the pension advanced payment being in excess of budget by £494k.

COVID Costs (£32,488k)

The Council has incurred £32,488k of direct additional costs as a result of the COVID pandemic, with further indirect pressures and income losses, net cost savings or additional income attributed to COVID across Directorates of £1,309k. This excludes the impact of COVID on the quantum and percentage of income collected from Council Tax and Business Rates. Further analysis of COVID costs and income losses is included in appendix 2 (service area detail) and appendix 3 (Council Tax and Business Rates).

Council Budgets – other variances

Further detailed analysis of Council budget variances is included in Appendix 2. COVID pressures have been funded from COVID grant but there are significant non-COVID variances in a number of areas which have been offset by contingency budgets and additional investment income. Key messages and headlines across other budget areas include:

- **Adults** – The net underspend position has arisen due to significant additional income and redirection of resources to address the implications of the COVID pandemic. There is an underlying 'non-covid' pressure of approximately £3m – additional funding has been included in the 2021/22 budget but there remains a risk that pressures will continue to exceed budget.
- **Population Health** – The underspend and improved position from last month is due additional income into the directorate to recognise the redirection of resources onto COVID. Provision for financial support to Active Tameside has been moved and included within COVID Costs.
- **Operations & Neighbourhoods, Growth, Governance** – The improved position in each of these areas is due mainly to additional income being allocated to the services to fund the redirection of resources onto the COVID response.
- **Finance & IT** – The improved position is due to delays experienced on a number of IT projects during February and March, which has meant spend has been delayed into 2021/22.
- **Contingency** – The release of general contingencies had been delayed until month 12 in the event of any unexpected significant pressures in the final two months of the year.
- **COVID costs and funding** – All direct COVID costs have been fully funded by specific or general COVID grants received in 2020/21. The Council will carry forward £11.3m of COVID funding into 2021/22, of which £5.239m is earmarked to fund the 21/22 budget and £2.6m to offset Collection Fund Losses.

Finance Summary Position – T&G ICFT

	Month 12			Outturn 20/21		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Total Income	£22,907	£23,848	£941	£271,228	£272,855	£1,627
Employee Expenses	(£15,009)	(£16,468)	(£1,459)	(£183,530)	(£177,444)	£6,086
Non Pay Expenditure	(£6,988)	(£7,773)	(£785)	(£78,198)	(£71,234)	£6,964
Total Operating Expenditure (excl. COVID-19)	(£21,997)	(£24,241)	(£2,244)	(£261,728)	(£248,678)	£13,050
Income - COVID-19 (Mass Vaccs)	£0	£813	£813	£0	£1,788	£1,788
Income - COVID-19 (Staff Vaccs)	£0	£17	£17	£0	£66	£66
Employee Expenses - COVID-19	(£1,312)	(£2,031)	(£719)	(£8,009)	(£15,968)	(£7,959)
Non Pay Expenditure - COVID-19	(£337)	(£328)	£9	(£1,951)	(£5,034)	(£3,083)
Total Operating Expenditure - COVID-19	(£1,649)	(£1,529)	£120	(£9,960)	(£19,147)	(£9,187)
Total Operating Expenditure	(£23,646)	(£25,770)	(£2,124)	(£271,688)	(£267,825)	£3,863
Financing Costs	(£474)	(£424)	£50	(£5,889)	(£5,088)	£801
Net Surplus/ (Deficit) before exceptional Items	(£1,213)	(£2,346)	(£1,133)	(£6,349)	(£58)	£6,291
Trust Efficiency Programme	£290	£0	(£290)	£1,500	£711	(£789)

Finance Summary Position – T&G ICFT

Trust Financial Summary

The Trust reported a net deficit in month 12 of c.£2.346m after receipt of all funding which represents an adverse movement from month 11 of £3.287m. This adverse movement is largely as a result of non-recurrent recurrent items. At Month 11, the Trust was reporting a forecast outturn deficit of c.£108k, the Trust has reported an improvement of c.£50k by delivering an outturn of £58k deficit for the financial year 2020/21.

Total COVID expenditure incurred in month equates to c.£1.529m and c.£19.147m for the year ending March 31st 2021.

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:

The trust is currently working through plans to ensure delivery against the nationally prescribed activity targets in line with national planning guidance.

Planning 2021/22 Update

Following recent national guidance, the current financial framework will continue into H1 (Month 1-6) 2021/22 with the primary objective being to ensure GM System delivers a breakeven position.