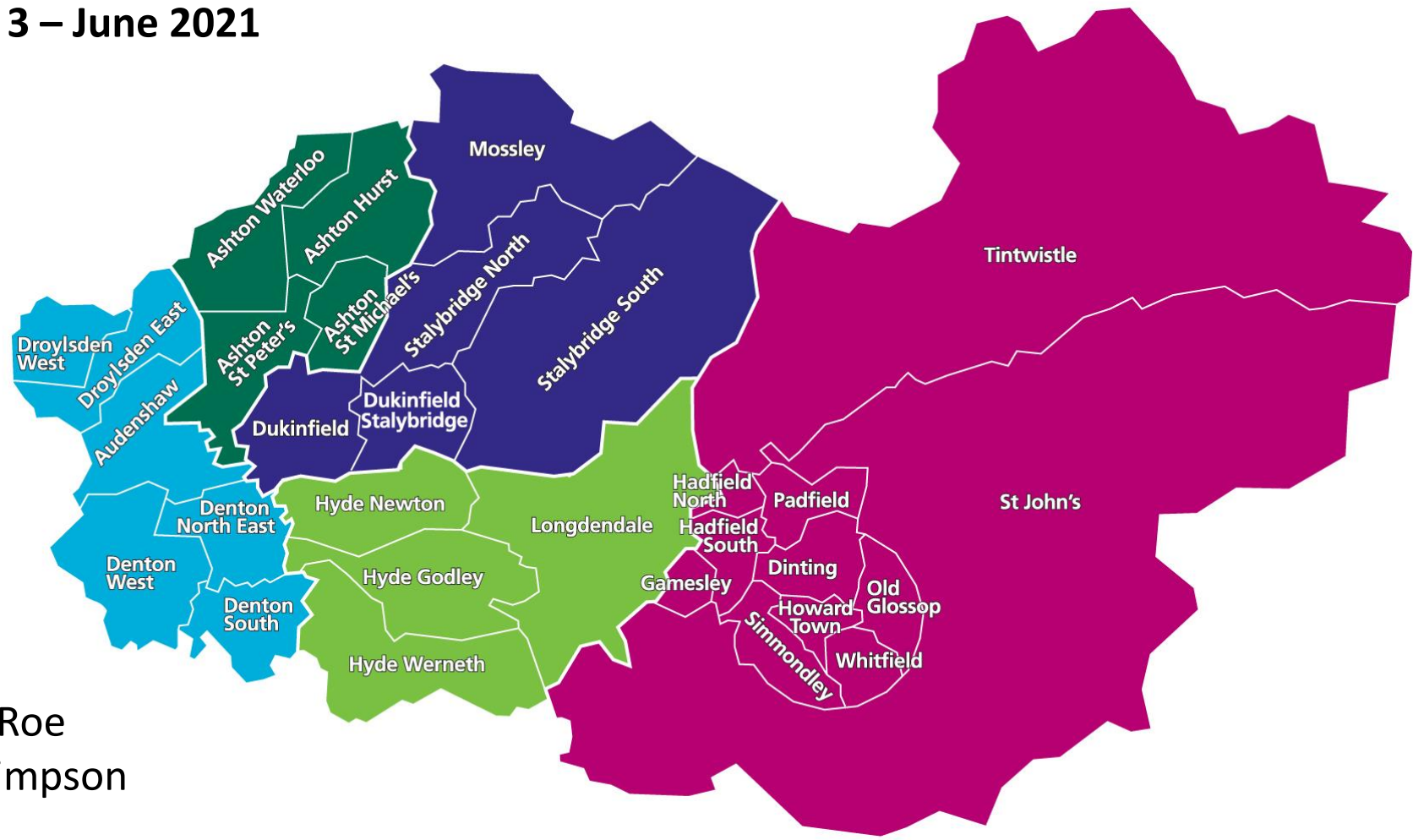


Tameside and Glossop Strategic Commission

Finance Update Report
Period Ending 31st March 2022
Month 3 – June 2021



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Period 3 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)). It does not capture any Local Authority spend from Derbyshire County Council or High Peak Borough Council for the residents of Glossop.

Forecasts reflect a full 12 months for TMBC, but only 6 months for the CCG

Finance Update Report – Executive Summary

This is the second financial monitoring report for the 2021/22 financial year, reflecting actual expenditure to 30 June 2021 and current forecasts to 31 March 2022.

Budgets continue to face significant pressures across many service areas. COVID pressures remain as a meaningful factor in this, with pressures arising from additional costs or demand (including the elective recovery programme), and shortfalls of council income. Targeted COVID funding continues into 2021/22 to address COVID related pressures.

Council Budgets are facing significant pressures which are not directly related to the COVID-19 pandemic, with significant forecast overspends in Adults and Children’s Social Care being the main contributors to a net forecast overspend of £6.850m. This position is after taking account of forecast underspends in some areas, and additional COVID related income in excess of forecast COVID costs. There is an underlying forecast ‘Non-COVID’ deficit of £8.238m.

The NHS financial regime has still not fully normalised following the command and control response to the pandemic last year and NHS funding has only been confirmed for April to September 2021; as such we are only able to report 6 months of CCG budgets. The ICFT has a financial plan for the first 6 months of 2021/22, although there is uncertainty in forecasting expenditure due to the operational challenges of restoring elective services, whilst facing the ongoing uncertainty of the impact of responding to the pandemic. A full 12 month forecast is in place for the council. Forecasts are inevitably subject to change over the course of the year as more information becomes available, and there is greater certainty around NHS funding from October and other assumptions.

While the CCG is reporting an overspend of £519k, £194k of this relates to reimbursable COVID expenses for which a future allocation increase will be received.

Forecast Position	Forecast Position			Net Variance		Net Variance	
	Net Budget	Net Outturn	Net Variance	COVID Variance	Non-COVID Variance	Previous Month	Movement in Month
CCG Expenditure	443,644	222,341	(519)	(194)	(325)	(194)	(325)
TMBC Expenditure	194,494	201,344	(6,850)	1,388	(8,238)	(5,806)	(1,045)
Integrated Commissioning Fund	638,138	423,685	(7,369)	1,194	(8,563)	(5,999)	(1,370)

Integrated Commissioning Fund Budgets

Forecast Position £000's	Forecast Position					Net Variance	
	Expenditure Budget	Income Budget	Net Budget	Net Outturn	Net Variance	COVID Variance	Non-COVID Variance
Acute	£114,637	£0	£114,637	£112,404	£2,233	£0	£2,233
Mental Health	£22,473	£0	£22,473	£22,396	£77	£0	£77
Primary Care	£46,465	£0	£46,465	£46,989	(£524)	£0	(£524)
Continuing Care	£7,538	£0	£7,538	£7,962	(£424)	£0	(£424)
Community	£17,276	£0	£17,276	£17,591	(£315)	£0	(£315)
Other CCG	£11,155	£0	£11,155	£12,721	(£1,566)	(£194)	(£1,372)
CCG TEP Shortfall (QIPP)	£0	£0	£0	£0	£0	£0	£0
CCG Running Costs	£2,278	£0	£2,278	£2,278	(£0)	(£0)	£0
Adults	£90,821	(50,607)	£40,214	£42,448	(£2,234)	£402	(£2,636)
Children's Services - Social Care	£65,276	(11,766)	£53,510	£59,188	(£5,678)	£0	(£5,678)
Education	£32,773	(25,534)	£7,239	£7,078	£161	(£113)	£274
Individual Schools Budgets	£123,054	(123,054)	£0	£0	£0	£0	£0
Population Health	£16,833	(1,436)	£15,397	£14,782	£615	£472	£143
Operations and Neighbourhoods	£78,839	(27,605)	£51,234	£52,168	(£934)	(£350)	(£584)
Growth	£44,448	(35,028)	£9,420	£9,401	£19	£132	(£113)
Governance	£71,470	(62,387)	£9,083	£9,709	(£626)	(£1,003)	£377
Finance & IT	£10,153	(1,827)	£8,326	£8,409	(£83)	£0	(£83)
Quality and Safeguarding	£383	(241)	£142	£135	£7	£0	£7
Capital and Financing	£8,964	(4,189)	£4,775	£4,358	£417	£0	£417
Contingency	£4,715	(756)	£3,959	£4,365	(£406)	£0	(£406)
Contingency - COVID Costs	£0	0	£0	£16,741	(£16,741)	(£16,741)	£0
Corporate Costs	£5,352	(301)	£5,051	£5,006	£45	£0	£45
LA COVID-19 Grant Funding	(£5,239)	(8,617)	(£13,856)	(£31,955)	£18,099	£18,099	£0
Other COVID contributions	£0	0	£0	(£489)	£489	£489	£0
Integrated Commissioning Fund	769,663	(353,347)	416,316	423,685	(7,369)	1,194	(8,563)

Integrated Commissioning Fund Budgets

Forecast Position £000's	Forecast Position			Net Variance		Net Variance	
	Net Budget	Net Outturn	Net Variance	COVID Variance	Non-COVID Variance	Previous Month	Movement in Month
Acute	£114,637	£112,404	£2,233	£0	£2,233	£2,378	(£145)
Mental Health	£22,473	£22,396	£77	£0	£77	£0	£77
Primary Care	£46,465	£46,989	(£524)	£0	(£524)	(£537)	£13
Continuing Care	£7,538	£7,962	(£424)	£0	(£424)	(£243)	(£181)
Community	£17,276	£17,591	(£315)	£0	(£315)	(£13)	(£301)
Other CCG	£11,155	£12,721	(£1,566)	(£194)	(£1,372)	(£1,778)	£212
CCG TEP Shortfall (QIPP)	£0	£0	£0	£0	£0	£0	£0
CCG Running Costs	£2,278	£2,278	(£0)	(£0)	£0	(£0)	£0
Adults	£40,214	£42,448	(£2,234)	£402	(£2,636)	£0	(£2,234)
Children's Services - Social Care	£53,510	£59,188	(£5,678)	£0	(£5,678)	(£4,717)	(£961)
Education	£7,239	£7,078	£161	(£113)	£274	£0	£161
Individual Schools Budgets	£0	£0	£0	£0	£0	£0	£0
Population Health	£15,397	£14,782	£615	£472	£143	£0	£615
Operations and Neighbourhoods	£51,234	£52,168	(£934)	(£350)	(£584)	(£891)	(£43)
Growth	£9,420	£9,401	£19	£132	(£113)	(£198)	£217
Governance	£9,083	£9,709	(£626)	(£1,003)	£377	£0	(£626)
Finance & IT	£8,326	£8,409	(£83)	£0	(£83)	£0	(£83)
Quality and Safeguarding	£142	£135	£7	£0	£7	£0	£7
Capital and Financing	£4,775	£4,358	£417	£0	£417	£0	£417
Contingency	£3,959	£4,365	(£406)	£0	(£406)	£0	(£406)
Contingency - COVID Costs	£0	£16,741	(£16,741)	(£16,741)	£0	(£630)	(£16,111)
Corporate Costs	£5,051	£5,006	£45	£0	£45	£0	£45
LA COVID-19 Grant Funding	(£13,856)	(£31,955)	£18,099	£18,099	£0	£630	£17,469
Other COVID contributions	£0	(£489)	£489	£489	£0	£0	£489
Integrated Commissioning Fund	416,316	423,685	(7,369)	1,194	(8,563)	(5,999)	(1,370)

Integrated Commissioning Fund Key Messages

Children's Services (Social Care) (£5,678k)

The Directorate forecast position is an **overspend of £5,678k**, an overall adverse increase of £961K since period 2. The over spend is predominately due to the number and cost of external and internal placements. At the end of June the number of cared for children was 697, an increase of 15 from the previous month. The key variances are:

Cared for Children (External Placements): (£3,479k): As at 1st July there were 48 young people aged 18 and over in external residential placements paid for by Children Services. This is an increase of 2 from the previous month. In addition there are a number of care leavers in placements paid for by Children's Services that are tenancy ready but are unable to move on into their own property due a lack of social housing stock. Further work is underway to establish the impact of the housing benefit claims, it is expected this will reduce costs in this area. Adoption interagency fees are forecast to underspend by £185K which is offsetting some of the forecast overspend on residential placements.

Cared for Children (Internal Placements): (£2,056k): Employee costs are forecast to overspend by (£435k) in respect of Children's Homes due to additional staffing costs and sickness. Internal placements are forecast to overspend by (£1,622k). The forecast overspend is in relation to the payments that are made using the Softbox Payments Software and include in-house fostering allowances, adoption allowances, SGO allowances, care arrangement orders, staying-put allowances and Supported Lodging allowances.

Child Protection & Children In Need: (£116K): The over spend is in relation to internal transport recharges for children. Work is required to review these payments including the reason for the journeys and any cost reductions.

Operations & Neighbourhoods (£934k)

The overall forecast reflects shortfalls on income and delays to the delivery of savings, net of a small number of underspends. The key pressures are:

Car Parking Income (£701k) There has been an issue with the realisation of car parking income for a number of years (that has deteriorated further during COVID) . The reduction in forecast levels has been assumed to the end of the calendar year with an assumption that income levels start to recover from that point as a result of restrictions being lifted, public confidence returning for town centre shopping and successful implementation of the car parks review.

Delays to savings delivery (£266k) Delays to the delivery of savings relating to 3 weekly wheeled bin collections and wheeled bin cost recovery due to period required for consultation.

Integrated Commissioning Fund Key Messages

Adults (£2,234k)

The forecast position is net of a number of significant under and overspends across the Directorate. Key variances include:

- £1,678k additional income forecast in respect of client fees for Residential Care, Nursing Care and Homecare. This corresponds to a general increase in demand for these services, reflected in forecast overspends in other areas.
- (£1,857k) increase in the forecast cost of residential and nursing care as vacancies in care homes begin to be re-filled in the aftermath of the pandemic. Most of the increased cost arises from a general increase in volumes (offset by additional client fee income) with further increases related to several new high cost Mental Health placements.
- (£528k) Substantial increases in cost are required to meet pressures on staffing and accommodation costs in the 24 Hour Supported Accommodation service. Additional costs are included here to cover transitional staffing for the Resettlement programme, with a further increase for property costs at two new facilities.
- (£734k) Off-contract Supported Accommodation costs have increased significantly, with several planned moves into more appropriate in-house provision currently on hold without alternatives identified, and a number of new high-cost placements now required outside of the original budget. Housing Benefit income is also reduced, albeit partially offset by an increase in client fee income.
- (£175k) Demand for Support at Home provision remains very high and has not significantly declined since the peak of the COVID pandemic, currently with around 10,900 hours delivered weekly against a initial forecast of 10,200. This is partially offset by the end of three high-cost off-contract packages, and by the increase in client fees and NHS income.
- (£286k) Staffing budgets in the Mental Health function are forecast to be overspent, with high overtime requirements in the Community Response Service and Out of Hours Team.

Governance (£626k)

The current forecast for the Directorate is (£626k) over budget. There are pressures of (£1,003k) included within the forecasts that relate to the impact of COVID on Housing Benefit overpayments debt recovery and reduced income from court costs recovery. If the impact of COVID pressures is excluded from the position there is an underlying underspend of £377k.

Contingency (£406k)

The forecast overspend reflects savings not allocated to Directorates in respect of staffing costs. These savings continue to be monitored and are expected to be realised against service area budgets. A contingency buffer is being held to mitigate against any further emerging pressures, and this will be released in future period if not required.

Capital Financing £417k

The forecast underspend is primarily due to interest costs being less than budget on the assumption that no external borrowing is required before 31 March 2022.