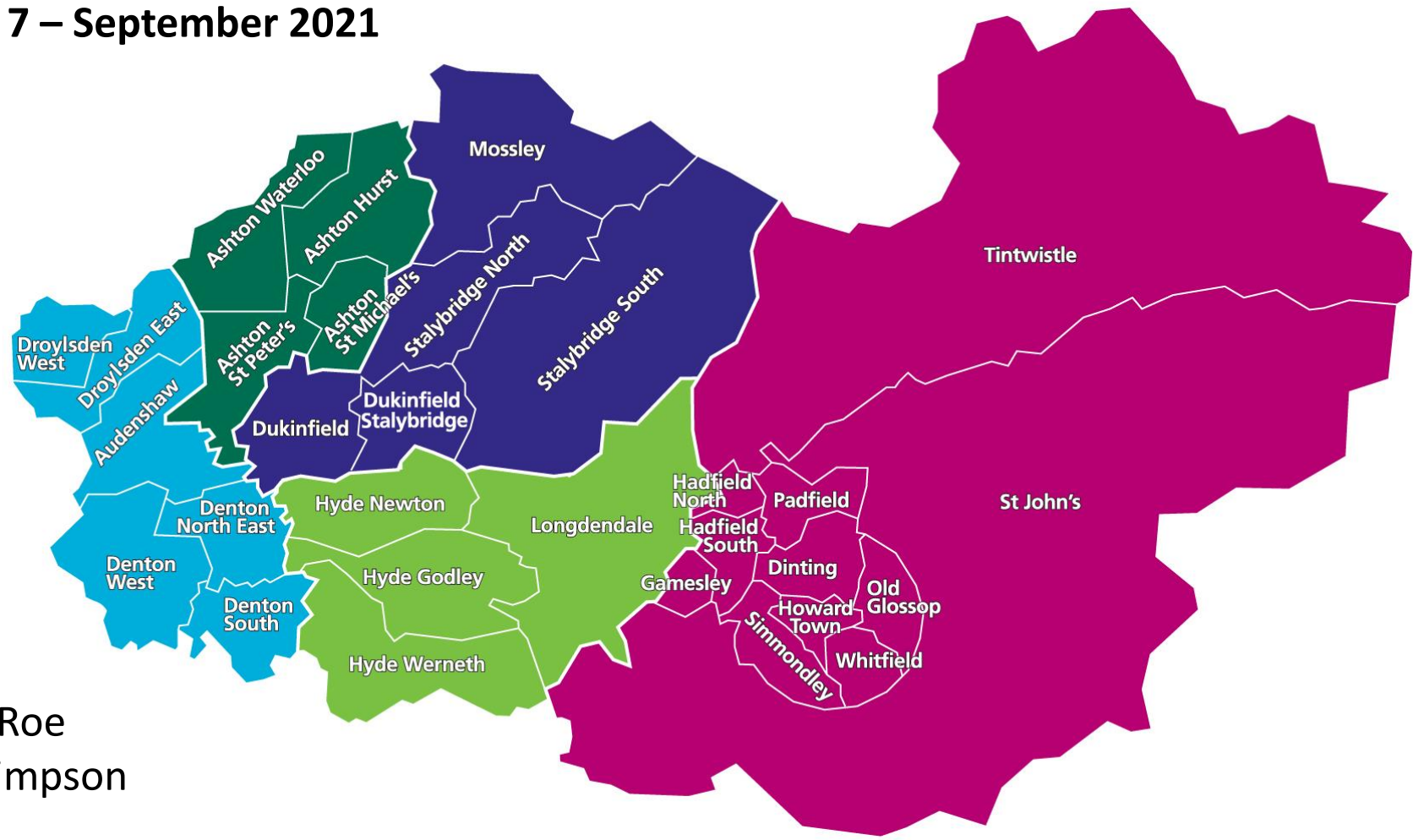


Tameside and Glossop Strategic Commission

Finance Update Report
Financial Year 2021-22
Month 7 – September 2021



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Period 7 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 (ICFT). 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

As we enter the second half of the financial year, the Month 7 finance update report reflects a broadly steady state on Council Budgets with work ongoing to finalise H2 budgets for the CCG.

The forecast outturn on Council Budgets has improved by 348k since Month 6, mainly due a reduction in external placement costs in Children’s Social Care. There are some other smaller movements relating to the release of contingency budget and reduced income compensation grant for sales, fees and charges losses.

Following the Spending Review on 27 October, the focus for Council financial planning is the 2022/23 budget and identification of savings to close the budget gap, pending confirmation of funding allocations in the Local Government Finance Settlement which is expected in mid December. Whilst the spending review did offer some additional funding for Local Government, current estimates are that cost and demographic pressures will continue to significantly exceed available funding.

The CCG does not currently have H2 budgets in place. Detailed planning for H2 has been underway at both a CCG and Greater Manchester level since publication of the guidance. But formal approval of plans is not due until after publication of the M7 budget monitoring report. Allocations for H2 are expected by the end of November.

The Trust has submitted a breakeven financial plan for H2 (October 2021 to March 2022) which is in line with national guidance, and is forecasting break even for the year in line with the plan.

TMBC Financial Position

£348k

Improvement in financial position since M6 due to reduced forecast in Children’s Social Care

Children’s Social Care

(£4,826k)

Forecast overspend against full year budget. Though note this represents an improvement on the M6 position

CCG

CCG Budgets are not yet in place for October to March

ICFT

£69k

Favourable variance in Month 7 and forecasting break even for the full financial year

Forecast Position	Forecast Position					Net Variance	
	Expenditure Budget	Income Budget	Net Budget	Net Outturn	Net Variance	Previous Month	Movement in Month
CCG Expenditure	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TMBC Expenditure	548,979	(354,485)	194,494	196,073	(1,579)	(1,927)	348
Integrated Commissioning Fund	548,979	(354,485)	194,494	196,073	(1,579)	(1,927)	348

CCG Budgets are not yet formally in place for October 2021 to March 2022 – the CCG position is separately analysed on pages 5 to 6.

Integrated Commissioning Fund Budgets

Forecast Position £000's	Forecast Position					Net Variance	
	Expenditure Budget	Income Budget	Net Budget	Net Outturn	Net Variance	Previous Month	Movement in Month
CCG Budgets #	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Adults	£90,822	(£50,608)	£40,214	£39,335	£879	£879	£0
Children's Services - Social Care	£65,395	(£11,885)	£53,510	£58,336	(£4,826)	(£5,185)	£358
Education	£32,730	(£25,491)	£7,239	£6,928	£311	£311	£0
Individual Schools Budgets	£124,147	(£124,147)	£0	£0	£0	£0	£0
Population Health	£15,873	(£1,403)	£14,470	£13,610	£860	£860	£0
Place	£124,215	(£62,634)	£61,581	£61,900	(£319)	(£318)	(£1)
Governance	£71,470	(£62,387)	£9,083	£9,607	(£524)	(£524)	£0
Finance & IT	£10,153	(£1,827)	£8,326	£7,637	£689	£689	£0
Quality and Safeguarding	£383	(£241)	£142	£142	(£0)	(£0)	£0
Capital and Financing	£8,964	(£4,189)	£4,775	£4,327	£448	£448	£0
Contingency	£4,715	(£756)	£3,959	£4,170	(£211)	(£346)	£135
Contingency - COVID Costs	£0	£0	£0	£16,229	(£16,229)	(£16,229)	£0
Corporate Costs	£5,352	(£301)	£5,051	£4,973	£78	£78	£0
LA COVID-19 Grant Funding	(£5,239)	(£8,617)	(£13,856)	(£29,447)	£15,591	£15,735	(£144)
Other COVID contributions	£0	£0	£0	(£1,676)	£1,676	£1,676	£0
Integrated Commissioning Fund	548,979	(354,485)	194,494	196,073	(1,579)	(1,927)	348

CCG Budgets are not yet formally in place for October 2021 to March 2022 – the CCG position is separately analysed on pages 5 to 6.

Children's Social Care (£4,826k) Overspend

The Directorate forecast position is an over spend of (£4,826k), a favourable decrease of £358k since period 6. The over spend is predominately due to the number and cost of external and internal placements. At the end of October the number of cared for children was 698 a decrease of 3 from the previous month. The reduction in forecasts since period 6 is due to a favourable decrease in external placements (£358K).

Integrated Commissioning Fund Key Messages

Forecast Position £000's	YTD Position			Forecast Position			Net Variance	
	Budget	Actual	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month
Acute	112,158	132,613	(20,454)	112,158	228,476	(116,318)	361	(116,679)
Mental Health	22,091	26,331	(4,240)	22,091	45,636	(23,545)	(191)	(23,354)
Primary Care	46,873	54,618	(7,745)	46,873	96,120	(49,247)	56	(49,302)
Continuing Care	7,885	8,937	(1,052)	7,885	15,956	(8,071)	246	(8,316)
Community	18,460	22,799	(4,339)	18,460	38,818	(20,358)	(1,164)	(19,194)
Other CCG	12,549	12,583	(34)	12,549	19,751	(7,202)	(539)	(6,663)
CCG Running Costs	2,278	2,616	(338)	2,278	4,556	(2,278)	0	(2,278)
Integrated Commissioning Fund	222,294	260,496	(38,202)	222,294	449,313	(227,018)	(1,231)	(225,787)

The budget position above reconciles to H1 budgets but note this is different to the consolidated position as we have no H2 budget in place due to the national financial regime.

CCG Budgets

At the start of the COVID-19 pandemic, a national 'Command & Control' financial regime was implemented across the NHS. This introduced centrally calculated contractual payments for all NHS organisations in England and a series of top up payments to fund the Hospital Discharge Programme (HDP), Elective Recovery (ERF), Vaccines and other COVID related expenditure.

While there has been some relaxation of this since March 2020, the NHS financial regime has still not fully normalised. The 2021/22 financial year has been split into two halves and as such we have only been in a position to report upon the first six months of the year until now.

Financial and operational guidance for the second half of the year was issued in October. This included a system level financial envelope and confirmation that HDP & ERF funding would continue into H2.

Detailed planning for H2 has been underway at both a CCG and Greater Manchester level since publication of the guidance. But formal approval of plans is not due until after publication of the M7 budget monitoring report. Allocations for H2 are expected by the end of November.

Because of this, the CCG does not currently have H2 budgets in place. National financial monitoring at M7 concentrated on YTD actuals rather than looking at forecast positions or at variance analysis.

CCG Budgets (Continued)

On the basis that we have not yet received H2 allocations, the budgets on our ledger are the same as reported in M6. This results in some large variances which may look alarming, but which are easily reconcilable. For example the reported YTD variance of £38,202k is made up of £36,971k of in month expenditure for October, plus £1,231k of outstanding HDP funding from M6. This is consistent with the position reported to NHS England at M7.

The reported full year forecast is made up H1 actual expenditure, plus our H2 proposed plan. This proposed plan forms part of a balanced Greater Manchester position and we anticipate receiving an allocation to fund this in full by the end of November.

Built into in the H2 plan is a QIPP target of £3,396k. Which is something we will need to deliver alongside the national requirement to restore services, meet new care demands and reduce the care back logs that are a direct consequence of the pandemic.

The variances reported this month will not be an issue at M8, once expected allocations for H2 have been transacted (note that our HDP claim for H1 has also been approved in full). Normal variance analysis will be restored from next month.

Finance Summary Position – T&G ICFT

	Month 7			YTD		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Total Income	£22,106	£22,097	(£9)	£159,617	£161,789	£2,172
Employee Expenses	(£15,958)	(£15,723)	£236	(£108,945)	(£110,078)	(£1,132)
Non Pay Expenditure	(£6,397)	(£6,590)	(£193)	(£45,517)	(£47,120)	(£1,603)
Total Operating Expenditure (excl. COVID-19)	(£22,355)	(£22,312)	£43	(£154,462)	(£157,197)	(£2,735)
Income - COVID-19	£30	£28	(£1)	£30	£163	£133
Employee Expenses - COVID-19	(£739)	(£696)	£44	(£4,820)	(£4,729)	£91
Non Pay Expenditure - COVID-19	(£80)	(£86)	(£7)	(£1,403)	(£938)	£465
Total Operating Expenditure - COVID-19	(£789)	(£754)	£36	(£6,192)	(£5,504)	£689
Total Operating Expenditure	(£23,144)	(£23,066)	£79	(£160,655)	(£162,701)	(£2,047)
Net Surplus/ (Deficit) before exceptional Items	(£1,038)	(£969)	£69	(£1,038)	(£912)	£125
Trust Efficiency Programme	£247	£422	£175	£3,338	£2,929	(£409)
Capital Expenditure	£409	£266	(£143)	£2,436	£1,745	(£691)
Cash and Equivalents		£26,968				

Finance Summary Position – T&G ICFT

H2 Financial Plan

The Trust has submitted a breakeven financial plan for H2 (October 2021 to March 2022) which is in line with national guidance.

Trust Financial Summary – Month 7

The Trust reported a variance in month against plan of c.£69k favourable against plan. The in month position is a net deficit in month of c.£969k which represents an adverse movement from month 6 of c.£655k. The 3% pay award arrears for H1 was transacted in month 6, and in line with national guidance, the impact of the pay award was assumed to be fully funded. Any shortfall in funding will be reported in H2.

Total COVID expenditure incurred in month equated to c.£754k against planned spend of c.£789k and a total YTD spend of c£5.504m against a plan of c.£6.192m which represents an underspend of £689k.

The Trust is forecasting a breakeven financial position for 2021/22 in line with plan.

Activity and Performance:

Restoration plans have been established within the Trust and the Trust continues to aspire to deliver nationally prescribed activity targets, which for H2 is to deliver 89% of RTT clock stops compared to 2019/20 activity levels. The Trust continues to report good levels of performance against restoration targets. However, the Trust continues to experience significant pressures within Urgent Care and Non-elective admissions.

Efficiency target:

The Trust has set an efficiency target for H2 of 3% of operating expenditure which is line with national guidance. This equates to c£4.381m for H2 and c£7.472m for the financial year 2021/22.

The Trust has delivered efficiencies equating to c. £422k in month 7 and c.£2.929m YTD which are predominantly through productivity improvements and income generation schemes.