

**Report To:** EXECUTIVE CABINET

**Date:** 15 December 2021

**Executive Member / Reporting Officer:** Councillor Oliver Ryan – Executive Member (Finance and Economic Growth)  
Dr Ash Ramachandra – Lead Clinical GP  
Kathy Roe – Director of Finance

**Subject:** STRATEGIC COMMISSION AND NHS TAMESIDE AND GLOSSOP INTEGRATED CARE FOUNDATION TRUST FINANCE REPORT  
CONSOLIDATED 2021/22 REVENUE MONITORING STATEMENT AT 31 OCTOBER 2021

**Report Summary:** This is the financial monitoring report for the 2021/22 financial year reflecting actual expenditure to 31 October 2021 (Month 7) and forecasts to 31 March 2022.

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.

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.

**Recommendations:** That Executive Cabinet be are recommended to note the forecast outturn position and associated risks for 2021/22 as set out in **Appendix 1**.

**Policy Implications:** Budget is allocated in accordance with Council/CCG Policy

**Financial Implications:** This report provides the 2021/22 consolidated financial position statement at 31 October 2021 for the Strategic Commission and ICFT partner organisations. The Council set a balanced budget for 2021/22 which included savings targets of £8.930m whilst also being reliant on a number of corporate financing initiatives to balance.

(Authorised by the Section 151 Officer & Chief Finance Officer)

Despite this, a significant pressure is currently forecast, which will need to be addressed within this financial year. A new financial turnaround process is being implemented across all budget areas to address financial pressures on a recurrent basis.

With the outbreak of COVID-19 last year, emergency planning procedures were instigated by NHSE and a national ‘command and control’ financial framework was introduced. While some national controls have been relaxed over time, normal NHS financial operating procedures have still not yet been fully reintroduced.

A financial envelope for the first 6 months of the year has been agreed at a Greater Manchester level, from which the CCG has an allocation. Nationally calculated contract values remain in place, while the CCG are still able to claim top up payments for vaccination related costs and for the Hospital Discharge Programme. 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.

It should be noted that the Integrated Commissioning Fund (ICF) for the Strategic Commission is bound by the terms within the Section 75 and associated Financial Framework agreements.

**Legal Implications:  
(Authorised by the Borough  
Solicitor)**

The council has a statutory duty to ensure the proper administration of its financial affairs and Members have a critical role in discharging this duty. As such the financial position needs to be at the heart of the decision making process at all times but even more so in times of financial challenge.

Members and decision makers need to be content that there is a balanced budget and that there is robust financial management in place and that there are sufficient reserves in place.

This management is underpinned by the Medium Term Financial Strategy, together with the outturn projection reports which are forward looking to assist both financial management and decision making generally.

As set out in the report and appendix, the current outturn report acknowledges that the allocations for H2 are not expected until November 2021.

**Risk Management:**

Associated details are specified within the presentation.

Failure to properly manage and monitor the Strategic Commission's budgets will lead to service failure and a loss of public confidence. Expenditure in excess of budgeted resources is likely to result in a call on Council reserves, which will reduce the resources available for future investment. The use and reliance on one off measures to balance the budget is not sustainable and makes it more difficult in future years to recover the budget position.

**Background Papers:**

Background papers relating to this report can be inspected by contacting :

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## 1. BACKGROUND

- 1.1 Monthly integrated finance reports are usually prepared to provide an overview on the financial position of the Tameside and Glossop economy.
- 1.2 The report includes the details of the Integrated Commissioning Fund (ICF) for all Council services and the Clinical Commissioning Group. Budgets reflect a full 12 month of expenditure for the Council, but only 6 months for the CCG as budgets are not yet in place for October to March 2022.
- 1.3 The value of the ICF will increase once more certainty is available on the NHS financial regime for the second half of the year and a full year allocation is in place. The full year indicative value of the ICF, assuming that expenditure in the second half of the year is the same as the first, would be £993 million
- 1.3 Please note that any reference throughout this report to the Tameside and Glossop economy refers to the three partner organisations namely:
  - Tameside and Glossop Integrated Care NHS Foundation Trust (ICFT)
  - NHS Tameside and Glossop CCG (CCG)
  - Tameside Metropolitan Borough Council (TMBC)

## 2. FINANCIAL SUMMARY (REVENUE BUDGETS)

- 2.1 Overall the Council is facing a total forecast overspend of £1.579m for the year ending 31 March 2022. A substantial majority of this forecast relates to ongoing demand pressures in Children's Social Care.
- 2.2 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.
- 2.3 The CCG does not currently have H2 (October 2021 to March 2022) 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.
- 2.4 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.
- 2.5 Further detail on the financial position can be found in **Appendix 1**.

## 3. RECOMMENDATIONS

- 3.1 As stated on the front cover of the report.