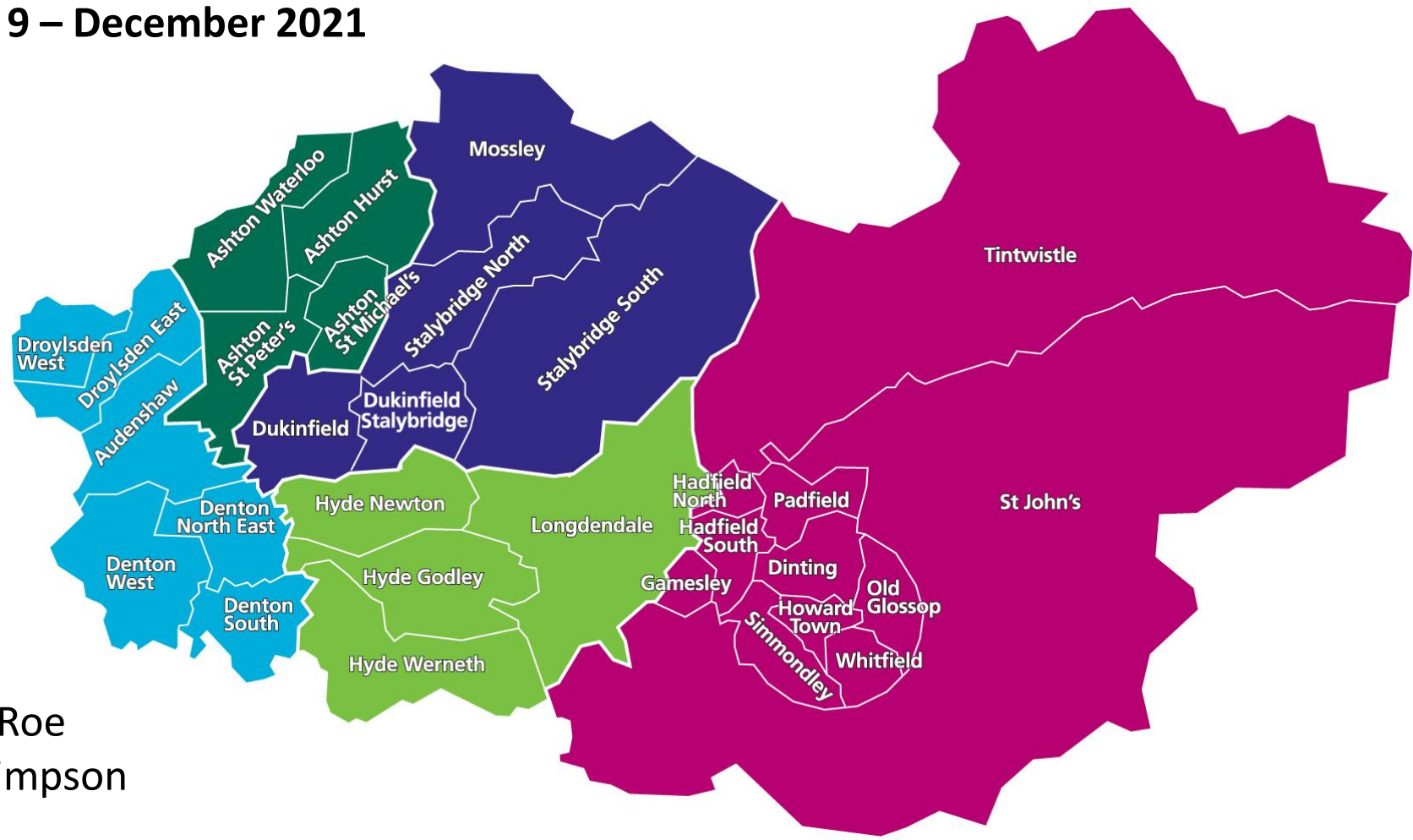


Tameside and Glossop Strategic Commission

Finance Update Report
Financial Year 2021-22
Month 9 – December 2021



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Period 9 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

Message from the DOFs:

At the end of quarter 3 we are still reporting a shortfall in CCG QIPP achievement, while we continue to experience significant pressures against Council budgets. Both positions have improved since last month, but there is still work to do in quarter 4 to balance the financial position on a non-recurrent, in-year basis. Ensuring that Tameside and Glossop plays its part in delivery of Greater Manchester system level control totals.

COVID continues to place a significant operational strain on the system. It is important to recognise that work to balance the 2021/22 financial position is being done against the backdrop of the new Omicron variant and the accelerated roll out of the vaccine programme.

Looking forward, the long term financial position within the locality remains a cause for concern as we contend with the aftermath of the pandemic at the same time as addressing an underlying financial deficit and implementing comprehensive organisation change across the NHS.

Draft operating guidance for the NHS was published at the end of December, which included a provisional financial envelope for the GM system. While this guidance has pushed back the formal establishment date for Integrated Care Boards, work continues to develop financial plans for 2022/23. We are working closely with colleagues from Derbyshire to ensure successful transition of services for Glossop registered patients into the Derbyshire ICB, without creating financial pressures on either side.

Work is ongoing to finalise the Council budget proposals for 2022/23, which will be considered by the Council's Executive Board, Cabinet and Full Council in February. The budget report will propose a balanced budget for 2022/23, subject to the delivery of identified savings on Council Budgets, and an increase in Council Tax. The provisional Local Government Finance Settlement in December 2021 has provided another one-year financial settlement for Local Government, including some increases in funding. Whilst the additional funding is welcome, growth in cost and demand pressures continues to exceed even these increased funding levels. As a result the budget can only be balanced with further savings and an increase in Council Tax.

TMBC Financial Position

£49k

Improvement in financial position since M8, as a result of reduced costs in Children's Social Care and other one off benefits.

Children's Social Care

(£4,533k)

Forecast overspend against full year budget. Though note this represents an improvement on the M8 position.

CCG QIPP

(£441k)

Post Optimism Bias shortfall against QIPP target. This represents a £9k improvement since last month.

ICFT Forecast Position

£0k

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

Forecast Position £000's	YTD Position			Forecast Position			Variance	
	Budget	Forecast	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month
CCG Expenditure	333,708	334,522	(814)	453,533	457,464	(3,931)	(3,553)	(378)
TMBC Expenditure	147,768	134,402	13,367	194,494	195,653	(1,159)	(1,207)	49
Integrated Commissioning Fund	481,477	468,924	12,553	648,027	653,116	(5,090)	(4,761)	(329)

Integrated Commissioning Fund Budgets

Forecast Position £000's	YTD Position (Net)			Forecast Position (Net)			Net Variance		Gross Position (full year)	
	Budget	Actual	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month	Expenditure Budget	Income Budget
Acute	172,722	172,332	390	229,955	229,464	491	343	148	229,955	0
Mental Health	33,462	33,166	296	44,759	44,600	159	49	110	44,759	0
Primary Care	69,448	69,903	(455)	95,903	97,289	(1,386)	(974)	(413)	95,903	0
Continuing Care	10,616	10,016	600	14,769	14,263	506	174	333	14,769	0
Community	28,463	29,241	(777)	38,262	39,931	(1,669)	(1,611)	(57)	38,262	0
Other CCG	15,820	16,764	(944)	25,328	26,919	(1,591)	(1,083)	(508)	25,328	0
CCG TEP Shortfall (QIPP)	0	0	0	0	441	(441)	(451)	9	0	0
CCG Running Costs	3,178	3,102	76	4,556	4,556	0	(0)	0	4,556	0
Adults	30,161	32,110	(1,949)	40,214	39,335	879	879	0	90,822	(50,608)
Children's Services - Social Care	39,348	43,156	(3,808)	53,510	58,043	(4,533)	(4,619)	86	65,395	(11,885)
Education	6,308	1,980	4,328	7,239	6,928	311	311	0	32,533	(25,294)
Individual Schools Budgets	3,970	(1,086)	5,056	0	0	0	0	0	124,550	(124,550)
Population Health	10,853	6,846	4,007	14,470	13,610	860	860	0	15,873	(1,403)
Place	46,263	49,147	(2,884)	61,581	61,900	(319)	(319)	0	124,215	(62,634)
Governance	8,662	9,787	(1,125)	9,083	9,607	(524)	(524)	0	71,470	(62,387)
Finance & IT	6,495	5,870	625	8,326	7,637	689	689	0	10,153	(1,827)
Quality and Safeguarding	109	4	105	142	142	(0)	(0)	0	383	(241)
Capital and Financing	(746)	(890)	143	4,775	4,327	448	448	0	8,964	(4,189)
Contingency	2,965	(1,836)	4,801	3,959	3,918	41	41	0	4,715	(756)
Contingency - COVID Costs	0	14,324	(14,324)	0	16,288	(16,288)	(16,229)	(59)	0	0
Corporate Costs	3,774	3,633	141	5,051	4,973	78	78	0	5,352	(301)
LA COVID-19 Grant Funding	(10,392)	(26,519)	16,127	(13,856)	(29,381)	15,525	15,503	22	(5,239)	(8,617)
Other COVID contributions	0	(2,124)	2,124	0	(1,676)	1,676	1,676	0	0	0
Integrated Commissioning Fund	481,477	468,924	12,553	648,027	653,116	(5,090)	(4,761)	(329)	1,002,718	(354,691)

Forecast Position £000's	YTD Position			Forecast Position			Variance		Gross Position (full year)	
	Budget	Forecast	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month	Expenditure Budget	Income Budget
CCG Expenditure	333,708	334,522	(814)	453,533	457,464	(3,931)	(3,553)	(378)	453,533	0
TMBC Expenditure	147,768	134,402	13,367	194,494	195,653	(1,159)	(1,207)	49	549,185	(354,691)
Integrated Commissioning Fund	481,477	468,924	12,553	648,027	653,116	(5,090)	(4,761)	(329)	1,002,718	(354,691)

A: Section 75 Services	260,076	259,066	1,011	353,279	355,507	(2,229)				
B: Aligned Services	166,839	151,827	15,012	221,333	224,172	(2,839)				
C: In Collaboration Services	54,562	58,031	(3,470)	73,415	73,437	(22)				
Integrated Commissioning Fund	481,477	468,924	12,553	648,027	653,116	(5,090)				

Integrated Commissioning Fund Key Messages

Clinical Assessment & Treatment Service (CATS)

A forecast underspend of £520k on CATS is driving the reported variance on Acute. Forecast spend for CATS is £140k lower in M9 than it was last month. As CATS sits outside of separate funding arrangements for the Elective Recovery Fund, any under or over spend directly impacts on the CCG bottom line.

H2 plans for CATS were based on pre-COVID activity from 2019/20. But activity in quarter 3 was significantly lower than expectation. This has been driven by a range of COVID related matters, compounded by staff shortages and difficulties with recruitment.

Based on discussions with the provider, we had hoped that activity would start to increase back towards pre-COVID levels in November and December. But we are not seeing this in practice, hence the movement in the position since last month.

We expect that activity will increase in Q4, which is reflected in our forecast. But potential risk of further underspend/slippage if this does not materialise. It is important to note that the current underspend reflects supply side constraints rather than reduced demand. Unfulfilled demand will carry forward into 2022/23, potentially creating pressures against future year budgets.

CCG Reported Position

The reported position at M9 shows a forecast overspend of (£3,931k), with a YTD variance of (£814k). With the exception of the QIPP shortfall, all of this is reimbursable, but in line with national reporting guidance needs to be shown as an overspend until appropriate allocation changes are transacted:

(£1,681k) Hospital Discharge Programme. In total we have spent £2,383k against the Hospital Discharge Programme in the first 9 months of the year. Claims of £1,551k relating to H1 have already been approved by NHSE. Total forecast spend for the full year is £3,232k, which is consistent with last month. After adjusting for claims which have already been reimbursed, we are reporting a total variance of £1,681k. We anticipate receipt of an allocation to match this variance, resulting in an effective breakeven position after reimbursement has been approved and transacted.

(£978k) GP Additional Roles & Responsibilities. £3.2m of ARRs funding has been made available by NHS England, against which our Primary Care Networks can claim in 2021/22. Based on current PCN forecasts, we anticipate claiming a total of £2,763k (86% of the maximum allowed). This is lower than reported last month because of slippage against PCN plans (particularly in Hyde and Ashton). CCG baseline allocations include £1,785k of ARRs funding and we are able to reclaim any spend in excess of this, hence the reported variance (i.e. ARRs is cost neutral to the CCG position).

(£831k) Primary Care Winter Access Fund. £250m of additional funding has been allocated nationally this year to help improve access to GP services and increase the number of patient appointments available over the winter. In T&G we anticipate total spend of £1,046k, all of which will ultimately be funded nationally. An allocation of £215k has already been received, meaning that we need to forecast an overspend of £831k at M9.

(£441k) QIPP Shortfall. We have reported to NHS England that QIPP will be achieved in full. However based on standard optimism bias rules we are currently projecting a shortfall in achievement. Work is underway to address this risk and identify schemes which will close the gap. The M9 position represents a £9k improvement against the reported position last month, and is explored in more detail in a report to Finance & QIPP Assurance Group.

Integrated Commissioning Fund Key Messages

Children's Social Care

Directorate forecast position is an over spend of **(£4,533k)**, a favourable decrease of £86k since period 8. The over spend is predominately due to the number and cost of external and internal placements. At the end of November the number of cared for children was 687 a decrease of 9 from the previous month.

The reduction in forecasts since period 8 is due to a favourable decrease in external placements of £86K. The main variances at Month 9 include:

- **£438k** - Forecast underspend on Interagency Adoption Fees. The underspend is largely due to an increased number of children that are able to be placed with adopters from the Regional Adoption Agency; therefore avoiding the need to pay interagency adoption fees.
- **£334k** - Overall forecast underspend on resources for children with disabilities; including personal care, homecare and community based short breaks. The forecast underspend is also partially due to additional continuing care funding.
- **(£3,901k)** - Forecast overspend on external residential placements due to the number of Cared for Children (CfC) and the cost of placements. 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.
- **(£1,539k)** - Forecast overspend on internal placements due to the number of Cared for Children (CfC) and payments for children that are no longer looked after (adoption allowances, SGOs).
- **(£84k)** - Forecast overspend on transport costs for children. There will be a review undertaken of the transport needs for each child currently in receipt of transport paid for by children's social care.

TMBC COVID expenditure and funding

Additional forecast costs of (£59k) relating to the support and administration of new grants and reliefs to support Businesses impacted by the Omicron variant. £22k of additional new burdens funding has been received to support COVID support administration costs. Further funding may be made available but no formal notification or allocation of funding yet received.

CCG Individualised Commissioning

Expenditure for Individualised Packages of Care is spread across multiple cost centres, but is concentrated in the Continuing Healthcare and Mental Health directorates.

The forecast underspend in these directorates (£506k and £159k respectively) is as a result of a lower number of these packages of care than expected.

Traditionally the number of CHC packages increases over the winter period and our budgets have been profiled to reflect these winter pressures.

However based on a snapshot of the live database on 4th January, we have not yet seen the same scale of increased demand as experienced in previous years.

Because of this, we have reduced the Individualised Commissioning forecast across CHC and MH by £400k at M9.

The position still includes some contingency, should demand start to peak in January and February or in the event of any particularly high cost packages.

Finance Summary Position – T&G ICFT

	Month 9			YTD		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Total Income	£24,413	£24,661	£248	£206,583	£209,310	£2,727
Employee Expenses	(£16,275)	(£16,031)	£244	(£141,462)	(£142,067)	(£605)
Non Pay Expenditure	(£6,327)	(£7,260)	(£933)	(£58,260)	(£61,367)	(£3,107)
Total Operating Expenditure (excl. COVID-19)	(£22,602)	(£23,291)	(£689)	(£199,722)	(£203,434)	(£3,712)
Income - COVID-19	£30	£37	£7	£90	£229	£139
Employee Expenses - COVID-19	(£739)	(£738)	£1	(£6,297)	(£6,161)	£136
Non Pay Expenditure - COVID-19	(£142)	(£123)	£19	(£1,638)	(£1,250)	£388
Total Operating Expenditure - COVID-19	(£851)	(£824)	£27	(£7,845)	(£7,182)	£663
Total Operating Expenditure	(£23,453)	(£24,115)	(£662)	(£207,567)	(£210,616)	(£3,049)
Net Surplus/ (Deficit) before exceptional Items	£960	£546	(£414)	(£984)	(£1,306)	(£322)
Trust Efficiency Programme	£463	£564	£101	£4,177	£4,161	(£16)
Capital Expenditure	(£155)	(£545)	(£390)	(£4,580)	(£3,104)	£1,476
Cash and Equivalents		£25,281				

Finance Summary Position – T&G ICFT

Trust Financial Summary – Month 9

The Trust H2 financial plan for H2 is breakeven, in line with national guidance. In month 9 the Trust reported an in month variance against plan of c.£414k adverse and a YTD position of c.£322k adverse.

The in month actual position is a reported surplus of c.£546k. This represents a favourable movement of c.£1.486m from the previous month, predominantly due to the planned receipt of funding. Total COVID expenditure incurred in month equated to c.£824k against planned spend of c.£851k and a total YTD spend of c£7.182m against a plan of c.£7.845m which represents an underspend of £663k. COVID spend remained broadly similar to the previous month, which is reflective of the continued influx of COVID positive in-patients during the month.

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 the completed Referral to Treatment pathways relative to 2019/20. The Trust continues to report good levels of performance against restoration targets. However, the Trust continues to experience significant pressures within Urgent Care, Non-elective and COVID positive admissions and as a result there has been a small reduction in the number of elective and day cases versus plan this month.

Efficiency target:

The Trust has set an efficiency target for H2 of 3% in 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. £564k in month 9 and c.£4.161m YTD which are predominantly through productivity improvements and income generation schemes.