Report To:	**STRATEGIC COMMISSIONING BOARD**
Date:	9 February 2022
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 DECEMBER 2021**
Report Summary:	This is the financial monitoring report for the 2021/22 financial year reflecting actual expenditure to 31 December 2021 (Month 9) and forecasts to 31 March 2022. The forecast outturn on Council Budgets has improved by 49k since Month 8, mainly due a reduction in external placement costs in Children's Social Care. There are some other smaller movements relating to Covid income and expenditure. The CCG 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.
Recommendations:	That Executive Cabinet be recommended to: (i) Note the forecast outturn position and associated risks for the 2021/22 revenue budgets as set out in **Appendix 1**. (ii) Approve the inclusion of £19.870m of Levelling Up Grant Funding in the Capital Programme, pending sign off of the Memorandum of Understanding with DLUHC (Section 3) and note that on-going performance updates and reporting will be provided to Strategic Planning and Capital Monitoring Panel.
Policy Implications:	Budget is allocated in accordance with Council/CCG Policy
Financial Implications: **(Authorised by the Section 151 Officer & Chief Finance Officer)**	This report provides the 2021/22 consolidated financial position statement at 31 December 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. 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.

CCG plans were approved by NHS England in mid November and allocations have now been transacted. As a result of this, full year budgets are now in place across the NHS and for the first time this year we are able to present full 12 month budget position.

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 Local Government Act 1972 (Sec 151) states that "*every local authority shall make arrangements for the proper administration of their financial affairs…*"

Revenue monitoring is an essential part of these arrangements to provide Members with the opportunity to understand and probe the council's financial position.

Members will note that the current outturn position is currently predicting an overspend. As the council has a legal duty to deliver a balanced budget by the end of the financial year Members need to be content that there is a robust plan in place to ensure that the council's final budget position will be balanced. Ultimately failure to deliver a balanced budget can result in intervention by the Secretary of State.

Details of the levelling up funding is contained in section 3 of this report and the acceptance of the funding together with associated terms and conditions will be subject to its own due diligence and decision making.

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. The total gross budget of the ICF is just over £1bn.

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 £1.159m 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 49k since Month 8, mainly due a reduction in external placement costs in Children's Social Care. There are some other smaller movements relating to Covid income and expenditure.

2.3 The CCG 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. This is made up as follows:
- **(£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. 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 (ARRs)**. £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.

2.4 Further detail on the financial position can be found in **Appendix 1.**

3. CAPITAL PROGRAMME – LEVELLING UP FUNDING

3.1 In November 2021, Executive Cabinet received a report on the Council's successful bid for Levelling Up Funding of £19.870m. Council officers met with officials from the Department for Levelling Up, Housing and Communities (DLUHC) on 21 December 2021 to discuss monitoring and delivery arrangements. A draft Memorandum of Understanding (MOU) to be agreed with DLUHC has been shared with the Council and will cover the terms and conditions for the LUF grant funding; the final MOU for Council sign off is anticipated in mid-February 2022.

3.2 There will be a grant determination offer letter sent to the Council every 6 months (in line with payment), where the Council to be required to confirm the capital funding spent. Additionally, there will be a requirement to submit a Programme Management Update as part of the 6 monthly reporting process signed by the Council's s.151 officer. It is currently estimated that expenditure of £0.2m will be incurred in 21/22 in relation to land acquisition of the former interchange site and project management costs (including public realm strategy).

3.3 It is proposed that the £19.870m is now added to the Council's Capital Programme, pending sign off of the Memorandum of Understanding with DLUHC.

4. RECOMMENDATIONS

4.1 As stated on the front cover of the report.