

Report To:	EXECUTIVE CABINET
Date:	27 April 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 28 FEBRUARY 2022
Report Summary:	<p>This is the financial monitoring report for the 2021/22 financial year reflecting actual expenditure to 28 February 2022 (Month 11) and forecasts to 31 March 2022.</p> <p>APPENDIX 1 summarises the integrated financial position. Overall the Strategic Commission is reporting a total forecast overspend of £2.907m for the year ending 31 March 2022. This includes a £2.285m reported deficit on CCG budgets which is expected to be offset with allocation adjustments before year end, resulting in a break even position for the CCG. There is a net forecast deficit of £0.622m on Council budgets but this includes £4.233m of ongoing demand pressures in Children’s Social Care, offset by non-recurrent additional funding streams for 2021/22 only.</p>
Recommendations:	Members 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: (Authorised by the Section 151 Officer & Chief Finance Officer)	<p>This report provides the 2021/22 consolidated financial position statement at 28 February 2022 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.</p> <p>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.</p> <p>With the outbreak of COVID-19 in 2020, 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.</p> <p>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. It should be noted that the Integrated Commissioning Fund (ICF) for the Strategic</p>

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 that the CCG will break even whilst there is a forecast net deficit of £0.622m on Council budgets

The council has a legal duty to deliver a balanced budget by the end of the financial year. Failure to deliver a balanced budget can result in intervention by the Secretary of State.

Members therefore need to be content that there are robust plans in place to ensure that there is a balanced budget by the end of the financial year.

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 gross revenue budget value of the ICF for 2021/22 is reported at £1.002 billion.
- 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 At M11 the CCG is reporting an overspend of £2.285m, all of which is reimbursable through national schemes, meaning that once M12 allocations have been transacted the position will be balanced on an in year, non recurrent basis. The same is true of the ICFT position where the trust is forecasting a breakeven position for 2021/22.
- 2.2 For the Council budgets an overspend of £0.622m is currently forecast. This represents an improvement of £0.079m compared to month 10 (made up of adverse movements in two areas, offset by the release of contingencies), but more work is still required to balance the position before year end.
- 2.3 The Council budget includes a small contingency, which is released throughout the year to offset expected pressures. A further £0.327m of contingency has been released at month 11, leaving an unallocated contingency budget of £0.100m, which will be released in Month 12 if not required.
- 2.4 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.
- 2.5 2022/23 financial plans for the Council have been agreed, while the new ICB is in the final stages of planning for health budgets. This will be discussed in more detail in the months to come, but significant work will be required in order to recurrently balance budgets across the system in 2022/23 and beyond.
- 2.6 Further detail on the financial position and key headlines can be found in **Appendix 1**.

3. RECOMMENDATIONS

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